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### The Differences in the Social Capital of Employees: The Case of Commercial Banks in Hanoi

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#### Abstract

In developing countries, for example Vietnam, and especially in the field of banking, research on social capital has not been mentioned much or fully. Despite the underdeveloped stock market in Vietnam, the commercial banking system is the foundation of the country's economy (Le, 2019) <sup>[1]</sup>, providing 60% to 80% of the country's capital requirements. The need for cash for the company and production expanded, which sped up the system's credit rating. Because illiquid assets generate income, banks have an incentive to promote liquidity because it boosts profitability (Duan & Niu, 2020) <sup>[4]</sup> and bank value (Berger & Bouwman, 2009) <sup>[2]</sup>. This study was conducted with the

aim of assessing the social capital of employees in commercial Banks in Hanoi through survey results. The survey subjects are employees of commercial Banks in Hanoi. We use both qualitative and quantitative research methods. Quantitative research methods were carried out with SPSS software, including independent T tests and ANOVA. Research results show that there is no difference in assessing the social capital of employees in commercial Banks in Hanoi between different subjects in terms of gender, marital status, academic standards, job position, or age. Based on this result, the study proposes some recommendations for commercial Banks and employees.

**Keywords:** Social Capital, Commercial Banks, Employees, Economics

**JEL Codes:** A14, M10, O15, G21

#### 1. Introduction

Social capital is an under-researched scientific area. However, this is not a completely new field and has been studied by economists since the late 80s of the twentieth century when looking for answers to the question of the role of indigenous society and culture in the economic development of a country. Despite showing different views and approaches, the research works all confirm the great role of this resource for the socio-economic development of a country, geographical region, or residential area.

According to the modern theory of financial intermediation, commercial banks have two central roles in the economy: liquidity generation and risk transfer (Berger & Bouwman, 2009) <sup>[2]</sup>.

Through the creation of liquidity, the banking system has supported economic growth (Gupta & Kashiramka, 2020) <sup>[6]</sup>. According to statistics from research data, in the period 2007–2021, Vietnam's economy achieved an average growth rate of 5.8% per year. The commercial banking system is the foundation of the country's economy (Le, 2019) <sup>[1]</sup>, providing 60% to 80% of the country's capital requirements. The need for cash for the company and production expanded, which sped up the system's credit rating. Because illiquid assets generate income, banks have an incentive to promote liquidity because it boosts profitability (Duan & Niu, 2020) <sup>[4]</sup> and bank value (Berger & Bouwman, 2009) <sup>[2]</sup>.

The banking industry, the lifeblood of the national economy, also recognizes the role and importance of innovative behavior and actively introduces policies to increase employee creativity in enterprises.

Due to the impact of the integration process, Vietnamese commercial banks have to face great competition from non-bank financial intermediaries and foreign banks.

In addition to material and financial factors, people are always recognized as an important resource that is decisive for the survival of the bank. Therefore, the study on the social capital of employees in commercial banks in Hanoi has both theoretical and practical significance.

## 2. Literature Review

The characteristics of social organization, such as trust, norms, and networks, that might increase the effectiveness of society by permitting coordinated actions are referred to as social capital, according to Putnam (1993) [15]. The definition of social capital offered in the Handbook of Social Economics, which has been widely adopted in economics (Casas *et al.*, 2017) [3], demonstrates Putnam's influence on the field of economics. This definition states that social capital is "those persistent and shared beliefs and values that help a group overcome the free rider problem in the pursuit of socially valuable activities" (Guiso *et al.*, 2011) [5]. The density of associations (Satyanath *et al.*, 2017), one of the most widely used metrics of social capital in the economic literature, is also influenced by Putnam's (1993) [15] ideas.

The human capital of the business owner acquired through education and practical experience, the quality of the labor, and the social capital of the business owner obtained by joining business associations are the factors that affect the activities to improve the products, production processes, marketing, and business results of SMEs (Vu & Nguyen, 2014) [20].

Social capital is a resource of a society, country, or part of the population hidden in people and social systems, reflecting cultural, economic, and social characteristics expressed in trust, a network of social relationships, and standards of ethical behavior, and having an important influence on socio-economic development (Nguyen & Doan, 2013) [12].

