THE IMPACT OF SOCIAL RESPONSIBILITY STRATEGY ON THE PERFORMANCE OF LISTED FIRMS

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OPEN ACCESS

How to cite this paper: Ha, T. P. D., Tran, M. D., Phi, V. T., Nguyen, T. L. A., Truong, V. T., & Diep, N. T. T. (2025). The impact of social responsibility strategy on the performance of listed firms [Special issue]. *Corporate & Business Strategy Review, 6*(1), 317–326.
https://doi.org/10.22495/cbsrv6i1siart8

ISSN Online: 2708-4965
ISSN Print: 2708-9924

Received: 18.05.2024
Revised: 09.09.2024; 05.02.2025
Accepted: 24.02.2025

JEL Classification: Q30, Q32, Q34
DOI: 10.22495/cbsrv6i1siart8

Abstract

This study is conducted to investigate the impact level of social responsibility practice on the performance of listed firms in an emerging country and Vietnam is a case study. Data are collected from the actual situations of social responsibility practices of Vietnamese listed firms for the period from 2019–2023. The list of 115 manufacturing companies was selected from the list of enterprises operating on the Vietnamese stock exchange system, namely the Ho Chi Minh Stock Exchange (HOSE), Hanoi Stock Exchange (HNX), and Unlisted Public Company Market (UPCOM) in 2019–2023. The study conducted data analysis through descriptive statistics and used multiple linear regression analysis methods based on Stata software. The study found a linear relationship between the net revenue variable and the practice of corporate social responsibility (CSR) according to the aspects of stakeholders (Zhang et al., 2012). The results illustrate the positive relationship between the social responsibility practice and performance which is proxied by the net revenue of listed firms. When listed firms guarantee income on shares to shareholders, advances in turnover payable to sellers, carry out good responsibility with customers, positive social work, and rational investment in the treatment of human resources, firms increase their performance.

Keywords: Corporate Social Performance, Corporate Social Responsibility, Social Responsibility Practice, Net Revenue, Vietnam

Authors' individual contribution: Conceptualization — T.P.D.H. and M.D.T.; Methodology — T.P.D.H. and M.D.T.; Software — V.T.P. and T.L.A.N.; Validation — V.T.P. and N.T.T.D.; Formal Analysis — V.T.P. and V.T.T.; Investigation — T.L.A.N. and V.T.T.; Resources — M.D.T. and N.T.T.D.; Data Curation — T.P.D.H. and V.T.P.; Writing — Original Draft — V.T.T. and N.T.T.D.; Writing — Review & Editing — M.D.T. and V.T.T.; Visualization — T.P.D.H. and V.T.T.; Supervision — T.P.D.H. and T.L.A.N.; Project Administration — T.P.D.H. and N.T.T.D.; Funding Acquisition — T.L.A.N. and V.T.T.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

Acknowledgements: This research is funded by the National Economics University, Hanoi, Vietnam.

1. INTRODUCTION

Corporate social responsibility (CSR) is a matter of increasing attention and focus. CSR is understood as the commitment of businesses to contribute to sustainable economic development through jobs that improve the quality of life for employees, the community, and the whole society, in a way that benefits both firms and the general development of society.

CSR is considered as one of the important requirements for businesses if they want to develop significantly compared to domestic enterprises and reach out to integrate with the world economy. However, in Vietnam, the implementation of CSR is still relatively difficult, first of all, the understanding of businesses is still incomplete, businesses only understand that it is a charity work but do not understand the implementation of CSR. It should be done within the dimensions of a firm.

The economist Friedman (1970) argued that CSR will increase profits because this is an effective form of branding when taking advantage of social issues into a motto for the face of society's business goods. With the trend of doing business together internationally, Vietnamese enterprises are also adjusting their standards of behavior in line with the trend of integration, in which compliance with a number of socially responsible business rules plays an important role. However, it must be admitted that, in recent times in Vietnam, many businesses have not seriously implemented their social responsibilities.

Pham et al. (2024) found the impact of foreign ownership (FO) on CSR in publicly traded companies in Vietnam. But there are some limitations. Firstly, the use of secondary data collected between 2015 and 2019 limits the applicability and timeliness of the findings within the study's context, encompassing Vietnam's economic, political, and societal landscape from 2019 onwards. Secondly, excluding financial companies from the study may introduce bias, as these entities follow distinct accounting regulations and practices, along with unique business characteristics. This exclusion might yield significantly different outcomes compared to examining solely non-financial companies. Therefore, the analyzed findings might not comprehensively represent the entire business environment. Recognizing the acknowledged limitations, this research can extend this study beyond 2019 to offer a more comprehensive understanding of how FO impacts CSR in companies.

