

The impact of legal environment on business success through the practices of corporate social responsibility

Mai Ngoc Khuong^{a,b*}, Nguyen Khoa Truong An^{a,b}, Truong Nhu Doanh^{a,b}, Le Dinh Minh Tri^{a,b}, Nguyen Ngoc Duy Phuong^{a,b} and Truong Lam Thanh^{a,b}

^aSchool of Business, International University, Ho Chi Minh City, Vietnam

^bVietnam National University, Ho Chi Minh City, Vietnam

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ABSTRACT

The paper was designed with the purpose of discovering the relationships among legal environment, corporate social responsibility (CSR) practices and business success. Data collection from 869 companies was processed with quantitative methodology; all of the respondents were identified to be working at the managerial level in Ho Chi Minh City and Binh Duong Province, Vietnam. The empirical outcomes indicated that legal environment significantly affects business success directly and indirectly the mediation of CSR practices; economic CSR, philanthropic CSR, legal CSR and environment CSR. Ethical CSR was excluded from the proposed model after exploratory factor analysis. By developing the awareness of CSR and encouraging Vietnamese corporates to practice on CSR activities, this study contributes to the local business's further growth for better business performances as well as for the overall benefit of the society. Moreover, suggestions for future researches are also recommended to extend the related topics.

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1. Introduction

Businesses do not operate arbitrarily but rather with direction in an environment that significantly influences how businesses operate and how they achieve their goals. Among the external factors, legal environment plays a significant role in contributing to the success of any business in the world. Following that, corporate managers make decisions on the way a business is affected by this institutional framework provided by rule of law. This legal environment factor is permanent and cannot be interfered by any corporate so it is, therefore, imperative for firms to understand the vital part of legal environment and to run business according to laws with regulatory measures affecting business goals. In particular, business success is one of the most important outcomes that is highly expected and requires several strategic components invested throughout periods of time. In the present context, pursuing social and environmental sustainability becomes one of the main strategic challenges along with critical business matters of survival, rivalry and evolution (Crosbie and Knight, 1995). Economic interest and high profits are not the only business leading forces as corporates are also established with the purpose of supporting life or as a way of pursuing economic development, self-employment and earning benefits through what the environment offers (Lewis, 2008; Tregear, 2005; Shivani et al., 2006; Reijonen, 2008). Consequently, enterprises have viewed corporates social responsibility (CSR) as an essential movement to build competitive advantage and leverage their business outcomes through being socially responsible and benefiting the community's well-being. The main objective of this paper is to examine whether CSR performance can be addressed as a strategic tool for corporates to achieve business sustainability and success by analyzing the relationships between legal environment, CSR practices and business success. Analyzing from the managerial perspective

* Corresponding author.

E-mail address: mnkhuong@hcmiu.edu.vn (M. N. Khuong)

along with today's context, the research can explain the concept of business success in the clearer way as well as the strategies they use to implement CSR programs under the impact of legal environment.

2. Theoretical Background and Conceptual Model

2.1. Business success

According to Dictionary.Com, the word "success" itself is identified in the way that a person or a thing accomplishing desired goals or achieving wanted prosperity. According to Alstete (2008), business success, also called entrepreneurial success, can be characterized by the status quo, existent advantages and rewards when comparing with other ventures (Fairlie & Robb, 2008).

Throughout the decades, researchers with different opinions have brought up numerous measures to evaluate business success. The most essential measure of business success is summarized as survival. Small and medium entrepreneurs (SMEs) have strengthened the value of subsistence in business operation as success is now related to objective assessments such as organizational structure, sales turnover, financial increase, employee growth and exports (Fairlie & Robb, 2009). However, not every organization completely agrees on this measure of entrepreneurial success. In 2008, Reijonen (2008) debated about accomplishing desired goals is the most critical measure of business success. Following that, entrepreneurs always pursue certain goals in their operations as it is believed that an inspiration or a motivation will exist within an individual when goals are established. Consequently, business success may be obtained when enterprises realize that they have achieved their wanted business goals through dedicating their resources and effort to their businesses. Nevertheless, these goals can be either clear and explicit or indirect and tacit depending on the business status along with the perception, personalities and attitudes of its entrepreneurs. Additionally, interacting with external elements such as economic, cultural or social factors can result in building business goals (Shivani et al., 2006). In reality, researches can measure entrepreneurial success with both financial and non-financial standard (Reijonen, 2008). Commonly adapted in SMEs, success in this context is often evaluated by financial criteria including profits, sales turnover, growth in employees and new customers, company expansion, exports and economic yearning. The second measure of non-financial criteria involves more in the entrepreneurial satisfaction. Specifically, it can be identified as pride and freedom in what they are doing, autonomy demand, obtaining customer satisfaction, standards in quality and style of life, integrity in internal operation and the sense of responsibility to the external relations (Zywicki, 2002; Reijonen, 2008).

