FACTORS AFFECTING EXECUTIVE MANAGEMENT CAPACITY OF VIETNAMESE COMMERCIAL BANKS: RESEARCH ON THE CURRENT SITUATION AT SAIGON-HANOI JOINT STOCK COMMERCIAL BANK

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Abstract: *The study refers to subjective factors (on the satisfaction of bank employees with their jobs, superiors, as well as the bank's welfare policies to build survey forms). This is an important factor affecting the bank's management and administration capacity because only when bank employees feel satisfied with their jobs can they perform better. The study shows that there are 5 accepted hypotheses: H1, H2, H3, H5, H6 corresponding to the variables: Leaders and superiors; Training and promotion opportunities; Salary, bonus, welfare; Nature of work; Working conditions; only hypothesis H4 is rejected, the factor Colleagues does not affect employee satisfaction at work at SHB.*

1. Introduction

A developing bank must always have strong governance from the bank's board of directors. The issue of banking governance is currently being regulated by the Law on Credit Institutions 2010, effective from January 1, 2011, and the Enterprise Law 2020. The practice of banking governance in Vietnam in recent times has revealed many limitations, such as: legal corridor and framework for governance activities, organizational and management models of banks in the system. This leads to the fact that the management and operational capacity at many commercial banks is still lacking. Saigon - Hanoi Joint Stock Commercial Bank is one of the large commercial banks in the system. Therefore, the research on the content: *"Factors affecting the management and operation capacity of Vietnamese commercial banks: research on the current situation at Saigon - Hanoi Joint Stock Commercial Bank"* meets the necessity and urgency.

2. Research models and methods

Research model: The research considers the reality and expects that the independent variables all have a positive impact on the dependent variable, so it will be marked with a (+) sign. Positive impact means that when the independent variable increases, the dependent variable also increases. There are 6 independent variables and 1 dependent variable.

• H1: Salary, bonus, and benefits have a positive (positive) impact on employee satisfaction at work.

• H2: Training and promotion opportunities have a positive (positive) impact on employee satisfaction at work.

• H3: Leaders and superiors have a positive (positive) impact on employee satisfaction at work.

• H4: Colleagues have a positive (positive) impact on employee satisfaction at work.

• H5: The nature of the job has a positive (positive) impact on employee satisfaction at work.

• H6: Working conditions have a positive (positive) impact on employee job satisfaction.

The research was conducted using a questionnaire survey. The questions on satisfaction level were on a 5-point Likert scale: 1 - very dissatisfied, 2 - dissatisfied, 3 - neutral, 4 - satisfied, 5 - very satisfied.

Research method:

After conducting the survey and receiving the response forms (received questions), the author coded and entered the data. The survey results were processed using SPSS version 20.0 software. The number of survey forms issued was 220; the forms were sent both directly and via the GG form link to bank employees

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working at the branches (the position of the bank employee is not higher than the transaction office level leader to ensure objectivity).

Figure 1.1: Research model
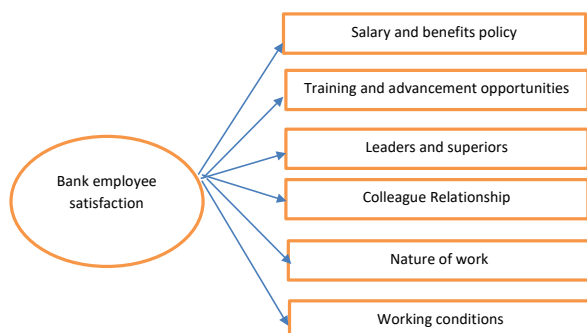
Source: Author's compilation

3. Research results and discussion

With 220 ballots issued, the form of sending ballots is both directly and via the GG form link to bank employees working at branches (the position of bank employees is not higher than the transaction office level leader to ensure objectivity). There were 191 ballots collected (accounting for 86.81%). After cleaning the data, 171 ballots (reaching 90%) were used to analyze the results.

