International Journal of Innovation, Creativity and Change. www.ijicc.net
Volume 14, Issue 11, 2020

Factors Affecting Corporate Social Responsibility Disclosure in Companies Listed on the Vietnamese Stock Market

Thi Thuy Hang Ta, Ph.D.[a], Thu Hien Hoang, Ph.D.[b], Thi Phuong Lan Hoang, Ph.D.[c], Huong Giang Dang, Ph.D.[d], Thi Thu Hang Nguyen, Ph.D.[e], [a]University of Labour and Social Affairs, Vietnam, [b,c,d,e]University of Economic and Technical Industries, Vietnam, Email: [a]hangulsa@gmail.com, [b]hthien@uneti.edu.vn, [c]htplan@uneti.edu.vn, [d]dhgiang@uneti.edu.vn, [e]thuhang@uneti.edu.vn

This study investigated the practice and disclosure of corporate social responsibility of Vietnamese enterprises, as well as the factors affecting corporate social responsibility disclosure. This paper used regression analysis to examine 516 observations from annual reports and sustainability reports of enterprises listed on the Vietnamese stock market from 2006 to 2017. The results showed that the extent of corporate social responsibility disclosure of Vietnamese businesses is low. Firm age, legal regulations, financial efficiency, strategic posture toward corporate social responsibility, and the type of company are factors that positively influence the extent of corporate social responsibility disclosure in Vietnamese enterprises.

Key words: *Corporate social responsibility disclosures, enterprises*

1. Introduction

Corporate social responsibility disclosure has become a global trend since corporate responsibility regarding the environment and society became a business strategy that contributes to the development of businesses. Many companies around the world have succeeded in building a good image through the practice and disclosure of social responsibility. Typical examples are Google with the world's most valuable workplace, Nike's recovery from a sales slump with commitments to only cooperate with suppliers who comply with standards of social responsibility, and the consumer electronics company Best Buy building its brand through its electronic product recycling program.

In Vietnam, corporate social responsibility disclosure is receiving much attention from companies due to globalisation and pressure from the international community after a series of scandals such as those involving Vedan, Fomosa, and dirty food production. Furthermore, to meet the requirements of investors and markets to enhance corporate responsibility to the environment and society, the State Securities Commission of Vietnam required public companies to disclose information related to social responsibility in 2015. Therefore, corporate social responsibility disclosure is a requirement for companies listed on the Vietnamese stock market.

According to the statistics of the assessment of annual reports in 2016 conducted by the Ho Chi Minh Stock Exchange (HOSE), Hanoi Stock Exchange (HNX), and Vietnam Investment Review, while the number of enterprises disclosing social responsibility information has increased, the reporting quality was inconsistent. Those companies can be divided into two groups. One group makes simple reports mentioning what happened during the year regarding stakeholders and social activities, mainly charity activities or environmental activities. This group fails to demonstrate their companies' commitment, strategies, and sustainable development orientations. The second group releases more detailed and complete reports concerning aspects of sustainable development, demonstrating a high degree of leadership and serious investment in sustainable development. The discrepancy between the two groups raises the question of why there is such a difference between them? What factors affect the extent of social responsibility disclosure of companies listed on the Vietnamese stock market? This study investigated the factors affecting the extent of social responsibility disclosure of companies listed on the Vietnamese stock market to answer those questions.

2. Theoretical foundation

2.1. Stakeholder theory

Stakeholder theory is derived from the work of the economist Milton Friedman (1970) and concerns economic interest in the field of corporate social responsibility. Stakeholder theory emphasises corporate social responsibility as well as the rights of stakeholders. In the process of implementing responsibilities to stakeholders, the disclosure of information plays an important role. Based on stakeholder theory in strategic management, Ullmann (1985) provided three models in three different dimensions to explain the behaviour of corporate social responsibility disclosure. The first dimension refers to stakeholder power in companies. According to this model, when stakeholders control important resources of a company, that company will find ways to meet the needs of the stakeholders. If corporate social responsibility disclosure is seen as an effective management strategy for solving the relationship issues with stakeholders, the relationship between stakeholder power and corporate social responsibility disclosure is a positive correlation. The second dimension refers to strategic posture towards social needs and describes how business leaders react through critical decision-making to meet the requirements of society. Ullman divides strategic posture in two forms: active and passive. An enterprise has an active posture if management tries to assert a company's position to important stakeholders by intentional information disclosure, participating in monitoring activities on a regular basis and the institutionalisation reporting activities. On the other hand, if management of an enterprise cannot grasp the influences of stakeholders, it is considered to have a passive posture. The third dimension refers to the economic performance of the business in the past and present. The model assumes that the economic efficiency of a business has an important influence on social needs, and that economic efficiency is the top concern for managers. During a period of low returns and high debt, economic needs are prioritised over social needs. In addition, economic efficiency affects the financial ability to carry out costly programs to meet social needs.

