Human Resource Management Factors in Financial Analysis of Securities Companies

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ABSTRACT

The outcomes of financial analysis serve as the basis for crucial decision-making in business operations. However, many small-scale securities companies tend to overlook this aspect. This study aims to investigate the relationship between financial analysis activities and business outcomes of small-scale securities companies in Vietnam. Data were collected from 92 respondents working in 27 small-scale securities companies (with owner equity of <250 billion Vietnamese Dong), holding positions such as management (directors, assistant directors, financial directors, chief accountants) and staff (financial and accounting personnel) involved in financial and accounting operations of Vietnamese securities companies. Sampling was conducted selectively from September 2023 to December 2023. Utilizing quantitative research, the Partial Least Squares Structural Equation Modeling (PLS-SEM) method was employed using SPSS 20 and AMOS 20 software. Results indicate that Financial Analysis Method (MAF) and Financial Analysis Content (variable FAC) positively influence financial analysis activities of small securities companies. Recommendations to enhance securities companies' business outcomes include (i) employing the EVA technique in financial analysis, (ii) improving management capabilities in financial report analysis, (iii) enhancing the skills of accounting and financial staff, and (iv) applying and operating professional ethical principles.

Keywords: Financial Analysis, Securities Companies, Business Performance
JEL Classifications: O15; O16; G24

1. INTRODUCTION

Securities companies are unique business entities in the stock market, playing a pivotal intermediary role that directly influences the activities of various stakeholders such as enterprises, investors, and even governments. These companies are constantly exposed to risks inherent in their business operations, including market risks, payment risks, and operational risks. The financial status of securities companies partly reflects the health of the stock market and their ability to withstand crises or adverse market and economic conditions. These aspects are clearly manifested in the financial reports of companies over the years. Therefore, financial analysis to determine the quality of assets and the origin of debts becomes crucial for the owners of securities companies.

Financial analysis of a company is the process of applying a system of scientific analysis methods to assess the financial situation of any given company. It helps management stakeholders understand the financial health and reality of the company, enabling them to accurately predict, forecast, and plan the company's financial situation in the future, as well as anticipate financial risks the company may face, thereby devising appropriate decision-making solutions.

Stakeholders interested in the situation of securities companies may include company management, investors, credit providers, laborers, government regulatory agencies, and financial analysis experts. Different stakeholders will utilize different financial information and make decisions for different purposes. Therefore,

financial analysis for each stakeholder will cater to different objectives.

Financial statement analysis and evaluation of operational effectiveness originated from a banking director in the United States (Penman, 2013). The most significant benefit of financial reporting is reflecting financial risks and issuing warnings to securities companies for identifying, measuring, controlling, or financing those risks. Knowledge of financial reporting is utilized in business operations such as balance sheets, income statements, profit and loss statements, cash flow statements, and accompanying notes. The balance sheet portrays the financial position of a company at a specific point in time, reflecting assets, liabilities, and equity. Assets represent economic resources with the ability to generate value or economic benefits. Liabilities are the company's obligations from past transactions involving financing, transferring, using assets, or providing services. Liabilities can serve as leverage to bring economic benefits to the company. Equity is the remaining portion of assets after all liabilities have been paid off. Equity represents the company's residual value in the form of retained earnings. The profit and loss statement measure the financial performance of the company over a period, typically a month or a year.

In recent years, there have been many studies on financial analysis that affect operating results, some of which include: (Huang et al., 2008; Firth et al., 2011; Arshad et al., 2015; Minnis and Sutherland, 2017; Minnis and Sutherland, 2017; Amani and Fadlalla, 2017; Wong et al., 2018; Babajide et al., 2023)., Database analysis has an impact on performance results. The analytical method gives important results in making forecasts of risks, potential, financial prospects (Benhayoun et al., 2013; Dahmen and Rodríguez, 2014; Wong et al., 2018; Liu, 2020; Buchdadi et al., 2020; Babajide et al., 2023). Content analysis affects the success and failure of companies, especially those with small capital (Snider, 2015; Eniola and Entebang, 2017; Wong et al., 2018; Buchdadi et al., 2020; Vuković et al., 2022; Babajide et al., 2023). The analysis process contributed significantly to performance results such as (Wong et al., 2018; Buchdadi et al., 2020; Babajide et al., 2023). However, studies have not focused on the type of securities companies with small capital in developing countries such as Vietnam, the number of studies on this subject is limited, and there are not many unified views.

