

CORPORATE SOCIAL RESPONSIBILITIES TO EMPLOYEES AT KOREAN ENTERPRISES IN THUY VAN INDUSTRIAL PARK, PHU THO PROVINCE

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Abstract

Corporate social responsibility (CSR) to employees means well implementing the commitments to ensure the rights and interests of employees. The good implementation of CSR to employees will contribute to connecting employees with the enterprise, and at the same time contribute to the sustainable development of the business in the future. The article clarified the social responsibilities of Korean businesses in Thuy Van Industrial Park, Phu Tho province over the past time, thereby giving management implications to better perform their social responsibilities in the coming time.

Keywords: CSR; Korean enterprises; Thuy Van Industrial Park; Phu Tho.

Introduction

Enterprise production and business activities depend heavily on its workforce. That means businesses compete not only in investment capital and modern technology but also in the quality of workers, reflected in remuneration policies, favorable working environments, or career development opportunities. Most workers love and stick with their jobs due to a reasonable working environment, salary, bonuses, and welfare regimes. Enterprises that carry out social responsibility towards employees will create conditions for employees to develop comprehensively physically and mentally because they are guaranteed regimes, labor rights, and a working environment. Therefore, CSR to employees refers to the responsibility of businesses to ensure legitimate benefits for employees. In the article, the social responsibility of businesses towards workers is approached with the following contents: creating jobs and worthy income; creating a safe and effective working environment; training to improve the quality of human resources and social dialogue.

Research method

The article used mainly qualitative and descriptive research methods. Secondary data in the article was collected from books, magazines, websites, and especially from relevant reports of the

Industrial Zones Management Board of Phu Tho Province. Besides that, analytical, statistical, and comparative methods were used to clarify the practice of implementing CSR with employees at Korean enterprises in Thuy Van Industrial Park, Phu Tho province, thereby providing management implications to better implement CSR with employees at Korean enterprises in the coming time.

Results and discussion

1. CSR with employees

Social responsibility to employees is a responsibility to the most important stakeholder of the business. That is to fulfill commitments to employees through the responsibility to ensure rights and benefits, thereby improving the quality of life for employees as well as ensuring the sustainable development of the business. That means businesses comply and implement legal commitments, rights, and benefits for employees; The enterprises orient their behavior to comply with the law, ensuring economic benefits in the direction of harmonizing the interests of workers according to the goal of sustainable development.

"CSR towards employees is understood as the implementation of rights by enterprises for officers, employees, and workers in general in the enterprise" (Thai Thi Hong Minh, 2007). This right is concerned with labor contracts, working conditions, rest, respect, fairness in wages, health care as well as material and spiritual life for workers.

In summary, the social responsibility of businesses to employees is to properly implement commitments to ensure the rights and benefits of employees in terms of working hours, health and labor safety, wages, and collective bargaining, as well as individual work relationships and internal communication.

2. Overview of Korean enterprises in Thuy Van Industrial Park, Phu Tho province

In recent years, the cooperation situation between Phu Tho Province and Korean partners and businesses has become increasingly better. Investment projects in the province of Korean enterprises are increasing in number of enterprises, investment capital, and production scale. Phu Tho currently has 179 foreign direct investment projects, of which 136 projects are from Korean investors, accounting for 76%, mainly concentrated in Thuy Van Industrial Park, Phu Tho province with 31 projects. The enterprises produce in 3 main fields: textiles (textiles, garments, embroidery, clothes, gloves...) 12 enterprises; Construction materials (packaging, canvas, tempered glass, wood, plywood, plastic...) 9 enterprises; Machinery components and other fields (electronic components, electric cables, wires, motor vehicle machinery parts...) 10 enterprises[1].

In 2022, the revenue of Korean enterprises in Thuy Van Industrial Park reached 2.578.917,77 million VND, the annual budget contribution was about 61.254,89 million VND, and the export value reached 134.612,80 thousand USD. Basically, businesses declare taxes on time (reaching a rate of over 98%); Strictly implement legal regulations on social insurance, health insurance, and unemployment insurance, make monthly payments, fully participate in social insurance for employees, the monthly social insurance participation rate of FDI enterprises is over 87%[8].

