

**MINISTRY OF EDUCATION AND TRAINING  
LAC HONG UNIVERSITY**

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**NGUYEN VAN IT**

**IMPACT OF COMPETITIVENESS FACTORS TO  
BUSINESS RESULTS OF TOURISM ENTERPRISES:  
A CASE STUDY IN THUA THIEN HUE PROVINCE**

**Major: Business Administration**

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Supervisors/ Thesis instructor:

Supervisors 1: Assoc. Prof. Hoang Thi Chinh

Supervisors 2: Ph.D. Tran Anh Minh

Reviewer 1:.....

Reviewer 2:.....

Reviewer 3:.....

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## CHAPTER 1: INTRODUCTION TO THE RESEARCH PROJECT

### 1.1 The reasons for choosing this topic

Due to the increasing demands of customers and the desire to provide products and services better and better, the tourism businesses are under pressure to compete fiercely. Therefore, an overall review and in-depth study on the impact of competitiveness factors on business results of tourism businesses is very important. It is valuable because the results of the research are the basis for helping business leaders as well as policy makers to devise business strategies and policy mechanisms to help businesses increasingly improve competing capability. At the same time, this also creates good business results for tourism businesses in the integration process. With the overall goal to run any business to be successful in high profits and increase productivity, competitiveness is one of the factors that greatly affect business performance. However, improving competitiveness is a challenging task for many tourism business leaders. Because the tourism service industry is changing significantly in the face of fierce competition, increasing customer sophistication and rapid technological progress.

The author chose Thua Thien Hue province for experimental research because it is located geographically between Hanoi and Ho Chi Minh City as two major centers of the country's two most economically developed regions, become an intersection between the natural - economic - social conditions of both the South and the North. At the same time, it is a place with the transitional boundary of tropical climate in the North and the South of Vietnam, rich in landscapes, both a multicultural area and a gathering of many historical monuments, cultural monuments, and unique architectural works, unique and preserving many different intangible cultural values. Especially, Hue city has been twice recognized by UNESCO as a world cultural heritage site (tangible and intangible culture), with a diverse and unique hydrological system in Vietnam and the region, the intersection and convergence of the fauna and flora flows of the Northern and Southern system areas. Therefore, the tourism potential of the province is very large, the number of tourists increases every year, the number of newly established tourism businesses as well as the tourism businesses with more offices and branches here. In addition, one of the main goals of leaders, business management is to achieve superior business results, to achieve superior business results is a challenging task. Therefore, the author chose the topic: " Impact of competitiveness factors to business results of tourism enterprises: A case study in Thua Thien Hue province" as a research project to contribute more about theoretical basis and practical basis.

### 1.2 Research gaps

After reviewing 9 domestic and foreign studies of 15, the author found that tourism businesses in Vietnam in general and in Thua Thien Hue province in particular and businesses in the world need consider some of the following issues:

- Most of the studies approaching the business results of enterprises through financial criteria evaluation criteria without mentioning non-financial indicators should not show the overall business results in the long run term, especially in the field of tourism.
- Many studies only stop at the constituent factors of competitiveness or factors affecting the competitiveness of tourism businesses and hotels without mentioning the factors of impact competitiveness, directly to the business results.
- A few studies on the factors that create the competitiveness of tourism businesses, mentioning the factors of social responsibility but not clearly analyzing the responsibility for customers, employees, and employees with the environment and with the state.
- Some studies also mention that the corporate culture element of competitiveness and positively affects business results, but only at the general analysis level, the mission culture is not clearly separated, adaptability, participation, and consistency in the business will be both stable and flexible. Stable in the stage of vision, mission of the business and flexible in operation suitable to each business. So businesses need to build a corporate culture so that internal employees

are satisfied, always adapting to changes in the environment and outside is customer satisfaction, especially for business tourism area.

- To the extent of the author's knowledge and search efforts, there are no empirical studies on the impact of competitiveness factors on business results so far in the field tourism business. Therefore, this research aims to solve the research gap by proposing a theoretical model to explain the factors of competitiveness affecting tourism business results.

- This study aims to provide empirical evidence through testing the research model in the context of tourism businesses in Thua Thien Hue Province - Vietnam, one of the areas with development and volatility much in the current period of world integration of Vietnam.

### **1.3 Research objectives and question**

#### ***1.3.1 General research objectives***

In the context of global integration, businesses have to compete fiercely, especially business in the field of tourism. So the general objective of the thesis is to identify and measure the level of factors of competitiveness affecting the business results of tourism businesses, as well as determining which criteria to measure the results business results of tourism businesses. This is the basis for proposing some management implications for businesses as well as state recommendations to promote competitiveness to improve business performance for tourism businesses.

#### ***1.3.2 Specific research objectives***

In order to achieve the overall goal, the study addresses the following specific objectives:

- Identify factors of competitiveness affecting business results of tourism businesses.
- Determining the level of interaction of factors of competitiveness and the level of each element of competitiveness affecting business results of tourism enterprises.
- Determining criteria to measure business results for tourism businesses.
- Test the impact of each element of competitiveness on the business results of tourism businesses with differences by business lines, management positions, seniority of management, number of years of establishment of businesses number of branches, and by business size.
- Proposing some management implications from the perspective of corporate governance and recommendations to the state to promote competitiveness to improve business performance for tourism businesses in the long term.

