

LEADER SOCIAL CAPITAL IN REAL ESTATE FIRMS VIA BUSINESS PARTNER INGREDIENTS

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Abstract

Social capital plays an important role for firms. The aim of this study is to investigate leader social capital in real estate firms via business partner ingredients. In addition, the comparative evaluation between respondents of genders, marital status, and ages is one way to evaluate the leader social capital in real estate firms via business partner ingredients. Data were collected through questionnaires sent to 250 employees of real estate firms, but only 195 questionnaires were suitable. SPSS was utilized for a comparative evaluation of the leader social capital in real estate firms via business partner ingredients between respondents. Multiple statistical techniques were employed for data analysis, including SPSS via descriptive statistics, analyzing the reliability of the scales through the Cronbach alpha coefficient, EFA, independent t-test, and ANOVA. According to the findings of this study, three attributes of the leader's social capital via business partner ingredients in real estate firms in Hanoi and neighboring provinces, Vietnam, were quite high. All the attributes of the variables are statistically significant. There is no statistically significant difference in the leader's social capital via business partner ingredients in real estate firms in Hanoi and neighboring provinces, Vietnam, between these different genders and marital statuses, but there is a statistically significant difference between these different job positions.

Keywords: business partners, leader social capital, social work, real estate firms, economics

JEL codes: M10, A14, M10, O15

1. INTRODUCTION

In business, choosing the right partner to build a good and lasting cooperative relationship is what every business wants to aim for. A business partner is an individual or organization that

establishes an alliance relationship with a business for a certain business purpose. This relationship is often bound by a contract with clear terms outlining the responsibilities and rights of the participating parties.

Business partners of an enterprise can be one or more entities, such as customers, main suppliers, intermediary channels such as agents or franchise stores, or suppliers of complementary services. In the third quarter of 2023, the health situation of real estate firms will show signs of improvement. By the end of August, there were 1,721 real estate firms returning to operation, an increase of 102% over the same period. 2022. In 9 months, the number of newly established firms in the real estate sector is 3.5 times higher than the number of dissolved real estate firms, with 3,394 firms, but still down 52.4% compared to the same period in 2022. However, on average, each month, there are still about 107 real estate firms leaving the market (Vu Pham, 2023).

From 2014 up until now, real estate prices have shown signs of increasing again. The growth rate of real estate prices is different each year. By 2016, the real estate market had witnessed a price fever. In early 2018, signs of a real estate bubble reappeared, demonstrated by a sudden increase in real estate prices. Real estate prices in 2018 increased about 1.5 times, especially land prices in the city's suburbs, which were about 3 times higher than in 2016. According to data from Batdongsan.com.vn, the only land price index maintaining a stable increase from 2018 to present across the country but tending to differentiate between specific regions and areas in 2023. After a long period from the first quarter of 2018 to the third quarter of 2023, land prices for sale in the South increased by 71%, and in the North, they increased by 54%. In 2023 alone, land prices in the two regions will have different trends of movement. The average selling price of land in the North still maintains an increasing trend; by the third quarter of 2023, it had increased by 4.9% compared to the fourth quarter of 2022. Meanwhile, the land price chart in the South shows signs of going down; from the end of last year until now, it has decreased by 26.2%.

Effective strategic leaders regularly build and deploy social capital to achieve better business results (McCallum & O'Connell, 2009). According to Hitt & Ireland (2002), senior leaders must pay attention to social capital within the organization as well as social capital outside the enterprise.

This study analyzes, evaluates, and measures leadership social capital from the perspective of business partners in real estate firms.

2. LITERATURE REVIEW

Social capital is relatively stably connected to social networks (Bourdieu & Hastings, 1986) and lies within social relationships (Coleman, 1988). Putnam's (2000) research suggests that social capital pertains to features of social life such as reciprocity, norms, and social trust that facilitate

the benefits for all parties involved. Social capital can also contribute to the development of human capital, especially for the younger generation (Coleman, 1988).

The leadership social capital network structure is very broad, including individuals related to family, clan, friends, business partners, colleagues, government levels, and community leaders (Hitt & Ireland, 2002). Measuring network quality is shown in establishing, maintaining, trusting, sharing, avoiding harming each other, and helping each other between leaders and stakeholders in the network (Nguyen & Huynh, 2012; Dai et al., 2015).

Social capital studies the network of connections between people, studying the resources of individuals, groups, or organizations that are formed and developed on the basis of networks of mutual relationships with trust and reciprocity with each other. From there, consider the change in user behavior under the influence of resources as well as the link network (Phung & Bui, 2022).

