

MINISTRY OF EDUCATION AND TRAINING  
**LAC HONG UNIVERSITY**



**LE THANH TIẾP**

**THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY  
AND EMPLOYEE COMMITMENT ON THE FIRM'S  
PERFORMANCE: CASE STUDY IN THE SOUTH OF VIETNAM**

*Major: Business Administration*

*Code: 9340101*

**DISSERTATION SUMMARY**

Dong Nai, 2018

**This Dissertation is implemented at Lac Hong University**

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## **CHAPTER 1: OVERVIEW OF THE DISSERTATION**

### **1.1 Reasons to selecting thesis topic**

We are living in the new era, the revolutionary epoch of 4.0. Every international trend tends to be important parts in human life. Besides, economic, cultural and trading communication activities among countries develop gradually, and competitions among enterprises in local and national regions are more and more harsh. Therefore, enterprises and organizations should research new methods to improve the sustainable competitive potentials that are different from competitors (Porter and Siggelkow, 2008). Previously, enterprises' strategies such as improving goods quality, variety of models, functions of services and products... enhance competitiveness. At the moment, to create outstanding brands in markets, enterprises use a solution that is building enterprises' culture, business ethics in order to have the most effective results for enterprises. And a new increasing trend in the world becoming a "soft" mandatory requirement for every enterprise in the integration procedure is the corporate social responsibility (CSR) (Tsai et al., 2012).

In practice, the implementation of CSR of Vietnamese entrepreneurs in the period of international economic integration are increasingly recognized by national enterprises and developing a sustainable economy focuses on activities to improve quality of human life which are also beneficial for enterprises as well as the general development of social community.

In Vietnam, researchers often use the concept of private economic development group of World Bank about CSR. Accordingly, the "Corporate social responsibility" of firms is their commitment to contribute to the sustainable economic development, through activities to enhance the quality of labor life and their family, community and society. As a result, those are also beneficial for enterprises as well as the general development of social community. (Nguyen Vu, 2012).

The concept of CSR in developed countries is a well-know one. When enterprises implement good CSR process, they will be issued an international certificate or applied Codes of Conduct (CoC). In the context of globalization,

consumers, investors, policymakers and non-governmental organizations are increasingly concerned about impacts of globalization on rights of employees, environment and community welfare. Non-CSR enterprise may not have opportunities to approach international markets (Gugler and Shi, 2009).

In fact, enterprises which perform good CSR process will gain benefits themselves. Those benefits include minimizing costs, increasing sales and brand values, decreasing the ratio of employee retrenchment, increasing productivity and having more chances to approach new markets (McDonald and Rundle-Thiele, 2008, Forte, 2013).

Organizational commitment is not only a psychological feeling for employees, but also an important factor affecting their work attitude (Mowday et al., 1982). Organizational commitment reflects relationships between employees and an organization and impacts on long-term organizational commitment (Meyer and Allen, 1997). Employees go to work because of their own needs, and the desire to cultivate skills and experiences. They hope that they could work in an environment where they could use their abilities to meet needs of their organizations. If an organization could create opportunities for its employees, the commitment between this organization and its employees will be increased (Vakola and Nikolaou, 2005). Engaging with the organization is a topic that has attracted attention from researcher around the world since the 1970s, and theoretical points related to this topic are still developed up to now. Those issues related to organizations are very important to organizational leaders (O'Reily and Tushman, 1997). One of the predominant reasons explained by researches about engaging with organizations is the main factor to determine employees' working attitude (Meyer et al., 2004; Meyer and Herscovitch, 2002; Mowday et al., 1979). Especially, with the increasing of speed and scale in the modification of organizations, administrators are unstoppable to find a way to enhance and strengthen relationships among employees, thereby increase the competitive advantage (Lok and Crawford, 2001). Schuster (1998) mentioned that "an era in which organizations facing with the importance should change complexly,

engaging with organizations will be considered as an extremely important value in order to adapt changeable requests”.

Currently, in the world as well as in Vietnam, the research on this issue is quite limited. Especially in Vietnam, CSR is only understood as charitable activity (Tran Anh Phuong, 2009), and researchers do not focus deeply on CSR types of enterprises impacting on other subjects. Therefore, in order for managers to properly evaluate and understand the impact and effectiveness of CSR and the employee commitment to the operation results of enterprises, the researcher has chosen to study the topic: "The Impact of Corporate social responsibility and Employee Commitment on Firm's performance: A Case Study of Southern Enterprises".

## **1.2 Research questions**

During the theoretical research, a number of studies have been conducted by the researcher to assess the impact of corporate social responsibility and employee commitment on firm's performance. However, there are few studies that examine the impact of corporate social responsibility and employee commitment on firm's performance. Therefore, the research questions in this topic are defined as follows:

The scale of corporate social responsibility, employee commitment and firm's performance?

The influence level of corporate social responsibility on employee commitment and the firm's performance; what is the impact of employee commitment on firm's performance?

What policy implications that are contributed to raise awareness of corporate social responsibility and employee commitment?

This research aims to present governance implications, help businesses understand the activities of each subject related to the corporate social responsibility, clarify and eliminate the misconception that corporate social responsibility is just about volunteering. The Corporate social responsibility must be directed to the government, stakeholders, employees and eventually consumers. Based on that, the business must have the policy for each object

that they are interested in order to fulfill the responsibility of corporate social responsibility in the business place in particular and the whole society in general. In addition, it also lessens the impact on employee commitment in the business. This helps the company have specific policies to increase levels of employee commitment to their organizations. The employee commitment is considered as factors related to the affective commitment, the continuance commitment and the normative commitment. Hence, the company will have a suitable policy on corporate social responsibility and employee commitment in their organizations.

### **1.3 Research objectives**

In this topic, the main research objective is to determine the impact of corporate social responsibility and employee commitment on firm's performance; corporate social responsibility affects employee commitment as a scientific basis to provide management implications for enterprises in the south. Based on the research questions presented above, the thesis is designed to fulfil the following specific objectives:

- Exploring the scale of corporate social responsibility, employee commitment and firm's performance;
- Determining the level of impact of corporate social responsibility and the staff commitment to the firm's performance;
- Providing policy implications for southern business executives in Vietnam to improve the ability to properly identify corporate social responsibility and employee commitment for more effective management.

