

THE INFLUENCE OF CORPORATE SOCIAL CAPITAL ON KNOWLEDGE ACQUISITION AND PRODUCT INNOVATION STRATEGY

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Abstract

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This study investigates the influence of corporate social capital on knowledge acquisition and product innovation in Vietnam's textile and garment industry. Grounded in social capital theory, the research explores the interconnections between leaders' social capital, internal social capital, and external social capital. Data was gathered through direct interviews with 293 senior and middle-level leaders from enterprises in southern Vietnam. The findings reveal that corporate social capital significantly impacts both knowledge acquisition and product innovation. Moreover, the study demonstrates that leaders' social capital directly influences internal and external social capital, highlighting its crucial role in fostering these organizational assets. The research also establishes a positive relationship between knowledge acquisition, facilitated by corporate social capital, and enhanced product innovation. These results underscore the importance of cultivating social capital at various organizational levels to drive innovation and competitive advantage in the textile and garment sector. The study contributes to the understanding of social capital dynamics in emerging markets and offers practical insights for managers seeking to leverage social networks for organizational success.

Keywords: Social Capital, Corporate Social Capital, Knowledge Acquisition, Product Innovation, Vietnam

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1. INTRODUCTION

Throughout history, various forms of capital have played crucial roles in societal and economic

development. While economic, human, cultural, and resource capital are widely recognized, social capital has emerged as a critical yet often overlooked factor in explaining disparities in community development.

This concept gained prominence when researchers observed that communities with equivalent economic and human resources could experience vastly different outcomes, with one thriving while another declining. This phenomenon led to the refinement of social capital theory, which posits that social capital acts as a binding agent, enhancing the efficiency and synergy of other capital forms, and ultimately contributing to economic growth (Lins et al., 2017; Dasgupta, 2005).

The textile and garment industry, a cornerstone of the global economy, offers a compelling context for examining the role of social capital. Beyond its economic significance, accounting for a substantial portion of world trade (McKinsey & Company, 2016), the industry intersects with fundamental human needs and social expression. Clothing serves not only a practical purpose but also as a medium through which individuals convey status and identity (Kim et al., 2015). In Vietnam, the industry's importance is underscored by its substantial contribution to the national economy, with export turnover reaching \$41 billion in 2022, representing 11% of the country's total exports (Bual, 2022).

While previous studies have investigated the impact of corporate social capital on knowledge acquisition (Mikovic et al., 2019; Yli-Renko et al., 2001) or product innovation (Cuevas-Rodríguez et al., 2014; Laursen et al., 2012) independently, there is a notable gap in research examining the simultaneous influence of corporate social capital on both knowledge acquisition and product innovation. Furthermore, the interrelationships between different aspects of corporate social capital — specifically leaders' social capital, internal social capital, and external social capital — remain underexplored in the context of the textile and garment industry. This study aims to address these gaps by conducting research objectives:

- Investigating the influence of corporate social capital on both knowledge acquisition and product innovation in the textile and garment industry.
- Examining the relationships between a leader's social capital, internal social capital, and external social capital.
- Assessing the role of knowledge acquisition as a mediator between corporate social capital and product innovation.

The research questions are as follows:

RQ1: How does corporate social capital influence knowledge acquisition and product innovation in textile and garment enterprises?

RQ2: What are the interrelationships between a leader's social capital, internal social capital, and external social capital?

RQ3: To what extent does knowledge acquisition mediate the relationship between corporate social capital and product innovation?

This study is grounded in social capital theory, which posits that networks of relationships constitute a valuable resource for conducting social affairs (Nahapiet & Ghoshal, 1998; Do et al., 2023). The research applies this theory to the corporate context, examining how social relationships at various organizational levels contribute to knowledge acquisition and innovation outcomes. In an era where innovation and knowledge management are critical for competitive advantage, understanding the role of social capital in facilitating these processes is crucial. This study contributes to both theoretical and practical domains by first extending the application of social capital theory in

the specific context of the textile and garment industry. Second, providing insights for managers on leveraging social networks to enhance knowledge acquisition and drive innovation. Last, offering a more nuanced understanding of how different forms of social capital interact within organizations.