The quality of a leader's relationship network is expressed through communication, trust, friendliness, consensus, sharing, help, obligations, and commitment of leaders (Nguyen & Huynh, 2012; McCallum & O'Connell, 2009).

Leadership social capital is the quality of a leader's network of relationships with individuals within the business and relevant external partners (Nguyen & Huynh, 2012).

According to Nguyen and Huynh (2012), a leader's relationship network includes family, friends, partners, authorities, and colleagues.

Inheriting the results of the above studies, we have identified three important components in the multi-dimensional scale of leadership social capital, including: (i) industry associations; (ii) business partners; and (iii) colleagues.

Inheriting the results of the above studies and interviewing experts, we determine the component attributes (scales) of leadership social capital from the perspective of business partner ingredients (see table 1).

Table 1: Observed variables: Leader social capital in real estate firms via business partners ingredients

Business Partners (BP)	
BP1	The firm leaders I work for have established and maintained good relationships with business partners.
BP2	The firm leaders I work for often receive information from business partners.
BP3	The firm leaders I work for often receive help from business partners.

3. METHODOLOGY

The study adopted the systematic literature review method to analyze the existing literature, following three steps for research: planning the review, conducting the review, and reporting.

This qualitative research uses a conventional content analysis approach. Qualitative research is research that understands concepts, opinions, or experiences that require collecting and evaluating the process of non-numeric data through process in-depth interviews to find answers to a phenomenon or question. Researchers must take an inductive approach to undertake this research type, then concentrate on specific meanings and translate the complexity of the problem (Creswell, 2017). Through a phenomenological research approach that utilizes face-to-face interview techniques, the personal experiences of 10 business managers were recorded. As an employee who conducts business, they also have to face problems at work.

The sample that was using in this study was 195 employees who work for real estate firms in Hanoi and neighboring provinces. The employees in this study have been working in their positions for 1–30 years. In this research, 195 participants gave answers that represented the overall answers about leader social capital via business partner ingredients. Accordingly, 69 respondents were female, 126 respondents were male, 78 respondents are sales staff, 52 respondents are accountants, and 65 respondents work in other departments in real estate businesses. Also among them, 151 respondents were married, and the remaining 44 respondents were single.

Quantitative research methods supported by SPSS software include analyzing the reliability of the scales (observed variables) through the Cronbach alpha coefficient, EFA analysis, independent t-tests, and ANOVA analysis.

4. RESULTS

Cronbach's Alpha

Leader social capital in real estate firms via business partner ingredients has been measured by Cronbach's alpha. The results of testing Cronbach's alpha for attributes are presented in Table 2 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).

Table 2. Results of Cronbach's alpha testing of attributes and item-total statistics

Cronbach's Alpha	N of Items			
.847	3			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BP1	8.32	1.911	0.722	0.779
BP2	8.22	1.861	0.732	0.769
BP3	8.14	2.027	0.690	0.810

Source: Prepared by the authors (2023) and SPSS software.

Exploratory Factor Analysis (EFA)

Next, tables 3, 4, and 5 show that exploratory factor analysis (EFA) was conducted through component analysis and variance.

The results of factor analysis in Table 3 show that KMO is 0.728, 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).

After implementing the rotation matrix, three components of leader social capital in real estate firms via business partner ingredients with a factor load factor greater than 0.5 and eigenvalues greater than 1 were identified, and the variance explained was 76.565% (see tables 4 and 5). 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 leader social capital in real estate firms via business partner ingredients (Hoang & Chu, 2008; Hair et al., 2014).

Table 3: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.728
Bartlett's Test of Sphericity	Approx. Chi-Square	243.739
	Df	3
	Sig.	.000

Source: Prepared by the authors (2023) and SPSS software.

Table 4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.297	76.565	76.565	2.297	76.565	76.565
2	0.385	12.826	89.391			
3	0.318	10.609	100.000			

Extraction Method: Principal Component Analysis.

Source: Prepared by the authors (2023) and SPSS software.

Table 5: Component Matrix^a

BP	Component
	1
BP1	0.885
BP2	0.879
BP3	0.860

Source: Prepared by the authors (2023) and SPSS software.

