



Management and leadership in socially responsible businesses reality in Vietnam

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Abstract

From the 1960s onwards, the issue of corporate social responsibility has increasingly attracted attention not only from social organizations, governments, researchers, but also by entrepreneurs and users. More and more people around the world in general and Vietnam in particular, think that companies must be responsible for morality for their employees and the whole society. This article presents the results of practical research on social responsibility implementation at Vietnam Dairy Products Joint Stock Company (Vinamilk), thereby giving some suggestions to promote the implementation of social activities of the company in a sustainable way.

Keywords: leadership, management, Vietnamese enterprises, social responsibility

1. Introduction

In Vietnam, corporate social responsibility is becoming a content of interest, it will bring businesses the benefits and opportunities such as the ability to increase new contracts and renewal contracts. From foreign ordering companies; the labor productivity of companies increases as workers are healthier and more satisfied with their work. When the advantage of cheap labor or abundant resources is no longer in Vietnam alone, the implementation of social responsibility is especially meaningful for these businesses because it is an effective tool. Help domestic firms gain advantages over competitors in the region. However, the important issue here is the need to understand correctly and uniformly what is the social responsibility of enterprises. In fact, it is easy to misunderstand the concept of social responsibility in the "traditional" sense. That is, enterprises perform social responsibility as an activity to participate in solving social issues of humanitarian charity. The concept of corporate social responsibility is relatively new to Vietnam, so the implementation so far is still limited. Since there is no important role or benefit from the implementation of social responsibility, many Vietnamese enterprises have not fulfilled their responsibilities to society, such as infringing upon rights and legitimate interests. Of workers, consumers, polluting the environment. An example is related with the phenomenon of inflation. When inflation increases, input costs increase sharply, businesses often tend to raise prices of goods to protect full profit. This makes inflation worse and makes businesses more difficult in business. In fact, many businesses have chosen to share the burden with consumers. However, there are still many businesses deliberately increasing prices, speculating to profit in the context of inflation economy. As of November 2008, the rate of inflation growth has been slowing, but, despite consumer reactions and the Government's requirements, prices of essential goods and services for people still "stand" or rise higher. In addition, many businesses and business households took advantage of flood events and natural disasters to increase prices, or not to reduce prices. It can be clearly seen that most ordinary people with average or low incomes are greatly affected by the high price level. In the issue of environmental

pollution, in order for businesses to compete in the global economy, businesses must ensure their operations do not cause harm to the ecological environment, that is, it must be show environmental friendliness in its production process. This is a very important criterion for consumers, the businesses that pollute the environment are becoming sore and causing social discontent. To better understand the implementation of corporate social responsibility, we choose Vietnam Dairy Products Joint Stock Company Vinamilk. To learn and analyze in this discussion.

2. Theoretical Framework

The term of corporate social responsibility officially appeared 50 years ago when H.R Bonwen published its book entitled "Corporate Social Responsibility" for the purpose of propagating and calling on people to manage their talents. Production does not harm the rights and interests of others, calling for charity to reimburse the damage caused by businesses that harm the society. However, since then, the term of corporate social responsibility is being understood in many different ways. In 1973 Keith Davis introduced a broad concept: "CSR is the interest and response of the business to the problems beyond satisfying legal, economic and technological requirements". Archie Carroll (1999) argues that CSR has a greater scope: "CSR includes social expectations of economic, legal, moral and charitable expectations for organizations at a given time". According to Matten and Moon (2004), "CSR is a concept that includes many different concepts such as ethics, business, career, charity, corporate citizenship, sustainability and environmental responsibility. It is a dynamic concept and is always challenged in every particular socio-economic and political context". Thus, corporate social responsibility is defined by economic experts in many different ways based on each person's recognition and evaluation. But no matter what the original level, the social responsibility of the business must first be for the benefit of the workers and the entire community in society.

Characteristics of businesses in society

- CSR: A new concept that entered the market about 10 years
- CSR: A new game rule in the context of globalization and trade liberalization
- Social responsibility should be applied as mandatory conditions in trade
- Do not consider CSR as a charity but a "duty of business to the community"
- Business is also a factor of society as well as a citizen having rights and obligations as a part of society because of living in society.
- CSR is a binding condition for export contracts to developed economies, it is compulsory to comply when signing labor contracts.
- CSR is an important factor like other traditional factors in business: quality, payment and delivery. CSR is integrated into the business strategy of enterprises and becomes a starting condition for businesses to survive and develop.

Content for implementing social responsibilities

In order to raise the behavior of enterprises to a level consistent with the rules of value and the social cycle that is turning. Currently there are two different types of views on corporate social responsibility. Supporters of the first point of view are that enterprises have no responsibility to society but only to shareholders and employees of enterprises. And the state must be responsible to society, because businesses have been responsible for paying taxes to the State. On the other hand, others have the view that as one of the subjects of the market economy, enterprises use social resources, exploit natural resources and in the process they cause bad damages to the natural environment. Therefore, in addition to paying taxes, businesses have social responsibility to the environment and the local community. In other words, businesses that want to develop sustainably must always follow the standards of environmental protection, gender equality, labor safety, labor rights, fair pay, training and human development and contribution to community development. Corporate social responsibility is expressed specifically on factors such as:

- External responsibility of the business: Environmental protection; Contribute to the social community; Perform good responsibility with suppliers; Ensuring benefits and safety for consumers;
- Internal responsibility of the business: Good relationship with employees; Ensure benefits for shareholders;

Of course, the division into external responsibility and internal responsibility is only meaningful and cannot say which responsibility is more important than what responsibility.

