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Impact of Parents' Business on Children's Academic Achievement in the Northern Mountainous Areas of Vietnam

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Abstract:
The objective of this study is to evaluate the impact of parental occupation as business owners and their educational levels on children's academic performance, particularly among students in Northern mountainous regions of Vietnam. The research involves examining and interviewing 32 households in Moc Chau District, Son La Province, and Yen Son District, Tuyen Quang Province, Vietnam. Through detailed interviews with those families, we assess the perceptions of various business owners regarding the importance of education for their children. Moreover, a critical aim of this study is to estimate the influence of parental occupation, business activities, and family economic situations on the educational outcomes of children in these areas, particularly in Son La and Tuyen Quang provinces. The quantitative analysis results indicate that children from families where parents are engaged in economic activities tend to perform better at academic institutions compared to those from families solely involved in farming. Based on these findings, the study promises economic and business development recommendations for households in the northern mountainous regions of Vietnam.
Keywords: *Parents' business, economic, children's academic, northern mountainous areas, Vietnam*

1. Introduction

Understanding the factors that contribute to individual achievement is paramount in the context of contemporary society (Krogh, 2023). Unsurprisingly, a large amount of research has been conducted to identify the major predictors of academic achievement to better understand the determinants of differences in academic achievement (OECD, 2018).

It is well known that young people from more advantaged economic backgrounds have, on average, higher levels of academic achievement than their disadvantaged peers. Yet rather less is known about how the relative economic position of students, which is directly related to their parent's business, might be influencing their academic progression at school. This is the issue assessed in this paper, using longitudinal administrative data covering the northern mountainous areas of Vietnam. We find evidence that parents' business within children's schools is associated with grade retention, performance in standardized tests and attitudes towards school.

The data collection was conducted in two provinces: Tuyen Quang and Son La. These areas are marked by distinct economic activities and varying levels of economic practices, which in turn influence educational

opportunities. However, the focus on encouraging businesses in less developed mountainous areas due to the effects on overall children's academic development has been largely ignored.

The purpose of this study is, therefore, to unravel the nature of the relationship that persists between parents' business and children's academic achievement that have been adopted by households in Northern mountainous areas of Vietnam. The urgency of this research lies in its potential to inform policies that can bridge educational gaps and improve the living standards for children in these communities, thereby fostering long-term socio-economic growth and educational equity.

2. Literature review

2.1. Parents' business

Family business has contributed to Vietnam's economy for many years and still serves as the cornerstone of economic development nowadays (Gomez-Mejia, Cruz, Berrone, & De Castro, 2011). It consists of an estimated two-thirds of all businesses in the world and accounts for 70 % of the global GDP (Osunde, 2017).

Although family businesses come in myriad shapes and sizes, they inevitably share a set of common characteristics (Gersick et al., 1997). In this study, we draw on the definition of family business developed by Chua et al. (1999, p. 25; emphasis added) which sees family business as a business governed and/or managed with the intention to shape and/or pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.

A distinctive feature of family-owned businesses is that they often pursue goals beyond merely increasing their financial returns, typically being driven by the goal of preserving their "socioemotional wealth," here referring to nonfinancial aspects such as striving for family influence, binding social ties, and intrafamily succession (Berrone et al., 2012; Gomez-Mejia et al., 2011), at least until the very survival of the business is at stake (Casillas et al., 2019; DeTienne & Chirico, 2013).

Therefore, parent's businesses pursue a combination of both business and family goals (Mahto et al., 2010), which usually overlap (Klein et al., 2005; Gómez-Mejía et al., 2011). Among these non-economic objectives is the preservation of socioemotional wealth (Berrone et al., 2010; Glover & Reay, 2015), which represents the non-economic rewards that owners of family firms obtain from their businesses (Gómez-Mejía et al., 2007).

Moreover, socioemotional wealth provides a conceptual framework that adequately explains the differences between family and non-family businesses. The reason for this is that socioemotional wealth allows the incorporation of relations between firm and family, considered as the main distinctive characteristic of these businesses (Habbershon et al., 2003; Zahra & Sharma, 2004; Araya-Castillo et al., 2021b).