The Vietnamese Government promulgated the National Action Plan to 2030 agenda for sustainable development (Prime Minister of Vietnam, 2017) with 17 Sustainable Development Goals (SDGs) and 169 specific goals suitable to the country's development conditions and priorities. In 2021, the Prime Minister of Vietnam issued Decision No. 1658/QD-TTg 2021 the national strategy on green growth on approving the national strategy on green growth in the 2021–2030 period. The above regulations show the important role of enterprises in the social responsibility of the country. This shows the need to study the social responsibility practice of enterprises is very necessary. In addition, identifying the impact of social responsibility practice on the performance of listed firms will contribute to finding solutions to promote the sustainable development of enterprises in the coming time.

Based on the above issues, the research questions are:

RQ1: What is the social responsibility practice of listed firms in the past time?

RQ2: What factors affect the performance of listed firms?

RQ3: What solutions are there to develop the performance of listed firms in the coming time?

The general objective of this article is to analyze the impact of social responsibility practice on the performance of listed firms. Specific objectives include:

- assess the social responsibility practice of listed firms;
- propose solutions to support the sustainable development and the effective performance of listed firms.

For these reasons above, we conduct this study with the desire to add more evidence base to clarify the benefits of implementing social responsibility and testing on Vietnamese firms listed on the stock exchange. From the findings of the study, some recommendations are proposed for improving the social responsibility of Vietnamese firms.

Through the process of reasoning and the basis of variable selection, the article has built a regression model between the enterprise's net revenue and the variables indicating corporate social performance (CSP) including: 1) results of responsibility to shareholders (measured through earnings-per-share ratio — EPS); 2) responsibility results to suppliers (measured by the payables turnover ratio); 3) responsibility to customers (measured by consumers' choice of high-quality Vietnamese goods for enterprise products); 4) responsibility to the community (measured by the number of social activities organized in the year in question) and 5) responsibility to personnel (measured by the return on investment — ROI — coefficient of human capital investment). In addition, the article has added two more control variables to further modify the model: 1) enterprise size (measured by total assets of enterprises) and 2) financial risk (measured by long-term debt ratio).

The analysis results show that there is a positive relationship between the results of practicing social responsibility and the performance of listed firms. Research has shown that six factors have good support for the performance of listed firms such as EPS, payables turnover ratio, responsibility to customers, responsibility to the community, responsibility to employees, and firm size. Meanwhile, the long-term debt-to-equity ratio is likely to have a negative impact on the decision to promote social responsibility practices and pose risks to the promotion of the performance of listed firms. From the results of empirical research, it is shown that firms should develop social responsibility activities, thereby also promoting the performance of their firms.

The rest of this research is structured as follows. Section 2 reviews the theoretical frameworks. Section 3 describes the research method. Section 4 sets out a discussion of key results, while Section 5 shows some key conclusions and recommendations of the study practice.

2. LITERATURE REVIEW

The concept of CSR was developed by Bowen (1953). According to Bowen (1953), social responsibility can be defined as action to enhance benefits social interests, and it is a requirement of the law to force enterprises to accept.

A series of studies after Bowen shows that CSR of enterprises is a broad concept, so there are many definitions indicated (Dahlsrud, 2008). However, most researchers use the theory of benefits with stakeholders to orient the CSR of enterprises. Khoury et al. (1999) argue that CSR is a way of harmonizing the company in its relationship with all stakeholders including customers, employees, communities, owners/investors, government, suppliers, and competitors. The factors that create social responsibility include flexibility in production and job retention in labor relations, community activities, environmental management, and economic benefits for firms from those activities. Gregory (1992) believes that social responsibility is that firms should be aware of the impacts of their production and business activities and are responsible for their own behavior before society.

Carroll (1979) first developed the basis of CSP as an overall combination of three determinants of CSR motivation, CSR response practice, and complete results. From that idea, Wood (2000) upgraded the concept of CSR practice results as a roadmap consisting of three stages: the first two stages are manifestations of the CSR implementation process from awareness to action. The third stage is the result of assessing the completion of CSR practice activities of enterprises to meet stakeholders.

Product market performance shows the achievements that enterprises exploit from the market's acceptance of the quality of their business operations. According to Griffin and Mahon (1997), performance measures include: 1) market share, 2) product sales revenue, and 3) enterprise value in the market (for example, stock prices and securities instruments issued by enterprises). Because there are many measures to represent the value of business performance, each author has many ways to choose according to the objectives and data compatibility in his research paper (Griffin & Mahon, 1997). Among the measurements, Kim's (2001) study chooses the revenue factor to measure the economic value of social activities to the public. With the linear regression method, the authors' studies have proven that CSR activities to improve the reputation of companies will have a positive impact on the net revenue achieved by the company.

