



DETERMINANTS OF ECONOMIC AND CORPORATE SOCIAL RESPONSIBILITY PERFORMANCE OF SECURITIES COMPANIES

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ABSTRACT

It intends for this article to clarify how the business performance of securities companies is described by both economic performance and corporate social responsibility (CSR) performance. The study uses a secondary dataset of 246 observations from 82 securities companies from 2022 - 2024 which are collected by the author. The study is done on models such as Pooled-OLS, FEM, REM, and GLS. Based on the regression results, several factors have a significant impact on the economic efficiency as well as social efficiency of securities companies. The positive effects are Capital size (X1), Available capital ratio (X2), Contribution to charity, education and humanitarian funds (X8), and GDP growth (X10). Capital structure (X3) and Operating costs (X5) have a negative impact. Considering these findings, the study provides suggestions for enhancing the efficiency of securities companies operation. The analysis helps in providing relevant empirical research on the economic and corporate social responsibility performance of securities companies, which has been a limited area of empirical research. In making decisions, the insights of the study give a valuable approach to the practical application of this model to securities companies, and related organizations, and help them to consider how their economic and social impact performances can be used in strategic allocation to maximise operational performance for the business at a strategic level.

Keywords: *Economic efficiency, corporate social responsibility, securities company, social efficiency, Vietnam*

1. INTRODUCTION

On the economy, the stock market is an important gauge and it has an important role to play in a country's development. It is more than just a vehicle for mobilizing long-term investment capital, it provides stable prospects that all investors can appreciate. With a stable environment and diverse investments it also provides assistance for macroeconomic policies to be instituted and more resources to be allocated more equitably. As the process unfolds, securities firms are central to the industry as indispensable intermediaries. The development strategy of the stock market in Vietnam in the future is geared towards building a stable, secure, efficient, sustainable and internationally integrated market. Primary focus areas include enhancing risk management, stabilizing market components, quality improvement as well as market growth, green finance and sustainable financial products, promoting digitalization, modernising super-

vision using information technology and improving international integration to better access more developed markets. The stock market is expected to account for 120% of GDP by 2030.

To achieve this, Vietnam will:

- (i) speed up the restructuring of securities companies for the purposes of operational efficiency, risk management, corporate governance, and competitiveness;
- (ii) target weak firms to strengthen their financial health, as well as to develop the industry as a whole in financial, technological and human resource capacity, and expand professional services and market-making functions; and
- (iii) foster the use of financial technology in the securities market.

While a number of recent studies have looked at the economic efficiency of securities companies, less attention has been paid to that of companies' social responsibility efficiency. This gap serves as the foundation for the authors' research. The topic is theoretically and practically significant not only in Vietnam, but also in other countries which have a similar condition of stock market development.

2. RESEARCH OVERVIEW AND THEORETICAL FRAMEWORK

This paper is based on some fundamental theories. The theory Transaction Cost Economics (TCE) as proposed by (Coase, 1993) and further expanded and developed by (Williamson, 1987) argues for the balance between the internal costs associated with a given organisation's operations and the external value that results from those activities. It posits that firm growth is sustainable only up to a level in which internal coordination and organisational costs are less than market transaction costs. If internal costs escalate too much during the expansion, there would be less efficiency and performance could suffer. The analysis becomes especially relevant in the case of securities firms, where economies of scale, coordination, risk management are essential to efficiency of operations. From the point of view of business performance, capital structure and agency cost theories also have valuable implications. Traditional capital structure theory was developed by (Modigliani & Miller, 1958) and developed into that of the tax-shield idea (Modigliani & Miller, 1963), (Fama & Miller, 1972), (Harris & Raviv, 1991), (Myers, 2001). Further analysis, especially the agency cost theory of (Jensen & Meckling, 1976), emphasizes conflict of interest among owners and managers. However, manager's agency cost may decrease efficiency and value in the firm because managers often do not act in shareholders' interest. Debt may enhance performance in some instances because it can discipline management and decrease the abuse of free cash flow (Jensen, 1986), (Diamond, 1989) while it may lead to debt-based bankruptcy, but also, on the other hand and due to the risk of debt/loans, to a risk of default, financial default, loss, and mismanagement (low quality operations) and to inefficient activities (Jensen & Meckling, 1976), (Harris & Raviv, 1990), (Stulz, 1990). As a result, the performance impact of leverage on firms is determined by the characteristics of the market and firms. When looking at securities entities, these theories posit that the cost of capital, governance quality and management of resources impact on performance are also determined by their capital structure, the ownership system, and by the market, and finance general environment (Sanchez, Hassan, & Bartkus, 2013), (Wanke, Azad, Emrouznejad, & Antunes, 2019). Concentrated ownership could reduce agency costs and increase monitoring, as agents' costs. On the other hand, for larger firms, it may be that although they get better access to capital, they still need to optimize debt financing costs. Yet meanwhile, the high level of the leverage of capital might lead to riskier financial conditions for securities companies (Zhang, 2021), (Okay & Köse, 2015). Economic efficiency in this area is consequently conditioned not only in terms of profit, but also by governance (Ho & Oh, 2008), (Lin,

Chen, Chiu, & Lin, 2022), behavioural control and monetary prudence and banking prudence (IOSCO, 1998), (Ramona, 2013).

Drawing on these arguments, the Author suggests the following hypotheses:

H₁: Capital size has a positive influence on Vietnamese securities companies business efficiency

H₂: Vietnam's securities companies in business efficiency is positively affected by the ratio of available capital.

H₃: The capital structure has a positive influence on firms' business efficiency in Vietnam.

H₄: Increasing revenues positively affects the business efficiency of securities companies in Vietnam.

H₅: Business efficiency of the securities firm in Vietnam improved by operating costs.

H₆: Number of years of operation had a positive contribution to business efficiency of securities in Vietnam.

Apart from financial efficiency, the securities firms should also consider social responsibility while executing the business. Because they are financial intermediaries in a unique position in the stock market, finance services businesses cannot turn their attention only toward profit maximization and must instead adopt an increasingly social responsible business model (Freeman, 1999). The basics of corporate social responsibility (CSR) were laid down by (Bowen, 1953) and were later built on by reference with the introduction of stakeholder theory and ESG frameworks. In contemporary financial terms, ESG is now a standard indicator of how sustainable corporate performance is actually measured. Although there are several sources of empirical evidence, CSR performance and financial outcome are positively correlated (Mwangi & Jerotich, 2013), (Attig, El Ghouli, Guedhami, & Suh, 2013), (Martínez-Ferrero & Frias-Aceituno, 2015) (Belke et al., 2026), particularly in the context of financial institutions, this relationship between CSR and financial outcomes is highly conditioned and mediated, differing from context to context and from method to method of measurement (Dorfleitner, Halbritter, & Nguyen, 2015). Previous studies indicate that enhanced CSR performance can enhance credit rating, decrease financing costs, enhance governance, increase investor trust, and minimise legal and reputational risks. These effects are particularly true for securities companies that prioritize transparency, ethics, and trust. At the same time, the measurement of ESG is still uncertain and results can vary depending on scoring system and data source. At the securities and related companies, social responsibility consists of: to protect the investors through the sound risk management and the transparent disclosure of information; to respect and fulfill obligations to the government: to comply with the legislation and to pay the tax; and also to serve the society in a good manner. Such operations help to reinforce market confidence, enhance stability and support sustainable business performance over the long term. Thus, ESG is no longer just an ethical obligation but a strategic tool for sustaining growth and financial market stability.

