



RESEARCH ARTICLE

Leader Social Capital in Firms: Perspectives from the Association of Occupation Ingredients

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ARTICLE INFO	ABSTRACT
Received: Aug 21, 2024	<p>This article argues that leader social capital in real estate firms in Hanoi and neighboring provinces of Vietnam via association of occupation needs to be researched. Based on a survey of relevant academic and policy literature, the study presenting assessments of survey subjects for leader social capital in real estate firms in Hanoi and neighboring provinces, Vietnam, via association of occupation may contribute to improving the business performance of real estate firms. This study used a mix of methods for gathering qualitative and quantitative data. SPSS software is used for quantitative research methods, including assessing the reliability coefficient of the scales through the Cronbach alpha coefficient, EFA analysis, and independent T-tests. Based on our findings, we argue that a leader's social capital via association of occupation in real estate firms in Hanoi and neighboring provinces, Vietnam, is reliable and meaningful. Additionally, there is no statistically significant difference in the leader's social capital via association of occupation in real estate firms in Hanoi and neighboring provinces, Vietnam, between respondents with these different marital statuses. Real estate firms should have solutions to enhance leaders' social capital through association of occupation ingredients, thereby contributing to improving business performance. This study sheds light on the social capital information gaps that, when filled, could help real estate firms reach their full potential by improving leaders' social capital through association of occupation ingredients.</p>
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INTRODUCTION

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).

The real estate market is considered one of the pillars of the economy, helping to concentrate resources and create fixed assets for the country. The development of the real estate market creates growth momentum for related industries (financial market, construction, production of construction materials, furniture, labor, etc.), meeting the needs of demand for accommodation, urban development, and tourism.

The Vietnam National Real Estate Association (VNREA) is a professional social organization, formerly known as the Vietnam Real Estate Association, established based on Decision No. 37/2002/QĐ-BTCCBCP dated August 13, 2002, of the Government Personnel Organization Committee. With Decision No. 673/QĐ-BNV dated June 18, 2010 of the Ministry of Home Affairs, it was allowed to change the name of the Vietnam Real Estate Association to Vietnam National Real Estate Association (VNREA).

Effective strategic leaders do not view leadership as rank and title but as a position of responsibility to multiple stakeholders (Ireland & Hitt, 2005). They participate in large groups, such as the business community and industry associations. They manage paradoxes through the use of large groups (Ireland & Hitt, 2005). Paradox is understood as a place of both cooperation and competition with other firms. Recent developments in social capital theory suggest that the more social capital available within a group, the more effective it is in the group, requiring that relationships be built closely within and outside the group, beyond group boundaries (Oh et al., 2006).

For the above reasons, this study has both theoretical and practical significance and is necessary for research.

LITERATURE REVIEW

The definition of social capital offered in the Handbook of Social Economics, which has been widely adopted in economics (Casas et al., 2017), 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). 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) ideas.

Leadership social capital is a multi-pronged concept (Nguyen & Huynh, 2012). However, depending on the business line of the enterprise, the importance of stakeholders in the leadership social capital network structure changes, specifically research in the fields of real estate and leadership. Having good relationships with authorities at all levels strongly affects business performance. This means that real estate firms, because they do not have good relationships with the government, cannot access land funds for development projects (Huynh, 2011).

A trade association is an organization that represents the interests of businesses in the same business industry. Local industry associations play a key role in strengthening foreign affairs for firms, such as by providing data on industry output, revenue, and exports to inform member firms (Hashino & Kurosawa, 2013). Furthermore, it also organizes forums to discuss business activities and lobby with government agencies on issues of common interest. Therefore, it is extremely necessary for leaders to establish good relationships with industry associations and stakeholders to serve the purposes of the firm (McCallum & O'Connell, 2009).

According to Piccolo & Buengeler (2013), leaders play an important role in the process of setting employees' goals. Caring for employees is essential when leadership is focused on goals, and the level of this concern depends on the degree to which the leader trusts, respects, and likes the employee (a high-quality relationship).