### **1.4 Objects and scope of the research**

- Research objects: CSR, employee commitment and corporate social responsibility in Southern Vietnam.
- Surveying objects: managers at the middle levels in enterprises in the South, especially in Binh Duong, Long An and Ho Chi Minh City.
- The scope of research is enterprises in the South, which are 100% of capital owned by foreign investors and domestic private companies operating in such industries as: services, consumer goods, garment and industrial production.

This is also the field of development and attracts the public attention today. Selected companies have a geographic location and development conditions in different areas in order to comprehensively examine CSR factors and employee commitment.

- Research period and qualitative surveys will take place in 2016-2017.

## **1.5 Research methods**

### ***1.5.1 Qualitative method***

Identifying research objectives and reference materials related to assess CSR impact and employee commitment;

Determining the research model, making a preliminary questionnaire;

Conducting an expert interview to correct the scales and correct the questions so that surveyors can understand correctly;

Conducting the interview and analyzing survey results;

Modifying to form a formal questionnaire and conducting a formal survey.

### ***1.5.2 Quantitative method***

The study was conducted through interviewing by surveys. The questionnaire was distributed to 1,000 votes for 100% foreign owned enterprises and domestic private enterprises in the South.

After assessing the scale by using Cronbach's Alpha coefficient and EFA factor analysis, the CFA analysis was used to test the model.

## **1.6 The scientific and practical significance of the thesis**

### **Scientific factor**

The study shows that measure theories of CSR factors and employee commitment on the firm's performance distribute to the scale development and impact research model of CSR and employee commitment in the context of Vietnam, especially in the context of international economic integration.

### **Practical factor**

The research results will be the basis for completing the theory as the basis for further validation of these theories in practice of Vietnamese enterprises. This will help companies understand and identify CSR factors, the employee commitment to the organization and its impact on corporate social

responsibility, followed by the appropriate policies to improve CSR factors, employee commitment to the organization, and plan strategy stages to have a sustainable development in the future.

This research is also a reference for researchers, managers in organizations and subsequent studies related to CSR factors and employee commitment.

### **1.7 Dissertation structure**

Apart from Conclusion, References and Abbreviated Lists, List of Tables, List of Figures, the main contents of the thesis include 5 chapters as follows:

**Chapter 1:** Overview of the research

**Chapter 2:** Theoretical basis and research model

**Chapter 3:** Research design

**Chapter 4:** Research results and discussion

**Chapter 5:** Conclusions and administrative implications

#### **Summary of Chapter 1**

Chapter 1 presents an overview of reasons for selecting the topic and the objectives of this study that are the impact of CSR factors and employee commitment to the firm's performance of enterprises in the South of Vietnam, especially in Long An, Binh Duong and Ho Chi Minh City. The study was conducted by qualitative and quantitative method. It is the premise for theoretical research in Chapter 2



## CHAPTER 2

### THEORETICAL BASIS AND RESEARCH MODEL

#### 2.1 Overview of the corporate social responsibility of enterprises

##### *2.1.1 Concept of the corporate social responsibility*

Corporate social responsibility (CSR) is a concept developed after the business ethics; CSR is gaining much attention in the current period. There are different definitions of CSR. According to Mohr et al. (2001), CSR is a minimization or elimination of societal dangers as well as maximization of long-term effects.

The concept of CSR according to Beyer (1972) and Drucker (1974) is that enterprises should do social activities to create community benefits. Because enterprises earn profits from the community and reduce natural resources of society. Therefore, they are responsible to improve the environment and other resources, as well as to enhance the standard of living for the whole society."

Dahlsrud (2006) defined the concept of corporate social responsibility that was "a description of the phenomena in which enterprises achieved both economic and legal goals with social and environmental objectives. The author argues that due to the business environment today, increasing levels of globalization, new stakeholders, legal environment among different countries, therefore, the expectation of corporate social responsibility will be different. However, in general, the most important issue is the balance among economy and the rule of law and the impact on the environment. "

Duygu Turker (2008) identifies CSR as positive activities of the enterprises to the stakeholders. These activities may include activities to improve product quality, pay attention to employees, improve the quality of life, comply with the law, or help the government deal with social problems.

- **Components of Corporate social responsibility**

Similar to the definition of corporate social responsibility, opinions on the components of corporate social responsibility are also plentiful; each school, each author has different opinions of components of Corporate social responsibility. Typically, opinions are as follows:

Salmones GM D (2005) argues that CSR is expressed in three components: economic responsibility, legal responsibility - ethics (stipulated to business ethics and law), responsibility for volunteering (improving the environment, organizing social events, and contributing part of the budget for improving social security)."

Mohr and Webb (2005) argue that CSR consists of two components that are environmental responsibilities (minimizing the impact of the business on the environment, using recyclable, environmentally friendly materials, organizing programs related to save water and energy) and volunteer responsibilities (regularly donating to charity, having programs for charitable employees, and donating some of the products to the charity for people who have difficulties in finance)."

Becker Olsen et al. (2006) defines that the corporate social responsibility is characterized by: brand awareness (through product quality, customer trust, brand trust), public authority (a good business with strong value systems, actions for community, community responsibility), company motivation (support for problem solving to attract customers, support for community benefit), enterprise prestige (a trustworthy, responsible, creative and strong finance company).

And with a number of studies with different research environments, different objects and areas of activity that are not very similar, there are many opinions that are in consist in the composition of CSR, however, according to the pyramid model of Carroll (1991), the author defines that CSR is explained by four components:

(1) Economic responsibility: it means that an enterprise is responsible to make a profit; provide employment; and produce products/ services that customers require.

(2) Legal responsibility: it means that an enterprise is responsible to comply with local, national, international laws and regulations during the firm's performance.