The rest of the paper is organized as follows. After the Introduction, the research hypotheses are presented, and the proposed research model, which is based on the social capital theory, is explained in Section 2. The research technique is described in Section 3. The model results and empirical findings are reviewed in Section 4. The conclusion, theoretical contributions, management implications, study limitations, and recommendations for further research are all included in Section 5.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Social capital theory

Social capital originates from social networks, it is deeply embedded in social relationships at many levels (Akintimehin et al., 2019). The application of social capital theory aims to understand social relationships, social interactions, trust, and reciprocity. Famous authors have researched social capital, such as (Bourdieu, 1986; Giovando, 2022), which was then developed into books by authors such as (Putnam, 1995; Fukuyama, 2002; Lin, 1999). Today, social capital is taught in universities. Authors have many ways of defining and explaining social capital. Most authors' views are that 1) social capital is associated with social networks (Bourdieu, 1986; Hasan et al., 2020), social networks are an important component of social capital (Giovando, 2022); 2) social capital is a result of investment because it increases other types of capital such as human capital and economic capital (Bourdieu, 1986), through relationships, individuals build and enrich capital society to use for one's own benefit (Giovando, 2022); 3) social capital is trust and reciprocity, meaning that in a human relationship there must be mutual responsibility, trust, support and expectations (Coleman, 1988; Hasan et al., 2020).

Previous studies on social capital focused on three levels: 1) enterprise, 2) community, and 3) country. In this study, we address social capital at the firm level.

2.2. Corporate social capital

Corporate social capital is the quality of the network of relationships between leaders, individuals, and departments inside and outside the enterprises (Nguyen & Huynh, 2012; Hasan et al., 2020). Through relationships established from social capital, actors can mobilize resources by creating new relationships (Adler & Kwon, 2002; Presutti et al., 2022). Previous studies suggest that a corporation's social capital includes three elements: a leader's social capital, internal social capital, and external social capital (Nguyen & Huynh, 2012).

A leader's social capital is the quality of the leader's network of relationships with individuals inside and outside the enterprise. Effective strategic leaders regularly build and develop social capital to achieve better business results (McCallum & O'Connell, 2009). But how to do that, leaders view

leadership not only as rank and title but also as a position of responsibility to stakeholders (Ireland & Hitt, 2005; Hasan et al., 2020). They participate in large groups such as communities and industry associations; they manage paradox through participation in large groups, where paradox is understood as both competing and cooperating with other firms (Ireland & Hitt, 2005; Presutti et al., 2022).

Internal social capital fosters strong bonds within the organization (Tsai, 2000; Presutti et al., 2022) and facilitates interaction and coordination between employees and different departments within the enterprise (Giovando, 2022). High levels of cross-functional team efficiency result from employees in firms understanding and trusting one another, which makes it easier to share information and knowledge on a frequent basis through casual talks (Rosenthal, 1996). To increase productivity and quality of work, cross-functional cooperation is essential. Furthermore, via mutual understanding and trust, internal social capital fosters a positive work atmosphere among staff members (Yang et al., 2012). Accordingly, businesses are more likely to increase their profitability (Dai et al., 2015) and innovation performance (David et al., 2020) when they have larger levels of internal social capital.

The interaction between companies and people who represent companies that are externally associated is known as external social capital (Yli-Renko et al., 2002). According to Dai et al. (2015), external social capital comprises assets that have strong connections outside the company or that may be evident in the way the company interacts with rivals (Ireland & Hitt, 2005). An organization's external network assists it in acquiring environmental resources to pursue new prospects. External social capital enhances corporate performance (Akintimehin et al., 2019; Nasip et al., 2017) and has a beneficial impact on service delivery (Tang et al., 2022).

