

**RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITIES FOR  
EMPLOYEES AND ORGANIZATIONAL COMMITMENT IN STEEL  
COMPANIES IN HAI PHONG CITY, VIETNAM**

**Tran Trong Hai<sup>1</sup>, Bui Thi Minh Hang<sup>2</sup>**

**Abstract**

*Using data collected through a survey of 400 employees at steel companies in Hai Phong city, Vietnam and applying the descriptive statistics method and a multiple regression model, this study aims to examine the relationship between corporate social responsibility (CSR) for employees and organizational commitment. Results show that the most important factor affecting the commitment of employees in steel companies was not high salary and good benefits but training and promotion opportunities and then health and safety at work. Thus, it is not always necessary to receive a high salary to make employees work hard and be loyal to the company. Other factors which significantly influenced the organizational commitment such as spiritual life, corporate culture, and relationship with leaders were not paid enough attention in steel companies. Besides, female employees had a greater organizational commitment than male employees and married employees tended to have greater organizational commitment than the single or divorced ones. Length of service had a positive impact on employees' organizational commitment.*

**Keywords:** CSR for employees, steel manufacturing companies, organizational commitment, regression model.

*JEL classification:*J, J5, J53, J54, M14

**MỐI QUAN HỆ GIỮA TRÁCH NHIỆM XÃ HỘI CỦA DOANH NGHIỆP ĐỐI  
VỚI NGƯỜI LAO ĐỘNG VÀ CAM KẾT TỔ CHỨC TRONG CÁC CÔNG TY  
THÉP TẠI THÀNH PHỐ HẢI PHÒNG, VIỆT NAM**

**Tóm tắt**

*Sử dụng dữ liệu thu thập thông qua khảo sát 400 người lao động trong các công ty thép tại thành phố Hải Phòng và phương pháp thống kê mô tả và hồi quy đa biến, nghiên cứu đánh giá mối quan hệ giữa trách nhiệm xã hội của doanh nghiệp đối với người lao động và cam kết tổ chức. Kết quả nghiên cứu cho thấy yếu tố quan trọng nhất ảnh hưởng đến sự gắn bó của người lao động tại các doanh nghiệp thép không phải là mức lương cao và phúc lợi tốt mà là cơ hội đào tạo và thăng tiến, tiếp đến là sức khỏe và sự an toàn trong công việc. Như vậy, không phải cứ nhận lương cao là người lao động sẽ làm việc chăm chỉ và trung thành với công ty. Các yếu tố khác ảnh hưởng đáng kể đến cam kết gắn bó với tổ chức là đời sống tinh thần, văn hóa doanh nghiệp, mối quan hệ với lãnh đạo. Bên cạnh đó, lao động nữ có cam kết tổ chức cao hơn lao động nam và người đã kết hôn có xu hướng cam kết tổ chức cao hơn so với những người độc thân hoặc đã ly hôn. Thời gian công tác có tác động tích cực đến cam kết tổ chức của người lao động.*

**Từ khóa:** Trách nhiệm xã hội của doanh nghiệp đối với người lao động, doanh nghiệp sản xuất thép, cam kết tổ chức, mô hình hồi quy.

**1. Introduction**

Results from numerous studies show that corporate social responsibility (CSR) is considered an important business strategy of enterprises in order to create good relationships with the community and society and at the same time bring positive impacts on enterprises' business performance (Maignan and Ferrell, 2004). Since the 1980s, there has been a growing awareness of CSR among the scholars in developed countries (Turker, 2009). In addition to

profit goals, enterprises increasingly become aware that they must pursue other goals related to community, social and environmental responsibility.

In reality, CSR is no longer a new issue in Vietnam. However, in recent years, CSR has been a topic of increasing interest in all areas such as business, economics, and academia in general (Van and Nguyen, 2019). CSR has been broadly considered, not only from an ethical aspect, but also from a legal aspect (Pham, 2018). The concept

of CSR has recently been widely discussed in forums and debates in Vietnam. The Ministry of Labour, Invalids and Social Affairs (MOLISA) coordinates CSR while other ministries have responsibility for various individual components of CSR. The government of Vietnam has also passed CSR legislation that is largely in line with international conventions. Nevertheless, in Vietnam CSR is understood in different ways. The implementation of CSR is still considered an action of solving social problems for charitable and humanitarian purposes (Hoang, 2019). Especially, enforcement is a problem. CSR is most highly visible among multinationals while it is relatively invisible in other types of companies (Netherlands Enterprise Agency, 2015).