Independent T-test: marital status

A comparison of the results of the evaluation of the differences in leader social capital in real estate firms via business partner ingredients in Hanoi and neighboring provinces with participants of different marital statuses (married and single) can be seen in Table 6. According to the results shown in Table 6, sig Levene's test is 0.720, which is more than 0.05. The variance between married and single is not different. Moreover, the sig value t-test is 0.237, which is more than 0.05, which means that there is no statistically significant difference in leader social capital in real estate firms via business partner ingredients in Hanoi and neighboring provinces between these different marital statuses (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

Table 6. Differences in leader social capital in real estate firms via business partner ingredients with participants of different marital statuses - 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
BP	Equal variances assumed	0.129	0.720	-1.185	193	0.237	-0.13591	0.11465	-0.36205	0.09022
	Equal variances not assumed			-1.136	65.983	0.260	-0.13591	0.11963	-0.37475	0.10293

Source: Prepared by the authors (2023) and SPSS software.

Independent T-test: different genders

A comparison of the results of the evaluation of the differences in leader social capital in real estate firms in Hanoi and neighboring provinces via business partner ingredients with participants of different genders (male and female) can be seen in Table 7. According to the results shown in Table 7, sig Levene's test is 0.994, which is more than 0.05. The variance between males and females is not different. Moreover, the sig value t-test is 0.286, which is more than 0.05, which means that there is no statistically significant difference in leader social capital in real estate firms in Hanoi and neighboring provinces via business partner ingredient between these different genders (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

Table 7. Differences in leader social capital in real estate firms via business partner ingredients 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- taile d)	Mean Differenc e	Std. Error Differenc e	95% Confidence Interval of the Difference	
									Lower	Upper
BP	Equal variances assumed	0.000	0.994	- 1.070	193	0.28 6	-0.10732	0.10030	- 0.3051 3	0.09050
	Equal variances not assumed			- 1.057	135.011	0.29 3	-0.10732	0.10156	- 0.3081 7	0.09354

Source: Prepared by the authors (2023) and SPSS software.

ANOVA – job positions

An ANOVA test was needed to make a comparison of the results of the evaluation of the differences in leader social capital in real estate firms in Hanoi and neighboring provinces via business partner ingredients between the three subjects, including participants who are business staff, accountants, and other positions. Table 8 shows that the sig Levene statistic of 0.040 is smaller than 0.05, which means that the hypothesis of homogeneity of variance among the variable value groups (different job positions) has been violated. Table 9 shows that sig. is 0.003, which is smaller than 0.05, which indicates that there is a statistically significant difference in

leader social capital in real estate firms in Hanoi and neighboring provinces via business partner ingredients between the mentioned three groups of job positions (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

Table 8. Test of Homogeneity of Variances

Descriptions	Levene Statistic	df1	df2	Sig.
BP				
Based on Mean	3.262	2	192	0.040
Based on Median	3.183	2	192	0.044
Based on Median and with adjusted df	3.183	2	191.213	0.044
Based on trimmed mean	3.310	2	192	0.039

Source: Prepared by the authors (2023) and SPSS software.

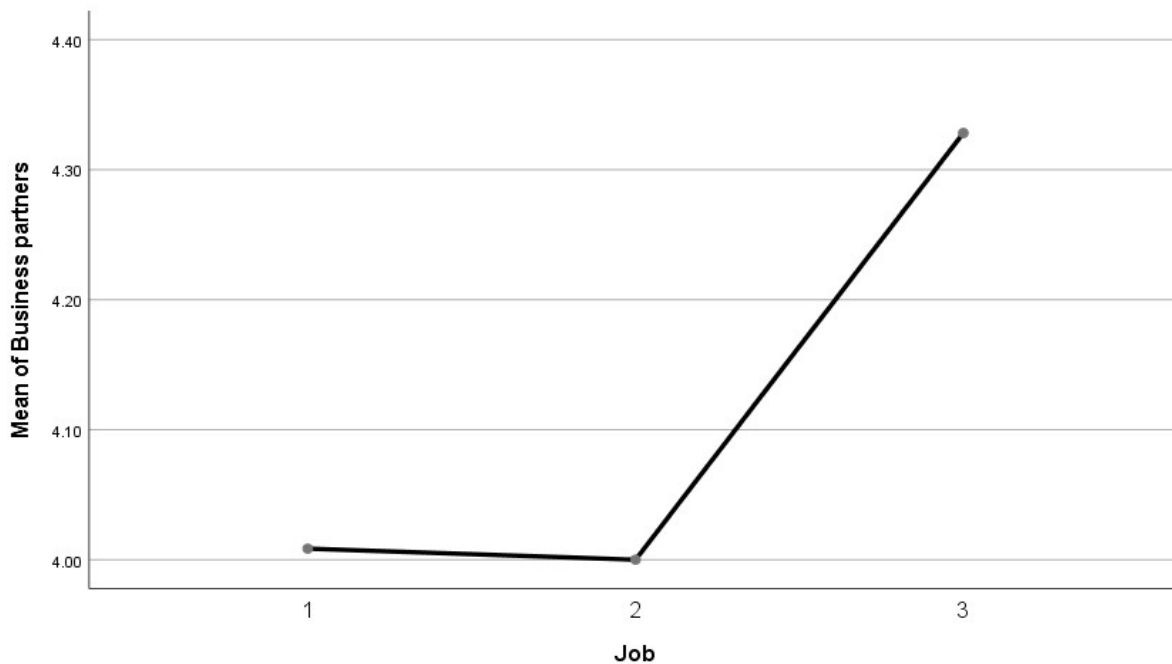
Table 9. Robust Tests of Equality of Means

