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Research Article

Education in Universities Via a Finance Case Study: An Investigation into Vietnam SMEs' Use of Social Capital on Financial and Nonfinancial Operations

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Abstract

This paper is aimed at educating for students with the case teaching method, so we present a case study in finance via obtaining empirical verification of the model showing the relation between the internal and external capital expenditures on financial and non-financial operations in Vietnam from 378 Vietnam SME managers. Case study method is conducted with a questionnaire using the convenient sampling method for data collection was distributed to managers at SMEs in Ho Chi Minh City. The structural equation model was used to verify the proposed relation. The results show that both of the internal and external social capital of managers positively affect the financial and non-financial performance of the business. The structure of a finance case will end with conclusion based on research proposes that managers improve their businesses' financial and non-financial performance by enhancing their social capital expenditures.

Keywords

Education For Students, Finance Case Study, Internal Social Capital, External Social Capital, Financial Performance, Non-Financial Performance, Smes, Vietnam.

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Introduction

Teaching by case study method (for instance, finance case study teaching) has been applied for a long time in leading universities around the world and brings excitement to students; develop critical thinking; The ability to detect and solve problems is based on the ability to reason and creatively to make decisions from real life and work situations. In this method, the lecturer plays a central role to coordinate the student discussion, while the student must participate directly in analyzing the relationships between the facts in the situation, identifying options, evaluate options, forecast impacts, and present the outcomes of those situations.
Therefore, in this paper we will present a finance case study as example of case teaching mehotd as following:

The 1st step: Overview

The total of present and future resources derived from individuals' social interactions is referred to as social capital (Nahapiet & Ghoshal, 1998). Organizational performance is driven by social capital, which acts as both a glue and a lubricant (Jack & Anderson, 2002). Many scholars have been interested in studying social capital in recent years. Several studies have shown that social capital has a positive impact on corporate performance (Batt, 2008; Nguyen & Ha, 2020; Peng & Luo, 2000). Through information sharing behavior, social capital has an impact on business performance (T. T. Kim, Lee, Paek, & Lee, 2013; Li, Ye, & Sheu, 2014; Nguyen & Ha, 2020). It also influences the competitive performance of businesses (Chuang, Chen, & Lin, 2016; Kangarlouei, Shadkami, & Motavassel, 2012; W. p. Wu, 2008)Furthermore, it is instrumental in improving the performance of businesses (Batjargal, 2003; Felício, Couto, & Caiado, 2014; Kamboj, Kumar, & Rahman, 2017; Nguyen & Ha, 2020). Finally, it enhances corporates' efficiency (Akhtar, Ismail, & Hussain, 2014; Lerner, Brush, & Hisrich, 1995; Tantardini & Kroll, 2015)In general, most studies have stressed the importance of social capital for business activities. However, some have argued that it plays a marginal role in business performance (Kianto & Waajakoski, 2010) or even has a negative effect on business performance (Pillai, Hodgkinson, Kalyanaram, & Nair, 2017). Above all, the size and scope of different businesses' activities will have a different impact (Lee, Lee, & Pennings, 2001).
It is evident that the impact of social capital on business activities is not unanimous; therefore, the effects of social capital on business performance remain a fertile land for researchers to carry out more careful exploration for its influence on business performance. As the top concern of business owners and managers, business performance is influenced by internal and external factors of the organization (Lee et al., 2001). It is measured by many financial and non-financial indicators, with the latter being less concerned (Dossi & Patelli, 2010).
In business, there are some critical aspects that need to be taken into account. First, the manager has a decisive influence on the business performance (Hitt, Lee, & Yucel, 2002). Second, corporate social capital is highly dependent on the social capital of business managers (Luczak, Mohan-Neill, & Hills, 2010). Furthermore, business managers also have internal and external relationships (Barroso-Castro, Villegas-Periñan, & Casillas-Bueno, 2016). As a result, according to Ben-Hador, Eckhaus, and (Kanini & Muathe, 2019), internal and external social capital complement each other. Nonetheless, most studies of social capital and company performance concentrate on a single feature or element of social capital. This study will express the hypothesis when measuring the effectiveness of both internal (ISC) and external social capital (ESC) on Vietnamese SMEs' finance (FFP) and non-finance performance in order to fill the research gap on the impact of social capital on business performance (NFP).