(3) Ethical responsibility: it means that an enterprise needs to meet other social norms which do not mention in Laws. Especially, responsibilities meet norms of related to objects including customers, staffs, shareholders, community.

(4) Philanthropic responsibility: it means that an enterprise meets social norms; the enterprise should be a good corporate citizen.

Although the current model of Corporate social responsibility is broadened by many researchers, such as Wagner et al. (2008), Singh and Bosque (2008), Turker (2009), Brunk (2010), Becker Olsen et al. (2011), Perez and Bosque (2013). The model of Carrol (1991), however, is still accepted by most researchers and scholars. The compositions of the thesis are also inherited from Carroll's (1991) theory. In this research thesis, the author inherited components of the corporate social responsibility according to Turker's study (2009).

### ***2.1.2 Benefits from implementing the Corporate social responsibility of enterprises***

The benefits from implementing the corporate social responsibility are numerous. This is to help improving business productivity and labor relations, reduce the number of good employees to quit, improve employee loyalty, build credibility and enhance competitiveness. In addition, they have opportunities to access many new markets as well as to dominate the call for investment (especially foreign investment capital) and sustainable business development.

In addition, implementing corporate social responsibility also offers advantages such as enhancing the image and reputation of the business for partners (investors, suppliers, customers...).

More and more evidence shows that implementing corporate social responsibility strategies helps enterprises improve their competitiveness (Mandl, 2009). Practices in countries show that implementing corporate social responsibility impacts on ELC in many ways: improving production processes and / or product improvements, customer satisfaction and loyalty. They will result the higher motivation, the higher employee motivation and commitment, the better corporation image and cost savings and increasing profit margins for better use of resources (Mandl, 2009; Leonardi, 2011).

### ***2.1.3 Approaches to Corporate social responsibility***

- The “Pyramid” approach of A. Carroll (1999)
- Approach with stakeholders
- Approach to value chains

### ***2.1.4 Theoretical perspectives of Corporate social responsibility***

2.1.4.1 Shareholder Theory

2.1.4.2 Agency Theory

2.1.4.3 Stakeholder Theory

2.1.4.4 Legitimacy Theory

## **2.2 Employee commitment**

### ***2.2.1 Concept of employee commitment***

The definition of employee commitment now has many different perspectives, with different contexts of researches, different fields of opinions. The following are some typical opinions on employee commitment to the organization that the author has researched:

Organizational commitment is "the relative strength of a strong commitment and the fullness of an individual's mind into a particular organization" (Mowday et al., 1979). Accordingly, "commitment consists of consistency, effort and loyalty. This concept mentions about a positive relationship with the organization that makes employees willing to contribute to the success and growth of the organization."

According to O'Reilly and Chatman (1986), "commitment to an organization is defined as the psychological state of a member of the organization, reflecting the degree to which an individual accepts characteristics of the organization".

Kalleberg et al. (1996) argues that "commitment to an organization is defined as the willingness to devote employees' efforts to an organization, a close relationship with the organization, and it seeks to maintain a relationship with the organization."

According to Meyer & Allen (1991), "commitment to the organization is a psychological commitment to the organization." According to Alimohamaddi &

Neyshabor (2013), "the definition of Meyer and Allen (1991) has been applied extensively in studies of employee commitment with organizations, such as Alimohamaddi & Neyshabor (2013), Botterweck Mi. (2007)."

Meyer and Allen (1991) identify that "when employees have the affective commitment with the organization, they will often stay with the organization because they want to do so. Employees who think about their benefits from the organization will stay with the organization because they need it and employees who are committed with the company because of responsibilities will still work at the organization because they feel they have to do so. "

### ***2.2.2 The role of employee commitment in the organization***

Commitment has a tremendous value in the organization. In this study, the author emphasized that commitment has a strong impact on the performance and success of an organization. Because highly committed staff will identify the goals and values of the organization, they have a strong desire to be committed to the organization and to be ready to accomplish tasks that exceed the requirements of the superiors. If human resources are considered as organizational assets, the human resource, that is committed, is considered to be the competitive advantage of that organization (Ranya N, 2009).

The stable and professional staff will always attract more investors; the benefits of enterprises will increase.

In addition, Bozlagan et al. (2010) have pointed out "the important roles of commitment: enhancing employee satisfaction in the organization, improving organizational climate positively, increasing the income of employees; Keeping staff stay with the organization, promoting team spirit in the organization, increasing employee productivity, improving employee confidence in the organization, helping the organization to respond situations flexibly, contributing the development of enterprises..."

### ***2.2.3 Development of employee commitment research***

Nowadays in the world, there are many scholars who have studied the concept of commitment such as Mowday et al. (1979), Meyer and Allen (1990); Charles O. and Jennifer C. (1986). This is really a challenging concept and is

being studied in almost all areas such as management, organizational behavior, etc. (Dixit V. And Bhati M., 2012). The concept of organizational commitment derives from an article called "The Organization Man" by Whyte in 1956 (Dixit V. and Bhati M., 2012). Until 1970, the subject became popular and was studied by many scholars (Bozlagan et al. 2010).

#### ***2.2.4 Measuring the organizational commitment***

Because there is a difference in the concept expression of organizational commitment, the concept measurement of organizational commitment differs.

According to Allen and Meyer (2004), organizational commitment is a second-order concept measured by three components: The Affective Commitment Scale (Affective); The Normative Commitment Scale (Normative); The Continuance Commitment Scale (Continuance). In which:

- The Affective Commitment Scale - ACS: it is the commitment feeling, the desire to be committed in the organization. In other words, it is the desire to be a member of the organization.

- The Continuance Commitment Scale - CCS: it is willing to work hard; employees will feel loss when leaving the organization.

- The Normative Commitment Scale - NCS: Feelings are as compulsory and obliged to commit with the organization. It means that enterprises need to create the effective commitment of their employees in order to ensure to have employee commitment.