When steel companies in Vietnam export steel products to markets such as the United State, Japan, and European countries, they have to meet strict requirements for suppliers related to CSR. A strong commitment to CSR can be considered as an advantage for companies to overcome heavy pressures from technical barriers to entry these potential markets. In reality, although steel companies are aware of opportunities and benefits that CSR can bring to the business, they still face difficulties and barriers in implementing it. To meet the requirements of CSR, companies need to invest a large amount of money as well as a lot of time and labour. This is a big challenge facing small and medium steel companies because they normally have more financial constraints as compared with large companies, and for these companies profit-maximization is the prime goal. In general, companies in Vietnam face various barriers and challenges in implementing CSR such as insufficient awareness of the concept of CSR, asynchrony in government's related regulations, and lack of financial and technical resources for the implementation of CSR (especially for SMEs). In addition, habits in consumer culture have not promoted the role of customers in protecting products of enterprises that have well implemented CSR as well as the fighting spirit against with commercial frauds (Phan and Podruzsik, 2018).

In fact, many steel companies in Hai Phong city and in Vietnam in general are not fully aware

of CSR, thus, they implement CSR in a perfunctory and passive manner. Some even tend to evade implementation of CSR for employees. As a consequence, there have been many cases of violation of employees' rights and legal benefits that have been identified but also difficult to resolve in steel companies. Working in the steel industry, especially in the phases of iron and steel foundries, blast furnaces, and rolling mills is identified as hard and hazardous work. There have been violations of regulations on occupational safety that cause serious work accidents and violations of regulations on wages and benefits of employees. Most of these violations are the main reasons for the conflicts between the employers and employees and the loss of trust, satisfaction, and commitment of employees. This leads to the fact that hundreds of workers have left steel companies and tried to find other jobs. Therefore, to solve problems related to relationships and conflicts between employees and employers, steel companies should take into account the issue of CSR for employees.

Many previous studies have shown the effects of CSR activities on employees' attitudes, satisfaction, loyalty and commitment (Mory et al., 2015). A research by De Roeck et al. (2014) shows that internal and external CSR activities have a positive impact on job satisfaction through organizational identification, and these activities are a factor that improves employees' attitudes towards the organization. As summarized by Turker (2009), if employees perceive their organization as a socially responsible member of society, the sense of belonging to this prestigious organization can increase their self-concept. Theoretically, it can be assumed that feeling proud to be a member of a socially responsible organization will positively affect employees' work attitudes. In summary, it can be asserted that employees' enhanced social identity, due to being members of a prestigious organization, will affect their work attitudes, which in turn affects their organizational commitment (OC) because OC is an important dimension of work attitudes. OC reflects an employee's relationship with the organization and is significant to the decision to

maintain membership. People come to organizations with certain needs and expectations. If an organization meets these needs and expectations of employees, the level of OC can also increase. As such, there is a link between OC and CSR activities that are directly responding to employee needs.

There have been numerous empirical studies carried out into different aspects of CSR in Vietnam. Some studies focus on the impacts of CSR on business relationships, the environment, society, or just provide references on CSR in general (e.g. L.Kane et al., 2021; Nguyen and Fassin, 2017; Nguyen et al., 2018; Phan and Podruzsik, 2018), while others provide empirical evidence on impacts of CSR on organizational performance (Boafo and Kokuma, 2016; Johnson, 2003; Sameer, 2021). There are also some studies analyzing the impact of CSR on employees' attitudes and behaviors (Gond et al., 2010; Samanta et al., 2013; Turker, 2009) but these studies consider CSR for all stakeholders. There have been very few empirical studies quantifying the CSR for employees and assessing the relationship between CSR performance and employees' OC. Especially, there has been no study on CSR for employees in the steel industry. This study aims at filling this knowledge gap by examining the CSR implementation for employees and exploring the relationship between implementation of CSR for employees and employees' OC in steel companies in Hai Phong city.

In the current context of Vietnam, where the concept of CSR is still being understood in many ways and many Vietnamese companies have difficulties in applying this concept due to their limited knowledge of CSR, the research of CSR for employees is very necessary, especially in areas where employees have to work in a hard and toxic and hazardous environment such as the steel industry.