- Cronbach's Alpha test:

+ For TN variable:

The test results show that all observed variables have appropriate total correlation coefficients ($\geq$ 0.3). Cronbach's Alpha coefficient = $0.790 \geq 0.6$, so it meets the reliability requirements. (Author's analysis results)

+ For the DT variable:

The test results show that all observed variables have appropriate total correlation coefficients ($\geq$ 0.3). Cronbach's Alpha coefficient = $0.820 \geq 0.6$, so it meets the reliability requirements. (Author's analysis results)

+ For the LD variable:

The test results show that all observed variables have appropriate total correlation coefficients ($\geq$ 0.3). Cronbach's Alpha coefficient = $0.818 \geq 0.6$, so it meets the reliability requirements. (Author's analysis results)

+ For the DN variable:

The test results show that the observed variables all have appropriate total variable correlation coefficients ($\geq$ 0.3). Cronbach's Alpha coefficient = $0.623 \geq 0.6$, so it meets the reliability requirements. (Author's analysis results)

+ For CV variables:

The test results show that the observed variables all have appropriate total correlation coefficients ($\geq$ 0.3). Cronbach's Alpha coefficient = $0.824 \geq 0.6$, so it

meets the reliability requirements. (Author's analysis results)

+ For variable DK:

Table 1.1. Analysis results for variable DK

Reliability Statistics

Cronbach's Alpha	N of Items
.711	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
DK1	11.04	6.264	.173	.827
DK2	10.91	4.640	.627	.569
DK3	11.05	4.504	.640	.557
DK4	11.16	4.491	.615	.572

Source: Author's analysis results

The test results show that the observed variable DK1 has a total item correlation coefficient of 0.173 < 0.3. The Cronbach's Alpha if Item Deleted value of DK1 is 0.827 > 0.711. The author decided to remove the variable DK1 to increase the reliability of the scale. Re-running the test for the second time, we have the following results:

Table 1.2. Second analysis results for variable DK

Reliability Statistics

Cronbach's Alpha	N of Items
.827	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
DK2	7.23	3.199	.647	.798
DK3	7.37	2.964	.710	.736
DK4	7.48	2.908	.699	.748

Source: Author's analysis results

The test results show that all observed variables have appropriate total correlation coefficients ($\geq$ 0.3). Cronbach's Alpha coefficient = $0.827 \geq 0.6$, so it meets the reliability requirements.

+ For the HL variable:

The test results show that all observed variables have appropriate total correlation coefficients ($\geq$ 0.3). Cronbach's Alpha coefficient = $0.764 \geq 0.6$, so it meets the reliability requirements. (Author's analysis results)

Thus, after Cronbach's Alpha test, there is 1 observed variable, DK1, that needs to be removed before being included in the EFA exploratory factor analysis. The statistical table of the final test results of each group of variables is as follows Table 1.3.

Since variable DK1 was removed in the Cronbach's Alpha step, this variable will not be used again to perform subsequent tests and analyses.

Table 1.3: Final test results of each group of variables

sequence number	Factor	Initial observation variable	Remaining observed variables	Cronbach's Alpha	Eliminated variable
1	Material benefits	5	5	0.790	
2	Training and promotion opportunities	4	4	0.820	
3	Relationship with leaders	5	5	0.818	
4	Colleague	4	4	0.623	
5	Work nature	5	5	0.824	
6	Working conditions	4	3	0.827	DK1
7	Satisfaction	3	3	0.764	

Source: Author's analysis results - EFA test:

Table 1.4: EFA results for independent variables

Rotated Component Matrix*

	Component 1	2	3	4	5	6
TN2	.761					
TN4	.743					
TN5	.727					
TN1	.722					
TN3	.690					
CV2		.797				
CV1		.773				
CV5		.768				
CV3		.767				
CV4		.702				
LD3			.793			
LD1			.758			
LD2			.752			
LD4			.740			
LD5	.516		.644			
DT4				.824		
DT1				.759		
DT3				.759		
DT2				.748		
DK3					.879	
DK4					.867	
DK2					.769	
DN3						.762
DN1						.710
DN2						.703
DN4						

Source: Author's analysis results

From the results of the rotation matrix, variables LD5 and DN4 will be eliminated.