However, Allen and Meyer (2004) acknowledge that the Affective Commitment Scale (ACS) is popular, appreciated and used in many studies of organizational commitment. This is also the scale used by McKinnon et al (2003) in the study of the relationship between organizational culture; commitment and job satisfaction of employees in Taiwan (published in the International Journal of Business Studies). Thus, as well as many other studies such as the study by Michelle Botterweck (2007); Truong Lam Thi Cam Thuy (2014); Nguyen Thi Phuong Dung et al. (2012), etc., this study proposes the use of the Affective

Commitment Scale (ACS) to measure organizational culture. That is, the organizational commitment in this study is a first-order concept.

### ***2.2.5 The relationship of corporate social responsibility with organizational commitment***

In the study of the relationship between CSR and organizational commitment of Turker (2008), the author researches and examines the impact of Corporate social responsibility on employees in two specific areas: Potential, after analyzing through previous researches, the author suggests that CSR creates good reputation for enterprises, thereby increasing the attractiveness to attract applicants to this organization. In the second aspect, for the current staff, the author has listed previous studies, especially the study by Maignan et al. (1999), that the enterprises that are active in CSR combining with the improvement of employee commitment and loyalty as well as firm's performance.

## **2.3 Identifying the organization and enterprise performance**

### ***2.3.1 Concepts of organizational identification***

Organizational identification extends to what members perceive, feel and think about their organization. It is assumed to be a collective understanding, sharing common values and characteristics of the organization. Albert and Whetten (1985) provide an influential definition of organizational identification as central, persistence, and especially characteristic of an organization.

Company identification differs from organizational identification to the extent that it is conceptualized as a function of leadership and focuses on images (Abratt, 1989, Balmer, 1995, Olins, 1989). Although both concepts are based on organizational ideas (Balmer, 1995, page 25), close relationships with the company's vision and strategy (eg Abratt, 1989; Dowling, 1994) emphasize a clearly role of the senior management in building the enterprise identification.

The definition of organizational identification emphasizes the image of management process (Abratt & Shee, 1989). This creates a close relationship between the image of the enterprise and the identification of the organization through the awareness of its members.

### ***2.3.2 Concepts of enterprise performance***

According to Torelli (Carlos J. et al., 2011), "Enterprise performance and performance measurement are becoming more and more important for businesses."

In conclusion, enterprise performance is a measure of the process by which a company's goals are met over a period of time by financial and non-financial criteria. This helps the company to have more information to achieve its governance goals.

## **2.4 Overview of cited researches**

### ***2.4.1 Overview of foreign researches***

### ***2.4.2 Overview of domestic researches***

### ***2.4.3 General assessment of previous researches***

An overview of the situation in the world shows that the empirical studies on the application of strategic CSR to enterprises are quite diversified. These studies are mainly about the impact of CSR on enterprises focusing on the interaction with business activities in the context of building and maintaining sustainable competitive advantage of enterprises. However, the main evidence comes from developed countries; studies in developing countries are still very limited.

## **2.5 Research hypothesis and model**

Based on the research overview presented in the previous sections, the author proposes a research model that examines and assesses the impact of CSR and employee commitment on firm's performance. In which:

- The CSR components include: Corporate social responsibility for stakeholders about society and non-society, corporate social responsibility for employees, corporate social responsibility for clients and corporate social responsibility for the government.
- Components of employee commitment include: The Affective Commitment Scale (Affective); The Continuance Commitment Scale (Continuance); The Normative Commitment Scale (Normative)



### **2.5.1 Research hypothesis**

- *Hypothesis No. H1: Corporate social responsibility for government has a positive impact on corporate social responsibility of enterprises.*
- *Hypothesis No. H2: Corporate social responsibility for stakeholders has a positive impact on corporate social responsibility of enterprises.*
- *Hypothesis No. H3: Corporate social responsibility for employees has a positive impact on corporate social responsibility of enterprises.*
- *Hypothesis No. H4: Corporate social responsibility for customers has a positive impact on corporate social responsibility of enterprises.*
- *Hypothesis No. H5: The Affective Commitment Scale has a positive effect on the employee commitment in the business.*
- *Hypothesis No. H6: The Continuance Commitment Scale has a positive impact on the employee commitment in the business.*
- *Hypothesis No. H7: The Normative Commitment Scale has a positive effect on the employee commitment in the business.*
- *Hypothesis No. H8: Corporate social responsibility has a positive impact on employee commitment.*
- *Hypothesis No. H9: Corporate social responsibility has a positive impact on organizational identification.*
- *Hypothesis No. H10: Employee commitment in the enterprise has a positive impact on organizational identification.*
- *Hypothesis No. H11: Corporate social responsibility has a positive impact on firm's performance.*
- *Hypothesis No. H12: Employee commitment in the enterprise has a positive impact on firm's performance.*
- *Hypothesis No. H13: Organizational identification has a positive impact on firm's performance.*