According to this logic and in accordance to our discussion, the author further hypotheses:

H₇: The taxes paid on state budget have a positive effect on the business efficiency of securities companies in Vietnam.

H₈: Contribution of charity, education promotion, and humanitarian funds can positively affect the business efficiency of the securities companies in Vietnam.

H₉: CPI inflation positively affects the business efficiency of securities companies in Vietnam.

H₁₀: Business efficiency of securities industry in Vietnam is associated with GDP growth.

One major rule for discussion, H5 should be revisited, since usually operating costs are expected to bring an unfavorable not positive effect on efficiency unless they are treated as productive

or strategic investment. It may also be that H9 is weak theoretically because inflation does not have an absolute positive impact on business efficiency and can be negative in some situations.

3. RESEARCH METHODS AND MODELS

After over 20 years of growth, with both successes and ongoing challenges, the market development in Vietnam has seen that Vietnamese securities companies have increasingly become more responsive to the demands of investors and issuers. Having started up with five firms, a number of securities companies have grown to become over 80 securities companies in Vietnam. Some of these have achieved good business results, with owners' equity or charter capital greater than VND 850 billion. Their business operations have expanded widely and expanded rapidly and the array of the financial services offered has become more varied, varied, and wide spread. Beside their conventional service areas as securities brokerage, underwriting, proprietary trading and financial and investment consulting, the securities firms had rolled out their own variety of new products and services in the country. These include margin trading, securities pledging and other value-added financial services, thereby aiding in the diversification and upgrade of the securities sector. Nonetheless, a substantial proportion of securities companies still exhibit low operational efficiency, especially regarding financial security, corporate social responsibility, economies of scale as well as the efficiency of individual business performance. Several companies have not yet clearly defined business strategies, and no unique competitive advantages in the provision of services are yet to be identified. Investments in fundamental technology tools to underpin the operation of the enterprise continue to be inadequate. Consequently, major disparities exist in development levels of securities companies. Operational networks remain overwhelmingly centered around major metropolitan areas and have not yet spread more widely across regions. This uneven distribution affects that both investors and issuers have very limited access to finance services. Accordingly, several securities companies have sustained long losses, became stagnant, or have to liquidate, merge with other finance institutions, or go out of business entirely. Potential instability of the stock market, impact of investor & issuer interests and delay the modernization and upgrading of Vietnam securities markets caused by these problems. At the inception of the stock market, no more or less than five securities companies were established, most of them from commercial banks. As in the following years and rapidly expanding securities company's were created in Vietnam, the number of the new companies emerged to 98 firms. The aggregate number of securities companies amounted to 105 by 31 December 2009. Nevertheless, the active number of securities companies ceased to exist at 82 (Table 1) as of December 31, 2024.

Table 1. Trends in the Number and Operational Scale of Securities Companies in the Vietnamese Market During the Period 2000 – 2024

Year	Number of securities companies
2000	5
2009	105
2014	89
2015	85
2016	85
2018	85
2021	85
2022	82
2023	82
2024	82

Source: Compiled by the authors from the financial reports of securities companies

In recent years, the number of securities companies in Vietnam has seen a decreasing trend. Despite this, considering the size of its stock market, the number of securities companies in Vietnam is relatively high compared to the size of its stock market. Take in Japan for example: there are 3,951 listed companies, market capitalization is VND 638,159 billion and number of active securities companies is 254. Singapore's market capitalisation stands at USD 733.27 billion, with 776 listings and 78 securities companies. But where there is a stock market size above USD 300 billion for Vietnam, there are 82 securities companies. This comparatively large number of players increases the competitive pressure on the market and also opens up prospects for firms with strong financial capabilities to enhance their business metrics. In terms of network distribution, securities firms in Vietnam are dispersed throughout the entire network region unevenly and remain concentrated mainly in major cities such as Hanoi and Ho Chi Minh City. This geographic disparity may add to the disparities in business performance between securities companies.

Current Condition of Capital Resources in Securities Company Operations

Securities trading activity shall meet certain legal and financial requirements according to IOSCO regulations and Vietnamese law. First, minimum legal capital requirements are applied to each business task. Pursuant to the provisions of the Securities Law and Article 175 of Decree No. 155/2020/ND-CP, minimum charter capital will be set at VND 25 billion for securities brokerage, VND 50 billion for securities trading, VND 165 billion for securities underwriting, and VND 10 billion for securities investment consulting. Thus, any securities company (which plans to operate entirely with all four core business entities) must keep its charter capital to a minimum of VND 250 billion. Also, the minimum required capital for derivative securities firms varies based on their activity: at least VND 800 billion for brokerage, VND 600 billion for proprietary trading and VND 250 billion for securities investment consulting.

Table 2. Capital Status of Securities Companies in the Period 2022 – 2024
Unit: billion VND

No.	Target	2022	2023	2024
1	Total capital resources	379,906.38	483,524.78	612,896.64
2	Percentage change in total capital resources (%)		1.27	1.27
3	Owners' equity	203,438.0	233,712.4	284,343.9
4	Percentage change in owners' equity (%)		1.15	1.22
5	Average equity per securities company	2,481.0	2,850.2	3,467.6
6	Liabilities	176,468.4	249,812.4	328,552.8
7	Change in liabilities		73,343.9	78,740.4
8	Percentage change in liabilities (%)		1.42	1.32
9	Debt ratio (%)	0.46	0.52	0.54
10	Debt-to-equity ratio (%)	0.87	1.07	1.16
11	Charter capital	152,613.65	156,023.09	217,616.41
12	Changes in charter capital		3,409.4	61,593.3
13	Percentage change in charter capital (%)		1.02	1.39
14	Average charter capital per securities company	1,861.14	1,902.72	2,653.86
15	Percentage by which the average charter capital per securities company exceeds the minimum charter capital (%)	7.44	7.61	10.62

Source: Compiled and calculated by the authors from the financial reports of securities companies

According to Table 2, it is visible that as a requirement of 2024 Securities Law, the charter capital of securities company has increased over time. The total charter capital contributed as of December 31, 2022 was VND 152,613.65 billion. By the end of 2023, the total to be generated had been increased to VND 156,023.09 billion, amounting to a rise of VND 3,409.44 billion or 1.02%, as compared to December 31, 2022. As of the year-end of 2024, the total charter capital amounted to VND 217,616.41 billion (a year-on-year total capital, approximately VND 61,593.32 billion), representing 39.5% more than December 31, 2023. A securities company's average charter capital reached VND 1,861.14 billion in 2022, 7.44 times higher than the minimum capital requirement. This figure grew to VND 1,902.72 billion on average in 2023, which is a difference of 7.61 times to the Regulatory Minimum. The highest level was reached in 2024 with an average charter capital of VND 2,653.86 billion, a minimum capital amount of 10.62 times that required by the law for investment securities companies to adequately perform their core business activities.