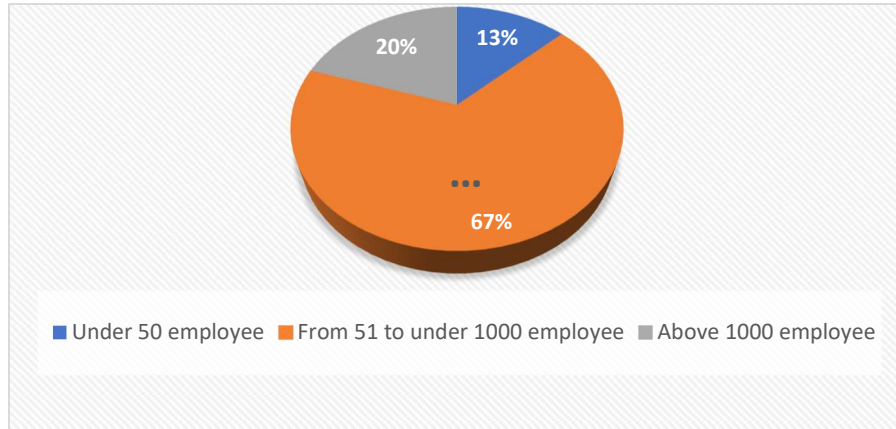


Figure 1: Enterprise structure by number of employees
Source: Compiled by author, 2023

The total number of employees in 2022 is 20.653 people, the average number of employees in the enterprise is 688 people, and the average income is about 7.3 million VND/person/month. However, the majority of Korean enterprises in Thuy Van Industrial Park are small and medium-sized enterprises, the number of enterprises with more than 1000 workers is still small, with only 6 enterprises (accounting for 20%), the enterprises with fewer than 1000 employees (accounting for 80%), of which the number of enterprises with less than 500 workers is 22 enterprises, and less than 100 workers are 7 enterprises[4,9].

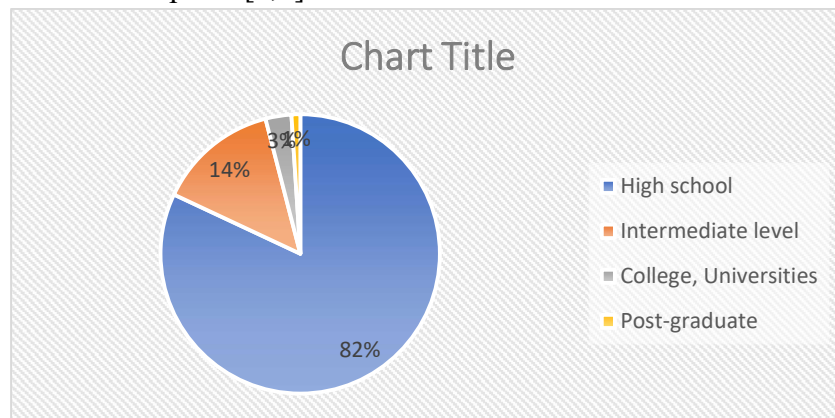


Figure 2: Labor structure by level
Source: Compiled by author, 2023

Regarding the qualifications of workers, currently, only about 18% of workers have intermediate degrees or higher, and more than 80% of workers have high school education and have not received vocational training[4]. Unskilled workers are concentrated mainly in textile, garment, embroidery, lace, and construction material enterprises..., and workers with college and university degrees are concentrated mainly in enterprises in the public sector. technology, electronics.

3. Current status of implementing responsibilities to employees of Korean enterprises in Thuy Van Industrial Park, Phu Tho province

3.1. Create jobs and increase income for workers

In recent years, Korean enterprises in Thuy Van Industrial Park, Phu Tho have operated quite well, creating many new jobs for workers every year. In 2020, Korean businesses created new jobs for 976 workers, increasing to 1,242 workers by 2022. In 2021, due to the impact of the COVID-19 epidemic, businesses faced many difficulties, so there were only 746 new employees. Contribute to creating jobs for thousands of workers each year. In 2020, Korean businesses created stable and regular jobs for 20,157 workers; By 2021, the number of workers with stable and regular jobs decreased to 19,411 workers, and by 2022 this number increased to 20,653 workers[4,9].