### 2.5.2 Proposal research model

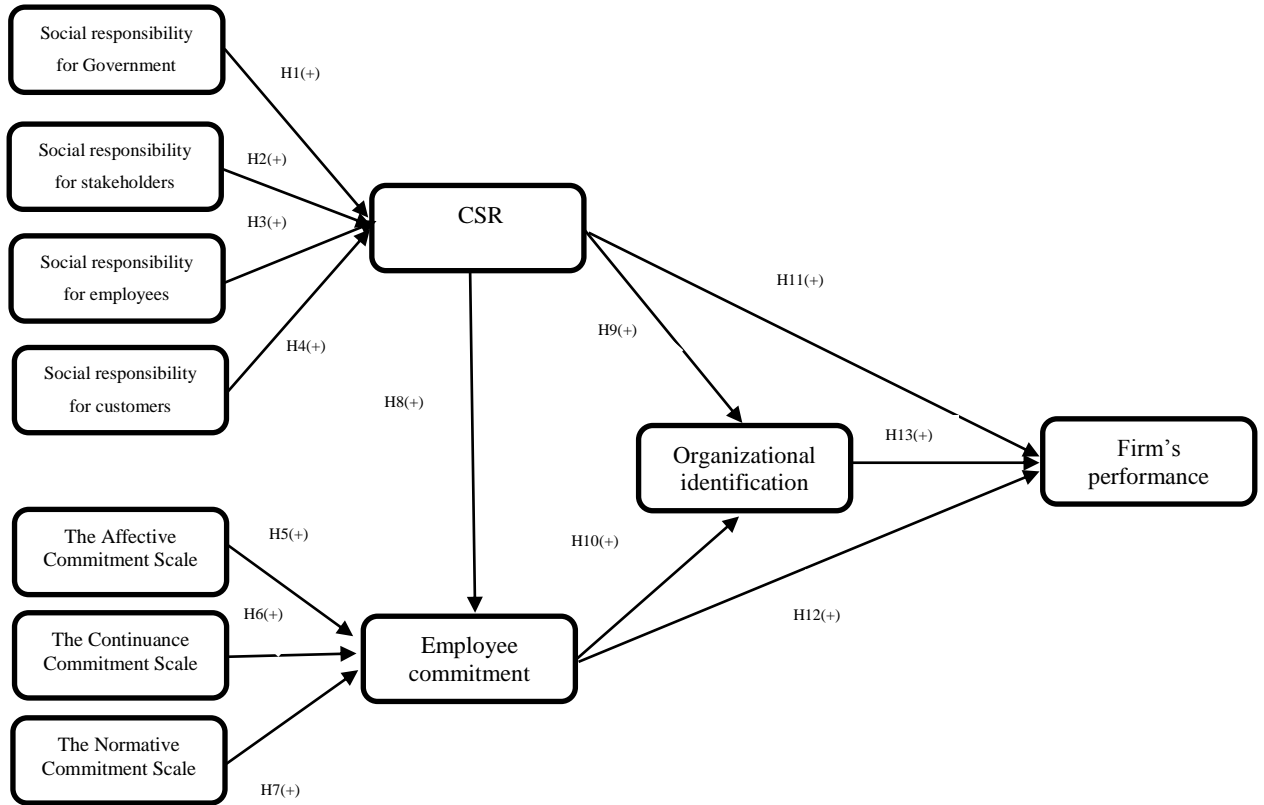


Figure 2.3 Research model

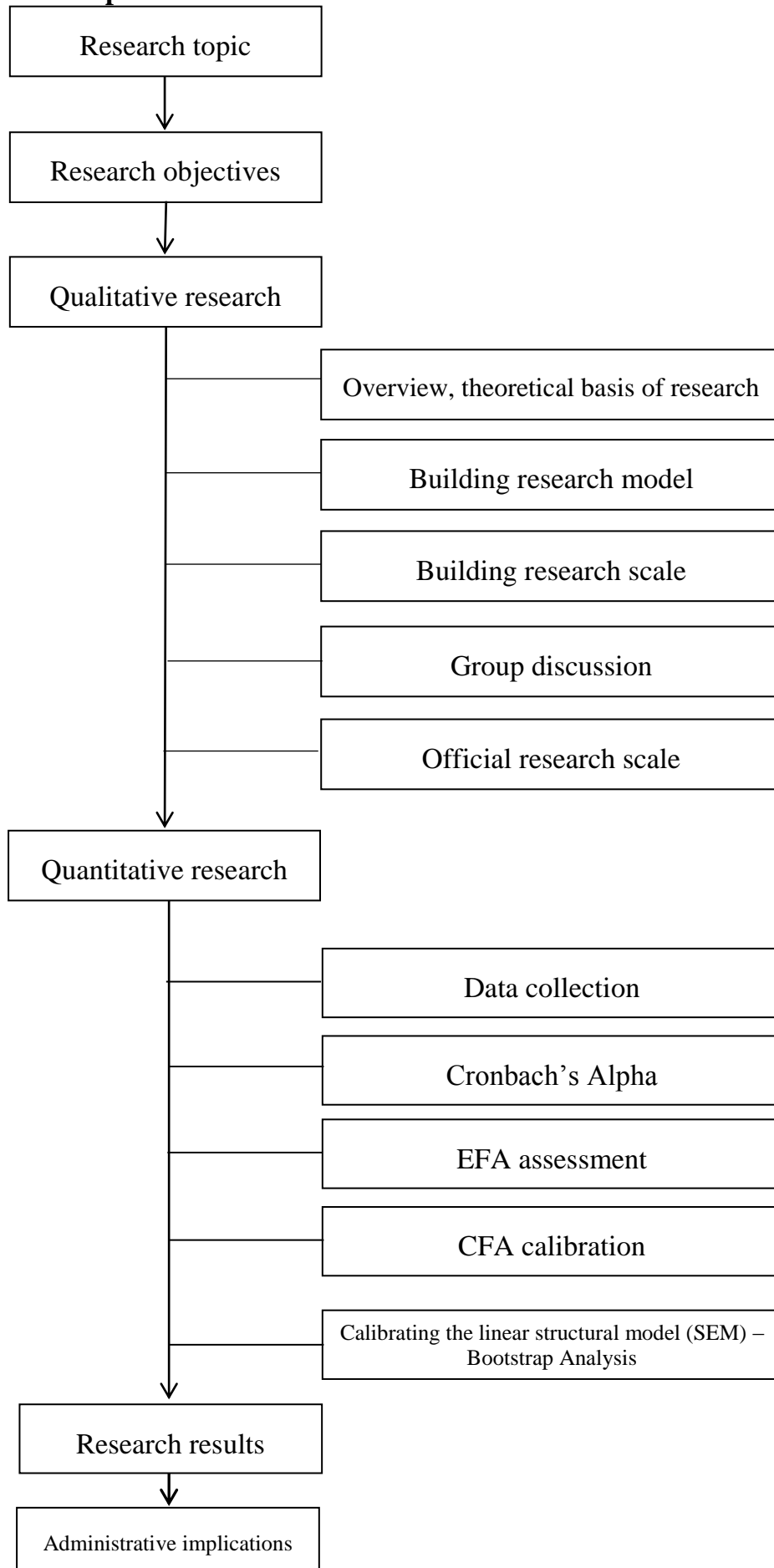
*Source: Proposed by the author*

## Summary of Chapter 2

Chapter 2 presents the theoretical background related to CSR, employee commitment, organizational identification and firm's performance. Besides, the author also analyzes and assesses previous researches to propose suitable research models.

