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Practice Skills in the Business Profession and Use Technology and Information Skills of Bankers

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Abstract

Banking operations require skills related to professional qualifications to perform jobs related to banking operations. For bankers, banking is an important thing that every employee needs. This transaction will revolve around activities such as business, transactions, monetary investment, expenses, finance, etc. of the bank. Currently, banks are implementing digital transformation, which is a change in culture, organization, and ways of banking through technology. In the banking industry, digital transformation also means improvements in many service-related areas, including process automation, enhanced customer experience, data integration, and enhanced agility in organization and sales. This study was conducted with the aim of identifying, analyzing, and measuring the practice skills in the business profession and use of technology and

information skills of bankers in Hanoi by using qualitative and quantitative research methods. Quantitative research methods were carried out with SPSS software, including descriptive statistics, Cronbach's alpha, and EFA analysis. On the basis of a review of previous studies and after interviewing experts, the study has identified and analyzed six scales (component attributes) of practice skills in the business profession and the use of technology and information skills of bankers. Based on this result, the study proposes some recommendations to improve the practice skills in the business profession and use technology and information skills of bankers, thereby improving the quality of human resources and improving business performance in commercial banks in Hanoi.

Keywords: Skills, Bankers, Business Profession, Technology and Information, Commercial Banks, Hanoi, Human Resources

JEL Classifications: M31, L20, O15, M54, E64

1. Introduction

According to preliminary statistics from the State Bank of Vietnam, up to 95% of banks have been building a digital transformation strategy, of which 39% have approved the strategy or integrated it into their business development orientation in business and information technology. That trend is consistent with the State Bank's plan for digital transformation of the banking sector to 2025, with an orientation to 2030. In particular, the goal is to set a target by 2025 to ensure that 60% of credit institutions have a revenue proportion from digital channels reaching over 30%. The trend of digital transformation brings opportunities but also challenges in terms of personnel for the banking industry. Because effective digital transformation requires personnel who understand both technology and business operations, therefore, there is fierce competition between banks for high-quality personnel. Even the competition for digital transformation personnel does not only take place between banks but also between banks and financial technology companies, which accept to pay a lot of money to attract quality personnel.

Bankers are personnel working in the banking sector with different roles and responsibilities at the head office, branches, and transaction offices to ensure the maintenance and development of the bank.

Banking operations require skills related to professional qualifications to perform jobs related to banking operations. For bankers, banking is an important thing that every employee needs. This transaction will revolve around activities such as business, transactions, monetary investment, expenses, finance, etc. of the bank. However, in some banks, the business skills of bank staff are not uniform, and many exist.

Currently, banks are implementing digital transformation, which is a change in culture, organization, and ways of banking through technology. In the banking industry, digital transformation also means improvements in many service-related areas, including process automation, enhanced customer experience, data integration, and enhanced agility in organization and sales.

Therefore, the skills of bank staff in using information technology need to be assessed.

2. Literature Review

According to McClelland (1973) [7], skill is the mastery of applying knowledge to professional practice. Skills are acquired when workers repeat many times to perfect certain operations and activities.

According to Bass (1990) [1], skill here is the ability to perform tasks and turn knowledge into action. Usually, skills are divided into three main levels: imitation (observation and patterned behavior), application (performing some action by following instructions), and more precise application of each situation. scene, creative manipulation (becoming a natural reflex). Hard skills, technical skills, and cognitive skills are terms used by researchers to refer to skills related to specific techniques or solid practical knowledge required to do a job (Fan *et al.*, 2005; Shakir, 2009; Verica & Marko, 2011; Hsin & Xie, 2012) [2, 10, 11, 6]; hard skills are often associated with professional qualifications, professional knowledge, or professional qualifications and certificates (Nguyen, 2013) [8].

Soft skills, or non-cognitive skills, are a term used to refer to important interactive skills in human life, such as life skills, communication, leadership, teamwork, skills in time management, relaxation, overcoming crises, creativity, and innovation (Nguyen, 2013) [8].

3. Methodology

3.1 Research Context

As of the end of 2021, there are 49 banks in Vietnam. In which, joint stock commercial banks dominate with 31 banks (3 state-owned commercial banks), 4 banks with 100% state capital, 4 banks, policy banks, and joint venture banks each type with 2 banks, 100% foreign capital, 9 banks, and 1 cooperative bank.