2.3. Knowledge acquisition

According to the knowledge-based view (KBV), which describes the enterprise as a repository of knowledge and capabilities; accordingly, knowledge is one of the key factors leading to success (Spender & Grant, 1996; Xiong & Sun, 2023). According to Hult et al. (2007) and Bach et al. (2018), knowledge acquisition is an important component of knowledge development, including four components: 1) knowledge acquisition, 2) information distribution, 3) shared meaning, and 4) achieved memory. In particular, knowledge acquisition has a greater positive impact on green product innovation, opens up new production opportunities, and improves the ability to exploit these opportunities (Awan et al., 2021; Yli-Renko et al., 2001).

Thus, knowledge acquisition represents a business's efforts to conduct more research on new products that customers need in the future. Businesses regularly collect customer opinions to quickly detect new customer trends in the business environment (Hult et al., 2007; Hasan et al., 2020).

2.4. Product innovation

Innovation is present in every aspect of life, in organizations and businesses (Leskovar-Spacapan & Bastic, 2007; Presutti et al., 2022). In the context of

globalization, for businesses to participate in the global supply chain, product innovation is a vital issue for every business, especially the textile and garment fashion sector in Vietnam. Through social relationship networks, businesses can get more information, share knowledge, and help each other (Dai et al., 2015), helping businesses constantly innovate products. Many empirical studies have confirmed that corporate social capital develops strong and coherent bonds based on common understanding and trust between members of the company, which will help the company develop the dynamic capacity to transform and exploit knowledge obtained from outside, promoting product innovation (Ortiz et al., 2021; Cuevas-Rodríguez et al., 2014).

2.5. Hypotheses and research model

Many previous studies have examined the direct impact of corporate social capital on product innovation. In this study, we examine the simultaneous influence of corporate social capital on knowledge acquisition and product innovation of enterprises in the fashion textile industry.

The relationship between a leader's social capital with internal social capital, and external social capital is described further.

Leadership is about influencing to motivating employees to participate in achieving set goals (Yukl, 2006). An effective leader understands the social network relationships of members inside and outside the organization; from there, it is possible to leverage an individual's network to make a profit (Balkundi & Kilduff, 2006). Strategic leaders additionally need to create successful connections in order to develop a culture of trust inside the firm (Tasavori et al., 2018). Employees must be eager to own their strengths and shortcomings, and leaders will dedicate themselves to complementing employees' limited skills and expertise (Nagendrakumar et al., 2023). Furthermore, companies contain various units that conduct their own specialized duties; these units require a system to coordinate and integrate into a coherent whole (Nguyen & Huynh, 2012). Cooperation among all units is required to execute given duties thoroughly and effectively (Hitt & Duane, 2002). Therefore, the leader's social capital has a positive impact on the corporation's internal social capital.

Leaders' challenges with external stakeholders in the context of globalization lead to competitive complexities. In addition, in this scenario, leadership may be defined as developing and maintaining a strong, trustworthy network of relationships with external stakeholders (Tasavori et al., 2018). Strategic leaders must constantly assess, modify, shape, and utilize human and social resources. Leadership is essential for business success. To be productive, strategic leaders need to possess excellent communication and connection skills. Leaders will help workers improve relationships with corporate partners, industry groups, and governments at all levels by using their leadership skills and networks (Dai et al., 2015; Nguyen & Huynh, 2012). It demonstrates that a leader's social capital positively influences the corporation's external social capital. Based on the above considerations, we suggest two hypotheses:

H1: A Leader's social capital is positively related to the corporation's internal social capital.

H2: A leader's social capital is positively related to the corporation's external social capital.

The relationship between internal and external social capital with knowledge acquisition:

Social capital theory shows that internal social capital has a positive impact on the corporation's knowledge development. Accordingly, a corporation's internal social capital allows members to communicate and share experiences and knowledge with each other (Mikovic et al., 2019; Prieto-Pastor et al., 2018). In particular, knowledge in the garment and fashion industry is often understood as aesthetic knowledge, a form of knowledge that is unstable and constantly changing, promoting continuous improvement (Chafai, 2023). As knowledge is expanded by building communication channels outside the environment (Nagendrakumar et al., 2023), its power is maintained through interactions between individuals in networks of social relationships such as customers, communities, industry associations, and business partners (Nguyen & Huynh, 2012; Dai et al., 2015). Therefore, the acquisition of knowledge is embedded in a network of social relationships. Thus, internal social capital has a positive impact on the knowledge acquisition of fashion textile and garment enterprises.