Inheriting the results of the above studies, we have identified multi-dimensional social capital leadership scale perspectives from the association of occupation ingredients, including A01, A02, and A03 (see table 1).

Table 1: Observed variables: Leader social capital in real estate firms via association of occupation ingredients

Leader social capital in real estate firms via association of occupation ingredients (A0)	
A01	The leader of the real estate firm that I work for has established good relationships with industry associations.
A02	The leaders of the real estate firm that I work for often receive information from industry associations.
A03	The leader of the real estate firm that I work for often receives help from industry associations.

Source: Prepared by the authors (2023)

METHODOLOGY

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

Scale: 5 variables the leader social capital in real estate firms via the association of occupation ingredients is inherited from previous studies.

The questionnaire was sent to staff at more than 100 real estate firms in Hanoi and neighboring provinces, and 225 questionnaires were collected. After cleaning, there were 195 valid responses, which were used for analysis. The sample of the study is presented in Table 2.

Table 2. Respondents by family platforms, marital statuses and job

	Frequency	Percent	Cumulative Percent
Family platforms			
Do not have family members who work for real estate firms.	70	35.9	35.9
Have family members who work for real estate firms	125	64.1	100.0
Marital statuses			
Married	151	77.4	77.4
Single	44	22.6	100.0
Job			
Sales staff	78	40.0	40.0
Accountants	52	26.7	66.7
Other departments	65	33.3	100.0
Total	195	100.0	

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

Information on the data collected is shown in Table 2. It shows that among the respondents, 35.9% have family members who work for real estate firms, and 64.1% do not have family members who work for real estate firms. Among the respondents, 77.4% of the participants were married, and 22.6% of the participants were single. Of these, 78 respondents are sales staff, 52 respondents are accountants, and 65 respondents work in other departments in real estate firms.

We use SPSS software for quantitative research. In this study, we evaluated, measured, and compared the difference in the leader social capital in real estate firms via the association of occupation ingredients between different survey subjects about marital status.

RESULTS

Cronbach's Alpha

Leader social capital in real estate firms via association of occupation ingredients has been measured by Cronbach's alpha. The results of testing Cronbach's alpha for attributes are presented in Table 3 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 3. Results of Cronbach's alpha testing of attributes and item-total statistics

		Cronbach's Alpha	N of Items	
		.827	3	
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
A01	8.59	1.779	0.712	0.731
A02	8.51	1.932	0.626	0.817
A03	8.54	1.806	0.714	0.730

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

Exploratory Factor Analysis (EFA)

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

The results of factor analysis in Table 4 show that KMO is 0.708, 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 association of occupation ingredients with a factor load factor greater than 0.5 and eigenvalues greater than 1 were identified, and the variance explained was 74.315% (see tables 5 and 6). 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 the association of occupation ingredients (Hoang & Chu, 2008; Hair et al., 2009, Hair et al., 2014).

Table 4: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.708
Bartlett's Test of Sphericity	Approx. Chi-Square	220.120
	Df	3
	Sig.	.000

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

Table 5: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.229	74.315	74.315	2.229	74.315	74.315
2	0.461	15.375	89.690			
3	0.309	10.310	100.000			

Extraction Method: Principal Component Analysis.

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

Table 6: Component Matrix^a

AO	Component	
		1
A03		0.881
A01		0.880
A02		0.824

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 association of occupation ingredients in Hanoi and neighboring provinces with participants of different marital statuses (married and single) can be seen in Table 7. According to the results shown in Table 7, sig Levene's test is 0.489, which is more than 0.05. The variance between married and single is not different. Moreover, the sig value t-test is 0.134, which is more than 0.05, which means that there is no statistically significant difference in leader social capital in real estate firms via association of occupation ingredients in Hanoi and neighboring provinces between these different marital statuses (Hoang & Chu, 2008; Hair et al., 2009; Hair et al., 2014).