## **2. Social exchange and social identity theories**

According to social identity theory, the enterprise's CSR actions have directly impact on employees' organizational identification. People can participate in different social groups and try to

have a positive social identity. Hogg and Terry (2000) state that among these groups, membership of the organization they work for may be the most important. People tend to categorize themselves into groups driven by their desire to create and maintain their self-identity and they define themselves through their status or social standing of their organization (Samanta et al., 2013). If the organization has a prestigious image, it will increase their confidence and self-identity. Thus, organizational identification is defined through its perceived image and reputation. Farooq et al. (2013) argue that financial supports and efforts of an enterprise to improve stakeholders' welfare would result in positive internal and external evaluations of the organization and a positive impact on its external image. This means the enterprise's CSR actions would bring about positive assessments of the enterprise and enhance its image. As a result, employees would feel proud of the organization they work for which consequently attract and retain them and positively influence their attitudes towards work (Wood and Jones, 1995). Peterson (2004) stated that stakeholders may be influenced by the organization's reputation on social issues, even when it is not obvious that the organization's social actions have a direct impact on them.

Especially, employees' assessment of how the organization treats them can influence their attitude and behaviour. According to social exchange theory, relationship between an organization and its employees and employees' actions may be initiated and motivated through organization's support and fair treatment of the employees (Aryee et al., 2002). OC may be considered as a reciprocal action of employees who have received support and benefits from the organization (Tewari and Nambudiri, 2012). CSR actions for employees would improve working conditions and enhance well-being of employees which may strengthen employees' perception of their respect and status within the organization and lead to employees' positive work attitude and behaviour (Farooq et al., 2013). As a result, CSR for stakeholders and especially CSR for employees contributes to

employees' organizational identification as well as their satisfaction and commitment. In reality, implementation of CSR for employees is supposed to create a long and sustainable benefit for enterprises because CSR helps to improve the relationships between employers and employees and among employees, increase employee motivation and attractiveness to potential recruits, reduce or avoid accidents and injuries, reduce the rate of quitting jobs, and improve the productivity (Albinger and Freeman, 2000). Improvement in policies for employees even helps enterprises to reduce losses caused by sudden strikes of employees.

### 3. Methodology

The primary data used in this study were collected through a survey using a structured questionnaire. The survey was conducted in November-December 2020. The questionnaire was distributed to 400 employees at three steel manufacturing companies in Hai Phong city, Vietnam. Based on the list of steel companies in Hai Phong city published by Vietnam Steel Association, we selected three companies which have large market shares in Hai Phong city, including Viet Nhat Advanced Steel Joint Stock Company, Vinausteel Limited, and Ssesteel Limited. In each company, respondents were randomly selected from the list of employees.

The questionnaire includes items which were extracted from the ISO 26000:2010, the literature review and was further subject to modifications following the preliminary qualitative part of the research. Especially, we referred the study of Pham (2018) to select items in the questionnaire. The questionnaire composes of parts related to characteristics of respondents, employee's perception of CSR, employees' perception of the implementation of CSR for employees in the company, and employees' OC. The answers for questions on employees' perception and OC were on a five-point Likert

Scale (1= Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree). Besides, the study also used group discussion method to get in-depth information on employees' assessment as well as the actual situation of CSR implementation at the surveyed steel companies. In each company, the researcher organized two discussion groups with the number of participants in each discussion group of 8-9 employees, excluding the company leaders.

Descriptive statistics were used to describe and analyze the implementation of CSR for employees in steel companies. In order to quantify the impact of CSR for employees and other factors on OC, we employed a multiple regression model as follows:

$$Y = f(\text{sex, marriage status, education, working position, length of service, income EER, CWS, SD, HSW, HDT})$$

where the dependent variable Y is OC. The Independent variables were grouped into two categories, these being (i) the demographic and socioeconomic characteristics of the respondents, and (ii) the employees' perception of the companies' implementation of CSR for employees. This model was developed based on the reference of Turker (2009) and Nguyen and Fassin (2017).

## 4. Results and Discussion

### 4.1. Socio-demographic characteristics of the respondents

The characteristics of the surveyed employees are shown in Table 1. Men accounted for a very high ratio of labour in steel companies (89.2%) due to the nature of the industry. 61.5% of the respondents were married why the remaining 38.5% were single or divorced. Regarding the education level, the majority of respondents had a vocational diploma or college degree. Among 400 respondents, 15.5% were office staffs and the remaining 84.5% were direct workers. The average length of service of employees was approximately 6 years. The average monthly salary of employees was 13.1 million.