Suseno and Ratten (2007) showed that external social capital has a positive impact on the knowledge development of enterprises. The unique knowledge of partners drives all stakeholders towards learning from each other to achieve the desired results. In particular, knowledge acquisition is decisive for success in the market (Chafai, 2023). Businesses collect information from the market and customers to help businesses conduct research to innovate products (Laursen et al., 2012). Furthermore, in the fashion garment industry, market trends and requirements for different product designs are frequently the desires of customers. Fashion apparel businesses must innovate to survive. Thanks to the external relationship network, helps fashion garment businesses regularly exchange information, learn from each other (Mikovic et al., 2019; Yli-Renko et al., 2001), and absorb new knowledge from collaborative efforts (Hitt & Duane, 2002; Ireland & Hitt, 2005). Given the above discussion on the relationship between internal and external social capital with knowledge acquisition, hypotheses *H3* and *H4* are proposed:

H3: Internal social capital is positively related to knowledge acquisition.

H4: External social capital is positively related to knowledge acquisition.

The relationship between internal and external social capital with product innovation:

According to social capital theory, internal social capital helps create a friendly work environment through trust and mutual understanding among employees (Yang et al., 2012). In addition, internal social capital fosters strong internal bonds (Nagendrakumar et al., 2023) that facilitate cooperation between employees and different departments within the enterprise (Adler & Kwon, 2002). Mutual

understanding and trust help employees regularly share information and knowledge at work; from there, they have more ideas for product innovation (Cuevas-Rodríguez et al., 2014; Laursen et al., 2012).

External social capital reflects the relationships between businesses and individuals representing externally relevant organizations (Dai et al., 2015; Nagendrakumar et al., 2023). Social capital theory posits that a firm's external networks enable it to gain resources from the environment in search for new opportunities (Prasetyo et al., 2020; Cuevas-Rodríguez et al., 2014). Thanks to this relationship, textile enterprises can mobilize each other's resources, reduce transaction costs, and open up many business cooperation opportunities (Yang & et al., 2012). Through relationships with buyers, suppliers, business partners, and stakeholders, allowing them to exchange a variety of complementary information and knowledge to create new products at low cost, overcoming the risks associated with product innovation (Prasetyo et al., 2020; Cuevas-Rodríguez et al., 2014). With the above discussion on the relationship between internal and external social capital with product innovation, hypotheses *H5* and *H6* are proposed:

H5: Internal social capital is positively related to product innovation.

H6: External social capital is positively related to product innovation.

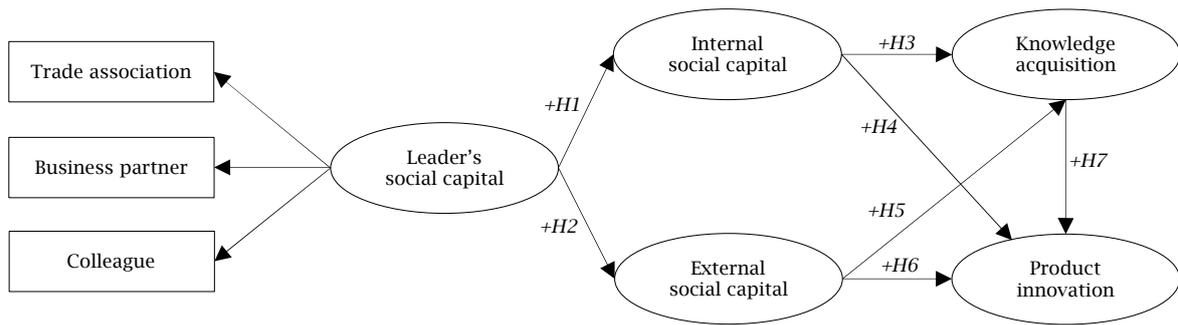
The relationship between knowledge acquisition with product innovation is explained below.