	Statistic ^a	df1	df2	Sig.
Welch	6.014	2	121.398	0.003

Source: Prepared by the authors (2023) and SPSS software.

The relationship between leader social capital in real estate firms in Hanoi and neighboring provinces via business partner ingredients-job positions

Next, the line graph shows the relationship between the leader's social capital in real estate firms in Hanoi and neighboring provinces via business partner ingredients and each respondent's job positions (Figure 1). Figure 1 shows that this line tends to go down when the respondents are accountants. But this line tends to slope up when the respondents are in other positions.



Source: Prepared by the authors (2023) and SPSS software.

Figure 1: The line graph shows the relationship between leader social capital in real estate firms in Hanoi and neighboring provinces via business partner ingredients and each respondent's job positions.

5. DISCUSSION AND IMPLICATIONS

A strategic partner in business is a link between two businesses, often concluded by clear legal business contracts, working together towards common business goals. When two firms are strategic partners, they will develop a certain field together. For example, in the relationship between commercial enterprises, they will advertise and market together to create a product brand. The relationship between a manufacturing company specializing in providing technical, production, and cooperation with a small-scale business to create a new specialized product.

Potential partners are partners that are suitable for the firm's cooperation purposes. Currently, they are not cooperating, but in the future, if the opportunity to cooperate comes, it will create many advantages for both parties.

Leaders use their relationship skills to build relationships with partners. These partners may include suppliers, customers, and other stakeholders. Strategic leaders strive to develop a set of valuable resources to share with partners, facilitating communication between the company and partners (Hitt & Ireland, 2002). Furthermore, according to Nguyen and Huynh (2012), a leader's relationship network includes many components, such as a network of friends, family, colleagues, business partners, and authorities.

However, real estate firms must have at least 30% of their own capital for the project. However, when the market freezes, firms must use their own capital to pay principal and interest. If the equity capital ratio is reduced to 10–15% of the project capital, it will be less difficult for firms.

Firm leaders need to establish good relationships with business partners. To do this, leaders must regularly contact, visit, meet, and help as individuals to build trust. When establishing a good relationship with a business partner, transactions and mutual support in business will be more convenient.

According to Le Thanh (2023), from the beginning of 2023 until now, there have been nearly 6,000 successfully traded products. This shows that the market is showing signs of recovery, but only accounts for 10% of normal conditions. Regarding projects, the whole country has 1,200 projects with a value of 30 billion USD waiting to be dismantled. In fact, the market is facing difficulties due to buyers losing confidence in real estate firms and the market.

Real estate prices are influenced by factors such as interest rates, economic growth rate, money supply, population, construction costs, foreign investment, and state policies. Regarding solutions to develop the real estate market, previous studies have pointed out remaining problems

in terms of policies and state regulations and proposed solutions such as improving land price policies, changing new real estate market management mechanisms, completing planning work, etc.

Although the real estate market in Hanoi City has had good developments for a long time, the market is still unstable, sometimes too hot, sometimes too cold. Unpredictable developments in real estate prices are causing consequences for Hanoi's economy. Therefore, the following solutions are intended to help Hanoi's real estate market develop:

Control real estate prices well by controlling outstanding loans, the gold price index, the consumer price index, and the GDP growth rate.

Information about the real estate market should be fully disclosed. Make a real estate transaction history and post it on official websites so everyone knows the information.

There should be a good scenario to deal with market conditions that are sometimes too hot and sometimes too cold. When the market is too hot, we need to implement solutions to increase supply and reduce demand. On the contrary, when the market is too cold, we implement solutions to reduce supply and increase demand;

Hanoi City should effectively implement real estate market management, always closely monitor market developments to eliminate hidden transactions, and restrain market manipulation by real estate brokers. Real estate creates illegal profits. It is necessary to stipulate specific details on land division to avoid instability in land prices.

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