CORPORATE SOCIAL RESPONSIBILITY DYNAMICS AND FINANCIAL PERFORMANCE: AN EMPIRICAL STUDY IN HO CHI MINH CITY'S COMMERCIAL BANKS

[1]Ngo Thi Thuy Linh, [2]Nguyen Thanh Vu*
Lecture/Researcher, Van Lang University
Email ID: linh.ntt@vlu.edu.vn
Lecture/Researcher, Thai Nguyen University of Economics & Business Administration
Corresponding Email ID: nguyenthanhvu@tueba.edu.vn

Abstract
Corporate Social Responsibility (CSR) is a critical aspect of contemporary business practices, gaining increased attention globally. This study, conducted in 2022 with a sample of 160 respondents from 16 different banks in Ho Chi Minh City, Vietnam, aims to explore the relationship between CSR initiatives and financial performance in commercial banks. Despite the growing emphasis on CSR in recent years, this study highlights the need for a more nuanced understanding of how specific CSR initiatives contribute to or may not influence financial outcomes in the context of commercial banks. By employing EFA and multiple regression analyses, the research delves into the complexities of the relationship between CSR practices and financial performance. The study recognizes the evolving landscape of corporate responsibility in the Vietnamese banking sector and sheds light on the specific factors that may or may not translate into tangible financial benefits. However, the findings also indicate that not all CSR factors have a significant impact on business performance on bank sector. This research not only contributes to the existing literature but also provides practical insights for commercial banks in the research location, allowing them to refine their CSR strategies for optimal impact on business performance. The study serves as a valuable resource for academics, practitioners, and policymakers interested in the intersection of CSR and financial outcomes within the Vietnamese banking context.
Keywords: *CSR, Financial Performance, Commercial Banks, Sustainability, EFA, Multiple Regression, Business Impact*

1. INTRODUCTION

Corporate Social Responsibility (CSR) has been a focal point of research worldwide, particularly concerning the social responsibility of banks, given its potential long-term consequences for the economy, society, and sustainable national development (Scholtens, 2009). Recent studies from 2018 to 2023 emphasize the importance of CSR in the contemporary business landscape. PricewaterhouseCoopers' global survey data in 2012 highlighted that over 70% of business leaders consider CSR implementation crucial for the survival and growth of their enterprises (Sharif and Rashid, 2014).

In the current global economic integration context, Vietnamese commercial banks are undergoing significant transformations to align with international standards, emphasizing transparency, and societal responsibility. The social responsibility of banks has become a noteworthy subject for leaders, policymakers, and authors, both domestic and international. While CSR research is not novel globally, it remains a relatively new topic in Vietnam, particularly in the context of banks (Tran, 2014). Although some Vietnamese banks have initiated CSR activities, this doesn't necessarily indicate a widespread acceptance of CSR's importance within bank management.

The absence of a systematic inquiry into whether CSR enhances the financial performance (FP) of commercial banks (CBs) is noticeable in annual audit reports. Existing study on the relationship between CSR and financial performance in commercial banks has produced varied and occasionally conflicting outcomes (Simpson and Kohers, 2002; Fiori et al., 2007). To contribute both theoretically and practically, it is essential to extend and refine previous research, thereby validating the influence of CSR on the FP of CBs.

In Vietnam, the impact of CSR on national progress has been substantial, with some major companies setting examples through significant contributions to social causes. However, the banking industry faces institutional challenges, and some banks engage in CSR activities primarily for tax benefits or regulatory compliance. Recognizing this, the author initiated a study titled “CSR and Financial Performance among Commercial Banks in Ho Chi Minh City”. The successful implementation of this study may contribute valuable insights to banks in Ho Chi Minh City and the country as a whole. The scarcity of empirical studies on CSR and financial performance in Vietnamese commercial banks underscores the importance and necessity of this research.

2. LITERATURES REVIEW

2.1. CSR dimensions

Numerous factors influence the implementation of CSR, categorized into internal and external factors. Internal factors encompass owners, employees, and managers (Mei, 2014), while external factors include customers, suppliers, investors, government, environment, and non-governmental organizations (WBDSC, 2001).

