



# Analyzing the Relationship between Corporate Social Responsibility and Trust and Commitment to the Organization of Employees of Le Cuong Company Limited

<sup>1</sup> *Vu Thi Anh Tuyet*

<sup>1</sup> *University of Labour and Social Affairs, Vietnam*

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## ABSTRACTS

As one of the companies that started business with the desire to "serve" the community and not simply aim for profit, Le Cuong Limited Liability Company has been making efforts to implement CSR as a strategy. long-term, towards sustainable development. The research team relied on research on CSR to study the relationship between corporate social responsibility and the trust and commitment of employees of Le Cuong Limited Liability Company. The results show four factors: "Charitable responsibility" (TT), "Economic responsibility" (KT), "Legal responsibility" (PL), "Ethical and social responsibility" (DD ) has a positive influence on the trust and commitment of employees of Le Cuong Limited Liability Company. From the research results, the authors provide a number of management implications and suggestions for Le Cuong Limited Liability Company to further promote the effectiveness of CSR implementation, helping to increase trust and commitment to long-term commitment in the organization.

**Keywords:** *Corporate social responsibility, trust, commitment*

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## Introduce

Looking at today's economic panorama, it can be seen that corporate social responsibility (Corporate Social Responsibility - CSR) is part of the "rules of the game" in the world economy. Approaching CSR and building it as a development strategy not only helps businesses develop their business sustainably, but also creates a good image in public awareness and employees' positive attitudes towards business (Lee, Park, & Lee, 2013). Therefore, every business that wants to develop sustainably needs to pay attention to CSR activities. Besides, the organization also establishes trust, because whether a business is reputable or not depends on its trustworthy staff, and trust in the organization is an important key. In addition, to create competitive advantage for businesses, employee commitment is an important aspect. Based on the above arguments, the authors chose a content approach in researching the relationship between corporate social responsibility and employees' trust and commitment to the organization, in the case of the Company. Le Cuong limited liability company.

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## 1. Overview

The definition of social responsibility was first mentioned by Howard Rothmann Bowen (1953), but the most popular is Carroll's (1979) statement: "Corporate social responsibility includes society's expectations about business. economic, legal, ethical, and philanthropic behavior toward organizations at a given time." And the topic is based on the theoretical foundation of the model, the definition of Carroll (1979,1991) to analyze because this is a model Highly feasible, suitable for Le Cuong limited liability company.

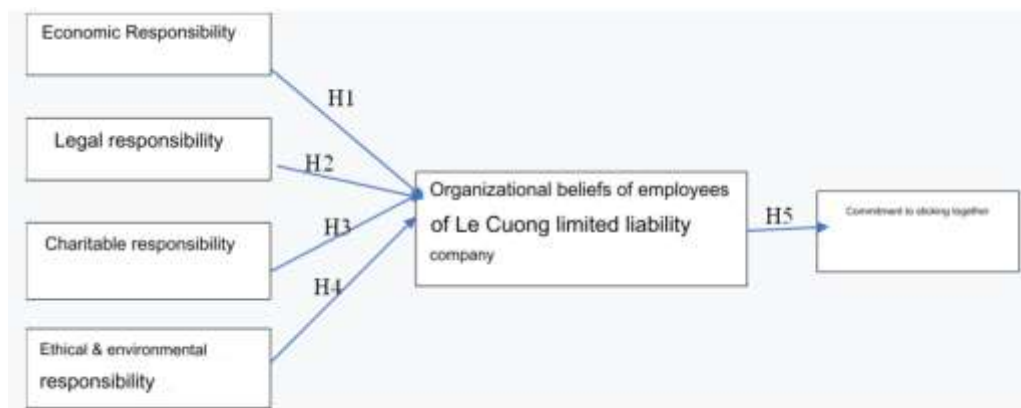
Nguyen Ngoc Thang (2010) has researched human resources and drawn up policies for employees with CSR to increase benefits for businesses. Along with the above topic, Vo Khac Thuong (2013) learns about the rights of employees while Pham Long Chau (2014) offers perspectives related to customers and stakeholders such as shareholders to evaluate the impact their impact on CSR. CSR is a concept that has received attention from many scholars, however, the disadvantages of the above studies only stop at raising issues of institutions, legal frameworks, and responsibilities. society,... without any data to prove it. Besides, employee engagement through CSR activities is also of interest to Albdour and Altarawneh (2012). According to Lee et al. (2013), the relationship between CSR includes factors: economic, legal, charitable, mandatory and complementary with organizational trust being said to be very high. It can be seen that in general, studies explore the role of CSR for businesses. Besides, it clarifies theories related to CSR and its components as well as benefits when implementing CSR activities for businesses. However, most of the studies take a business perspective such as business performance, customer loyalty, business reputation, etc. while the studies go deeper into employee perceptions. There is still quite a bit about CSR to know its impact on employee trust and engagement, while this is also a necessary issue that administrators should pay attention to. In addition, empirical

studies on the relationship between CSR and commitment through the mediating role of organizational trust conducted in the construction sector are also very limited.