In the 2nd step, we will present previous studies of this finance case study as following:

Theoretical And Literature Review

Social Capital Theory

(Ignjatović, 2012; Smith & Kulynych, 2002)define social capital as "the interaction and

understanding between an individual and his or her family, friends, and colleagues." For a long time, the notion of social capital has been advocated and explored in the context of economic, social, psychological, and educational difficulties. Because social capital is a multidimensional term, there have been arguments among scholars about how to use it to explain problems of interest to them (Adler & Kwon, 2002)All of the resources accumulated by a stable network of relationships are referred to as social capital (Bourdieu & Wacquant, 1992). Social capital, according to (Nahapiet & Ghoshal, 1998), is the sum of existing and potential resources gained from an individual's or organization's network of interactions. Individuals or organizations should have varying levels of social capital. People with various levels of social capital use it in different ways, resulting in varied outcomes. According to(J. S. Coleman, 1990), social capital is the value of "aspects of social structure" to an individual, a "resource" that can be used to one's advantage. According to (Adler & Kwon, 2002), social capital is: (i) trust among people in the same community, (ii) adherence to the customs and traditions of that community, and (iii) "networking" society (organization, association, clan, etc.). According to (Nahapiet & Ghoshal, 1998), social capital has two aspects: (1) structural aspect (network system of social relationships, relationship size); and (2) cognitive aspects related to trust, adherence to norms, rules, sharing, and behavior in the network. Social capital, according to (James S. Coleman, 1988), can be characterized in terms of its functions. As Coleman puts it, social capital arises when "relationships between people evolve in a way that facilitates action" (1990, 1994). (Burt, 1992) described social capital as a person's relationship with "friends, coworkers, and more general contacts through which you might employ your financial and human capital" (Burt, 1992) Putnam (1993) defined social capital as an asset, a group of individuals, or a community, as opposed to an individual. He also defined social capital as "characteristics of social organization, such as trust, norms, and networks that can enhance the effectiveness of society by facilitating coordinated actions" (Putnam, Leonardi, & Nanetti, 1994). The concepts of social capital have both similarities and differences. These differences originate from the perspective of researchers (Claridge, 2004; Kanini & Muathe, 2019; Reagans & Zuckerman, 2001). Previous studies have focused only on social capital with little attention to whether "*capital*" comes from inside or outside (Alix & Horner, 2010; Burt, Hogarth, & Michaud, 2000; Rhodes, Lok, Hung, & Fang, 2008). According to (Y. Kim & Cannella Jr, 2008), internal or external social capital comes from different relationships and benefits businesses. They argued that managers' social capital is the sum of relationships in the communication network. These relationships affect the decision-making process of managers. Both internal social capital (ISC) or external social capital (ESC) are needed to manage choice decisions. Conclusively, they claimed that both ISC and ESC provide special competitive benefits and thus affect business performance.

Internal social capital (ISC)

Internal social capital (ISC) is expressed through the relationships between business managers and employees, and colleagues (Burt, 1992; Cuevas-Rodríguez, Cabello-Medina, & Carmona-Lavado, 2014). These relationships have important implications in the operation of businesss (Y. Kim & Cannella Jr, 2008). Also, (Rhodes et al., 2008) maintained that ISC allows members to communicate and share their knowledge and experiences more easily. As a result, managers can impart knowledge to their employees (Chebii, 2018). In turn, employees learn new things and react to the changing business environment (Burt, 2000; Tang, 2016). To this end, businesss can improve efficiency and become a learning organization (Presutti, Boari, & Fratocchi, 2007). In addition, the ISC influences the selection of managers (Colombo, Franzoni, & Rossi–Lamastra, 2015). Internal interaction is one of the keys to developing knowledge and improving business competitiveness (Tsai & Ghoshal, 1998; W. p. Wu, 2008). Trust motivates all members of the business to stick together, support each other, work towards the organization's common goal, and reduce the supervision of managers (Kang & Kim, 2009). ISC also refers to new product development and an increase in the level of product innovation (Goyal & Akhilesh, 2007; Granovetter, 1985). According to (Reagans & Zuckerman, 2001), (Colombo et al., 2015), ISC plays a vital role in promoting new products, ensuring the flow of creative thinking (Carnevale & Probst, 1998). All in all, trust, sharing, and support among colleagues, between managers and employees, is an important key to open the door to success in the operation of a business (Akintimehin et al., 2019; Chen, Wang, & Wang, 2018; Y. Kim & Cannella Jr, 2008; W. p. Wu, 2008).