Table 1.5: Second EFA results for independent variables

CV1	.772					
CV5	.772					
CV3	.765					
CV4	.704					
TN2		.807				
TN1		.763				
TN4		.709				
TN5		.708				
TN3		.672				
DT4			.837			
DT3			.788			
DT1			.752			
DT2			.734			
LD3				.827		
LD2				.785		
LD1				.719		
LD4				.713		
DK3					.883	
DK4					.862	
DK2					.808	
DN3						.752
DN2						.736
DN1						.736

Source: Author's analysis results

Variable LD5 loaded on both factors, Component 1 and Component 3, violating the discriminant property in the rotation matrix with loading coefficients of

0.516 and 0.644, respectively; the difference in loading coefficients is less than 0.3.

Variable DN4 has a loading coefficient of less than 0.5, so this variable does not load on any factor. Conduct the second EFA after eliminating the two observed variables, LD5 and DN4.

The results of the rotation matrix show that 24 observed variables are grouped into 6 factors, and all observed variables have Factor Loading coefficients greater than 0.5. According to the results of the final rotation matrix table, we have the following systematized factors:

Table 1.6: Statistics of factors

Ordinal Number	Factor	Observed Variables	Type
1	CV	CV2, CV1, CV5, CV3, CV4 (5 biến)	Independent
2	TN	TN2, TN1, TN4, TN5, TN3 (5 biến)	Independent
3	DT	DT4, DT3, DT1, DT2 (4 biến)	Independent
4	LD	LD3, LD2, LD1, LD4 (4 biến)	Independent
5	DK	DK3, DK4, DK2 (3 biến)	Independent
6	DN	DN3, DN2, DN1 (3 biến)	Independent
7	HL	HL2, HL1, HL3 (3 biến)	Dependent

Source: Author's analysis results

Total number of independent observed variables: 24

Total number of dependent observed variables: 3

- Pearson correlation analysis

Pearson correlation r has a value ranging from -1 to 1:

• If r is closer to 1, -1, the linear correlation is stronger, tighter. Towards 1 is a positive correlation, towards -1 is a negative correlation.

• If r is closer to 0, the linear correlation is weaker.

• If r = 1: absolute linear correlation, when represented on the Scatter plot as shown above, the points will merge into a straight line. • If r = 0: there is no linear correlation. At this point, there will be 2 situations. One, there is no relationship between the 2 variables. Two, there is a nonlinear relationship between them.

Table 1.7: Correlation coefficient table

Correlations

		HL	TN	CV	LD	DN	DK	DT
HL	Pearson Correlation	1	.439**	.353**	.551**	-.015	.172*	.611**
	Sig. (2-tailed)		.000	.000	.000	.822	.011	.000
	N	220	220	220	220	220	220	220
TN	Pearson Correlation	.439**	1	-.002	-.008	.046	.090	.180**
	Sig. (2-tailed)	.000		.978	.908	.493	.184	.007
	N	220	220	220	220	220	220	220
CV	Pearson Correlation	.353**	-.002	1	.013	-.048	.195**	.028
	Sig. (2-tailed)	.000	.978		.846	.475	.004	.676
	N	220	220	220	220	220	220	220
LD	Pearson Correlation	.551**	-.008	.013	1	-.041	.002	.422**
	Sig. (2-tailed)	.000	.908	.846		.542	.978	.000
	N	220	220	220	220	220	220	220
DN	Pearson Correlation	-.015	.046	-.048	-.041	1	-.009	-.012
	Sig. (2-tailed)	.822	.493	.475	.542		.894	.857
	N	220	220	220	220	220	220	220
DK	Pearson Correlation	.172*	.090	.195**	.002	-.009	1	-.010
	Sig. (2-tailed)	.011	.184	.004	.978	.894		.879
	N	220	220	220	220	220	220	220

Source: Author's analysis results

The Pearson correlation coefficient of the independent variables TN, CV, LD, DN, and DK with the dependent variable HL is less than 0.05. Thus, there is a linear relationship between these independent variables and the variable HL. The strongest correlation between DN and HL is 0.611; the weakest correlation between DK and HL is 0.172.