Internal factors shaping a country's CSR involve cultural traditions, political systems, socio-economic priorities, management constraints, crisis management, and market access. Traditional CSR elements often draw from indigenous cultural practices like charitable activities, ethical business conduct, and community cohesion. Banking culture plays a pivotal role in aligning strategic planning with CSR, regulating their relationship (Galbreath, 2009).

CSR is significantly influenced by socio-economic priorities in the regions where banks operate. It serves as a means to address regulatory gaps arising from weak governance or resource constraints hindering social services. Domestic business systems, government, non-governmental organizations, and social system pressures exert a considerable impact on a bank's CSR initiatives (Matten and Moon, 2004; Campbell, 2007).

Practically, senior leaders collaborate with organizations to retain employees by offering competitive salaries, professional development opportunities, and ensuring favorable working conditions (Hossain, 2013). Aguilera et al., (2007) stated that employee involvement plays a crucial role in promoting CSR within banks. In developing countries, banks striving to access developed markets use CSR to build reputation and trust. Additionally, factors like business size and location are taken into account (L. Zu, 2009).

International standards and practices serve as a self-regulation mechanism for businesses to implement CSR successfully. Compliance with CSR rules, guidelines, and standards is vital for companies aspiring to operate globally. Factors influencing international CSR standards include pressure from global competition, policy factors, and external influences competition in the era of globalization (Christmann and Taylor, 2006; Gonzalez and Martinez, 2004; Qi Lai, 2006; Korhonen et al., 2002). The trend of socially responsible investment further incentivizes CSR by referencing funds based on ethical, social, and environmental criteria.

Stakeholders, acting to address market and government failures, contribute to CSR activities. Strategic planning is a key factor creating awareness and shaping responses among corporate stakeholders, enhancing CSR effectiveness (Galbreath, 2007). Corporate employees, as stakeholders, are encouraged to participate in CSR practices. Multinational entities, through supply chain regulations, also influence CSR initiatives within small and medium-sized enterprises (SMEs) to meet global modernization needs.

2.2. Impact of CSR on business performance

Barnett (2007) contends that the effects of Corporate Social Responsibility (CSR) differ across various firms. Okwoma (2012) sheds light on this by exploring how CSR influences the financial performance (FP) of business banks in Kenya. The research suggests that while CSR positively impacts the financial well-being of large and medium-sized banks, its benefits are not as pronounced for smaller banks.

In a separate study, Flammer (2013) investigated whether CSR contributes to enhanced performance. The results indicated a positive relationship, but the impact weakened as companies increased their involvement in CSR activities. This supports the idea that the positive effects of CSR diminish as the extent of CSR engagement rises.

Other than the experimental examination, there are different hypothetical investigations attempting to clarify the connection among CSR and FP. Teppo (2007) perceives the significance of different gatherings separated from investors inside the association. Firms can improve execution by lessening the expense related with keeping up the relationship with its partners. This is accomplished when organizations satisfy the desires and need of its exceptionally different partners (Hirigoyen and Rehm, 2015). A decent relationship likewise emphatically impacts the organization's corporate picture. Slack asset speculation set forth by Waddock and Grave (1997), likewise proposes that improved budgetary presentation builds the accessibility of slack assets, which at that point assists organizations with putting resources into CSR exercises.

There are different academicians contrasting with the inclusion in CSR and contend that administrators just have an obligation towards proprietors of amplifying investors worth and riches. Friedman (1962, 1970) argued that there exists a tradeoff between increasing benefits and socially responsive actions. According to this perspective, Corporate Social Responsibility (CSR) is seen as behavior that does not contribute to wealth creation. Margolis and Walsh (2003) characterized the allocation of organizational resources for CSR activities as a misuse and misallocation of resources. These theoretical perspectives serve as a foundation for the critical examination of the relationship between the presence or absence of CSR and financial performance (FP). They provide a basis for conducting further research in this area.

