**MINISTRY OF EDUCATION AND TRAINING**

**THUONG MAI UNIVERSITY**

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**Determinants of Inter-Organizational Cooperation Among Public Institutions in Attracting Foreign Direct Investment and Its Impact on the Business Performance of FDI Enterprises in Vietnam's Northern Key Economic zone**

**Major: Business Administration**

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**SUMMARY OF DOCTORAL THESIS**

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**INTRODUCTION**

**1. Rationale for the Study**

In the context of intensifying global competition for foreign direct investment (FDI), Vietnam must not only attract capital inflows but also ensure operational efficiency and maximize the developmental impact of FDI on enterprises. The Northern Key Economic Zone (NKEZ) has achieved remarkable results, with over USD 16 billion in registered FDI in 2024. However, actual performance remains constrained due to institutional fragmentation, limited inter-provincial coordination, and complex administrative procedures. Recent studies have identified these factors as significant barriers, increasing operational costs and weakening the competitiveness of FDI enterprises.

From an academic perspective, previous research has often focused on administrative and institutional dimensions, while largely neglecting the perspective of enterprises that are directly affected by governance quality. This dissertation addresses that gap by integrating Network Governance Theory and Transaction Cost Economics, thereby constructing a multi-dimensional analytical model based on the enterprise viewpoint. The study aims to provide practical solutions to improve the investment environment and enhance the performance of FDI firms in the NKEZ.

**2. Research Questions**

**3. Research Objectives and Tasks**

**3.1 Research Objective**

The overarching objective of this dissertation is to analyze the relationship between the effectiveness of inter-organizational cooperation among public institutions in attracting FDI and the business performance of FDI enterprises within the Northern Key Economic Zone (NKEZ). Based on this analysis, the study aims to propose a system of strategic and operational governance solutions that enhance firms’ institutional adaptability and investment exploitation capabilities, ultimately contributing to sustainable development.

**3.2 Research Tasks**

**4. Research Subject and Scope**

**4.1 Research Subject**

The study focuses on the determinants of inter-organizational cooperation among public institutions in the context of FDI promotion, and the impact of these determinants on the business performance of foreign-invested enterprises operating in the NKEZ.

**4.2 Research Scope**

* Spatial Scope: The study concentrates on the Northern Key Economic Zone (NKEZ), which includes seven provinces and municipalities: Hanoi, Hai Phong, Quang Ninh, Bac Ninh, Hai Duong, Hung Yen, and Vinh Phuc.
* Temporal Scope: The research examines institutional and policy developments during the 2010–2024 period—covering major reform phases. Firm-level survey data were collected from May to December 2022 to ensure contemporaneity and relevance.
* Content Scope: The study investigates factors influencing the effectiveness of public–public cooperation using a combined framework of Network Governance and Transaction Cost Theory, and evaluates the impact of such cooperation on the business performance of FDI enterprises across three key dimensions: production efficiency, financial outcomes, and market performance.

**5. Novel Contributions of the Dissertation**

Theoretical Contributions: The study proposes an integrated framework combining Network Governance Theory and Transaction Cost Economics to analyze factors influencing public-sector cooperation in FDI attraction. A multi-dimensional SEM model is developed to test how leadership, finance, information, and public services affect cooperation effectiveness and the performance of FDI firms. The research broadens the application of network governance theory in Vietnam’s institutional context.

Practical Contributions: The dissertation highlights the proactive role of FDI firms in adapting to and shaping the investment environment. It introduces a strategic institutional governance approach to enhance responsiveness and foresight. Solutions are proposed at three levels: strategic, operational, and organizational, along with tools such as a public–private cooperation index and policy dialogue networks. Policy implications are also provided, focusing on regional coordination and linking investment incentives to institutional performance to support sustainable development.

**CHAPTER 1: LITERATURE REVIEW**

**1.1 Studies on Cooperation Among Public Organizations
1.2 Studies on Cooperation among public institutions in Attracting Foreign Direct Investment**

**1.3 Studies on Factors Influencing Cooperation Among Public Organizations**

**1.4 Studies on Business Performance of FDI Enterprises**

**1.5 Studies on the Relationship Between Public-Sector Cooperation and Business Performance of Enterprises**

**1.6 Research Gaps**

The literature review reveals three major gaps that require further investigation:

* Most international studies focus on overall institutional quality, yet do not examine inter-organizational cooperation mechanisms within the public sector as a mediating factor influencing FDI firm performance.
* In Vietnam, existing studies predominantly adopt a government-centered perspective. There is a lack of in-depth quantitative research from the viewpoint of FDI enterprises assessing the impact of public-sector cooperation on business outcomes.
* No study in Vietnam has integrated both network governance theory and transaction cost economics to comprehensively measure the relationship between public-sector cooperation and FDI enterprise performance.

