

Vietnamese financial institutions in the aftermath of Covid-19

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Abstract: This article points to look for the proper methodologies for financial institutions in Vietnam within the consequence of Covid-19 widespread. Inside an interesting setting, the widespread has coincidentally made formative chances for money related issues. Beneath this circumstance along the quickening handle of computerized change, this article appears that monetary educate should concentrate on research and advancement for human capital and innovation within the post-pandemic period. Such techniques are anticipated to encourage successful competition in terms of item contrasts and ideal costs as well as maintainable improvement based on budgetary, clientele, handling, and preparing components.

Keywords: Financial institutions; Strategies; Covid-19.

1. Introduction

The Covid-19 outbreak is an unprecedented "black swan" event and has caused great impacts on socio-economic issues in each economy, in the region as well as in the world. The impact of the Covid-19 pandemic on each economy contains risks associated with the achievement of sustainable development goals. For a country with an emerging and developing financial market like Vietnam, the risk of crisis and economic stagnation should be considered and cared for with a high degree of caution. In the context of Vietnam's financial system facing the risk of crisis due to the impact of the Covid-19 pandemic, financial institutions including banks, insurance companies, and securities companies play an important role in maintaining the stability of the financial system during the pandemic. At the same time

financial institutions are looking for opportunities to improve the business situation once the pandemic is over, contributing to recovery and driving growth for the whole economy in the post-Covid-19 period.

In the system of financial institutions as well as in the entire economy, one problem that needs to be solved is to properly assess the impact of the Covid-19 pandemic on the Vietnamese financial market. In addition to the impacts on life, economy and society, the Covid-19 pandemic also has an undesirable consequence for most business lines, which is a disruption in the supply chain. With this feature, the Covid-19 pandemic is forecasted to cause two main impacts on the domestic financial market: (i) changes in consumer tastes and needs; and (ii) pose a change challenge for institutions after the Covid-19 pandemic is over. Based

on the direct and indirect impacts of Covid-19 on Vietnam's financial market, this article aims to find a new strategy for these institutions in the post-Covid-19 period. On the basis that the Covid-19 pandemic is an event that has taken place and has caused certain impacts on the whole Vietnamese economy in general and the financial industry, finding new directions for financial institutions should be considered. Even after the Covid-19 pandemic, it is also necessary to consider the external contexts as well as the internal changes of the industry's own institutions.

First, the peripheral contexts. The current state of the economy, as well as each business line, is shaped by a time series of domestic, regional, and global events. Events that happened closer will have a stronger impact on the present. Before the Covid-19 pandemic took place and exploded on a global scale, there were a series of events in Vietnam that had a positive impact and raised positive expectations for the country's economy. Vietnam's international prestige and status has increased from 2017 to present. Specifically, Vietnam successfully organized the APEC Summit in Da Nang in 2017 as well as the North Korea-US Summit in Hanoi in 2019. Vietnam's voice in the international relations were also raised to a new height when Vietnam was elected and held the position of President of the United Nations Security Council for the period 2020-2021. The increasing national reputation along

with stability in life, politics and society have helped Vietnam have a lot of potential for economic development. Even when a "black swan" event like the Covid-19 pandemic breaks out, Vietnam still turns difficulties into opportunities to resonate on the world map through its success in implementing measures. pandemic prevention and control as well as maintaining economic growth in the face of the general situation of global recession. With the above positive external impacts, the Vietnamese economy in general as well as the financial industry have many opportunities to recover after the pandemic, creating a premise for the goal of becoming a global market. major development finance of the region soon.

Second, the internal contexts. One of the most worrying effects of the Covid-19 pandemic on every economic sector is the disruption of supply chains, and financial institutions also face this risk. However, the disruption of the supply chain due to the impact of Covid-19 occurs in the context that both the economy as well as the national financial system are carrying out the process of promoting digital transformation on the eve of the public revolution. Incidentally, the Covid-19 event has accelerated the digital transformation process at the pillars of the financial system, turning challenges into opportunities to gradually narrow the gap in technology with markets. developed. On the other hand, with the

characteristic of the financial industry that helps participants in hedging risks, the Covid-19 event has unintentionally changed customer tastes as well as the need to use financial products in a positive way, especially in an Asian country where people often have little interest in the financial market like Vietnam. The internal fluctuations of the financial market have provided industry institutions with an unprecedented opportunity to grow dramatically in the post-Covid-19 period, based on two important platforms: customers and finance.

Considering the above contexts about the external and internal changes of the financial market due to the impact of the Covid-19 pandemic, the article will inherit the relevant theoretical basis on the impact of Covid-19 on the financial market and socio-economic factors and building an empirical analysis framework to find a reasonable strategy for financial institutions in Vietnam in the post-pandemic period. In terms of structure, Section 2 presents the theoretical basis and analytical framework, Section 3 presents the results and discussions, and Section 4 concludes.