Table 1: Results of job creation and increased income for workers

Criteria	Unit	2020	2021	2022	2021/2020 (%)	2022/2021 (%)
Average income of workers	Million VND/month	6,9	6,3	7,3	91,3	115,9
Create a new job	Labor	976	746	1.242	76,4	166,5
Workers have stable, regular jobs	Labor	20.157	19.411	20.653	96,3	106,4

Source: Author compiled from reports,[7,8,9]

Currently, businesses in Thuy Van Industrial Park are applying the Region II minimum wage of 3.920,000 VND. However, salaries in Korean businesses are mostly based on the size and operating situation of the business or through agreements with employees and are less based on the minimum wage according to state regulations. This is the current common situation of foreign-invested enterprises. In general, workers in Korean enterprises have a higher average income than other enterprises in the Province. The average income of workers in Korean enterprises has also improved significantly, from 6.9 million VND/month in 2020 to 7.3 million VND/month in 2022 (an increase of about 6% compared to 2020). In 2021, the average income of workers decreased slightly to 6.3 million VND/month, due to the outbreak of the Covid-19 epidemic, businesses in general and Korean businesses in particular were seriously affected.

Despite being affected by the epidemic, Korean businesses strictly pay wages to workers in accordance with regulations, consciously complying with labor law policies on salary payments, overtime salary, holidays... Besides, in 2021, employers and employees will also receive financial support from social security support policies from the Government, such as Resolution No. 68/NQ-CP dated 1st, July 2021, of the Government on a number of policies to support employees and employers facing difficulties due to the COVID-19 pandemic, Resolution No. 116/NQ -CP September 24, 2021 on policies to support employees and employers affected by the COVID-19 pandemic from the Unemployment Insurance Fund...

3.2. About building a safe working environment

Table 2 shows that Korean enterprises in Thuy Van Industrial Park always ensure a probationary time (an average of 1.6 months), an average time off per year for employees (10 days), and an average maternity leave for female employees (6 months) in accordance with the law. In Korean businesses, overtime work is quite common, the average working time per day is 9 hours, of which 2022 has the highest average working time per day of 9.8 hours, for we see businesses recovering quite positively after the pandemic. However, workers often have to work over 8 hours/day and 7 days/week. During peak periods, some businesses even have to work from 12 to 14 hours/day.

Table 2: Average working time of workers

Content	Unit	2020	2021	2022
Average working time per day	Hours	9,2	8,0	9,8
Average working time per week	Days	6,5	6,0	6,5
Average vacation time per year	Days	10	10	10
Average maternity leave period for female employees	Month	6	6	6
Probation period	Month	1,8	1,5	1,6

Source: Author compiled and analyzed from reports, [4,6]

The number of accidents at Korean enterprises in Thuy Van Industrial Park in 2022 was small, most were small incidents, occurring mainly in enterprises in the field of construction materials production. The number of accidents and the number of people injured due to occupational accidents in the period 2020 - 2022 also tends to decrease (in 2020 there were 28 accidents, in 2021 there were 11 cases, in 2022 there were 15 cases), this showed that Korean businesses more and more interested in ensuring labor safety and providing protective equipment for workers.

Table 3: Situation of occupational accidents in Korean enterprises in 2022

Criteria	Textile Enterprise	Electronic Components Enterprise	Construction Materials Enterprise	Total
Number of occupational accidents	3	1	11	15
Number of people injured due to work accidents	2	0	21	23

Source: Author compiled from reports, [9]

Korean businesses also performed well on working conditions and social protection such as working time, rest time, holidays, protection of pregnant women, and welfare issues such as safe drinking water, sanitation systems, canteens, and medical services, periodic health checks for workers... Although there are still businesses, especially garment businesses that have not fulfilled this obligation well, or just do it superficially and formally, in order to cope with the provisions of the law. As a result, workers in some Korean enterprises often suffer from occupational-related diseases such as respiratory diseases (32,5%), eye diseases (24,9%), deafness, noise (15,6%), cardiovascular disease (19%)...