**CHAPTER 2: THEORETICAL FRAMEWORK ON DETERMINANTS OF COOPERATION AMONG PUBLIC INSTITUTIONS IN ATTRACTING FOREIGN DIRECT INVESTMENT AND THEIR IMPACT ON THE BUSINESS PERFORMANCE OF FDI ENTERPRISES**

**2.1 Key Concepts**

2.1.1 Concept of Public Organizations

A public organization is a specific type of institution within the public sector, established and governed by the state for the purpose of delivering public goods and services that serve social interests.

2.1.2 Concept of Cooperation Among Public Organizations

2.1.2.1 Concept of Cooperation

Cooperation is a voluntary behavioral and organizational process in which two or more actors intentionally interact to share resources, information, or authority in order to pursue common goals that cannot be achieved effectively through individual action.

2.1.2.2 Cooperation Among Public Organizations

Cooperation among public organizations is a multi-dimensional institutional coordination process in which public administrative units proactively share resources, align objectives, and coordinate responsibilities to generate greater public value than isolated efforts.

2.1.3 Concept of Foreign Direct Investment and FDI Enterprises
2.1.4 Cooperation Among Public Organizations in Attracting FDI

This refers to the process of policy coordination, resource sharing, and action alignment among public administrative agencies with the goal of creating a transparent, stable, and efficient investment environment for foreign investors.

2.1.5 Concept of Business Performance of FDI Enterprises
**2.2 Theoretical Foundations of the Dissertation**

The theoretical foundation of the dissertation is built upon an integrated framework that combines Network Governance Theory (NGT) and Transaction Cost Economics (TCE). This dual-theoretical model serves two purposes: to evaluate the effectiveness of institutional coordination within public-sector networks, and to explain the strategic behavior and responses of FDI enterprises operating in a multi-level investment environment.

**2.3 Factors Influencing Public-Sector Cooperation in FDI Promotion**

The dissertation identifies four core factors affecting the effectiveness of public-sector cooperation in attracting foreign direct investment. These include network leadership, financial resources, information availability, and public administrative services. The selection and analysis of these factors are grounded in both theoretical reasoning and practical relevance.

From a theoretical perspective, the foundation is based on Network Governance Theory, which categorizes cooperation effectiveness into three dimensions:

* Network Functionality: Reflected in the role of network leadership in coordinating actions, setting shared strategies, building trust, and resolving conflicts. Effective leadership contributes to the network’s stability and decision-making quality.
* Network Context: Focused on the financial capacity of public organizations, representing their ability to maintain operations and implement investment policies. Strong financial resources enhance institutional support for FDI firms and foster effective cooperation.
* Network Structure: Involving integration tools such as shared information systems, online public services, and inter-agency coordination mechanisms. These elements strengthen connectivity, reduce transaction costs, and improve institutional synergy.

From a practical viewpoint, FDI firms, as both beneficiaries and participants in the investment process, pay close attention to these factors. Their impact on transparency, operational cost, and decision-making efficiency is direct and significant.

**2.4 Criteria for Evaluating the Effectiveness of Public-Sector Cooperation in FDI Promotion**

The dissertation proposes three key criteria to assess cooperation effectiveness among public organizations in FDI attraction. These are cost efficiency, time efficiency, and quality effectiveness. These criteria align with FDI firms’ expectations and are supported by two primary theoretical frameworks:

* **Transaction Cost Economics (TCE)** explains cost and time efficiency as central to reducing risk and enhancing efficiency in multilateral cooperation.
* **Network Governance Theory (NGT)** highlights quality effectiveness as an outcome of coordination structures, information integration, and responsibility allocation within the public network.

**2.5 Indicators for Evaluating Business Performance of FDI Enterprises**

The dissertation adopts a subjective evaluation approach based on managers’ perceptions to assess the performance of FDI enterprises. Following the model developed by Gunday et al. (2011), performance is structured into three dimensions: **Production Performance**: Product quality, productivity, and delivery speed; **Market Performance**: Market expansion and customer satisfaction; **Financial Performance**: Profitability ratios and cash flow.