External social capital

According to (Akintimehin et al., 2019), external social capital (ESC) connects with stakeholders outside the businesses. The manager's external social capital is interpreted as relationships outside the businesses, namely the relationships with customers, suppliers, investors, managers of other businesss, associations, and government agencies (Barroso-Castro et al., 2016). External social capital is reflected in relationships, associations with individuals, and managers' status (Barroso-Castro et al., 2016; Johnson, Schnatterly, & Hill, 2013); (Akintimehin et al., 2019). These relationships which play an essential role in managers' decision-making are intangible resources of every business (Olamide & Ogbechie, 2021). External social capital can motivate managers to improve the organization's environment (Barroso-Castro et al., 2016). Business managers are those of considerable competence of the ESC. They have many opportunities and can link with other entities outside their businesses, making their operations more efficient (Barroso-Castro et al., 2016). Besides, the primary meaning of the economic environment is the amalgamation of concepts such as confidence, loyalty, compromise, transparency, solidarity, responsibility, honesty, and ethics. These concepts allow relationships to be established with ESC agent configuration (Bueno, Salmador, & Rodríguez, 2004).

Financial performance (FFP)

Financial indicators help businesses evaluate and plan long-term strategies. Therefore, financial indicators over a long period of 10 years or more need to be considered (Vibhakar, Tripathi, Johari, & Jha, 2020). Some financial information is employed to take into account business growth (sales, profitability, profitability, liquidity, return on investment, etc.), increase in headcount, or development of new branches (Coram, Mock, & Monroe, 2011; Kanini & Muathe, 2019; Kotane & Kuzmina-Merlino, 2012). (Dossi & Patelli, 2010) posited that financial ratios to measure business performance are even less than non-financial ones. Also, most stage startups and entrepreneurs may not have the financial record of the business. Therefore, the performance of a corporation should be measured by financial and non-financial indicators (Bogićević, Domanović, & Krstić, 2016; Kanini & Muathe, 2019).

Non-financial performance (NFP)

The sustainability of a business takes into account not only financial criteria but also non-financial ones (Bogićević et al., 2016; Kanini & Muathe, 2019). Non-financial indicators are often used, such as customer satisfaction, customer loyalty, product, and service quality of the business compared to competitors (Bogićević et al., 2016; Fernandez-Feijoo, Romero, & Ruiz, 2014; Jha, 2019; Kanini & Muathe, 2019). This determines the sustainable development of businesses, forcing them to enhance social responsibility (Ndlovu, 2010). (Y. Kim & Cannella Jr, 2008) stated that non-financial activities need to fill the information gap in a changing competitive environment. Also, non-financial performance can be calculated as the business's benefits accrued from connecting with many people, including accessing more information at faster speeds and with diverse possibilities in external connections (Y. Kim & Cannella Jr, 2008)

Internal social capital (ISC) and financial performance (FFP).

The promise of ISC, seen as a centerpiece and anchor, influences information flow and innovation (Jha, 2019). It creates a unique asset for the corporation, and further research probes into social capital in an exciting and revolutionary way. Therefore, it is adopted to better control the business operating environment for optimal financial performance (Kanini & Muathe, 2019). (Lazerson, 1995) postulated that social capital's internal factors could solve conflicts and improve consensus with surrounding organizations (Tumwine & Nixon, 2012)They also enhance the understanding with public administration, support the development of business strategy, mitigate market information's imperfections, and reduce transaction costs(Bueno et al., 2004). ISC has a substantial beneficial impact on small business efficiency due to cost savings and financial resources (Bai, Liu, & Zhou,

2020). Furthermore, the impact of creative activities can be realized in a variety of ways, including producing new goods, lowering costs, and promoting staff performance, all of which improve FFP (Nguyen & Ha, 2020).