3. METHODOLOGIES

3.1. Conceptual Framework

To analyze the relationships between CSR practices and the FP of CBs, the author developed a conceptual framework as follows:

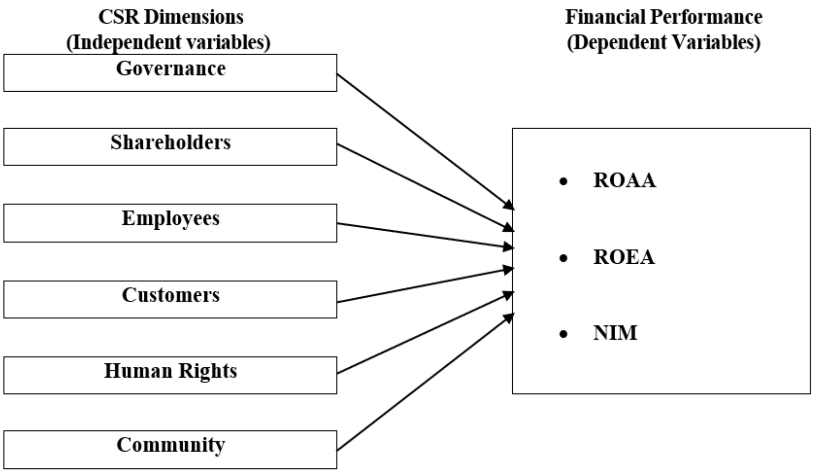

Figure 1: Assumed relationship between the CSR and financial performance

Source: Compiled by author

The first frame encompasses factors related to the basic understanding of CSR, focusing on three main areas: purposes of engaging in CSR, benefits of CSR, and reasons for applying CSR. The third frame presents six factors related to the CSR programs implemented by commercial banks, serving as independent variables. These factors are crucial for identifying relationships between CSR and the financial performance of these banks.

The second frame indicates selected financial ratios: Return on Average Assets (ROAA), Return on Equity (ROAE), and Net Interest Margin (NIM) representing the FP of CBs. The primary objectives of the study are to uncover relationships between CSR related factors and the three financial ratios, shedding light on their interconnections and identifying the strongest relationships among them.

3.2. Sample Size and Data collection

The study's population size presented challenges due to the varying sizes of commercial banks. To address this, the author utilized the formula "n = 50 + 8*k," as suggested by Tabachnick and Fidell (1996), where "n" represents the sample size, and "k" is the number of factors. With six factors considered, approximately 100 bank employees were initially targeted. However, to enhance the validity and reliability of the sample, a total of 160 employees (10 from each commercial bank) were ultimately selected as respondents.

Ho Chi Minh City served as the venue for this study, where participants were assigned the task of offering insights into their fundamental understanding of CSR and their perceptions of its implementation by commercial banks

Primary data served as the foundation for both qualitative and quantitative analyses in this study. A survey questionnaire was meticulously designed to address specific research inquiries, and respective commercial bank administrations facilitated the data collection process. Formal requests were submitted to financial institutions, and authors, along with assistants, leveraged personal connections and leads from bank managers to visit branches in Ho Chi Minh City. In instances where direct interaction was impractical, questionnaires were left at the respondent's business location. Subsequently, the research team dedicated a week to revisiting repositories, collecting completed surveys, and addressing any queries posed by respondents.

In addition to primary data, secondary data and information were gleaned from business and financial reports of the selected commercial banks. A diverse array of books and papers in both English and Vietnamese contributed to the collection of secondary data. Various pertinent websites were also consulted to amass relevant data and information for the study.

3.3. Data Analysis

After the primary data had been cleansed and coded, SPSS 20.0 was used for analysis, employing the following main statistical treatments: Frequency and Percentage Distributions were utilized to determine the profile of the respondents, considering specific characteristics such as gender, job positions, ages, education attainments, work experiences, and monthly incomes. This facilitated a comprehensive analysis of the study participants, revealing the characteristics of employees in commercial banks in Venue. Mean values were employed to assess the basic understanding of CSR among bank employees. Higher means indicated a better comprehension of CSR, and vice versa. Additionally, mean values were used to gauge the perceptions of bank employees regarding the practice of CSR implemented by these commercial banks. These means were calculated using 5-point Likert scales, offering a quantitative measure of these perceptions.

Cronbach’s alpha tests were employed to assess the reliability of Likert scale surveys with multiple questions, particularly in measuring latent variables such as a person’s conscientiousness, psychological disorder, or openness. These latent variables are challenging to measure directly. A Cronbach’s alpha score above 0.7 is generally considered acceptable, although some authors recommend even higher values, such as 0.90 to 0.95. In this study, Cronbach’s alpha tests were specifically used to evaluate the reliability of scales related to CSR dimensions, with the intention to exclude variables with low internal consistency.