**2.6 Research Hypotheses and Model on the Relationship Between Factors Influencing Public-Sector Cooperation in FDI Promotion and the Business Performance of FDI Enterprises**

Based on the theoretical foundations of Network Governance Theory (NGT) and Transaction Cost Economics (TCE), this dissertation develops a research model to analyze the impact of cooperation-related factors on cooperation effectiveness and the business performance of FDI enterprises. The model focuses on four key determinants of the cooperation network: (1) cooperative leadership, (2) financial resources, (3) information availability, and (4) public service delivery.

Cooperation effectiveness is measured across three dimensions: cost efficiency, time efficiency, and quality. It is modeled both as a dependent variable influenced by cooperation factors and as a mediating variable affecting business performance.

The study proposes three groups of hypotheses:

* **H1**: Cooperation determinants have a direct effect on cooperation effectiveness.
* **H2**: Cooperation effectiveness has a direct effect on business performance, including production, market, and financial outcomes.
* **H3**: Cooperation factors have an indirect effect on business performance through the mediating role of cooperation effectiveness.

**CHAPTER 3: RESEARCH METHODOLOGY**

**3.1 Research Design**

This dissertation adopts a mixed-methods approach, combining both qualitative and quantitative methods to ensure theoretical depth and empirical reliability in analyzing the relationship between public-sector cooperation and the business performance of FDI enterprises.

The research is conducted in four main stages:

* **Theoretical Model Development:** A theoretical model is constructed by synthesizing the foundations of Network Governance Theory and Transaction Cost Economics. The proposed model consists of three levels: influencing factors, cooperation effectiveness, and business performance.
* **Qualitative Research:** Semi-structured interviews are conducted with representatives of FDI firms and public organizations across seven provinces in the Northern Key Economic Zone. This stage aims to validate the theoretical model, refine observed variables, and better understand the mechanisms of cooperation in practice.
* **Scale Design and Pretesting:** Core concepts are measured using five-point Likert scales adapted from international studies and adjusted to fit the Vietnamese context. The scales are pretested for reliability prior to formal data collection.
* **Model Testing and Results Discussion:** Partial Least Squares Structural Equation Modeling (PLS-SEM) is employed to test the relationships among variables in the model. The results are triangulated with qualitative findings to strengthen the validity of conclusions and to propose relevant policy recommendations.

**3.2 Qualitative Research Method**

3.2.1 Objectives and Roles

The qualitative method serves three primary purposes:

* To validate the relevance of the theoretical model based on the practical experiences of FDI enterprises and public organizations.
* To refine the content, semantics, and contextualization of observed variables used in the quantitative questionnaire.
* To provide in-depth explanations for quantitative results, especially in cases of inconsistencies, sector-specific variations, or divergence from theoretical expectations.

3.2.2 Data Collection Method

3.2.3 Target Respondents

3.2.4 Interview Content

3.2.5 Interview Procedure

**3.3 Quantitative Research Method**

3.3.1 Analytical Tools and Methods

SmartPLS 4.0 is used as the primary analytical tool. The Partial Least Squares Structural Equation Modeling (PLS-SEM) method is selected due to its suitability for non-normally distributed data and models with multiple latent constructs. The procedure includes two main steps:

* **Measurement Model Evaluation**: Assessed through outer loadings, Cronbach’s Alpha, Composite Reliability (CR), Average Variance Extracted (AVE), and the Heterotrait–Monotrait (HTMT) ratio.
* **Structural Model Evaluation**: Examined using variance inflation factors (VIF), standardized path coefficients (β), and p-values to test causal hypotheses.

3.3.2 Variable Measurement Scales

3.3.3 Sampling and Target Respondents

3.3.4 Survey and Data Collection

3.3.5 Data Processing

**CHAPTER 4: CURRENT SITUATION OF FACTORS INFLUENCING INTER-ORGANIZATIONAL COOPERATION IN FDI PROMOTION AND THEIR IMPACT ON THE BUSINESS PERFORMANCE OF FDI ENTERPRISES IN VIETNAM'S NORTHERN KEY ECONOMIC ZONE**

**4.1 Overview of Public Institutions and FDI Enterprises in the Northern Key Economic Zone**

4.1.1 General Introduction to the Northern Key Economic Zone
4.1.2 Public Institutions in the Northern Key Economic Zone
4.1.3 FDI Enterprises in the Northern Key Economic Zone

**4.2 Current Situation of Cooperation Effectiveness Among Public Institutions in FDI Promotion: FDI Enterprises' Perspective**

Cooperation effectiveness is assessed by FDI enterprises across three dimensions: cost, time, and quality.