## 2. Research models

It can be seen that managers' interest in CSR is increasing day by day. More specifically, Turker (2009) conducted research on the impact of corporate social responsibility on trust and commitment to the organization of human resources. The results supported the problems for businesses at that time, but the research gap did not bring actual benefits to the community and society. Inheriting the results of Turker (2009), Phan Nguyen Hoa Huyen (2021) developed a research model on the impact of CSR on trust and commitment and added the variable of responsible behavior. From the premise of previous studies, the author proposes an integrated model of the relationship between CSR to trust and commitment to the organization, a specific case at Le Cuong Company Limited.

Figure 1: Proposed research model



Source: Research by the author group

### Research hypothesis

*Hypothesis H1: Economic responsibility has a positive effect on employee trust in the organization.*

*Hypothesis H2: Legal responsibility has a positive effect on employee trust in the organization.*

*Hypothesis H3: Charitable responsibility has a positive effect on employees' trust in the organization.*

*Hypothesis H4: Ethical and environmental responsibility have a positive influence on employees' trust in the organization.*

*Hypothesis H5: Trust in the organization has a positive influence on employee commitment to the organization.*

## 3. Research methods

The research topic uses a mixture of two methods including: qualitative research and quantitative research.

**Qualitative research:** focus group discussions as well as discussions with the staff of Le Cuong Co., Ltd. to collect qualitative information in an objective and multidimensional way

**Quantitative research:** Create an online questionnaire using Google Form. After being screened, the data will be analyzed through SPSS 26 software.

By accepting Carroll's model (1979) and inheriting the scale of Phan Nguyen Hoa Huyen (2021), the author rebalanced it to suit the working environment at Le Cuong Co., Ltd., the scale is shown in table 2:

**Table 2: Measurement scale**

Factor name	Variable list	Source
Economic responsibility	KT1, KT2, KT3, KT4, KT5	Lee, Y., et al (2012), Carroll (1979), Corson and Steiner (1974), Lee, Y., et al (2009), Ostlund (1977), Lichtenstein et al (2004), Lee, E.M., et al (2013), Maignan and Ferrell (2001), Montgomery and Stone (2009)
Legal responsibility	PL1, PL2, PL3, PL4, PL5	
Charitable responsibility	TT1, TT2, TT3, TT4, TT5	
Ethical and environmental responsibility	DD1, DD2, DD3, DD4, DD5, DD6	
Trust in the organization	NT1, NT2, NT3, NT4	Lee et al (2013), Chathoth et al (2011)
Commitment to sticking together	CK1, CK2, CK3, CK4	Lee et al (2012), Meyer and Allen (1991)

Source: Phan Nguyen Hoa Huyen (2021)

After conducting Cronbach's Alpha test for observed variables and EFA factor analysis, the research model includes 4 independent variables: "Economic responsibility" (KT1, KT2, KT3, KT4, KT5), "Responsibility". Legal responsibility" (PL1, PL2, PL3, PL4, PL5), "Charitable responsibility" (TT1, TT2, TT3, TT4, TT5), "Ethical and environmental responsibility" (DD1, DD2, DD3, DD4, DD5, DD6), intermediate variable: "Organizational trust" (NT1, NT2, NT3, NT4), dependent variable: "Commitment to attachment" (CK1, CK2, CK3, CK4).

### 3.1 Descriptive statistics of the sample

Out of a total of 123 survey participants, it can be seen that there is not a big difference between male and female genders. The main age range is between 25 and 35 years old, accounting for 51.2%. Regarding educational level, people with university degrees account for the majority (59.3%). The majority of employees have been with the company for more than 3 years (44.7%) and the number of employees participating in the survey accounted for 79.7%, the remaining were managers with 22 people accounting for 17.9%. In addition, the average monthly income of the surveyors is 8 million or more (44.7%) and the single status of the respondents accounts for the majority with 57.7%.

### 3.2. Test the reliability of the scale

From the results of Cronbach's Alpha reliability test, it can be seen that there are 3 scales including: scale "Economic responsibility (KT)", scale "Legal responsibility (PL)", scale "Charitable responsibility" (TT)" ensures reliability due to the larger total variable correlation coefficient

0.3 and Cronbach's Alpha coefficient is greater than 0.6. In addition, the scale "Ethical and Environmental Responsibility (DD)" eliminated the observed variable DD5 due to not ensuring reliability. The authors tested the reliability of the above scale a second time.

EFA exploratory factor analysis

Table 6: EFA analysis for the variables "Economic responsibility (KT)", "Charitable responsibility (TT)", "Legal responsibility (PL)", "Ethical and environmental responsibility (MT)".