## CHAPTER 3: RESEARCH DESIGN

### 3.1 Research procedure



## **3.2 Research design**

### ***3.2.1 Qualitative research design***

Qualitative research was conducted through interviews with managers in enterprises. The purposes of interviews with managers are:

- Discovering CSR factors and employee commitment impacting on firm's performance.
- Confirming CSR factors and employee commitment impact on firm's performance.
- Developing a scale of research concepts (CSR factors and impact of employee commitment and firm's performance) on the basis of draft scale summarized from previous studies.

The interview method is under the control of the author, each respondent will express his or her opinions on the contents prepared in advance, in which the author will ask questions or hypotheses which managers of enterprises expressed their opinions about CSR factors and the impact of employee commitment and firm's performance, each individual expressed their own opinions.

### ***3.2.2 Quantitative research***

#### **3.2.2.1 Formal research design**

This study was conducted in enterprises in the South of Vietnam. The thesis will study on two types of enterprises: 100% foreign owned enterprises and domestic private enterprises. These are two types of large enterprises in the South. In addition, the author wants to clarify the difference in terms of corporate social responsibility, employee commitment and the two types of firm's performance.

These are typical companies that have operated and contributed to the community, operating in such sectors as: services, consumer goods, garment, and industrial production. There are also developed fields which attract public attention today. Selected companies have geographic location and development conditions in various fields, in order to comprehensively examine CSR factors and employee commitment to firm's performance.

### 3.2.2.2 Collecting research sample data

Sample data was collected by interviewing staff using a detailed questionnaire. Questionnaires were sent directly to employees working in Long An, Binh Duong and Ho Chi Minh City by question papers.

The results of the survey, after filtering (eliminating questionnaires with multiple missing information, or evaluating the same score, or having a basis for identifying unreliably) were entered into the data matrix on AMOS software.

### 3.2.2.3 Data analysis methods

- a. Preliminary evaluation of scale
- b. Analysis of EFA factor
- c. Analysis of CFA factor
- d. Analysis of linear structure (SEM)
- e. Bootstrap verification

## 3.3 Results of qualitative research and research scale

The members of the discussion group agreed:

- Affirmation of the influence of CSR factors and the impact of employee commitment and the firm's performance proposed by the author in chapter 2, are important factors impacting on the enterprise's business model, the intermediary role of organizational identification in enterprises.

+ CSR factors include: (1) Corporate social responsibility for stakeholders; (2) Corporate social responsibility for the government; (3) Corporate social responsibility for employees; (4) Corporate social responsibility for customers.

Factors associated with the organization include: (1) The Affective Commitment; (2) The Continuance Commitment; (3) The Normative Commitment.

## Summary of Chapter 3

Chapter 3 presents the process of research applied in the thesis. In this study, the author will conduct a survey of 1000 employees in the southern enterprises to create the premise for analysis in Chapter 4.

## **CHAPTER 4: RESEARCH RESULTS AND DISCUSSION**

### **4.1 Research description**

The study conducted a 1000-sample survey through direct interviewing to employees and managers, including 500 employees working in 100% foreign owned enterprises and 500 employees working at private domestic enterprises. The sample structure in this study was conducted by surveying in each enterprise from 20 to 50 subjects including: managers and employees working in enterprises with experience of five years or more. Especially, respondents who are selected should be individuals who have knowledgeable and experienced background in their firm's performance.

The result of the questionnaire survey was 980. After the examination, 24 votes which did not meet the requirements should be rejected (due to uncompleted information). Thus, the total number of survey results that was analyzed and processed was 956 samples with complete answers.

### **4.2 Cronbach's Alpha Calibration**

Before analyzing the discovering factor, research data was calibrated by using Cronbach's Alpha SPSS software in order to test the reliability of the CSR scale, employee commitment, organizational identification and the firm's performance.