The latest empirical work by Haselmann *et al.* (2018) [9] provides an excellent illustration of Bourdieu's concept of social capital. The authors demonstrate that compared to other firms, bankers who are club members give more loans to companies whose CEOs are also club members. It's interesting that they can prove that these loans are a sort of crony lending and are not the result of improved information flow among the club members' network.

## 3. Methodology

A research method combining desk research, a survey, and an in-depth interview was implemented. Five commercial bank staff in Hanoi and five lecturers in economics and social work were selected for interviews and an online survey.

Scale: 5 variables The Social Capital of Employees in Commercial Banks in Hanoi is inherited from the study of Nguyen and Ha (2023) [13] and previous studies.

The questionnaire was sent to staff at more than 20 commercial banks in Hanoi, and 200 questionnaires were collected. After cleaning, there were 185 valid responses, which were used for analysis. The sample of the study is presented in Table 1.

Information on the data collected is shown in Table 1. It shows that among the 185 respondents, 94 of them (or

50.8%) were male, and 49.2% of the participants were female. Among the respondents, 40.5% of the participants were business staff, 35.7% were accountants, and other positions accounted for 23.8%. Among the respondents, 35.1% of the participants were single, and 64.9% of the participants were married. There were 133 participants who were bachelors; the remaining were postgraduates. Of these, 51 participants are from 22 to 30 years old, accounting for 27.6%; 48 participants are from 30 to 35 years old, accounting for 25.9%; 46 participants are from 35 to 45 years old, accounting for 24.9%; and the remaining respondents are 45 years old or older, accounting for 21.6%. We use SPSS software in quantitative research. In this study, we compared the difference in the Social Capital of Employees in Commercial Banks in Hanoi between different survey subjects about genders, academic standards, marital status, job positions, and ages.

**Table 1:** Respondents by genders, job positions and career seniority

	Frequency	Percent	Cumulative Percent
<b>Gender</b>			
Female	91	49.2	49.2
Male	94	50.8	100.0
<b>Job positions</b>			
Business staffs	75	40.5	40.5
Accountants	66	35.7	76.2
Other positions	44	23.8	100.0
<b>Ages</b>			
From 22 to 30 years old	51	27.6	27.6
From 30 to 35 years old	48	25.9	53.5
From 35 to 45 years old	46	24.9	78.4
45 years old or older	40	21.6	100.0
<b>Academic standards</b>			
Bachelor	133	71.9	71.9
Postgraduate	52	28.1	100.0
<b>Marital status</b>			
Single	65	35.1	35.1
Married	120	64.9	100.0
<b>Total</b>	<b>185</b>	<b>100.0</b>	

## 4. Results

### 4.1 Independent T-Test: Different Genders

A comparison of the results of the evaluation of the differences in the social capital of employees in commercial Banks in Hanoi with participants of different genders (male and female) can be seen in Table 2. According to the results shown in Table 2, sig Levene's test is 0.269, which is more than 0.05. The variance between males and females is not different. Moreover, the sig value t-test is 0.822, which is more than 0.05, which means that there is no statistically significant difference in the social capital of employees in commercial Banks in Hanoi between these different genders (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2009) [10, 7, 14].

**Table 2:** Differences in the social capital of employees in commercial Banks in Hanoi with participants of different genders - Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
SC	Equal variances assumed	1.228	0.269	-0.225	183	0.822	-0.02565	0.11404	-0.25065	0.19935
	Equal variances not assumed			-0.226	178.057	0.822	-0.02565	0.11367	-0.24996	0.19867

**4.2 Independent T-Test: Academic Standards**

A comparison of the results of the evaluation of the differences in the social capital of employees in commercial Banks in Hanoi with participants of different academic standards (bachelor and postgraduate) can be seen in Table 3. According to the results shown in Table 3, sig Levene's test is 0.047, which is less than 0.05. The variance between

bachelor's and postgraduate degrees is different. Moreover, the sig value t-test is 0.361, which is more than 0.05, which means that there is no statistically significant difference in the social capital of employees in commercial Banks in Hanoi between these different academic standards (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2009) <sup>[10, 7, 14]</sup>.