Regarding cost efficiency, most evaluation scores fall below the median, indicating unmet cost expectations. The lack of clarity in financial support, the presence of informal costs, and inconsistencies across localities reflect fragmentation in investment support mechanisms.

In terms of time efficiency, improvements have been noted due to administrative reform and accelerated processing times. However, complex procedures and inconsistent responsiveness among agencies persist, highlighting the need for stronger inter-agency coordination.

Quality effectiveness receives the most positive evaluations. Local authorities are recognized for shifting from a control role to a facilitative one, offering practical and flexible solutions tailored to local contexts.

**4.3 Business Performance of FDI Enterprises in the Northern Key Economic Zone**

The research applies a three-dimensional measurement scale, including production, financial, and market performance, to assess business outcomes comprehensively.

* Production performance (KQSP) is rated relatively low, especially in delivery speed. This indicates ongoing challenges in supply chain operations and production process optimization among FDI firms.
* Financial performance (KQTC) receives the highest scores, particularly in profit margins. This suggests that firms remain profitable, although the potential influence of transfer pricing practices cannot be ruled out.
* Market performance (KQTT) is rated the weakest. Limited market penetration and low customer satisfaction reflect inadequate brand positioning and insufficient development of distribution channels.

**4.4 Survey Findings and Evaluation of the Model of Factors Influencing Public-Sector Cooperation**

**4.4.1 Descriptive Statistics of Influencing Factors**

Based on a survey of 273 FDI enterprises, the perceived quality of cooperation-related factors is summarized as follows:

* Cooperative leadership (LĐ) is rated lowest (mean ~2.6), especially regarding responsiveness and practical support, indicating a gap between strategic direction and implementation.
* Financial resources (TC) are considered transparent but insufficiently flexible in real-world application, limiting the effectiveness of FDI support.
* Administrative information (TT) scores well in terms of accuracy and timeliness but does not fully meet the in-depth needs of enterprises, pointing to a need for content improvement.
* Public services (DV) receive the highest ratings, thanks to administrative reform efforts. However, inconsistencies in service quality still result in uneven investment experiences.

**4.4.2 Measurement Model Evaluation**

The measurement model is validated using the PLS-SEM approach. All scales used in the study meet the required standards for academic rigor and measurement reliability.

* Outer loadings: Variables failing to meet threshold values were selectively removed to streamline the model. Most remaining items have loadings greater than 0.7, indicating strong construct alignment.
* Reliability: All factor groups achieve Cronbach’s Alpha and Composite Reliability scores above 0.7.
* Convergent validity: Average Variance Extracted (AVE) values exceed 0.5 for all factor groups, with some exceeding 0.7.
* Discriminant validity: Both the Fornell-Larcker criterion and HTMT values satisfy requirements, with HTMT values below 0.85.

**4.4.3 Structural Model Evaluation**

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Figure 4.1: Structural model testing results

**4.4.3.1 Model Fit Assessment Using R-Square and f-Square**

The results show that cooperation effectiveness (HQHT) is well explained by the input factors, with an R² value of 0.612. However, the explanatory power of CE for market performance (R² = 0.199) and production performance (R² = 0.281) remains modest.

In terms of effect size, HQHT has a strong impact on financial performance (f² = 0.563) and production performance (f² = 0.391), while its effect on market performance is moderate (f² = 0.248). Among the input factors, cooperative leadership (LĐ) exerts the strongest influence on CE (f² = 0.391), whereas financial resources (TC), information (TT), and public services (DV) all have weak effects (f² < 0.15).

**4.4.3.2 Multicollinearity Assessment**

All Variance Inflation Factor (VIF) values are below the threshold of 5, indicating that the model does not suffer from multicollinearity issues. This ensures the stability and reliability of the estimated path coefficients.

**4.4.3.3 Hypothesis Testing**

**H1 – Effects of Input Factors on Cooperation Effectiveness**

**Table 4.1: Hypothesis Testing Results for H1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Hypothesis** | **Path** | **β** | **t** | **p** | **Conclusion** |
| H1.1 | LD → HQHT | 0.49 | 7.098 | 0 | Significant |
| H1.2 | TC → HQHT | 0.187 | 3.647 | 0 | Significant |
| H1.3 | TT → HQHT | 0.125 | 1.764 | 0.078 | Insignificant |
| H1.4 | DV → HQHT | 0.195 | 3.191 | 0.001 | Significant |