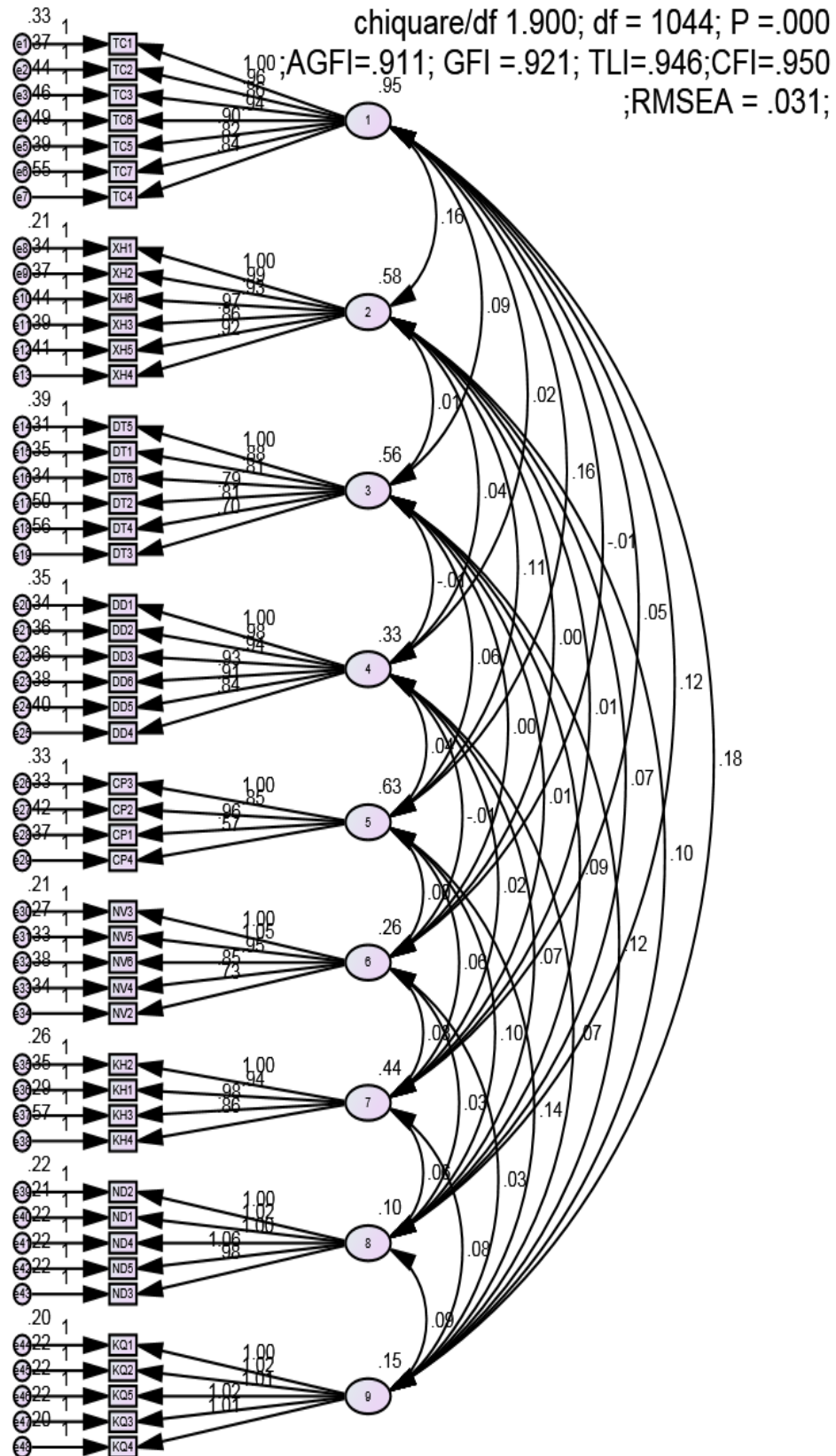
- 4.2.1 Scale of Corporate social responsibility for stakeholders
- 4.2.2 Scale of Corporate social responsibility for government
- 4.2.3 Scale of Corporate social responsibility for employees
- 4.2.4 Scale of Corporate social responsibility for customers
- 4.2.5 The Affective Commitment Scale
- 4.2.6 The Continuance Commitment Scale
- 4.2.7 The Normative Commitment Scale
- 4.2.8 Scale of organizational identification
- 4.2.9 Scale of firm's performance

### **4.3 Analysis of EFA factor**

- 4.3.1 Analysis results of EFA factor
- 4.3.2 Determination of calibration model

#### **4.4 Analysis of CFA factor**

Results of CFA at Figure 4.2, the model has 1044 free stages, Chi-square/df = 1,900 ( $p=0,000$ ). GFI = 0,921 > 0,9; TLI = 0,946 > 0,9; CFI = 0,950 > 0.9 and RMSEA = 0,031 < 0,08 show the suitability of the model with market data.





## 4.5 Model theoretical calibration

### 4.5.1 Hypothesis calibration of linear structural model (SEM)

The model has 1141 free stages,  $p = 0,000$ , Chi-square/df = 1,986 < 3, GFI = 0,914 > 0,9; TLI = 0,947 > 0,9; CFI = 0,951 > 0,9 and RMSEA = 0,032 < 0,08 show the suitability of the model with market data.

The results of theoretical model in SEM show that Hypothesis No. H1, H2, H3, H4, H5, H6, H7, H8, H9, H10, H11, H12, H13 were accepted with the reliability of 95%.

### 4.5.2 Bootstrap analysis

Bootstrap analysis is a set of analytical techniques based on resampling principles to estimate parameters that traditional statistical methods do not explain. In this study, the authors used the Bootstrap method with a number of repeating samples of  $N = 1000$ .

Estimated results from 1000 samples are averaged with deviation. Absolute value of critical value (CR) is almost less than 3, so we can say that the deviation is very small, and there is no analysis meaning at the reliability of 95. Thus, we can conclude that the factors in the model can be trusted.

In other words, all hypotheses in the model are accepted with existing data as follows:

- H1: Corporate social responsibility for government has a positive impact on Corporate social responsibility ( $\beta = 0.241$ ; S.E. = 0.008, C.R = 30,799;  $p = 0.000$ )

- H2: Corporate social responsibility for stakeholders has a positive impact on Corporate social responsibility ( $\beta = 0.252$ , S.E. = 0.007, C.R = 34,089,  $p = 0.000$ )

- H3: Corporate social responsibility for employees has a positive impact on Corporate social responsibility ( $\beta = 0.223$ , S.E. = 0.011, C.R = 20.589,  $p = 0.000$ )

- H4: Corporate social responsibility for customers has a positive impact on Corporate social responsibility ( $\beta = 0.291$ , S.E. = 0.010, C.R = 27,827,  $p = 0.000$ )

- H5: The Affective Commitment Scale has a positive impact on employee commitment in the enterprise ( $\beta = 0.057$ ; S.E. = 0.007, C.R = 7.645;  $p = 0.000$ )
- H6: The Continuance Commitment Scale has a positive effect on employee commitment ( $\beta = 0.321$ , S.E. = 0.013, C.R = 24.530,  $p = 0.000$ )
- H7: The Normative Commitment Scale has a positive effect on employee commitment in the enterprise ( $\beta = 0.367$ , S.E. = 0.018, C.R = 20.040,  $p = 0.000$ )
- H8: Corporate social responsibility has a positive impact on employee commitment ( $\beta = 0.199$ , S.E. = 0.020, C.R = 10,216,  $p = 0.000$ )
- H9: Corporate social responsibility has a positive impact on organizational identification ( $\beta = 0.315$ , S.E. = 0.033, C.R = 9.630,  $p = 0.000$ )
- H10: Employee commitment in enterprises has a positive impact on organizational identification ( $\beta = 0.480$ , S.E. = 0.038, C.R = 12,772,  $p = 0.000$ )
- H11: Corporate social responsibility has a positive impact on firm's performance ( $\beta = 0.349$ , S.E. = 0.040, C.R = 8.785,  $p = 0.000$ )
- H12: Employee commitment in enterprises has a positive impact on firm's performance ( $\beta = 0.509$ , S.E. = 0.052, C.R = 9,740,  $p = 0.000$ )
- H13: Organizational identification has a positive impact on firm's performance ( $\beta = 0.199$ , S.E. = 0.073, C.R = 2.717,  $p = 0.007$ )

