MINISTRY OF INDUSTRY AND TRADE
INDUSTRIAL UNIVERSITY OF HO CHI MINH CITY



LUU XUAN DANH

THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY, MARKET ORIENTATION, AND DIGITAL TRANSFORMATION ON FIRM PERFORMANCE: THE CASE OF JOINT-STOCK COMMERCIAL BANKS IN THE SOUTHEAST REGION OF VIETNAM

Major: **Business administration**
Major code: **9340101**

SUMMARY OF DISSERTATION

Ho Chi Minh city, January 2026

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LIST OF PUBLISHED AND ACCEPTED RESEARCH PROJECTS

International journal article

Luu-Xuan, D., & Long, N. T. (2025). *The impact of digital Transformation, Corporate Social Responsibility and Market Orientation on Firm Performance: Evidence from Vietnamese commercial banks*. Business Management, 35(1). https://doi.org/10.58861/tae.bm.2025.1.02 (Scopus - Q4)

Danh, L. X., Long, N. T., & Khoa, T. D. (2024). *Corporate social responsibility and firm performance in the financial industry in Vietnam: The mediating role of digital transformation*. Nurture, 18(3), 633–648. https://doi.org/10.55951/nurture.v18i3.735

International conference proceedings paper

Luu Xuan Danh, Nguyen Thanh Long (2022). *The effects of digital transformation and market orientation on firm performance of commercial joint-stock banks in Vietnam*. The 2nd International Conference on Advanced Technology and Sustainable Development 2022 (ICATSD 2022), Ho Chi Minh City, Vietnam.

CHAPTER 1. OVERVIEW OF RESEARCH

1.1 Research Context

In the context of the global economy entering a stage of profound digital transformation, Vietnamese enterprises in general, and the banking sector in particular, are facing increasingly fierce competitive pressures. The rapid development of digital technologies has been reshaping market structures, consumer behavior, and business models. Specifically, the Southeast region of Vietnam—home to major financial and economic hubs—has witnessed significant changes in the operations of joint-stock commercial banks (JSCBs), with digital transformation emerging as a core strategy to enhance competitiveness and firm performance.

In parallel, corporate social responsibility (CSR) and market orientation (MO) have increasingly been emphasized as indispensable elements of sustainable development strategies. CSR not only helps firms enhance their image and build community trust but also mitigates risks and strengthens brand value. Meanwhile, market orientation plays a crucial role in enabling firms to identify and adapt flexibly to constantly changing market demands. The three factors—CSR, MO, and digital transformation (DT)—are closely linked to firm performance (FP). However, in the Vietnamese context, the simultaneous relationship among these factors remains underexplored and underexamined.

From an academic perspective, most existing studies primarily focus on isolated relationships, such as CSR → FP, MO → FP, or DT → FP. A holistic approach that integrates all three factors within a unified framework—particularly with an emphasis on the mediating role of

digital transformation in the CSR/MO–FP relationship—remains a substantial theoretical and practical gap in the context of developing countries. Therefore, the research topic "The Impact of Corporate Social Responsibility, Market Orientation, and Digital Transformation on Firm Performance: The Case of Joint-Stock Commercial Banks in the Southeast Region of Vietnam" is both necessary and meaningful, from theoretical and practical standpoints.

1.2 Research Objectives and Questions

The overarching objective of this study is to evaluate the impact of CSR, MO, and DT on firm performance, with particular attention to the mediating role of digital transformation in these relationships. Accordingly, the study seeks to provide both theoretical foundations and empirical evidence to support JSCBs in optimizing their sustainable development strategies in the digital era.

Specifically, the research aims to:

- Develop an integrated theoretical model examining the effects of CSR, MO, and DT on FP.
- Empirically test this model using data collected from JSCBs in the Southeast region.
- Propose managerial implications to enhance firm performance through the effective integration of CSR, MO, and DT.

From these objectives, three central research questions are posed:

- How are the relationships between CSR, MO, DT, and FP conceptualized in the Vietnamese banking context?

- How does digital transformation mediate the relationship between CSR/MO and FP?
- How should JSCBs in the Southeast region adjust their strategies to optimize the integration of CSR, MO, and DT to improve firm performance?

1.3 Research Subjects, Scope, and Methods

The subject of this dissertation is the relationship between CSR, MO, DT, and FP. The research population consists of middle- and senior-level managers at JSCBs operating in the Southeast region, including Ho Chi Minh City, Binh Duong, Dong Nai, Ba Ria–Vung Tau, Tay Ninh, and Binh Phuoc. This region, characterized by a high level of economic and financial development, is well-suited to the study's objectives.

In terms of scope, the study focuses on analyzing the simultaneous effects of CSR, MO, and DT on FP, while also testing the mediating role of DT and CSR in these interrelationships.

1.4 Research Methodology

This dissertation adopts a mixed-methods approach, combining qualitative and quantitative techniques to ensure both depth and reliability in model development and testing. The qualitative phase was conducted first to explore the phenomena, refine measurement scales, and validate contextual relevance through expert interviews. The quantitative phase involved survey data collection, followed by model testing using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. This method is particularly suitable for

exploring complex interrelationships among variables and for evaluating both direct and indirect effects within the research model.