Product innovation constitutes one of the apparent outputs of the capacity to develop knowledge. Knowledge creation must be conveyed via the introduction of innovations. According to Nonaka (1994) and Weerakoon et al. (2019), the combination of new information and learning leads to corporate innovation. From a knowledge-based standpoint, innovation will necessitate the synthesis of diverse knowledge sources to generate new information. Yli-Renko et al. (2001) contend that knowledge acquisition enhances new product development capacities in three ways: 1) enhancing the breadth and depth of a firm's expertise, hence raising the opportunity for new creative combinations; 2) accelerating product development by lowering development cycle time; 3) increasing the company's desire to create new products for its important customers.

Furthermore, knowledge acquisition through external contacts improves product innovation by boosting preparedness to build new goods by obtaining input from key clients (Weerakoon et al., 2019). Knowledge acquisition enables a firm to produce new goods while improving its competitive advantage, increasing its chances of success (Awan et al., 2021; Zhang et al., 2015). With the preceding consideration of the link between knowledge acquisition and company product innovation, hypothesis *H7* is provided:

H7: Knowledge acquisition is positively related to product innovation.

Figure 1. Research models



Source: Authors' elaboration.

3. METHODOLOGY

3.1. Data collection and sample

To achieve a unified and comprehensive quantitative analysis of various research findings, a survey method was employed to describe and interpret the relationships among the variables within the model. This study uses the quota convenience sampling method. Survey subjects are limited to textile enterprises operating in the South, Vietnam, including Ho Chi Minh City, Mekong Delta, and the Southeast provinces. Respondents to the survey questions are senior and mid-level leaders. Data collection period from March to June 2023. Prior to starting the data gathering process, a pretest of 10 respondents that verbal consent. Written consent was requested before the screening part, and the main questionnaire part, which includes 312 survey questionnaires, was collected, of which 19 were rejected (12 survey questionnaires answered with incomplete content and seven questionnaires answered incorrectly). The final sample size used for data processing was 293 samples.

3.2. Measurement scale assessment

The observed variables used to measure research concepts are inherited from previous studies, specifically the observed variables measuring the concepts of leader's social capital, internal social capital, and external social capital are inherited from Nguyen and Huynh (2012), the observed variables measuring knowledge acquisition are inherited from Hult et al. (2007) and the observed variables measuring product innovation are inherited from Roach et al. (2016). However, these studies were conducted not in the textile and garment industry, so the words are no longer appropriate. We had to conduct in-depth interviews with experts in the field of textiles and apparel to correct measurement scales.

3.3. Data analysis

Collected data is evaluated by Cronbach's alpha reliability analysis tool, confirmatory factor analysis

(CFA), and linear covariance-based structural equation modeling (CB-SEM) to test the model and research hypotheses.

4. RESEARCH RESULTS

4.1. Demographic information

Data was collected from the market through questionnaires and face-to-face interviews. A total of 293 questionnaires met the requirements for data entry for statistical testing. The results of the official sample description are presented according to two criteria: geographical area and type of enterprise, as follows:

Firstly, by geographical area, the number of enterprises participating in the survey in the Ho Chi Minh City area (45.4%), the Southeast provinces (43.3%), and the Mekong Delta (11.3%).

Second, by type of enterprise, the number of domestic private enterprises accounts for the proportion (68%), foreign-invested enterprises (20.8%), and state-owned enterprises (11.2%).

4.2. Reliability test

There are a total of 30 items used to measure five factors, including: 1) leader's social capital is a multi-directional scale consisting of three components of industry associations (*HHNN*), business partners (*DTKD*), colleague (*DGNP*); 2) internal social capital (*VXBT*), 3) external social capital (*VXBN*), 4) knowledge acquisition (*TTKT*), and 5) product innovation (*DMSP*). In which, four items were eliminated due to factor loading less than 0.3 including *DMSP4* ("In general, we have an advantage over our competitors by providing our customers with better products"), *VXBT4* ("In our business, all colleagues have ambitions to achieve common goals"), *HHNN2* ("I usually get trust from industry associations") and *DGNP1* ("I have established a good relationship with colleagues in the enterprise"). The final result has 26 items measuring five factors in the research model shown in Table 1.