Exploratory factor analysis (EFA) was applied to group variables into factors for more convenient analysis. Several criteria were considered during EFA, including:

Testing the validity of EFA using the Kaiser-Meyer-Olkin (KMO) measure. A KMO value greater than 0.5 indicates validity.

Determining the quantity of factors based on eigenvalues. Factors with eigenvalues less than 1 were deleted from the research model.

Ensuring that the total variance explained by the factors is greater than 50%.

Confirming convergence through correlation coefficients and factor loading values of ≥ 0.5 in one factor.

Utilizing Principal Components and Varimax to minimize the number of factors.
T-tests were employed to compare averages between two groups and identify any significant differences. In this study, t-tests were used to assess the variations in employee perceptions when grouped by gender and job positions.
F-tests were utilized to determine whether means differed among three or more groups. In this context, F-tests helped identify significant differences in employee perceptions when categorized by age, education attainment, work experience, and monthly incomes.
Multiple linear regression was employed to explore relationships between the dependent variable (financial performance, measured by selected ratios of commercial banks) and independent variables (dimensions of CSR practiced by these banks). This analysis aimed to understand how CSR practices influenced financial performance.
The multiple regression equations described above can be expressed in the following forms:

$$ROAA = \beta 1X1 + \beta 2X\ 2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6$$
$$ROAE = \beta 1X1 + \beta 2X\ 2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6$$
$$NIM = \beta 1X1 + \beta 2X\ 2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6$$

Where β represents the regression coefficients, signifying the extent to which the criterion variable changes with a change in the predictor variable. In this study, the independent variables included employees, customers, human rights, community, shareholders, and governance; the dependent variables were the ROAA, ROAE, and NIM.

4. RESULTS DISCUSSION

In this section, the author conducted an analysis to examine the relationships between the practices of CSR and the financial performance of the commercial banks. Three multiple regression models were employed to assess the relationships between the dependent variables – financial ratios – and the independent variables – the practices of CSR implemented by the commercial banks.
The dependent variables included three financial ratios: ROAA, ROAE, and NIM. The independent variables comprised six factors: employees (EM), human rights (HR), customers (CU), shareholders (SH), community (CM), and governance (GV).
The hypotheses tested were as follows:
Positive relationships existed between the ROAA and the practices of CSR by the commercial banks.
Positive relationships existed between the ROAE and the practices of CSR by the commercial banks.
Positive relationships existed between the NIM and the practices of CSR by the commercial banks.

4.1. Impact of CSR on ROAA

The author utilized SPSS 20.0 software to analyze the regression model. In this model, the dependent variable is the ROAA, and the independent variables are the dimensions of CSR practices implemented by the commercial banks, as follows: Employees (EM), Human rights (HR), Customers (CU), Shareholders (SH), Community (CM), and Governance (GV).

Table 1: Model Summary (CRS Impact on ROAA)

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	0.923[a]	0.852	0.846	0.23962	1.444

a Predictors: (Constant), EM, HR, CU, SH, CM, GV
b Dependent Variable: ROAA

Source: Calculated by author
The results in Table 1 indicate that the Adjusted R-square (R^2) is 0.846, signifying that 84.6% of the change in the return on ROAA can be explained by the independent variables of the model.

Based on the results presented in Table 2, the statistically significant level is 0.000 (less than 0.05). Hence, the conclusion can be drawn that the model is appropriate for the provided data, signifying that the independent variables exhibit linear correlation with the dependent variable with a confidence level of 99%.

Table 2: Test of the model fit (CRS Impact on ROAA)

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	50.413	6	8.402	146.327	.000[b]
	Residual	8.785	153	0.057		
	Total	59.198	159			

a. Dependent Variable: ROAA
b. Predictors: (Constant), EM, HR, CU, SH, CM, GV

Source: Calculated by author
Based on the data presented in Table 3, all the p-values of the six variables were less than 0.05, indicating that the relationships between the dependent variable and the independent variables are statistically significant. The standardized coefficients describe the positive relationships of the independent variables on the dependent variable.