#### ***1.3.3 Research question***

To address the above goals, the question is:

- What factors constitute the competitiveness of tourism businesses?
- Among those factors, which factors affect the business results of tourism businesses?
- What is the relationship between factors of the competitiveness of tourism businesses?
- How is the impact of each element of competitiveness on the business results of tourism businesses?
- The degree of impact of competitiveness factors on business results taking into account business lines, management positions, seniority of management, number of years of establishment of enterprises, number of branches and according to regulations business model or not?
- What criteria are used to measure business results of tourism businesses?
- What administrative implications from the enterprise perspective as well as recommendations to the government as appropriate to help strengthen the elements of competitiveness to improve business results of tourism businesses calendar?

## 1.4 Objects and scope of the research

### 1.4.1 Research objects

The object of the study is the impact of competitiveness factors on the business results of tourism businesses in Thua Thien Hue province.

### 1.4.2 Surveying objects

- *Subjects surveyed in qualitative research:* Lecturers are participating in teaching at universities with training in business administration, tourism and travel service management, restaurant and service management food and drink, hotel and restaurant management. The representatives are those who are managing and managing business enterprises in the field of tourism, in addition to representatives of the Department of Culture, Sports and Tourism in Thua Thien Hue Province.

- *Objects of the survey in quantitative research:* There are representatives who are managing and managing tourism businesses. Including the board of directors, the board of directors of a business, the heads of departments who are leaders, managers, and executives of a business with experience in working and understanding the business situation of tourism businesses.

### 1.4.3 Scope of research

- *In terms of space:* The scope of the research is based on the research objectives and the object of the research, the scope of this research focuses on studying the impact of factors of competitiveness on economic results sales of tourism businesses in Vietnam in general and in the province of Thua Thien Hue in particular. Due to time and budget constraints, the study chose Thua Thien Hue Province as the representative of the Central Region with a geographical location between the North and the South of Vietnam.

- *About time:* Secondary data taken in the period of 2014-2018 is based on the Statistical Yearbook of the General Statistics Office, Thua Thien Hue Statistical Office, Department of Culture, Sports and Tourism. Primary data collected from the survey through the survey is for a period of 12 months from October 2017 to October 2018.


## 1.5 Research methods


The research method of the thesis is a mixture of qualitative research methods combined with quantitative research methods.

### 1.5.1 Qualitative method

In order to provide the official research model as well as the scales, the author conducts a survey of previous domestic and foreign studies in order to find gaps to build the proposed model and preliminary scales, then author in-depth interviews and group discussions with 15 experts who are lecturers teaching a number of universities, experts working at research institutes in the field of tourism, leaders, managers management of tourism businesses and representatives of the Department of Culture, Sports and Tourism in Thua Thien Hue Province.

### 1.5.2 Quantitative method

 *Preliminary quantitative research:* From the results of qualitative research is the model of research and construction of preliminary scales. Conducting a survey of directors of tourism businesses in Thua Thien Hue through a questionnaire designed using a Likert scale from 1 to 5, with the sample number 59, handling Cronbach's Alpha using SPSS 20.0 software to check determining the reliability of the scale, removing the observed variables, completing the scale as well as the official research model.

 *Official quantitative research:* Using the survey method by distributing survey forms in the form of primary data collection from the houses directly leading and managing tourism businesses in Thua Thien Hue province with sample number 429. Analyzing statistical data with SPSS20.0, AMOS 20.0 software through the steps such as Cronbach's Alpha

reliability coefficient analysis, discovery factor analysis (EFA), factor analysis confirm (CFA), test the structural research model (SEM), estimate the test model by Bootstrap with  $N = 1000$ , the multi-group analysis method is used to test the difference of qualitative variable. In order to explore the factors and test the scale, test the interaction between the factors and the impact of factors of competitiveness on business results of tourism businesses proposals in the research model.

## **1.6 New contributions of the dissertation**

### ***1.6.1 Scientific contributions***

The author has systematized the theoretical basis of the factors of competitiveness affecting business results of tourism businesses in Vietnam in general and in Thua Thien Hue province in particular. The study has identified 9 factors of competitiveness affecting business results through the group of financial and non-financial measurement criteria of tourism businesses, including: i) Brand image; ii) Marketing capacity; iii) Financial capacity; iv) Management capacity; v) Capacity of service organization; vi) Quality of products and services; vii) Information technology; viii) Corporate culture; and ix) Social responsibility. The study also identifies the relationship between these nine factors as well as the degree of impact of each factor on the business results of tourism businesses. The study has supplemented, adjusted and perfected scales suitable to business enterprises in the field of tourism. The results of the study give researchers, leaders and managers a more comprehensive and comprehensive view of the impact of competitiveness factors on the business results of tourism businesses. This is also a reference for further research in this field to explore more factors and confirm their importance in improving business performance of tourism businesses.