As of December 31, 2024, SSI Securities Corporation and TCBS had the highest charter capital values with VND 19,638.64 billion, VND 19,613.22 billion, VNDirect Securities Corporation had the highest (VND 15,223.00 billion), VPBank Securities had the highest (VND 15,000.00 billion), and VIX Securities had the highest charter capital of VND 14,585.13 billion. These companies carry charter capital much greater than the minimum stipulated by regulation. This massive spike in the capital their businesses currently hold is testament to a focus on enabling growth and building more extensive activities in financial capacity through more equity to increase the overall performance of the business. On the contrary, a number of securities companies are still holding charter assets in relatively low amounts. Some of them are TCVN Securities (20.82 billion VND), HVS Securities (50.20 billion VND), PBSV Securities (135.00 billion VND), GSL Securities (135.00 billion VND), VTSS Securities (138.00 billion VND), CSI Securities (168.00 billion VND), and ASAM Securities (203.00 billion VND). These companies are not capital-poor enough to take full advantage of them, in terms of their full engagement, in the securities business as the law mandates. In addition to the expansion in charter capital, the overall assets, liabilities and equity of securities companies have greatly increased in the Vietnamese market. As indicated in Table 2, stockholder's equity of securities companies is very positive and it peaked at 2024.

Overall capital growth rates, and economy's growth rates of solvency in the short run are fairly good, and it is easy to see this trend continues to extend; liabilities have risen 1.42% against 2022 and 1.32% through 2023. This increase in financial capacity positions securities companies to better respond to increasing demand for new securities services, now as well as in the future. In the capital structure, the liability-to-total-assets ratio increased from 0.46 at end-2012 to 0.54 at end-2024 while the share of equity decreased as well. This reflects a move in the capital composition of the securities trading platforms toward a higher dependence on external funding and lower dependency on internal financing by capital mobilization conditions were more favorable compared to the previous period. In general, it is believed that the investment capacity of securities trading organizations is still limited, as most of the securities companies still have ownership equity of less than 800 billion VND or less. This is indicated by Table 3.

Table 3. Classification of Securities Companies by Equity Size

Group of securities companies	2022	2023	2024
Group 1 includes securities companies with equity capital of VND 800 billion or more (Unit: Company)	47	46	49
Proportion (%)	57.32	56.10	59.76
Group 2 includes securities companies with equity capital from VND 250 to 800 billion (Unit: Company)	18	22	22
Proportion (%)	21.95	26.83	26.83
Group 3 includes securities companies with equity capital of less than VND 250 billion (Unit: Company)	17	14	11
Proportion (%)	20.73	17.07	13.41

Source: Compiled and calculated by the authors from the financial reports of securities companies

The total number of securities trading organisations' equity capital is VND 800 billion or more, and it is growing compared to the market over the last decade. In particular, in the last year, it is found that this group rose from 27 in 2022 to 29 and reached 57.32% until 2024, accounting for around 59.76% of the total securities trading organizations for the years 2022–2024. On the other hand, the proportion of securities companies with equity amounting to less than VND 800 billion remained significantly as a significant percentage. More than a dozen companies, for instance, reported under VND 250 billion in equity capital, making up 13.41 percent in 2024. This shows that the financial capacity of most securities businesses in the Vietnamese market is relatively lower. Such asset scales and capital structures are quite different, and even among firms in the same market, there is a vast disparity between both. These disparities not only impact performance negatively in how businesses operate, but they also hinder the improvement of the general business performance. Leveraging previous work on the variables that influence enterprise business efficiency, the dependent variables of the authors' focus are ROS, ROA, ROE, and BEP. If a dependent variable is non-stationary, we take its first difference as the null condition and then we test it on the transformed series. As an example, this study employed three estimation algorithms for panel data analysis: Pooled Ordinary Least Squares (Pooled OLS), Fixed Effects Model (FEM), and the Random Effects Model (REM). The Hausman test is used to estimate which is more suitable and will also classify the results as FEM or REM. Following selection of the best model, the authors run diagnostic tests to detect deficiencies in the model and the adjustments required. The Generalized Least Squares (GLS) method is also considered in case of any shortcomings which will prove to be used as a very suitable method for heteroskedasticity and autocorrelation. Based on the above methods, the authors constructed the model of the variables influencing business performance of securities firms in the Vietnamese industry applying multivariate panel regression model and then used the statistical programs of Stata 14.

$$Y_{it} = \beta_0 + \beta_1 X_{i1} + \beta_2 X_{i2} + \dots + \mu_i$$

Correspondingly, the selected dependent variables are ROS, ROA, ROE, and BEP. The study will consider the following four models:

$$ROS_{ijt} = \beta_{0j} + \beta_{1j} X_{ij} + \beta_{2j} X_{ij+1} + \dots + \mu_{ij}$$

$$ROA_{ikt} = \beta_{0k} + \beta_{1k} X_{ik} + \beta_{2k} X_{ik+1} + \dots + \mu_{ik}$$

$$ROE_{ilt} = \beta_{0l} + \beta_{1l} X_{il} + \beta_{2l} X_{il+1} + \dots + \mu_{il}$$

$$BEP_{imt} = \beta_{0m} + \beta_{1m} X_{im} + \beta_{2m} X_{im+1} + \dots + \mu_{im}$$

In which:

$-\beta_0, \beta_{0j}, \beta_{0k}, \beta_{0l}, \beta_{0m}$ are the Intercepts in the models.

$\beta_1(j, k, l, m), \beta_2(j, k, l, m), \dots$ are the regression coefficients, and $\mu_i(j, k, l, m)$ is the residual. The OLS model makes several assumptions such as linearity, independence, homoscedasticity, normality, and the absence of multicollinearity. As these considerations tend to be challenging to achieve when applying secondary financial data, the OLS was excluded from the empirical model by the authors. The procedure for testing the models used in this paper is by descriptive statistics of the variables, multicollinearity checking, autocorrelation testing, heteroskedasticity checking, estimation model selection and correlation analysis.