**Table 1:** Descriptive statistics for the sample of employees at steel companies in Hai Phong city

| Variable          | Explanation   | Mean   | Std. Deviation |
|-------------------|---|--------|----------------|
| Sex               | Male = 1; Female =0   | 0.892  | 0.271          |
| Marriage status   | Married = 1; Single/divorced =0   | 0.615  | 0.314          |
| Education         | Never attended school =1; Primary =2; Secondary degree = 3; High school certificate = 4; Vocational diploma = 5; College degree = 6; Bachelor degree and more = 7 | 5.511  | 3.752          |
| Working position  | Office staff = 1; Worker = 0  | 0.155  | 0.107          |
| Length of service | Years   | 5.953  | 3.940          |
| Income            | Monthly income of respondent (Million VND/month) <sup>1</sup>   | 13.150 | 4.182          |

#### 4.2. Perceived CSR implementation for employees

##### 4.2.1. Employment and employment relationships

Table 2 presents employees' assessments of implementation of the issue Employment and employment relationships. Employees tended to agree with comments on the performance of companies, with the mean value ranging from 3.01 to 3.87. EER4 and EER1 were the most appreciated items with the mean value being 3.87 and 3.74 respectively. This implies that there was almost no regional discrimination in surveyed steel companies and these companies performed relatively well in taking care of and protecting the legitimate rights and benefits of employees.

According to the employees' evaluation, personal information of employees was well protected by the company and they were provided with fair promotion opportunities at work with the

mean value of the item EER5 and EER2 being 3.76 and 3.45 respectively.

The least commonly agreed item was EER7 with the mean value being 3.01. It can be seen that the Trade Union in the steel companies under investigation was ineffective in ensuring and protecting the interests and benefit of employees. This is also a common practice among many companies and organizations in Vietnam where the Trade unions are still formalistic and mainly promote their role in organizing cultural and sport activities, but not yet promote the role of protecting the rights of employees. Besides, there still existed sexism discrimination in steel companies with the mean value of the item EER3 being 3.17. Results from group discussions also show that the collective activities in these companies were not really focused with the mean value of the item EER6 being 3.06.

**Table 2:** Descriptive statistics of Employment and employment relationships

| Code | Item  | Mean | Std. Deviation |
|------|---|------|----------------|
| EER1 | The company complies with the labour law and government's regulations related to rights and benefits of employees | 3.74 | 0.73           |
| EER2 | The company guarantees equal promotion opportunities for employees.   | 3.45 | 0.91           |
| EER3 | There is no sexism discrimination in the company  | 3.17 | 0.85           |
| EER4 | There is no discrimination among employees coming from different areas in the company                             | 3.87 | 0.84           |
| EER5 | The company protects of employees' personal data and privacy  | 3.76 | 0.93           |
| EER6 | The employees have team spirit and are in solidarity  | 3.06 | 0.89           |
| EER7 | The Trade Union works efficiently and plays an important role in the company                                      | 3.01 | 0.75           |

<sup>1</sup> 1 million VND was USD 42.994 at the time

4.2.2. *Conditions of work and social protection*

Working conditions significantly affect both economic and social development of employees. Social protection is targeted at employees in extremely difficult circumstances or people at risk to help them overcome difficulties and stabilize their lives. Social protection plays an important role in maintaining dignity and creating a sense of social justice. Therefore, social protection helps employees feel secure to work at the company.

The requirements related to working conditions and social protection were implemented relatively well by surveyed steel companies. Except for items related to working hours, weekly time off, and sport and music activities, the other ones were highly appreciated by employees with the mean values range from 3.54 to 4.30 (Table 3). The items CWS3 and CWS2 were rated the highest with the mean value of 4.31 and 4.17, indicating that surveyed steel companies implemented a full and punctual salary payment regime and the salary and bonuses were commensurate with the capacity and dedication of the employees.

According to the employees' assessment, steel companies performed relatively well in the

insurance regime for employees with the mean value of the item CWS8 being 4.14. Steel manufacturing is an industry where workers are exposed to heavy, hazardous, and dangerous tasks. Therefore, the good implementation of insurance policy by steel companies was an important factor in ensuring the lives of workers. In addition, steel companies also complied with the laws on working conditions with the mean value of the item CWS1 being 4.02.