Today, subsistence organizations have no limitation in identifying business motivations as the quality of well-being now becomes a strong driving force aside from the economic growth (Reijonen, 2008). To achieve the business success, enterprises need to implement the approach that involves deep understanding about life with upgraded business intentions and inspirations, which are heavily influenced by corporate manager's behavior and attitudes. Therefore, every concept of success would particularly reflect the values of that person; hence, requires the recognition of entrepreneurs toward their role in economic, emotional and communitarian ranges (Tregear, 2003; Reijonen, 2008). These entrepreneurial values would determine the quantity as well as the quality of effort and the resources that organizations are willing to put into their business operation in order to obtain success.

2.2. Corporate social responsibility (CSR)

The term "corporate social responsibility" (CSR) was first introduced by Bowen in 1953 as the obligation of entrepreneurs to pursue the lines of policies and actions that are desired following the societal goals and values of our community (Bowen, 1953, p.6). Another common definition developed by Archie Carroll in 1979 originally referred CSR as "the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (Carroll, 1979). Into a more specific conceptualization, corporate social responsibility programs provide organizations a visible way to show their duties to the society and further contribute to the mutual well-being through benefiting both the firm and the community. When CSR programs are offered to create awareness and practical solutions to societal issues, the brand image is greatly leveraged along with the material enhancement of those issues. Additionally, other business outcomes also become the leading forces to the growth of CSR programs such as improvement in corporate reputation, mitigation of government influence and increase in the public support for the firms.

2.3. Legal environment

The study focuses on five critical dimensions of corporate social responsibility that have the significant involvement in corporate's business outcomes. Through the Pyramid of Corporate Social Responsibility developed in 1979, Archie Carroll classified CSR into particular social practices that reflect requirement and expectations toward companies in terms of four main aspects of economic, legal, ethical and philanthropic responsibility (Carroll, 1979; 1991). In details, economic CSR requires corporate to be profitable; legal CSR consists of the strict obedience of corporate toward laws and regulations; ethical CSR demands company to operate and execute activities in conformity with human rights; philanthropic CSR includes the beneficial contribution of business toward society and life well-being. Following that, environmental issue has become the topic of interest that demands meticulous attentions from organizations; hence, comes to be another vital dimension of CSR (Pomeroy

& Johnson, 2009). In short, environmental CSR presents the firm's consideration toward the surrounding nature and environment.

Several previous studies have examined the relationship between CSR and corporate business outcomes. In Europe point of view, business can be benefitted from being socially responsible as this approach can increase sales and company reputation as a whole. Stakeholders also address CSR as a strategy to maximize long term profit and gain business advantages. The objective here is to develop sustainable growth for corporate in a responsible attitude toward the community and the environment. In the end, all of these significantly contribute to the business success (Moir, 2001). Based on the literature review, the following hypotheses were proposed:

Hypothesis 1.1: Economic CSR positively influences business success.

Hypothesis 1.2: Legal CSR positively influences business success.

Hypothesis 1.3: Ethical CSR positively influences business success.

Hypothesis 1.4: Philanthropic CSR positively influences business success.

Hypothesis 1.5: Environmental CSR positively influences business success.