Research Data

Research studies were conducted on behalf of the authors based in Vietstock.vn, Gso.gov.vn, and the latest securities firm annual reports, both in Vietnam. The period for data collection lasted for three years (from 2022 to 2024). Sample size matches (Bollen, 1989) and (Tabachnick, 2007) recommended criteria. This approach is justified, since the previous literature around business performance in corporate social responsibility (CSR) like (Ben Amar & Chakroun, 2018); (Nizam, Karim, Rahman, & Sarmidi, 2020); (Okafor, Adeleye, & Adusei, 2021); (Yi, Zhang, & Xiang, 2022); (Farzana, Samsudin, & Hasan, 2024); (Kanimozhi & Sengottuvel, 2024) all used panel data over a three-year period, and earlier studies done have widely included panel data over the same time period, which was a lot of research on CSR in corporate performance. Simultaneously, the number of firms in the sample is large enough to facilitate an elaborate econometric analysis. CSR activities also change rapidly over time: limiting the research period would not only ensure a reliable data collection period but also keep analysis in line with changing social situation.

Selection Of Independent Variables

The independent variables are capital size, capital adequacy ratio, capital structure, revenue growth, operating expenses, the taxes that are paid to the state budget, and contributions to charity, educational, and humanitarian funds. The control variables are period of operation, CPI inflation and GDP growth. Variable naming, coding, and calculation formula specification were performed as shown in Table 2.

More to the point, capital size refers to the size or scale of the business and can be measured with a number of employees, revenue, total assets, charter capital, or market impact. This reflects the level of operational capacity for, resources available behind, and influence of a business in its industry or within the broader economy.

Capital is required for the formation of a securities company. Under securities law, each securities company, upon establishment and throughout its business operations, must maintain capital equal to or greater than the statutory minimum and ensure the required capital adequacy ratio in accordance with state regulations. Certain business operations, including securities trading and underwriting, may require significant capital in order to finance a significant amount of securities and to offset the risks associated with constant fluctuations in the market value of securities. Other activities which take up relatively little capital securities brokerage and investment advisory services, for example also do not. However, it may not always seem enough upfront: the size and model of the company will factor into the initial capital demands. Consequently, the investment size establishes a good basis for maximizing industry-level business performance and allows securities corporations to surpass competitors through good business strategies. Besides, day-to-day operations of a securities company can impose high cost on core technology systems and employee wages, interest payments, and other operating needs, that have to be funded by company capital resources. An adequate amount of capital is required, otherwise securities companies may be financially distressed, have obsolete technology, or be under the influence of employee insecurity, a damaged reputation among creditors,

and a limiting on the financial activities of the business. These difficulties can in turn eventually drive the company to be dissolved, merged or even ceased to operate. The efficiency of capital size and financial safety are measures of the capabilities of a securities company to control the size and use of its fund. And, above all, it affects the quality of the assets financed, as well as the company's profitability, solvency and risk resistance.

Capital Adequacy Ratio

Capital adequacy ratio measures the solvency of a securities company with respect to the repayment of debt and the ability to assume risk exposure during the operational process. Because the accounting systems in the various countries differ in applying the same ratio according to accounting rules different than the US, the calculation of this ratio could differ. Usually, though, it is calculated on assets of different risk and on assets that can be easily transformed into cash. Capital adequacy is determined by subtracting asset deductions from total asset value and then adding any relevant adjustments or increases.

Capital Structure

Total liabilities divided by liquid assets defines capital structure. This shows a firm's capacity to satisfy payment obligations to investors at any given time. It indicates how much liquid assets are financed by liabilities. If, during the reclassification and revaluation of assets for payment purposes, excluding assets that cannot be converted into cash, the resulting asset value is lower than the liabilities due in the same period, the securities company may find itself incapable of paying its shareholders on time.

Revenue Growth

A securities company's income is due in part to the services it engages in (proprietary trading, brokerage, underwriting, investment advisory, a lot of others). Revenue Growth Rate means the change in revenue over the period, in the current term versus the earlier year.

Operating Expenses

Operating Expenses of a Securities Company comprise of Losses as a Result of Proprietary Trading, Expenses to trade securities and Costs from services. And for business to flourish, this spending must be balanced at appropriate and ideal levels.

Operating Time

Operating time, is the period during which a securities company has functioned in an official capacity, the period during which a company has been given a license to carry out and operate a securities business or certificate of registration issued by the State Securities Commission.

Corporate Social Responsibility Variables

In order to evaluate the level of corporate social responsibility, the authors choose two measures, taxes paid to the state budget, and contributions to charitable, educational, and humanitarian funds. As a result, in the most updated context, the social dimension on the commercial performance of securities companies has attracted increasing attention from investors, corporate collaborators, issuers and other social actors. From a state perspective, social responsibility is seen as a commitment to paying taxes and fees to the state budget of the company. From community perspective, this translates into voluntary donations, e.g., disaster relief for disaster areas, such as water and food disaster relief in the case of national disasters or floods, contributions to the Covid-19 fund, support for policy beneficiary families and vulnerable

groups; employment of disabled persons; and support to local social welfare schemes in the locality. For employees, concern for social responsibility also entails that wage levels and benefits should be equal or more than those required for social insurance, health insurance, unemployment insurance, and trade union benefits and should equal or higher, with respect to state regulations and industry standards, respectively.

Macroeconomic Conditions

The business performance of securities firms is affected by broader economic conditions and factors like government economic development policy, inflation, exchange rates, unemployment, international financial situation, and economic growth. A expanding economy presents large opportunities for securities firms to enhance performance, generate more earnings, lower costs and grow. On the other hand, if an economy is stagnant with high inflation, large trade deficits and weakened purchasing power, it becomes harder for investment opportunities, thus, limiting the ability of securities companies to gain new customers, keep existing ones, generate more revenue, and find profitable investments.

Consumer Price Index (CPI)

The average price of a common basket of products and services purchased by consumers, which changes over time. It is the inflation measure of choice, the best known one. Rising prices push up the cost of living and lower purchasing power. Further, the level of national economic development (commonly quantified by Gross Domestic Product (GDP)) directly influences the business performance of securities companies. GDP is the total market value of all final goods and services produced within a country or region during a given period, usually a year or a quarter. The market size and the number of investors and intermediaries; the sophistication of the management technology; the other aspects of the operation of securities companies in which such conditions of development may arise; and so on form the fundamental basis of development.