Table 1: Number of banks in the banking system in Vietnam in 2021

S. No	Description	Quantity	Percentage
1	Joint-stock commercial bank	28	57.14
2	State joint stock commercial bank	3	6.13
3	The bank has 100% state capital.	4	8.16
4	Social policy bank	2	4.09
5	Joint-venture bank	2	4.08
6	The bank has 100% foreign capital	9	18.36
7	Cooperative Bank	1	2.04
	Total	49	100

Source: State Bank Annual Report, 2021

3.2 Data

The convenient non-probability sample was sent to employees at branches and transaction offices of a number of commercial banks in the area of Hanoi City. Initially, 300 questionnaires were sent in the form of paper questionnaires to five commercial banks. The results obtained 227 votes (reaching a response rate of 75.7%), of which 27 were invalid (unsatisfactory votes due to too many blank answers) and the remaining 200 were valid votes. The guaranteed sample is larger than the minimum sample calculation formula for EFA exploratory factor analysis. According to Nguyen and Nguyen (2009) [9], $n \geq 5 \cdot m$ (where m is the number of observed variables in the questionnaire; in this

study, $m = 6$ observed variables). This is a reasonable ratio and ensures the representativeness of the sample size.

Information on the data collected is shown in Table 2. It shows that among the 200 respondents, 75 of them (or 37.5%) were male, and 62.5% of the participants were female. Among the respondents, 10.0% of the participants have career seniority less than 3 years, 19.0% of the participants have career seniority from 3 years to less than 5 years, 41.0% of the participants have career seniority from 5 years to less than 10 years, and the remaining 30.0% of the participants have career seniority 10 years or higher.

Table 2: Description of data

Information	Description	Quantity	Percentage
	Total	200	100%
Gender	Male	75	37.5%
	Female	125	62.5%
Career seniority	Less than 3 years	20	10%
	From 3 years to less than 5 years	38	19%
	From 5 years to less than 10 years	82	41%
	10 years or higher	60	30%

3.3 Scale Development

Most of the scales in the study were developed based on previous studies. Each variable has a specific scale. The authors have inherited and developed the scale to suit the research context by reviewing the literature and interviewing some experts in the banking sector, competent management staff, human resource management experts, and sales staff who are directly working at commercial banks in Hanoi, including the sales manager and sales team leader, for the purpose of collecting information and conducting a preliminary assessment of the research topic.

Table 3: Observed variables

Code	Scale
Practice skills in the business profession of bankers (TH)	
TH1	I have the ability to read and evaluate financial statements.
TH2	I have the ability to make reports.
TH3	I understand the processes and procedures for implementing products and services.
Use technology and information skills of bankers (CN)	
CN1	I know how to use business software well.
CN2	I can use the software to process work quickly and accurately.
CN3	I can use the software to present documents clearly and impressively.

3.4 Data Analysis Methods

The study used SPSS software with multivariate analysis to analyze the data. First, the scales were evaluated through descriptive statistics, followed by the Cronbach's alpha coefficient, the total variable correlation, and finally the exploratory factor analysis (EFA).

4. Results

4.1 Descriptive Statistics

Table 4 indicates that the respondents agree with the variable of practice skills in the business profession of bankers, where three attributes were quite high. All three attributes were rated at an average of 3.65 or higher.

Table 4 indicates that the respondents agree with the variables of use of technology and information skills of bankers, where three attributes were quite high. All three attributes were rated at an average of 3.21 or higher. The analysis results also show that the skewness and kurtosis coefficients are in the range of -1 to 1, so the survey

data ensures a relatively standard distribution. Therefore, the evaluation levels of the employees participating in the survey are relatively uniform and concentrated, with little dispersion, so the analysis results have high statistical significance.

Table 4: Descriptive analysis of attributes

Code	N	Mini	Max	Mean	Std. Deviation	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
Practice skills in the business profession									
TH1	200	2	5	3.81	0.739	-0.284	0.172	-0.082	0.342
TH2	200	2	5	3.66	0.811	-0.158	0.172	-0.437	0.342
TH3	200	2	5	3.65	0.795	-0.001	0.172	-0.498	0.342
Valid N (listwise)	200			3.71					
Use technology and information skills									
CN1	200	1	5	3.78	0.746	-0.340	0.172	0.787	0.342
CN2	200	1	5	3.21	0.870	0.005	0.172	0.102	0.342
CN3	200	1	5	3.22	0.826	-0.041	0.172	0.191	0.342
Valid N (listwise)	200			3.40					

4.2 Cronbach’s Alpha

Practice skills in the business profession and the use of technology and information skills of bankers have been measured by Cronbach's alpha. The results of testing Cronbach’s alpha for attributes are presented in Table 5 below. The results also show that attributes of the variables

have Cronbach's alpha coefficients that are greater than 0.6, and the correlation coefficients of all attributes are greater than 0.3. So, all the attributes of the variables are statistically significant (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) ^[5, 3, 4].

