

Impact of Social Responsibility Information Disclosure on the Financial Performance of Enterprises in Vietnam

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Abstract

This study explored the current situation of disclosure of information on social responsibility and the impact of the disclosure level of information on social responsibility on the financial performance of enterprises listed on the Vietnamese stock market. We used a combined method to measure the disclosure level of information on social responsibility in the annual reports of 289 enterprises in Vietnam in 2016. The financial performance was measured by three indicators: ROA, Tobin's Q, and stock prices. The research results showed that the disclosure level of information on social responsibility stated in the annual report was medium, only at 37.235%. Regarding control variables, financial leverage was inversely related to financial performance, while the size of business did not affect the financial performance. However, when considering the factors of business size, both financial leverage and industry factor affected the disclosure level of information on social responsibility.

Keywords: information disclosure, corporate social responsibility, annual report, financial performance, Tobin's Q, stock prices

JEL Classification : G02, G03, G04

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The stock market proves to be an important channel of capital mobilization, and in order to qualify for entering this capital market, businesses are required to meet strict conditions, including a requisition of complying with regulations on information disclosure to be shown to the State Securities Commission, investors, shareholders, and other related parties. This move aims at facilitating transparency to create trust with investors. The Circular No. 155/2015/TT-BTC (The Ministry of Finance, 2015) giving clear guidelines on information disclosure on the stock market effective from January 1, 2016 has added the requirements for the media companies to disclose information of sustainable development in accordance with international practices to enhance the corporate responsibility for environment and society (this content is given in the annual reports or separately set into a sustainable development report). The Circular clearly specifies that the media companies are required to report the sustainable development related contents, including management of material sources,

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energy consumption, water usage, environmental law compliance, labour related policies, reports concerned with responsibilities for local community and green capital ones.

The 2013 global corporate social responsibility (Compact, 2013) report stated that 96% of CEOs believed that sustainability should be adequately integrated into strategies and activities of a company; 93% of the CEOs believed that sustainability was critical to the success of the business in the future; and 88% of the CEOs believed sustainability should be integrated through their supply chains.

The question is : what is the benefit that an enterprise will derive from showing its social responsibility ? Many economic experts have asserted that the most visible benefit is that social responsibility shall generate a difference and position the brand for the business. Corporate social responsibility both shows its role and responsibilities as "citizens" and helps to build up the image of a "good citizen" in a society. This is the factor that will help to "position" the business in customers' mindset, create a difference from other businesses, and bring about a sustainable development of that business. Investors will also remain more confident about the business in the long-term and about the sustainable growth of the company as it develops strategies that optimize the interests of the related parties and applies ethical standards in the process of business decision making. The next benefit lies in the connection of workers, attraction of talents, and motivation of the staff. Many studies in the world have showed that outstanding and reputable people often desire to work at places that they think are proper in society and can bring in the feeling of pride ; or where they can achieve personal development goals as well as contribute to community development. Although the primary goal of a business is to increase profitability, it cannot operate independently and ignore the impact on the surroundings. Enterprises can only promote long-term development by having a positive impact on communities, through which communities in turn react positively to businesses.

Some business organizations in Vietnam have implemented a range of social responsibility (SR) activities, and many of their social responsibility initiative reports are published on corporate websites, sustainability reports, and annual reports. This results from that fact that organizations are all aware of and concerned about the impact of their activities on the environment, communities, workers, and other stakeholders ; also, many Vietnamese organizations have recognized the positive benefits associated with SR activities. However, organizations are still facing enormous challenges in the implementation of SR activities, and the level of SR awareness is still very low. Therefore, researching the impact of SR information disclosure and financial performance of listed companies in Vietnam proves to be a difficult task when there is no evidence of compulsion despite SR having been conducted in Vietnam. Based on the above arguments in the research studies on SR in Vietnam, we found the need to expand previous studies on both SR and SR information disclosure together with exploring the empirical relationship between SR and listed companies on Vietnam's capital market. Business executives and academics believe that SR information disclosure may increase financial performance. In order to verify this belief, we outline concepts related to the topic of discussion and conduct an overview of a number of previous studies in different countries, and thus offer an explanation of theories and experiments. Based on the survey data, we propose the model and measure and verify the impact of SR information disclosure on financial performance in enterprises in Vietnam.

Theoretical Basis

(1) Several Concepts : Wood (2010) deemed that CSR is difficult to define, and different audiences perceive SR in various ways. Each industry, organization, and government recognizes CSR from a range of angles and perspectives, from which various definitions of CSR are given. Bowen (2013) judged that CSR is an obligation of a businessman in proposing and enforcing policies that do not harm the rights and interests of others. A definition of SR that has been selected by many studies is the definition in which SR covers all economic, legal, ethical, and philanthropic aspects of an organization that the society expects at each given moment.