2. RESEARCH OVERVIEW AND THEORETICAL FOUNDATION

2.1. Foundational Theories of the Paper

Theory of Planned Behavior (Ajzen, 1991): The intentions to perform various behaviors differ, but can be accurately predicted by analyzing attitudes toward the behavior, subjective norms, and perceived behavioral control. Intention to perform behaviors, along with perceived behavioral control, significantly account for differences in actual behavior. Attitude, subjective norms, and perceived behavioral control have been shown to be related to the set of beliefs about behavior, norms, and control prominent in behavior. Expectancy formulations are considered to only partly succeed in addressing the relationships between these factors. Past behaviors are predicted to provide a comprehensive test of the theory (Ajzen, 1991).

Disclosure theory (Ahmed and Courtis, 1999): Company size and listing status are strongly related to the level of information disclosure, while there are clear differences in reporting containing information on leverage, profit, and audit scale. Disclosure of accounting financial activities of an organization, particularly, is related to investor attitudes, necessitating transparent disclosure, non-concealment of information, and the effectiveness of information.

2.2. Experimental Studies in the World in Recent Years

According to Finegan (1989), EVA is an excellent measure of business improvement, it is used to evaluate the performance of the business; select investment projects; design reward policies; or measure success in large sectors such as agriculture (Finegan, 1989). EVA is a measure of the true economic profit that a business can generate, quantifying it specifically. As a result, we can determine the level of success and loss of the business in a certain period of time more accurately and simply. In addition, EVA is also a useful metric for investors when they want to quantify the value that a business can create for investors. Investors can also use the EVA metric to compare this business with other businesses in the same industry quickly.

Basis for determining EVA: EVA = NOPAT - (TC x WACC)

NOPAT (Net Operating Profit after tax): Profit before interest and taxes = After-tax profit + interest expense x (1 - corporate tax rate).

TC (Total capital): Investment capital determined by the average total assets on the balance sheet.

WACC (Weighted Average Cost of Capital): The interest rate used for average capital weighted by the proportion of capital sources (including both debt and equity).

The most prominent advantage of the EVA measure is its consideration of the cost of using equity capital, which represents the opportunity cost when investors invest capital in this business area rather than elsewhere. This allows for an accurate determination of the real value created for investors and shareholders over a specific period. Other measures do not account for this type of cost. Secondly, when determining EVA, indicators need to be reflected from an economic perspective to overcome the limitations of traditional measures when using accounting data for calculations. Therefore, when calculating EVA, it is necessary to adopt an economic perspective, considering that all sources of capital mobilized for investment, production, and business activities incur a cost of capital utilization and must be reflected on a monetary basis.

According to Huang et al. (2008), accounting data fraud methods occur worldwide, leading to failures in actual business operations. Financial ratios remain inputs for developing predictive models

in business, i.e., traditional analysis methods. Today, an optimal financial model combines static analysis and trend analysis based on computers. The results are used to analyze data in companies in Taiwan and yield higher prediction results compared to other single models (Huang et al., 2008).

According to Firth et al. (2011), if a company restates its financial statements, it indicates that the previous financial statements were incorrect, and the data provided for reporting were manipulated. To demonstrate, the authors investigated the causes of falsifying data and its consequences. As a result, companies with poor business results and high debts are motivated to raise capital for operations. Providing incorrect data affects subsequent wrong behaviors, reduces the company's value, and impacts business results (Firth et al., 2011). Part of the reason is the change in company management and the high turnover rate of executive directors.

According to Benhayoun et al. (2013). Good financial health contributes to building strong economic engines, which is reflected in financial indicators, which are important in analyzing the risks, potential and financial viability of businesses (Benhayoun et al., 2013). Based on a sample of 20 companies monitored for 3 years (2009-2011) using a set of 39 financial indicators analyzed by the Primary Factor Analysis (PFA) method to reduce the size of the input matrix to 8 factors affecting the financial health of companies, as a Support Vector Machine Model (SVM) input, through which the model results can predict the company's financial risk.

According to Dahmen and Rodríguez (2014), based on surveying directors to determine the level of financial literacy and the use of financial reporting in making management decisions. As a result, there was a finding that there was a strong link between financial strength and directors' habits for their company's financial statements (Dahmen and Rodríguez, 2014). Specifically, 7/14 companies do not regularly review financial statements and 6/7 of companies do not regularly review financial statements, which are companies that are facing financial difficulties; In contrast, 7 out of 14 companies in the study are experiencing financial difficulties, and 6 out of 7 of them are directors who do not regularly review financial statements.