Table 3: Impact of CRS on ROAA

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
	B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
(Constant)	-5.899	.276		-21.407	.000		
EM	.436	.032	.534	13.697	.000	.638	1.567
HR	.300	.030	.332	10.139	.000	.905	1.105
CU	.217	.042	.117	8.410	.000	.558	1.791
SH	.224	.022	.351	10.323	.000	.838	1.193
CM	.454	.052	.297	8.794	.000	.848	1.179
GV	.514	.053	.331	9.750	.000	.837	1.195

a. *Dependent Variable: ROAA (return on average asset)*

Source: Calculated by author
The values of VIF were less than 2.0, suggesting that there was no multicollinearity phenomenon in this model.
The quantitative analysis results support the research hypotheses. The level of impact of employee practices is the highest, reflecting the reality at the banks and aligning with the results of previous studies. According to the ILO's report, organizations in finance and banking best comply with labor practices due to the industry's nature, requiring highly qualified human resources and facing fierce competition, which necessitates policies to attract and retain high-quality personnel. However, the result also shows that, although customers are important for banks, the pressure from customers to implement CSR is not high.
In the study, the author made use of the 5-point Likert Scale to measure the relationships of the CSR practices and the ROAA at the commercial banks. Therefore. the Standardized Coefficients were used to build the regression model. The regression was as follow:
ROAA = 0.534*EM + 0.351*SH + 0.332*HR + 0.331*GV + 0.297*CM+ 0.117*CU

The above equation showed that six factors had positive relationships with the return on average assets of commercial banks in the research location. Based on the data, it can be concluded that among the six factors, factor “EM (Employees)” had the strongest relationship with the return on assets with β1 = .534; factor “SH (Shareholders)” had the second strongest relationship with β2 = .351; factor “HR (Human Rights)” has the third strongest relationship with β3 = .332; the three remaining factors “GV (Governance)”, “CM (Community)” and “CU (Customers)” have the lowest relationships with β4 = .331, β5 = .297, β6 = .117 respectively.

4.2. Impact of CRS on ROAE

In this model, the dependent variable is the ROAE, and the independent variables are the dimensions of CSR practices implemented by the commercial banks, including: EM, HR, CU, SH, CM, and GV.

It can be inferred from the results in Table 4, that the Adjusted R is 0.822, indicating that 82.2% of the change in the ROAE is explained by the independent variables of the model.

Table 4: Model Summary (CSR impacts on ROEA)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.910[a]	.828	.822	2.59599	1.126

a Predictors: (Constant), EM, HR, CU, SH, CM, GV

b Dependent Variable: ROAE

Source: Calculated by author

Table 5: Test of model fit (CRS impacts on ROEA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4972.734	6	828.789	122.981	.000[b]
	Residual	1031.093	153	6.739		
	Total	6003.828	159			

a. Dependent Variable: ROAE

b. Predictors: (Constant), EM, HR, CU, SH, CM, GV

Source: Calculated by author

Given the results outlined in Table 5, where the statistically significant level close to zero (below 0.05), it can be inferred that the model is well-suited for the provided data. This suggests that the independent variables are linearly correlated with the dependent variable at a confidence level of 99%.

Based on the data presented in Table 6, the P-value of factor “Customers – CU” was 0.911 which was higher than 0.05 meaning the relationship between this factor and the dependent variable was not statistically significant. Therefore, factor “Customers” was removed from the model.

For the remaining factors, the P-values were less than 0.05 meaning the relationships between the dependent variable and the independent variables are statistically significant; the standardized coefficients describe the positive impacts of the independent variables on the independent variable. The values of VIF were less than 2.0 so it can be concluded that there was no multi-collinearity phenomenon in this model.

Table 6: Impact of CRS on ROEA

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-49.220	2.985		-16.488	.000		
EM	3.882	.345	.472	11.252	.000	.638	1.567
HR	3.000	.321	.329	9.354	.000	.905	1.105
CU	.052	.460	.005	.113	.911	.558	1.791
SH	3.654	.235	.570	15.571	.000	.838	1.193
CM	2.288	.559	.149	4.091	.000	.848	1.179
GV	4.743	.571	.304	8.302	.000	.837	1.195

a. Dependent Variable: ROAE (return on average equity)

Source: Calculated by author

The author utilized a 5-point Likert Scale to assess the relationships between CSR practices and the return on average equity (ROAE) at the commercial banks. Therefore, standardized coefficients were employed to construct the regression model. The regression equation is as follows:

ROAE = 0.570*SH + **0.472***EM + **0.329*HR + 0.304***GV + **0.149***CM

The provided equation suggests positive associations between five factors and the return on average equity of commercial banks. Analyzing the data reveals that, among these factors, "SH (Shareholders)" exhibits the most robust relationship with the return on average equity (ROAE), as indicated by ß1 = 0.570. The second-strongest relationship is observed for the factor "EM (Employees)" with ß2 = 0.472, followed by the factor "HR (Human Rights)" with the third-strongest relationship, represented by ß3 = 0.329. In contrast, the factors "GV (Governance)" and "CM (Community)" display relatively weaker relationships, with ß4 = 0.304 and ß5 = 0.149, respectively.

4.3. Impact of CSR on interest margin

In this model, the dependent variable is the net interest margin (NIM), and the independent variables are the dimensions of CSR practices implemented by the commercial banks as follows: EM, HR, CU, SH, CM, and GV.

It can be inferred from the result in Table 7 that the Adjusted R is 0.796, indicating that 79.6% of the change in the net interest margin (NIM) is explained by the independent variables of the model.

Table 7: Model Summary (CSR impacts on NIM)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.896[a]	.803	.796	1.38828	1.138

a Predictors: (Constant), EM, HR, CU, SH, CM, GV
b Dependent Variable: NIM

Source: Calculated by author

Table 8: Test of model fit (CSR impacts on NIM)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1205.321	6	200.887	104.231	.000[b]

	Residual	294.881	153	1.927		
	Total	1500.202	159			

a. Dependent Variable: ROAE
b. Predictors: (Constant), EM, HR, CU, SH, CM, GV

Source: Calculated by author

With a statistically significant level of 0.000 (less than 0.05), as indicated in Table 8, it is reasonable to conclude that the model is well-suited for the provided data. This suggests that the independent variables are linearly correlated with the dependent variable, with a confidence level of 99%.

Based on the statistical analysis presented in table 9, the P-values associated with the factors "Customers – CU" and "Community – CM" were found to be 0.150 and 0.66, respectively. These values exceeded the significance threshold of 0.05, indicating that the relationships between these factors and the dependent variable were not statistically significant. Consequently, factors "Customers" and "Community" were excluded from the model. For the remaining four factors, the P-values were less than 0.05, signifying that the relationships between the dependent variable and these independent variables were statistically significant. The standardized coefficients revealed the positive impacts of these independent variables on the dependent variable. Furthermore, the values of Variance Inflation Factor (VIF) were below 2.0, suggesting the absence of multicollinearity in this model.

Table 9: Coefficients

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
	B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
(Constant)	-23.792	1.596		-14.904	.000		
EM	1.956	.184	.476	10.601	.000	.638	1.567
HR	1.340	.172	.294	7.814	.000	.905	1.105
CU	-.356	.246	-.069	-1.446	.150	.558	1.791
SH	1.948	.126	.608	15.518	.000	.838	1.193
CM	.554	.299	.072	1.854	.066	.848	1.179
GV	3.151	.305	.404	10.313	.000	.837	1.195

a. Dependent Variable: net interest margin (NIM)

Source: Calculated by author

The author employed a 5-point Likert Scale to evaluate the relationships between CSR practices and the net interest margin (NIM) at commercial banks. Subsequently, standardized coefficients were utilized to formulate the regression model. The regression equation is as follows:

NIM = 0.608*SH **+ 0.476***EM **+ 0.404***GV **+ 0.294***HR

The aforementioned equation reveals that four factors exhibit positive relationships with the net interest margin (NIM) of commercial banks. Based on the data, it can be inferred that among these factors, "SH (Shareholders)" holds the strongest relationship with the net interest margin (NIM) with β1 = 0.608; "EM (Employees)" demonstrates the second strongest relationship with β2 = 0.476; "GV (Governance)" possesses the third strongest relationship with β3 = 0.404, while "HR (Human Rights)" exhibits the lowest relationship with β4 = 0.294.