Table 1. Results of the Cronbach's alpha test

<i>Constructs, items, and Cronbach's alpha (α)</i>	<i>Cronbach's alpha if item deleted</i>
Product innovation ($\alpha = 0.855$)	
<i>DMSP1</i> : Our business is often the pioneer in bringing new products to the market.	0.840
<i>DMSP2</i> : Our business designs new products that make a difference from existing products on the market.	0.727
<i>DMSP3</i> : The quality of our new products is superior to that of our competitors.	0.818
Knowledge acquisition ($\alpha = 8.41$)	
<i>TTKT1</i> : We regularly do a lot of internal research on new products that our customers will need in the future.	0.824
<i>TTKT2</i> : We quickly detect changes in customer preferences about the product.	0.788
<i>TTKT3</i> : We poll our customers at least once a year to evaluate the quality of our products.	0.762
<i>TTKT4</i> : We quickly detect fundamental changes in the fashion industry environment.	0.820
Internal social capital ($\alpha = 0.804$)	
<i>VXBT1</i> : In our business, all colleagues have common goals and visions.	0.774
<i>VXBT2</i> : In our business, all departments/divisions usually keep their promises to each other.	0.751
<i>VXBT3</i> : In our business, colleagues in different departments/divisions maintain a close relationship.	0.737
<i>VXBT5</i> : In our business, each division does its best to avoid harming the interests of other departments/departments.	0.783
<i>VXBT6</i> : In our business, colleagues in different departments regularly exchange knowledge or information through informal conversations.	0.782
External social capital ($\alpha = 860$)	
<i>VXBN1</i> : Business partners and our business can keep their promises to each other.	0.841
<i>VXBN2</i> : Our business is often introduced by business partners to new business opportunities.	0.824
<i>VXBN3</i> : Our business partners try their best to avoid harming our interests.	0.828
<i>VXBN4</i> : Our business partners maintain close relationships with us.	0.835
<i>VXBN5</i> : Business partners who maintain a personal friendship with our business.	0.830
Industry associations ($\alpha = 0.616$)	
<i>HHNN1</i> : I have established a good relationship with the industry associations.	0.496
<i>HHNN3</i> : I often receive information sharing from industry associations.	0.519
<i>HHNN4</i> : I often get help from industry associations.	0.530
Business partners ($\alpha = 0.693$)	
<i>DTKD1</i> : I have established and maintained a good relationship with business partners.	0.603
<i>DTKD2</i> : I often receive information sharing from business partners.	0.626
<i>DTKD3</i> : I often get help from business partners.	0.568
Colleagues ($\alpha = 0.851$)	
<i>DGNP2</i> : I often get the trust of my colleagues in the business.	0.841
<i>DGNP3</i> : I often receive knowledge sharing from colleagues in the enterprise.	0.789
<i>DGNP4</i> : I often get help from colleagues in the business.	0.743

Source: Authors' elaboration.

4.3. Confirmatory factor analysis

The results of the CFA test of the multi-dimensional scale of leaders' social capital include: industry associations (*HHNN*), business partners (*DTKD*), and colleagues (*DGNP*). Accordingly, Chi-square = 34.436; $p = 0.033 < 0.05$; Chi-square / df = 1.640; consistency index (GFI) = 0.975, Tucker-Lewis index (TLI) = 0.986, comparative fit index (CFI) = 0.992; root-mean-squared error associated (RMSEA) = 0.047. Therefore, the research model is suitable for market data.

The results of the CFA test of the factors in the critical model: Chi-square = 461.461; $p = 0.000$;

CMIN / df = 1.636; GFI = 0.895, TLI = 0.951, CFI = 0.957; RMSEA = 0.047. GFI = 0.895 > 0.8 indicating a good fit. According to Hair et al. (2010), the measurement model is compatible with market data.