According to Snider (2015), the number of small companies failing is 20% within the first 2 years and 50% within 5 years. On the basis of strategic analysis, the success of 12 small companies, reaching profit after 5 years. Data was collected through structured interviews and information taken from companies' websites (Snider, 2015). The results showed that the topics discussed included training techniques; planners should be trained in creative business, operations, and marketing; And differentiation is important and achieved by specializing and providing outstanding customer service. Thus, the diversity of knowledge, in which the knowledge of financial analysis regularly helps businesses survive and develop.

Theo Arshad et al. (2015). Based on the Beneish score ratio analysis tool and the Z-score model to analyze the causes of failure of 24 companies in Malaysia through the provision of data

on financial statements suspected of fraud. The researchers used 10 key indicators, and the cash conversion cycle indicator to feed into the Beneish point model and the Z-point model (Arshad et al., 2015). As a result, the models were accurate with 96% predictors of business failure and about 83.3% predictors of fraudulent financial statements and evidence of a relationship between business failure and fraudulent financial statements.

According to Minnis and Sutherland (2017). Banks often require financial statements in companies' loan documents after receiving loan requests. There is a relationship between borrower risk and financial reporting requirements that are inverted U-shaped; at the same time, tax liability returns can both replace and supplement financial statements, depending on the creditworthiness of the borrower and the level of information asymmetry between the bank and the borrower (Minnis and Sutherland, 2017). The number of banks that regularly require financial statements is regular, intended to monitor collateral, and used only for non-real estate loans. The results provide new evidence about the need for basic information for financial reporting in corporate borrowing, or through which banks exercise their supervisory role.

According to Amani and Fadlalla (2017). Advanced business analytics and decision support tools both depend on input data. Measurable importance is acknowledged by professional bodies (Amani and Fadlalla, 2017). The American Institute of Certified Public Accountants (AICPA) has identified data mining as one of the top technological priorities for the future, and the Institute of Internal Auditors (IIA) has listed data mining as one of its key priorities.

According to Eniola and Entebang (2017). Apply random sample approaches and linear structural models to assess the financial literacy factors of managers of small and medium-sized enterprises. As a result, there is a positive influence on financial literacy, managers' attitudes in translating them into company performance (Eniola and Entebang, 2017). However, this is not a prerequisite for the functioning of the enterprise, but the characteristics of the manager in decision-making and the relationship with financial attitudes have a comparison with financial literacy.

Theo Wong et al. (2018). The limitation of current research in the world is that it does not explain the decisions of business owners in determining the financial structure of the company, i.e. does not clearly analyze the behavior of business owners in using financial statement analysis to make decisions (Wong et al., 2018). The authors have evidence that business owners choose to manage their company's finances as a direct consequence of their personal goals of owning the business. Factors such as personal outlooks, life events and future prospects of business owners have influenced their goals and perceptions, thereby influencing decisions about financing and funding options for business activities. Thus, business owners, especially small businesses, do not have the habit of analyzing finances to base management decisions that depend on their personal characteristics.

According to Liu (2020), the author used Bank of America data as a case study analyzing the relationship between risk and financial

statements. The bank was financially strong, withstanding and weathering the 2008 financial crisis and acquiring Merrill Lynch and Countrywide Financial Corp. to become one of the largest banks in the United States. Through the analysis of financial data across groups reflecting solvency, profitability, return on net assets, and operating capacity, it is clear that the good health of this bank (Liu, 2020). The author also compares the norms with another bank, China Communications Bank, which is one of the long-standing banks in China, operating profitably for decades. However, profits are declining.

According to Buchdadi et al. (2020), to examine the performance of SMEs in Indonesia, an interesting finding suggests that a manager's level of financial literacy has an impact on a company's business performance (Buchdadi et al., 2020). The authors found a positive relationship in financial literacy, access to finance, and SMEs' view of risk. From the description of statistics also see that weaknesses of SME managers in terms of banking products and capital markets. According to the authors, state agencies need to develop programs to improve their capacity to understand finance, banking products, risk management and capital market products.

Theo Vuković et al. (2022). Based on the financial statement sample of 1333 looking at companies operating in Europe for 6 years from 2014 to 2019, thereby looking at indicators that affect the sustainable growth of companies (Vuković et al., 2022). The results, in turn, show that company size has a negative impact on growth, while returns on assets and leverage have a positive impact on growth. This shows that financial analysis gives important results.