1.5 Significance of the Study

Theoretical significance: This study contributes by constructing and empirically testing an integrated model of CSR, MO, and DT to explain their combined effects on FP. Clarifying the mediating role of digital transformation serves as a key academic contribution, addressing a theoretical gap that has been largely overlooked in prior research.

Practical significance: The study provides concrete empirical evidence and strategic recommendations for bank managers in developing sustainable strategies. By optimizing CSR practices, strengthening MO, and effectively implementing digital transformation, JSCBs can enhance their performance in an increasingly competitive environment.

1.6 Structure of the Dissertation

The dissertation is organized into five main chapters:

Chapter 1: Provides an overview of the research, including context, objectives, research questions, scope, methodology, and significance.

Chapter 2: Reviews the theoretical foundations, constructs, and research model; synthesizes prior studies; and develops hypotheses.

Chapter 3: Describes the research design, data collection and analysis procedures, and measurement of variables.

Chapter 4: Presents quantitative analysis results and discusses findings in comparison with previous studies.

Chapter 5: Concludes with theoretical and practical contributions, managerial implications, research limitations, and directions for future research.

CHAPTER 2. THEORETICAL FRAMEWORK

2.1 Key Concepts in the Study

Firm performance is a multidimensional construct reflecting both the processes and outcomes of organizational operations. Scholars generally agree that FP encompasses financial dimensions (e.g., profitability, revenue, market share, ROI, ROA) as well as non-financial dimensions (e.g., customer satisfaction, employee engagement, brand reputation). Two dominant approaches are commonly applied: objective measures and subjective measures. Objective measures are based on specific financial data; however, they are often difficult to apply due to issues of transparency and cross-industry variation. Subjective measures—based on managerial perceptions and relative evaluations compared with competitors—have been widely adopted in recent studies because they provide a more holistic reflection of performance, especially when financial data are inconsistent. Moreover, non-financial indicators such as customer satisfaction or service quality are often stronger predictors of long-term financial success than traditional accounting measures. Accordingly, the use of subjective measures is not only more flexible but also more suitable in certain research contexts.

CSR is understood as a firm's commitment to economic, legal, ethical, and philanthropic obligations to create value not only for shareholders but also for society at large. The concept has evolved from charitable

activities into a comprehensive managerial strategy. Carroll's (1991) four-tier model of CSR illustrates this evolution, comprising economic (fundamental), legal (mandatory), ethical (expected), and philanthropic (voluntary) responsibilities. CSR can be categorized into internal CSR (employee welfare, working conditions) and external CSR (responsibility toward communities, environment, and consumers). Research emphasizes CSR's crucial role in enhancing corporate reputation, building customer trust, and creating long-term competitive advantages. In the era of digital communication, CSR has become a strategic tool influencing consumer behavior and corporate image. Empirical studies also suggest that firms implementing sustainable CSR initiatives are more likely to achieve superior performance compared to those that neglect social responsibilities.

Market orientation is a core business philosophy in modern marketing, emphasizing that firms must continuously create and deliver superior value by understanding and responding to customer needs. Two major perspectives dominate the literature: the cultural perspective—which frames MO as an organizational culture comprising customer orientation, competitor orientation, and inter-functional coordination (Narver & Slater, 1990); and the behavioral perspective—which focuses on activities of market intelligence generation, dissemination, and responsiveness (Kohli & Jaworski, 1990). Research indicates that MO positively influences FP both directly and indirectly, especially in highly competitive and turbulent markets. Components such as market intelligence, flexible responsiveness, and cross-departmental integration

are foundational for creating sustainable competitive advantage. Beyond financial outcomes, MO also fosters innovation, adaptability, and long-term organizational growth in the context of globalization.

DT refers to the comprehensive restructuring of operations, business models, and organizational structures through the integration and application of digital technologies to enhance efficiency, foster innovation, and sustain competitive advantage. Unlike related concepts such as digitization (data conversion) and digitalization (process automation), DT is strategic and systemic, encompassing three main domains: customer experience, operational processes, and business models (Westerman, 2011). Technologies such as big data, artificial intelligence, cloud computing, and the Internet of Things (IoT) not only reshape operations but also transform consumer behavior, value chains, and governance practices. DT is recognized as a critical factor enabling firms to adapt to dynamic business environments, optimize costs, and foster innovation. Moreover, DT contributes to achieving sustainable development goals by reducing emissions, protecting the environment, and fostering adaptive organizational cultures. In the era of Industry 4.0 and the digital economy, DT is no longer an option but a necessity for firm survival and growth.

2.2 Theoretical Perspectives

Stewardship theory posits that managers act in the collective interests of the firm rather than pursuing personal gain. They identify the firm's success as their personal achievement and therefore remain committed to long-term organizational goals. This theory suggests that small boards of

directors and CEO duality (holding both CEO and Chairman roles) may improve decision-making consistency and effectiveness.