Measures of financial performance are very common in SR studies; however, there is little consensus on the measure tools applied. Previous studies have suggested that a company's performance can be measured by either of the measures, which are accounting and / or market basis:

(i) Accounting : Several accounting-based measures have been used to evaluate financial performance, including ROE, ROS, and ROA (Cochran & Wood, 1984 ; Tsoutsoura, 2004 ; Waddock & Graves, 1997). The reason for applying these three variables to measure financial performance is that these data are less likely to be faked and also are the most widely used measures for financial performance.

(ii) Market : A market-based measure of financial performance avoids some accounting constraints as it shows future factors and focuses on market efficiencies. These measures hardly bear any relation to accounting procedures and are an indicator of the investors' choice to evaluate a company's ability of generating future profits. For instance, researchers deemed that the application of market-based measures shows that evaluating an investor's financial performance was an appropriate measure of performance (McGuire, Sundgren, & Schneeweis, 1988 ; Tsoutsoura, 2004). However, the use of stocks as a market-based measure of financial performance also had some limitations.

In addition, some studies utilized both accounting and market measures (Saleh, Zulkifli, & Muhamad, 2011) with three variables such as ROA, returns on stock market, and Tobin's Q . Orlitzky, Schmidt, and Rynes (2003) argued that both accounting and market indicators can be applied to measure enterprise financial performance. The application of two different methods for measuring financial performance means that it is difficult to directly compare the results of different studies. McGuire et al. (1988) and Tsoutsoura (2004) suggested that each method depends on certain trends. Hence, from the above arguments, the financial performance in this study is measured on the basis of the accounting and market measures.

(2) Theoretical Framework

(i) Shareholder Theory : Shareholder theory can be considered as the first of SR to be used to form the concept of SR. This view stems from the company's theories with the idea that its main goal is to maximize its profits. According to this initial view, Friedman (2007) deemed that companies should focus only on maximizing their profits and not be required to do any other SR. In other words, shareholders are the most important people, and the company needs to utilize all of its resources to increase shareholders' wealth. This view then met strong criticism by many scholars and other stakeholders of the companies. As a result, many theories have emerged to address the criticism, including agency theory and stakeholder theory.

(ii) Agency Theory : This theory was first developed by Jensen and Meckling (1976). The point of the representative theory indicates that there always exists a conflict of interest between shareholders and corporate executives. This conflict is often referred to as the "problem of representation." In general, a company consists of various interest groups and the only problem of representation can be solved when the equilibrium points of different interests may be the result of the conflict. In this sense, managers can utilize the company's resources to increase their own wealth and utilities instead of investing in potential projects that can improve their financial performance. Consequently, SR can lead to poor corporate performance and a decrease in shareholders' wealth. This theory suggests that resources and investments in SR must be effectively spent to improve the companies' performance, but that it is not helpful to the interests of the managers. Based on the theory of representation, stakeholder theory emerges to address problems of representation.

(iii) Stakeholder Theory : Contrary to shareholder theory, it can indicate the opposite relationship between SR and financial performance. The theory of representation shows the positive impact of SR on financial performance. The stakeholders' perspective from Freeman (1984) suggested the idea that a company's existence only depends on its ability to meet the needs of stakeholders - those who impose significant influence on the welfare of a company. As stakeholders can make contribution to a company's ability of wealth generation (Post, Preston, & Sachs, 2002), in order to sustain growth, what companies should pay attention to is the benefits accrued to stakeholders and taking into account their views and activities. In this case, the primary stakeholders are groups and individuals with interests and relationships with the companies, such as customers, employees, suppliers, etc. This argument possesses two reasons. First, stakeholders provide resources such as capital, labor, and revenue (Sweeney, 2009 ; Nelling & Webb, 2009). Corporate irresponsibilities to employees, customers, and the society will lead to the likelihood of losing these key resources. Second, stakeholders are both potential beneficiaries and individuals at high risk (Post et al., 2002). They often have to face behaviors of non-SR, including poor-quality products, excessive labor, and natural environment exploitation.

Under the principle of fair distribution (Sweeney, 2009), corporate profits should be equally distributed among individuals at risk, including stakeholders. According to the stakeholder theory, organizations aim at balancing the expectations of all stakeholder groups through their activities. Organizations are required to be certain about their relationship with all parties involved. Managers should consider and maintain the expectations of all stakeholder groups when making their decisions of information disclosure.