2.4. CSR practices

Law supplies organizations with business model for survival and further growth; defines roles and generates meaningful purposes for organizational actions and events with either positive or negative moral demeanor (Geertz, 1983). This literature focuses on two met-theoretical perspectives to interpret the characteristics of law in the context of organizational environment. The first is described as rational materialist perspective, that views the law as a system comprising of incentives and penalties while organizations function as economic growth factor (Cooter & Ulen, 1996). In contrast to materialist aspect, normative cultural perspective indicates material interest is a secondary consideration and sees organizations as rule-followers while the law system at this state consists of moral principles, sacred symbols and scripted roles (Powell & DiMaggio, 1991; Scott, 1995; Suchman & Edelman, 1996).

Being multifaceted has become one of the main factors leading to many different researches on different aspects of legal environment depending on the tradition of each research context. In general, a set of three main guises of law is finalized namely as regulatory, facilitative and constitutive legal environment (Scott, 1993). Particularly speaking, the role of law as a *regulatory environment* is placed in a more active ladder. Law now is defined as a system of existent commandment where organization behavior is directly modified and controlled by the power of laws. In contrast, law in the *facilitative environment* is merely a passive arena including forums and tools that managers can choose to apply into their organizations to achieve various business goals. The third facet expresses law as a *constitutive environment* where law provides the fundamental blocks to form the organizational base and other inter-organizational components.

As an institutional model applied by organizations, legal environment becomes the fundamental elements affecting business overall operation that consequently leads to several business outcome, especially to the business success. Not only does it impact the way business function, legal environment is also proven to contribute to the growth of corporate social responsibility. According to Lambooy (2014), CSR has deep connection with many aspects of law, which comprises of international law, entrepreneur law, procedural law, tort and contract law, criminal law, labor and even environmental law. Each of these aspects responds to the social issues; hence, significantly influences CSR development, with every dimension of CSR. Therefore, the following hypotheses were proposed:

Hypothesis 2.1: Legal environment positively influences business success.

Hypothesis 2.2: Legal environment positively influences economic CSR.

Hypothesis 2.3: Legal environment positively influences legal CSR.

Hypothesis 2.4: Legal environment positively influences ethical CSR.

Hypothesis 2.5: Legal environment positively influences philanthropic CSR.

Hypothesis 2.6: Legal environment positively influences environmental CSR.

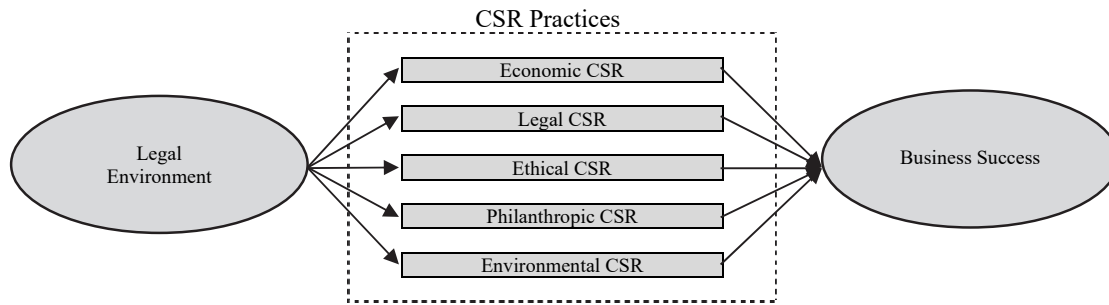


Fig. 1. Conceptual research model

3. Methodology

The study aims to explore the relationship between legal environment and business success through the mediation CSR practices by using quantitative approaches and related computational methodology. Accordingly, scientific statistics can generate a more reliable result from the collected sample of 869 respondents, who are at the managerial level serving in public, private or foreign direct investment (FDI) companies. For scope of geography, the data was conducted in Ho Chi Minh City and Binh Duong Province, Vietnam. Moreover, this research used stratified random sampling to ensure the quality of the target respondents and the number of respondents in public, private and FDI areas. Questionnaires of the research were designed as five-point Likert scales ranging from strongly disagree to strongly agree. There were 42 observed variables selected and modified through Vietnamese and international references to adapt well with the local business context. Legal environment was measured by Skaaning, S. E., 2010; Haggard, S., & Tiede, L., 2011). Business success was adopted from (Saeidi, S. P., Sofian, S., Saeidi, P., Saeidi, S. P., & Saeidi, S. A., 2015). The five CSR practice with 29 items were measured by (El-Garaihy, W. H., Mobarak, A. K. M., & Albahussain, S. A., 2014; Turker, D., 2009; Alvarado-Herrera, A., Bigne, E., Aldas Manzano, J., & Curras-Perez, R., 2017 and Tran & Nguyen, 2018; Galbreath, J., 2010; Nguyen, 2012).