Agency theory highlights the separation of ownership and control, which may lead to conflicts of interest between shareholders and managers. Two key problems are identified: adverse selection and moral hazard. Agency costs—such as auditing expenses or performance-based incentives—are used to monitor and align managerial actions. This theory underscores transparency and fairness in governance and emphasizes the monitoring role of boards of directors in mitigating conflicts and maximizing shareholder wealth.

Stakeholder theory broadens corporate responsibility beyond shareholders to include customers, employees, suppliers, governments, and communities. Firms are expected to build equitable and trustworthy relationships with stakeholders to strengthen reputation, performance, and long-term sustainability. Closely linked to CSR, this theory provides guidance for firms to meet diverse stakeholder expectations across the value chain.

Resource Dependence Theory (RDT) emphasizes the role of external resources in shaping firm strategies. As firms depend on scarce environmental resources, they must build strategic partnerships, expand networks, and restructure boards to secure and sustain critical resources.

Resource-Based View (RBV) asserts that sustainable competitive advantage stems from internal resources that are valuable, rare, inimitable, and well-organized (VRIO framework). However, RBV is

limited in explaining the agility required to respond to rapidly changing markets.

Dynamic Capability View (DCV) extends RBV by stressing that firms must develop capabilities to sense opportunities, seize them, and transform resources (sensing, seizing, transforming) to sustain advantage in dynamic environments. In the context of DT, DCV highlights how firms can leverage digital technologies to innovate, enhance customer engagement, and adapt flexibly to market turbulence.

These theoretical perspectives provide a foundation for explaining the relationships among CSR, MO, DT, and FP. Stewardship theory views CSR as a strategic pathway to sustainable competitive advantage, while agency theory acknowledges CSR as a mechanism for reducing monitoring costs and enhancing performance. Stakeholder theory underscores CSR as essential for trust-building and brand reputation. RDT highlights DT's role in optimizing access to external resources, whereas RBV positions MO as an internal capability underpinning strategic adaptation. Given RBV's limitations in turbulent markets, DCV complements it by framing DT as a dynamic capability enabling innovation, restructuring, and opportunity capture. Collectively, these theories provide a robust framework for analyzing how CSR, MO, and DT influence FP, with DT serving as a mediating mechanism in the banking sector.

2.3 Research review

CSR has been found to positively affect FP by strengthening brand image, fostering stakeholder trust, and creating long-term competitive

advantage. Nonetheless, some studies suggest that CSR may impose short-term financial burdens or backfire if poorly communicated. The effectiveness of CSR is contingent upon industry characteristics, firm size, governance, and market context.

MO has also been empirically validated as a driver of FP, particularly in highly competitive markets. MO enables firms to understand customer needs, adjust strategies flexibly, and improve satisfaction and loyalty. However, the literature remains inconclusive, and limited research has examined the role of MO in the Vietnamese banking industry within the digital transformation context.

DT is increasingly recognized as vital for operational efficiency, customer experience enhancement, and new business model development. By improving productivity, reducing costs, and strengthening competitiveness, DT serves as a performance enabler. However, adoption rates vary across industries, and empirical research in Vietnam remains scarce. Accordingly, this study proposes investigating the mediating role of DT in the CSR–MO–FP nexus, particularly in banking.

2.4 Research Hypotheses and Model

Drawing on prior evidence, this study develops nine hypotheses to test the relationships among CSR, MO, DT, and FP. While the effects of CSR on consumer behavior remain debated, the majority of studies confirm CSR's positive impact on FP through enhanced reputation and stakeholder satisfaction. Therefore, this study proposes:

H1: CSR has a positive impact on firm performance.

H2: Digital transformation mediates the relationship between CSR and firm performance.

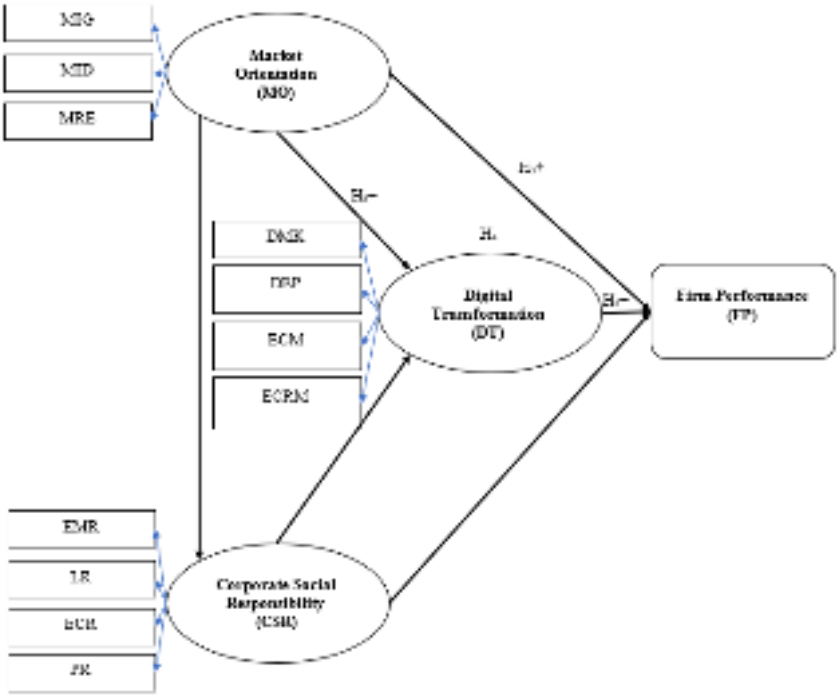
With respect to Market Orientation (MO), prior studies indicate that firms which effectively generate, disseminate, and respond flexibly to market intelligence tend to achieve superior performance outcomes. Accordingly, this study proposes:

H3: MO has a positive impact on firm performance.