Total revenue is the total value of economic benefits obtained by the firm in the accounting period, arising from the normal production and business activities of the firm, contributing to the development of equity.

Net revenue reflects the value of revenue results achieved after deducting deductions (trade discounts, sales discounts, sales return) in the reporting period, as the performance of enterprises.

Pham et al. (2024) identify the impact of offshore owners on the CSR activities of publicly traded companies in Vietnam. With 309 firms included in the study during the period of 2015 and 2019, using ordinary least squares (OLS) estimation and robustness tests, the empirical result indicates that greater engagement of foreign owners improves the CSR practices of publicly listed firms in Vietnam. The implication drawn from this outcome suggests that Vietnamese companies should use the robust backing provided by international stakeholders to effectively implement CSR initiatives, with the ultimate goal of achieving sustainable development.

Hadi et al. (2024) aim to explore the obscuration of CSR practices carried out by companies. Three problems were investigated in this study, including 1) what is the motive behind the CSR practice, 2) how is the CSR obscuration pattern, and 3) how the CSR obscuration impacts the effectiveness of social accounting. This study was conducted on 28 companies that were members of the mining industries going public on the Indonesia Stock Exchange in 2021. As a result of the CSR obscuration, it impacted the ineffectiveness of social accounting and the shift in the CSR value from its original purposes.

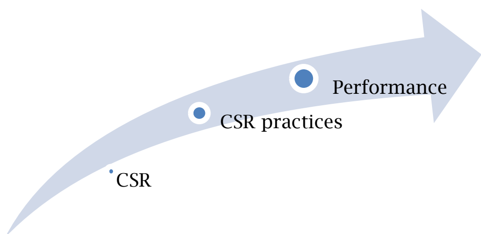
Hang et al. (2024) studied realizing SDGs and social responsibility accounting — an effective quantification tool to enhance transparency and reliability in the social responsibility reports of companies. This study aims to evaluate impact factors on social responsibility in Vietnamese plastics companies, an environmentally sensitive industry. We used a large-scale survey and collected 160 respondents from plastic manufacturing enterprises in the Hanoi area, Vietnam. It is found that three factors, namely, stakeholder pressure, awareness of business managers, and characteristics of plastic enterprises, have positive impacts on the application of social responsibility accounting in plastic enterprises.

3. RESEARCH METHODOLOGY

3.1. Research model

Firms practice social responsibility, first of all, to strengthen relationships with stakeholders. Therefore, feedback from stakeholders is used to measure the results of CSR practices. Within the scope of this paper, the study only deals with the relationship between the impact of net revenue achieved by firms with the results of practicing social responsibility for stakeholders including employees, customers, suppliers, shareholders, and the community.

Figure 1. Research framework



3.1.1. Social responsibility to shareholders

Cao and Zhang (2011) used the EPS variable to analyze the practice of social responsibility towards shareholders. EPS is the portion of profit a company allocates to each common share outstanding. EPS is used as a coefficient showing the company's ability to earn profit per dollar invested by the owner and evaluate the ability to share profits for investment shareholders.

Dung et al. (2019) investigated dividend policy to show that the impact of the variable representing shareholder interests has an impact on corporate responsibility (through the variable representing the public interest).

The variable is considered good when the basic EPS is positive (EPS > 0) and the higher the EPS reflects the stronger business capacity, the higher the ability to pay dividends. Shareholders have shared investment risks when contributing equity capital to enterprises, so enterprises should pay attention to the policy of dividend distribution to preserve their interests (Freeman et al., 2010).

3.1.2. Social responsibility with the local community

Fu and Shen (2015) used the ratio of the cost of organizing social activities to total annual revenue to analyze CSR in the community. However, it cannot be applied to the article model because, in the reporting documents of enterprises, many enterprises do not record in detail the total expenditure for social activities, but only mention the completed social activities held during the reporting year. The local community has a significant influence on businesses, businesses that make a lot of positive contributions to serve the community's interests will be able to increase their reputation and promote their image more widely, which is beneficial to the business activities of enterprises (Freeman et al., 2010).

3.1.3. Social responsibility with employees

Return on investment is one of the indicators used to measure the effectiveness of human resources management (human resources metrics) used in the study by Fu and Shen (2015). ROI is an indicator that evaluates the benefits received from 1 dong of investment costs for employees in terms of salary, bonus, social insurance and payables other belongs to the income of the employee.