There are numerous benefits of ISC in terms of board tasks, according to (Y. Kim & Cannella Jr, 2008). First, ISC among managers lowers different financial costs related with board communication and cooperation (Jha, 2019). Second, ISC makes it easier to share useful information and knowledge. ISC facilitates knowledge transfer (Nguyen & Ha, 2020; W. p. Wu, 2008)and builds intellectual capital within the organization by easing the flow of information (Nahapiet & Ghoshal, 1998)Finally, ISC encourages teamwork by encouraging managers to work together (Kim & Cannella, 2008). However, unlike other capitals, some experts have observed that investing in social capital appears to occur without any opportunity costs for the benefit (Chen et al., 2018; Kanini & Muathe, 2019; Sanchez-Famoso, Maseda, & Iturralde, 2014). In this study, we propose

H1. *ISC has positive impact FFP of on SMEs*

Internal social capital (ISC) and non-financial performance (NFP)

Corporation survival pressures are low when business performance is good. Therefore, current managers can follow their natural tendencies and select their colleagues. However, when NFP is poor, current managers will come under increasing pressure to choose new managers who can link to influential stakeholders outside the corporation (Akintimehin et al., 2019; Y. Kim & Cannella Jr, 2008). Besides, high-quality relationships between individuals can contribute to necessary activities and meaningful collaborations in product innovation (Chen et al., 2018; X. B. Wu & Wei). In addition, Sanchez-Famoso, (Moneva & Cuellar, 2009) also held that businesses' innovative activities and innovative capability depends on its ability to deploy ISC resources at its disposal. These innovative results could be in the form of product development, market development, and process control (Akintimehin et al., 2019).
In addition, ISC aids in the resolution of issues such as a lack of team spirit, trust, and cooperation, all of which are necessary for the board to complete its service obligations (Barroso-Castro et al., 2016). As a result, managers with a higher ISC will be favoured over those with a lower ISC. Furthermore, boards of directors with high ISC will work together more successfully (Kim & Cannella, 2008ISC facilitates the easy acquisition of intellectual resources through information exchange and mental collaborations through enhancing interactions. As a result, it would help to improve the quality of the product or service (Florin, Lubatkin, & Schulze, 2003).

H2. *ISC has positive impact NFP of SMEs*

External social capital (ESC) and financial performance (FFP)

Despite the constraints of limited resources, the corporation's endeavors must make every effort to develop and retain flexibility so that they can respond to predicted and unforeseen environmental instability (Kanini & Muathe, 2019). In other words, when a company develops strong and tight relationships with market authorities and trade associations, it is able to gain access to essential market data at a lower cost (Akintimehin et al., 2019; Li et al., 2014). Lower-cost access to useful market information, according to (Granovetter, 1985), will compensate for such efforts. Entrepreneurs do this when they are forming partnerships with other parties or stakeholders (Akintimehin et al., 2019). Woolcock (1998) came to the conclusion that firms may not be as willing to invest directly in social capital as they are in other forms of capital after thorough observation. They could expose themselves to deliberate selections on a regular basis, consciously deciding which projects to join and attempting to establish relationships in the hopes of future advantages (Wang, Wang & Liang, 2014). As a corollary, these planned actions are regarded as opportunity costs to some extent (Akintimehin et al., 2019; Kanini & Muathe, 2019). For this reason, it is suggested that

H3. *ESC has positive impact FFP of SMEs*

External social capital (ESC) and non-financial performance (NFP)

In a broader scope, ESC has been found to yield a positive influence on the meaning of NFP (Moneva & Cuellar, 2009); (Akintimehin et al., 2019; Kanini & Muathe, 2019). Also, previous studies have mentioned two majors that ESC affects business performance: trust and social networks. While trust supports a suitable environment for participation in knowledge and information sharing (Y. Kim & Cannella Jr, 2008), the presence of networks provides the development and sharing of intellectual assets through knowledge and information sharing and peer education (Kanini & Muathe, 2019). Many studies show that outside resources have strong connections with external partners such as consulting businesss, suppliers, distributors, joint ventures and so forth (Raza & Hanif, 2013). These also represent outside capital, an essential source of businesses (Ndlovu, 2010). Through external networks, businesses can share their information, knowledge, and learn advanced technologies as well as open up many opportunities for collaboration (Barroso-Castro et al., 2016).