H4: Digital transformation mediates the relationship between MO and firm performance.

Digital Transformation (DT), assessed through various dimensions such as e-commerce adoption, big data analytics, e-CRM systems, and digital customer experience, is believed to have a direct effect on firm performance in the context of digital competition. Therefore, this study proposes:

H5: DT has a positive impact on firm performance.



Furthermore, MO is considered a driver of CSR since firms that recognize societal expectations are more likely to engage in socially responsible activities to build long-term competitive advantage. Thus, the following hypothesis is formulated:

H6: MO positively influences CSR.

Conversely, CSR is also seen as a catalyst for DT by promoting transparency, technological innovation, and sustainable governance. Hence, the study proposes:

H7: CSR positively influences DT.

In addition, MO directly contributes to DT by encouraging the adoption of technologies for data processing, customer experience enhancement, and process innovation. Accordingly, the following hypothesis is developed:

H8: MO positively influences DT.

Finally, CSR is hypothesized to serve as a bridge between MO and FP, as it enables firms to translate market orientation into responsible and sustainable practices, thereby enhancing performance. Thus, the last hypothesis is proposed:

H9: CSR mediates the relationship between MO and firm performance.

CHAPTER 3. RESEARCH DESIGN

3.1 Research Process

This study employs a mixed-methods approach, integrating both qualitative and quantitative methods to ensure a comprehensive perspective and enhance the reliability of results. The qualitative phase is utilized to explore the phenomenon through expert interviews, while the quantitative phase validates the research model using statistical analyses on a large sample. The mixed-methods approach allows the study to capitalize on the strengths of both methods, making it particularly suitable for examining the complex interrelationships among CSR, MO, DT, and FP in the context of digital transformation.

Regarding the process, the research was carried out in 12 steps. It began with the identification of research problems based on the banking sector in Southeast Vietnam and a review of the relevant literature, followed by the development of a theoretical model and the design of the survey

instrument. The next steps included conducting expert interviews, refining the questionnaire, running a pilot survey, and testing the reliability of the scales using Cronbach's Alpha. The main survey yielded 344 valid responses, and the data were analyzed using SmartPLS 4.0 software. The analysis was performed with the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique, applying both the Repeated Indicator and Disjoint Two-Stage approaches to assess higher-order constructs.

Finally, the results were compared with prior studies to derive theoretical and managerial implications, with particular emphasis on the mediating role of digital transformation in the relationship between MO, CSR, and FP. Based on these findings, the study proposes future research directions as well as practical strategies for the banking sector in the digital transformation era.

3.2 Literature Review and Scale Development

The literature review provides the foundational basis for refining the research model, identifying knowledge gaps, and selecting appropriate theoretical frameworks (CSR, MO, DT, FP). The study integrates theoretical insights with empirical evidence to develop a model tailored to the Vietnamese banking context. In particular, the literature analysis highlights the necessity of adapting measurement scales to the local culture and business environment to ensure both reliability and validity.

To construct appropriate measurement scales, the research team conducted expert interviews to adjust observed variables based on

practical experiences in the banking sector. This process facilitated the development of a preliminary set of scales for the quantitative survey.

The specific scales employed are as follows:

- CSR (Corporate Social Responsibility): Based on Carroll's (1991) model with four components—economic, legal, ethical, and philanthropic responsibilities. The study applies the measurement scale of Schwartz & Carroll (2003), comprising 29 items. Differentiating CSR components allows firms to design strategies tailored to specific stakeholder groups and market contexts.
- MO (Market Orientation): Adopted from the MARKOR model (Jaworski & Kohli, 1993; adapted by Matsuno et al., 2000), with three dimensions: intelligence generation, intelligence dissemination, and responsiveness (22 items). This scale is considered suitable for capturing the operational characteristics and organizational culture of Vietnamese enterprises.
- DT (Digital Transformation): The measurement scale is adapted from Von Blixen-Finecke et al. (2018), encompassing four dimensions: digital marketing, digital product experience, e-commerce, and electronic customer relationship management (e-CRM). Each dimension is measured through specific items designed to comprehensively capture digital maturity.
- FP (Firm Performance): A subjective scale comprising seven dimensions: revenue growth, customer retention, ROI, market

share, customer trust and satisfaction, and ROS. This scale enables the assessment of both financial and non-financial performance, based on managerial perceptions relative to competitors.

3.3 Formal Research Design

This study employs Structural Equation Modeling (SEM) to test the hypotheses in the proposed theoretical model, with Partial Least Squares SEM (PLS-SEM) selected as the primary method. PLS-SEM is particularly suitable for theory development and exploratory research, as it can effectively handle non-normal data distributions and is robust with small to medium sample sizes. Unlike covariance-based SEM (CB-SEM), which focuses on theory confirmation through covariance models, PLS-SEM emphasizes maximizing the explained variance of endogenous constructs, making it appropriate for theory-building studies in rapidly changing practical contexts.