2.2. Parents' Educational Background

Parents' education is a key driver of education attainment of children (Birdsall, Levine, & Ibrahim, 2005; Browne & Barrett, 1991). Studies conducted in Kenya, Egypt, India, Ghana, Mexico, and Malaysia have shown that mothers with primary education are more likely to have educated children after controlling for other factors (Alderman & King, 1998; Birdsall et al., 2005; Browne & Barrett, 1991; Kambhampati & Pal, 2001). The association between parents' education and children's academic achievement informed the rallying call for literacy programs for disadvantaged adults, in support of children's future education (Birdsall et al., 2005; Browne & Barrett, 1991).

While the importance of parental education as a predictor of children's education and behavior outcomes is well established (Abuya, Mutisya, & Ngware, 2015; Abuya, Oketch, Mutisya, Ngware, & Ciera, 2013; Dubow, Boxer, & Huesmann, 2009), the pathways through which parental education influences children's academic achievement are not well understood. Some scholars have argued that highly educated parents will have children who aspire to achieve higher educational outcomes (Black, Devereux, & Salvanes, 2003; Dubow et al., 2009). Another school of thought asserts that higher parental education influences positive family interaction patterns, which lead to greater academic achievement and goal-oriented attitudes over time (Dubow et al., 2009). In this case, parental education enhances family interaction during children's early years to increase the likelihood of academic success and achievement-oriented attitudes among children. Thus, parental education and family interaction foster the positive experiences in children, which lead to an adoption of cognitive scripts, beliefs, and values in children that maintain behavior over time—in this case academic and achievement-related behaviors (Anderson & Huesmann, 2003; Dubow et al., 2009).

Research also suggests that highly educated parents' expectations for their children's academic achievement predict children's achievement in both math and reading (Davis-Kean, 2005; Halle, Kurtz-Costes, & Mahoney, 1997). These findings imply that children's positive perceptions of achievement are linked to their parents' positive beliefs and expectations (Davis-Kean, 2005; Halle et al., 1997) and that higher academic achievement among these children is an outcome of their internalization of positive beliefs and expectations, as well as the background education of their parents.

In contrast, Coneus and Sprietsma (2009) posit that highly educated parents, especially mothers, are more likely than less educated parents to invest the time and materials needed to enhance children's cognitive development. These studies suggest that higher education levels of mothers enable them to be more efficient with how they use their time with their children. Thus, a parent's ability to negotiate the use of resources in the household is dependent on his/her level of education. One such resource is income, resulting in improved investments in children development (Coneus & Sprietsma, 2009). Other scholars have argued that the home learning environment, which refers to the parental literacy promoting behavior and quality of language spoken at home (Christian, Bachnan, & Morrison, 2001; Taylor, Clayton, & Rowley, 2004), is critical for children's learning achievement (Taylor et al., 2004), since higher incomes enable parents to afford reading materials in their households.

2.3. Children's academic achievement

Academic achievement is a primary recognized criterion of student learning success and school quality and is significantly related to individual psychosocial functioning and future long-term educational success (e.g., Fu et al., 2016; Kiuru et al., 2020). Unsurprisingly, a large amount of research has been conducted to identify the major predictors of academic achievement to better understand the determinants of differences in academic achievement (OECD, 2018).

Academic achievement, in turn, is typically assessed in terms of test performance or teacher ratings with respect to language abilities (e.g., Ebert, 2020b, Lecce et al., 2021), mathematical competence (Kloo et al., 2022, Osterhaus et al., 2020), or scientific reasoning (Kyriakopoulou and Vosniadou, 2020, Osterhaus et al., 2017, Weinstock et al., 2020). Achievement tests include tests of letter knowledge, narrative comprehension, reading, phonemic awareness, and verbal ability for language, whereas for mathematics they include counting, addition, subtraction, multiplication, division, and geometry.

Furthermore, to measure academic achievement, the pupil's overall grade was used. The overall grade is not an arithmetical mean of the grades in each subject; it is more a joint qualitative evaluation by all teachers who have given classes to a pupil. The qualifications were given values of 8.0-10.0: excellent, 7.0-7.9: very good, 6.5-6.9: fair, 5.0-6.4: average, below 5: weak.