Research Overview

Information disclosure has been mentioned quite early in the research. Rudra (2010) established the firm-level relation between voluntary corporate disclosure level and FII flows in India. Rao and Nihar (2016) explored the hypothesis that value relevance of various accounting variables varied depending upon the business sector to which the firm belonged. There have been many studies on the impact of CSR on financial performance such as: Waddock and Graves (1997) tested their model using 500 companies; Preston and O'Bannon (1997) investigated 67 companies from different industries; McWilliams and Siegel (2000) surveyed 524 U.S. companies (Tsoutsoura, 2004) from S&P 500 ; Nelling and Webb (2009) investigated more than 600 U.S. companies. Korathotage (2012) surveyed 50 companies listed on the Colombo stock market in Sri Lanka in which SR was measured by Delphi and financial performance (ROA, ROE) ; Aras, Aybars, and Kutlu (2010) examined 40 companies listed on the Istanbul Stock Exchange (ISE) ; SR was compiled from annual reports through content analysis and financial performance (ROA, ROE, ROS). Charumathi and Ramesh (2017) found that the level of social and environmental disclosures had significantly improved post business responsibility reporting and positively significantly influenced market valuation. In addition, recent research has shown the importance of CSR to microfinance companies. Chandrasekar and Kumar (2017) and Patro and Pattanayak (2017) indicated a significant negative relationship existing between accounting conservatism and CSR disclosure.

When considering the financial performance measure of studies, Waddock and Graves (1997), Preston and O'Bannon (1997), McWilliams and Siegel (2000), and Tsoutsoura (2004) used accounting-based measures (ROA, ROE, ROS, and ROI). Nelling and Webb (2009) and Kang and Liu (2014) applied both financial performance measures on accounting and market basis ROA, ROE, ROS, TBQ, and stock returns. In short, the results drawn from these empirical studies showed a positive correlation between SR and financial performance for companies listed on the indicators of KLD and Fortune. Particularly, the results drawn from the studies of McWilliams and Siegel (2000) and Nelling and Webb (2009) revealed mixed outcomes of the relationship between SR and financial performance. Apart from studies using a developed set of SR measuring indicators (KLD, Domini 400,

TRI, Fortune...), many other studies applied different SR measures to examine the relationship between SR and financial performance. The results drawn from empirical studies using different SR measures produced different results of the relationship between SR and financial performance.

In terms of methodology, empirical studies have used a variety of econometric models to examine the relationship between SR and financial performance, including linear regression "OLS", Granger causality (Nelling & Webb, 2009), and the table data model (McWilliams & Siegel, 2000 ; Nelling & Webb, 2009). For control variables in a regression model, most studies applied company characteristics (size, leverage, industry type, company age, level of R&D, and corporate governance) as control variables when examining the relationship between SR and financial performance. From the above arguments, the cause of empirical research outcomes on the relationship between SR and financial performance in developed countries was mixed due to the application of different methods, the variables representing SR and financial performance being various.

Studies on the relationship between SR and financial performance in Vietnam such as research of Trang and Yekini (2014) investigated the relationship between SR and financial performance of the 20 largest companies listed on both Hanoi and Ho Chi Minh City stock exchanges (2010 - 2012). The results showed that there was a weak relationship between SR and financial performance. Hoang, Abeysekera, and Ma (2018) examined the impact of diversity in the board management on the social disclosure of Vietnamese listed companies (2008 - 2010) in which the SR indicators were collected from the annual reports and measured in accordance with GRI guidelines.

Research Methods

(1) Establishment of the Research Hypotheses

(i) Social Responsibility Disclosure : As discussed in the previous sections, the relationship between SR and financial performance is a mixed one. Thus, many questions are put forth as to why companies should or should not engage in SR activities and whether empirical studies on this topic can provide a reasonable answer. Therefore, this question is still of great necessity to further explore this relationship. In particular, many empirical studies have found a mutual relationship between SR and financial performance (Cochran & Wood, 1984; McWilliams & Siegel, 2000; Wood, 2010). Empirical studies (Aupperle, Carroll, & Hatfield, 1985 ; Preston & O'Bannon, 1997 ; Waddock & Graves, 1997) provided a summary of previous studies on negative and positive correlation and no correlation between SR and financial performance, and also suggested that SR information disclosure will increase costs and reduce financial performance. In addition, Nelling and Webb (2009) deemed that there is no relationship between SR and financial performance. Thus, in view of the various empirical studies on the relationship between SR information disclosure and financial performance, the following hypotheses have been put forward :

- ↗ **H₁:** Social responsibility information disclosure has a positive influence on corporate financial performance.
- ↗ **H_{1a}:** Social responsibility information disclosure has a positive influence on return on assets (ROA).
- ↗ **H_{1b}:** Social responsibility information disclosure has a positive influence on Tobin's *Q*.
- ↗ **H_{1c}:** Social responsibility information disclosure has a positive influence on stock prices.