4. Results

4.1. Respondents profile

With 869 valid responses collected in total, the descriptive statistics indicates that most of the participants are deputy manager and manager with 219 and 206 respondents recorded respectively; while other 444 participants are identified as assistant manager, owner, chief accountant and legal manager. Among the three primary business sectors, over half of the respondents (59.3%) is from the private sector, another 32.9% and 7.8% of them, respectively, are working at the FDI sector and the public sector. Additionally, the majority of the target audience was in the categories of manufacturing, trade and service business type with 58.9% equivalent for 512 answers claimed to have at most 200 employees in their corporate while other 41.1% confirmed that their business functioned with over 300 employees. Regarding annual revenue, approximately 57% respondents could achieve the revenue of 1 to 50 billion per year; while the rest 43% of the participants reported to earn from 51 to over 200 billion annually. Also, the sampled firms are mostly from Ho Chi Minh City with the record of 62.4% accounting for more than half of the respondents.

4.2. Factor Analysis

The analysis first employed exploratory factor analysis (EFA) to define the fundamental research structure then continued applying with confirmatory factor analysis (CFA) to ensure the measurement model formatted through the underlying structure, together with appropriate modifications. In addition, reliability test was conducted with each Cronbach's Alpha value ranging above 0.6 representing the positive evaluation to each item. Validity factor numbers were generated with the rule of every factor loading being higher than 0.4; the eigenvalues being greater than 1 and the variance explained resulting in 50% at least. Firstly, total 42 observed variables were run in the factor analysis. The outcomes obtained from the first test indicated that the square of outer loadings of EcoCSR5 and EcoCSR7 in the economic CSR variables as well as the 5 items in ethical CSR variables were less than 0.5, consequently led to 40.607% in variance explained value. Hence, EcoCSR5, EcoCSR7 and ethical CSR variables were excluded to increase the reliability of the data. Table 1 presents the final result after eliminating the invalid items in the second test.

Table 1
Factor Analysis, Reliability and Validity of Studied Constructs (Alpha: α)

Factor and measured items	EFA (n=869)			CFA (n=869)		
	Loading	Eigenvalue	Variance Explained (%)	SFL	SMC	Composite Reliability
Environmental CSR practice ($\alpha = .837$)		7.645	34.749			.838
EnviCSR4	.707			.673	.452	
EnviCSR6	.675			.672	.451	
EnviCSR5	.668			.665	.443	
EnviCSR3	.645			.633	.401	
EnviCSR7	.619			.664	.441	
EnviCSR1	.595			.628	.395	
EnviCSR2	.595			.629	.395	
Legal CSR practice ($\alpha = .789$)		1.578	7.171			.754
LegCSR4	.739			.621	.386	
LegCSR2	.716			.700	.489	
LegCSR1	.630			.644	.415	
LegCSR5	.620			.668	.447	
LegCSR3	.603			.639	.408	
Economic CSR practice ($\alpha = .737$)		1.198	5.446			.740
EcoCSR1	.738			.550	.302	
EcoCSR4	.587			.678	.459	
EcoCSR3	.550			.623	.389	
EcoCSR2	.483			.575	.331	
EcoCSR6	.458			.580	.336	
Philanthropic CSR practice ($\alpha = .751$)		1.014	4.609			.752
PhilanCSR2	.711			.577	.333	
PhilanCSR5	.662			.642	.412	
PhilanCSR4	.649			.632	.400	
PhilanCSR3	.524			.641	.411	
PhilanCSR1	.508			.579	.336	
	<i>KMO = .944, Bartlett's test of sphericity: $\chi^2 = 6333.909, p < .000$</i>			<i>$\chi^2 = 2.475, df = 203, p = .000; GFI = .947, TLI = .945, CFI = .951, RMSEA = .041,$</i>		
Legal Environment ($\alpha = .775$)		5.337	41.051			.883
Legen3	.823			.716	.512	
Legen6	.808			.695	.484	
Legen1	.779			.665	.442	
Legen5	.756			.700	.491	
Legen7	.691			.669	.447	
Legen2	.672			.683	.466	
Legen4	.653			.689	.474	
Legen8	.589			.618	.383	
Legen9	.587			.640	.410	
Corporate Business Success ($\alpha = .722$)		1.559	11.995			.726
Buscess4	.788			.647	.419	
Buscess3	.770			.674	.455	
Buscess2	.753			.672	.452	
Buscess1	.628			.527	.278	
	<i>KMO = .923, Bartlett's test of sphericity: $\chi^2 = 3989.610, p < .000$</i>			<i>$\chi^2 = 3.868, df = 64, p = .000; GFI = .954, TLI = .943, CFI = .953, RMSEA = .057,$</i>		