The items related to working time, rest time, and overtime working hours were not highly appreciated by employees as the mean value of the items CWS5 and CWS6 was only 3.30 and 3.39 respectively. This suggests that the arrangement of working and rest time as well as overtime payments of surveyed steel companies did not really meet the employees' expectations. Results of group discussions with employees show that sometimes they had to work overtime a lot and this may lead to health and safety problems for them. In addition, collective activities and music and sport movements in steel companies were not paid attention with the mean value of the item CWS7 being below level 3 (2.92).

**Table 3:** *Descriptive statistics of Conditions of work and social protection*

| Code | Item   | Mean | Std. Deviation |
|------|--|------|----------------|
| CWS1 | Working conditions are in compliance with national laws and regulations    | 4.02 | 0.85           |
| CWS2 | The company offers appropriate and adequate salary and bonus               | 4.17 | 0.72           |
| CWS3 | Salary is paid in full and on time   | 4.31 | 0.79           |
| CWS4 | The company ensures fair payments for work of equal value                  | 3.84 | 0.81           |
| CWS5 | The company provides reasonable working hours, weekly time off, holiday    | 3.30 | 1.01           |
| CWS6 | The company offers appropriate and adequate overtime allowance             | 3.39 | 1.03           |
| CWS7 | There are many sport and music activities in the company                   | 2.92 | 0.86           |
| CWS8 | The company pays adequate social insurance, health insurance for employees | 4.14 | 0.84           |
| CWS9 | Leaders have appropriate behaviour with staffs and workers                 | 3.54 | 0.99           |

4.2.3. *Social dialogue*

The issue of social dialogue in steel companies was measured by 9 items (Table 4). Results show that the employees did not highly appreciate social dialogue activities that companies performed with the mean values of items ranging from 2.77 to 3.46. Employees rated the lowest the item of encouraging creativity and proactively expression of opinion of the employees with the mean value of the item SD5 being 2.77. Besides, the dialogue with leaders was not appreciated. The items related to leaders' behaviour and employees' approach to

leaders (SD3, SD4, and SD7) were all rated at low level (2.96 to 3.12). The level of clarity and publicity of the company's regulations, policies and evaluation methods related to employees was rated at a relatively low level (3.27). However, the company did a pretty good job of providing reasonable notice to employees of operational changes that had a major impact on their jobs with the mean value of the item SD2 being 3.46. In addition, employees did not appreciate the company's charitable activities and contributions to the society as the mean value of the item SD9 was only 3.28.

**Table 4:** Descriptive statistics of Social dialogue

| Code | Item   | Mean | Std. Deviation |
|------|--|------|----------------|
| SD1  | The company respects the right of employees to form or join their own organizations in order to enhance their interests or to bargain collectively | 3.25 | 0.97           |
| SD2  | The company provides reasonable notice to employees where operational changes have a major impact on the job                                       | 3.46 | 0.75           |
| SD3  | When the employees have any concern, they can easily approach the leaders and supervisor   | 3.09 | 0.88           |
| SD4  | Leaders listen to employees' opinion   | 3.12 | 0.97           |
| SD5  | The company encourages the employees to contribute opinion and initiatives at work   | 2.77 | 1.01           |
| SD6  | The company is willing to take the responsibility for any occurred problems  | 2.84 | 0.52           |
| SD7  | Leaders of the company promptly deal with complaints of employees  | 2.96 | 0.82           |
| SD8  | Company's regulation, policies and assessment methods related to employees are clear and public  | 3.27 | 1.12           |
| SD9  | The company often participate in charitable activities and contributes to campaigns and projects that promote the well-being of the society        | 3.28 | 0.97           |

4.2.4. *Health and safety at work*

Table 5 shows that the issue of health and safety at work was highly appreciated by the employees compared to other issues of CSR. All items of this issue were rated at over level 4 (except for the item related to investigation on safety issues (HSW9) which was rated at 3.88). This implies that surveyed steel companies

performed relatively well requirements in terms of health and safety at work such as providing safe and clean working conditions, implementing periodically health checks for employees, providing adequate personal protection equipments for employees, and guiding health and safety issues for new employees, etc.