Table 4. Descriptive Statistics of Variables in the Model of Business Efficiency of Securities Companies

Indicators	Definition and Measurement	Source
Firm size (X1)	Natural logarithm of total assets	Financial statements
Capital adequacy ratio (X2)	The percentage ratio between the value of available capital and the total value of risk.	Financial safety reports published by the State Securities Commission of Vietnam
Capital structure (X3)	Total debt/Liquid assets	Financial statements
Revenue growth (X4)	Difference in revenue this year compared to last year/revenue last year	Financial statements
Operating expenses (X5)	Operating expenses/net revenue	Financial statements
Firm age (X6)	Natural logarithm of (Fiscal year – Year of establishment)	Financial statements
Tax contribution (X7)	Natural logarithm of total taxes paid	Financial statements
CSR contribution (X8)	Natural logarithm of donations to charity and social funds	Financial statements
CPI Inflation (X9)	Annual CPI growth rate (%)	Published by the General Statistics Office of Vietnam
GDP growth (X10)	Annual GDP growth rate (%)	Published by the General Statistics Office of Vietnam

Source: Synthesized by the authors from the theoretical basis

In the current situation, as the economy of countries grow in their integration into the global market, stock market development goes beyond the national market. Even though Vietnam's securities companies are confronted by a lot of issues from international securities firms, Vietnam securities companies benefit from opportunities to extend their foreign business. Consequently, the size and organisation of their customer base has substantially expanded leading to better business performance.

4. REGRESSION MODEL TESTING RESULTS AND DISCUSSION

Because the time-dimensional data set is very short (T=3), unit root tests such as Fisher-ADF are unreliable. Therefore, as is customary in short data set studies, we proceeded with estimations without prior unit root tests. Subsequently, the authors performed model testing and corrected any deficiencies in the models. The results of the regression model, used to evaluate and test the factors affecting the business efficiency of securities companies in the Vietnamese market, are shown in Table 5.

Table 5. Regression Results for the Model with ROS as the Dependent Variable, Examining Factors Affecting the Business Efficiency of Securities Companies in the Vietnamese market

Variables	FEM model	REM model	GLS model
X1	86.28**	11.62	6.75***
	(2.22)	(1.11)	(3.62)
X2	-0.0087	-0.0038	0.0048
	(-0.17)	(-0.11)	(0.77)
X3	-76.46	-40.69	-24.37**
	(-0.57)	(-0.58)	(-2.12)
X4	0.0484	0.0613	0.0260
	(0.77)	(1.03)	(1.29)
X5	-176.00***	-191.50***	-121.70***
	(-26.13)	(-33.98)	(-13.09)
X6	-41.37	0.545	-0.291
	(-1.33)	(0.14)	(-0.37)
X7	7799.30	-3057.60	-1507.70
	(0.64)	(-0.72)	(-1.33)
X8	0.000	999.3**	288.3*
	(0.00)	(1.69)	(1.75)
X9	12.320	0.626	0.012
	(0.32)	(0.12)	(0.38)
X10	12.38	0.626	0.012
	(2.33)	(0.26)	(0.38)
_cons	-1878.40*	-177.40	-72.83
	(-1.85)	(-0.59)	(-1.11)
N	246	246	246
R-sq	0.863		

Note: Significance level: *10% ; **5% ; ***1%

Source: Compiled and calculated by the authors from the financial reports of securities companies

Based on the data in the table, R-sq has a value of 86.30%, indicating that the variables included in the model adequately explain the variation in the dependent variable ROS and that the

model meets the testing requirements. The test results: Mean VIF: 1.45, Hausman test (Fem; Rem): $\chi^2 = (b-B)'[(V_b-V_B)^{-1}](b-B) = 40.03$; Prob> $\chi^2 = 0.0000$ (p-value<5%), Wooldridge test for autocorrelation in panel data: $F(1, 59) = 0.098$; Prob > F = 0.7549 (p-value>5%), Modified Wald test for groupwise heteroskedasticity in the fixed effect regression model: Prob> $\chi^2 = 0.0000$ (p-value<5%).

The equation is expressed as: $ROS = -72.83 + 6.75*X1 - 24.37*X3 - 121.70*X5 + 288.3*X8$
 Variables X1 and X8 have positive coefficients ($\beta > 0$), indicating a positive correlation with ROS, thereby supporting hypotheses H1 and H8. At the same time, variables X3 and X5 have negative coefficients ($\beta < 0$), indicating a negative correlation with ROS, thus rejecting hypotheses H3 and H5 (Table 6).

Table 6. Regression Results of the Model with ROA as the Dependent Variable for Factors Affecting the Business Efficiency of Securities Companies in the Vietnamese Market

Variables	FEM model	REM model	GLS model
X1	-0.0337	0.0026	0.0041*
	(-0.30)	(0.14)	(-0.20)
X2	0.000048	0.000035	0.000041
	(-0.32)	(-0.54)	(-0.60)
X3	-0.1640	-0.0088	0.0441
	(-0.43)	(-0.07)	(0.35)
X4	-0.0000611	0.000002	0.000009
	(-0.34)	(0.01)	(0.07)
X5	-0.202***	-0.185***	-0.187***
	(-10.58)	(-15.68)	(-15.64)
X6	-0.0265	0.000664	0.00235
	(-0.30)	(0.10)	(0.29)
X7	26.42	9.11	10.92
	(0.76)	(0.89)	(1.18)
X8	0.000	0.0794	0.0867*
	(0.00)	(0.05)	(0.09)
X9	10.30	0.101	0.010
	(0.30)	(0.10)	(0.38)
X10	10.38	0.101	0.010
	(0.33)	(0.01)	(0.38)
_cons	0.712	-0.251	-0.157
	(0.25)	(-0.44)	(-0.27)
N	246	246	246
R-sq	0.521		

Note: Significance level: *10% ; **5% ; ***1%

Source: Compiled and calculated by the authors from the financial reports of securities companies

From the data in the table, R-sq has a value of 52.10%, indicating that the variables included in the model adequately explain the variation in the dependent variable ROA, and that the model meets the testing requirements. The test results: Mean VIF: 1.32, Hausman test (Fem; Rem): $\chi^2(5) = (b-B)'[(V_b-V_B)^{-1}](b-B) = 2.71$; Prob> $\chi^2 = 0.7449$ (p-value>5%), Wooldridge test for autocorrelation in panel data: $F(1, 59) = 487.797$; Prob > F = 0.0000 (p-value<5%), Modified Wald test for groupwise heteroskedasticity in the fixed effect regression model: Prob> $\chi^2 = 0.0000$ (p-value<5%).

The equation is expressed as: $ROA = -0.157 + 0.0041*X1 - 0.187*X5 + 0.0867*X8$

Variables X1 and X8 have positive coefficients ($\beta > 0$), indicating a positive correlation with ROA, thereby supporting hypotheses H1 and H8. In contrast, variable X5 has a negative coefficient ($\beta < 0$), indicating a negative correlation with ROA, providing a basis to reject hypothesis H5 (Table 7).