The variable is considered good when the higher the ROI for the year (ROI > 1), reflecting the investment costs of the remuneration regime for employees, which has a positive effect on the quality of employees' work on the business of the company (Benjamin, 2014). Employees want a salary, bonus, benefits, and a working environment worthy of their hard work. Enterprises that meet the aspirations of employees will have strong human resources to ensure sustainable development in all aspects (Freeman et al., 2010).

3.1.4. Corporate social responsibility to consumers

Fu and Shen (2015) choose product quality as a criterion to measure CSP capability with customers with the view that bringing quality products to satisfy consumers is a way to show CSR to customers. In Vietnam, assessing the trust in "Vietnamese high-quality goods voted by consumers" to prove that the selected enterprise must meet the standards of quality goods (product responsibility), and at the same time, the brand reputation is recognized by trusted consumers.

Freeman et al. (2010) suppose that customers are the ones who pay fees to use the products of enterprises, so they expect businesses to bring quality products at reasonable prices (product responsibility) and put consumer trust if enterprises have a good brand image, know how to care and serve customers wholeheartedly.

3.1.5. Corporate social responsibility with suppliers

The payables turnover ratio is used in the research model of Fu and Shen (2015). This year's payables turnover index should be compared with the previous year to be able to more comprehensively assess the progress of controlling the solvency of enterprises.

The accounts payable turnover ratio shows how many turns of accounts payable in a given reporting period in order to reach the value of equity from the seller (including sales of inventory) and cost of goods sold) in that period.

If this index is higher than the previous year, it shows that enterprises perform payment responsibilities faster, and have more progress, and vice versa. Suppliers are interested in the payment periods of payables of enterprises and suppliers will give preference to enterprises that are able to pay quickly (Freeman et al., 2010).

3.1.6. Firm size

Control variables although not under the main research object, are CSP, but are added in the position of independent variables to increase the significance of the regression model because they have potential reasonable relationships with other variables.

Fu and Shen (2015), and Zhang et al. (2012) employ the total asset size variable as a control variable in the research model. Large enterprises tend to practice CSR more than small firms. Small businesses focus on survival and development, while large companies are able to use CSR as a strategy to achieve business reputation and efficiency (Waddock & Graves, 1997). Based on this, the firm size is assumed to have a positive relationship with the results of the CSR practice of firms.

3.1.7. Long-term debt to equity ratio

Zhang et al. (2012) used a control variable in their research model. The ratio of long-term debt to equity indicates the ability of a business to settle its own financial resources compared to using debt with a payment term of more than one year.

If this ratio is too large, it means that the risk is higher because the enterprise's capital depends on borrowing rather than its own, so it will affect the ability to control business performance to repay the debt of the enterprise. Waddock and Graves (1997) argue that high risk will create reticence in managers, making them increase their savings and less likely they pay attention to CSR activities. Moreover, it is argued that high-risk enterprises are less likely to make long-term investments to improve CSR performance. Based on this, the financial risk of enterprises is assumed to have a negative relationship with the results of CSR practices of enterprises.

3.1.8. Performance

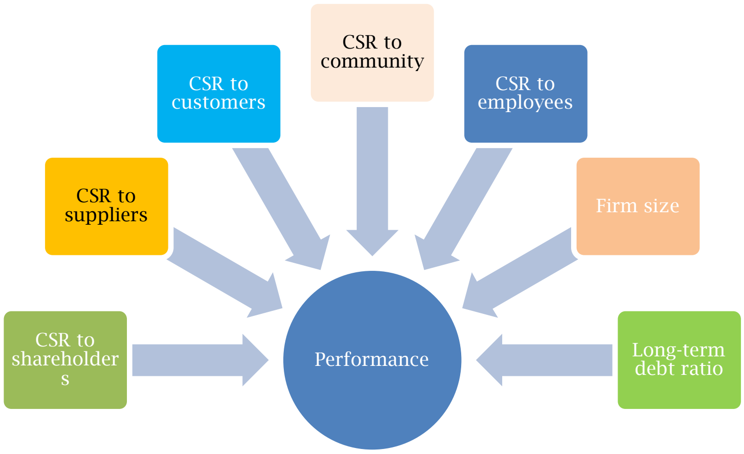
Firm performance is measured according to many different theoretical perspectives and depends on relationships in the research model. According to Weber's (2011) theory of corporate benefits when practicing CSR, increased revenue is one of the factors that reflect the quantitative benefits in business performance that implementing CSR brings. Besides, Kim's study (2001) chooses the revenue factor to measure the economic value of

CSR activities in their research. The article uses net revenue as a dependent variable to measure the value of economic benefits gained from CSR practice. There are two reasons to choose net sales:

1. Sales revenue is the actual cash flow that a business receives from doing business with its customers. Meanwhile, the total revenue from business activities is only nominal, because enterprises also have to calculate revenue deductions.