(ii) Company Size : Company size is one of the most important characteristics of a company that can have an influence on a company's operations ; the size of the company is found to be significantly correlated with SR

information disclosure and financial performance. There is a considerable amount of evidence that larger firms often disclose more SR information than many other small businesses (Jitaree, 2015 ; Platonova, Asutay, Dixon, & Mohammad, 2018 ; Saleh et al., 2011). The reason resulting in this conclusion is that large companies receive more attention from the public, as these companies are more likely to diversify their geographic areas and products and thus, they may have larger and more diversified stakeholder groups. Waddock and Graves (1997) and Nelling and Webb (2009) argued that larger companies may have more resources than smaller ones to take on social and environmental activities. In addition, Orlitzky et al. (2003) found a positive correlation between company size and SR activities because larger firms would have more money, power, and capabilities to perform SR in comparison with small companies. Concurrently, financial performance is also found to be positively correlated with the company size as larger companies may gain more advantages in the product chain, and they can better manage the resources than small-scale ones. Thus, the following hypotheses are put forward by us :

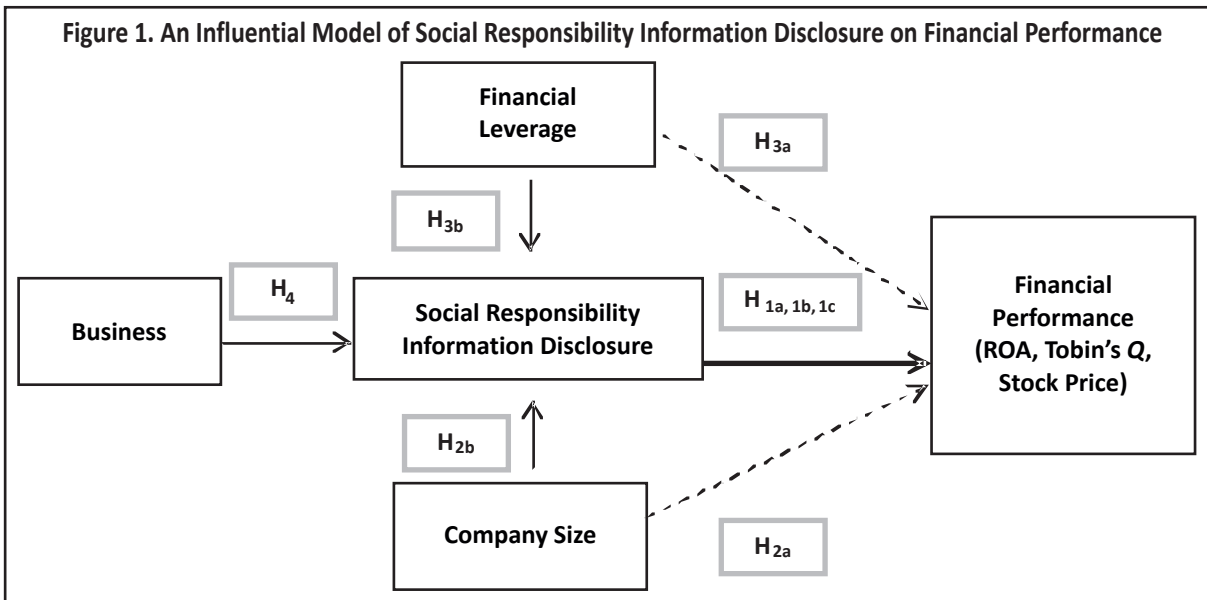
- ↪ **H_{2a}**: Company size has a positive influence on social responsibility information disclosure.
- ↪ **H_{2b}**: Company size has a positive influence on financial performance.

(iii) Financial Leverage : Financial leverage has also been used by many researchers as a control variable to examine the relationship between SR information disclosure and financial performance (Ahmed, Zakaree, & Kolawole, 2016 ; Cheung & Mak, 2010 ; Khlif, Guidara, & Souissi, 2015 ; Platonova et al., 2018 ; Saleh et al., 2011). Researchers deemed that enterprises of a high debt ratio were more likely to voluntarily disclose information. Cheung and Mak (2010) suggested that low debt ratio means less pressure imposed by investors on SR activities. Moreover, Platonova et al. (2018) also argued that enterprises of high debt ratios might have closer relationships with creditors, and as a result, they have to disclose more information in their annual reports. Firms of low debt ratio and satisfactory financial status shall make more investment in social activities than those of high levels of debt. Jensen and Meckling (1976) held that companies with high financial leverage might face a higher risk of bankruptcy, and they attempted to develop SR activities to reduce representation costs.

A number of studies have been conducted to assess the relationship between SR and debt / equity ratio, but the drawn results were mixed (McGuire et al., 1988). As suggested by Nelling and Webb (2009), the negative and significant correlation between SR and financial leverage indicated a low level of SR information disclosure reported by companies with high financial leverage. Financial leverage is a measure of the financial strength of a company, and is measured by the ratio of debt / total assets (Aras et al., 2010). Hence, the following hypotheses are formulated by us:

- ↪ **H_{3a}**: Financial leverage has a negative influence on social responsibility information disclosure.
- ↪ **H_{3b}**: Financial leverage has a negative influence on financial performance.