The research sample comprises branches of joint-stock commercial banks (JSCBs) located in six provinces and municipalities in Southeast Vietnam: Ho Chi Minh City, Binh Duong, Dong Nai, Ba Ria–Vung Tau, Tay Ninh, and Binh Phuoc, totaling 2,411 branches. The minimum required sample size was determined using Cochran's (1977) formula, adjusted for a finite population, yielding a threshold of at least 332 valid observations. The sample was proportionally distributed across provinces to ensure representativeness and reliability.

A combination of quota sampling and snowball sampling techniques was applied to reach survey participants, who included branch managers and

deputy managers, as well as heads and deputy heads of functional departments such as Business, Customer Service, Risk Management, IT, and Marketing. These respondents were directly involved in or had significant influence over CSR, MO, and DT activities.

The choice of PLS-SEM is not only consistent with the study's objective of exploring the relationships among CSR, MO, DT, and firm performance (FP), but also provides methodological flexibility in handling non-normally distributed data—an important consideration in the practical context of Vietnam's banking sector.

CHAPTER 4. RESEARCH FINDINGS AND DISCUSSION

4.1 Overview of the Banking Sector in Southeast Vietnam

The Vietnamese banking industry is undergoing a robust recovery, supported by positive economic growth and regulatory measures introduced by the State Bank of Vietnam. The degree of digitalization has reached a remarkable level, with over 90% of transactions conducted through digital channels and a significant surge in cashless payments. However, the rapid digital expansion has also intensified technological risks, particularly related to data security breaches and financial fraud, which undermine customer trust. Recent regulatory frameworks—such as Circular 02/2023 and the Law on Credit Institutions (2024)—have strengthened system stability, tightened governance standards, and enhanced transparency in banking operations. Against this backdrop, customer data security and management have emerged as critical determinants of bank reputation, necessitating substantial investments in cybersecurity technologies and risk monitoring systems.

In the Southeast region, banking plays a pivotal role, characterized by a dense branch network, high charter capital, and a leading pace of digital transformation nationwide. Ho Chi Minh City stands out as the country's largest financial hub, where more than 70% of customers actively use digital banking services and cashless payment rates are exceptionally high. Nonetheless, banks in the region face significant challenges, including intensifying competition, rising non-performing loans (NPLs), and heightened cyber-attack risks. These challenges compel banks to continuously innovate in technology adoption, strengthen cybersecurity measures, and enhance customer service to ensure sustainable growth.

Current development trends in Vietnam's banking industry converge on three strategic pillars: digital transformation (DT), corporate social responsibility (CSR), and market orientation (MO). Banks are striving toward fully digital banking models, with personalized services driven by artificial intelligence (AI) and big data analytics, while simultaneously deepening collaborations with Fintech firms to expand service offerings. CSR has also become increasingly prominent through initiatives such as green finance programs, support for small and medium-sized enterprises (SMEs), and financial inclusion strategies. In the context of intensified digital competition and rising societal expectations, the integration of DT, CSR, and MO is regarded as an essential strategy for enhancing firm performance, strengthening customer trust, and establishing long-term competitive advantage.

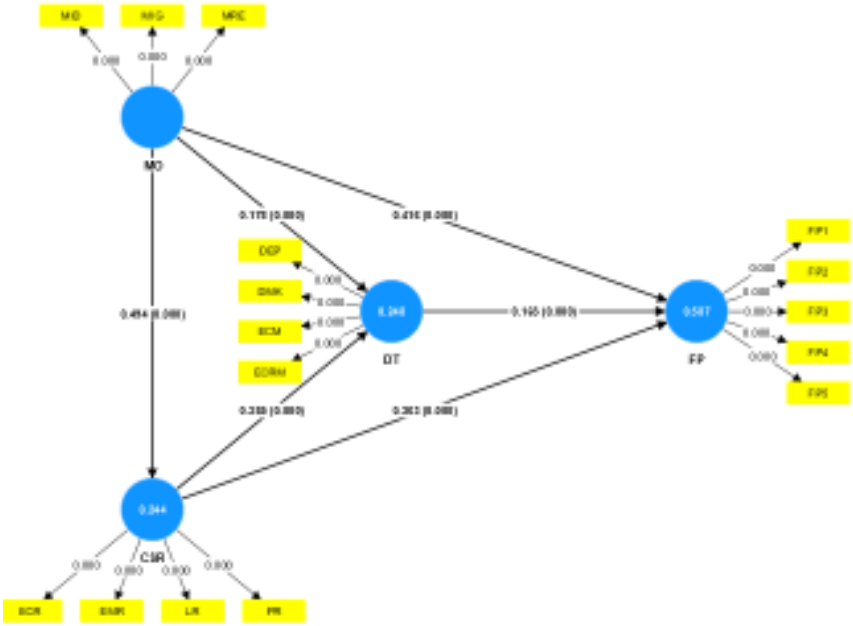
4.2 Research Findings

The survey was conducted across six provinces and municipalities in the Southeast region, yielding a total of 344 valid responses collected from managers and key personnel at branches of joint-stock commercial banks. The sample size was determined using Cochran's formula, ensuring a 95% confidence level and a 5% margin of error. A combination of quota sampling and snowball sampling was applied to enhance representativeness. The respondents primarily comprised branch directors, deputy directors, and heads/deputy heads of functional departments—those directly involved in implementing CSR, market orientation, and digital transformation activities.