Table 5: Results of Cronbach’s alpha testing of attributes and item-total statistics

Practice skills in the business profession					
Cronbach's Alpha	N of Items			Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
.749	3				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted			
TH1	7.31	1.821		0.653	0.603
TH2	7.46	1.747		0.590	0.650
TH3	7.47	1.939		0.496	0.758
Practice skills in the business profession					
Cronbach's Alpha	N of Items			Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
.694	3				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	
CN1	6.42	2.185	0.441	0.683	
CN2	6.99	1.799	0.497	0.622	
CN3	6.98	1.728	0.601	0.609	

4.3 Exploratory Factor Analysis (EFA)

Next, Tables 6, 7, and 8 show that exploratory factor analysis (EFA) was conducted through component analysis and variance.

The results of factor analysis in Table 4 show that KMO, respectively, is 0.661 and 0.633, which is greater than 0.5 but less than 1. Bartlett’s testimony shows sig. = 0.000 < 0.05, which means variables in the whole are interrelated (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) ^[5, 3, 4].

After implementing the rotation matrix, three components of the practice skills in the business profession of bankers with a factor load factor greater than 0.5 and eigenvalues greater than 1 were identified, and the variance explained was 66.992% (see Tables 7 and 8). These statistics demonstrate that research data analysis for factor discovery is

appropriate. Through the quality assurance of the scale and the test of the EFA model, we have identified three components of practice skills in the business profession of bankers (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) ^[5, 3, 4].

After implementing the rotation matrix, three components of the use of technology and information skills of bankers with a factor load factor greater than 0.5 and eigenvalues greater than 1 were identified, and the variance explained was 62.208% (see Tables 7 and 8). These statistics demonstrate that research data analysis for factor discovery is appropriate. Through the quality assurance of the scale and the test of the EFA model, we have identified three components of the use of technology and information skills of bankers (Hoang & Chu, 2008; Hair *et al.*, 2009; Hair *et al.*, 2014) ^[5, 3, 4].

Table 6: KMO and Bartlett's Test

KMO and Bartlett's Test		
Practice skills in the business profession		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.661
Bartlett's Test of Sphericity	Approx. Chi-Square	150.731
	Df	3
	Sig.	.000
Use technology and information skills		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.633
Bartlett's Test of Sphericity	Approx. Chi-Square	109.686
	Df	3
	Sig.	.000

Table 7: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Practice skills in the business profession						
1	2.010	66.992	66.992	2.010	66.992	66.992
2	0.611	20.375	87.367			
3	0.379	12.633	100.000			
Use technology and information skills						
1	1.866	62.208	62.208	1.866	62.208	62.208
2	0.686	22.862	85.069			
3	0.448	14.931	100.000			

Extraction Method: Principal Component Analysis

Table 8: Component Matrix

TH	Component	
	I	
TH1	0.865	
TH2	0.832	
TH3	0.754	
CN		
CN3	0.850	
CN2	0.779	
CN1	0.732	

5. Discussion and Implications

For commercial banks, the main activity is currency trading. Therefore, bank staff will need to know six banking operations, including: (i) asset and liability operations and capital mobilization; (ii) deposit receipt operations; (iii) credit operations of the bank; (iv) investment operations; (v) foreign business operations; and (vi) some other operations. Sticking to the party's guidelines, policies, and resolutions and the state's laws, and inheriting and promoting the results achieved in the previous periods, the training and retraining work at the state bank in the period 2016–2021 sets two big goals. That is, to step by step improve the quality and effectiveness of training and retraining, contributing to building a contingent of professional cadres, civil servants, and public employees who are fully qualified and have the professional capacity to meet the requirements of the government's demand to serve the people, the development of the country, and international integration; ensuring the well-implemented functions, tasks, and development goals of the state bank and the banking sector in the period 2016–2021.

Currently, high-quality human resources for digital banks require a 3-in-1 approach, including knowledge of technology, finance, and foreign languages. To focus on developing digital services, the recruitment demand for high-demand positions includes business development for banking services, customer experience analysis, and information technology segments such as project manager

and data analyst. Currently, bank employees not only know about financial operations but also have to be good at foreign languages, information technology, and especially data science. At the same time, they also have to become salespeople. Professional skills, including multidisciplinary knowledge, presentation skills, communication skills, marketing and management skills, and internal control. Therefore, the banking industry still has a paradox in terms of both surplus and shortage of human resources. Accordingly, ordinary human resources are redundant, while high-quality human resources and human resources working in the field of digital banking are lacking.

Commercial banks should standardize staff qualifications according to international standards. It is necessary to develop a set of standard rules on banking job titles and banking professional standards equivalent to those of advanced countries in the region. This is a common practice among commercial banks around the world, but it has not been widely applied in Vietnam. Vietnam Bank needs to strengthen domestic and foreign cooperation with universities and prestigious training institutions to study and exchange work experience and human resource management. Each banking system should build independent and modern financial and banking training centers located throughout the country.

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