### ***1.6.2 Practical contribution***

From the research results is the basis for leaders and managers to have a more comprehensive view of the factors of competitiveness affecting business results of tourism businesses. Since then, offering business strategies and appropriate solutions to achieve expected business results. Through the research results of the impact of each element of competitiveness on the business results of tourism businesses, it helps the leaders and business managers determine the priority in the first strategy business investment. In addition, based on the results of the study, it is also the basis for policy makers from central to local levels to have appropriate policies to support tourism businesses in the context of global integration.

## **1.7 Structure of the dissertation**

*Chapter 1: Introduction to research topics*

*Chapter 2: Theoretical basis and research moder*

*Chapter 3: Research design*

*Chapter 4: Research results and discussion*

*Chapter 5: Conclusion and administrative implications.*

## CHAPTER 2: THEORETICAL BASIS AND RESEARCH MODER

### 2.1 Theoretical basis

#### 2.1.1 *Some basic concepts*

##### 2.1.1.1 *Travel and tourists*

Article 3, Clause 1 of the Law on Tourism (2017) Given the concept of tourism quite fully. “Tourism is the activities related to the trips of people outside the place of regular residence for no more than one year in a row to meet the needs of sightseeing, relaxation, recreation, exploring and exploring talents. tourism, or in combination with other lawful purposes”. According to Article 10, the Tourism Law (2017) clearly states the types of tourists including: “Tourists include domestic tourists, international tourists coming to Vietnam and tourists traveling abroad. Domestic tourists are Vietnamese citizens and foreigners residing in Vietnam traveling within the territory of Vietnam. International tourists coming to Vietnam are foreigners and Vietnamese living abroad coming to Vietnam to travel. Tourists traveling abroad are Vietnamese citizens and foreigners residing in Vietnam traveling abroad ”.

##### 2.1.1.2 *Tourist business*

According to Section 1, Article 30 of the Tourism Law (2017) travel service business is the development, sale and organization of part or the whole of a tourism program for tourists. “Tourists include: Domestic travel service business to serve domestic tourists. International travel services business serving international tourists to Vietnam and tourists abroad. Businesses providing international travel services may provide international travel services and domestic travel services, except for foreign-invested enterprises that are only permitted to provide international travel services international tourists coming to Vietnam, unless otherwise provided for by international treaties to which the Socialist Republic of Vietnam is a contracting party”.

##### 2.1.1.3 *Compete*

According to Porter (1985, 1998), “Competition is gaining market share, the nature of competition is to seek profit, which is higher than the average profit that businesses have, the result of the process. competition is the equilibrium of profits in the industry in the direction of deep improvement leading to reduced prices as a result. ” By 2008 M.Porter developed a competitive theory based on an economic point of view, the author said, "Competition is about creating productivity and productivity is the value of output produced by a unit of labor or capital, it depends on the quality and characteristics of products and services”. Thus, the concept of competition is considered competition is the default appearing in the current market economy in order to solve the problem of the law of supply and demand. And it is also the impetus for businesses to constantly improve their business activities, innovate technologies, and improve their capacity to provide the best products and services possible.

##### 2.1.1.4 *Competitive advantage*

According to Wernerfelt (1984) "Competitive advantage is based on the resources of enterprises, and that the resources of the enterprises is the decisive factor to the competitive advantage and business efficiency of the enterprises". A firm has a sustainable competitive advantage when it implements value creation strategies that cannot be implemented simultaneously by existing or potential competitors, nor can competitors similar benefits despite implementing the above strategy. Thus, the competitive advantage of businesses is to provide successful products and services that are often explained through the quality of products and services that contribute to customer value. The result is increased satisfaction and consumer orientation, even creating customer loyalty thereby improving the profitability of businesses.

## **2.1.2 Overview of the theory of competitiveness**

### **2.1.2.1 Competitiveness**

Porter (1980) proposed a model of 5 competitive pressures that focus on the competitive advantage of the business, the resources focusing on internal factors of the business. The author also argues that the competitiveness of countries or localities is also the ability of businesses to engage in activities that create added value for a specific industry of a country. This issue maintains the added value in the long run and the competitiveness of the business is due to its ability to promote its own uniqueness which means that the enterprise creates a differentiated service product or service, including the following factors: Tangible and intangible elements with the least cost. Therefore, the competitiveness of enterprises means that enterprises providing the same products and services are much faster and faster than their competitors.

### **2.1.2.2 Competitiveness is based on competitive advantage and competitive strategy**

In 1979, in the Harvard Business Review magazine published the model "Five competitive pressures" with the content is to learn the factors that make profits in business. After launching this model is considered as a useful and effective tool in understanding the source of profit making in business. It provides competitive business strategies for businesses to maintain and increase profits. According to Poter (2008) competitiveness in any industry is affected by 5 competitive forces including: Suppliers, customers, potential competitors, and products that replace competitors paintings in the industry.