Thus, based on the stakeholder theory, the motivation for businesses to practice and report social responsibility is to fulfil their responsibilities with stakeholders. Depending on stakeholder power, strategic posture and economic performance, a business may have a strategy for implementing and disclosing social responsibility for itself.

2.2. Legitimacy theory

Legitimacy theory is derived from the concept of organisational legitimacy, which is defined by Dowling and Pfeffer (1975) as follows: "An entity can exist when its value system is congruent with the value system of the larger social system where the entity belongs to. When there is a real or potential disparity between two value systems, the legitimacy of that entity is threatened." Based on legalisation theory, business organisations are motivated to report social responsibility activities for the purpose of acquiring, maintaining or rebuilding their legal existence. Accordingly, the disclosure of corporate social responsibility is considered a driving force for businesses to legalise their activities and benefit by these legal activities. When managers are motivated by this incentive, they take actions they deem necessary to protect their legitimate business image.

3. Literature review and conceptual framework

Stakeholder theory and legitimacy theory consider enterprises as part of a broader society, in which enterprises influence and are influenced by components of society. According to legitimacy theory, corporate social responsibility disclosure is used as a tool of businesses to legalise its existence in society. Stakeholder theory assumes that firms disclose social responsibility information to monitor their significant stakeholders to ensure their support which is essential for the survival of companies. These theories are used to explain the practice and disclosure of corporate social responsibility.

3.1. Firm size - SIZE

Researchers suppose that large-scale enterprises receive more attention from the community. These companies may have more exposure to the media, non-governmental organisations, government and other stakeholders, which can affect their social responsibility practices (Waris Ali, 2014). In addition, some argue that large firms have the potential to diversify their locations and products, so these firms may have multiple stakeholder groups of differing sizes (Brammer and Pavelin, 2008). Previous studies also showed a positive relationship between the extent of corporate social responsibility disclosure and firm size in both developed countries (Belkaoui and Karpik, 1989; Gray et al., 1995; Hackston and Milne, 1996; Cormier and Magnan, 1999; Patten, 2002; Reverte, 2009) and in developing countries (Haniffa and Cooke, 2005; Alsaeed, 2006; Amran and Devi, 2008; Branco and Rodrigues, 2008; Tagesson et al., 2009; Buniamin, 2010; Khan, 2010), as well as in Vietnam (La Soa Nguyen et al., 2017; Doan Ngoc Phi Anh and Nguyen Thi Tuyet Nga, 2017). Therefore, the first hypothesis is proposed:

H1: There is a positive relationship between firm size and the extent of corporate social responsibility disclosure.

3.2. Firm age - AGE

Researchers suppose that companies which have been in operation for a longer time have more public attention. With a long history, a company's image is closely linked to its social responsibility practices (Roberts, 1992). Some previous studies also found a positive relationship between firm age and the extent of corporate social responsibility disclosure (Delaney and Huselid, 1996). However, some studies found no association between them (Alsaeed, 2006). Therefore, the second hypothesis is proposed:

H2: There is a positive relationship between firm age and the extent of corporate social responsibility disclosure.

3.3. Legal regulations - LAW

As mentioned above, in 2015, the State Securities Commission of Vietnam issued regulations that require public companies to disclose corporate social responsibility information. However, there is no empirical evidence that this pressure can lead to a change in corporate social responsibility disclosure of Vietnamese enterprises. Based on legitimacy theory and stakeholder theory, a company can increase the extent of corporate social responsibility disclosure in order to achieve "legitimacy" or to meet the expectations of stakeholders, especially the government. This was also demonstrated in the study of Waris Ali (2014) in Pakistani along with the changes to the law in 2009. Therefore, the third hypothesis is proposed:

H3: The extent of corporate social responsibility disclosure of companies after 2015 is higher than that of previous years.

3.4. Foreign ownership - FRO

Corporate social responsibility originated in developed countries and then gradually spread to developing countries through globalisation. The report from KPMG 2008 showed that enterprises in developed countries do more corporate social responsibility reporting than enterprises in developing countries. Previous studies have also demonstrated that foreign ownership has a positive effect on the extent of corporate social responsibility disclosure (Teoh and Thong, 1984, Oh et al., 2011). Therefore, in the context of Vietnam, a developing country, the practice and disclosure of corporate social responsibility is still limited, while Vietnamese enterprises with foreign shareholders from developed countries have high requirements for the practice and disclosure of corporate social responsibility. Therefore, the fourth hypothesis is proposed:

H4: There is a positive relationship between the extent of foreign ownership and the extent of corporate social responsibility disclosure.