Sample characteristics reveal that male respondents accounted for 61.2%, while female respondents made up 38.8%. The majority were aged 35–49 (45.2%), followed by the 25–34 age group (31.6%), reflecting professional experience well-suited to the study's objectives. Educational attainment was relatively high, with 72.8% holding bachelor's degrees and 22.4% holding postgraduate qualifications. Income levels were concentrated in the VND 30–50 million range (51.2%), reflecting the medium-to-high income status of banking professionals. Geographically, Ho Chi Minh City accounted for 72% of the sample, consistent with its role as the financial hub of the region. Overall, the sample structure demonstrates strong alignment with the research context, ensuring reliability for subsequent quantitative analyses.

The study employed PLS-SEM to assess the measurement model at both lower- and higher-order levels. Results indicated that all observed

variables achieved outer loadings greater than 0.5 and, in most cases, greater than 0.7, confirming construct reliability and content validity. The scales demonstrated strong internal consistency, with Cronbach's Alpha and Composite Reliability (CR) exceeding 0.7. Convergent validity was achieved (AVE ≥ 0.5) and discriminant validity was confirmed using the Fornell-Larcker criterion, cross-loadings, and HTMT ratio.



At the structural model level, analysis of R^2 coefficients revealed explanatory power for CSR ($R^2 = 0.244$), DT ($R^2 = 0.248$), and FP ($R^2 = 0.587$), indicating relatively strong predictive capability. No multicollinearity issues were detected (VIF < 5). Bootstrapping with 5,000 resamples confirmed that six direct hypotheses were statistically significant ($p < 0.05$). The strongest path was MO → FP (0.655), followed by MO → CSR (0.494), CSR → FP (0.426), CSR → DT (0.385), MO → DT (0.369), and DT → FP (0.163).

In addition, three indirect hypotheses were also confirmed with statistical significance: CSR → DT → FP (0.063), MO → DT → FP (0.029), and MO → CSR → FP (0.180). These results highlight the crucial mediating roles of DT and CSR in enhancing firm performance.

	Original sample (O)	**Standard deviation (STDEV)**	**P values**	**Hypothesis Testing Results**
CSR -> DT	0.385	0.065	0.000	Hypothesis H7: Accepted
CSR -> FP	0.426	0.054	0.000	Hypothesis H1: Accepted
DT -> FP	0.163	0.044	0.000	Hypothesis H5: Accepted
MO -> CSR	0.494	0.041	0.000	Hypothesis H6: Accepted
MO -> DT	0.369	0.039	0.000	Hypothesis H8: Accepted
MO -> FP	0.655	0.040	0.000	Hypothesis H3: Accepted

4.3 Discussion of Findings

H1 – CSR → FP. Corporate social responsibility (CSR) has a positive effect on firm performance ($\beta = 0.426$; $p < 0.05$). CSR enhances corporate image, strengthens customer and shareholder trust, and mitigates legal risks, thereby improving profitability. This finding aligns with prior studies such as Li et al. (2023) and Nguyen & Pham (2023), but contrasts with Tandelilin & Usman (2022), who found no significant impact in certain developing country contexts. A consistent theme across the literature is that CSR contributes to reputation building, customer loyalty, and cost reduction—all of which positively influence financial performance.

H2 – CSR → DT → FP. Digital transformation (DT) mediates the relationship between CSR and firm performance ($\beta = 0.063$; $p < 0.05$). CSR fosters DT through demands for transparency, process improvement, and faster customer responsiveness. Digital tools support more effective CSR implementation and operational optimization. This result is consistent with Zhang et al. (2023), Kim & Lee (2023), and Bahl et al. (2023), who emphasized DT as a critical link enabling CSR to generate long-term financial impact.

H3 – MO → FP. Market orientation (MO) exerts a strong positive effect on firm performance ($\beta = 0.655$; $p < 0.05$). Firms with high MO can respond swiftly to market changes, shape flexible strategies, and optimize efficiency. Supporting evidence includes Chaudhary et al. (2022), Gotteland et al. (2020), and Appiah-Nimo & Chovancová (2020), who highlight that MO not only drives financial outcomes but also fosters innovation and sustainable development.

H4 – MO → DT → FP. MO indirectly influences FP through DT ($\beta = 0.029$; $p = 0.013$). Market-oriented firms tend to adopt new technologies proactively to better serve customers. This finding is consistent with Salih et al. (2024) and Cheng et al. (2023), indicating that MO facilitates DT implementation, thereby indirectly enhancing firm performance.