(iv) Business : Businesses are found to be an important variable in explaining the diversity of performance levels and SR information disclosure in many studies. Jitaree (2015) and Khlif et al. (2015) argued that SR information was more widely published in labor-intensive (manufacturing) industries than in other industries. According to Deegan and Gordon (1996), some industries might impose a strong impact on information disclosure. For example, mining, oil, and gas industries are more likely to disclose social and environmental information than other industries. In addition, Wallace and Naser (1995) explained that the reason for the difference of SR in some sectors is that individual companies must avoid fines for failing to disclose some of their industry-related issues. Their report may reveal some special issues that other companies are not required to publish. In contrast, Owusu - Ansah (1998) argued that the relationship between SR aspects and characteristics of the sector can be determined



and showed several reasons why the practice of publishing corporate SR was diversified and various in the nature of the work involved, type of product line, or the variety of products as well as the regulation of the industry. Hence, the following hypothesis is formulated by us :

↳ **H₄** : Business has a positive influence on social responsibility information disclosure.

Based on the overview and the hypotheses, the following model is recommended for this study (Figure 1).

(2) Measure of the Level of Social Responsibility Information Disclosure : Calculation and measure of the level of social responsibility information disclosure represents a challenge for researchers. In order to measure this indicator, we applied a questionnaire survey method using a third-party information disclosure criterion through an analysis of report content issued by the company. We also observed that most studies used content analysis to assess the level of corporate social responsibility information disclosure. In Vietnam, in order to measure this indicator for listed companies on the stock market, content analysis can be applied based on annual reports and sustainable development reports released by enterprises as these are available, collectible, and least costly materials.

According to Wallace and Naser (1995), information disclosure is an abstract concept that is difficult to measure directly. It has no inherent characteristic to determine its intensity or quality. The level of information disclosure here does not imply the adequacy of disclosure, meaning that assessment of "level" must be expressed as a measure of overall quality in the annual reports. It is ,therefore, difficult to measure the level of information disclosure as it requires the quantification of abstract elements into a statistical measure for the level of information disclosure demonstrating the following characteristics of information : (a) the credibility; (b) objectivity; (c) timeliness; (d) comprehensiveness.

Step 1 : Identify indexes. Based on Circular 155/2015, there are six indexes that will be assigned a value of 1 (if declared) and 0 (if unpublished).

Table 1. Determining the Weight of Each Index

Structure	Description	Weight
Content	Completeness	0.45
	Trust Level	0.40
Presentation	Report Form	0.05
	Report Structure	0.05
	Interactivity of the Report	0.05

Table 2. The Level of Information Disclosure

Assessment Levels (M)				
1 (Weak)	2 (Average)	3 (Credit)	4 (Distinction)	5 (High distinction)

Step 2: Determine the weight of each index (aspects of quality, quantity, and form) according to the following criteria (Table 1).

Step 3: Based on the level of information provision in Step 2, assess the level of information disclosure according to the five levels depicted in Table 2.

Step 4: Calculate the information disclosure level in the annual report; the index of information disclosure level is calculated as follows:

$$DI_j = \sum_{i=1}^{n_j} d_{ij} * M_{ij} / n_{j*5}$$

where,

DI_j is level of information disclosure in the annual report of enterprise j ,

M_{ij} is the rating level from level 1-5 of index i in an annual report of enterprise j ,

$d_{ij} = 1$ if information i is published in an annual report of enterprise j ,

$d_{ij} = 0$ if information i is unpublished,

n_j is the amount of information that can be disclosed in an enterprise j ($n \leq 6$).

The variables in the research model are measured and presented in the Table 3.

Table 3. Variables in Research Models

Notation	Name of Variables	Measure	Impact Dimension
ROA	Profitability	Return on Assets	
TOBIN's Q	Tobin's Q	Tobin's Q = (Market capitalization + Liabilities) / Assets	
PRICE	Stock price	Stock price of corporate at the end of 2016.	
DIS	SR information disclosure		+
SIZE	Company size	Logarit (Assets)	+
LEV	Financial leverage	Liabilities / Assets	-
INDUSTRY	Industry	Fake variable: 0 - Non-manufacturing sector 1 - Manufacturing sector	+

The data in the study were collected from the annual reports of 2016. The data collected were computed into variables that matched the research requirements in Microsoft Excel. Finally, data on the calculated variables were stored and processed, tested, and analyzed using regression through the Stata 13 software. Survey data are enterprises listed on HOSE. Of the 322 listed firms, 289 enterprises had adequate information to carry out this study (Table 4).

On the basis of surveying 289 out of 322 enterprises listed on the Ho Chi Minh Stock Exchange (HOSE), as such, the survey size is large enough; therefore, the research results can be referred for businesses in general. Research results and recommendations lay the basis for enterprises and policy makers to make decisions towards the sustainable development of enterprises.