3.5. Government ownership - GRO

In Vietnam, the government has long been concerned about corporations' environmental and social responsibilities. Many government regulations are introduced to protect the interests of workers, customers and the environment such as the environmental protection law, regulations of the Ministry of Labour, consumer protection law, company law, competition law, and advertising law. Therefore, based on stakeholder theory, state-owned enterprises practice and disclose corporate social responsibility to meet the expectations of powerful stakeholders (a major shareholder is the Government). This is proved in previous studies (Amran and Devi, 2007; Prado-Lorenzo et al., 2009; Dincer, 2011). Therefore, the fifth hypothesis is proposed:

H5: There is a positive relationship between the extent of government ownership and the extent of corporate social responsibility disclosure.

3.6. Financial leverage ratio – LEV

Based on stakeholder theory, creditors are considered power stakeholders of enterprises. Therefore, enterprises with a high debt-to-equity ratio tend to disclose more social responsibility information to create confidence and prevent negative reactions from creditors. It is proved in previous studies that the debt-to-equity ratio is positively linked with the extent of corporate social responsibility disclosure (Roberts, 1992; Mahadeo et al., 2011). Therefore, the sixth hypothesis is proposed:

H6: There is a positive relationship between debt-to-equity ratio and the extent of corporate social responsibility disclosure.

3.7. Profitability - ROA

Based on stakeholder theory, Ullman (1985) stated that apart from stakeholder power, financial performance also affects the corporate behaviour of disclosing information on social responsibility. According to Ulmann (1985), enterprises with good financial performance are able to satisfy more social requirements. The literature review shows that many studies confirm the impact of financial performance on the extent of corporate social responsibility disclosure (Belkaoui and Karpik, 1989; Cormier and Magnan, 1999; Haniffa and Cooke, 2005; Tagesson et al., 2009; Khan, 2010). Belkaoui and Karpik (1989) provided that firms with good financial performance are those with qualified managers. These people can make a business profitable, they also have knowledge and understanding of corporate social responsibility. Therefore, the seventh hypothesis is proposed as follows:

H7: There is a positive relationship between profitability ratio and the extent of corporate social responsibility disclosure.

3.8. Strategic posture toward CSR - SPC

Corporate strategic management towards social needs is described as the way leaders instate important policies and make decisions to meet social needs. According to Ullman (1985), if managers actively affirm the company's position with stakeholders through the development of social responsibility practice and regularly monitoring these activities, that company has a higher extent of corporate social responsibility disclosure. It is proved in the study by T.-K.Chiu and Y.-H. Wang (2014) that, if an enterprise discloses information according to specific standards, such as having a department in charge of collecting information and assessing performance to publish corporate social responsibility reports, the extent of the practice and disclosure of corporate social responsibility is usually high. Therefore, the eighth hypothesis is proposed:

H8: If an enterprise has strategic posture toward CSR, the extent of corporate social responsibility closure is higher than those who do not.

3.9. Type of company -INDUS

Previous research results show that the extent of corporate social responsibility disclosure depends largely on the type of business of an enterprise (Waddock and Graves, 1997). For example, the manufacturing industry tends to disclose more information on public responsibility and product safety; and oil industry firms tend to disclose information about problems related to the environment. This difference is due to the pressure from stakeholders on different types of businesses. The manufacturing sector impacts and affects the environment and public health in a way that the service sector does. Therefore, the ninth hypothesis is proposed:

H9: Manufacturing enterprises have a higher extent of corporate social responsibility disclosure than non-manufacturing enterprises do.

Thus, based on stakeholder theory and legitimacy theory, hypotheses H1-H9 are proposed and presented in the following conceptual framework:

