

Enhancing Allocative Efficiency Through Digital Transformation and Gender Diversity: Evidence from Vietnam's Commercial Banks

Abstract:

This study investigates the effects of digital transformation and gender diversity in executive boards on the allocative efficiency of Vietnamese commercial banks from 2006 to 2022. Amid increasing competition and rapid technological change, understanding the impact of digital transformation on operational efficiency has become essential. Simultaneously, evaluating how gender diversity influences governance and resource allocation is critical for effective policy design. A two-step method was used for stochastic frontier analysis with a Translog cost function and System-GMM regression. Results show that digital transformation significantly enhances allocative efficiency by reducing costs and improving resource use. Gender diversity also makes things run more smoothly, but only up to a point, which shows that the relationship is not linear. These results suggest that banks should carefully plan how they spend money on digital technologies and make rules that encourage women to become leaders. Doing so can improve management, use resources, and make the company more competitive in the long run.

Keywords: Allocative Efficiency; Digital Transformation; Gender Diversity; Commercial Banks; Vietnam.