According to Babajide et al. (2023), with the goal of testing the level of financial literacy of small business owners in Lagos and Ogun states, Nigeria. The data collected consisted of 300 surveys, corresponding to 300 businesses. The results showed that financial literacy and financial capacity practices have an impact on company sustainability (environmental sustainability, financial sustainability and social responsibility (Babajide et al., 2023). These findings imply financial literacy in small business operations will enhance a company's sustainability. Business owners with financial literacy will regularly analyze finances and make appropriate decisions. The recommendations recommend that business owners improve their financial knowledge to remain sustainable.

H1: The Method of Financial Analysis (MAF) has a positive impact on the performance outcomes of small-scale securities companies.

H2: The Financial Analysis Database (FAD) has a positive impact on the performance outcomes of small-scale securities companies.

H3: The Financial Analysis Process (FAP) has a positive impact on the performance outcomes of small-scale securities companies.

H4: The Financial Analysis Content (FAC) has a positive impact on the performance outcomes of small-scale securities companies.

3. RESEARCH METHODS AND MODELS

The objective of the paper is to test the PLS-SEM linear structure model model clarifying the relationship between financial analysis and performance at small securities companies, performed on SPSS 20 and AMOS 20 software (Arbuckle, 2011).

Based on an overview of fundamental theories and empirical studies, it is necessary for an in-depth study to expand the theoretical framework, provide more empirical and managerial evidence regarding the relationship between financial analysis and performance in Vietnamese securities companies. The aim of the study was to extend previous findings on financial analysis in countries with similar contexts and conditions like Vietnam, clarifying this relationship using a structural equation model. The model looks like (Figure 1).

The economic equation of the article corresponding to the model is: PLS = f (MAF, FAD, FAP, FAC)

All variables in the model are measured using a 5-point Likert scale (Likert, 1932), which consists of a series of related attitude statements in the survey questionnaire. Securities company employees will select only one of these responses. Each response option is assigned a score reflecting the level of agreement, and the corresponding scores can be aggregated to measure the respondent's attitude: 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree, 5 for strongly agree.

Research data: The study collected data from 92 respondents from 27 small-scale securities companies (with owner's equity scale below 250 billion Vietnamese Dong), including managerial positions (directors, deputy directors, financial directors, chief accountants) and employees (financial, accounting) related to financial and accounting tasks of Vietnamese securities companies. Sampling was conducted from September 2023 to December 2023, and the data were cleaned before being input into the model using SPSS 20 and AMOS 20 software.

Demographic Profile of Survey Participants: The collected data were entered into an Excel sheet. In terms of gender, there were 65 male employees (70.65%) and 27 female employees (29.35%). Regarding age, there were 12 employees aged 18-25 (13.04%), 6 aged 26-30 (6.52%), 42 aged 31-35 (45.65%), 24 aged 36-40 (26.09%), and 8 over 40 (8.70%). Regarding education and professional qualifications, there were 33 employees with intermediate or college education (35.87%), 52 with university education (56.87%), and 7 with postgraduate education (7.61%). In terms of job position, there were 15 managerial employees (16.30%) and 77 non-managerial employees (71.52%). Regarding work experience, there were 34 employees with 1-5 years of experience (36.96%), 31 with 6-10 years (33.70%), 22 with 11-15 years (23.91%), and 5 with over 16 years (5.43%).

Table 1 illustrates that the data collected in the paper accurately reflects the human resources situation of securities companies, with the workforce predominantly consisting of young professionals

with high qualifications, most of whom have graduated from university or higher education.

The Vietnamese stock market is currently experiencing strong growth both in quantity and quality, as evidenced by the increasing scale of the market, the transition of market structure from quantity to quality, and the growing number of retail investors or market intermediaries, accompanied by intertwined opportunities and challenges. However, in the context of Vietnam's stock market

being evaluated as having the highest development potential in the region, being a highly potential and high-demand sector, the market structure also needs to be different from other industries. Based on theory, the article builds a measurement scale (table 2) as follows:

4. REGRESSION MODEL VALIDATION AND DISCUSSION OF RESULTS

Scale reliability analysis: Cronbach's alpha coefficient is used to assess the scale's responsiveness to requirements. Requirements include alpha coefficient >0.6 and corrected item-total correlation >0.3, as detailed in Table 3.

Table 3 indicates that the quality of the scales is good. For the Business Performance scale, the Cronbach's Alpha value is 0.901, and Corrected Item-Total Correlation is >0.734. For the Financial Analysis Content scale, Cronbach's Alpha value is 0.867, and Corrected Item-Total Correlation is >0.647. For the Financial Analysis Method scale, Cronbach's Alpha value is 0.811, and Corrected Item-Total Correlation is >0.621. For the Financial Analysis Process scale, Cronbach's Alpha value is 0.798, and Corrected Item-Total Correlation is >0.541. For the Financial Analysis Database scale, Cronbach's Alpha value is 0.765, and Corrected Item-Total Correlation is >0.582.