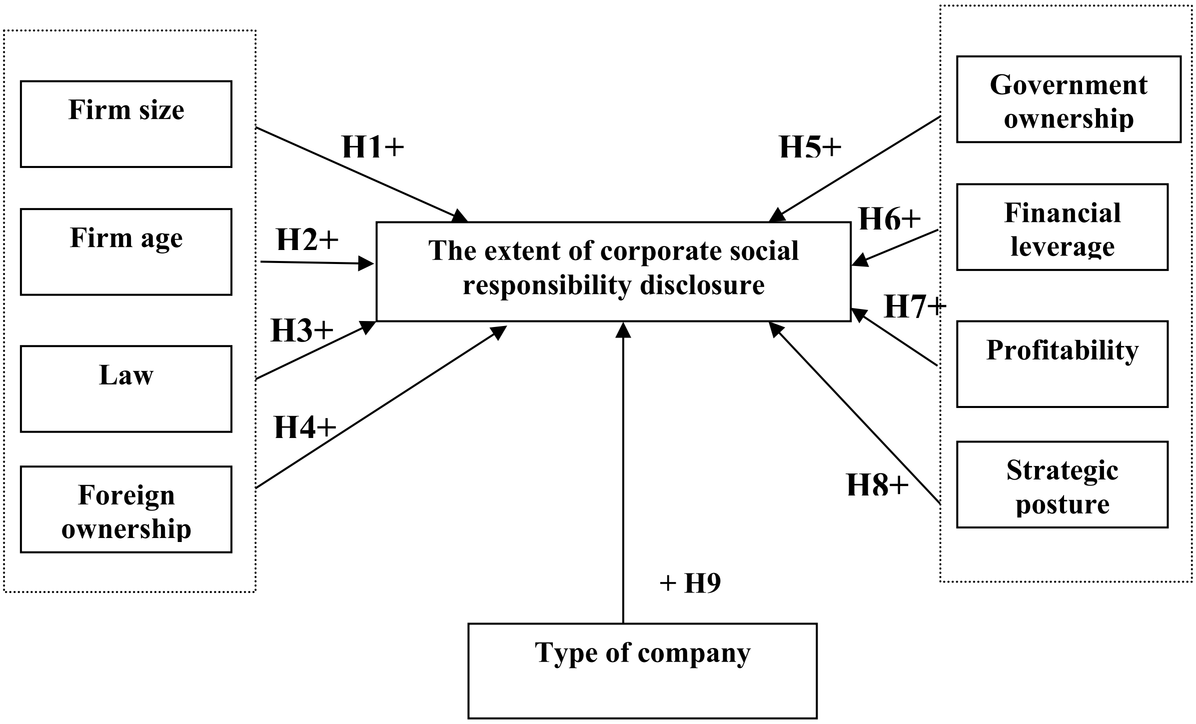

Figure 1: Conceptual framework

4. Methodology
4.1. Quantitative research

The regression equation is formulated as follows:

$$CSRD_{i,t} = \beta_o + \beta_1 SIZE_{i,t} + \beta_2 AGE_{i,t} + \beta_3 LAW_{i,t} + \beta_4 FRO_{i,t} + \beta_5 GRO_i + \beta_6 LEV_{i,t} + \beta_7 ROA_{i,t} + \beta_8 SPC_{i,t} + \beta_8 INDUS_{i,t} + u_{i,t}$$

In which
βo: constant
βj: coefficient (j=1,2,…8)
$u_{i,t}$: standard error

4.2. Research sample

A survey of 43 listed non-financial enterprises was conducted over a 12 year period (2006 to 2017) with a total of 516 observations. Financial information is collected directly from companies' financial statements and social responsibility information is collected from annual reports, as well as the sustainability reports of surveyed enterprises.

4.3. Assessment of the extent of corporate social responsibility disclosure based on content analysis

To assess the extent of corporate social responsibility disclosure of companies, this study used the list of social responsibility information in the study of Ta Thi Thuy Hang (2019) to analyse the extent of corporate social responsibility disclosure in the annual reports or sustainability reports of companies.

The assessment of the level of social responsibility disclosures was conducted by reading reports and seeking information relating to indicators in the evaluation list. If an enterprise did not disclose the i^{th} indicator, it is labelled "0." If the indicator was disclosed with general presentation or disclosed with quantitative presentation without specific explanation, it is labelled "1." If the indicator was disclosed with specific information about the activities, it is labelled "2." This technique helps to evaluate all aspects of the social responsibility information that enterprises published according to the evaluation list, and it also reflects the importance of the amount of published information in each information item of an enterprise.

The extent of corporate social responsibility disclosures (CSRD) of each enterprise in each year is determined by following formula:

$$CSRDj = \sum_i^n Xij \quad (1)$$

In which:

CSRDj: Indicator of information disclosures of the j^{th} enterprise
Xij = 0 if the i^{th} indicator of information is not disclosed in the j^{th} enterprise

Xij = 1 if the i^{th} indicator of information disclosed in the j^{th} enterprise is general information or quantitative information without specific explanation

Xij = 2 if the i^{th} indicator of information disclosed in the j^{th} enterprise is detailed information about specific activities