Note: EFA = Exploratory Factor Analysis; CFA = Confirmatory Factor Analysis; SFL = Standardized Factor Loading; SMC = Squared Multiple Correlation; KMO = Kaiser-Meyer-Olkin Measure of Sampling Adequacy; RMSEA = Root Mean Square Error of Approximation; GFI = Goodness of Fit Index; TLI = Tucker-Lewis Index; CFI = Comparative Fit Index.

4.3. Measurement of economic, legal, philanthropic and environmental CSR

After excluding ethical CSR, the four remaining variables of CSR explained 51.976% of the total variance, with the eigenvalue of each variable was all greater than 1. The KMO index was 0.944 exceeding 0.5 and the significant of Bartlett's test was satisfactory at level of 0.00, ensure the data to be qualified to the next stage of analysis. The Cronbach's alphas for each factor were all higher than the general limit of 0.6 ($\alpha_{\text{ENCSR}} = 0.837$, $\alpha_{\text{LECSR}} = 0.789$, $\alpha_{\text{ECCSR}} = 0.737$, $\alpha_{\text{PHICSR}} = 0.751$); resulting in 0.778 of the total Cronbach's alpha value of the four factors. Overall, the data outcome for the CSR variables was proven to be satisfactorily reliable. In the next step, CFA was used to examine whether the underlying motivation structure existed in the validation sample size (n = 869). Here, the measurement model provides excellent indices ($\chi^2/df < 3$, RMSEA = 0.041, CFI = 0.961, GFI = 0.947, TLI = 945) indicating the acceptance fit between the CFA model and the observed target sample. Consequently, the four- CSR factor structure defined by EFA was confirmed with the validation sample.

4.4. Measurement of legal environment and business success

Regarding legal environment and business success, the KMO index of these two variables was 0.923 which was greater than 0.5 and the Significant of Bartlett's Test was significant at 0.00. All the factor loadings of the thirteen indicators in this group were calculated to be greater than 0.5 showing the strong interrelationship among each component. These factors explained 53.046% of the total variance with the eigenvalue of each variable was higher than 1 and no items were excluded from the

model. Both legal environment and business success showed a high level of scale reliability through the Cronbach's alphas of 0.775 and 0.722 respectively. The EFA outcomes were then tested through CFA process applying the validation sample (n = 869). The indices ($\chi^2 = 3.868$, $df = 64$, $GFI = .954$, $TLI = .943$, $CFI = .953$, $RMSEA = .057$) as well show the acceptance model fit. Although the X^2/df value is higher than the qualified number of 3, the result is still acceptable due to the large sample size, making it appropriate for next testing stages.

4.5. Structural Equation Modeling

After qualifying the measurement scale, the structural model was examined with the sample size of 869 respondents. According to Diamantopoulos et al. (2000), multiple criteria for a model fit in SEM analyses comprises of Chi-square, ratio of chi-square to degrees of freedom, GFI, CFI and RMSEA. In the final model, the measure indices (Fig. 2) are calculated as Chi-square/df = 3.152; GFI = 0.885; CFI = 0.893 and RMSEA = 0.05.