Table 7. Differences in leader social capital in real estate firms via association of occupation 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
AO	Equal variances assumed	0.480	0.489	-1.506	193	0.134	-0.16732	0.11107	-0.38639	0.05175
	Equal variances not assumed			-1.433	65.329	0.157	-0.16732	0.11677	-0.40050	0.06587

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

DISCUSSION AND IMPLICATIONS

The Vietnam Real Estate Association has the following functions:

Propagate, mobilize, and gather members to actively participate in activities related to Vietnam's real estate sector according to the provisions of the law.

Represent and protect the legal rights of members in activities related to the industry and field of operation of the association according to the provisions of the law and the association's charter.

Consulting and criticizing contents related to the association's field of activities according to the provisions of the law; Act as a bridge between members of the association and relevant agencies to resolve issues related to the activities of the association within the prescribed legal framework.

Support members in stabilizing, expanding, and developing scientific and technical research activities, consulting, research investment, training, professional development, science and technology transfer, and commercial services according to the provisions of law related to the association's field of operation.

Promotion of scientific and technical research, consulting, research investment, science and technology transfer, and commercial services; consulting, organizing, and cooperating in organizing conferences and seminars on industries and fields related to the association's activities according to the provisions of law.

The Vietnam National Real Estate Association (VNREA) has established the Vietnam Real Estate Brokers Association, an organization representing businesses, trading floors, and individuals operating in the field of real estate brokerage. The Vietnam Real Estate Brokers Association was launched at the 2015 annual meeting of VNREA in Da Nang City. The first chairman of the association was Mr. Nguyen Manh Ha, Director of the Department of Housing Management and Real Estate Market, Ministry of Construction.

Industry associations as a component of leadership social capital. This is a component that plays a major role in contributing to the overall success of firms operating in the real estate sector in Vietnam because, through industry associations, firms have a lot of information and share experiences, and enterprises receive help in the business process.

In the context of international integration, globalization, and digital transformation, the business activities of enterprises and the government will not interfere much, so the role of industry associations is increasingly important. In economic relations, industry associations represent and enhance the interests of their members, acting as a bridge between businesses and domestic and foreign government agencies; providing consulting and support in resolving commercial disputes; and supporting business expansion.

According to Phan Duong (2022), Deputy Minister of Construction Bui Hong Minh emphasized four outstanding and important contributions of the Real Estate Association to the market, including:

(i). The Association has responsibly and effectively performed the role of social-professional organizations in criticizing and contributing ideas to develop mechanisms and legal policies for the Vietnamese real estate market.

The Vietnam Real Estate Association is always proactive and pioneering in raising difficult issues in accessing land, investment preparation procedures, construction, and post-investment management for economic projects in the real estate business. Difficulties and obstacles limit the development of the resort real estate market, including specific shortcomings affecting the development of the tourist apartment (condotel) segment; obstacles in developing social housing projects... Consulting information and feedback from the Vietnam Real Estate Association is an important reference basis

for the Ministry of Construction to improve state management capacity in the field of construction housing and real estate markets.

(ii). VNREA's scientific research activities have high theoretical and practical value. Every year, the association participates in a number of scientific research projects assigned by the Ministry of Construction and provides market data and scientific and practical arguments, thereby improving the quality of work and participation. Advise the Ministry of Construction and other sectors in the process of making relevant policies and laws. The monthly and quarterly real estate market overview reports issued by the Association are a reliable source of information regularly used by state management agencies, credit institutions, firms, and the press, contributing to orienting the market to develop healthily, effectively, and sustainably.

(iii). The Vietnam Real Estate Association not only organizes the gathering of many domestic real estate firms but also promotes its role as a bridge between domestic firms and foreign firms. During the 2016–2022 term, VNREA constantly organizes diplomatic activities, contacts, and works with international organizations, firms, and associations to strengthen cooperation and promote investment for real estate firms in Vietnam.