4.4. Structural equation modeling

According to Figure 2, CB-SEM test results, the model has 284 degrees of freedom, Chi-square = 523.567; $p = 0.000$, CMIN / df = 1.844; GFI = 0.884, TLI = 0.935, CFI = 0.943; RMSEA = 0.054. According to Hair et al. (2010), the market data is compatible with the proposed theoretical model.

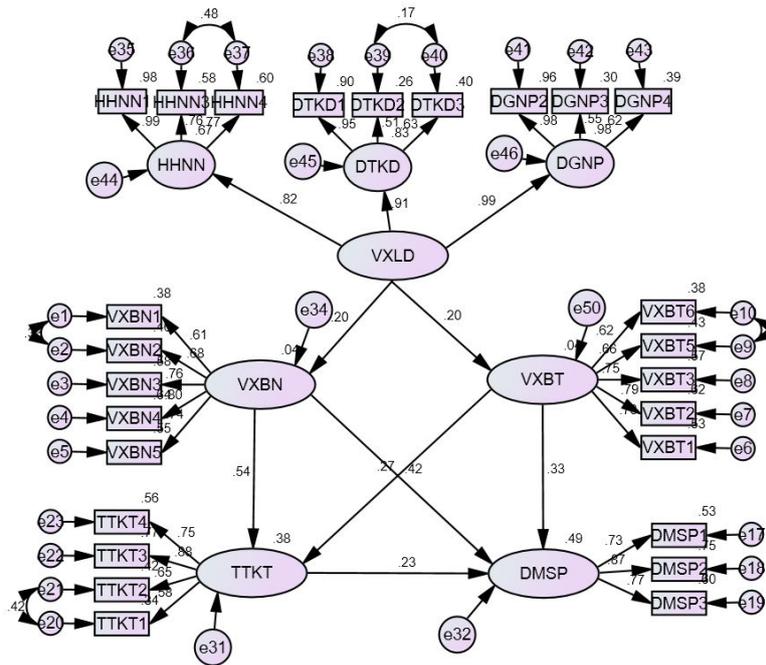
Table 2. Results of testing the hypotheses

<i>Hypotheses</i>	<i>Estimate</i>	<i>SE</i>	<i>CR</i>	<i>p-value</i>	<i>Result</i>
<i>H1</i>	0.195	0.037	2.951	0.003	Accepted
<i>H2</i>	0.200	0.049	3.089	0.002	Accepted
<i>H3</i>	0.273	0.070	4.031	0.000	Accepted
<i>H4</i>	0.543	0.063	6.634	0.000	Accepted
<i>H5</i>	0.327	0.099	4.821	0.000	Accepted
<i>H6</i>	0.417	0.087	5.269	0.000	Accepted
<i>H7</i>	0.228	0.113	2.860	0.004	Accepted

Note: SE — standard error, CR — composite reliability.

Source: Authors' elaboration.

Figure 2. Result of structural equation modeling



Source: Authors' elaboration.

The results of the CB-SEM linear structure analysis to test the theoretical model and seven research hypotheses show that the market data is suitable for the research model; all seven hypotheses are accepted. This means that all relationships in the model are statistically significant.

4.5. Discussion

Many previous studies have only considered the impact of corporate social capital on business performance in two aspects: internal social capital and external social capital (Suseno & Ratten, 2007; Dai et al., 2015), or consider the relationship between social capital and leadership development (Ismail & Ahmed, 2022). Consequently, executives constantly strive to run the company using the resources of the business, according to the demands of the market. Leaders inspire employees with their energy and work ethic. Most significantly, they guarantee learning within the company and cultivate partnerships with all stakeholders (Jabbar & Hussein, 2017). This study examines how a leader's social capital affects both internal and external social capital, confirming that a leader's social capital is an important antecedent that helps businesses in the textile sector build both internal and external social capital.

