

CAPABILITIES OF MANAGEMENT AND OPERATING OF LEADERS AND COMPETITIVENESS OF COMMERCIAL BANKS

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Abstracts

Sacombank's mission is to optimize comprehensive, modern, and multi-utility financial solutions for customers; maximize value for partners, investors, and shareholders; continuously bring prosperity and career value to employees; and accompany the general development of the community and society. With the orientation of perfecting and standardizing information according to international standards, Sacombank discloses information promptly and accurately, in compliance with current regulations. Information serving investors, such as annual reports, financial reports, information on business activities, plans, and orientations for the upcoming periods, is regularly posted in full via the website www.sacombank.com (Loc An, 2018). The article explores the relationship between the capabilities of management and the operating of leaders and the competitiveness of Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank) through applying the results of a survey of current employees working at Sacombank. The article uses qualitative research methods and quantitative research methods. Descriptive statistical methods include analyzing the reliability of observed variables through the Cronbach Alpha coefficient, exploratory factor analysis (EFA), and correlation analysis using SPSS 22 software. Research results show a relationship between the capabilities of management and the operating of leaders and the competitiveness of Sacombank. From the research results, the authors draw a number of conclusions and future research directions.

Keywords: business administration, economics, business performance, competitiveness, commercial banks

JEL codes: M10, L21, F65

1. INTRODUCTION

In the context of the Fourth Industrial Revolution taking place at a fast pace and on a large scale, innovation is a new thinking in the development strategies of most countries and has become a common, effective language of global significance. Innovation plays an important role in

improving the competitiveness of businesses, creating new products and services, improving production and business processes, and optimizing production activities to reduce production costs and increase productivity. Thanks to that, firms can increase revenue and profits while creating new job opportunities for workers and contributing to the country's economic development (Expósito & Sanchis-Llopis, 2019).

One of the themes that interests many practical subjects as well as researchers both domestically and internationally is leadership and leaders.

From an academic standpoint, numerous studies on leadership have been carried out from various angles, with a constant emphasis on the need of studying individual leaders. DeChurch et al. (2010) state that half of the research on leadership is always devoted to studying individual leaders. Scholars have mostly examined the downstream elements of the two sets of traits in their academic studies.

In order for an organization to produce goods that are more productive and of higher quality than those of its rivals and increase its market share, it must be able to establish, preserve, exploit, and generate new competitive advantages. bigger, as well as generating high salaries for staff members and long-term growth for the company (Porter, 1990).

According to Minh Vy (2024), most of Sacombank's business segments had positive growth compared to the same period last year, but there was no sudden growth, leading to total income almost going flat. Specifically, the bank's net interest income increased by 2%, reaching VND 5,951 billion. Profit from foreign exchange trading increased by 19%, reaching 307 billion VND. Profit from securities trading reached 21 billion VND, an increase of 15 billion VND. Service activities alone were less positive, with a profit of 578 billion VND, down 12.2%.

Sacombank's mission is to optimize comprehensive, modern, and multi-utility financial solutions for customers; maximize value for partners, investors, and shareholders; continuously bring prosperity and career value to employees; and accompany the general development of the community and society. With the orientation of perfecting and standardizing information according to international standards, Sacombank discloses information promptly and accurately, in compliance with current regulations. Information serving investors, such as annual reports, financial reports, information on business activities, plans, and orientations for the upcoming periods, is regularly posted in full via the website www.sacombank.com (Loc An, 2018). However, Sacombank still has some limitations and needs to have synchronous and appropriate solutions for development. This also requires Sacombank itself to constantly innovate, perfect, and develop. One of those contents is improving competitiveness and understanding the factors that affect competitiveness, including the factors of the capabilities of management and the operating of leaders, which are also factors that affect competitiveness. Topics of primary interest for domestic and foreign research.

This research will contribute to clarifying the theoretical framework on the relationship between the capabilities of management and operating of leaders and the bank's competitiveness and

improving employees' understanding of leaders. Improve the competitiveness of banks in emerging and developing countries like Vietnam.

2. THEORETICAL BASIS AND LITERATURE REVIEW

2.1. Capabilities of management and operating of leaders

Bright et al. (2006) found a correlation between a person's courage, integrity, passion, compassion, optimism, kindness, humanity, purpose, and altruism, as well as one or more personal traits.

According to Chun et al. (2009), there is a correlation between a person's personal traits and their degree of pleasure at work and in life. These qualities include courage, a calm attitude, liberality, decency, pride, a positive attitude, friendliness, dependability, recognition, self-worth, fairness, honor, and sincerity.