Table 4. Summary of Survey Sample

Number of Enterprises Listed on HOSE in 2016	322
Reduced number of companies that did not publish the annual report.	12
Reduced number of companies due to insufficient data.	21
Number of enterprises surveyed.	289

Analysis and Results

Statistical data (Table 5) shows that the average level of information disclosure is 37.235%, the lowest is 0%, the highest is 95%, and the standard deviation is 27.52%. Of the companies surveyed, profitability ratios (ROA) are 6.4%, average Tobin's Q is 1.229, average stock price is 28.636. VND. The average financial leverage ratio (liabilities on assets - LV) of enterprises is 47.5%.

As shown in the Figure 2, the level of social responsibility information disclosure ranges mainly from 20% to 40%, with 89 enterprises accounting for 30.8%, followed by about 40% - 60% with 79 enterprises accounting for 27.34%, next 0% - 20% with 74 enterprises accounting for 25.61%. Meanwhile, the number of enterprises with social responsibility information disclosure in the range of 80% - 100% is only 14, accounting for 4.84%.

Analyzing the correlation coefficient to examine the close relationship between two or more variables, with the absolute value of the correlation coefficient equal to 1 shows a relatively strong correlation (Table 6). If the correlation coefficient is less than 0.8, it means a distinct value that exists between the two variables. Correlation coefficients among variables range from -0.04 to 0.574 (lower than the condition index of 0.8), which implies that it was less likely that multicollinearity will occur.

Table 5. Statistics Describing Independent Variables

	Observation	Mean Value	Standard Deviation	Minimum Value	Maximum Value
ROA	289	0.064	0.071	-0.121	0.552
TOBIN's Q	289	1.229	0.844	0.16	9.28
PRICE	289	28.636	32.492	1.2	205
DIS	289	37.235	27.520	0	95
SIZE	289	14.385	1.540	10.765	20.73
LV	289	0.475	0.227	0.006	0.977
INDUSTRY	289	0.740	0.439	0	1

Figure 2. Level of Information Disclosure Stated in the Annual Reports of Enterprises in 2016

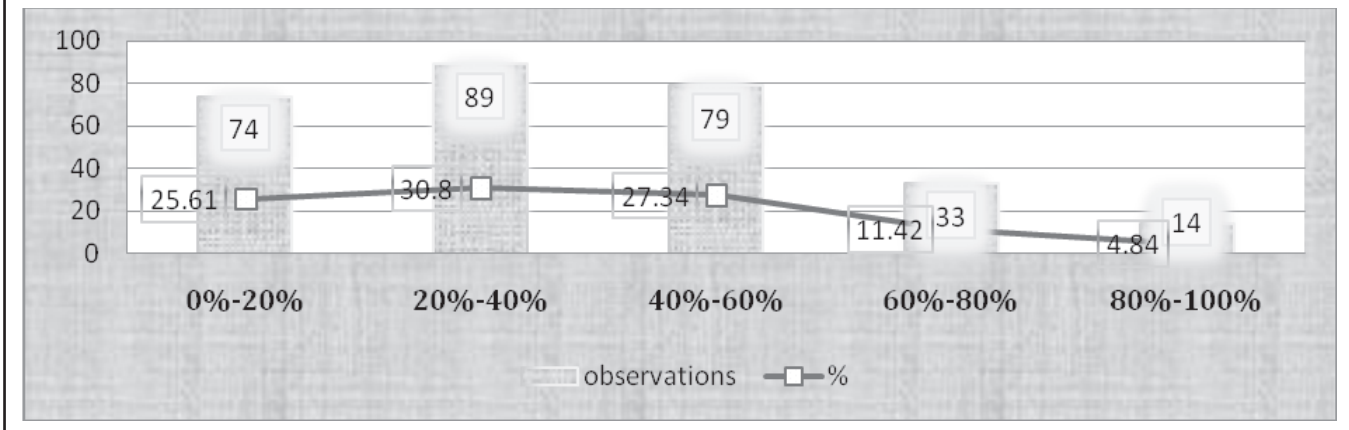


Table 6. Correlation Matrix

	ROA	TOBIN's Q	PRICE	DIS	SIZE	LV	INDUSTRY
ROA	1						
TOBIN's Q	0.574	1					
PRICE	0.5272	0.754	1				
DIS	0.1339	0.2403	0.2813	1			
SIZE	-0.1812	0.0524	0.1503	0.3332	1		
LV	-0.4299	-0.1683	-0.1251	0.0277	0.4614	1	
INDUSTRY	-0.0494	-0.1591	-0.2124	-0.1213	-0.0747	-0.0327	1