2.4. Relationship between Parents' business and Children's academic achievement

Numerous studies have found that family's economic status is associated with children's academic achievement (Pears, Kim, & Fisher, 2008; Sirin, 2005). The family stress model (Conger et al., 1992; Conger & Elder, 1994) provides an explanation of this association: Family's economic aspects, such as material hardship and economic pressure, measured by low income, unmet material needs and negative economic events, have adverse effects on parents' behavior and emotions, which in turn can negatively influence their parenting practices (e.g., harsh, inconsistent, and uninvolved parenting) that can lead to negative developmental outcomes for their children, including lower aca- demic performance. Studies based in the United States have consistently supported the suggested linking mechanisms (Barrera et al., 2002; Brody et al., 1994; Reising et al., 2012).

Unlike the family stress model, the family investment model proposes a more direct association among family economic resources, parental investment, and academic achievement (Becker & Tomes, 1994; Bradley & Corwyn, 2002; Duncan & Magnuson, 2003). This model does not primarily focus on the negative emotional aspects of parents or disrupted parenting, which may be caused by economic difficulties. Rather, the model proposes that parents who have more economic resources are able to make investments for the successful development of their children (e.g., arranging private tutoring or academic institutes for extracurricular studies); parents who have fewer resources invest their capital and income in more urgent family needs. Therefore, wealthier parents, which in this study is focused on as parents who own businesses, can likely support children directly through advanced or specialized tutoring or training.

It has been argued that the social and emotional development of adolescents is better explained by the family stress model and that the family investment model provides a better explanation of cognitive development (Conger, Conger, & Martin, 2010). In agreement with previous studies, we assumed that the family investment model would provide a better explanation of the association between family's economic status and adolescents' educational achievement.

Several studies have indicated that most children who grow up with a low family socio-economic status tend to have lower academic achievement in reading and mathematics than those from higher socio-economic backgrounds (J. Guo, 2011; T. Liu et al., 2015; N. Zhao et al., 2016). The parents' investments could explain this disparity (Bradley & Corwyn, 2002; Conger & Donnellan, 2007). As mentioned, parents with abundant resources are more likely to invest their economic, educational, and occupational capital in ways that facilitate their children's cognitive and academic development. Compared to parents who own businesses with higher incomes, others in the mountainous areas of Vietnam usually have limited educational attainment and lower status occupations (Jin et al., 2017; S. Zhan, 2011; W. Zhang, 2000). Therefore, those students may study at schools with a worse school infrastructure and lower teaching quality (X. Chen, Wang, & Wang, 2009; L. Wang, 2008), thus resulting in lower academic achievement.

On the other hand, parent's economic status and values directly influence their achievement performance, persistence, and task choice (Eccles et al., 1983; Eccles & Wigfield, 2002). Adolescents with higher educational expectations, which are found in higher income family, are likely to be more academically motivated and therefore are more likely to succeed at school and obtain higher educational attainment (Meece, Wigfield, & Eccles, 1990; Ou & Reynolds, 2008; Wigfield & Eccles, 2000). Taken together, these findings have suggested that educational expectations, resulting from family's background may potentially serve as a mediator in the relationship between family's economic status and academic achievement among families in Northern mountainous regions in Vietnam.

Researchers have typically considered whether children with more educated, higher-earning parents achieve superior lifetime outcomes (e.g. better school grades, obtain a higher social position, earn more money) than their peers from disadvantaged backgrounds—across a country or a region as a whole. Much less attention has

been paid, however, to the role of children's relative social background in determining their future achievements. That is, if a child is relatively advantaged or disadvantaged in comparison to their school peers, does this matter for their future academic achievements (over and above their absolute socio-economic status)?

There are several reasons to believe that a family's relative economic status is likely to be important for children's educational outcomes. In the section that follows, we will describe such potential mechanisms and correlation in great detail. This report recognizes the importance of children's relative academic rank within their school, with young people developing higher levels of academic self-confidence (Jonkmann et al., 2012; Roy et al., 2015) and experiencing faster academic progress (Elsner and Isphording, 2017) if they possess greater financial power than their school peers (conditional upon their absolute level of prior performance).

Parents may change their behavior depending upon whether they are more or less advantaged than other parents at their child's school. For instance, in a school comprised of children from mainly high economic backgrounds, most parents may pay for private after-school tutoring for their offspring. If a child from a lower economic background were to join this school, their parents might also feel obliged to pay for a private tutor as well (possibly diverting their discretionary spending from other areas to do so). On the other hand, were this child to attend a school comprised of mainly low economic pupils (where most children are not privately tutored) then their parents may not decide to take such a step. This is, of course, just one example of a potential behavioral reaction of parents and their children, with many other examples possible as well. Yet it clearly illustrates how behavioral responses to the economic context of the school may help to generate relative financial influence caused by owning a family business in mountainous areas.