### **2.1.2.3 Competitiveness accessible from internal resources of the enterprise**

✚ *Access based on the resources of the business:* Barney (1991) asserted that a business was deemed to have a competitive advantage when implementing a value creation strategy that was not implemented simultaneously by any existing or potential competitor. A business is said to have a sustainable competitive advantage when it is implementing a strategy of creating value not concurrently implemented by any current or potential competitor and when those competitors Other companies cannot duplicate the benefits of this strategy. Competitiveness approaching from the resources of the business has highlighted the importance of internal intrinsic factors of the enterprise.

✚ *Approach based on the capacity of the business:* Thomas and Heene (1996), assessing the competitiveness of enterprises based on a competency approach is that it focuses on the ability to coordinate the use of resources effectively to boost economic growth as well as business results. These capabilities are at the root of a long-term competitive advantage of the enterprise directly reflecting the nature of a firm firm's resource configuration set over time by enterprise competence and integration. Therefore, the resources and ability to develop and deploy with the goal of producing and providing profitable products and services to customers of the business.

### **2.1.2.4 Competitiveness approaching from market orientation**

Competitiveness theory based on market orientation was developed based on the assumption that a business will gain competitiveness by focusing on how to satisfy customers' needs, creating Customer values are better than competitors and achieve business results. This is the point of view of competitiveness from the market, essentially from the results of valuable activities to trace back what creates customer value that is superior to competitors and therefore will bring a competitive advantage for businesses. According to Shapiro (1988) market orientation through advertising can help customers make the right decisions when buying and using products and services.

## **2.1.3 Management theory based on resources**

### **2.1.3.1 Definitions and hypotheses**

According to Nguyen Vu Hung (2015) suggested that resource-based management theory was born to explain the superior and sustainable business performance of enterprises. These standards are referred to as VRIN standards, including: Valuable, Rare, Imperfectly imitable, and Non-substitutable. Resources can include physical capital, human



capital, and institutional capital. When VRIN conditions are met, an enterprise's resources are expected to help create superior and sustainable business results for that business. Resource-based management theory comes from economics and management assumes that businesses will create competitive advantages through the implementation of strategies that can take advantage of internal strengths to grasp capture opportunities from the external environment, and also limit external challenges and gradually improve internal weaknesses (Wernerfelt, 1984; Porter, 1985) as summarized in the model SWOT.

#### *2.1.3.2 Theoretical framework of governance based on resources*

The school of resource-based management builds an important relationship between resources and competitive advantage of enterprises. Barney (1991) sets out 4 necessary criteria of resources to create competitive advantage and sustainable competitive advantage. These are VRIN standards: As such, it can be understood that the conditions or standards of value and rarity are necessary to create a competitive advantage, while it cannot be imitated or impossible. Replacement is a sufficient condition to maintain the company's competitive advantage.

#### *2.1.3.3 Extended theory (relationship theory and resources)*

In the resource-based management theory of Dyer and Sing (1998) theoretically explain the relationship theory and prove that different resources exist from a relationship to have can create competitive advantage that benefits from relationship. The four groups of resources that can generate benefits from a relationship include: i) Investing in assets specific to the relationship; ii) The process of knowledge exchange can lead to the process of learning together; iii) The combination of complementary resources of the two partners leads to the creation of products and services; iv) Lower transaction costs than other relationships thanks to more efficient governance mechanisms. The peculiarity of assets can be specific to fixed assets such as technology use, human-specific as the group of officials between the two enterprises can better understand each other and thus effectively information and work between the two sides is strengthened.

### **2.1.4 Business results**

#### *2.1.4.1 Definition*

According to Article 4, Clause 16 of Vietnamese Enterprise Law (2014) “Business is the continuous implementation of one, some or all stages of the process, investment, from production to product consumption or supply services on the market for profit-making purposes”. From some definitions of the above business results of previous studies and based on the business situation in the tourism industry in Vietnam, the author gives the following concept: “Business results of enterprises are Output products and services reflect the ability to use resources to achieve the set goals. This result is measured by financial criteria and non-financial criteria”.

#### *2.1.4.2 Business outcome measurement indicators*

Over time the process of formation and development of business performance measurement shows that domestic and foreign researchers have taken different approaches that lead to different measurement criteria. From the advantages and disadvantages of measurement in practice, the author proposed measurement criteria divided into two groups of financial criteria such as sales, profit before tax, profit after tax, ROI, ROE and criteria. non-financial criteria such as customer satisfaction about products and services, positive feedback from customers, increasing new customers, increasing market share, performance of employees to evaluate and measure business results of tourism businesses in accordance with the situation in Vietnam in general and Thua Thien Hue province in particular.

#### **2.1.5 Relationship between competitiveness and business results**

The theory of resource-based competence suggests that companies can leverage their resources to increase their competitiveness and improve their business performance (Bloodgood and Katz, 2004). Morgan *et al.*, (2004) from a resource-based perspective, a firm with firm resources that is acquired is considered inherently relevant to business

performance, the team also asserts that competence the competitiveness of enterprises has a positive impact on business results. In addition, a company with valuable resources, rare and inimitable, then increasing business performance will occur later (Barney, 1991).