The ten key characteristics that define a successful leader are (i) honesty; (ii) authorization; (iii) communication; (iv) humor; (v) confidence; (vi) commitment; (vii) optimism; (viii) creativity; (ix) intuition; and (x) ambition, according to a leadership survey conducted by Forbes magazine in 2012.

There are beneficial features of leadership as well as negative ones (Judge et al., 2009; Furnham et al., 2012).

According to Rauthmann and Kolar (2012), employees are more likely to embrace leaders that exhibit pride and arrogance than those who exhibit crafty tricks and a lack of psychological understanding.

One of the most important leadership theories in use today is the theory of transformational leadership, which Bass (1990) established and carried forward. As per Bass's (1990) findings, managers possessing a transformational leadership style can be identified by four key traits: ideal influence, which involves presenting an appealing and captivating vision to the staff; intellectual stimulation, which involves stimulating and developing the intelligence of the staff; inspirational leadership, which involves motivating and inspiring the staff; and personal concern, which involves exhibiting concern and attention to employee support and training.

In the past, leadership was linked to power; but, in the present, it is associated with creativity, conveying ideals and vision, and drawing people toward the objectives of the business (Alvesson & Sveningsson, 2003). According to Bennis (2007), the process of a leader persuading others to act in a way that aligns with their wishes constitutes leadership. Hollander (1978) defined leadership as an influencing process that takes place between superiors and subordinates. According to Evans (1970), leadership is the art of persuading people to make changes in order to accomplish shared objectives. According to Meindl & Ehrlich (1987), leaders play a major role in a company's success or failure.

Le (2010) highlighted exceptional traits of a leader, such as inclusivity, innovation, patience, flexibility, and decision-making.

Since the leader represents the company, when subordinates depart, they do so from the leader as well (Buckingham & Coffman, 1999).

2.2. Competitiveness

One of the variables used to compare businesses in the same industry is competitiveness. It is strongly related to competitive advantage, which is the primary factor that determines a firm's performance (Bredrup, 1995).

Porter (1990) states that two factors are used to evaluate competitiveness: market share and profit. Market share and profit are the objectives of production and business, and they indicate where a company stands in relation to its rivals in the market. The criteria put out by Dupeyras & MacCallum (2013) were revenue per client and labor productivity.

Peter et al. (1988) assert that a firm's competitiveness must be connected to the way its goals are implemented, taking into account three key elements: the firm's core values, its primary purpose, and goals that support the firm in carrying out its operations.

According to Fafchamps (1999), an organization is considered competitive if it can create goods at a cheaper cost than its rivals while maintaining a same level of product quality.

According to Narver & Slater (1990), market-oriented competitiveness includes three main components: (i) customer orientation, which is based on customer needs and how customers understand about your firm; (ii) competitor orientation, whereby firms need to clearly understand the short-term, long-term competitiveness and strategies of current and future competitors to be able to create superior value compared to their competitors. with them; and (iii) cross-functional coordination based on the effective use of enterprise resources to create superior value for target customers.

3. METHODOLOGY

3.1. Research model

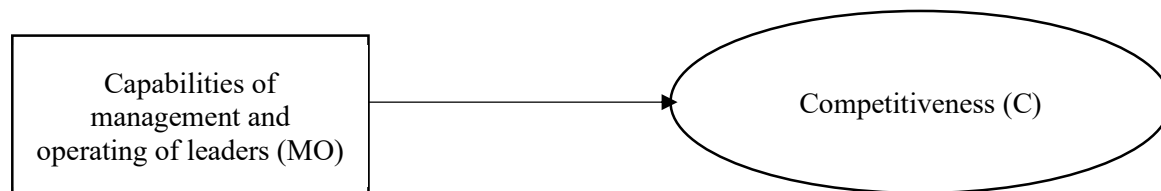


Figure 1: Research model

Capabilities of management and operating of leaders (MO): Includes 5 observed variables (MO1, MO2, MO3, MO4, MO5) inherited from the research results of Le et al. (2024).

Competitiveness (C): Includes 4 observed variables (C1, C2, C3, and C4) inherited from the research results of Nguyen et al. (2023).

3.2. Research hypothesis

The higher the capabilities of management and operating of leaders, the better the enterprise's competitiveness (Tang & Tang, 2012; Pham, 2017).