Exploratory Factor Analysis: Due to the sample size of 92 being <100, the chosen Absolute value cutoff is 0.3. Table 4 shows that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.666, which falls within $0.5 < KMO < 1$; the Bartlett's Test of Sphericity is 0.000, indicating that the data used for factor analysis is suitable.

Table 1: Descriptive statistics of survey participants in the research model

No.	Characteristics of survey objects	Number (individuals)	Tỷ lệ (%)
1	Gender		
	Female employees	65	70.65
	Male employees	27	29.35
2	Age		
	Aged 18-25	12	13.04
	Aged 26-30	6	6.52
	Aged 31-35	42	45.65
	Aged 36-40	24	26.09
	Over 40	8	8.70
3	Education		
	Intermediate, College degree	33	35.87
	University degree	52	56.52
	Postgraduate	7	7.61
4	Position		
	Managerial	15	16.30
	Non-managerial	77	83.70
5	Experience		
	1-5 years of experience	34	36.96
	6-10 years of experience	31	33.70
	11-15 years of experience	22	23.91
	Over 16 years of experience	5	5.43

Source: Compiled from survey data

Table 2: Description of scales, observations, and variables in the model

No.	Code	Survey question content	Source
I.		Methods of analyzing a financial-MAF	
1.	MAF1	Method of analysis based on financial ratios	(Benhayoun et al., 2013; Wong et al., 2018;
2.	MAF2	Method of analysis based on financial models	Liu, 2020; Buchdadi et al., 2020; Babajide
3.	MAF3	Using analysis method based on Economic Value Added (EVA)	et al., 2023).
II.		Financial analysis database-FAD	
4.	FAD1	Information within the company	(Huang et al., 2008; Firth et al., 2011;
5.	FAD2	Information outside the company	Arshad et al., 2015; Minnis and Sutherland,
6.	FAD3	Combining information within and outside the company	2017; Amani and Fadlalla, 2017; Buchdadi et al., 2020; Babajide et al., 2023).
III.		Financial analysis process-FAP	
7.	FAP1	Developing financial analysis plans	(Wong et al., 2018; Buchdadi et al., 2020;
8.	FAP2	Conducting analysis	Babajide et al., 2023).
9.	FAP3	Financial analysis results	
IV.		Financial analysis content-FAC	
10.	FAC1	Analyzing financial statements for asset and capital management activities	(Snider, 2015; Eniola and Entebang, 2017;
11.	FAC2	Analyzing financial statements for revenue and cost management activities	Wong et al., 2018; Buchdadi et al., 2020;
12.	FAC3	Analyzing financial statements to enhance financial operations efficiency	Vuković et al., 2022; Babajide et al., 2023).
13.	FAC4	Analyzing financial statements for cash flow management activities	
V.		Profit and loss statement-PLS	
14.	PLS1	Customer growth rate	Expert interviews
15.	PLS2	Market share growth rate	
16.	PLS3	Revenue growth rate	

Source: Developed by the authors based on theoretical foundations
The model comprises 5 scales and 16 observed variables

Table 3: Scale analysis results for variables in the PLS-SEM model

Variable	Scale mean if Item deleted	Scale variance if Item deleted	Corrected Item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Item-total statistics					
PLS1	6.82	2.182	0.863	0.769	0.806
PLS2	6.82	2.456	0.734	0.548	0.918
PLS3	6.72	2.424	0.821	0.729	0.846
Factor 1, Cronbach's Alpha=0.901					
FAC1	8.3123	5.089	0.774	0.770	0.807
FAC2	8.2145	4.985	0.794	0.780	0.798
FAC3	8.5047	6.118	0.647	0.489	0.858
FAC4	8.6120	5.991	0.670	0.513	0.849
Factor 2, Cronbach's Alpha=0.867					
MAF1	7.12	2.707	0.660	0.452	0.756
MAF2	7.25	3.015	0.724	0.525	0.677
MAF3	6.89	3.542	0.621	0.401	0.785
Factor 3, Cronbach's Alpha=0.811					
FAP1	7.67	3.122	0.628	0.504	0.738
FAP2	7.50	3.346	0.541	0.344	0.830
FAP3	7.49	2.934	0.770	0.606	0.589
Factor 4, Cronbach's Alpha=0.798					
FAD1	5.43	3.252	0.606	0.367	0.677
FAD2	5.55	3.388	0.610	0.372	0.671
FAD3	5.67	3.748	0.582	0.339	0.704
Factor 5, Cronbach's Alpha=0.765					