4.4. Variables and measurement scales

Table 1: variables and measurement scales

Symbol	Variable	Formula	References	Sources of data
CSRD	Corporate social responsibility disclosure	Formula (1)	Gunawan et al. (2008), Jitaree (2015)	Analyse the contents of annual reports and sustainability reports of enterprises in Vietnam
SIZE	Firm size	Ln of total assets	Patten(2002), Reverte (2009), Buniamin (2010), Khan (2010)	Collect data from annual reports, documents of enterprises
AGE	Firm age	The number of years being in business	Delaney and Huselid (1996), Xianbing Liu and Anbumozhi (2009)	Collect data from annual reports, documents of enterprises
LAW	Legal regulations	Law =1 if the year comes after 2015, otherwise law =0	Waris Ali (2014)	
FRO	Foreign ownership	The rate of foreign ownership	Teo and Thong (1984), Oh et al. (2011)	Collect data from annual reports, documents of enterprises
GRO	Government ownership	The rate of government ownership	Amran and Devi (2007), Prado-Lorenzo et al. (2009), Dincer (2011)	Collect data from annual reports, documents of enterprises
LEV	Financial leverage	Debt-to-equity ratio	Roberts (1992), Mahadeo et al. (2011)	Collect data from annual reports, documents of enterprises

ROA	Financial efficiency	Income before tax to total assets	Patten (1991), Hackston and Milne (1996), Reverte (2009), Branco and Rodrigues (2008), Mahadeo et al. (2011)	Collect data from annual reports, documents of enterprises
SPC	Strategic posture toward CSR	SPC=1 if an enterprise published CSR information based on specific standards, otherwise SPC=0	T.-K.Chiu, Y.-H. Wang (2014)	Collect data from annual reports, sustainability reports of enterprises
INDUS	Type of company	Indus = 1 if it is a manufacturing company and Indus = 0 if it is a non-manufacturing company	Cowen Linda and Scott (1987), Gray (2002), Newson and Deegan (2002), Parsa and Deng (2008)	Collect data from annual reports, documents of enterprises

Source: Compiled by the authors of this paper

5. Research results

5.1. Descriptive statistics

Descriptive statistics show that the average extent of CSRD of 43 enterprises listed on the stock market from 2006 to 2017 has increased steadily during the period, which indicates the increasing attention of enterprises in the practice and disclosure of corporate social responsibility. However, the extent of CSRD was relatively low compared to the maximum level of CSRD of 70. The highest level of CSRD achieved in 2017 was 34.3%.

Table 2: Descriptive statistics of the extent of CSRD of enterprise from 2006 to 2017

Year	**Average extent of CSRD each year**	Average extent of CSRD each year to maximum extent of CSRD
1	2	3 = (2)/70
2006	9.116279	13.0%
2007	11.30233	16.1%
2008	13.09302	18.7%
2009	14.67442	21.0%

2010	15.55814	22.2%
2011	16.32558	23.3%
2012	17.74419	25.3%
2013	18.62791	26.6%
2014	19.4186	27.7%
2015	21.39535	30.6%
2016	22.53488	32.2%
2017	24.02326	34.3%

Source: Calculated by the authors of this paper

This result reflects the fact that in Vietnam the practice and disclosure of corporate social responsibility has been increasing due to the growing pressure from stakeholders.

5.2. Regression results

Table 3: Regression results

Variable Model	**OLS**	**FEM**	**REM**	**GLS**
SIZE	0.9925145***	2.478599***	2.171618***	
AGE	0.4723706***	0.805422***	0.75402***	0.480107***
LAW	3.06519***	0.7536	1.162784**	3.250266***
FRO	0.4910986	1.984548	1.376235	2.873183
GRO	2.194301	2.811894	3.046435	2.403213
LEV	-0.182994	-0.18857	-0.24553	0.314744
ROA	32.70181***	14.10465***	15.00991***	31.81227***
SPC	9.562514***	5.132352***	5.678486***	11.24671***
INDUS	4.455202***	0	5.321383***	4.276123***
Constant	-26.64208***	2.478599***	-60.0081	-0.78103***
Observations	516	516	516	516
VIF	>10	>10, Size is removed	>10, Size is removed	There is no multicollinearity
Hausman test		Selected FEM		
Autocorrelation		Autocorrelated		Not autocorrelated
Heteroskedasticity		Heteroskedastic		Homoscedastic

Source: Calculated from Stata 12
Notes:,**,*** represent 10%, 5%, and 1% significance levels respectively*

With the regression analysis of panel data, the OLS method is not suitable because the OLS method considers the enterprises to be homogeneous and leads to inaccurate estimations when the individual effects cannot be controlled. Therefore, the fixed effects model (FEM) and the random effects model (REM) are applied, and the Hausman test is used to choose between FEM and REM. As a result, FEM was selected.

When testing the defects of FEM, autocorrelation and heteroskedasticity were found. Therefore, the Generalised Least Square (GLS) is used to address the problems. After removing SIZE due to multicollinearity, 5 variables out of 8 are statistically significant: AGE, LAW, ROA, SPC, and INDUS. The results can be explained by stakeholder theory and legitimacy theory.