According to Pham (2017), the capabilities of management and the operation of leaders are the organization and implementation of different skills in the working process between individuals, groups, and other resources to achieve set goals. Therefore, we propose hypothesis H as follows:

H: The capabilities of management and the operating of leaders have a positive impact on Sacombank's competitiveness.

3.3. Research data

Data used in this study were collected through a survey of employees working in the credit department, business planning department, and capital resources department of Sacombank. Thus, the study has a total of 215 observations. This study sample is considered large enough and statistically significant.

3.4. Data analysis

After collecting data, the study used SPSS software to perform descriptive statistics, reliability analysis of observed variables, EFA analysis, and necessary correlation analysis. Finally, the research uses theories combined with objective reality to explain the economic significance of the correlation between variables and clarify the research results.

4. RESULTS

4.1. Descriptive Statistics

Table 1 indicates that the respondents agree with the independent variables (the capabilities of management and operating of leaders) and dependent variables (competitiveness) of Sacombank in Vietnam, where respectively five attributes and four attributes were quite high. All nine attributes were rated at an average of 3.87 or higher.

Table 1. Descriptive analysis of attributes

Code	N	Mini	Max	Mean	Std. Deviation	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
Capabilities of management and operation of leaders in Sacombank (MO)									
MO1	215	1	5	4.22	0.759	-1.046	0.166	2.043	0.330
MO2	215	2	5	4.32	0.757	-0.861	0.166	0.130	0.330
MO3	215	2	5	4.27	0.745	-0.767	0.166	0.106	0.330
MO4	215	2	5	4.24	0.772	-0.693	0.166	-0.225	0.330
MO5	215	2	5	4.27	0.723	-0.749	0.166	0.304	0.330
Valid N (listwise)	215			4.26					
The competitiveness of Sacombank (C)									
C1	215	2	5	3.87	0.831	-0.304	0.166	-0.513	0.330
C2	215	1	5	3.98	0.811	-0.752	0.166	0.690	0.330
C3	215	1	5	3.91	0.857	-0.502	0.166	-0.091	0.330
C4	215	1	5	3.93	0.865	-0.609	0.166	0.063	0.330

Valid N (listwise)	215			3.92					
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Source: Prepared by the authors (2024) and SPSS software.

4.2. Cronbach alpha

To evaluate the internal reliability of the scales, we rely on the Cronbach alpha coefficient. The statistical results in Table 2 show that Cronbach alpha values in the range of 0.864 to 0.880 are higher than the significance level of 0.7 (Nunnally & Bernstein, 1994), confirming the reliability of the scale used in the study. All observed variables on the scales have an item-total correlation greater than 0.3. Therefore, the scales all meet the requirements, thus qualifying for exploratory factor analysis (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

MO				
Cronbach's Alpha	N of Items			
.896	5			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
MO1	17.10	6.472	0.756	0.871
MO2	17.00	6.621	0.712	0.880
MO3	17.05	6.577	0.742	0.874
MO4	17.08	6.428	0.752	0.872
MO5	17.06	6.623	0.758	0.870
C				
Cronbach's Alpha	N of Items			
.903	4			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
C1	11.82	5.084	0.799	0.868
C2	11.72	5.120	0.813	0.864
C3	11.78	5.144	0.742	0.889
C4	11.76	5.014	0.776	0.877

Source: Prepared by the authors (2024) and SPSS software.

4.3. EFA analysis

Next, tables 4, 5, and 6 show that exploratory factor analysis (EFA) was conducted through component analysis and variance.

The results of Bartlett's test examining the hypothesis of correlation between observed variables show that the KMO index, respectively, is 0.840 and 0.874, greater than 0.5 (>0.5); the extracted

variance, respectively, is 77.542% and 70.690% (>50%), which means that these 5 and 4 observed variables explain 77.542% and 70.690% of the variation in the data. Bartlett's test is statistically significant (Sig.<0.05). Therefore, it can be concluded that the indicators in the study meet EFA analysis standards (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

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 five components of the capabilities of management and operating of leaders and four components of the competitiveness of Sacombank (Hoang & Chu, 2008; Hair et al., 2014).

Table 4: KMO and Bartlett's Test

MO			KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.					.874
Bartlett's Test of Sphericity	Approx. Chi-Square				598.113
	Df				10
	Sig.				.000
C			KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.					.840
Bartlett's Test of Sphericity	Approx. Chi-Square				537.386
	Df				6
	Sig.				.000

Source: Prepared by the authors (2024) and SPSS software.