## **2.2 The proposed hypotheses and research models**

### **2.2.1 Research hypotheses**

#### **2.2.1.1 Brand image**

According to Tavitiyaman *et al.* (2012) argued that having a strong brand allows tourism businesses to differentiate their services from competitors. Customer success affects business results, thereby controlling the advertising and distribution of brands and offering higher prices than competitors, therefore the more businesses pay attention to building a brand image that satisfies customers, thereby positively impacting business performance for tourism businesses. According to the Vietnam Report Joint Stock Company (Vietnam Report) announced the Top 10 prestigious Travel and Tourism Companies in 2018 with the leading position of Vietravel, followed by Saigon Tourist, the third is Fiditour, the third Ben Thanh Tourism Services, Thursday Hanoi Tourist ... According to a report in 2018 by Vietravel, this business received about 15.6 million international visitors, serving over 80 million domestic visitors, total revenue from tourism reached VND 620,000 billion as well as Saigontourist Travel Service Company with more than 1.2 million visitors, tourism revenue reached more than VND 4,575 billion and Fiditour Joint Stock Company revenue of VND 162,214 billion. Company in 2018 reached 9,430 billion. Therefore, the proposed research hypothesis is H1: There is a positive (+) relationship between brand image and business results of tourism businesses.

#### **2.2.1.2 Marketing capacity**

According to Kotler and Armstrong (2012), "Marketing is a process where businesses create value for customers and build strong customer relationships to capture value from customers." As such, the marketing ability of the business is shown by constantly monitoring and responding to market changes, including customers, competitors and adapting to the business environment. In tourism, marketing capacity plays an important role because it helps businesses meet the diverse needs of customers, and respond to competitors. Also according to Camisón and Forés (2015), that marketing capacity positively affects the business results of tourism businesses. Because the review of these findings has led to the development of the hypothesis H2: There is a positive relationship between marketing capacity and business performance of tourism businesses.

#### **2.2.1.3 Financial capacity**

According to Lamarque (2005) argues that the financial capacity of enterprises is reflected in the size of capital, the ability to mobilize and use capital effectively, and financial management capacity, in enterprises. Therefore, using capital effectively, quick capital turnover has great significance in reducing capital costs, reducing prices of products and services, affecting the competitiveness of enterprises as well as business results. . In addition, financial capacity is a prerequisite for business processes of businesses (Kouser *et al.*, 2011). Good financial capacity enhances competitiveness and is a positive impact on business results of tourism businesses (Camisón and Forés, 2015). Therefore, the proposed research hypothesis is H3: There is a positive (+) relationship between the financial capacity and business performance of tourism businesses.

#### **2.2.1.4 Administrative capacity**

According to Porter (1980) in order to achieve good business results, businesses need to consider the importance of corporate governance capacity such as: The capacity of management staff through the qualifications of managers so not only is the educational level also broad and in-depth knowledge has a great deal of knowledge in the field of business, the law on socio-political economy. The capacity of organizing, managing enterprises, arranging reasonable resources, building a scientific management process with high efficiency. Thereby reducing costs makes improving competitiveness

as well as good business efficiency. According to Camisón and Forés (2015) that good management capacity increases the competitiveness and is a positive impact on business results of tourism businesses. Therefore, the proposed research hypothesis is H4: There is a positive relationship between governance capacity and business performance.

#### *2.2.1.5 Service organization capacity*

According to Ladhari *et al.* (2011) about the service quality of enterprises, it has been shown that businesses with good service organization will create a competitive advantage to bring business products to customers quickly and effectively more fruit. Business employees equipped with the knowledge of products and services will be able to satisfy customers' expectations in every communication and thereby shape their culture in the business to make a difference competitor. Therefore, it is necessary to consider the relationship between organizational capacity and business performance. Therefore, the proposed research hypothesis is H5: There is a positive (+) relationship between service organization capacity and business performance of tourism businesses.

#### *2.2.1.6 Quality of products and services*

According to Camisón and Forés (2015) if an enterprise provides products and services that meet the needs of its customers, it will increase the number of customers significantly and thus achieve the business results as planned plan. Businesses always improve the quality of products and services continuously and provide unique products and services to customers that will affect sales as well as increase business performance for tourism businesses (Law *et al.*, 2015; Review *et al.*, 2013). So the proposed research hypothesis is H6: There is a positive (+) relationship between product quality services and business results of tourism businesses.

#### *2.2.1.7 Information technology*

Today the business world is characterized by increased competitiveness, globalized trading markets and continuous improvement in information technology (Powell and Dent, 1997). Information technology is changing the way businesses operate, it is affecting the entire process by which businesses create their products and services moreover, it is reshaping the product itself. According to Tavitiyaman *et al.* (2012) said that businesses see information technology as a competitive strategy and always innovate information technology to meet customer requirements goods, business performance increased significantly. Therefore, the proposed research hypothesis is H7: There is a positive (+) relationship between information technology and business performance of tourism businesses.