H5 – DT → FP. DT positively affects FP ($\beta = 0.163$; $p < 0.05$). Applications of digitalization such as electronic banking and data management enhance flexibility, reduce costs, and improve customer experience. While short-term efficiency may decline due to investment

costs, DT delivers long-term benefits (Stefanovic et al., 2021; Nguyen-Thi-Huong et al., 2023).

H6 – MO → CSR. MO positively impacts CSR ($\beta = 0.494$; $p < 0.05$). Market-oriented firms tend to engage in more CSR activities to meet customer and societal expectations. This result supports the findings of Rashidin et al. (2018) and Mubushar et al. (2020), underscoring MO as a critical driver of CSR in the banking sector.

H7 – CSR → DT. CSR positively influences DT ($\beta = 0.385$; $p < 0.001$). Firms with strong CSR strategies often leverage digital technologies to enhance transparency, improve management, and optimize processes. This is consistent with Gangi et al. (2019) and Meng et al. (2022), who found that CSR promotes technology investment and digital innovation.

H8 – MO → DT. MO positively affects DT ($\beta = 0.369$; $p < 0.05$). A customer-centric strategy facilitates the adoption of digital initiatives, thereby improving financial performance. Haapio et al. (2019) and Salih et al. (2024) provide similar evidence that MO enables firms to maximize the potential of DT in the financial industry.

H9 – MO → CSR → FP. CSR mediates the relationship between MO and FP ($\beta = 0.180$; $p < 0.001$). MO promotes CSR, and CSR in turn strengthens trust and financial outcomes. Studies such as Gangi et al. (2019) and Sundström & Ahmadi (2019) highlight CSR as a crucial mechanism for optimizing the performance impact of MO.

Overall, all hypotheses in the research model were tested and supported. These findings demonstrate the close interconnections among MO, CSR, and DT in enhancing firm performance, particularly in the banking

industry, which is under increasing pressure from digitalization and sustainability demands. Both CSR and DT play crucial mediating roles, enabling strategic factors such as MO to maximize their impact on financial performance.

CHAPTER 5. CONCLUSION AND MANAGERIAL IMPLICATIONS

5.1 Conclusion

The primary objective of this study was to examine the relationships among three key factors—Market Orientation (MO), Corporate Social Responsibility (CSR), and Digital Transformation (DT)—and their impact on Firm Performance (FP) in the banking sector in Southeast Vietnam. Structural Equation Modeling (SEM) was employed to test the hypothesized relationships among these constructs.

The findings reveal that MO exerts the strongest influence on FP ($\beta = 0.655$). This result underscores the critical role of understanding markets, customers, and competitors, as well as ensuring effective internal coordination, in enhancing operational efficiency and strengthening competitive advantage. MO thus emerges as a strategic compass in the context of digitalization.

CSR positively affects FP both directly ($\beta = 0.426$) and indirectly through DT ($\beta = 0.063$). CSR enhances corporate reputation, builds customer trust, and contributes to long-term financial value. When combined with DT, the effectiveness of CSR initiatives is further amplified through process optimization, increased transparency, and broader stakeholder engagement.

DT plays a crucial mediating role, not only directly influencing FP (β = 0.163) but also connecting MO → FP (via DT, β = 0.369) and CSR → FP (via DT, β = 0.385). DT facilitates the more effective implementation of MO and CSR strategies by leveraging advanced technologies such as AI, big data, and CRM systems.

The study confirms strong interconnections among MO, CSR, and DT: MO → CSR (β = 0.494), MO → CSR → FP (β = 0.180), and CSR → DT → FP. These results highlight that the integration of the three factors is essential for achieving optimal performance outcomes, rather than implementing each strategy in isolation.

Overall, firm performance (FP) is significantly enhanced through the synergistic integration of MO, CSR, and DT. Their simultaneous implementation enables banks to optimize strategic management, strengthen competitiveness, and pursue sustainable development in an increasingly digitalized and competitive environment.

5.2 Managerial Implications

Implications for Market Orientation (MO).

Market orientation serves as a strategic pillar enabling joint-stock commercial banks to adapt flexibly to market fluctuations and strengthen competitiveness. To maximize this role, banks should conduct regular customer surveys at least twice per year to collect and analyze consumer behavior data, thereby improving products, services, and operational processes. Information from customers, competitors, suppliers, and regulators should be integrated into modern data management systems, leveraging AI and big data analytics for market trend forecasting. At the

same time, information must be systematically and promptly disseminated internally through digital platforms such as ERP, CRM, or online collaboration tools to ensure effective interdepartmental coordination. The marketing department should act as a central hub, both gathering and disseminating market intelligence to functional units, enabling rapid strategic adjustments. In addition, establishing an effective market feedback mechanism is essential; banks should set up customer feedback coordination centers, deploy real-time market response teams, and monitor the implementation progress of marketing plans to minimize delays. Cross-functional collaboration should be based on shared responsibilities and clear performance indicators. Banks should also invest in regulatory update systems and provide training programs on new policies to enhance staff adaptability to regulatory changes.

Implications for Corporate Social Responsibility (CSR).

CSR should be implemented comprehensively across four dimensions: economic, legal, ethical, and philanthropic responsibilities.