(iv). With practical and effective criteria, every year VNREA also widely and strongly deploys connection and investment promotion activities to support the firm community and promote the market.

According to Le Thanh (2023), Mr. Dennis Ng Teck Yow, general director of Novaland Group, said that legal difficulties account for 80% of the current difficulties of real estate firms and cause many bad consequences. Regarding interest rates, firms expect loan interest rates to continue to decrease to help reduce the burden of capital costs. The real estate market in particular and the economy are forecast to still face many difficulties next year. It won't be until the second quarter at the earliest that the real estate market will show signs of improvement. Therefore, firms propose that the State Bank consider extending the time to implement Circular 02 on debt rescheduling for firms.

According to Phan Duong (2022), Deputy Minister of Construction Bui Hong Minh noted three tasks that the Real Estate Association needs to further promote to continue improving the association's role and performance.

(i). It is necessary to develop an activity program according to the Socio-Economic Development Strategy, National Housing Development Program, Action Program, and Direction of the Ministry of Construction. In the coming period, it is necessary to continue to coordinate closely with experts in the fields of law, economics, finance, real estate investment, and management agencies to accompany Vietnamese real estate firms in the context of the 4th Industrial Revolution and the rapidly developing digital economy, bringing digital transformation into the practice of real estate firms.

The Association also needs to closely follow the 10-year socio-economic development strategy 2021–2030, approved by the 13th Party Congress, the government's National Housing Development Strategy until 2030, the Action Program, and important tasks of the Ministry of Construction to develop and implement the Association's programs and activity plans in accordance with the practical situation.

Thereby, providing comments on urban development solutions associated with the transparent operation and development of the real estate market, especially satellite towns of some large urban areas; contributing to improving competitiveness, gradually improving the quality of urban development in terms of economy, society, infrastructure, architecture, housing, and people's quality of life; solutions to improve the quality of urban planning, urban development with a long-term vision, forming a number of smart urban chains in the key economic regions of the North, South and

Central regions to gradually bring connecting to smart urban networks in the region and the world, building urban areas towards green, civilized cities, responding to climate change.

At the same time, give comments on building a transparent mechanism for assessing land value in the real estate market and participate in building mechanisms and policies to develop the social housing segment, worker housing, and industrial real estate, as well as completing the legal framework for all types of real estate.

(ii). The association needs to receive and perform well a number of public services in the fields of business activities transferred by state management agencies, such as organizing training conferences to disseminate legal knowledge and international import; knowledge training courses to improve understanding of economics, law, environment, fire and explosion prevention, tax obligations, and policies for employees for member firms; accepting orders to carry out research and industry development activities; as well as supporting firms for sustainable development goals.

(iii). Should strengthen policy advocacy activities and protect firms in commercial contract disputes; organize exchanges with international organizations, organizations, and firms in other localities; participate in the conciliation of disputes between members, ensuring healthy competition; and organize forums, dialogues, and meetings between firms, employers, and state agencies to exchange information and opinions on issues related to firms and the business environment;

In addition, it is necessary to maintain regular meetings between business associations, exchange information, and create a common list of member firms between associations. Consistent consultation between associations is necessary in recommending to the government, ministries, central branches, and local leader mechanisms and policies, removing difficulties and obstacles for firms, and promoting sustainable development.

CONCLUSION

Based on our research, we conclude that leader social capital in real estate firms in Hanoi and neighboring provinces via association of occupation ingredients can be a powerful tool for business performance development because it unites the best of the real estate firms.

Besides that, this research also has practical implications, especially for further research as input or reference related to social capital, as well as options for using other data and methods. On the other hand, it should also expose social capital, and economics researchers should propose solutions.

In this study, there are limitations related to the limited search period; respondents who answered the survey were only employees of real estate firms. Future trials may consider the different industries such as manufacturing, trade, services, etc.

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