#### *2.2.1.8 Business culture*

According to Barney (1986) corporate culture is an advantage that creates sustainable competition for businesses. Enterprises seeking a sustainable competitive advantage need to pay attention to the impact of organizational culture, competitive strategy and human resource management that positively affect the performance of that enterprise (Chan *et al.*, 2004). This orientation implies the existence of a set of values and attitudes in the enterprise. According to Hai and Tien (2018) Corporate culture is the entire spiritual value that an enterprise creates in its production and business processes that affect its members' emotions, reason and behavior as well as the sustainable development of the business. Therefore, it can be said that the success or failure of enterprises is associated with the presence or absence of corporate culture. Therefore, the proposed research hypothesis is H8: There is a positive (+) relationship between corporate culture and business performance of tourism businesses.

#### *2.2.1.9 Social responsibility*

According to Tamajón and Font (2013) the study results of social responsibility factors positively impact the financial efficiency of small and medium-sized tourism businesses in Europe and Latin America. In which, social responsibility includes environment, quality of life of local community and employee's welfare. For large businesses, working conditions in supply chain organizations are especially important. According to Tamajón and Font (2013) enterprises have social

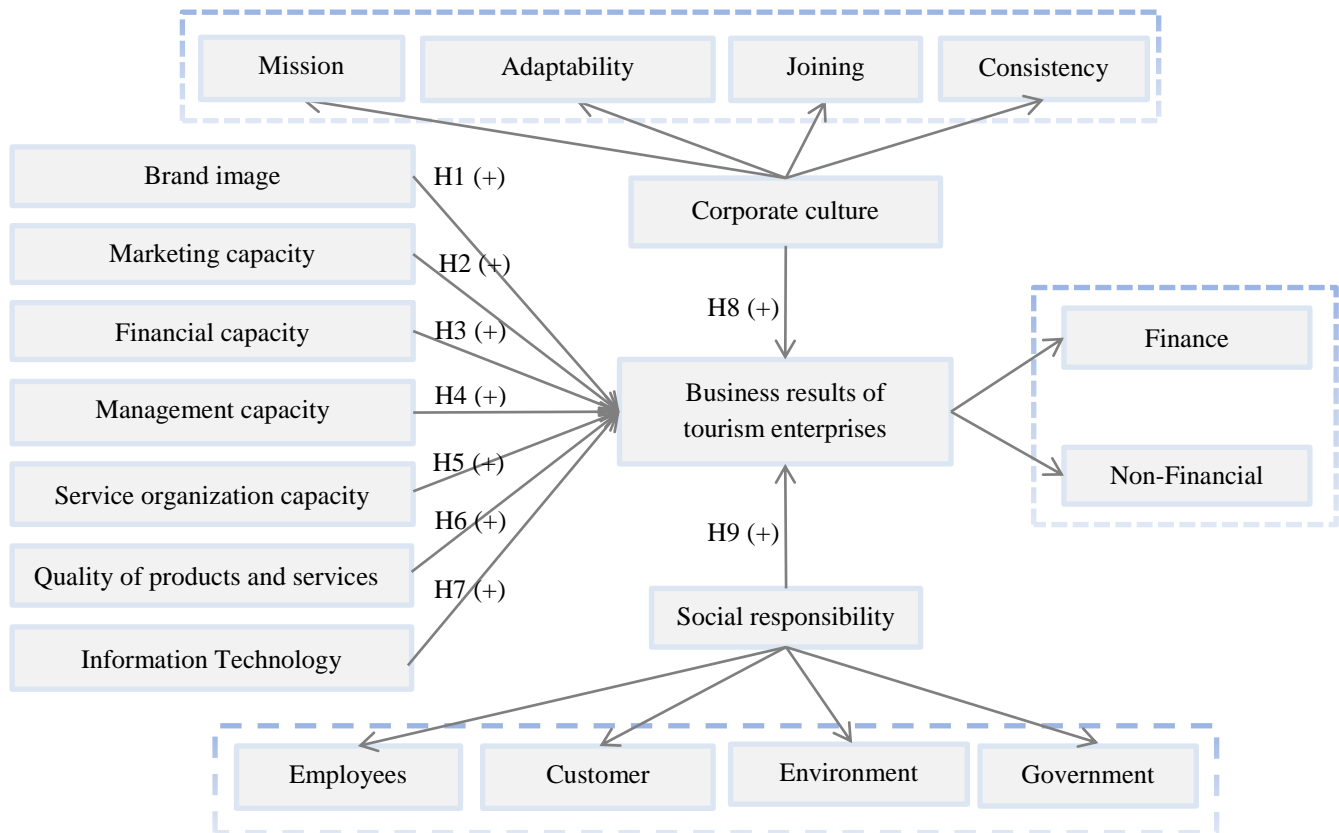
responsibilities such as having a policy of paying employees above the industry average, meeting the needs, respecting customer opinions, and concerns. When it comes to protecting the environment in business as well as complying with the laws of the state, it has a positive impact on the business results. Therefore, the proposed research hypothesis is H9: There is a positive (+) relationship between social responsibility and business performance of tourism businesses.