2. Literature review

The Covid-19 pandemic broke out globally as an unprecedented "black swan" event in history and is still ongoing at the present time in March 2021. Covid-19 is compared with previous crises [1]. Accordingly, the Covid-19 pandemic is forecasted to cause severe harm to the entire economy

and especially the financial market, funding mobilization and capital use costs, theory, and implementation. state management. The great impacts of the Covid-19 pandemic on the economy - finance have been surveyed and given reliable evidence. Specifically, empirical evidence on the economic-financial impact of Covid-19 is found through the stages of pandemic transmission [2], economic impact the macro level of the globalization process [3], or the recession of the international financial markets [4]. The impact of the Covid-19 pandemic on a global scale has also been shown through a variety of perspectives and approaches, with credible significant evidence coming from country risk [5], risks in different financial segments and centers [6], or risks in different types of markets [7]. Covid-19 has brought about a strategic shift [8] through which established relationships in the market cannot return to their pre-pandemic state. This change is tested and shown to be reliable in major financial markets around the world. Specifically, the global stock market was unexpectedly impacted by the Covid-19 pandemic through such perspectives as predictability [9], health-related news [10], and epidemic effects [11]. The same effect is also supported by credible evidence in other financial markets such as precious metals commodities [12], derivatives trading for futures contracts, hybrid [13], and digital cryptocurrencies [14].

Because the Covid-19 event is still happening and has not ended on a global

scale, scholars have not yet built a complete theoretical framework to assess the impact of the pandemic on financial markets. Against this background, the impact of the Covid-19 pandemic on financial markets was assessed and given reliable evidence in China [15], a country in the world. The region has a culture and achievements in pandemic prevention and control quite like Vietnam. Accordingly, the criteria for the decline due to the impact of Covid-19 include financial offset income, premium growth rate, density, and depth of financial products. Thereby, an implication is raised that the negative impact of the Covid-19 pandemic increases risks for low-income residents and personal financial contracts. To overcome this problem, the promotion of digital transformation needs to be done in the shortest time to optimally minimize damage to financial markets as well as to the economy. This context and opportunity are like the case of Vietnam at the time after the pandemic was brought under control. The above recommendations from the case study in China are also a valuable policy implication for Vietnam to consider. Suggestions in relation to accelerating digital transformation to take advantage of the impacts of the Covid-19 pandemic as an opportunity instead of a problem also apply to the case of a developing market country in Africa [16]. Consistency in impact assessment and appropriate response is relatively consistent when examining several practical cases. Due to the increasing complexity of Covid-19 in

the United States, the impact of the pandemic on the financial markets of this country is examined from different perspectives, such as the integrity of the product involved health [17], employment [18], consumption effects [19], risk factors [20], or both categories of health and unemployment criteria [21]. These are highly diverse empirical evidence on the impact of Covid-19 on global financial markets.

Henceforth, the practical context in Vietnam is a specific case that is relatively consistent with international experience in terms of opportunities and challenges of the financial market after the pandemic. To achieve the goal of finding the right strategy for Vietnamese financial institutions in the post-pandemic period, the article will apply the methodology of long-term competitive strategy [22] together with the model of competitive strategy and operates on a balanced scorecard [23] as a proxy for short-term strategies. In which, financial, clientele, processing, and training in short-term are expected to lay the background for competitive long-term strategies, those are, optimal costs and differences.

3. Findings and discussion

With the characteristics of a monetary institution, it is oligopolistic and has tall boundaries to section. Hence, budgetary educate frequently go with as columns within the handle of turning Vietnam's budgetary framework into a advancement center and play an imperative role within the locale. Within the post-Covid-19 setting when

the impacts of the pandemic accidentally boost the advancement energy of the advertise, budgetary educate got to step up speculation and create unequivocally through two critical components: human assets and innovation - designing. This can be a sensible methodology so that Vietnamese monetary educate can seize development openings when the cravings and needs of clients alter emphatically after the widespread. This methodology also anticipates the wave of computerized change within the setting of the fourth mechanical insurgency taking put at an expanding speed and makes a difference money related educate accomplish both objectives of making a distinction. in items and changes to diminish costs [22]. Without a doubt, the control of innovation will bring positive reverberation when buyers involvement diverse items. In expansion, specialized improvement makes a difference or a benefit industry such as monetary items decrease offering and authoritative costs, contributing to moving forward the quality and financial proficiency of each institution, industry, and the economy.

The Covid-19 widespread has for the most part imperceptibly changed the cravings and needs of clients within the budgetary advertise in a positive way. This alter is a critical turning point for money related teach to require advantage of and maximize included esteem. Concurring to the adjusted scorecard demonstrate [23], clients are

the key component that each institution must point to realize monetary performance. To complement this viable operation technique, science and innovation and improvement may be a idealize hyphen. In expansion to the human asset calculate, promoting digital change makes a difference monetary teach progress the operational effectiveness of human and prepare components. Subsequently, money related educate can make the foremost of client openings, and monetary comes about will be inescapable, usually a noteworthy development driver for the monetary showcase.

4. Conclusion

Based on the dialogs in Section 3, the article appears that the suitable procedure for money related teach within the post-Covid-19 period is to create human assets as well as quicken the computerized change prepare. With the irregular openings that Covid-19 brings, the technique of contributing and creating in individuals and innovation will help monetary teach accomplish two comes about: (i) make a distinction in items and costs and ideal expenses to compete with industry educate; and (ii) progress operational effectiveness through the four components of back, clients, forms, and preparing.

The synchronous execution of the venture procedure to create human assets and innovation all through the budgetary showcase after the troublesome period brought almost by the Covid-19 widespread will make a

positive synergistic impact, making a introduce for other businesses. With a sensible methodology of each money related institution and the entire industry in common, suitable state

administration will make conditions to make strides the adequacy of that strategy and imitate the comes about to the complete financial division.

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Ngày nhận bài: 19/4/2022

Ngày hoàn thành sửa bài: 15/6/2022

Ngày chấp nhận đăng: 20/6/2022