Information asymmetry may also play a relevant role for students' academic outcomes (as found by authors such as Bozgeyikli et al., 2009; Huang and Hsieh, 2011; Metheny and Hawley, 2013; Hsieh and Huang, 2014). This is because students from higher income family, which is associated with owning a business in this study, may have access to more, better and earlier information about their future career options than students with less advantaged backgrounds, even when they attend the same school, to the extent that their parents had to take similar decisions before and may, hence, orient their children in a more precise way (Hitlin, 2006). This may provide students a difference in the levels of self-efficacy on career selection and the opportunity of orienting their academic decisions and study efforts towards a long-term goal.

There is strong and consistent evidence that young people's relative economic position within their school is associated with the probability that they repeat a grade. Specifically, children who are more socio-economically advantaged than their school peers are more likely to repeat a grade than the equivalent child who is from a lower background relative to their school peers. One possible explanation for this result may be that there is less social stigma for a child to repeat a grade when they are surrounded by low socio-economic status peers or, alternatively, it could be driven by negative peer effects.

Finally, evidence also emerges that relative economic status seems to matter for young people's academic attitudes towards school. In particular, children who are more economically advantaged to others in their school may be more likely to report being happy at school and that they like studying, despite also suggesting that there are greater levels of disruption amongst their classmates.

2.5. Research Model

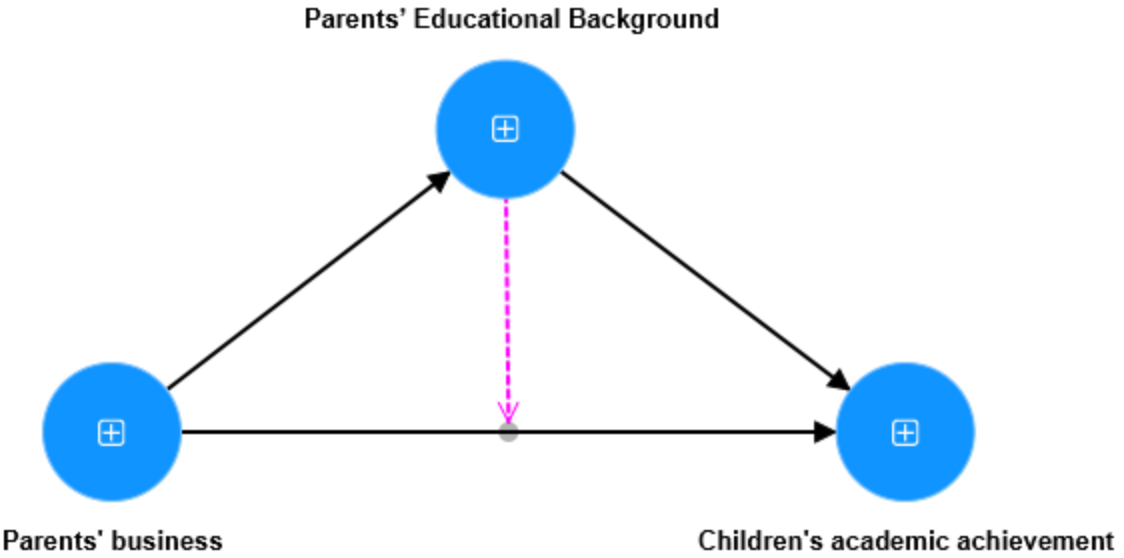

Fig.1. Research Model

The study model describes the influence of parent's business on children's academic achievement through the mediating and regulating mechanism of the Parents' Educational Background variable.

3. Research method

The study conducted interviews with households in the mountainous areas of Northern Vietnam. The qualitative interview results were completed and a quantitative survey was conducted for a total of 188 households in the northern mountainous region. The research model was evaluated through the evaluation of the measurement model and the evaluation of the structural model under the guidance of Hair et al. (2019).