Therefore, the regression equation is presented as follows:

CSRD = -60 + 0.48*AGE+ 3.25 *LAW + 31.81 * ROA + 11.24 * SPCi,t + 4.27 * INDUSt + Ui,t

5.3. Discussion

Firm age (AGE) and corporate social responsibility disclosure (CSRD)

Firm age (AGE) is positively associated to the extent of corporate social responsibility disclosure (CSRD), coefficient = 0.48 with P-value = 0.000 <0.05. This means that the longer a company has been in operation, the greater the extent of CSRD. This result is consistent with the study by Delaney and Huselid (1996), and Owusu-Ansah (1998). This result can be explained by stakeholder theory, which maintains that a firm with a longer history receives more public attention. With a long history, a company's image is closely linked to its social responsibility practices (Roberts, 1992).

Legal regulations (LAW) and corporate social responsibility disclosure (CSRD)

Legal regulations (law) are positively associated with the level of corporate social responsibility disclosure (CSRD), coefficient = 3.25 with P-value = 0.033 <0.05. This means that after regulations of the State Securities Commission regarding the requirements to increase the extent of corporate social responsibility disclosure in 2015, the extent of corporate social responsibility of enterprises was higher. This is considered a new discovery of the author in the context of research in Vietnam. This result is consistent with the statistical results of KMMG in the social responsibility report of enterprises in 2013 and a study by Waris Ali (2014). This implies that the pressure from the Government pushes companies listed on the Vietnamese stock market to increase the extent of corporate social responsibility disclosure. This result shows that the efforts of policymakers to improve the quality of information on the Vietnamese stock market have been effective. This result can be explained by the legitimacy theory that enterprises are an entity of the society, so enterprises need to legalise their activities by complying with legal requirements to survive and develop.

Return of assets (ROA) and the extent of corporate social responsiblity disclosure (CSRD)

Return on assets (ROA) is positively associated with the extent of corporate social responsibility disclosure (CSRD), coefficient = 31 with P-value = 0.00 <0.05. This means that enterprises with higher efficiency in using assets tend to disclose more information. This result is consistent with findings of studies by Belkaoui and Karpik (1989), Cormier and Magnan (1999), Haniffa and Cooke (2005), Tagesson et al. (2009), and Khan (2010). This finding can be explained by the stakeholder theory that businesses with good financial performance will be able to meet many social requirements, and these companies are also subject to more pressures from the community.

Strategic posture towards CSRD (SPC) and the extent of corporate social responsibility disclosure (CSRD)

Strategic posture towards corporate social responsibility (SPC) is positively associated with the extent of corporate social responsibility disclosure (CSRD), coefficient = 11.24 with P-value = 0.00 <0.05. This means that firms that pay more attention to social responsibility in their reports are more likely to disclose information on social responsibility than others. This result is consistent with studies by Robert (1992), T.-K.Chiu, and Y.-H. Wang (2014). These studies show that if a company has an active strategic posture by asserting its position with stakeholders through the development of social responsibility programs and discloses information according to specific standards, such as having a department in charge of collecting information and assessing performance to publish corporate social responsibility reports, the extent of practice and disclosure of corporate social responsibility is usually high.

Type of company (INDUS) and the extent of corporate social responsibility disclosure (CSRD)

Type of company (Indus) is positively associated with the extent of corporate social responsibility disclosure (CSRD), coefficient = 4.2 with P-value = 0.00 <0.05. This means that manufacturing firms are more likely to disclose information than service firms. This result is similar to the results of Cowen Linda and Scott (1987), Gray (2002), Newson and Deegan (2002), Parsa and Deng (2008). The difference between these two types of firms can be explained by the difference in stakeholder pressure because manufacturing firms are considered to have a strong effect on community, safety, and health.

5.4. Recommendations

The research results show that: (1) The extent of corporate social responsibility disclosure tends to increase according to the demands of stakeholders over time. (2) The strengthening of the law positively affects the extent of corporate social responsibility disclosure. (3) Enterprises with high financial efficiency have a higher degree of corporate social responsibility disclosure than others. (4) Enterprises that pay attention to social responsibility in their reports disclose more CSR information than others do. Therefore, based on the stakeholder theory and legitimacy theory, the following recommendations are proposed to promote the practice and disclosure of corporate social responsibility disclosure of enterprises listed on the stock market of Vietnam to meet the requirements of stakeholders to contribute to sustainable development.

Recommendations for governmental leaders

The government should gradually institutionalise corporate social responsibility disclosure of the Vietnamese legal system into corporate law as a compulsory responsibility.

The results of this study show that after the Circular No. 155/2015 / TT-BTC which required enterprises to report their impact on the environment and society, the extent of CSRD of enterprises increased significantly. This shows that when requirements are legalised, the extent of compliance is higher.