Table 7. Regression Results of the Model with ROE as the Dependent Variable for Factors Affecting Business Efficiency of Securities Companies in the Vietnamese Market

Variables	FEM model	REM model	GLS model
X1	-0.0286	0.0083	0.0037*
	(-0.25)	(0.46)	(1.21)
X2	0.000047	0.000041	0.000035*
	(-0.31)	(-0.62)	(-0.51)
X3	-0.0991	0.0416	0.0998
	(-0.25)	(0.33)	(0.71)
X4	-0.000061	0.000006	0.000014
	(-0.33)	(0.04)	(0.10)
X5	-0.216***	-0.197***	-0.198***
	(-11.03)	(-16.31)	(-16.73)
X6	-0.0195	0.000536	0.00186
	(-0.22)	(0.08)	(0.26)
X7	24.87	10.39	11.07
	(0.70)	(1.00)	(1.16)
X8	0.000	-0.0940	0.210*
	(0.00)	(-0.06)	(-0.22)
X9	02.31	5.021	1.021
	(1.31)	(1.02)	(1.38)
X10	02.38	1.021	1.021
	(1.33)	(1.02)	(1.38)
_cons	0.513	-0.428	-0.351
	(0.17)	(-0.73)	(-0.68)
N	246	246	246
R-sq	0.543		

Note: Significance level: *10% ; **5% ; ***1%

Source: Compiled and calculated by the authors from the financial reports of securities companies

From the data in the table, R-sq has a value of 54.30%, indicating that the variables included in the model adequately explain the variation in the dependent variable ROE, and that the model meets the testing requirements. The test results: Mean VIF: 1.08, Hausman test (Fem; Rem): $\chi^2(5) = (b-B)'[(V_b - V_B)^{-1}](b-B) = 2.90$; Prob> $\chi^2 = 0.7160$ (p-value>5%), Wooldridge test for autocorrelation in panel data: $F(1, 59) = 349.457$; Prob > F = 0.0000 (p-value<5%), Modified Wald test for groupwise heteroskedasticity in the fixed effect regression model: Prob> $\chi^2 = 0.0000$ (p-value<5%).

The equation is expressed as: $ROE = -0.351 + 0.0037*X1 + 0.000035*X2 - 0.198*X5 + 0.210*X8$

Variables X1, X2, and X8 have positive coefficients ($\beta > 0$), indicating a positive correlation with ROE, thereby supporting hypotheses H1, H2, and H8. At the same time, variable X5 has a negative coefficient ($\beta < 0$), indicating a negative correlation with ROE, and rejecting hypothesis H5 (Table 8).

Table 8. Regression Results of BEP-Dependent Models of Factors Affecting the Business Efficiency of Securities Companies in the Vietnamese Market

Variables	FEM model	REM model	GLS model
X1	-0.0404	0.0031	0.0029*
	(-0.36)	(0.18)	(-0.15)
X2	0.000044	0.000043	0.000053*
	(-0.30)	(-0.67)	(-0.92)
X3	-0.1490	0.0291	0.0551
	(-0.39)	(0.24)	(0.56)
X4	-0.000060	0.0000001	0.000006
	(-0.34)	(0.00)	(0.04)
X5	-0.203***	-0.186***	-0.188***
	(-10.60)	(-15.76)	(-15.91)
X6	-0.0257	0.0011	0.0022
	(-0.29)	(0.17)	(0.35)
X7	26.66	8.759	10.45
	(0.77)	(0.86)	(1.17)
X8	0.000	0.101	0.145*
	(0.00)	(0.07)	(0.19)
X9	03.31	5.021	2.021
	(1.31)	(6.02)	(9.38)
X10	03.38	9.021	0.021*
	(0.33)	(3.02)	(2.38)
_cons	0.891	-0.255	-0.155
	(0.31)	(-0.44)	(-0.28)
N	246	246	246
R-sq	0.522		

Note: Significance level: *10% ; **5% ; ***1%

Source: Compiled and calculated by the authors from the financial reports of securities companies

From the regression results presented in the table, the R-squared value is 52.20%, indicating that the variables included in the model explain a substantial proportion of the variation in the dependent variable, BEP, and that the model is adequate for empirical analysis. The diagnostic test results are as follows: the mean VIF is 1.82, suggesting no serious multicollinearity; the Hausman test yields $\chi^2(5) = 2.79$ with $\text{Prob} > \chi^2 = 0.7329$ ($p > 0.05$), indicating that the Random Effects Model is more appropriate than the Fixed Effects Model; the Wooldridge test for autocorrelation in panel data reports $F(1, 59) = 558.719$ with $\text{Prob} > F = 0.0000$ ($p < 0.05$), confirming the presence of autocorrelation; and the Modified Wald test for groupwise heteroskedasticity in the fixed effects model shows $\text{Prob} > \chi^2 = 0.0000$ ($p < 0.05$), confirming heteroskedasticity. Therefore, the use of GLS is justified to obtain efficient estimates.

The estimated equation is expressed as follows:

$$\text{BEP} = -0.155 + 0.0029X1 + 0.000053X2 - 0.188X5 + 0.145X8 + 0.021X10$$

Variables X1, X2, X8, and X10 have positive coefficients ($\beta > 0$), indicating a positive relationship with BEP and supporting hypotheses H1, H2, H8, and H10. By contrast, variable X5 has a negative coefficient ($\beta < 0$), indicating a negative relationship with BEP and leading to the rejection of hypothesis H5.

By synthesising the regression results, it can be concluded that five main factors affect the business performance of securities companies in the Vietnamese market during the period 2022-2024. Specifically, capital size (X1), available capital ratio (X2), contributions to charitable, educational, and humanitarian funds (X8), and GDP growth (X10) have positive effects on business performance. In contrast, capital structure (X3) and operating costs (X5) exert negative effects.

Discussion Of Regression Results

Factors Positively Affecting The Business Efficiency Of Securities Companies In The Vietnamese Market

Capital size (X1)

The regression results indicate that the business efficiency of securities companies in the Vietnamese market during 2022-2024 is positively affected by capital size, with statistical significance at the 10% level and a positive β coefficient. This implies that, *ceteris paribus*, an increase in the size of a securities company is associated with an improvement in business performance. This finding is consistent with many previous studies, particularly with the interpretation of (Jensen & Meckling, 1976), who argued that larger firms tend to establish more effective internal control systems and supervisory mechanisms, thereby reducing agency costs between shareholders and managers. At the same time, according to capital structure trade-off theory, large-scale enterprises benefit from greater diversification and relatively lower financial distress costs. In the context of the Vietnamese stock market, larger capital size enables securities companies to expand activities such as proprietary trading, underwriting and margin trading, while also investing in core technology and improving the quality of human resources. As a result, profitability is enhanced. This finding reinforces the view that capital size is a structural advantage that generates economies of scale.

Available Capital Ratio (X2)

The regression results show that the available capital ratio positively affects the business efficiency of securities companies, with statistical significance at the 10% level and a positive β coefficient. These findings are consistent with previous studies and reflect the Vietnamese context, in which securities companies with high available capital and low levels of risky assets tend to perform better. Assets excluding risk refer to the total value of existing assets and net assets owned by the securities company, including increases not recorded on the balance sheet but which can be mobilized and converted into cash immediately to meet payment obligations, minus assets that are difficult to mobilize or convert into cash quickly. Therefore, the capital adequacy ratio depends on the ability of a securities company to absorb risks and limit losses arising from market conditions and internal operations. In other words, a high capital adequacy ratio reflects improved asset quality and lower risk exposure, thereby enhancing business efficiency.