Source: Statistical analysis using SPSS 20 software

Table 4: KMO and Bartlett's test

KMO and Bartlett's test		
Kaiser-Meyer-Olkin measure of sampling adequacy.		0.666
Bartlett's test of sphericity	Approx. Chi-square	2909.357
	df	120
	Sig.	0.000

Source: Statistical analysis by the authors using SPSS 20 software

Table 5: Variance extracted for factors and observations

Component	Initial eigenvalues			Extraction sums of squared loadings			Rotation sums of squared loadings[a]
Total variance explained							
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total
1	3.941	24.633	24.633	3.941	24.633	24.633	2.919
2	2.825	17.655	42.288	2.825	17.655	42.288	3.142
3	2.229	13.931	56.218	2.229	13.931	56.218	2.566
4	1.852	11.575	67.793	1.852	11.575	67.793	2.231
5	1.243	7.772	75.565	1.243	7.772	75.565	2.664
6	0.721	4.504	80.070				
7	0.603	3.769	83.838				
8	0.569	3.557	87.395				
9	0.413	2.579	89.974				
10	0.405	2.529	92.503				
11	0.338	2.111	94.614				
12	0.261	1.631	96.245				
13	0.235	1.468	97.713				
14	0.154	0.965	98.678				
15	0.116	0.725	99.403				
16	0.095	0.597	100.000				

Extraction method: Principal component analysis

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance

Source: Statistical analysis by the authors using SPSS 20 software

According to the results in Table 5, the variance extracted testing yields a Cumulative % of 75.565%, which is >50%. The Eigenvalues coefficient value for the group of factors larger than 1 is 5 factors.

Table 6: Component rotation matrix

Variable	Component				
	1	**2**	**3**	**4**	**5**
FAC2	0.897				
FAC1	0.887				
FAC4	0.804				
FAC3	0.790				
PLS1		0.938			
PLS2		0.900			
PLS3		0.836			
MAF2			0.895		
MAF1			0.850		
MAF3			0.762		
FAP3				0.905	
FAP1				0.855	
FAP2				0.768	
FAD2					0.882
FAD1					0.819
FAD3					0.688

Extraction method: Principal component analysis
Rotation method: Promax with kaiser normalization
a. Rotation converged in 5 iterations
Source: Statistical analysis using SPSS 20 software. MAF: Methods of analyzing financial, FAD: Financial analysis database, FAC: Financial analysis content

Figure 1: Research model
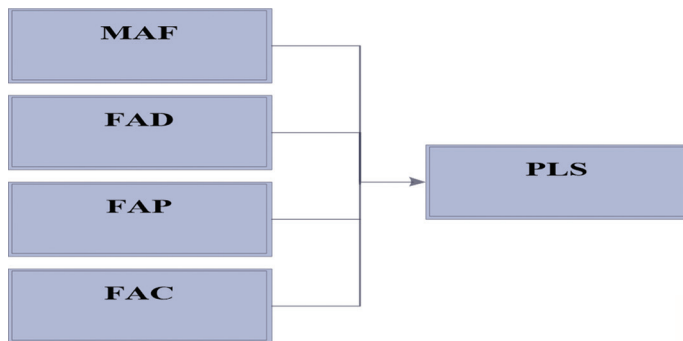
Source: Author's construction based on theoretical foundations

Factor loading coefficients of the observed variables >0.3; after examining the factor loading of the variables, there are 16 observed variables with factor loading >0.3 (Table 6) shows the results of the component rotation matrix. The results of the Exploratory Factor Analysis (EFA) meet the requirements.