Three factors directly affect product innovation: internal social capital, external social capital, and knowledge acquisition. This means that: 1) when all employees share the same goals and vision, keeping promises, maintaining relationships, and sharing information and knowledge will help businesses increase product innovation (Dai et al., 2015); 2) in business activities, businesses must keep their promises, build good relationship policies with partners, and avoid harming mutual benefits; 3) in the textile and garment sector, businesses need to quickly detect changes in the business environment, regularly survey customers, quickly discover new fashion trends, and

most importantly, more internal research on new products needs to be conducted (Hult et al., 2007). This is an approach to assisting companies in coming up with innovative new ideas quickly.

External social capital has the strongest impact on knowledge acquisition and product innovation of businesses, with impact coefficients of 0.543 and 0.417, respectively. This means that when people in a business always keep their promises, maintain relationships (Nguyen & Huynh, 2012), introduce new business opportunities, as well as avoid harming each other (Dai et al., 2015) will promote businesses to quickly receive information and knowledge from the market, promoting product innovation. Therefore, leaders need to focus on building and developing external social capital.

In this study, the factor of knowledge acquisition has a direct impact on product innovation with a standardized regression coefficient of 0.228 (see Table 2). Therefore, textile and garment enterprises need to pay attention to improving their knowledge by implementing the following suggestions: 1) enterprises must regularly focus on collecting customer opinions on product quality, which is the basis for businesses to propose product innovations; 2) businesses need to conduct a lot of research on products to satisfy new customer needs to meet new fashion trends.

5. CONCLUSION

The paper builds and tests a model of the influence of corporate social capital on knowledge acquisition and product innovation for the case of fashion textile enterprises in Vietnam. Research results confirm that a business's social capital affects knowledge acquisition and product innovation. The second, the leader's social capital directly impacts internal social capital and external social capital. This confirms the role of leaders' social capital in promoting the internal and external social capital of textile enterprises. Finally, this result

will motivate businesses in the textile industry to increase the use of corporate social capital to improve knowledge acquisition and product innovation.

Firstly, previous studies have not considered the mutual impact of corporate social capital factors (Dai et al., 2015; Nguyen & Huynh, 2012). This study examines the impact of corporate social capital factors, specifically the leader's social capital, which has a direct impact on internal and external social capital. This is a new contribution of the research, confirming the role of leaders' social capital in promoting internal and external social capital.

Secondly, among the three aspects of corporate social capital, leaders' social capital and external social capital need the support of government agencies. Especially, industry associations need to have many policies to support businesses. The Vietnam Textile and Apparel Association needs to promote its role as an intermediary connecting businesses with state agencies and the market, thereby creating practical value from the association network to serve the benefits of its members.

This result will motivate fashion textile enterprises to increase the use of corporate social capital to continuously innovate products by increasing the use of leader's social capital, internal social capital, and external social capital: 1) leaders need to establish and maintain well with industry associations, business partners and colleagues; 2) everyone in the enterprise should focus on developing internal social capital through keeping

promises, sharing information and knowledge, avoiding harming mutual interests; 3) develop external social capital with business partners by maintaining good relationship quality, introduce new business opportunities and avoid harming each other's interests.

Furthermore, research results show that knowledge acquisition has a direct impact on the product innovation of fashion textile, and garment enterprises. Therefore, to increase knowledge acquisition, fashion textile and garment businesses need to implement the following suggestions: 1) businesses regularly detect changes in fashion trends; 2) enterprises need to focus on collecting customer opinions on product quality, which is the basis for enterprises to innovate products; and 3) businesses need to conduct a lot of internal research on products to satisfy new customer needs and quickly respond to new fashion trends.

This study is only conducted for textile and garment enterprises in the southern region of Vietnam. Therefore, the generalizability of the research results will be higher if it is repeated with a broader sample structure, including enterprises in the Central and Northern regions.

Corporate social capital is confirmed as an important resource for enterprises in the textile and garment industry. Therefore, this study cannot confirm that corporate social capital is suitable for other economic sectors. Therefore, there is a need for further studies to examine the effects of corporate social capital in other areas.

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