Table 7. Regression Results with ROA as a Dependent Variable

Hypotheses	Structural	Coef.	Std. Err.	z	p - value
H ₄	DIS<- INDUSTRY	-6.062	3.427	-1.77	0.077
H _{3b}	DIS<- LV	-19.369	7.447	-2.6	0.009
H _{2b}	DIS<- SIZE	7.143	1.101	6.49	0.000
	_cons	-51.841	15.026	-3.45	0.001
H _{1a}	ROA<- DIS	0.000	0.000	2.84	0.004
H _{3a}	ROA<- LV	-0.130	0.019	-6.94	0.000
H _{2a}	ROA<- SIZE	-0.002	0.003	-0.68	0.495
	_cons	0.139	0.037	3.72	0.000

Based on the results of the study (Table 7, Table 8, Table 9, Table 10), it can be seen that the social responsibility information disclosure has an impact on the financial performance at a statistically significant level of 1% with all three models when measuring financial performance by revenue on assets (ROA), Tobin's Q index, or stock price. A control variable as (SIZE) has impact on social responsibility information disclosure, but does not affect the financial performance of the business, while the financial leverage (LV) does have an influence on both social responsibility information disclosure and financial performance. A sector factor affects social responsibility information disclosure at the significant level of 10%.

Table 8. Regression Results with Tobin's Q as a Dependent Variable

Hypotheses	Structural	Coef.	Std. Err.	z	p-value
H ₄	DIS<- INDUSTRY	-6.062	3.427	-1.77	0.077
H _{3b}	DIS<- LV	-19.369	7.447	-2.6	0.009
H _{2b}	DIS<- SIZE	7.143	1.101	6.49	0.000
	_cons	-51.841	15.026	-3.45	0.001
H _{1b}	TOBINQ<- DIS	0.007	0.002	3.68	0.000
H _{3a}	TOBINQ<- LV	-0.777	0.237	-3.27	0.001
H _{2a}	TOBINQ<- SIZE	0.041	0.037	1.11	0.266
	_cons	0.752	0.472	1.59	0.111

Table 9. Regression Results with Stock Price as a Dependent Variable

Hypotheses	Structural	Coef.	Std. Err.	z	p-value
H ₄	DIS<- INDUSTRY	-6.062	3.427	-1.77	0.077
H _{3b}	DIS<- LV	-19.369	7.447	-2.6	0.009
H _{2b}	DIS<- SIZE	7.143	1.101	6.49	0.000
	_cons	-51.841	15.026	-3.45	0.001
H _{1c}	PRICE<- DIS	0.272	0.070	3.88	0.000
H _{3a}	PRICE<- LV	-30.065	9.016	-3.33	0.001
H _{2a}	PRICE<- SIZE	3.597	1.410	2.55	0.011
	_cons	-18.972	17.931	-1.06	0.29

Table 10. Results of Models

	Mô Hình ROA	Mô Hình Tobin's Q	Mô Hình Price
DIS	0.000414***	0.00678***	0.272***
LV	-0.130***	-0.777***	-30.06***
SIZE	-0.002	0.0413	3.597**
_cons	0.139***	0.752	-18.97
N	289	289	289
R-sq (CD)	0.3060	0.1720	0.18

Note. t - statistics in brackets * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 11. Test Results of Models

Fit Indexes	Standard	Model		
		ROA	TOBIN's Q	PRICE
X ² (df) (Prob > chi-square)	> 0.05	0.367	0.016	0.0010
RMSEA	< 0.05	0.000	0.129	0.18
CFI	> 0.90	1.000	0.932	0.88
TLI	> 0.90	1.012	0.521	0.18
SRMR	< 0.05	0.010	0.030	0.04
CD		0.306	0.172	0.18

With reference to the test results of the indicators of models (Table 11), the financial performance measuring model by ROA meets the criteria of testing the estimation model ; the level of factor explanation to financial performance when measuring ROA is 30.6%. For the other two models, when measuring financial performance, according to Tobin's Q and stock price, both models have violated the inspection standards. The explanation level of factors on financial performance reached only 17.2% and 18%.

Discussion

Several studies have found a relationship between social responsibility information disclosure and financial performance, and many researchers have shown that the relationship between social responsibility information disclosure and financial performance is of significance. In this study, the existence of a relationship between social responsibility information disclosure and financial performance has been tested by using the developed social responsibility index and multivariate regression analysis. This study provides evidence to confirm the results of previous studies on the effects of social responsibility information disclosure and financial performance. This finding is consistent with the results obtained by Waddock and Graves (1997), Nelling and Webb (2009), and Charumathi and Ramesh (2017).

The study uses a number of control variables related to company characteristics such as company size, financial leverage, and industry. The findings show that the variables of company characteristics under the theory of legitimacy may have an effect on the practice of social responsibility when considering various sectors (manufacturing and non-manufacturing sectors). This result is contrary to those obtained by Nelling and Webb (2009). However, the results are similar to the findings of Rao and Nihar (2016) with reference to the business sector. The results of the regression analysis also show a mixed effect of company size, financial leverage, and industry on social responsibility information disclosure.