Confirmatory Factor Analysis (CFA) and Partial Least Squares Structural Equation Modeling (PLS-SEM) Analysis. The results of Confirmatory Factor Analysis (CFA) and the estimation of the Partial Least Squares Structural Equation Modeling (PLS-SEM) model are illustrated in the Figüre 2.
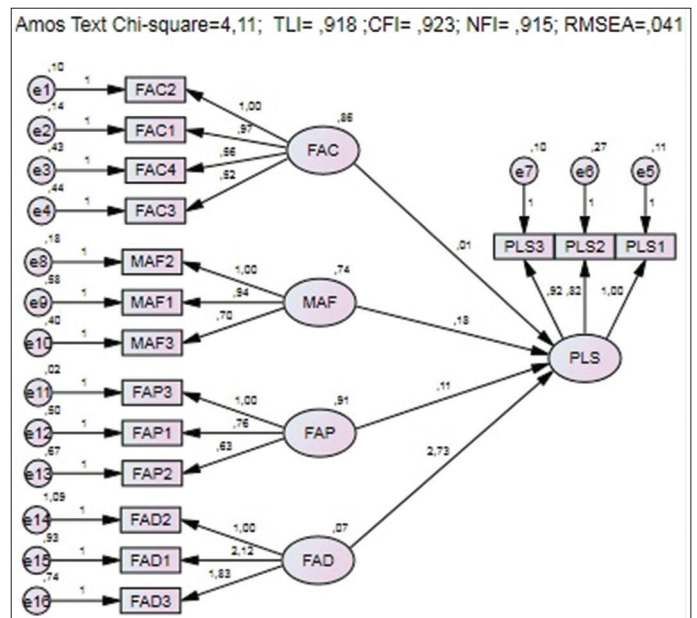
The results of Confirmatory Factor Analysis (CFA) indicate that the adjusted Chi-square value divided by degrees of freedom (Cmin/df) is 4.25, which falls within the range of ≤5. The Tucker-Levis Index value is 0.912, exceeding 0.9; the Comparative Fit Index value is 0.983, exceeding 0.9; the Normal Fit Index is 0.911, exceeding 0.9; and the Root Mean Square Error Approximation value is 0.038, <0.05. Therefore, it can be concluded that the integrated model is appropriate for real data as it meets the test criteria.

Figure 2: Summary of confirmatory factor analysis
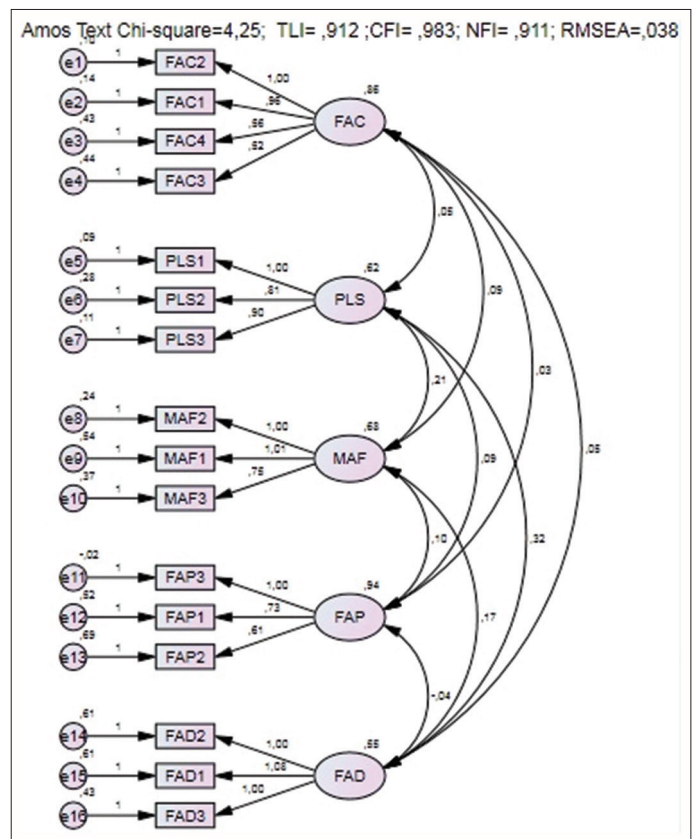
Source: Statistics from AMOS 20 software

Figure 3: Results of partial least squares structural equation modeling regression estimation model from the article

Source: Statistics from AMOS 20 software

Figure 3 illustrates that the adjusted Chi-square value divided by degrees of freedom (Cmin/df) is 4.11, which falls within the range of ≤5. The Tucker-Levis Index value is 0.918, exceeding 0.9; the Comparative Fit Index value is 0.923, exceeding 0.9; the Normal Fit Index is 0.915, exceeding 0.9; and the Root Mean Square Error

Table 7: Results of hypothesis testing

Giả thuyết	Tác động			Estimate	S.E.	C.R.	P	Label
H1	PLS	<---	MAF	4.181	0.044	4.138	***	Chấp nhận
H2	PLS	<---	FAD	0.728	0.623	4.376	0.741	Bác bỏ
H3	PLS	<---	FAP	0.107	0.037	2.919	0.64	Bác bỏ
H4	PLS	<---	FAC	1.013	0.038	0.331	0.011	Chấp nhận

(Source: Statistics on AMOS 20 software). MAF: Methods of analyzing financial, FAD: Financial analysis database, FAC: Financial analysis content, FAP: Financial analysis process

Approximation value is 0.041, <0.05. In conclusion, the integrated model is appropriate for real data as it meets the test criteria.

