



The Influence of Managers' Awareness on Esg Information Disclosure at Vietnamese Enterprises

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THE INFLUENCE OF MANAGERS' AWARENESS ON ESG INFORMATION DISCLOSURE AT VIETNAMESE ENTERPRISES

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1. Introduction

While CSR implementation reflects an organization's commitment to consider and address environmental and social challenges, ESG helps measure these efforts and commitments, thereby communicating information to external parties, outsiders can understand business activities (Zenon and Renata, 2022). This move has made ESG emerge, opening a new era of information disclosure related to sustainable development in the world market.

Currently, more and more businesses in Europe are disclosing ESG information and the quality of disclosure is also increasing (Aluchna et al., 2023; Arif et al., 2022) and around the world. These businesses will choose the information they want to disclose and may not disclose information that they believe will have a negative impact on the company (Vinay et al., 2023).

According to Van Kleef and colleagues (2009), "perceptions control behavior", and shows that human attitudes are influenced by perceptions. Wang Ze and colleagues (2017) also show that cognition has a regulatory role in behavioral responses to a specific social situation. Therefore, managers' awareness plays an important role in corporate information disclosure. When managers are aware of the benefits from ESG disclosure such as enhancing corporate reputation, improving market trust or more effective risk management (Gali et al., 2016), there will be ESG implementation and disclosure capabilities.

Nowadays, government regulation plays an important role in the publication of sustainability reports (Buallay et al., 2023). Research by Muhammad Arif et al (2022) shows “a positive impact of the directive on the amount of ESG disclosure by European organizations”, which suggests that reporting requirements evolve Mandatory sustainability could promote greater ESG-related disclosure (Rezaee et al., 2022). Additionally, companies in the EU have higher levels of ESG disclosure than companies in the US and China (Rezaee et al., 2023; Fiechter et al., 2022). To explain this, the fact that in Europe the publication of ESG reports is mandatory under directive 2014/95/EU, unlike the US and China, where the publication is voluntary (Maria and al., 2023). In Vietnam, besides many businesses listed on the stock exchange that have built and published sustainable development reports, more than 70% of businesses have never published their ESG reports to the outside or very rarely (PwC, 2022).

Yafei Tan and Zhaohui Zhu (2022) assert that it is ESG ratings that promote managers' awareness of the environment to thereby invest purposefully in green technology innovation. According to research by Buallay et al. (2023), managers' awareness of the importance of sustainability reporting is increasing in developing and developed markets, thereby promoting public performance. publish sustainable development reports, and at the same time the quality of reports is also increasingly improved. Other research by Bruna et al. (2022) points out the benefits of disclosing ESG information such as: it can help companies strengthen their reputation, attract talent, achieve financial performance, help improve the company's value and profitability in the market (Alhawaj et al., 2023; Zumente et al., 2021; Sisaye, 2021...).

2. Methodology and materials

ESG is currently a world trend, given top priority when investors decide to invest capital. This study was conducted to evaluate the cognitive impact of Managers on the disclosure of ESG information at Vietnamese Enterprises through the following research hypotheses:

H1: Managers' awareness of environmental responsibility has a positive impact on corporate ESG performance.

H2: Managers' awareness of social responsibility has a positive impact on the enterprise's ESG implementation.

H3: Managers' awareness of governance aspects has a positive impact on businesses' ESG practices.

H4: Managers' awareness of the three aspects E, S and G has a positive impact on the company's ESG information disclosure.

H5: Managers' awareness of ESG information disclosure has a positive impact on the enterprise's ESG information disclosure.

H6: ESG implementation is an intermediate variable in the relationship from managers' awareness of ESG to ESG disclosure at the enterprise.

H7: The legal framework has a positive impact on the relationship between managers' awareness and the enterprise's ESG implementation.

Hypothesis H8: Legal framework has a positive impact on the relationship between ESG implementation and corporate ESG information disclosure.

3. Results and Discussion

Data collected from 197 survey questionnaires with subjects including Board of Directors, Heads/Deputy Department Heads and employees of Enterprises in Vietnam. With the support of SPSS 20 software, analysis of collected data shows that Administrators' understanding of ESG is still limited, leading to a negative impact on ESG information disclosure. After performing tests and running the model, the author found that there is an impact of the independent variables on the dependent variable. Besides, there is also the impact of mediating variables and moderating variables on the relationship between the independent variable and the dependent variable. In addition, the study also shows that ESG implementation plays a mediating role in the relationship between Managers' awareness of the three aspects E, S and G to the disclosure of ESG information at the enterprise and the Framework. Legality plays an important role in regulating the relationship between Managers' Awareness and the disclosure of ESG information at Vietnamese enterprises.

4. Conclusion

Businesses propagate the trends and role of ESG right within their own businesses so that everyone can understand, and thereby enhance the image of ESG in their awareness. Businesses need to proactively raise awareness in practicing and disclosing ESG information, especially environmental awareness such as the consequences of climate change or corporate social responsibility by update information on ESG, regulations from the Government, discuss and listen to recommendations from industry experts, and hold experience and knowledge sharing sessions of established businesses. success in applying ESG. In addition, businesses need to develop their own plans and long-term strategies to suit their businesses and provide internal training for officials and employees to ensure both expertise and ethics.

Key words: ESG, Managers' awareness, ESG information disclose, legal framework.

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