#### 2.2.1.10 Business results

According to Pradabwong *et al.* (2017) that business results refer to how well an enterprise achieves its financial and market-oriented goals come on. Achieving business results is very important to improve business results of the business. In this study, the author based on the views of Law *et al.* (2015) to measure the business results of tourism businesses on the basis of two groups of criteria. Financial and non-financial through criteria such as: Sales, profits, market share, businesses receive positive feedback from customers the number of new customers is increasing

#### 2.2.2 Proposal research model

From the point of view of Porter (1980) five industrial factors have been proposed as indicators of business performance of enterprises. Combined with the perspective of the internal environment, the resource-based approach uses the internal resources of the firm to measure firm performance (Barney, 1991).



Source: Author proposed

Figure 2. 1: Proposed research model

## CHAPTER 3: RESEARCH DESIGN

### 3.1 Research process

#### 3.1.1 Preliminary research

##### 3.1.1.1. Qualitative research

In this study, the author chose the subjects to be carried out in the qualitative research step, including 15 experts divided into two groups: The first group consists of 9 lecturers with doctoral degrees who are working in teaching at The university has a training course in Business Administration, Administration of Travel & Tourism Services and Tourism Industry, besides having a knowledgeable experience in the field of tourism service management which is representative for Academic research group, aiming to complete: The theoretical basis, the research model proposed by the author and the scales of the topic. The second group consists of 6 members of which 5 managers, managers are the board of directors, the director, the head of the executive department of tourism businesses. who have practical knowledge in the field of tourism in Thua Thien Hue province in particular and Vietnam in general and this is also the group with the role of answering the research question to collect primary data and 1 representative. Department of Culture, Sports and Tourism in Thua Thien Hue Province as a policy manager of the state.

***In qualitative research, it is conducted through 3 steps as follows:***

**Step 1:** After defining the research objectives, the author reviews relevant research works at home and abroad, in order to find gaps in previous studies on the basis of which the author of the system base Relevant theory, build the proposed model to install the gap on and from the proposed model continue to build the scales by summarizing the scales of previous domestic and foreign studies.

**Step 2:** Conduct a group discussion with 15 experts on the theoretical basis relevant to the research issue such as background theory suitable for research, clarify the concepts in the research model that work. The author proposes and adjusts to add other concepts to strengthen the author's proposed model which is scientific.

**Step 3:** Continue discussions with 15 experts to adjust, supplement and develop more scales to ensure the measurement is consistent with the specific characteristics of the tourism industry in Thua Thien Hue - Vietnam to serve the research quantitative research.

***Criteria for selecting 15 experts to participate:***

- *Lecturers, research institutes:* Teaching modules related to business and tourism at some universities with training in business administration and tourism such as National Economics University, Dai Hue College of Economics, Ho Chi Minh City University of Food Industry, Van Lang University, University of Finance and Marketing, Ho Chi Minh City University of Social Sciences and Humanities, Ho Chi Minh City University of Industry, University Hue University of Technology, University of Foreign Languages - Informatics, University of Economics - Finance Ho Chi Minh City.

- *Tourism managers:* Board of Directors, Board of Directors, Head of Tourism Enterprises and representatives of Department of Tourism and Sports in Thua Thien Hue Province.

##### 3.1.1.2. Quantitative research

The questionnaire was completed through qualitative research, the author conducted the survey directly to the survey object and processed the data through SPSS 20.0 software, from which conducting a preliminary evaluation. The reliability of the values of the scale is equal to Cronbach's Alpha reliability coefficient, through preliminary research to overcome the errors occurring during the questionnaire design process to conduct official surveys.

**Step 1:** The author collects the research data for the first time with a small number of samples by distributing survey papers to 59 leaders, administrators and managers of tourism businesses in Thua Thien Hue and selected by the method

convenient sampling for businesses of all types, including: Private enterprises, limited liability companies, joint stock companies.

**Step 2:** After synthesizing the survey data in step 1, the author uses SPSS 20.0 software to process the survey data set to evaluate the scales through the Cronbach's Alpha reliability coefficient. According to Nunnally and Bernstein (1994) to measure through Cronbach's Alpha reliability coefficient, there must be at least three measurement variables, each scale with a value of 0.6 or more is usable in the field. If the measurement concept is new or new to the survey object in the context of the study, a scale is of good value when it varies from 0.7 to 0.8 and the nonconforming variables are type when they have an item-total correlation of less than 0.3. So in this study, the author chose that scale value from 0.6 or more.