4. Results

The results of testing the measurement model are as follows:

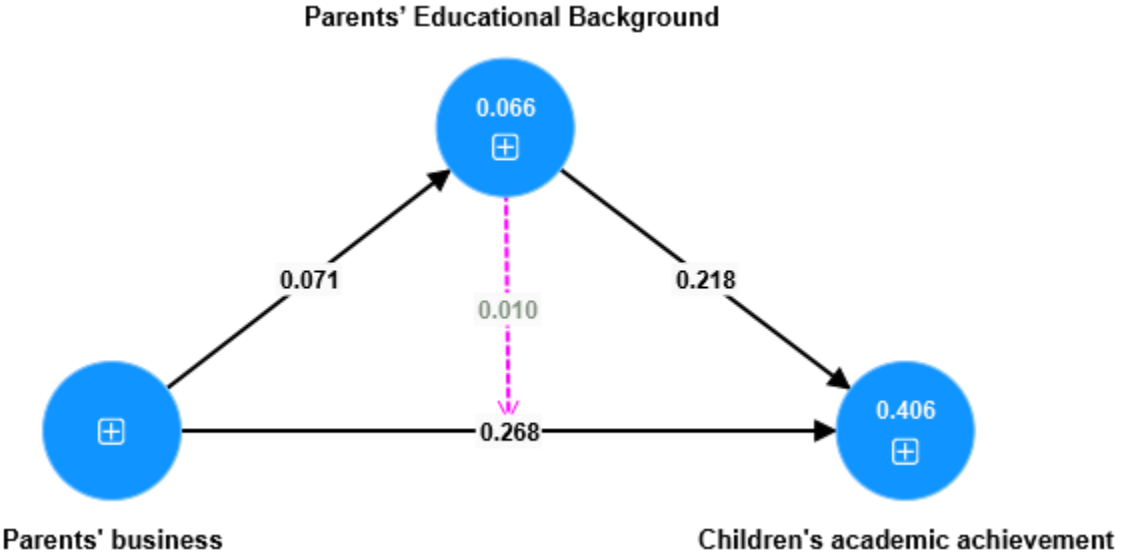

Fig.2. PLS Results

The results show that the research variables ensure the evaluation of the measurement model, ensure the reliability and value to conduct subsequent analysis to test the structural model and research hypotheses.

Table 1. Construct reliability and validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Children's academic achievement	0.933	0.936	0.944	0.652
Parents' business	0.832	0.883	0.869	0.655
Parents' Educational Background	0.857	0.894	0.895	0.563

Satisfy reliability and value for further testing based on Hair et's guidelines. al. (2019).

Table 2. Discriminant validity
Heterotrait-monotraite ratio (HTMT)

Children's academic achievement				
Parents' business	0.538			
Parents' Educational Background	0.545	0.304		
Parents' Educational Background x Parents' business	0.114	0.078	0.159	

Satisfy reliability and value for further testing based on Hair et's guidelines. al. (2019).

Table 3. Model fit

	Saturated model	Estimated model
SRMR	0.060	0.060
d_ULS	0.265	0.250
d_G	0.605	0.610
Chi-square	1927.954	1920.485
NFI	0.799	0.800

Satisfy reliability and value for further testing based on Hair et's guidelines. al. (2019).