5. Findings

Based on the thorough analysis, the main findings of the study are as the follow:

The commercial banks in Ho Chi Minh city enjoyed quite good financial performance in terms of return on average assets, return on equity and net interest margin although these banks experienced difficulties of Covid pandemic during 2020 and 2021.
In terms of the relationships between the perceptions on the CSR programs and the financial performance at the commercial banks in the venue:
Thirty-five items related to the CSR program conducted by the commercial banks were used to analyzed in this study. Five items were excluded due to low consistency.
Thirty items were grouped into 6 factors consisting of employees, customers, shareholders, community, governance and human rights.
Among these CSRS related factors, the employees gave the highest scores to factors employees, human rights and.
In general, there were not statistically significant differences between the groups of employees about the programs of CSR implemented by the commercial banks.
All of the six factors have positive relationships with the return on average assets (ROAA) of the commercial banks:
ROAA = 0.534*EM + 0.351*SH + 0.332*HR + 0.331*GV + 0.297*CM+ 0.117*CU
Five out of the six factors have positive relationships with the return on average equity (ROAE) of the commercial banks:
ROAE = 0.570*SH + 0.472*EM + 0.329*HR + 0.304*GV + 0.149*CM
Four out of the six factors have positive relationships with the net interest margin (NIM) of the commercial banks:
NIM = 0.608*SH + 0.476*EM + 0.404*GV + 0.294*HR

6. CONCLUSIONS AND RECOMMENDATIONS

6.1. Conclusions

Based on the findings of the study, some main points could be concluded as the following:
Almost all of the employees of these banks have good better understanding about CSR: the purposes of engaging in CSR, the benefits of implementing CSR and the reasons why need to apply CSR.
The basic understanding about CSR of the bank employees is not different from one another's.
All of the six CSRR-related factors had positive relationships with the return on average assets of the commercial banks – factor "employees" had the strongest correlation, following by factor "shareholders"; factor "customers" had the lowest relationship.
Five out of the six CSRR-related factors had positive relationships with the return on average equity of the commercial banks – factor "shareholders" had the strongest correlation, following by factor "employees"; factor "community" had the lowest relationship.
There were four CSRR-related factors having positive relationships with the net interest margin of the commercial banks – factor "shareholders" had the strongest correlation, following by factor "employees"; factor "shareholders" had the lowest relationship.

6.2. Recommendations

Based on the correlations identified in this study between CSR (CSR) practices and the financial performance of the bank, it is evident that financial performance can be positively influenced by CSR. Consequently, the author proposes recommendations to enhance the practice of CSR among these banks in the future:
Employee Awareness: Commercial banks should enhance employees' awareness of the roles of CSR, emphasizing its necessity for business and financial performance. A better understanding of CSR by bank employees can lead to improved contributions to CSR programs, enhancing their effectiveness.
Resource Allocation: Given the positive impact of CSR on financial performance, commercial banks need to allocate limited resources to improve their CSR programs. Prioritizing factors with stronger impacts on financial performance ensures optimal resource utilization.
Employee Engagement: As the factor "employees" demonstrated the strongest relationship with financial performance, banks should focus on creating an environment that encourages employee

engagement. Recognizing and respecting employees' contributions, providing fair advancements, and prioritizing employee well-being contribute to a positive organizational culture.
Shareholder Treatment: For factor "shareholders," commercial banks should prioritize treating investors with consideration and providing them with benefits. Ensuring transparent financial reporting, allowing shareholder participation in decision-making, and offering opportunities to purchase new stocks can improve relationships with shareholders.
Customer Satisfaction: Recognizing the importance of customers, banks should conduct regular surveys to assess customer satisfaction levels. Improving banking services, fostering positive interactions between customers and bank staff, and addressing any issues raised in customer feedback contribute to customer retention and attraction.
Human Rights: While the study indicates positive results for the "human rights" factor, banks should continue efforts to eliminate discrimination, particularly concerning religion. Strengthening labor unions to advocate for employee benefits and addressing any discriminatory practices will contribute to a fair and inclusive workplace.
Community Engagement: For the "community" factor, banks need to focus on charitable activities and social responsibility. Offering scholarships, supporting the less fortunate, and encouraging employees to participate in social activities contribute to positive community engagement.
Governance Compliance: Compliance with governance requirements is crucial. Banks must adhere to all regulations set by the government and the Central Bank of Vietnam. Conducting annual external audits to ensure transparency and operating within authorized functions are essential for governance compliance.
These recommendations aim to guide commercial banks in enhancing their CSR practices, fostering positive relationships with stakeholders, and ultimately improving their financial performance.

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