## **4.6 Discussion about research results**

- 4.6.1 Discussion about Corporate social responsibility
- 4.6.2 Discussion about the commitment factor
- 4.6.3 Discussion about organizational identification
- 4.6.4 Discussion about firm's performance

## CHAPTER 5: CONCLUSION AND ADMINISTRATIVE IMPLICATIONS

### 5.1 Conclusions

Research on the influence of CSR factors and employee commitment to firm's performance through intermediary variables is the organizational identification. Research results show that CSR components and employee commitment both affect organizational identification and firm's performance. In particular, "organizational identification" is the intermediate variable that impacts on the firm's performance model. This is the new point of the thesis in the research; the factor of "organizational identification" is the factor impacting on the results of business activities.

In addition, all hypotheses in the model are accepted with existing data as follows:

- H1: Corporate social responsibility for government has a positive impact on Corporate social responsibility ( $\beta = 0.241$ ; S.E. = 0.008, C.R = 30,799;  $p = 0.000$ )
- H2: Corporate social responsibility for stakeholders has a positive impact on Corporate social responsibility ( $\beta = 0.252$ , S.E. = 0.007, C.R = 34,089,  $p = 0.000$ )
- H3: Corporate social responsibility for employees has a positive impact on Corporate social responsibility ( $\beta = 0.223$ , S.E. = 0.011, C.R = 20.589,  $p = 0.000$ )
- H4: Corporate social responsibility for customers has a positive impact on Corporate social responsibility ( $\beta = 0.291$ , S.E. = 0.010, C.R = 27,827,  $p = 0.000$ )
- H5: The Affective Commitment Scale has a positive impact on employee commitment in the enterprise ( $\beta = 0.057$ ; S.E. = 0.007, C.R = 7.645;  $p = 0.000$ )
- H6: The Continuance Commitment Scale has a positive effect on employee commitment ( $\beta = 0.321$ , S.E. = 0.013, C.R = 24.530,  $p = 0.000$ )
- H7: The Normative Commitment Scale has a positive effect on employee commitment in the enterprise ( $\beta = 0.367$ , S.E. = 0.018, C.R = 20.040,  $p = 0.000$ )

- H8: Corporate social responsibility has a positive impact on employee commitment ( $\beta = 0.199$ , S.E. = 0.020, C.R = 10,216,  $p = 0.000$ )
- H9: Corporate social responsibility has a positive impact on organizational identification ( $\beta = 0.315$ , S.E. = 0.033, C.R = 9.630,  $p = 0.000$ )
- H10: Employee commitment in enterprises has a positive impact on organizational identification ( $\beta = 0.480$ , S.E. = 0.038, C.R = 12,772,  $p = 0.000$ )
- H11: Corporate social responsibility has a positive impact on firm's performance ( $\beta = 0.349$ , S.E. = 0.040, C.R = 8.785,  $p = 0.000$ )
- H12: Employee commitment in enterprises has a positive impact on firm's performance ( $\beta = 0.509$ , S.E. = 0.052, C.R = 9,740,  $p = 0.000$ )
- H13: Organizational identification has a positive impact on firm's performance ( $\beta = 0.199$ , S.E. = 0.073, C.R = 2.717,  $p = 0.007$ )

From the above results, this study has meanings of:

In terms of research methodology: Based on previous studies and the practical characteristics in South Vietnamese enterprises, research has contributed to the development of an appropriate scale measuring system of the Corporate social responsibility and the employee commitment to firm's performance under the influence of intermediary is the organizational identification.

In practical terms, the study helps managers of enterprises in the South Vietnam to have better understand about the positive impact of CSR activities, organizational commitment to firm's performance. It suggests some specific measures in the management process to enhance the results and performance of enterprises through CSR and employee commitment.

## **5.2 Administrative implications**

### ***5.2.1 Implication of Corporate social responsibility of enterprises***

#### **5.2.1.1 For enterprises**

- Implications of Corporate social responsibility of enterprises for customers;
- Implications of Corporate social responsibility of enterprises for government;

- Implications of Corporate social responsibility of enterprises for employees;
- Implications of Corporate social responsibility of enterprises for stakeholders.

#### 5.2.1.2 For the Government

#### ***5.2.2 Implications of commitment***

#### ***5.2.3 Implications of organizational identification***

### **5.3 Limitations of the research and research proposals**

In terms of result application, this research is limited to Southern companies, especially in Long An, Binh Duong and Ho Chi Minh City which is the largest economic center of the country and has not applied widely to other big cities in Vietnam yet such as Hanoi, Hai Phong, Da Nang, Nha Trang, Can Tho ... This limitation is derived from many reasons, such as funding to business structure as well as business fields. If these criteria are studied and applied, it will be useful for domestic and foreign enterprises to assess the impact of CSR and employee commitment. In addition, this study conducted only 1000 surveys with convenient sampling. In addition, the scope of the research is still narrow, focusing only on southern enterprises. Particular attention has not been paid to the relationship between individual characteristics and job performance. Moreover, the respondents are middle managers, so there will be limited data collection on the firm's performance. Therefore, the direction of the next study should focus on senior leaders of enterprises to improve on this topic.

## LIST OF PUBLICATIONS

1. Ngo Quang Huan, Do Huu Tai, & Le Thanh Tiep (2016), “Relationships between Corporate social responsibility and firm’s performance: an empirical case in the south of Viet Nam”, *International Journal of Business, Social and Scientific Research*, 4(4), 279-285.
2. Ngo Quang Huan, Do Huu Tai, & Le Thanh Tiep (2017), “Influence of Employee Commitment and Corporate social responsibility on the performance of firms in the South of Vietnam”, *International Journal of Scientific Study*, 5(7), 230-236.