Table 2
Summary of Hypothesis Testing

Path	Direct Effect - St. Estimate (β)	Indirect Effect	Total Effect	S.E	C.R.	P	Result
H1.1 LEGEN → ECSR	.499	---	---	.028	16.951	***	Supported
H1.2 LEGEN → LECSR	.440	---	---	.029	14.428	***	Supported
H1.3 LEGEN → PHICSR	.581	---	---	.026	21.041	***	Supported
H1.4 LEGEN → ENCSR	.487	---	---	.028	16.419	***	Supported
H2.1 ECSR → BUSU	.294	---	---	.031	9.121	***	Supported
H2.2 PHICSR → BUSU	.159	---	---	.034	4.621	***	Supported
H2.3 LEGEN → BUSU	.155	---	.155	.039	3.579	***	Supported
H2.4 LECSR → BUSU	.090	---	---	.030	2.899	.004*	Supported
H2.5 ENCSR → BUSU	.093	---	---	.031	2.896	.004*	Supported
H3.1 LEGEN → ECSR → BUSU	---	.147	.147				Supported
H3.2 LEGEN → PHICSR → BUSU	---	.092	.092				Supported
H3.3 LEGEN → LECSR → BUSU	---	.040	.040				Supported
H3.4 LEGEN → ENCSR → BUSU	---	.045	.045				Supported
	.155	.324	.479				

Note: β = Standardized beta coefficient; SE = Standard error; CR = Critical ratio; * $p < 0.05$; *** $p < 0.001$

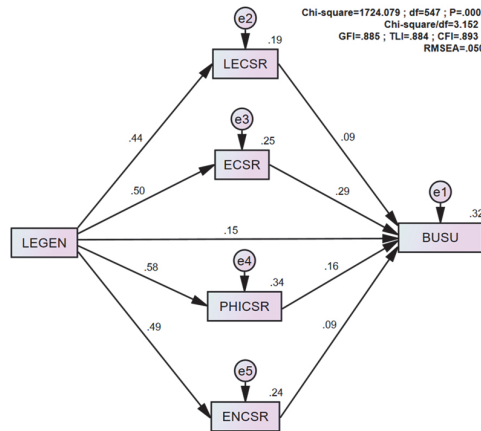


Fig. 2. Modified Structural Model with Estimated Path Coefficient

4.6. Hypothesis Testing

In the first testing group of H1, hypotheses H1.1 to H1.4 represent the direct relationship between legal environment and CSR practices. According to standardized beta coefficient of each given path in Table 2, legal environment showed positive effects toward economic, legal, philanthropic and environmental CSR with the beta value β of 0.499, 0.440, 0.581 and 0.487 respectively. Thus, all the hypotheses from H1.1 to H1.4 were generally supported indicating that legal environment has significant impact on the four CSR dimensions. Along with that, Hypothesis 1.6 was supported as legal environment was proven to have effect on business success ($\beta = 0.155$), which strongly restated the critical role of laws and regulations in operating business. Additionally, the contribution of five different elements to business success was also confirmed through the hypotheses supported in H2. In details, findings disclosed that CSR performance of economic, legal, philanthropic and environmental practices positively result in the level of success in business. Finally, indirect effect was also found in the testing group H3 with four hypotheses representing the impact of legal environment to business success by implementing economic, legal, philanthropic and environmental CSR. The beta value β of the four paths was estimated to be 0.147, 0.04, 0.092 and 0.045 respectively. Therefore, the hypotheses H3.1 to H3.4 were greatly supported.