Table 7 presents the significance level of the estimation coefficients: $P \leq 0.05$; confidence level ≥95%. The factors included in the model are statistically significant, and the hypotheses are accepted.

Table 7 shows that the variables Methods of Analyzing Financial (MAF) positively impact the performance outcomes of small-scale securities companies, with statistical significance indicated by $P \leq 0.05$. Similarly, the variable Financial Analysis Content (FAC) positively affects the performance outcomes of small-scale securities companies with statistical significance indicated by $P \leq 0.05$. In contrast, the variables Financial Analysis Database (FAD) and Financial Analysis Process (FAP) do not have statistical significance as indicated by $P > 0.05$.

Hypotheses H1 and H4 are supported. Hypotheses H2 and H3 are rejected.

The results are consistent with studies of (Benhayoun et al., 2013; Dahmen and Rodríguez, 2014; Wong et al., 2018; Liu, 2020; Buchdadi et al., 2020; Babajide et al., 2023) modalities of analysis that affect performance results. Besides, the content of the analysis affects the success and failure of companies, especially those with small capital (Snider, 2015; Eniola and Entebang, 2017; Wong et al., 2018; Buchdadi et al., 2020; Vuković et al., 2022; Babajide et al., 2023).

5. POLICY IMPLICATIONS FOR MANAGERS OF SMALL-SCALE SECURITIES COMPANIES

Based on the results of the PLS-SEM regression model, the paper proposes solutions to assist managers of securities companies in developing appropriate policies and decisions to enhance business performance through financial analysis activities. Specifically:

Firstly, utilize the EVA technique in financial analysis. Companies need to recognize that using EVA for analysis helps them achieve sustainable development. EVA elucidates profit generation methods, quantifies them specifically, and thereby determines the company's success or failure over a certain period. EVA assists investors in quantifying the value that a company can create for them, enabling comparisons for investment decisions. Like other performance measures, EVA relies on accounting data as its basis, so adjustments are necessary for accuracy. EVA depends on profit, capital investment, and cost of capital; therefore, companies need to make adjustments before calculating EVA.

Secondly, enhance the managerial capacity in financial management activities. The quality of management personnel in securities management does not currently meet the requirements of financial analysis activities. This is due to the rapid development of the industry, with the labor market not providing the desired quantity and quality. Therefore, securities companies need to proactively conduct internal training regularly and strategically plan to train managerial staff to meet the new requirements of the securities market.

Thirdly, enhance the expertise and professionalism of accounting and financial staff. This department plays a crucial role in ensuring the company's development and managerial decision-making by providing accurate and timely financial information. Clearly define the volume of accounting work required by the company, establish job standards and descriptions, delegate authority reasonably to ensure the receipt, processing, analysis, and provision of information for managerial decision-making.

Fourthly, apply and operate the philosophy of professional ethics principles. To enhance the effectiveness of financial activities, securities companies need to issue and implement professional ethics principles. These principles must include fundamental contents such as: adherence to procedures, regulations, reliability, honesty, professionalism, compliance with regulations, and the highest level of data security and confidentiality.

6. CONCLUSION

Securities companies are a key player in the stock market. Particularly in Vietnam, the number of securities companies with small capital accounts for the majority. However, this group of companies plays an important role. The article has reviewed the underlying theory and theoretical basis as well as empirical studies on the relationship between financial analysis activities and performance results of small-capitalized securities companies in Vietnam. Nam adopts the PLS-SEM linear structural model. The results show that 2 hypotheses are accepted, 2 hypotheses are rejected. Financial analysis methods and financial analysis content have a positive impact on the operating results of securities companies with small capital, with high statistical significance.

From research results through econometric modeling, the authors have proposed solutions that are considered feasible in the current context and in the coming time in improving business results through analytics activities. financial accumulation. Possible solutions may be to apply EVA techniques in financial analysis activities. Securities companies need to review and edit data before analysis. In particular, companies need to improve the capacity of

positions that use analysis results, including management teams as well as finance and accounting staff who deploy financial analysis activities in securities companies. . In addition, a standard code of professional ethics is necessary for job positions in the company, as well as other subjects involved in financial analysis activities.

The article has contributed to expanding the theoretical framework and providing empirical evidence for improving the operating results of small-capitalization companies through improving the quality of human resources. The solutions offered can be applied in different stock markets globally. A limitation of the article is that it does not consider foreign ownership relations in securities companies, this is also a further content that the research team will have further publications

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