ESC is also seen as the resources associated with the social relationship between social stakeholders to ensure gains for entities (Adler & Kwon, 2002; Nguyen & Ha, 2020). The business gets benefits from the ESC of its managers in two ways. *First*, using business ESC, managers can collect information from outside and manipulate activities accordingly to integrate the business into the environment. *Second*, managers may amend the surrounding environment through their effective collaborations(Guo, Zhao, & Tang, 2013; Y. Kim & Cannella Jr, 2008). Businesses can use their board's ESC as an instrument through which they deliver information on their behalf to important institutional players, such as government officials, regulators, media, and investors. Business managers are frequently invited to support local government, govern universities, and raise campaign funds (Y. Kim & Cannella Jr, 2008). Accordingly, this study proposes

H4. *ESC has a positive impact on NFP of SMEs*

Based on the review of existing literature, this study presents the research model in Figure 1, as follows.

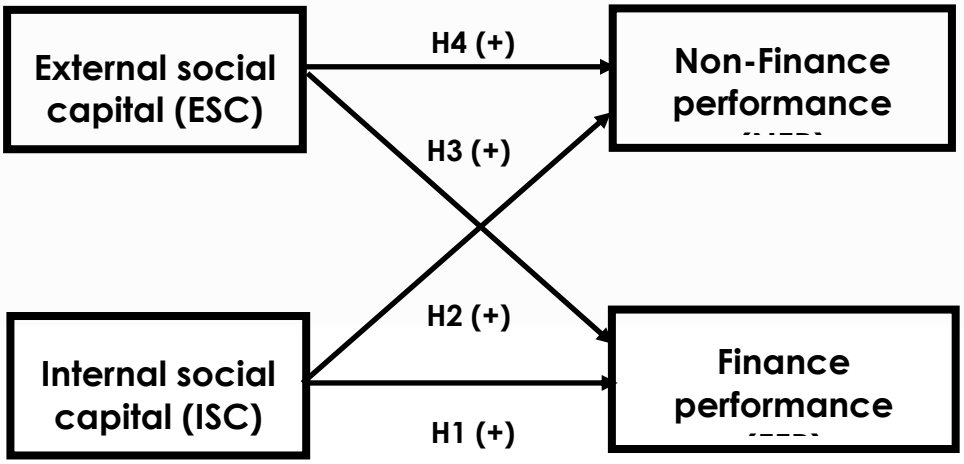


Figure 1. Research model

Next step, authors will present method as follows:

Proposed Methodology

The model's observed variables are developed based on recent studies that are closely related to this study. Specifically: ISC and ESC items adapted from (Akintimehin et al., 2019; Y. Kim & Cannella Jr, 2008); FFP and NFP items adapted from Wang, (Li et al., 2014); (Akintimehin et al., 2019). However, the scales were slightly adjusted according to the discussion of 10 experts (5 lecturers with research on SC, five business directors).

Research investigating ISC and ESC affects SMEs' performance (Finance & Non – Finance). Data were collected from a survey of 378 managers in SMEs in Ho Chi Minh City during a dialogue between SMEs and the state management agency (Ministry of Finance and the General Department of Taxation in December 2020). Respondents were asked to choose the answers on a 5-level Likert scale (1 – Strongly disagree, 2 - Disagree, 3 - Neither agree nor disagree, 4 - Agree, 5 - Strongly Agree). The number of research samples used was 378 (the survey was removed due to lack of information). SEM model analyzes data, tests research hypotheses, and pushes ISC and ESC of the model's factors. According to (Anderson & Gerbing, 1988), the process of analyzing the SEM model consists of 4 steps: (i) Cronbach's Alpha (CR); (ii) EFA; (iii) CFA; and (iv) SEM.

The observed variables with item-total correlation <0.3 will be disqualified, and the coefficient Cronbach's Alpha (CRA) ≥ 0.6 (Nunnally & Burnstein, 1994). In this study, FD ≥ 0.5 was selected because, According to Hair et al. (1998), FD ≥ 0.5 is considered practical. KMO is a criterion to consider the appropriateness of EFA, 0.5≤KMO≤1, factor analysis is appropriate. The Bartlett test considers the hypothesis of the correlation between zero observed variables in the population. If this test is statistically significant (Sig ≤ 0.05), the observed variables are correlated in the overall population (Cudeck & O'Dell, 1994), and the total variance extracted is ≥ 50% (Anderson & Gerbing, 1988; Marsh, Hau & Grayson, 2005)

TLI and CFI ≥0.9, CMIN / df ≤ 2, RMSEA ≤ 0.08 showed that the model was highly consistent with market data (Bentler, 1990; Hair, Black, Babin, Anderson, & Tatham, 2006; Marsh, Hau, & Grayson, 2005). In this study, the SEM model's indicators use the standards of (Hair, Gabriel, & Patel, 2014), namely: GFI, TLI, CFI ≥0.9, CMIN / df ≤ 3, RMSEA ≤ 0.05 to ensure high guarantee reliability, most suitable for market data.