*Source: Compiled by the author from SPSS 21 outcome*

**H2 – The Impact of HQHT on Business Performance**

**Table 4.2: Hypothesis Testing Results for H2**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Hypothesis** | **Path** | **β** | **t** | **p** | **Conclusion** |
| H2.1 | HQHT → KQSP | 0.53 | 9.085 | 0 | Significant |
| H2.2 | HQHT → KQTC | 0.6 | 11.474 | 0 | Significant |
| H2.3 | HQHT → KQTT | 0.446 | 6.363 | 0 | Significant |

*Source: Compiled by the author from SPSS 21 outcome*

**H3 – HQHT as a Mediating Variable**

**Table 4.3: Hypothesis Testing Results for H3**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Hypothesis** | **Path** | **β** | **t** | **p** | **Conclusion** |
| H3.1 | LĐ → HQHT → KQSP | 0.26 | 5.875 | 0 | Significant |
| H3.2 | LĐ → HQHT → KQTC | 0.294 | 6.106 | 0 | Significant |
| H3.3 | LĐ → HQHT → KQTT | 0.219 | 4.204 | 0 | Significant |
| H3.4 | TC → HQHT → KQSP | 0.099 | 3.306 | 0.001 | Significant |
| H3.5 | TC → HQHT → KQTC | 0.112 | 3.449 | 0.001 | Significant |
| H3.6 | TC → HQHT → KQTT | 0.084 | 3.232 | 0.001 | Significant |
| H3.7 | TT → HQHT → KQSP | 0.066 | 1.592 | 0.112 | Insignificant |
| H3.8 | TT → HQHT → KQTC | 0.075 | 1.621 | 0.105 | Insignificant |
| H3.9 | TT → HQHT → KQTT | 0.056 | 1.854 | 0.064 | Insignificant |
| H3.10 | DV → HQHT → KQSP | 0.103 | 3.233 | 0.001 | Significant |
| H3.11 | DV → HQHT → KQTC | 0.117 | 3.312 | 0.001 | Significant |
| H3.12 | DV → HQHT → KQTT | 0.087 | 2.696 | 0.007 | Significant |
| *Nguồn: Tổng hợp từ Smart PLS-4.0* |

**4.4.4. Results of Qualitative Interview Analysis**

Based on 15 semi-structured interviews (7 FDI enterprise executives and 8 public institution officials), the research obtained empirical insights that reflect the current situation, expectations, and institutional cooperation barriers.

**4.4.4.1 Perceptions of Cooperation between Public Organizations in Foreign Investment Attraction**

Both groups clearly recognize the critical role of cooperation among public organizations in attracting foreign investment. FDI enterprises appreciate inter-agency coordination in investment facilitation, while public officials regard FDI firms as strategic partners in local economic development.

**4.4.4.2 Factors Influencing Inter-Organizational Cooperation**

Cooperative Leadership: This factor is viewed as a decisive lever in institutional coordination and reducing fragmentation. FDI enterprises highlight the role of provincial leaders in accelerating project approvals. Public officials emphasize that lack of unified direction leads to fragmented operations, delays, and inefficiency in policy implementation.

Financial Resources: Despite the existence of incentive policies, many enterprises face difficulties in accessing support due to lack of transparency and unclear guidance. Public institutions also struggle with limited budgets and inconsistent implementation instructions from central authorities, which undermines the effectiveness of support packages.

Information: FDI firms report difficulties stemming from outdated or inconsistent information across departments, resulting in repeated document revisions and prolonged procedures. Public officials acknowledge the heavy reliance on individuals and the absence of an effective information-sharing infrastructure.

Public Services: Although improvements are noted, public services are still criticized for lack of standardization and overdependence on individual officers. The absence of transparent evaluation mechanisms and inconsistent implementation of the one-stop-shop system lead to overlapping procedures and higher risks of informal costs.

**4.4.4.3 Effectiveness of Cooperation among Public Agencies in Attracting Foreign Investment.**

Time Efficiency: Effective cooperation significantly reduces the time required for document approval, particularly in localities with inter-agency task forces. However, many enterprises still have to work separately with individual departments, which prolongs project implementation.

Cost Efficiency: Strong cooperation helps reduce administrative costs for enterprises. Nevertheless, complex procedures often compel firms to hire legal consultants, leading to higher operating costs. Public agencies also face challenges in providing support due to budget limitations and inflexible resource allocation.

Quality of Cooperation: When public agencies coordinate effectively, enterprises receive better support in areas such as infrastructure, land access, and legal procedures, which directly enhance production outcomes. However, excessive reliance on individual officers and the absence of standardized service quality assessment tools remain persistent issues.

