

Management Capacity Affecting the Business Effectiveness: A Case of Commercial Banks in Ho Chi Minh City

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Abstract

Vietnam joins more and more deeply into the world economy as well as strong competition. This requires setting new management capacity for managers in commercial banks. Besides, improving management capacity will help commercial banks to prevent risks, ensure capital safety in operations, and minimize the possible losses to the bank. Therefore, the main goal of this paper is to find out management capacity affecting the business effectiveness of commercial banks in Ho Chi Minh City (HCMC). The researcher surveyed 450 managers working for commercial banks and data collected from November 2018 to November 2019 at 90 branches of 15 commercial banks in HCMC. The researcher used simple random sampling technique, tested Cronbach's Alpha and the exploratory factor analysis (EFA) that used for Structural Equation Modelling (SEM) technique and applied partial least squares method. Managers' responses measured through an adapted questionnaire on a 5-point Likert scale. The findings of the paper had the management capacity impacting on the business effectiveness of commercial bank in HCMC with significance level 0.01.