The pairs of independent variables all have quite weak correlations with each other, so it is highly likely that there will be no multicollinearity.

- Multiple regression analysis:

After the Pearson correlation, we have 5 independent variables: TN, CV, LD, DK, and DT. Perform multiple linear regression analysis to assess the impact of these independent variables on the dependent variable HL.

Table 1.8: Linear regression analysis table

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.856[a]	.733	.726	.28735	1.998

a. Predictors: (Constant), DT, DK, CV, TN, LD
b. Dependent Variable: HL

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.856[a]	.733	.726	.28735	1.998

a. Predictors: (Constant), DT, DK, CV, TN, LD
b. Dependent Variable: HL

The adjusted R^2 value of 0.726 shows that the independent variable introduced into the regression affects 72.6% of the change in the dependent variable; the remaining 27.4% is due to variables outside the model and random errors. The Durbin-Watson coefficient = 1.998, which is in the range of 1.5 to 2.5, so there is no first-order serial autocorrelation.

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.441	5	9.688	117.337	.000[b]
	Residual	17.669	214	.083		
	Total	66.111	219			

a. Dependent Variable: HL
b. Predictors: (Constant), DT, MT, CV, TN, LD

The F test sig is 0.00 < 0.05; thus, the multiple linear regression model fits the data set and can be used.

Table 1.9: Regression analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.185	.171		-1.079	.282		
	TN	.268	.026	.369	10.162	.000	.950	1.053
	CV	.224	.025	.323	8.960	.000	.960	1.041
	LD	.264	.026	.394	10.056	.000	.815	1.228
	DK	.052	.024	.079	2.169	.031	.953	1.050
	DT	.252	.027	.370	9.293	.000	.787	1.271

a. Dependent Variable: HL

Source: Author's analysis results

The regression coefficients are all greater than 0. Thus, all independent variables included in the regression analysis have a positive impact on the dependent variable. Based on the magnitude of the standardized regression coefficient Beta, the order of the impact from strongest to weakest of the independent variables on the dependent variable HL is: LD (0.394) > DT (0.370) > TN (0.369) > CV (0.323) > DK (0.079). Corresponding to:

The variable Leadership and superiors has the strongest impact on employee satisfaction at work.

The variable Training and promotion opportunities has the second strongest impact on employee satisfaction at work.

The variables Salary, bonus, and benefits have the third strongest impact on employee satisfaction at work.

The variable Nature of work has the fourth strongest impact on employee satisfaction at work.

The variable Working conditions has the weakest impact on employee job satisfaction.

Thus, with 6 hypotheses from H1 to H6, we initially set out in the Research Hypothesis section. There are 5 accepted hypotheses: H1, H2, H3, H5, H6 corresponding to the variables: Leadership and superiors; Training and promotion opportunities; Salary, bonus, benefits; Nature of work; Working conditions. Only hypothesis H4 was rejected; the factor Colleagues does not affect Employee satisfaction at work at SHB, or in other words, the variable Colleagues is not significant in the regression model.

Standardized regression equation:

$$HL = 0.394*LD + 0.370*DT + 0.369*TN + 0.323*CV + 0.079*DK$$

Employee satisfaction = 0.394 * Leadership and superiors + 0.370 * Training and promotion opportunities + 0.369 * Salary, bonus, benefits + 0.323* Nature of work + 0.079 * Working conditions.

4. Conclusion

To accurately assess the current status of executive management capacity at commercial banks in general and SHB in particular, the study has shown that the following factors: Leadership and superiors; Training and promotion opportunities; Salary, bonus, benefits; Nature of work; Working conditions are factors that have a positive impact on management and administration capacity.

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