The government should encourage and motivate companies with long histories and high financial efficiency to disclosure CSR by providing financial support, knowledge and experiences in the practice and disclosure of CSR.

Enterprises with long histories and good financial performance have a certain prestige in the community, so the government should provide financial support, knowledge and experience in the practice and disclosure of corporate social responsibility to improve the extent of the practice and disclosure of corporate social responsibility of Vietnamese enterprises, especially listed ones, to meet the common standards of the market and international standards.

Recommendations for enterprises

It is important for enterprises to raise awareness about practice and disclosure of CSR through observation, research, and exchanging experiences with companies which have high financial efficiency and specific strategies regarding CSR.

Furthermore, it is essential for enterprises to establish and complete the accounting information system. Enterprises implement corporate social responsibility with the purpose of meeting the demands of related parties. Therefore, to be able to provide sufficient and appropriate information to different parties about CSR activities, enterprises need to classify and process information to meet the demand of users in line with international practices. In order to achieve this, enterprises must establish and complete the accounting information system to provide sufficient and reliable information of corporate social responsibility practices.

Recommendations for investors

CSR is considered as a business tool to convey information about enterprises' activities for the benefit of the social community. Investors should have a more professional investment strategy that not only relies on financial information to make decisions, but also is based on the extent of social responsibility disclosure of enterprises to minimise unnecessary risks that may be encountered in the investment process such as business shutdowns due to environmental concerns and boycotts. The results of this study suggest that investors can minimise risks in the investment process by paying attention to businesses with good financial performance and clear strategic postures for social responsibility.

6. Limitations and directions for future research

Limitations

This paper used content analysis to measure the extent of corporate social responsibility disclosure. Because this study was conducted by several people, it is the authors' belief that this study is less subjective than it would be if it had been conducted by a single person; however, mistakes are inevitable.

Due to the difficulties in data collection and the measurement of the extent of corporate social responsibility disclosure, the authors only investigated the quantity– not quality –of such information.

Directions for future research

There have been many studies on the impact of corporate social responsibility disclosure on financial efficiency. Those studies used different metrics and reported mixed results. There are many reasons for this, for it is not easy to measure the extent of corporate social responsibility disclosure because it can take many forms. In this study, the authors used content analysis to examine the annual reports and sustainability reports of enterprises based on the evaluation list that the authors constructed based on previous studies. Therefore, in the future, as Vietnam's economy becomes increasingly developed, the standards for corporate social responsibility disclosure will be standardised, and the measurement of such data will therefore be easier and more reliable.

In this study, the authors only investigated the extent of corporate social responsibility disclosure in terms of its quantity instead of its quality; therefore, future studies should investigate the quality of such information in addition to the aforementioned quantity.

REFERENCES

Alsaeed, K. (2006),'The association between firm-specific characteristics and disclosure: the case of Saudi Arabia',*Managerial Auditing Journal*, 21(5), 476-496.

Amran, A., & Devi, S. S. (2008),'The impact of government and foreign affiliate influence on corporate social reporting: The case of Malaysia'*Managerial Auditing Journal*, 23(4), 386-404.

Belkaoui, A. and P. G. Karpik (1989), 'Determinants of the corporate decision to disclose social information', *Auditing & Accountability Journal*, Vol. 2, Issue 1. pp. 36-51.

Branco & Rodrigues (2006), 'Corporate social responsibility and resource- based perspectives', *Journal of Business Ethics*, Vol. 69, No. 2, pp. 111-32

Buniamin, S. (2010),'The quantity and quality of environmental reporting in annual report of public listed companies in Malaysia'*Issues in Social & Environmental Accounting*, 4(2), 115-135.

Cormier D, Magnan M. (1999),'Corporate environmental disclosure strategies: determinants, costs and benefits'*Journal of Accounting Auditing and Finance* 14(4): 429–451

Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. Academy of Management Journal, 39, 949-969. http://dx.doi.org/10.2307/256718

Dincer, B. (2011),'Do the shareholders really care about corporate social responsibility?', *International Journal of Business & Social Science*, 2(10), 71-76

Dowling, J. and Pfeffer, J (1975), 'Organizational Legitimacy: Social Values and Organizational Behavior', *Pacific sociological review*, 1975: 18, 122-136

N.P.A Doan &T.T.N Nguyen (2018), "Factors affecting the level of social responsibility, sustainable devolopment information disclosure of Vietnamese enterprises listed". Vietnam's Socio-Economic Development, vol 480, 15-23.

Friedman, M.: 1970, 'A Friedman Doctrine — The Social Responsibility of Business Is to Increase Its Profits', *The New York Times Magazine*, Sept. 13, 32–33, and 123–125.