Table 4. Number of Korean businesses that organize periodic health checks

Criteria	Quantity	Ratio (%)
Number of businesses organizing periodic health checks	23	76,7
Number of businesses that do not organize regular health checks	7	23,3
Total	30	100

Source: Author compiled from reports,[6]

Businesses have paid attention to propaganda activities, done well in ensuring food safety and hygiene, and improved meal quality. 100% of businesses organized shift meals or supported shifts for workers with a level of 15.000 VND or more; Many businesses paid shifts for workers from 25.000 VND to 30.000 VND. During the Lunar New Year every year, Trade Unions at all levels spend on Tet support and give gifts to workers, worth 22,624 million VND; More than 12 thousand workers in difficult circumstances were supported by Trade Unions at all levels, worth 2.158 million VND. The number of workers trained in occupational safety and hygiene increases significantly every year. In 2018: 34,870 people, in 2019: 39,524 people, in 2020 and 2021 due to social distancing due to the Covid-19 epidemic situation, training was not held.

In addition, most businesses equip labor protection and personal protective equipment such as gloves, masks, earmuffs, and hats... for workers, more than 70% of businesses use these. Equipment with strict requirements on occupational safety and hygiene was inspected and registered according to regulations, and workers operating this equipment were trained periodically every year; 80% of workers were trained in fire prevention.

3.3. Regarding training to improve the quality of human resources

In recent years, the rate of enterprises participating in training workers has reached 100%, of which self-training accounts for 90%; making an important contribution to improving the quality of human resources and developing 04 labor groups (production workers; technical managers; skilled workers and administrative officers)[5]. Contribute to forming a professional style and become familiar with the principles of the market economy such as labor contracts, salary agreements,

collective labor agreements, and resolving labor disputes according to the provisions of law. According to the report of the Industrial Park Management Board, the cost of labor training of Korean enterprises has increased greatly since 2020. Specifically, the average cost for this activity only accounts for 3,5% of business expenses in 2020, but then increases to 5,0% in 2021 and 5,6% in 2022[5]. The increase in training costs showed a shift towards the production of products with higher added value, requiring workers to receive more specialized training. However, besides that, it also reflected that the quality of human resources for industrial parks is still quite weak and the rate of high-quality trained workers was not much. However, this also showed that Korean businesses are very interested and spend a lot of money on training and building human resources to improve labor quality, thereby improving productivity, product quality, and improving operational efficiency.

In addition, together with the Industrial Park Trade Union, businesses also organized emulation movements to improve educational levels and professional skills for workers. During the period 2018 - 2023, over 72.100 workers participated in fostering and training to improve their political qualifications, professional, and vocational skills, thereby contributing to raising awareness. Organize discipline and industrial working style of workers, meeting the production and development requirements of the enterprise. With the motto "higher productivity, higher quality", through emulation movements, we have encouraged and promoted intelligence, dynamism, and creativity in production labor, in the period 2018 - 2023, there were 9,882 technical innovation initiatives of employees that benefited the business over 80 billion VND, and bonuses over 1.5 billion VND. Typical examples are Namuga Phu Tho Co., Ltd., JNTC Vina Co., Ltd., and Seshin Vietnam Co., Ltd.... on average each year, there are hundreds of employee initiatives that benefit businesses.

3.4. About social dialogue

Korean businesses pay attention to dialogue, negotiation, consultation, and information exchange between employers and employees on issues of common interest related to the economy and society. Always respect the right of workers to form or join their own organizations to advance their rights and to bargain collectively. In 2022, 28/30 Korean businesses have trade unions, with 80% of workers participating in unions (Kyoung Won HM Vietnam Co., Ltd. has 10 employees and Jaewoo Vina Co., Ltd. has 16 employees). There is no trade union yet); 93% of businesses have collective labor agreements and 45% of businesses have grassroots conciliation officers. On the occasion of "Worker Month" and "Action Month on Occupational Safety and Health" each year, the grassroots trade union organized 314 dialogues with workers and employers; 215 propaganda campaigns; signed and re-signed 95 collective labor agreements. In 2022 alone, the Management Board of Phu Tho Industrial Parks approved the registration of labor regulations for 16 enterprises, receiving 19 collective labor agreements. ; organized the "Trade Union Meal" program for 125,366 worker union members with an additional amount of 1,881 million VND; visited and encouraged and gave gifts to 1,256 workers in difficult circumstances, suffering from labor accidents and occupational diseases with a total amount of 611.5 million VND; built 12

"Trade Union Warm" houses for 12 workers worth 535 million VND[6]... Typically, the units with many activities are the Communist Party of Yakjin Vietnam Co., Ltd., the Company's Trade Union. Seshin Vietnam LLC, Sein Together Kee-Eun Vietnam LLC, Phu Tho Matsuoka LLC...