5. Discussion and Conclusion

The main purpose of this study was to explore the relationship among legal environment, CSR practices and business success under a managerial perspective. At the beginning, total five CSR practices comprising of economic, legal, ethical, philanthropic and environmental CSR along with legal environment and business success were tested through reliability, EFA, CFA and SEM analyses. The final outcome withdrawn from the data analysis indicated that 2 items of economic CSR and ethical CSR variables were suggested to be excluded from the data. In contrast, four variables equivalent for four CSR practices were remained in the research model; the hypotheses of these relationships are also supported by the statistical result. Although all the variables are confirmed to positively correlate with each other, the SEM analysis emphasizes the different influence degrees of the tested relationships. Based on the modified structural model, it shows that legal environment had positive effect on the four remaining CSR practices and the highest correlation is with philanthropic CSR ($\beta = 0.58$). Also, of the four CSR dimensions, economic CSR became the most impactful component toward business success with the highest Beta value ($\beta = 0.29$), following by philanthropic CSR ($\beta = 0.16$). Finally, legal CSR and environmental CSR provided the same Beta value $\beta = 0.09$ indicating that these two corporate social responsibilities influence business success at the same degree. In this case, ethical CSR and entrepreneurial success were also proven to not have a significant relationship with each other. Additionally, the data result confirmed a direct connection between legal environment and business success ($\beta = 0.15$). With the proposed model, four indirect effects equivalent for the impact of legal environment to business success through CSR programs were discovered. Among the four paths, the highest beta value β was estimated to be 0.147 belonging to when economic CSR was implemented following by the performance in philanthropic, environmental and legal CSR (0.092, 0.045 and 0.04 respectively). Once again, the result confirmed the significant relationship among legal environment, corporate social responsibility and business success. The strongest correlation here emphasizes the importance of legal institutions in the foundation of creating prosperity. It has been stated by Zywicki (2002, p. 22) that “the link between the rule of law and economic growth derives from the micro-level incentives created by the conditions sustained by the rule of law”. The rule of law supplies organizations an institutional framework that can greatly benefit investment, business and capital development in a long term; hence, contributes to the performance of corporate economic responsibility and further ensures business success.

6. Practical Implication

6.1. Managerial Implication

Throughout the time, business success is commonly measured by economic interests, which are the visible and calculable elements to determine the status of one company. Two most fundamental yet critical requirements for company to be existent are defined as its sustainability and its constant development. Today managers often develop economic decisions through their consideration toward company overall impact on business and society. Consequently, implementing economic CSR will not enhance business activities but also engaging in practical issues. For business long term growth, remaining profitable and maximizing company's profit potential will ensure a good performance in economic CSR as well as the ability of company to serve other business purposes. Desired by the society, philanthropic CSR defines a meaning for company's existence by serving the community and solving social problems; hence, becomes a unique program of creating business success. Corporates fulfill their philanthropic CSR through involving in activities that improve life quality and/or offer beneficial contribution to their community such as donating for charity projects, building material facilities, volunteering in impactful campaigns. In terms of legal environment and legal CSR, there is an obvious link between business operation and law, which strongly indicates that business, must be operated following laws and regulations. Corporates are required to fully have awareness of legal system and hiring legal specialist for their company is highly recommended. Most importantly, legal CSR requires corporates not to break the laws or not to do illegal actions for their own selfish benefits. As for environmental CSR, corporates should be acknowledged of their duty to protect and improve the surrounding nature, which plays an essential part in society's benefit. Several small but impactful activities can be implemented including reducing harmful materials in production and services, building green workplace, saving water and energy, limiting waste. From the finding, although business success is not affected by ethical CSR in this study; still, the result can come from research limitation, data sample and measurement scale design. Hence, corporate managers need to also practice and improve ethical CSR, which basically ensures the best treatment to company internal and external stakeholders. Following that, business operation ought to focus on bringing out the most positive result by offering great policies which include opening job vacancies, offering higher income, programs for upgrading knowledge and skills, building a safe workplace and strictly avoiding partnering with unscrupulous or harmful business.

6.2. Limitation and Further Research

There are some data limitations in adopting this methodology and its research design. Firstly, the research results cannot be presented as a general overview. Because the results' representation cannot be replicated in the same manner for every situation in other contexts. Further, the respondents of the data are only selected from two areas (Ho Chi Minh City and Binh Duong Province) in the three main business sectors based in Vietnam. Even though the SEM data analysis testing can provide a good implementation on testing the existent relationship in a model, however the technique is limited to generating other possibilities of non-existence relations. Based the above-mentioned limitations, some recommendations are suggested for

future researchers that conduct their research problem based on the related topic. For future studies, a larger sample size is required in a wider geographical scope in order to obtain a more diversified data sample of respondents.

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