Economic dimension: Banks must maintain stable operational efficiency, optimize costs, disclose financial indicators such as ROA and ROE, ensure dividend transparency, and automate processes to improve productivity.

Legal dimension: Banks should ensure full compliance with regulations through effective internal control systems, conduct legal assessments prior to product launches, organize periodic training, and regularly review internal policies to align with national legal frameworks.

Ethical dimension: Banks need to establish a code of conduct, measure ethical performance through indicators of satisfaction, honesty, trust, and communicate ethical values transparently to the public, while embedding ethics throughout service delivery processes.

Philanthropic dimension: Banks should allocate a stable annual CSR budget, publicly report on community activities, support education and environmental programs, and encourage employee participation in volunteer work.

All these dimensions should be integrated into the bank's overall development strategy to meet ethical requirements, strengthen social engagement, and build a responsible brand image.

Implications for Digital Transformation (DT).

Digital transformation is a critical driver for enhancing productivity, diversifying services, and improving customer experience in an increasingly competitive environment. Banks should develop a comprehensive digitalization roadmap, modernize IT infrastructure, adopt AI and big data solutions, comply with international security standards, and implement multi-channel banking. Digital marketing should be positioned as a core strategy to personalize customer experiences through SEO, Google advertising, e-commerce partnerships, and ROI measurement. Bank digital interfaces should be user-friendly, offering integrated services such as account opening, online lending, eKYC, and seamless social media sharing. Moreover, digital channels must be environmentally friendly (paperless banking), resilient to crises such as natural disasters or system disruptions, and adaptable to special

contingencies. For digital customer relationship management, banks should ensure 24/7 interaction via AI chatbots, provide clear response times, integrate loyalty programs, and continuously track satisfaction indicators to enhance service quality.

Implications for Integrating MO, CSR, and DT.

The integration of MO, CSR, and DT is a strategic imperative for improving firm performance and achieving sustainable growth. MO helps banks better understand customers' societal needs, enabling CSR initiatives that align with expectations while simultaneously providing data for digital product development. CSR, when supported by digital technologies, becomes more transparent and effective—for instance, applying blockchain for transparent charity fund management or using online platforms for community engagement. DT also supports both MO and CSR by improving digital product design tailored to specific customer segments, utilizing big data to create personalized services, and deploying financial education programs.

Banks should build an integrated organizational culture, promote cross-functional collaboration, and train employees comprehensively in MO, CSR, and DT. Moreover, establishing KPI systems that measure integration outcomes from financial, social, and customer satisfaction perspectives is crucial. When implemented systematically, this integration will not only improve operational efficiency but also enhance reputation, sustainable value, and competitiveness in the digital era.

5.3 Theoretical and Practical Contributions

This study makes significant contributions by developing and validating an integrated theoretical model that combines Market Orientation (MO), Corporate Social Responsibility (CSR), and Digital Transformation (DT) to explain their joint impact on Firm Performance (FP) in the banking sector. The research confirms the mediating role of DT in linking MO and CSR with FP, thereby highlighting the importance of technological investment in today's context. In addition, the study advances a detailed set of measurement scales tailored to the specific characteristics of the Vietnamese banking industry but also applicable across other sectors. Moreover, it opens new research avenues in corporate management within developing countries, where digital transformation and sustainability imperatives are becoming dominant trends.

From a managerial perspective, the study provides a roadmap for integrating MO, CSR, and DT, enabling banks to build comprehensive strategies for enhancing performance. It offers clear guidance for digital investment to better support CSR and MO strategies, such as developing digital banking applications and optimizing customer experience. The findings also emphasize the strategic role of CSR in contributing to financial outcomes, encouraging banks to embed CSR into long-term development objectives. Furthermore, the study provides practical recommendations for improving market responsiveness through enhanced data collection, analysis, and feedback mechanisms, thereby strengthening competitiveness. Finally, the validated measurement scales can serve as useful tools for managers to assess, refine, and optimize

strategies, ultimately improving banking performance in dynamic environments.

5.4 Limitations and Directions for Future Research

This study has several limitations. First, the research was conducted primarily in the Southeast region of Vietnam with a limited sample size; therefore, the findings cannot be generalized to the entire Vietnamese banking industry. Second, the study does not integrate external factors such as macroeconomic policies or global market fluctuations, nor does it employ qualitative methods to explore the relationships in greater depth. Third, the measurement scales focus on MO, CSR, and DT but exclude other potentially relevant factors such as organizational culture or leadership capabilities. The data were analyzed cross-sectionally at a single point in time, which does not capture changes over time. Moreover, the study did not leverage advanced analytical technologies such as AI or big data, and the survey relied on self-reported perceptions, which may introduce subjectivity.

Future studies should broaden the research scope to cover the entire country or the ASEAN region to improve representativeness and combine qualitative methods to enrich practical insights. Researchers should also examine the impact of macro-level environments and incorporate additional factors such as innovation, organizational culture, and leadership capacity into the model. Longitudinal studies are recommended to track how these relationships evolve over time in dynamic contexts. Finally, adopting advanced analytical tools such as AI,

machine learning, and big data will enhance data discovery and provide stronger support for managerial decision-making.