**Table 3:** Differences in the social capital of employees in commercial Banks in Hanoi with participants in different academic standards - Independent Test

		Levene's Test for Equality of Variances		T-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
SC	Equal variances assumed	3.994	0.047	0.798	183	0.426	0.10110	0.12662	-0.14873	0.35093
	Equal variances not assumed			0.916	127.642	0.361	0.10110	0.11039	-0.11733	0.31953

**4.3 Independent T-Test: Marital Statuses**

A comparison of the results of the evaluation of the differences in the social capital of employees in commercial Banks in Hanoi with participants of different marital statuses (single and married) can be seen in Table 4. According to the results shown in Table 4, sig Levene's test is 0.003, which is less than 0.05. The variance between

single and married is different. Moreover, the sig value t-test is 0.859, which is more than 0.05, which means that there is no statistically significant difference in the social capital of employees in commercial Banks in Hanoi between these different marital statuses (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2009) <sup>[10, 7, 14]</sup>.

**Table 4:** Differences in the social capital of employees in commercial Banks in Hanoi with participants of different marital status - Independent Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
SC	Equal variances assumed	0.003	0.953	0.174	183	0.862	0.02077	0.11943	-0.21487	0.25641
	Equal variances not assumed			0.178	141.037	0.859	0.02077	0.11650	-0.20955	0.25109

**4.4 ANOVA - Job Positions**

An ANOVA test was needed to make a comparison of the results of the evaluation of the differences in the social capital of employees in commercial Banks in Hanoi between the three subjects, including participants who are business staff, participants who are accountants, and participants in other positions. Table 5 shows that the sig Levene statistic is 0.686, which is greater than 0.05, which means that the hypothesis of homogeneity of variance among the variable value groups (different job positions) has not been violated. Table 6 shows that sig. is 0.077, which is more than 0.05, which indicates that there is no statistically significant difference in the social capital of employees in commercial

Banks in Hanoi between the mentioned three groups of job positions (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2009) <sup>[10, 7, 14]</sup>.

**Table 5:** Test of Homogeneity of Variances

Descriptions	Levene Statistic	df1	df2	Sig.
SC				
Based on Mean	0.378	2	182	0.686
Based on Median	0.377	2	182	0.686
Based on Median and with adjusted df	0.377	2	169.659	0.686
Based on trimmed mean	0.348	2	182	0.706

**Table 6:** ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
SC					
Between Groups	3.064	2	1.532	2.606	0.077
Within Groups	107.008	182	0.588		
Total	110.073	184			

**4.5 ANOVA - Ages**

An ANOVA test was needed to make a comparison of the results of the evaluation of the differences in the social capital of employees in commercial Banks in Hanoi between the four subjects, including participants who are from 22 to 30 years old, participants who are from 30 to 35 years old, participants who are from 35 to 45 years old, and participants who are 45 years old or older. Table 7 shows that the sig Levene statistic of 0.374 is greater than 0.05, which means that the hypothesis of homogeneity of variance among the variable value groups (different ages) has not been violated. Table 8 shows that sig. is 0.509, which is more than 0.05, which indicates that there is no statistically significant difference in the social capital of employees in commercial Banks in Hanoi between the mentioned four groups of ages (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2009) <sup>[10, 7, 14]</sup>.

**Table 7:** Test of Homogeneity of Variances

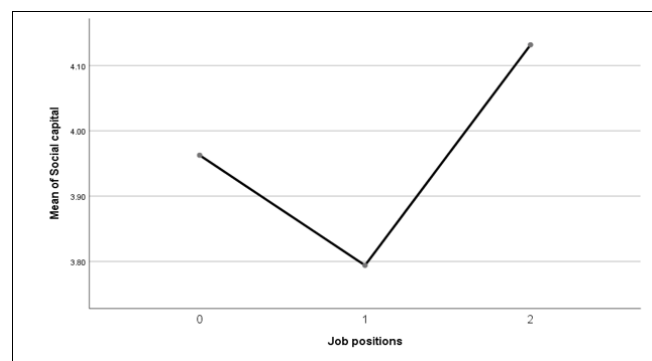
Descriptions	Levene Statistic	df1	df2	Sig.
SC				
Based on Mean	1.044	3	181	0.374
Based on Median	0.730	3	181	0.535
Based on Median and with adjusted df	0.730	3	180.464	0.535
Based on trimmed mean	1.117	3	181	0.344