*Table 5: Descriptive statistics of Health and safety at work*

| Code | Item   | Mean | Std. Deviation |
|------|--|------|----------------|
| HSW1 | The company provides safe and clean working conditions for employees   | 4.02 | 0.76           |
| HSW2 | Health checks for employees are implemented periodically   | 4.12 | 0.65           |
| HSW3 | The company has medical clinic   | 4.34 | 0.68           |
| HSW4 | The company well implements fire prevention and fighting plan  | 4.02 | 0.79           |
| HSW5 | The company provides adequate personal protect equipments for employees  | 4.00 | 0.71           |
| HSW6 | The new employees are fully guided health and safety issues for employees  | 4.05 | 0.59           |
| HSW7 | The employees are not allowed to use alcohol drink during lunch time   | 4.24 | 0.56           |
| HSW8 | The company requires that employees follow all safety practices at all times and ensure that employees are in compliance with procedures | 4.17 | 0.67           |
| HSW9 | The company documents and investigates all accidents and related health and safety issues  | 3.88 | 0.77           |

#### 4.2.5. Human development and training in the workplace

The issue of Human development and training in the workplace was measured by 8 items (Table 6). Results show that this issue was rated relatively low compared to other issues with the mean values of items ranging from 2.56 to 3.62. The most underrated item was HDT7 with the mean value of 2.56. This implies that the surveyed steel companies did not really care about the redundant employees and were not interested in helping them find new jobs or prepare well the conditions to find a new job. This has also happened in many companies in Vietnam. When companies decide to reduce human resource and dismiss employees, they only try to ensure the responsibility to pay severance allowances for employees but are not interested in whether the dismissed employees can find a new job or not because these employees are no longer their human resource and will not affect their production and business performance.

The issue of building corporate culture was not noticed by steel companies. The item HDT6

was underestimated by employees with the mean value of 2.68. The results of group discussion show that employees were still ambiguous with the cultural values of the company. Even the long-serving employees were not really aware of this issue. The employees did not appreciate the company's activities of creating career opportunities and improving knowledge and skills for employees as the items HDT3 and HDT1 were rated at 3.03 and 3.18 respectively. Besides, the companies' activities or process to re-acquaint employees with previously learned skills or to update their knowledge or skills were not effectively implemented at surveyed steel companies with the mean value of the item HDT4 being only 3.26.

Although the promotion opportunities for employees was not highly rated (3.21), the employees evaluated that they were provided equal opportunities to learn and promote at work with the mean value of the item HDT8 being 3.54. The employees appreciated the role of direct leaders in training and development for employees as the item HDT5 was rated at 3.62.

**Table 6:** Descriptive statistics of Human development and training in the workplace

| Code | Item  | Mean | Std. Deviation |
|------|---|------|----------------|
| HDT1 | The company organizes training programs to improve skills and knowledge for employees   | 3.18 | 0.98           |
| HDT2 | The employees will get promotion if they work well  | 3.21 | 0.87           |
| HDT3 | The company provides opportunities or creates good conditions for the employees to develop their skills and careers.                | 3.03 | 0.79           |
| HDT4 | The employees are retrained through the working process   | 3.26 | 0.92           |
| HDT5 | The direct boss plays an important role in training and developing his/her staffs   | 3.62 | 0.84           |
| HDT6 | The new employees are trained on cultural values of the company   | 2.68 | 0.93           |
| HDT7 | The company ensures that when needed, help is provided to redundant workers with access to new job support, training and counseling | 2.56 | 0.98           |
| HDT8 | The training and promotion opportunities are provided on an equal and non-discriminatory basis                                      | 3.54 | 0.82           |

#### 4.3. Organizational commitment of employees

OC of employees at surveyed steel companies in Hai Phong city was measured through 9 items (Table 7) based on an adjustment of the questionnaire developed by Cook and Wall (1980). The 9 items in the questionnaire were designed aiming at capture three dimensions of OC, including (a) acceptance of the company's values (identification), (b) willingness to put effort on behalf of the company (involvement) and (c) intention to remain with the company (loyalty).

The results show that employees were quite aware of the company's values and felt proud of working at the company. The mean values of the items OC1 and OC2 were 4.03 and 3.96 respectively. Besides, employees were also willing to recommend their friends or family to

join the company's staff with the mean value of this item (OC3) being 3.85.