2. Net sales are the value commonly used in measuring financial ratios, rather than total sales. In fact, financial ratios such as return on sales (ROS), receivables turnover, working capital turnover, etc., are all applied using net sales.

Figure 2. Research model proposed



In this study, from the selective inheritance of research materials and based on the characteristics of enterprises in the observed sample, the authors build an OLS regression model to determine the influence of CSR practice results on the net revenue achieved by the enterprise as follows:

$$DT = f\,(CSP, control\ variables), \text{ or} \\ Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \ldots + \beta_k Xk + u \quad (1)$$

where,

- the dependent variable Y represents the economic benefit of CSP as measured by net sales achieved;
- independent variables — variables $X1$ to $X5$ are the variables that explain the results of CSR practice (CSP) of enterprises with stakeholders;
- $X6$ and $X7$ are control variables;
- coefficients or weights $\beta_i\ (i = 1, k)$: These are regression coefficients that reflect the degree of influence of each factor on the analytical criteria;
- u is the random error that represents all the factors that affect Y but are not observable.

3.2. Methodology

In multiple linear regression analysis, according to Tabachnick and Fidell (1991), and Tho (2011), for regression analysis to achieve good results, the sample size must satisfy the following equation:

$$n \geq 8m + 50 \quad (2)$$

where, n is the minimum sample size needed, and m is the number of independent variables of the model.

Thus, on the theoretical basis, according to the situation of the number of independent variables $m = 7$, the research study should have a minimum sample size: $n \geq 106$.

Here, the total number of surveyed enterprises in the sample is 115 enterprises in 2019–2023 (575 observations) are present on Vietnamese stock exchange systems, so the data of the study will be representative.

3.2.1. Data collection

The study employs preprocessed quantitative secondary data that are publicly posted by Vietnamese companies listed on the stock exchange. The list of 115 manufacturing companies selected from the list of enterprises operating on the Vietnamese stock exchange system, namely the Ho Chi Minh Stock Exchange (HOSE), Hanoi Stock Exchange (HNX), and Unlisted Public Company Market (UPCOM) in 2019–2023 through the following reports: financial statements, annual report, sustainable development report — website, database on financial and securities portal system.

3.2.2. Data analysis

The study conducted data analysis through descriptive statistics and used the multiple linear regression analysis method. This section is referred to under Mach (2005). With multiple linear regression model is a mathematical equation describing the linear relationship between the dependent sea and some independent variables in the overall study. With the above data analysis method, the study is expected to find a linear relationship between the net revenue sub-variable and the practice of CSR according to the aspects of stakeholders (Zhang et al., 2012).

The study of the effect of CSR outcome factors on net revenue is based on the original linear regression model. However, in the analysis process, in order to estimate OLS as the best linear unbiased estimate, the selected regression model used in the experimental research sample in this paper is:

$$Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \beta_4 X4 + \beta_5 X5 \\ + \beta_6 X6 + \beta_7 X7 + u \quad (3)$$

where, dependent variable — Y is the logarithmic of net sales; variables to measure CSP practice results:

- $X1$: earnings per share (EPS);
- $X2$: difference between payables turnover ratio in 2020 compared to the previous year;
- $X3$: dummy variable "high-quality Vietnamese goods voted by consumers";
- $X4$: number of social activities organized in the year;
- $X5$: performance of human resources investment.

Control variables:

- $X6$: the base e-logarithmic value of the asset (measures the size of the enterprise);
- $X7$: long-term debt-to-equity ratio (measures corporate financial risk);
- u is an estimate of the error part of the regression model;
- $\beta_1 \dots \beta_7$: estimate the regression coefficient of each independent variable.