From the perspective of capital structure trade-off theory, the optimal capital structure must balance the benefits of debt against the costs of financial distress. A high capital adequacy ratio reflects strong financial capacity and greater resilience to market risks, thereby reducing the probability of bankruptcy and related financial costs. From an agency cost perspective, a high level of capital safety also reduces conflicts of interest between shareholders and creditors, limiting incentives for excessive risk shifting. This is particularly important in the context of the volatile Vietnamese market in the post-COVID-19 period (Jensen, 1986).

Contributions To Charitable, Educational, And Humanitarian Funds (X8)

The positive β coefficient obtained in the testing models indicates that contributions to charitable, educational, and humanitarian funds have a positive effect on the business performance of securities companies in the Vietnamese market. In other words, at the 10% significance level and holding other factors constant, higher levels of contribution to such funds are associated with improved business performance. This result can be explained through stakeholder theory, according to (Freeman, 1999), which suggests that businesses create sustainable value when they harmonize the interests of multiple stakeholders. Corporate social responsibility activities help enhance corporate reputation, strengthen investor confidence, and reduce reputational risk. From an agency cost perspective, transparency and social responsibility also reduce information asymmetry, thereby improving long-term efficiency. This finding indicates that CSR can function as an intangible resource that creates competitive advantage.

GDP Growth (X10)

The positive β coefficient obtained from the models indicates that GDP growth has a positive impact on the business efficiency of securities companies in the Vietnamese market. In other words, at the 10% significance level and assuming other factors remain unchanged, higher GDP growth is associated with improved business efficiency. During the 2022–2024 period, which may be considered a post-COVID-19 recovery phase, the business cycle entered a period of relative stability, creating favorable conditions for economic growth. As employment opportunities and income levels improved, investors had more capital available for stock market participation, thereby helping securities companies improve business performance.

Factors Negatively Affecting The Business Efficiency Of Securities Companies In The Vietnamese Market

Capital structure (X3)

The regression results indicate that capital structure has a negative effect on the business efficiency of securities companies, with statistical significance at the 10% level. This suggests that an increase in the ratio of debt to total assets leads to a decline in business efficiency. This finding is consistent with the Vietnamese context, where securities companies, in order to meet substantial capital requirements for business operations, have increasingly relied on debt capital mobilized from credit institutions and external lenders. Although such capital can provide leverage and potentially improve efficiency, in many cases the resulting returns are insufficient to offset interest expenses and liquidity risks, thereby reducing business efficiency, especially for small-scale securities companies.

According to agency cost theory, when leverage exceeds the optimal threshold, interest costs and financial distress risks outweigh the tax-shield benefits of debt. In Vietnam, many securities companies increase borrowing to finance margin trading and proprietary trading, but the profits generated are often insufficient to cover capital costs, especially for smaller firms. High debt levels also intensify shareholder-creditor conflicts and may encourage excessive risk-taking, thereby impairing business performance. This finding suggests that the leverage ratio of many securities companies may already exceed the optimal level.

Operating Costs (X5)

The regression results indicate that operating costs have a negative effect on the business efficiency of securities companies, leading to the rejection of hypothesis H5. This is consistent with the practical situation in Vietnam, where operating costs include expenses related to proprietary trading, brokerage, underwriting, securities issuance agency activities, securities

custody, and financial advisory services. The higher these costs are, the lower the business efficiency of securities companies. From the perspective of agency cost theory, high operating costs may also reflect resource waste or inefficient management. In the highly competitive environment of the Vietnamese stock market, effective cost control in brokerage, proprietary trading, and underwriting is therefore a key determinant of profitability.

Finally, the variables of revenue growth, operating time, taxes, and inflation are not statistically significant. This suggests that long operating experience or increased revenue do not automatically translate into higher efficiency unless they are accompanied by a sound capital structure and effective governance mechanisms.

In summary, the results confirm that the business performance of Vietnamese securities companies is simultaneously influenced by capital structure, agency cost control mechanisms, CSR factors, and macroeconomic conditions. In particular, the empirical evidence suggests that current financial leverage tends to exceed the optimal threshold, whereas capital safety and capital size contribute positively to efficiency. These findings have important implications for securities companies, suggesting the need to strengthen financial capacity, restructure capital, improve professional expertise, enhance risk management, and promote corporate social responsibility in the context of Vietnam's rapidly developing financial market.

5. POLICY IMPLICATIONS FOR SECURITIES COMPANY MANAGERS

Solutions to improve economic efficiency in business operations

The research results, including the situation analysis and the regression model, indicate that the business performance of securities companies operating in the Vietnamese market remains relatively low. This significantly affects both business outcomes and the ability of firms to effectively meet the needs of investors and issuers. To improve business performance, the following measures should be considered.

First, securities companies need to enhance their financial potential. This can be achieved through several directions.

Build a reasonable dividend strategy.

At present, most securities companies are in a growth phase. However, growth is not always beneficial, as excessively rapid expansion without effective management may result in low efficiency and even financial collapse. At the same time, the growing need for investment capital requires companies to retain a larger share of after-tax profits in order to remain proactive in business operations.

Issue New Shares

Securities companies may raise capital by offering shares to existing shareholders in proportion to their ownership or by conducting public offerings. This approach can reduce capital costs and protect the interests of current shareholders, thereby helping to avoid losses associated with declining market prices. Companies must clearly determine the required amount of capital and the issuance price in accordance with ownership ratio requirements, and then issue subscription rights to shareholders. In addition, issuing shares to third parties, including employees through employee stock ownership programs, business partners, and financial institutions, can further strengthen financial capacity and improve employee commitment to the company.

For unlisted securities companies, another option is to increase financial potential through an initial public offering (IPO). This is a highly important capital mobilization channel. The conditions for conducting an IPO include a minimum charter capital of VND 30 billion, profitable

business operations in the two preceding consecutive years without accumulated losses, at least 100 non-major shareholders, and at least 15% of voting shares held by public investors, or 10% for companies with charter capital exceeding VND 1,000 billion. In addition, pre-IPO major shareholders must commit to holding at least 20% of charter capital for at least one year.

Promote Capital Mobilization Through Corporate Bond Issuance

Bonds are an important instrument for mobilizing capital and improving business efficiency. Bond issuance offers several advantages: it can generate larger amounts of capital than borrowing from commercial banks; its cost is often lower than that of issuing common or preferred shares or relying on bank loans; it does not require owners to share management control with bondholders; and it enables securities companies to operate more proactively than when depending on bank loans. This is an appropriate financing channel for companies that seek capital without diluting ownership.