Table 12. Synthesizing the Results of the Research Hypotheses

Hypotheses	Structural	Expectation	Results of Regression	Comparison	Conclusion	
H _{1a}	ROA<-	DIS	(+)	0.004	< 0.01	Accepted
H _{1b}	TOBINQ<-	DIS	(+)	0.000	< 0.01	Accepted
H _{1c}	PRICE<-	DIS	(+)	0.000	< 0.01	Accepted
H _{2a}	ROA<-	SIZE	(+)	0.495	> 0.1	Declined
H _{2b}	DIS<-	SIZE	(+)	0.000	< 0.01	Accepted
H _{3a}	ROA<-	LV	(-)	0.000	< 0.01	Accepted
H _{3b}	DIS<-	LV	(-)	0.009	< 0.01	Accepted
H ₄	DIS<-	IINDUSTRY	(+)	0.077	< 0.1	Accepted

The responses to the hypotheses set out are presented in the summary in Table 12 in which most constructive hypotheses are accepted, except for the hypothesis H_{2a} being rejected on a non- statistically significant basis.

Research Implications

Based on the results of the study, the study has assessed the impact of factors on social responsibility information disclosure on the financial performance of a business when measuring all three metrics of financial performance,

that is, ROA, Tobin's Q , and stock price. For control variables, the financial leverage is reversed to financial performance, while company size does not have influence on the financial performance. However, considering the factors of enterprise size, financial leverage and industry both have an impact on the level of corporate social responsibility information disclosure. It is clear that social responsibility information disclosure has a positive impact on the company's financial performance as well as contributes to reduction of corporate risk in the context of Vietnam. Therefore, in addition to the traditional measures that are often applied by managers to increase the value/performance of a company, social responsibility is a new trend that attracts a lot of attention from organizations. Therefore, the application of social responsibility is essential for business organizations in the process of integration into the international market as it brings in benefits for both organizations and the society, especially to foster the competitiveness of listed companies themselves. Thus, from now on, there should be actions and policies to facilitate the participation of organizations (listed companies) in SR activities. Based on the experimental results, this study proposes some recommendations for improving the practice of social responsibility information disclosure in Vietnam :

↳ Businesses are required to develop long-term strategies to apply and disclose social responsibility information with appropriate steps in different stages. Companies need long-term strategies in developing and implementing social responsibility standards. Implementation of social responsibility in a proper and authentic sense is not a simple matter and does not lie in the corporate capability of immediate settlement due to constraints of awareness, resources, including financial resources, techniques, and highly - qualified human resources.

↳ Businesses need to raise awareness of social responsibility and the benefits of social responsibility information disclosure to organizations. Increase in awareness of social responsibility must start with the leaders of companies or the managers as their vision and decisions have a great impact not only on business strategy, but also on the performance of the organization. Moreover, this study has provided some evidence of the relationship between the aspects of social responsibility and financial performance ; thus, listed companies are encouraged to participate more in social responsibility information disclosure.

↳ In the context of Vietnam, the social responsibility information disclosure of stakeholders' organizations (domestic and foreign investors, authorities, local government, consumers ...) is mainly voluntary and without any common pattern (except GRI4 guidelines). Only large scale companies compile social responsibility reports, and the number of companies drawing up social responsibility reports (sustainability reports) is very small. However, the empirical results in the study show that when listed companies disclose their social responsibility information in the annual reports or separate sustainability reports to the stakeholders, it does not only contribute to the betterment of financial performance, but also enhances the brand, improves the loyalty of employees to the organization, as well as the loyalty and trust of the community and consumers to the company's production and business activities.

↳ The Government should continue to supplement and complete the existing legal system in Vietnam to create a solid legal basis for the implementation of social responsibility as the legal system will be the framework for organizations' business in general and implementation of social responsibility in particular. However, in the current legal framework of Vietnam, there are still many deficiencies and shortcomings which make it easier for organizations to take advantage of loopholes in law to avoid moral obligations and social responsibility.

↳ Strengthening propaganda to raise awareness of social responsibility and adopt policies to encourage and

support the implementation of social responsibility in business activities of organizations. Awareness of business ethics and social responsibility is essential as right perception can lead to proper action for every organization. The implementation of social responsibility will enable organizations to develop sustainably through such activities as compliance with laws of food safety, environmental protection, pollution control, waste recycling, and natural resource savings.

Limitations of the Study and Scope for Further Research

The limitation of this study lies in the fact that it only surveyed the level of information disclosure in 2017. Researchers can continue examining the disclosure level of information on sustainable development in subsequent years. At the same time, research can be conducted on the relationship between the disclosure of information on sustainable development and financial performance of enterprises.

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