Table 1. The list of variables

Codings	*Variables*	*Definitions*	*Previous studies*
Y	Performance	Logarithmic of net sales.	Kim (2001), Weber (2011).
X1	CSR to shareholders	Earnings per share (EPS).	Cao and Zhang (2011), Freeman et al. (2010).
X2	CSR to suppliers	Difference between the payables turnover ratio in 2020 compared to the previous year.	Fu and Shen (2015), Freeman et al. (2010).
X3	CSR to customers	The dummy variable is "High-quality Vietnamese goods voted by consumers"; *X3* = 1 if yes, *X3* = 0 if by contrast.	Fu and Shen (2015), Freeman et al. (2010).
X4	CSR to community	The number of social activities organized in the year.	Fu and Shen (2015), Freeman et al. (2010).
X5	CSR to employees	Performance of human resources investment.	Fu and Shen (2015), Benjamin (2014).
X6	Firm size	The base e logarithmic value of the total assets.	Fu and Shen (2015), Waddock and Graves (1997)
X7	Corporate financial risk	Long-term debt-to-equity ratio.	Zhang et al. (2012), Waddock and Graves (1997)

Source: Authors' elaboration.

4. RESULTS AND DISCUSSION

4.1. Evaluation of the fit of the model

4.1.1. Check the rigor of the model

The observed significance level according to the F-test value is very small (Sig. F = prob. > F = 0.00), showing that the regression model has statistical significance at a 1% level, which means the existence of the regression model linear relationship between *net sales* (dependent variable) with at least one of the factors is an independent variable, so the linear regression model is given statistical significance.

The adjusted R^2 value is less than R^2 ($\overline{R}^2 = 0.8280$; $R^2 = 0.8341$; $\overline{R}^2 < R^2$), it is recommended to use it to evaluate the model as more suitable and it does not blow inflate the fit of the model, so $\overline{R}^2 = 0.828$ means that 82.8% of the variation in *net sales* results of enterprises can be explained by the linear correlation between *net sales* with independent variables included in the model of manufacturing enterprises on the stock exchange.

Table 2. Results of the regression model

Type of regression	*Results on STATA*
Variance of variable error	P-value (prob. > Chi^2) = 99.23%
Multicollinearity	Mean variance inflation factor (VIF) = 1.25 < 5
Wrong model	P-value (prob. > F) = 68.5%

Source: Authors' elaboration.

4.1.2. Test of variance of variable error

For the test of variance of variable error, the following is expected: if the p-value is > 1% — the model has no variable variance; if the p-value is < 1% — the model has variable variance.

According to the p-value and White test, (prob. > Chi^2) = 99.23% > 1%, so the model has no variance (Mach, 2005).

4.1.3. Multicollinearity test

For the multicollinearity test, the following is expected: if VIF is < 5 — the model has no multicollinearity; if VIF is > 5 — the model has multicollinearity.

Mean VIF = 1.25 < 5, showing that the pairwise correlation coefficients between the variables are all < 0.8. So, the model has no multicollinearity (Mach, 2005).

4.1.4. Check the wrong model form

To check the wrong model form, the following is expected: if the p-value is > 1% — the model has no omitted variables; if the p-value is < 1% — the model has omitted variables.

According to the results, p-value (prob. > F) = 68.5% > 1%, so the model has no omitted variables.

4.2. Regression testing

The estimated coefficients of the independent variables have the right sign with the expectations set at the time of model building and the variables are significant in explaining the efficiency of net revenue achieved by enterprises on the stock exchange.

In there, variables such as *X1*, *X2*, *X5*, *X6*, and *X7* have the strongest influence on the net sales efficiency of the enterprise (statistically significant 1%), showing the level of significance the importance of this factor to the production and business activities of enterprises.

Particularly for the *X4* variable, the significance level is 10%, corresponding to the 90% confidence level, showing the relative influence of this variable on the efficiency of net revenue. It can be explained that when organizing social activities, quantity is not the only factor that makes up everything, but many other factors.

4.2.1. The relationship between the independent variables and the net sales variable

Among the CSP variables with good statistical significance at 1%, the *X5* variable (the effective coefficient of human capital investment) has the largest and most positive coefficient. Thereby showing the degree of closeness between the efficiency of net income achieved by enterprises with effective human resource investment capacity. A human resource is a specific person who dedicates labor and initiative and is an extremely important resource in operating and controlling other resources (capital, science and technology, corporate governance, etc.) to bring in income to help nurture businesses. A wise investment in human resource benefits helps business operators effectively exploit the labor of human resources, thereby contributing to the success and sustainable development of the entire organization.

Table 3. Estimation results of linear regression model

Independent variables	*β*	*t*	*p-value*
Constant	2.114127***	5.78	0.000
X1	0.000119***	4.76	0.000
X2	0.001556***	2.46	0.009
X3	0.230141**	2.74	0.024
X4	0.0312132*	1.85	0.093
X5	0.011925***	4.79	0.000
X6	0.724929***	20.02	0.000
X7	-0.043071***	-6.08	0.000
Sig. F	0.000		
R^2	0.8341		
R	0.8228		

*Note: ***, **, * indicate 1%, 5%, and 10% significant level, respectively.*
Source: Authors' elaboration.