Improve The Ability To Mobilize Bank Loans

This solution is particularly suitable for small securities companies with weak performance, weak cash flow, or limited capital, as well as medium-sized firms seeking to strengthen their credit standing and expand the use of borrowed funds. To create a favorable credit position, a company needs to maintain low current debt levels or demonstrate strong business prospects to commercial banks. This requires companies to disclose information publicly and transparently to the market.

Second, securities companies must strengthen their risk management capacity. Risk management is a fundamental basis for improving business efficiency. Companies should establish a risk management system with a clear separation of functions and responsibilities, an internal control framework, and risk limits for each department and employee. They should also develop models for measuring and quantifying risk in order to implement timely mitigation measures.

Establish A Substantive And Effective Risk Management System

The risk management system of a securities company must be capable of identifying, measuring, controlling, and financing risks effectively, especially material risks, while ensuring continuous compliance. Such a system should operate independently, objectively, consistently, and honestly.

Identify And Manage Risks Through Specific Limits

Without measurement, risks cannot be assessed or managed effectively. Risk limits should be applied to each type of risk, product line, employee group, individual employee, and branch or department. Risks should also be quantified regularly and continuously, with appropriate limits adjusted accordingly.

Third, securities companies should improve their professional expertise.

Human resources are among the most important assets of securities companies. Managers should therefore develop strategies to enhance both the quantity and quality of personnel in line with current and future job requirements.

Develop A Long-Term Human Resource Strategy

A human resource strategy serves as a roadmap for the effective use of personnel. To ensure that HR policies produce optimal outcomes, employees should be treated as strategic partners in the communication and implementation of such plans.

Establish Clear Qualification Standards and Job Descriptions

Securities companies should regularly analyze the scale, structure, and quality of their human resources in terms of attitude, skills, and knowledge. Quantitative criteria should be developed to ensure that personnel are appropriately qualified for each task, including compliance with certification requirements set by state agencies. Relevant criteria include academic qualifications, the ability to design and adjust work processes, soft skills, foreign language proficiency, information technology competence, and adherence to professional ethics.

Recruit Market Research and Analysis Staff

To provide the best products and services to investors, issuers, and other partners, securities companies need to prioritize the recruitment and development of market research and analysis personnel. This includes developing a strategy to recruit experts domestically and internationally, establishing stable research units within the organizational structure, providing sufficient infrastructure and equipment, and building a service quality assessment system.

Implement Regular Centralized And Online Training

As the stock market continues to evolve in both scale and sophistication, securities companies must continuously innovate in order to meet increasingly demanding service quality standards. Regular training is therefore essential.

Design A 3Ps Compensation System

In addition to creating a positive work environment, employee compensation is a decisive factor in attracting, retaining, and effectively utilizing high-quality human resources. Securities companies in Vietnam may adopt a 3Ps salary system based on position, personal capacity, and performance.

Ensure Compliance With A Code Of Ethics

Securities companies in Vietnam should align with international standards when developing and improving their codes of professional conduct, in accordance with guidance issued by the Vietnam Securities Association. At the company level, a code of ethics should form part of the corporate culture and guide interactions among departments and with investors in a manner that protects stakeholder interests and complies with legal requirements. This is essential because the business performance of securities companies is closely linked to sustainable development. Fourth, securities companies need to plan an optimal capital structure. Both theory and practice suggest that the capital structure of many securities companies operating in the Vietnamese market is suboptimal, which affects long-term financial decisions and the ability to expand services provided to investors.

Solutions To Improve The Effectiveness Of Corporate Social Responsibility

In the current context, ESG and CSR factors are becoming increasingly important and play a vital role in shaping the business performance of securities companies. CSR contributes significantly to the formation of a favorable corporate image and may be considered a form of intangible asset accumulation that provides protection against adverse events, thereby improving business efficiency. Accordingly, the following solutions are proposed.

Establish a CSR Strategy for Securities Companies

The implementation of social responsibility has become an indispensable part of the development strategy of securities companies operating in the Vietnamese market. The relationship

between CSR and business efficiency is reflected in the benefits created for all participating parties, particularly through increased competitiveness, stronger branding, and closer alignment with social interests. Investors and issuers are more likely to value and accept services that incorporate a social responsibility dimension, which can positively affect community trust.

Improve Responsibility Toward Investors and Issuing Organisations

Securities companies, together with consulting organizations, issuing agents, depository agents, bond transfer agents, and other service providers, should coordinate with issuing enterprises and investors to ensure contractual commitments and preserve their reputation in the market. This also requires improving the quality of human resources and the professional ethics of brokerage staff in order to provide full support to investors and issuers.

Enhance Responsibility Toward Employees

Positive relationships should be built between employees and all levels of management, emphasizing openness, listening, and employee participation in organizational processes. Employee engagement forms the basis of a healthy work environment in which the organization can grow collectively. Companies should also implement comprehensive compensation and benefits systems, including bonuses, benefits, and employee stock ownership programs, in order to align employee interests with those of the company. This helps attract, retain, and develop talented and committed employees over the long term. In addition, firms should develop programs aimed at improving employee health and well-being. Policies such as a five-day workweek, 14 days of annual leave, and supplementary insurance can help employees better balance work and personal life.

Participate In Community and Charitable Activities

Charitable activities undertaken by securities companies may take various forms, including donations, charity rice shops, and free medical examinations. These activities provide tangible benefits to the community and support disadvantaged individuals in improving their living conditions. The participation of securities companies in charitable and social activities reflects the level of commitment between the organization and the community and has become an important aspect of corporate identity, generating benefits for both the company and society.

6. CONCLUSION

This study provides a broad and comprehensive analysis that enriches both the theoretical and practical understanding of economic efficiency and corporate social responsibility performance among securities companies, while also highlighting its wider significance. The empirical results show that capital size, the available capital ratio, contributions to charitable, educational, and humanitarian funds, and GDP growth have positive effects on business performance. Conversely, capital structure and operating costs negatively affect performance. Although these findings are broadly consistent with many previous international studies, some differences remain with respect to the influence of individual factors.

Based on these findings, the study proposes several groups of solutions: improving economic efficiency through stronger financial capacity, including a reasonable dividend strategy, new share issuance, corporate bond issuance, and improved access to bank loans; strengthening risk management through effective systems and risk limits; enhancing professional expertise through long-term human resource strategies, qualification standards, recruitment of market analysts, training systems, performance-based compensation, and codes of ethics; planning an optimal capital structure; and improving CSR effectiveness through CSR strategies, stronger accountabil-

ity to investors and issuers, better treatment of employees, and greater community participation. Overall, the proposed solutions are both scientifically grounded and practically relevant. One limitation of the study is the absence of a geographical classification of business performance and CSR effectiveness. Securities companies located in geographically advantageous areas, such as major cities, may have better access to partners and resources, which could improve both their economic efficiency and their CSR performance. Addressing this limitation is planned for the next stage of the research.

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