Next step will present results:

Results

Measurement Model

Through factor analysis of reliability shows, all observed variables meet the reliability standard. Fator Internal social capital has the lowest KMO of 0.693. However, the KMO coefficient is still guaranteed to be greater than the minimum reliability in the analysis of 0.6 (Hair et al., 2014). Standardized Loading of all Items is satisfactory, has statistical significance, and has an SMC> 0.3. Alpha and CR coefficients of the factor groups are> 0.8, so it can be concluded that the scales used in the research ensure reliability (Nunnally & Burnstein, 1994; Anderson & Gerbing 1988).

Table 1.
Constructs and their measurement items

Construct	Code	Item	Standardized Loading	*SMC*	*Alpha*	*CR*	*KMO*
Internal social capital (Items adapted from Kim & Cannella, 2008; Akintimehin et al, 2019)	ISC1	Members of our organization will always keep their promises to one another.	.744	.553	.866	.873	.693
	ISC2	Members in our corporation behave in a consistent manner	.933	.870			
	ISC3	Members in our corporation are truthful in dealing with one another	.818	.669			
External social capital (Items adapted from Kim & Cannella, 2008; Akintimehin	ESC1	Our customers and we have a terrific relationship.	.746	.556	.874	.857	.836
	ESC2	Our suppliers and we have a terrific working relationship.	.675	.456			
	ESC3	We appreciate referrals from our current clients.	.771	.594			
	ESC4	Our customers have faith in the products and services we	.800	.640			

et al, 2019)		provide.					
	ESC5	Customers provide us with crucial market data and valuable business recommendations.	.665	.443			
	ESC6	Our vendors provide us with quick access to market data.	.569	.324			
Non - Finance Performance (Items adapted from Wang, Wang & Liang, 2014; Akintimehin et al., 2019)	NFP1	The quality of our product/service is comparable to that of competitors.	.658	.432	.843	.836	.795
	NFP2	In comparison to competitors, we have a high customer satisfaction rate.	.777	.604			
	NFP3	When compared to competitors, our customer preference rate is higher.	.792	.627			
	NFP4	In compared to competitors, our client loyalty rate is high.	.765	.585			
Finance Performance (Items adapted from Wang, Wang & Liang, 2014; Akintimehin et al, 2019)	FFP1	Our company's revenue earnings are compared to those of competitors.	.846	.715	.875	.864	.783
	FFP2	Our corporation market share is in comparison with that of competitors	.818	.668			
	FFP3	In comparison to competitors, our company's return on investment is high.	.697	.486			
	FFP4	The entire financial performance of our company is compared to that of competitors.	.768	.590			

Composite reliability (CR); Squared Multiple Correlations (SMC)

Source: authors' calculation, 2021

Confidence test: When the CR index is less than 0.7, a scale achieves general dependability, according to Hair, Gabriel, and Patel (2014). Table 2 reveals that all of the scales have a CR greater than 0.8. As a result, the Scales have a high level of general reliability.
Convergence test: The CR> AVE and AVE> 0.5 are required for a scale to reach convergence, according to (Hair et al., 2014). Furthermore, Anderson & Gerbring (1988) claimed that the scale reached convergent value when the scale's normalized weights were both greater than 0.5 and statistically significant (P0.05). Table 2 reveals that all plates meet the (Hair et al., 2014)and (Anderson & Gerbing, 1988) requirements (1988). As a result, all scales reach a point of convergence.
Test of distinction: The scales accomplish differentiation when the MSV index AVE and ASV AVE, according to Hair, Gabriel, and Patel (2014). Table 2 illustrates that the Scales meet the aforementioned criteria. Therefore, the Scales are able to differentiate.