**4.4.4.4 Business Performance of Foreign Direct Investment Firms**

Production Performance: Strong coordination improves implementation speed, shortens capital turnover cycles, and reduces opportunity costs. Conversely, poor cooperation delays factory completion and disrupts supply chains.

Market Performance: Some enterprises face delayed deliveries and missed orders due to slow approval processes or delays in land handover, directly affecting market contracts.

Financial Performance: All interviewed firms indicate that poor cooperation increases investment costs, delays cash flows, and weakens their ability to expand operations.

**4.4.4.5 Improvement Priorities**

Both groups agree that two key priorities must be addressed. The first is improving transparency and standardization of administrative information. The second is enhancing cross-agency coordination capacity under a unified leadership structure.

FDI enterprises advocate for a single, accountable information portal. Meanwhile, public officials suggest improving the inter-agency cooperation model by reducing reliance on individual discretion and standardizing administrative procedures.

**4.4.4.6 Conclusion and Linkage to the Theoretical Model**

The qualitative findings confirm the alignment between the proposed research model and real-world observations. The five key components: leadership, financial resources, information, public services, and HQHT, were all reflected through the actual experiences of respondents.

**4.4.5 Discussion of Hypothesis Testing Results (H1, H2, H3)**

**4.4.5.1 Causal Chain Analysis in the Model: From Institutional Cooperation to Business Outcomes**

The results from testing the three hypothesis groups (H1, H2, H3) confirm a clearly structured causal model linking institutional cooperation factors, cooperation effectiveness among public institutions (HQHT), and business performance of FDI enterprises (KQKD).

* H1 reveals that cooperative leadership has the strongest impact on HQHT, followed by public services and financial resources. The information factor does not reach statistical significance.
* H2 confirms that HQHT significantly influences business performance, with the strongest effect on financial performance, followed by production and market outcomes.
* H3 highlights the mediating role of HQHT. Cooperative leadership shows the strongest indirect effect, particularly on financial performance. Financial resources and public services exhibit moderate indirect effects. The information factor again demonstrates no significant indirect influence.

Overall, HQHT emerges as a central mediating variable, serving as the channel through which institutional capacity is translated into tangible business outcomes for FDI enterprises.

**4.4.5.2 Cross-Comparison of H1, H2, and H3: Structuring the Influence Pathway**

A cross-comparison of the three hypothesis groups enables classification of the model’s factors based on the magnitude of their effects, helping define the structure of influence within the theoretical framework.

**Table 4.4: Summary of Multi-Level Impacts of Cooperation Factors on Cooperation Effectiness and Business Performance**

|  |  |  |  |
| --- | --- | --- | --- |
| **Cooperation Factor** | **Direct Impact on HQHT (H1)** | **Indirect Impact on Business Performance (H3)** | **Overall Impact via HQHT on Business Performance** |
| Leadership | Strongest (β = 0.490) | Strongest (β max ≈ 0.219–0.294) | Very high. Priority should be given to institutional coordination capacity. |
| Financial Resources | Moderate (β = 0.187) | Moderate (β ≈ 0.084–0.112) | Important. Transparent fiscal support should be maintained. |
| Public Services | Moderate (β = 0.195) | Moderate (β ≈ 0.103–0.117) | Stable. Process improvement and professionalization are recommended. |
| Information | Not statistically significant | Not statistically significant | Bottleneck. Data sharing and transparency reforms are needed. |

*Source: Author synthesis*

The results indicate that cooperation effectiveness (HQHT) serves as an indispensable bridge in the institutional-to-business value chain. Specifically:

* Cooperative leadership functions not only as a triggering factor but also as a leverage point that amplifies influence across the entire model.
* Financial resources and public services are essential pillars, though optimization of processes and resource allocation is still needed.
* Information, while emphasized in theory, fails to demonstrate practical impact in this study. This highlights a critical policy gap that requires urgent improvement.

**4.5 Conclusions of Public-Sector Cooperation in FDI Promotion and Its Impact on Business Performance of FDI Enterprises**

**4.5.1 Institutional Cooperation Model and the Central Role of Cooperation Effetieness**

Both qualitative and quantitative findings confirm that HQHT is not only a mediating outcome but also a critical mechanism linking institutional input factors with business performance among FDI enterprises.

SEM model results demonstrate that leadership exerts the strongest influence on HQHT, followed by public services and financial resources. The information factor does not reach statistical significance, suggesting that information alone has limited effect unless embedded within an effective coordination process.