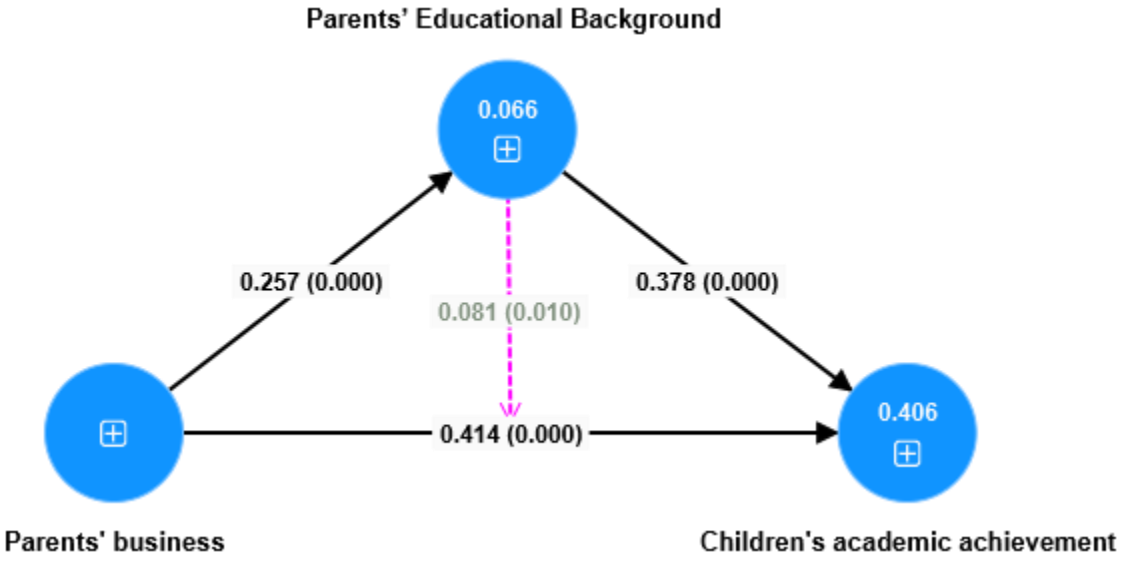

Fig.2. Results of testing the research hypothesis

The results show that parent's business has a positive impact on Children's academic achievement with an impact coefficient of 0.414 at a meaningful level of 1% (P_value = 0.000) through the mediating and regulating mechanism of the Parents' Educational Background variable with a two-step intermediate coefficient of 0.257 and 0.378, respectively, both at a meaningful level of 1% (P_value = 0.000) and a regulating role with a meaningful level of 0.081 with a significance of 10% (P_value = 0.000). This means that families with parents who work in economics will help with better academic outcomes. Allison Garnham, head of the charity Child Po Poor Action Group, said the way parents educate has a big impact on their children and needs more attention. "First-class parents are role models, second-class parents are coaches, and third-class parents are nannies." Every parent is willing to sacrifice everything so that their children can study to the destination, achieve many achievements, enter a good university and have a promising future. In fact, if you want your child to achieve high grades, it is your parents who are the first people who need to make an effort, whether it is in terms of knowledge or economics.

> *"Family life is the first school for children to learn inspiration and parents' lifestyle is a child's habit" is considered the right statement even though they go through many different social stages" – Households in Ha Giang*
> *"In 2016, Harvard University published the results of a 30-year study of 107 Americans from all walks of life, from the working class to the upper class. Accordingly, the influence of the position of parents on the next generation is far beyond what we think. This influence comes from many factors, not only in terms of money but also in terms of marital sustainability, empathy, social networks and parental understanding."*

Table 4. Path coefficients
Mean, STDEV, T values, p values

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Parents' business -> Children's academic achievement	0.414	0.417	0.029	14.293	0.000
Parents' business -> Parents' Educational Background	0.257	0.261	0.036	7.137	0.000
Parents' Educational Background -> Children's academic achievement	0.378	0.378	0.034	11.197	0.000
Parents' Educational Background x Parents' business -> Children's academic achievement	0.081	0.082	0.031	2.587	0.010

5. Conclusion

Our findings partially support the moderated mediation hypothesis. The results indicate that subjective SES moderated the relationship between family SES and adolescents' educational expectations within the context of the mediation model. Specifically, when migrant adolescents' subjective SES was high, their educational expectations consistently remained at a high level regardless of the level of family SES. Conversely, the negative influence of family SES disadvantage on educational expectations was significant among adolescents with low levels of subjective SES. These findings suggest that the establishment of a higher subjective SES can potentially protect the academic achievement of low family SES adolescents by possibly helping to interrupt the pathway from family SES to educational expectations.

However, our findings show that subjective SES did not moderate the path from family SES to the adolescents' academic achievement, indicating that migrant adolescents' subjective SES only impacts academic achievement through educational expectations. Considering that family SES usually influences adolescents' academic

achievement through different mediators, such as educational expectations in the current study, subjective SES may have a moderating effect on a proximal mediator rather than the distal dependent variable. Alternatively, this cross-sectional data may not be able to identify or reveal the moderating effect of subjective SES on the direct path. Therefore, our findings suggest that higher subjective SES may protect disadvantaged adolescents from the negative effect of low educational expectations and thus promote their academic achievement.

We believe that this paper has highlighted the importance of further investigations of relative socio-economic influence. Our results have illustrated how they are linked to a range of future outcomes and that these associations are independent of young people's relative academic rank. Further work is now needed to establish whether such influence can be observed in other education systems across the world and the mechanisms by which relative socio-economic influence is generated.

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