3. Research Results and Discussions

The study has clarified the rationale for CSR including a number of categories, concepts, and elements about highlighting the benefits of CSR for businesses and assessment methods. At the same time, the study has given a scientific analysis of resources and capacities of Vietnamese enterprises to implement CSR from 2 main directions: internal resources (1) and external resources of enterprises (2). In addition, the study also emphasized that enterprises need to advocate the development of internal resources because it has more important

meaning but on the other hand also need to take advantage of opportunities provided by external resources. Research on the status of CSR implementation in Vinamilk has shown positive results on the implementation of CSR in this company. CSR that Vinamilk performs basically brings benefits to both businesses and society. Finally, through the analysis, the research team has compiled a group of solutions from the comprehensive framework including: state, society and business. Thereby, the business community is the most important component in building and implementing solutions to develop CSR in Vietnam. Besides, the state and society will participate in this work with extremely practical solutions.

3.1 Policy recommendations.

Facing such a situation, Vietnam needs to have a complete and thorough system of solutions to improve the implementation of CSR. Moreover, by analyzing in the case of Vinamilk, the research team realized that enterprises seem to be too alone in implementing CSR. Moreover, as stated in the case of Vinamilk, quite a lot of advantages or difficulties that businesses face in the process of implementing CSR come from state management and social community. Therefore, in order to achieve this goal, it is necessary to have the participation of all parts of society such as the state, businesses and communities. Therefore, the research team analyzed and made recommendations for solving this situation by a solution framework of 3 groups: solutions from the state ^[1], solutions from the social side ^[2] and solutions from enterprises ^[3]. Hereafter, we present some of the recommendations for policy makers. First, we need to strengthen research issue of policies on CSR and regulatory activities. Specifically, develop and promote further research on CSR (1); develop laws and regulations on CSR (2); improve the quality of legal regulations by RIA (tool to assess the impact of legal documents) (3); more implementation of regulatory activities (4). Build and promote Social Responsibility projects and programs. Second, we need to enhance the relationship and support to relevant objects of CSR. In addition to the above activities, in order to perform well for supporting the development of CSR, there is one thing that our government should do is contacting activities, direct support for those with organic relationships with CSR:

- **Consumers:** The Government promulgates policies to support and ensure consumers' rights. Support the operation of associations representing consumers' interests.
- **Workers:** Regularly adjust and revise the Labor Code so as to keep abreast of the situation and changes of the business environment as well as the development of the country. At the same time, there are timely and appropriate interventions to ensure labor rights and policies to promote and support the activities of the Trade Union.
- **Environment:** Adjusting environmental laws and policies. At the same time, improve the quality of environmental projects.
- **Enterprises:** Policies to do to support businesses such as: revising the Enterprise Law on the basis of progressive learning from CSR studies (1); presiding over the evaluation and setting up of rankings (or lists) of enterprises that well implement CSR (2); implementing tax

incentives (exemption and reduction) for enterprises in the above rankings (3); implementing investment incentive policies for investment items for social environment ^[4].

3.2 Standards and tools for managing social responsibility

The responsibility of the business to the employees and to the environment is nothing more than quality issues similar to the quality of products that businesses are familiar with: the quality of labor and the quality of life. In European countries, people have the concept of QSE (quality of safety environment, quality of labor safety and quality of environment). The aim is to expand corporate management policy beyond the concept of quality to include social responsibility, expand quality manuals (Quality Manual) into QSE (QSE Manual) notebooks and corporate certification. at the same time according to all three standards of quality, safety and environment. Full implementation at the same time these three policies will have additional support and cost reduction effects compared to individual implementation of each policy. Standards and tools for quality and environment are well known. ISO (International Organization for Standardization, International Organization for Standardization) has announced the ISO 9000 standard for quality management systems and ISO 14000 on environmental management systems. The two ISO committees that specialize in these standards have agreed on practical methods that facilitate businesses to establish a general policy for both quality and environmental management systems. As for human resource management, this problem is complicated because it is not a technical issue. Each country has different conception: (a) occupational safety is a personal responsibility or collective responsibility, (b) the minimum rights of workers on dignity and democracy by the employer voluntarily giving or following state regulations and collective bargaining.

4. Conclusions and Recommendations

4.1 Conclusion

Ethics and social responsibility are indispensable issues in business. Many strategic opportunities and benefits will come when businesses see ethics and social responsibility as the focus of business activities. The existence of businesses comes not only from the quality of the products and services themselves but also from the business style of the business. Business behavior reflects the status of the business, and it is that character that directly affects the success or failure of the organization. Business ethics in that direction has become a strategic factor in the development of businesses, reflecting the value of the thousands of good lives of the Vietnamese people, showing the responsibility of each person to society. It is too difficult that first of all depends on the attitude and awareness of each specific person. This is very easy if every person in any position, working in any field, just sacrificing a little of his personal interests for the common interest of the community, we will surely build a good society that brings happiness to the people for the nation. For a good society, for the prosperity of the country, for the happiness of the people, it all depends on the thoughts, attitudes and actions of each person, first of all the spirit of solidarity, above under unity for the country, for the people. In summary, social responsibility in Vietnam has been realized and initially implemented. Certainly, along with the

development process of the country, that responsibility will be enhanced along with the perfection of the legal framework, the state apparatus, the market economy institution and institutions of civil society.

4.2 Recommendations

The important and first thing is to strengthen information and propaganda to understand all the nature of the problem of social responsibility. It is necessary to have basic studies on actual surveys at enterprises that have implemented and will implement most of these enterprises are participating in exporting key commodities (footwear, textiles, garments) We need further research on mechanisms and policies of the state to help businesses get favorable conditions in the market and non-market competition.

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