Accordingly, the institutional cooperation process can be restructured as follows: (i) Input: Institutional factors; (ii) Process: Cooperation effectiveness (HQHT); (iii) Output: Business outcomes, including production, financial, and market performance.

**4.5.2 Current State of Public-Sector Cooperation in the Northern Key Economic Zone**

Three prominent aspects characterize the current state of institutional cooperation in the NKEZ:

(i) Quality of institutional resources: Public services are evaluated positively, while leadership, financial support, and especially information are still constrained in terms of flexibility and transparency. Data-sharing systems remain fragmented and poorly integrated.

(ii) Internal coordination capacity: Inter-agency cooperation is unstable and largely dependent on temporary administrative directives. The absence of a centralized coordination entity forces businesses to engage separately with multiple agencies, leading to delays and increased compliance costs.

(iii) Ability to translate cooperation into outcomes: Effective cooperation helps enterprises save time, reduce administrative burdens, and improve support quality.

Overall, while a foundational system of public-sector cooperation in the NKEZ has been established, it remains fragmented and insufficiently institutionalized to meet the expectations of FDI enterprises.

**4.5.3 The Mediating Role of Cooperation Effectieness between Institutional Factors and Business Performance**

(i) Cooperation effectieness as a selective mediator: Not all institutional factors exert indirect influence on business performance through HQHT.

(ii) Reframing cooperation effectiveness as a multi-dimensional construct: Cooperation effectiveness should be upgraded from a technical metric to a strategic behavioral variable, reflecting the dynamic nature of local institutional capacity.

(iii) Good policy alone is not enough; implementation determines outcomes: Policy design must be complemented by effective institutional operation in order to yield meaningful business results.

**CHAPTER 5: Policy Implications and Managerial Solutions**

**5.1 Foundations and Orientation for Solution Development**

5.1.1 Policy Foundations and Development Trends Shaping the Solution Framework

5.1.2 Guiding Principles for the Solution Framework

The FDI enterprise must be placed at the center of the reform system. The solution framework is guided by three core principles:

(i) Integration: Enhancing vertical and horizontal coordination across administrative levels and between the public and private sectors

(ii) Feasibility: Anchored in realistic implementation capacity, with clear metrics and organizational structures

(iii) Stratification: Structuring solutions across three levels

1. Long-term institutional strategies
2. Internal governance of FDI firms
3. Public sector administrative support

**5.2 Managerial Solutions for FDI Enterprises in the Northern Key Economic Zone**

5.2.1 Strategic Managerial Solutions: Enhancing Institutional Adaptability and Environmental Shaping Capacity

In the context of fragmented local institutions, FDI enterprises should shift from passive compliance to proactively shaping the investment environment. Three strategic pillars are proposed:

* **Develop Internal Institutional Capacity:** Firms should build internal mechanisms for monitoring and anticipating policy risks, such as institutional mapping or in-house legal compliance systems, to mitigate uncertainty and align regulations with long-term strategy.
* **Select Investment Locations Based on Cooperation Effectiveness:** Instead of focusing solely on incentives or location, firms should assess local institutional coordination performance (e.g., processing time, transparency, one-stop-shop systems) to optimize project efficiency and minimize administrative risks.
* **Engage in Policy Dialogue Networks:** Firms should actively participate in business associations such as EuroCham, AmCham, or JCCI, and build industry alliances to engage in policy advocacy and shape the institutional landscape proactively.

**5.2.2 Operational Management Solutions for FDI Enterprises**

To effectively leverage the institutional environment and enhance operational efficiency, FDI firms are encouraged to adopt six groups of solutions:

* Integrate Internal Procedures with Government Relations: Standardize administrative procedures within ERP systems and establish a dedicated public affairs unit to improve communication with government agencies.
* Digitize and Decentralize Compliance Systems: Apply RegTech solutions to automate legal compliance, categorize regulatory obligations, and synchronize with public service platforms to minimize errors and improve responsiveness.
* Develop Institutionally Adaptive Human Resources: Invest in legal and administrative training and establish an institutional risk reserve fund to increase organizational flexibility under policy fluctuations.
* Improve Production Performance: Strengthen linkages with domestic firms, expand R&D capabilities, and reduce reliance on imports to improve production efficiency and delivery speed.
* Enhance Financial Performance: Implement tighter internal financial controls, utilize hedging tools such as currency insurance, and reassess the actual effectiveness of incentive policies.
* Expand and Stabilize Market Performance: Customize products for the domestic market, invest in digital marketing, and develop strong distribution partnerships to increase market penetration.