Besides the impact of the efficiency of human capital investment, the variable *X1* (ability to pay dividends) is also an important factor that positively affects the results of production and business activities. Along with the efficiency of human resources, shareholders contribute resources — an important resource to supplement the investments of enterprises. At the same time, they are also the ones who supervise and approve the operating policies of enterprises. Therefore, corporate managers always focus on good business goals to bring benefits to shareholders, and shareholders' benefits are ensured by well implementing the ability to pay dividends. If enterprises perform well in their responsibilities to shareholders, it will create a good premise for the mobilization and expansion of investment aid to help facilitate the progress of projects that contribute to increasing incomes for enterprises.

Simultaneously, the variable *X2* (the difference in this year's turnover index compared to the previous year) has a positive correlation to the performance of enterprises. This year's turnover index is higher than last year's, which is a measure that proves the company's ability to pay its payables for purchased materials has improved and will increase its business reputation and act as an effective catalyst for mutually beneficial interactions with supply partners. Taking advantage of building strong relationships with suppliers has a great effect on the stability of input sources; reducing the cost of conducting transaction procedures, reducing the cost of production costs so that more capital can be accumulated for investments in production improvement, ensuring the smoothness of the finished product production process and bringing the best products to customers better quality products to meet the needs of customers.

The variable *X3* (reflecting customers' trust in the quality of enterprises' products) is also positively related to the performance of enterprises. Customers are the main factors that make up the revenue of the business, so any business has a goal of business career to win the choice and affection of customers for their products. The means for enterprises to achieve that goal are finished products and services that enterprises provide to the user market. Being voted "high-quality Vietnamese goods" by consumers is proof that businesses have achieved good sales signals from the market by creating quality products that are satisfied by customers, and building a foundation of trust from a good brand imprint.

The social activity variable (*X4*: the number of social activities performed in the year) has a favorable impact on the performance of enterprises. Bringing a safer and better life to the surrounding community is a policy that businesses are interested in. Approaching the community's interests related to the business ethics category helps to raise the awareness of enterprises about the reciprocal relationship between people in the same ethnic group. Humanitarian activities always create good public opinion for the image of enterprises, and this is also an effective public relations promotion strategy to help increase reputation and promote the image widely. And it is important that the social work of firms should come from the heart, not because of dishonest motives to polish their name.

The coefficient of the factor of the logarithmic value base e of the assets (*X6*: size of the enterprise) has a positive sign (+) showing that the size of the enterprise is proportional to the production and business efficiency. The reason is that large firms have capital conditions, more advanced production facilities, a more flexible work-sharing structure in the labor apparatus, and stronger training and welfare activities, and the market size is also wider. These platforms help firms have more conditions to access modern business administration methods, in line with world trends and rationally applied in their units. That also contributes to creating a basis for firms to improve business performance and fulfill their set business strategic goals.

At the same time, the negative influence of the variable *X7* (ratio of long-term debt to equity) shows that enterprises with a higher risk of long-term debt to equity will have lower business performance. In principle, if this ratio is small, it means that enterprises can actively manage long-term debts borrowed with the owner's own capital within the control of the enterprise. On the contrary, if liabilities account for too much compared to equity, it means that the enterprise borrows more than the existing capital, so the enterprise may be at risk in repaying the debt, especially since it will be more difficult when bank interest rates are increasing day by day. At that time, firms will face obstacles in using the allocated capital for their business activities and the business will be in moderation, so the resulting revenue will not be able to develop.

4.2.2. The correlation relationship between corporate social performance variables and control variables

The purpose of including control variables in the model is because these distortions increase the explanatory significance of the model. We include them in the analytical model because they cannot be ignored when considering the effects that are correlated with the independent variables, although the correlation level is within the allowable range ($r < 0.8$).

The p-value represents the correlation significance level. If the p-value is low (less than 5%), the assumption that the correlation coefficient is zero can be rejected, that is, at this time the correlation relationship between the variables is statistically significant (Mach, 2005).

Table 4. Correlation analysis between CSP variables and two control variables

Variables	*X6*	*p-value*	*X7*	*p-value*
X1	0.183***	0.0097	-0.057	0.4251
X2	-0.049	0.4945	-0.01	0.8936
X3	0.223***	0.0015	-0.049	0.4918
X4	0.4495***	0.0000	-0.081	0.2545
X5	0.2332***	0.0009	-0.007	0.9207
X6	1	-	-	-
X7	0.01	0.85	1	-

*Note: ***, **, * indicate 1%, 5%, and 10% significant level, respectively.*
Source: Authors' elaboration.