Hackston, D., & Milne, M. J. (1996), 'Some determinants of social and environmental disclosures in New Zealand companies', *Accounting, Auditing & Accountability Journal*, 9(1): 77

Haniffa, R. M. and Cooke, T. E. (2005), 'The impact of culture and governance on corporate social reporting', *Journal of Accounting and Public Policy*, Vol. 24, Issue 5, 1-40

Jitaree, Wisuttorn (2015), *Corporate social responsibility disclosure and financial performance: evidence from Thailand*, Doctor of Philosophy thesis, School of Accounting, Economics and Finance, University of Wollongong, 2015. http://ro.uow.edu.au/theses/4413

Khan, M. H. U. Z. (2010),'The effect of corporate governance elements on corporate social responsibility (CSR) reporting: empirical evidence from private commercial banks of Bangladesh'*International Journal of Law and Management*, 52(2), 82-109

La Soa Nguyen, Manh Dung Tran, Thi Xuan Hong Nguyen, Quoc Hoi Le (2017),' 'Factors Affecting Disclosure Levels of Environmental Accounting Information: The Case of Vietnam', *Accounting and Finance Research*, Vol. 6, No. 4

Mahadeo, J., Oogarah-Hanuman, V., & Soobaroyen, T. (2011),'A longitudinal study of corporate social disclosures in a developing economy'*Journal of Business Ethics*, 104(4), 545-558

Oh, W., Chang, Y., & Martynov, A. (2011),'The effect of ownership structure on corporate social responsibility: Empirical evidence from Korea', *Journal of Business Ethics*, 104(2), 283-297

Patten, D.M. (2002), 'Media Exposure, public policy pressure, and environmental disclosure: An examination of the impact of tri data availability'. Accounting Forum, 26(2), 52-171.

Prado-Lorenzo, J., Gallego-Alvarez, I., & Garcia-Sanchez, I. (2009),'Stakeholder engagement and corporate social responsibility reporting: The ownership structure effect',*Corporate Social Responsibility & Environmental Management*, 16(2), 94-107

RE.Freeman (1983), 'Strategic Management a Stakeholder Approach', *Advances in Strategic Management*, pp. 31-60.

Reverte, C. (2009),'Determinants of corporate social responsibility disclosure ratings by Spanish listed firms', *Journal of Business Ethics*, 88(2), 351-366. http://dx.doi.org/10.1007/s10551-008-9968-9

Rob Gray, Reza Kouhy, Simon Lavers (1995), 'Corporate social and environmental reporting: a review of the literature and a longitudinal study of UK disclosure', *Accounting, Auditing & Accountability Journal*, Vol. 8 Issue: 2, pp.47-77, https://doi.org/10.1108/09513579510146996.

Roberts, R. W. (1992),'Determinants of corporate social responsibility disclosure: An application of stakeholder theory',*Accounting, Organizations & Society*, 17(6), 595-612

Thị Thúy Hang Ta (2019), Studying the effect of social responsibility disclosures on financial performance of listed companies on Vietnam's stock market, PhD.thesis, National Economics Universitiy

Tagesson, T., Blank, V., Broberg, P., & Collin, S. (2009),'What explains the extent and content of social and environmental disclosures on corporate websites: A study of social and environmental reporting in Swedish listed corporations?'*Corporate Social Responsibility & Environmental Management*, 16(6), 352-364

Teoh, H. Y., & Thong, G. (1984),'Another look at corporate social responsibility and reporting: an empirical study in a developing country'. *Accounting, Organizations and Society,* 9(2), 189-206

Tzu-Kuan Chiu and Yi-Hsin Wang (2014), 'Determinants of Social Disclosure Quality in Taiwan_An Application of Stakeholder Theory', *J Bus Ethics*, 129:379-398.

Ullman, A. (1985), 'Data in search of a theory: A critical examination of the relationships among social performance, social disclosure, and economic performance of U.S. firms', *Academy of Management Review*, 10 (3), 540-557. doi: 10.2307/258135

Waddock, S. A., & Graves, S. B. (1997). The corporate social performance-financial performance link. Strategic Management Journal, 18(4), 303-319.

Waris, Ali (2014), Corporate social responsibility disclosure (CSRD): a case study of Pakistan. PhD thesis, Middlesex University.

Woodward, D. G., Edwards, P., & Birkin, F. (1997). Organizational legitimacy and stakeholder information provision. British Journal of Management, 7(4), 329-347

Xianbing Liu, & Anbumozhi, V. (2009). Determinant factors of corporate environmental information disclosure: an empirical study of Chinese listed companies. Journal of Cleaner Production, 17, 593-600. http://dx.doi.org/10.1016/j.jclepro.2008.10.001