Observed variables	factor			
	1	2	3	4
TT4	.758			
TT5	.754			
TT1	.750			
TT2	.701			

TT3	.675			
KT2	.489			.436
PL5		.792		
PL2		.774		
PL3		.759		
PL4		.756		
DD4		.742	.830	
DD2			.767	
DD1			.756	
DD3			.700	
DD6			.694	
KT4				.799
KT5				.784
KT1				.746
KT3				.624

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations

Source: Results of data analysis by the authors

Factor analysis of the variable "Organizational trust (NT)"

Table 7: EFA analysis for the variable "Organizational trust (NT)"

	Factors
	1
NT3	.870
NT4	.870
NT1	.856
NT2	.822
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.	
a. Rotation converged in 5 iterations	

Source: Results of data analysis by the authors

Factor analysis of the variable "Commitment to attachment (CK)"

Table 8: EFA analysis for the variable "Commitment to commitment (CK)"

	Factor
	1
CK1	.817
CK3	.810
CK4	.797

CK2	.764
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.	
a. Rotation converged in 5 iterations	

Source: Author's data analysis results

### 3.3. Testing research hypotheses H1, H2, H3, H4:

The results from the rotation model table show that, all Sig. The Pearson correlation between the independent variables and the dependent variable is less than 0.05. This proves that the independent variables are linearly correlated with the dependent variable. In addition, the correlation coefficient between the dependent variable and the independent variables is positive, so this correlation is a positive correlation. The coefficient  $R^2 = 0.682$  (other than 0) shows that the research model is suitable, the adjusted  $R^2$  is  $0.672 = 67.2\% < R^2$  evaluates the appropriateness of the safety model, meaning that the independent variables are included. running the regression affects 67.2% of the change in the dependent variable. Sig. of the variables charitable responsibility (TT), legal responsibility (PL), economic responsibility (KT), ethical and environmental responsibility (DD) are all less than 0.05 (satisfactory), proving that These factors have an impact on employees' trust in the organization, so hypotheses H1, H2, H3, H4 are accepted. Besides, when testing multicollinearity, the variance inflation factor VIF of the independent variables is less than 10, so no multicollinearity occurs.

### 3.4. Testing research hypothesis H5:

The coefficient  $R^2 = 0.563$  (other than 0) shows that the research model is appropriate, the adjusted  $R^2$  is  $0.560 = 56.0\% < R^2$  evaluates the appropriateness of the safety model, meaning that the independent variables included in the regression run affect 56.0% of the change in the dependent variable. According to the results of determining the regression coefficient, it can be seen that the variable organizational trust (NT) has an impact on the variable commitment (CK) due to Sig. Test equal to  $0.000 < 0.05$ . Therefore, the author draws a conclusion accepting hypothesis H5. Besides, when testing for multicollinearity, the variance magnification factor VIF is less than 10, so no multicollinearity occurs.

#### Conclusion and proposed solutions

From the research results, it can be seen that the factor "Charitable Responsibility (TT)" has the strongest impact on employees' trust and commitment to the organization with a beta coefficient of 0.452. Therefore, the company needs to participate in charitable activities in many different forms such as supporting charity funds or helping flood victims. Besides, charity support funds can be established to make charitable activities more effective. In addition, the company can establish a specialized social work department to advise leaders on communication strategies on charity support, and leaders also need to come up with policies to create favorable conditions. for employees to participate as well as attract cooperation and progress from your businesses.

The second strongest factor affecting trust and commitment to the organization is "Economic Responsibility (KT)" with a beta coefficient of 0.274. Therefore, the company needs to create a working environment with worthy remuneration and benefits for employees (additional skills training such as communication skills, management skills and customer care, etc. ). In addition, improve the quality of products and services. Le Cuong can apply standards such as ISO 9001 and invest in advanced equipment to minimize error rates in output quality, thereby enhancing credibility with consumers and stakeholders. (investors, partners, etc.). In addition, the company needs to periodically evaluate the status of products and services by listening to feedback from customers and re-testing products before delivering them to consumers.

The next factor affecting employee trust and commitment is "Liability (PL)" with a beta coefficient of 0.250. Therefore, the company needs to comply with the spirit of "respect for the law", such as not using child labor, creating conditions and ensuring the right to work of people with disabilities according to Vietnamese law, as well as having transparency. Transparency in welfare, salary and bonus issues. Besides, it is also necessary to ensure safety and occupational hygiene for employees.

The factor that has the least influence on employees' trust and commitment is "Ethical and environmental responsibility (DD)" with a beta coefficient of 0.151. Therefore, it is necessary to disseminate to all employees in the company about changing awareness in dealing with the environment through meetings, skills training sessions, etc. More strictly, the company can build develop a code of conduct for nature, consistent with environmental ethical standards to improve resource protection for employees. In addition, the company needs to innovate as well as advance technology to optimize the source of raw materials for the production line.

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