Through the above correlation analysis Table 4, we see that the variable *X7* (ratio of long-term debt to equity) is not statistically significantly correlated with the CSP variables (because of p-value > 5%).

However, we also find that all correlation coefficients have the form ($r < 0$), so there is a sign of a negative effect between the variable *X7* and the variable *Y* (CSP). The sign (-) in the coefficients r can be explained that when the ratio of long-term debt to equity is low, the ability of financial risk is under the control of the enterprise, so CSR activities are still conditional to be carried out normal development according to the strategic roadmap of the enterprise. On the contrary, if this ratio is too large, it means that the risk is higher, making businesses less interested in practicing CSR activities because their top problem at that time was to control business performance to smoothly repay the debts of enterprises.

The above correlation coefficient spreadsheet also shows that in the enterprises under consideration in the sample, there is a statistically significant correlation at 1% between the variable *X6* (the logarithmic value of base e of total assets) and the other variables such as social action with the community, human capital investment performance ROI, EPS.

And r is mostly positive and is in the low correlation range and medium. Specifically, when looking at the results in Table 4, we will see that r (*X6*, *X4*) = 0.4495 (average correlation), r (*X6*, *X5*) = 0.2332 (low correlation), r (*X6*, *X3*) = 0.223 (correlation level at low value), r (*X6*, *X1*) = 0.183 (low correlation). It reflects that the size of assets contributes to creating a basis for enterprises to have better awareness in practicing CSR activities with stakeholders to support their business prospects.

Particularly, r (*X6*, *X2*) = -0.049 (negative correlation but not significant statistical significance), the opposite can be explained that large-scale enterprises have a larger production scale, so the investment value is not significant. More input materials for purchase/storage as well as the structure of goods sources will be more complicated, so the ability to rotate and pay payables to sellers is not as flexible and agile as small and medium-sized enterprises.

5. CONCLUSION

In general, for the sake of sustainable development, businesses are becoming more and more focused on CSR practices, and that's for good reason. In addition to business ethics and public pressure, some research evidence from many domestic and foreign researchers has shown that good CSR practices bring benefits to businesses at a higher level such as better business results. Accordingly, following the theoretical point of view of social responsibility associated with the interests of stakeholders and inheriting the basis of the built-in premise regression model, this study was created to once again investigate the relationship between the results of practicing CSR with related parties and economic benefits of enterprises (here is net revenue achieved).

The analysis results show that there is a positive relationship between the results of practicing social responsibility and the net revenue achieved by enterprises. Specifically, when enterprises ensure EPS for shareholders, progress in the payment cycle of accounts payable, well perform product warranty responsibilities with customers, by actively doing social activities and rationally investing in human resource treatment, enterprises can increase their net revenue from business activities. Research has also shown that asset size has good support for the quality of social responsibility implementation as well as a positive relationship with net revenue achieved by enterprises. Meanwhile, the long-term debt-to-equity ratio is likely to have a negative impact on the decision to promote social responsibility practices and pose risks to the promotion of net revenue.

This research has identified the impact of social responsibility practice on the performance of listed firms. The analysis results show that there is a positive relationship between the results of practicing social responsibility and the net revenue achieved by enterprises. We found six factors with a positive impact and one factor with a negative impact. First, the results of responsibility to shareholders measured through the EPS have a positive impact on the performance of listed firms. Second, the more responsibility results to suppliers measured by the payables turnover ratio, the more performance of listed firms. Third, the responsibility to customers measured by consumers' choice of high-quality Vietnamese goods for enterprise products would increase the performance of listed firms. Fourth, responsibility to the community measured by the number of social activities organized in the year made an effective performance of listed firms. Fifth, responsibility to employees measured by the ROI coefficient of human capital investment can cause the higher performance of listed firms. Sixth, research has also shown that asset size has good support for the quality of social responsibility implementation as well as a positive relationship with net revenue achieved by listed firms. Seventh, financial risk measured by the long-term debt ratio would negatively affect the performance of listed firms. The research findings give suggestions for practicing social responsibility not only in Vietnamese firms but also in emerging countries where manufacturing products are quickly growing.

The limitation of the article is that it is not possible to add financial indicators of profitability (return on equity, return on assets and ROS) as the dependent variable in the linear regression model with the results of social responsibility practice to demonstrate this causal relationship.

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