Table 5: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
MO						
1	3.534	70.690	70.690	3.534	70.690	70.690
2	0.475	9.508	80.197			
3	0.381	7.612	87.810			
4	0.325	6.501	94.311			
5	0.284	5.689	100.000			
C						
1	3.102	77.542	77.542	3.102	77.542	77.542
2	0.376	9.411	86.952			
3	0.279	6.982	93.934			
4	0.243	6.066	100.000			

Extraction Method: Principal Component Analysis.

Source: Prepared by the authors (2024) and SPSS software.

Table 6: Component Matrix^a

MO	Component
	1
MO5	0.851
MO1	0.850
MO4	0.846
MO3	0.840
MO2	0.817
C	Component
	1
C2	0.900
C1	0.891
C4	0.877
C3	0.854

Source: Prepared by the authors (2024) and SPSS software.

4.4. Correlation Analysis

The results of the correlation matrix are indicated in Table 7. The correlation coefficients of the capabilities of management and the operating of leaders with the competitiveness of Sacombank are greater than 0, reflecting a positive relationship. In addition, the values of sig. are more than 0.05, which means that all variables are not interrelated (Hair, Black, Babin, & Anderson, 2009).

Table 7: Correlations

		Competitiveness	Management and operating of leaders
Competitiveness	Pearson Correlation	1	0.036
	Sig. (2-tailed)		0.604
	N	215	215
Management and operating of leaders	Pearson Correlation	0.036	1
	Sig. (2-tailed)	0.604	
	N	215	215

Source: Prepared by the authors (2024) and SPSS software.

Thus, there is no basis to conclude about the influence of the capabilities of management and the operating of leaders on the competitiveness of Sacombank. Future research should expand on independent variables that affect commercial banks' competitiveness in addition to the capabilities of management and the operations of leaders. In addition, future studies should also expand the sample size and spatial scope to increase the reliability of the research results.

5. DISCUSSION AND IMPLICATIONS

A company's capacity to manage and execute requires that its leaders have a strong work ethic, pay close attention to details, and maintain a positive outlook on the company's future. These are very standard skills for leaders of Sacombank.

The ability of leadership to manage and administer human resources includes motivating workers to learn, fostering dedication at work, instilling faith in the company's future, and directing worker ideas. The ability of leaders to manage human resources, such as through decentralization or delegation, giving employees feedback on their work, establishing a competent staff framework, and staff preparation, is still lacking. succession planning, succession, and performance reviews of employees. As a result, Sacombank executives ought to strengthen their capacities for self- and human-management.

Firm executives should improve their people- and self-management skills. Enhancing leadership ability ought to be Sacombank's first focus. Enhancing leadership skills is necessary, particularly in the areas of training staff, allocating tasks, evaluating job fulfillment, delegating, and decentralizing.

The labor scale that Sacombank is currently attracting is still low, therefore there isn't much that can be done to increase it. Thus, Sacombank needs to take effort to make the bank more appealing to potential employees in the city.

The most significant facet of globalization is economic globalization. The international economy is rapidly globalizing, which presents Vietnam with both opportunities and challenges. The market's escalating level of competition is one of those difficulties. For Sacombank to thrive, they must become more competitive. A lasting competitive advantage requires sacombank to identify, develop, and nurture its resources.

In the context of the 4.0 industrial revolution, the innovation process requires firms to strengthen their information technology capabilities to be able to access, absorb, and promptly use external knowledge and information (Guo et al., 2021). Therefore, Sacombank should strengthen its information technology capacity to modernize the bank in order to improve the management and administration capabilities of its leaders and its competitiveness.

The birth and explosive development in the application of information technology inevitably leads to increased competitiveness among banks in the race to expand both market share and operating markets. To develop and match the general trend of major banks in the world as well as competitors in the current market, banks are forced to focus on investing in innovation and changing their appearance, enhancing internal competitiveness to ensure financial stability against economic shocks.

6. CONCLUSIONS

According to the research findings, Sacombank can now produce high-quality products at affordable prices by implementing transformational leadership styles into management procedures to improve business leaders' capacity for control and management. From there, it helps to raise Sacombank's level of competitiveness.

Besides the results achieved, the basic limitation of the study is the small sample size. This study uses a questionnaire that includes five scales to measure the management and operating abilities of leaders and four scales to measure competitiveness. However, the survey sample is not large enough, and the method of collecting survey questionnaires does not completely ensure enough autonomy and security for evaluators. Therefore, this study has limited significance.

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