**Table 8:** ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
SC					
Between Groups	1.397	3	0.466	0.776	0.509
Within Groups	108.676	181	0.600		
Total	110.073	184			

**4.6 The Relationship between the Social Capital of Employees in Commercial Banks in Hanoi**

**4.6.1 Job Positions**



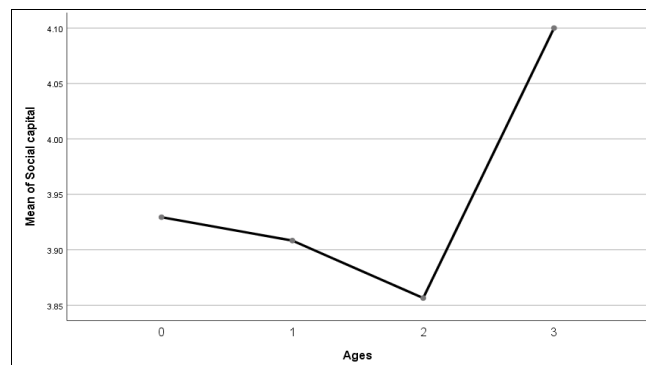
**Fig 1:** The line graph shows the relationship between the social capital of employees in commercial Banks in Hanoi and each respondent's job positions

Next, the line graph shows the relationship between the social capital of employees in commercial Banks in Hanoi and each respondent's job position (Fig 1). Fig 1 shows that

this line tends to go down when the respondents' job positions are accountants. But this line tends to slope up when the respondents' job positions are other positions.

**4.6.2 Ages**

Next, the line graph shows the relationship between the social capital of employees in commercial Banks in Hanoi and each respondent's age (Fig 2). Fig 2 shows that this line tends to go down when the respondents' ages range from 22 to 35 years old. But this line tends to slope up when the respondents' ages are 35 years old or older. So, the older the workers at commercial banks in Hanoi, the higher their social capital.



**Fig 2:** The line graph shows the relationship between the social capital of employees in commercial Banks in Hanoi and each respondent's ages

**5. Discussion and Implications**

The positive results of commercial banks in Hanoi in particular and Vietnam's commercial banks in general have helped improve the rating prospects of Vietnamese credit institutions in recent years. Accordingly, 14 Vietnamese joint-stock commercial banks are in the ranking of 500 strong banks in Asia and the Pacific region (in 2020). Vietnam holds the second position in Asia and Southeast Asia in terms of the credit access index. Although the Vietnamese banking system has achieved the above-mentioned remarkable achievements, it still faces certain risks. With limitations in management and administration, the banking sector has revealed many uncertainties. High bad debt has made the bank's profit decline. Due to their low capital size, Vietnamese banks are more sensitive to external shocks. In addition, many studies suggest that corporate governance, accounting standards, and the transparency of the banking system are gradually becoming obsolete in the context of developing countries (Batten & Vo, 2019) <sup>[11]</sup>. These inadequacies have become barriers for Vietnamese banks in the process of international integration. Therefore, improving the social capital of employees is one of the sustainable solutions to overcome the above situation. Banks in Vietnam have used advanced technology, which has increased productivity, increased competition, and at the same time reduced costs (Pham *et al.*, 2019) <sup>[14]</sup>. Specifically, at Techcombank, "innovation and creativity" is one of the five core values that inspire and create competitive advantages for all employees (Techcombank, 2019) <sup>[17]</sup>. Vietcombank organized an initiative contest "Innovation: Creativity for Development and Integration". The contest aroused the intelligence, thinking ability, and creativity of employees at all positions in the Vietcombank system, from branch leaders to employees, from the elderly

to senior staff. The ministry is still in the age of union activities (Vietcombank, 2019) <sup>[18]</sup>. Vietnamese banks have also started to apply e-banking applications: "With innovation, acceptance of applications, and integration of many advanced technology platforms, e-Banking Vietnam is getting further and further ahead" (Vietnamplus, 2021) <sup>[19]</sup>. Commercial banks should develop specific evaluation criteria to measure quality and ensure effective work results. This activity aims to improve employees' ability to perform their jobs and help managers make the right human resource decisions, such as training and development, remuneration, and promotion. In addition, commercial banks need to build a fair and transparent salary and bonus regime commensurate with the level of dedication and innovation ability of each person. As a result, employees will significantly improve their social capital.

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