Table 2.
Model Validity Measures

	CR	AVE	MSV	MaxR(H)	ESC	ISC	NFP	FFP
ESC	.857	.502	.258	.869	**.709**			

ISC	.873	.698	.291	.909	.458***	**.835**		
NFP	.836	.562	.531	.843	.508***	.537***	**.750**	
FFP	.864	.615	.531	.874	.423***	.539***	.729***	**.784**

Source: authors' calculation, 2021

Bootstrap test results give a minimal absolute CR value compared to 2 (Table 3). The difference is minimal; at the same time, it is not statistically significant at a 95% confidence level (Hair et al., 2014). Thus, it can be concluded that the estimates in the model is reliable.

Table 3.
Bootstrap test results

Parameter			SE	SE-SE	Mean	Bias	SE-Bias	CR
NFP	<---	ESC	.061	.003	.324	-.007	.004	-1.750
FFP	<---	ESC	.058	.003	.221	-.002	.004	-0.500
NFP	<---	ISC	.066	.003	.394	.009	.005	-1.800
FFP	<---	ISC	.067	.003	.435	-.002	.005	-0.400

Source: authors' calculation, 2021

ML and Bootstrap's estimated results in the linear structural model analysis showed that all relationships in the research model are statistically significant (P <10%).

After analyzing the afbusinessative factors, the author performs the theoretical model testing using linear structural model analysis (SEM) to test the causal relationship between the factors in the model. The results from the SEM analysis (Figure 2) show that the test indicators of the model all meet the test standard CFI = 0.966, CMIN / df = 2.220, TLI = 0.956, RMSEA = 0.056. Thus, the research model suggested rescue is appropriate.

Table 4.

Hypotheses validated results

Hypothesis		Expectation	Standardized Regression Weights	Value P	Results
H_1:	ESC —> NFP	Positive	.332***	.000	Acceptable
H_2:	ESC —> FFP	Positive	.223***	.000	Acceptable
H_3:	ISC—> NFP	Positive	.385***	.000	Acceptable
H_4:	ISC —> FFP	Positive	.437***	.000	Acceptable