The employees were quite loyal to the company and only a few of them had the intention of quitting to find a better job even if the company had financial problems or a new employer offered a slightly higher salary. The mean values of related items (OC7, OC8, and OC9) ranged from 3.89 to 4.01.

However, the dimension of involvement was not really appreciated as the mean values of all related items (OC4, OC5, and OC6) were below 3.4. This implies that employees were not really participated or involved in the company's operation to help the company fulfill its mission and achieve its goals.

*Table 7: Descriptive statistics of OC of employees*

| Code  | Items  | Mean | Std. Deviation |
|---|--|------|----------------|
| <i>Acceptance of the company's values (identification)</i>              |  |      |                |
| OC1   | I am quite proud to tell people which company I work for   | 4.03 | 0.68           |
| OC2   | I feel a 'strong' sense of belonging to my company   | 3.96 | 0.92           |
| OC3   | I will introduce and ask my friends and relatives to apply for a job in this company                       | 3.85 | 0.95           |
| <i>Willingness to put effort on behalf of the company (involvement)</i> |  |      |                |
| OC4   | I am willing to put myself out just to help the company  | 3.35 | 0.98           |
| OC5   | In my work I like to feel I am making some effort, not just for myself but for the company as well         | 3.26 | 0.84           |
| OC6   | Knowing that my own work had made a contribution to the good of the organization would please me           | 3.32 | 1.04           |
| <i>Intention to remain with the company (loyalty)</i>                   |  |      |                |
| OC7   | I never feel like leaving this company for good  | 4.19 | 0.67           |
| OC8   | Even if the company was not doing too well financially, I would be reluctant to change to another employer | 3.89 | 0.69           |
| OC9   | The offer of a bit more money from another company would not seriously make me think of changing my job    | 3.91 | 0.77           |

#### **4.4. Relationship between CSR for employees and organizational commitment**

Regression results for the relationship between CSR implementation for employees and OC is presented in Table 8. The results show a positive relationship between CSR for employees and OC. These results are in line with the findings of previous studies (De Roeck et al., 2014; Mory et al., 2015; Turker, 2009) which reveal that CSR is a significant predictor of OC. All issues of CSR for employees are found to have a significant and positive impact on employees' OC. However, the degree of impact differed across the issues.

Human development and training in the workplace was the most important factor affecting employees' OC, explaining 11.263% of the variation in OC. As analyzed in the previous section, according to employees' assessment, human resource training activities have not been performed well by surveyed steel companies. Meanwhile, the continuous and regular training

for personnel would help employees make progress every day, thereby increasing work motivation as well as maximizing the working efficiency of employees. In reality, one of the important goals of employees is the development of skills and careers. Employees who do not feel they can achieve their career goals in the company are more likely to quit the job than employees who feel they will achieve their career goals.

Health and safety at work was the second most important factor affecting employees' OC, explaining 9.844% of the variation in OC. The feature of the steel industry is that the production of iron and steel causes air pollution with a very large amount of dust. The main components are metal oxides and other oxides and emissions containing CO, CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>2</sub> which negatively affect the health of people, especially the direct workers in the factory. In addition, heat, vibration, and noise pollution are also problems affecting the health of workers. The results of discussions with

employees show that due to the toxic working environment and health hazards, employees were very concerned about the issues of health and safety at work. Therefore, ensuring safe and clean working conditions as well as health-related services for employees may greatly affect their willingness to put effort for the company and intention to remain with the company.

The issue of Social dialogue was the third most important factor, explaining 8.047% of the variation in OC. Meanwhile, factor related to Conditions of work and social protection was less important, explaining only 7.263% of the variation in OC. This result may be different from that of previous studies on the impact of CSR on employees' OC. However, this result is suitable to the reality at the surveyed steel companies. These steel companies performed relatively well the welfare regimes for employees and complied with the provisions of the law on rights and benefits for employees. Therefore, this factor did not have much influence on their long-term decision to work. On the contrary, the issue of social dialogue was not well addressed, affecting the job satisfaction of employees, thereby affecting their OC.

Length of service had a great influence on employees' OC. The longer people had worked at the company, the more likely they were to continue to work and contribute to the company. Employees who had worked for the company for a long time tended to voluntarily put in extra effort to help the company achieve its objective. In additions, older employees generally got better income, more rewards, and higher positions as well. Therefore, the cost of leaving would be higher for older employees which can make them more reluctant to change their current job. On the other hand, it might be more difficult for older employees to find a new job in the field of steel industry due to the age limit and health requirements, especially for direct workers.