**5.2.3 Organizational Capacity-Building Solutions**

Organizational capacity is the foundation for FDI firms to remain resilient in a shifting institutional environment. Three key directions for improvement are recommended:

1. Adopt a Flexible Organizational Structure: Apply an "institutional matrix" model that connects legal, operational, and external affairs departments to effectively handle interactions with public administration.
2. Build a Transparent Institutional Culture: Foster a corporate culture that values responsibility, feedback, and continuous improvement in government-related processes, supported by internal evaluation and reward systems.
3. Establish an Organizational Learning System: Systematize and institutionalize learning from real-world institutional interactions through multi-level learning mechanisms in operations, strategy, and external engagement to enhance long-term adaptability.

These operational and organizational solutions help FDI enterprises overcome systemic bottlenecks, enhance internal efficiency, and better integrate into the local investment environment. They provide a foundation for firms to play an active role in the emerging "co-governance" model in Vietnam.

**5.3 Solutions to Improve Institutional Cooperation Effectiveness from the Public Sector**

5.3.1 Strengthen Multi-Level, Inter-Sectoral, and Cross-Regional Institutional Coordination

5.3.2 Improve Public Service Quality and Civil Servant Capacity

5.3.3 Expand Institutional Resource Mobilization

**5.4 Macro-Level Policy Implications for the Investment Environment in the Northern Key Economic Zone**

5.4.1 Develop a Cross-Provincial Cooperation Strategy

5.4.2 Link Investment Incentives to Institutional Performance

5.4.3 Standardize Public–Private Cooperation Measurement Tools

**CONCLUSION**

This dissertation makes a significant contribution to the theory of FDI governance by integrating two foundational approaches: Network Governance Theory and Transaction Cost Economics. This integration provides a new analytical perspective on the relationship between public institutions and FDI enterprises within a transforming institutional context. It offers a framework that connects institutional and enterprise perspectives, which are often treated separately in prior research.

Another notable contribution is the construction and empirical validation of a multi-dimensional SEM model, in which cooperation effectiveness among public institutions (HQHT) functions as a key mediating variable. The model clarifies how leadership, public services, financial resources, and information indirectly influence the production, financial, and market performance of FDI enterprises by enhancing institutional cooperation.

In contrast to most existing studies that adopt a state-centric view, this dissertation approaches institutional cooperation from the perspective of FDI enterprises. These firms are not merely passive beneficiaries but also active participants capable of influencing the policy environment. This enterprise-centered approach helps reveal the two-way interaction between the public and private sectors in investment governance.

The study also demonstrates that the effectiveness of institutional cooperation is uneven across localities. This variation affects the capacity to translate investment advantages into practical business performance. This insight has important implications for the design of regional and local investment policy frameworks.

Finally, the dissertation proposes a multi-tiered solution system. At the enterprise level, the focus is on strategic and operational governance. At the public institution level, the emphasis is on institutional coordination and public service quality. At the macro level, the recommendations address regional integration and the alignment of incentives with institutional effectiveness. These solutions are highly applicable not only to policy-making agencies but also to FDI enterprises in developing investment strategies and managing institutional relations at the local level.

**LIST OF RESEARCH AND PAPERS PUBLISHED WITHIN THE TIME OF DOCTORAL PROGRAM THAT RELATED TO THE THESIS TOPIC**

1. A quantitative analysis of the impact of digital human resource management on corporate performance – *Journal of Trade Science*
2. Determinants of the propensity for cooperation among local governments in Vietnam in promoting foreign direct investment*-Proceedings of CIEMB International Conference 2021*
3. The impact of the emerging economic context on workforce skills and labor productivity in Vietnamese FDI enterprises *- Journal of Economic Studies*
4. Developing a model to explain the determinants of effective inter-organizational cooperation among public institutions *–* Vietnam Trade and Industry Review
5. Empirical study on the relationship between corporate social responsibility, corporate reputation and performance of e-commerce enterprises in Vietnam *- Mediterranean Journal of Basic and Applied Sciences*
6. Determinants of propensity to intensify the cooperation among local governments in FDI promotion: The case of Nothern Key Economic Zone of Vietnam*- Middle East Journal of Applied Science and Technology*
7. Further Discussion on Determinants of cooperation intensity among local governments in promoting Foreign Direct Investment (FDI) within Vietnam's Northern Key Economic Zone*- Asian Journal of Basic Science and Research*