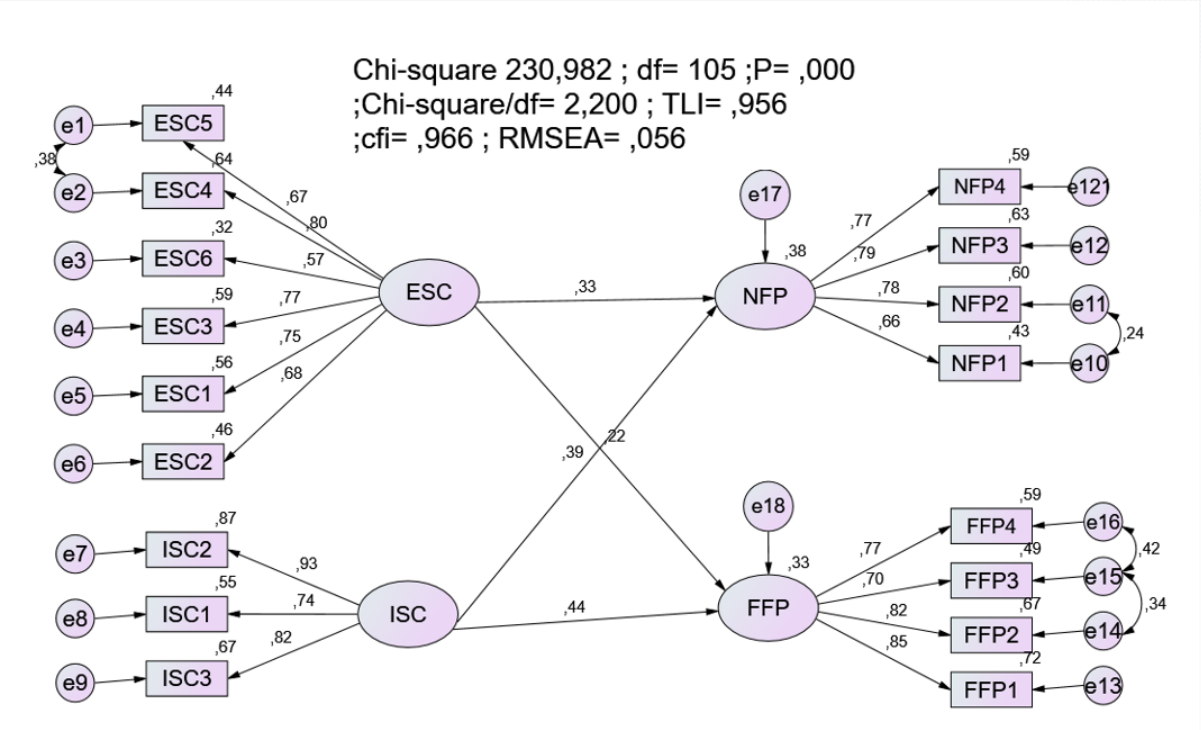
Note: *** is significant at P<1%

***Source**: authors calculation, 2021*

Accordingly, the author has tested the causal relationships between the factors in the model, showing that ISC & ESC positively impact NFP & FFP at the significance level of 1%. ISC has the strongest influence on FFP (Beta = .437), followed by ISC influence on NFP (Beta = .385) and ESC

influence on NFP (Beta = .332) ranked third, last ESC influence on FFP (Beta = .223)

Figure 2. SEM analysis



Source: authors' calculation, 2021

Case Study Discussion

Our results show that all ISC and ESC significantly affect FFP and NFP. ISC and ESC both help increase the FFP and NFP of SMEs in Vietnam. Our research conceptualizes ISC and ESC (Akintimehin et al., 2019; Granovetter, 1985; Kanini & Muathe, 2019; Nahapiet & Ghoshal, 1998). Our results provide supporting evidence of the concurrent effects of ISC and ESC on FFP and NFP (Akintimehin et al., 2019). Managers' social capital has a positive influence on corporate performance (Cuevas-Rodríguez et al., 2014; Kanini & Muathe, 2019), in which ISC has a more substantial influence than ESC (Colombo et al., 2015). Our research results provide supporting evidence regarding the improvement of the SC of business managers, which emphasizes SC within businesss.

External social capital receives greater attention than internal social capital, according to earlier research. To achieve improved company performance, we recommend that business managers focus on creating trust, sharing knowledge, experience, and information relating to business activities with colleagues. Simultaneously, trustworthiness, friendliness, and a supporting attitude toward partners, consumers, and suppliers must be bolstered. Our research fills the research gap by building a model to illustrate the ISC, ESC, and corporate performance (financial and non-financial) interactions. Our results supplement practical evidence of SC with business financial performance, while previous research found no evidence (Nguyen & Ha, 2020). Research results provide clear evidence of the role of managers' social capital in businesss' financial and non-financial performance.

Concluding Remarks and Future Research

Concluding

Most information literacy departments have revised their training curricula in recent years, but the teaching techniques have not been updated.
As a result, our paper presents a case teaching technique based on a finance case study, An Investigation into Vietnam SMEs' Use of Social Capital on Financial and Nonfinancial Operations. It's appropriate for postgraduate students.
Following that, we can observe from the example above that earlier research concentrated mostly on external social capital and financial performance of the company, while neglecting internal social capital and non-financial performance. To remedy this research gap, we propose a study model that incorporates both internal and external social capital in business financial and non-financial performance. The data back up all of the hypotheses in our study model. Internal social capital has a higher impact on a company's financial and non-financial success, according to the studies.

Practical implications

Our findings reveal fascinating information on the relationship between managers' social capital and corporate performance. Internal and external social capital, particularly internal social capital, provide real benefits to the firm. Managers are encouraged to build their own internal and external social capital by paying more attention to connections with coworkers, subordinates, and superiors, as well as fostering friendship and trust among employees, customers, suppliers, and business partners. Managers must always follow through on their pledges to customers, partners, and employees in the policies and obligations of the company. nterest, trust, information exchange, and mutual support between managers and customers inside and outside the company generate conditions that enhance financial and non-financial business performance.

Limitations and further study

The success of case study instruction is determined by the quality of the cases. Our results are consistent with previous studies, but there are still shortcomings that need attention for future research. Our study sampled using a convenient sampling method. Future research may use either random sampling or research that focuses on groups of businesss in the same industry that conbusiness our understanding. Our research contributes to research by investigating the relationship between ISC, ESC, and corporate financial and non-financial performance. However, differences in context, corporate culture, industry characteristics, and politics were not considered. This study has not examined the influence of education level, manager's position on social capital, and business performance. Further studies can be performed considering these characteristics.

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