Marriage status also affected employees' OC. Married employees tended to have higher OC than the single or divorced ones. This is due to the fact that married people often have more family responsibilities and greater financial burdens, thus, they need more stability in work. In addition, married employees need more adjustments and arrangements when changing jobs. In other words, leaving their current company may interfere with their family life at a higher level.

Female employees had a greater commitment to the company than male employees, partly due to difference in their sex emotional characteristics, family responsibilities, and desire for promotion. This is partly due to the fact that women are more likely to have greater emotional attachment to the organization so they are more likely to want to stay with the organization. In addition, women often hesitate to change jobs because they will face more obstacles when doing so due to rearrangement of household chores. Besides, women might have higher OC because of limited choices that they face in the labour market in the field of steel industry due to their disadvantages as compared with men. On the other hand, men often have a higher desire for promotion than women, so they tend to look for better jobs. Meanwhile, education and income had no significant impact on employees' OC.

Income was not significantly correlated to the employees' OC. This means that not every high income employee will be loyal to the company. The survey data show that the group of employees with the lowest income level (under 8 million VND) had the highest rate of intention to quit the job, followed by the group with the highest income level (above 12 million VND). Meanwhile, that rate was the lowest for the middle income group (8-12 million VND).

**Table 8:** Regression results for relationship between CSR implementation for employees and their organizational commitment

| Explanatory variables                           | Coefficient                              |             | % contribution |
|---|--|-------------|----------------|
| Sex   | -0.588                                   | **          | 4.602          |
| Marriage status                                 | 1.864                                    | **          | 3.921          |
| Education                                       | 3.591                                    |             | 0.610          |
| Working position                                | 3.409                                    | **          | 4.002          |
| Length of service                               | 0.413                                    | **          | 6.671          |
| Income  | 0.145                                    |             | 0.835          |
| Employment and employment relationships         | 0.876                                    | **          | 6.063          |
| Conditions of work and social protection        | 1.583                                    | **          | 7.263          |
| Social dialogue                                 | 1.074                                    | ***         | 8.047          |
| Health and safety at work                       | 0.952                                    | **          | 9.844          |
| Human development and training in the workplace | 1.230                                    | ***         | 11.263         |
| Constant  | 2.635                                    |             | -              |
| Observations                                    |  | 400         |                |
| F-statistics                                    |  | 15.24***    |                |
| R <sup>2</sup> / R <sup>2</sup> adjusted        |  | 63.12/59.83 |                |
| Minimum value of VIF                            |  | 1.15        |                |
| Maximum value of VIF                            |  | 2.96        |                |
| BreuschPagan/CookeWeisberg test                 | $\chi^2 = 0.75; p \text{ value} = 0.309$ |             |                |

Note: \* $P < 0.10$ , \*\* $P < 0.05$ , \*\*\* $P < 0.01$ .

## 5. Conclusion

Surveyed steel companies in Hai Phong city were aware of the concept of CSR for employees. These companies performed relatively well CSR for employees in terms of ensuring rights and benefits for employees and working conditions in accordance with government regulations and laws. However, the spiritual life of employees and the issue of social dialogue were not paid enough attention which significantly affected employees' OC. Implementation of CSR for employees had a significant and positive effect on employees' OC. Employees committed to stay with the company not only because of the high salary and good benefits, but they were also very interested in the working environment, training, promotion, and

corporate culture. Issues such as human development and training in the workplace and health and safety at work had the greatest impact on employees' OC due to the features of the steel industry. To improve employees' OC, steel companies need to enhance their CSR for employees by coming up with policies that focus on not only the material life but also the spiritual life of employees.

This study is subject to some limitations. CSR for employees was measured through evaluation of employees. Many of the respondents of the survey are direct workers. The majority of them may not be fully aware of their rights, the company's CSR implementation and related issues. This may somewhat affect the accuracy of the collected data.

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**Thông tin tác giả:**

**1. Trần Trọng Hải**

- Đơn vị công tác: Công ty Cổ phần Tập đoàn Trang Khanh

**2. Bùi Thị Minh Hằng**

- Đơn vị công tác: Trường Đại học Kinh tế & QTKD

- Địa chỉ email: [hangbui.tn@gmail.com](mailto:hangbui.tn@gmail.com)

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