Phu Tho Industrial Park Trade Union has well-organized the participation of workers in developing labor policies and laws; self-inspected, supervised and coordinated 132 inspections and supervisions at enterprises on compliance with legal regulations on labor, social insurance, occupational safety, and hygiene. Thereby promptly detecting violations and recommending to employers to comply with the provisions of the law. From those recommendations and proposals, many businesses have clearly specified welfare regimes and annual care activities for employees in internal rules, regulations, and collective labor agreements.

3.6. General assessment

Korean businesses show high responsibility in creating jobs and properly implementing labor contract regulations. This is one of the important bases to ensure good implementation of responsibilities regarding working hours, salaries, and benefits for employees.

Businesses have done well in protecting workers' rights and health care programs; Pay social insurance and health insurance for employees according to regulations. Workers are allowed to join trade unions and organizations according to their wishes as well as create conditions for trade unions to promote their function of taking care of workers' lives, and annually organize well-organized worker conferences.

Training to improve the quality of human resources is carried out in a fairly balanced manner in terms of quantity, industry, and job position; Training costs are increasing, contributing to the formation of a skilled and professional workforce.

Dialogue with workers is carried out regularly, helping businesses have better policies in meeting workers' requirements, making them more attached to the business.

However, besides that, there still exist some disputes over salaries and bonuses between workers and businesses on issues such as slow salary adjustment when the State increases the minimum wage. Wages between different types of workers are not clearly regulated, especially the salaries between simple workers and technical workers, and between people with many years of work and those new to the profession, the difference is insignificant. Overtime and overtime work that exceeds the prescribed time but is not paid adequately still exists in some businesses. Advanced healthcare programs have not received adequate attention.

4. Some management implications

Businesses need to strictly implement provisions ensuring workers' rights in labor contracts. This is a decisive part of the quality of the labor relationship between the parties. On that basis, ensuring the rights and interests of workers, limiting labor disputes and strikes - affecting the stability and long-term development of the enterprise.

In the long term, businesses must comply with labor law regulations on overtime hours of employees. Overtime must ensure the principle of "agreement", and publicly and transparently implement the norms, time, and output that employees can work during overtime at enterprises.

Enterprises need to develop a commitment to ensuring occupational safety and hygiene, and a safe and healthy working environment to prevent accidents and impacts on workers' health. Enterprises need to pay attention to strengthening measures to prevent occupational accidents and measures to minimize causes of danger in the working environment.

Businesses need to strengthen health care programs, provide medical services, advanced health care programs, reproductive health care for female workers, and occupational diseases... to strengthen the physical health of workers, and at the same time strengthen supervision of the implementation of regulations on occupational safety and hygiene.

Business leaders need to coordinate with grassroots Trade Unions to organize cultural and sports activities to connect, encourage, and express gratitude to workers, typical activities such as: Organizing tournaments football, tug of war competitions, cultural exchanges, giving gifts to employees on birthdays, marriages, March 8th, October 20th... to create a close and friendly relationship between businesses and employees. Not only does it help workers improve their health and improve their spiritual life, but it is also an opportunity for workers to promote the spirit of teamwork, better understand and bond with each other, work enthusiastically, and engage with each other and stick with the business.

In summary, it can be seen that Korean enterprises in Thuy Van Industrial Park, Phu Tho province have performed quite well in their social responsibility to employees in terms of job creation; building a safe working environment; human resource training, and social dialogue. However, the achieved results still do not really satisfy the wishes of workers. Hopefully in the coming time, with appropriate solutions, Korean businesses will increasingly fulfill their social responsibilities to employees, as well as contribute more to the economic development process, society of Phu Tho province.

I would like sincerely thank Hung Vuong University for creating favorable conditions for me both physically and mentally to complete this article.

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