### 3.1.2. Official research

During the official research period, the author conducted quantitative research to find out the research results, then continued to discuss experts on the research results to reaffirm the research model. Official quantitative research was conducted with the data collection survey set in Thua Thien Hue province through 5 steps:

**Step 1:** Collect official research data by distributing the survey questionnaire to managers and tourism business managers in Thua Thien Hue province. According to Hair *et al.* (2010), the number of samples selected for the survey for exploratory factor analysis (EFA), the minimum sample size to meet  $N \geq 5 * m$  (where  $m$  is the number of observed variables). Tabachnick and Fidell (2001) suggested that the minimum sample size to be achieved was calculated using the formula  $N \geq 50 + 8m$  (where  $m$  is the number of independent variables). Based on the minimum number of samples of the two groups of authors, the author chooses a sample size large enough to satisfy both of the above conditions with size  $N \geq \max$ , corresponding to a scale of 83 observed variables and 9 variables independently, the minimum number of samples required is  $N \geq \max(50 + 8 * 9; 5 * 83) = 415$  samples. To achieve the minimum number of samples, the author conducted a number of votes with 450 votes. To achieve the author's research objectives, using convenient and non-probability sampling methods. All key data collected through questions designed on a 5-level Likert scale with "1" totally disagree to "5" is strongly agree.

**Step 2:** Preliminary assessment of reliability and values of the scale by Cronbach's Alpha reliability coefficient through SPSS 20.0 processing software to screen and remove observation variables that do not meet the standards.

**Step 3:** Continue to process discovery factor analysis (EFA) to evaluate the scales such as unidirectional, convergent and discriminant values. Using the Principal Axis Factoring method with Promax rotation has a smaller extraction variance but reflects the data structure more accurately (Gerbing and Anderson, 1988). According to Nguyen Dinh Tho (2011) if after EFA is confirmed factor analysis (CFA) and linear structure model (SEM), Principal Axis Factoring method should be used with Promax rotation. Therefore, the Principal Axis Factoring method with Promax rotation and stops when extracting elements (eigenvalue)  $\geq 1$  was used for the entire EFA analysis in this study. Variables with factor loading of less than 0.5 will be excluded in order to further refine observed variables that do not explain the concept of the study, thereby restructuring the remaining observed variables into factors suitable to complete the scale. The scale is acceptable when the total variance is  $\geq 50\%$ . Bartlett test with significance level  $\leq 0.05$ , we can see the observed variables correlated with each other in the whole (Gerbing and Anderson, 1988). KMO coefficient within  $0.5 \leq KMO \leq 1$ , we can consider factor analysis as appropriate. Analyzing affirmative factors (CFA) to re-test the suitability of the scales with market data, helping to clarify some of the following aspects: i) Unidirectional: According to Hair *et al.*, (2010) the appropriateness of the model with market data gives us the necessary and sufficient conditions for the observed set of variables to be unidirectional, except where the errors of the observed variables are correlated with each other. To measure the suitability with market information, people often use: Chisquare (CMIN), Chi-square adjusted by degrees of freedom (CMIN / df); Good fit index (GFI - Good of Fitness Index); Appropriate comparative index (CFI - Comparative Fit Index); Tucker and

Lewis index (TLI -Tucker and Lewis Index); RMSEA (Root Mean Square Error Approximation). The model is considered suitable for market data if Chisquare test has P-value  $<0.05$ ; CMIN / df  $\leq 3$ , in some cases CMIN / df may be  $\leq 5$ ; GFI, TLI, CFI  $\geq 0.9$ ; RMSEA  $\leq 0.09$  some cases RMSEA  $\leq 0.08$ . However, from the researchers' point of view, GFI is still acceptable when greater than 0.8 when the number of samples has just met the minimum condition of sampling principle (Hair *et al.*, 2010); ii) Reliability of the scale.

**Step 4:** Analyze linear structure model (SEM) through AMOS (Analysis of Moment Structure) software to verify the suitability of the research model and the research hypotheses. The method of testing hypotheses and research models with the linear structure model (SEM) tool in addition to having advantages over traditional methods such as multivariate regression due to the calculation of measurement errors. It is possible to combine underlying concepts with their measurements with the theoretical model at the same time (Nguyen Dinh Tho and Nguyen Thi Mai Trang, 2008).

**Step 5:** Multigroup analysis (Sharma *et al.*, 1981). Within the scope of this study, the author conducted a multigroup analysis to test whether or not the difference in impact level between factors was based on demographic characteristics: Industry business, enterprise size, type of business, management position, seniority, number of years of establishment of the business, number of branches.

### 3.2 Building research scales

According to Creswell and Creswell (2017) in normal scientific research, there are 3 ways to have a scale used in the research: i) Using existing scale, using original scales by pre-construction researchers; ii) Use the existing scale but supplement and adjust to suit the research space; iii) Develop completely new scales. In this study, the author uses the scale of previous studies to discuss experts to adjust, supplement and complete the scale in accordance with the research objectives.

### 3.3 Testing the preliminary scale by reliability analysis Cronbach's Alpha

Assessing the reliability of the scale through Cronbach's Alpha coefficient with the sample number 59. Of which 73 scales belong to independent variables except HATH6, NLMT6, NLTC1, NLQT6 and IT1 have variable - total correlation coefficients total (Corrected Item - Total Correlation)  $<0.3$  authors conducted the type of variables and reprocessed. The reprocessing results showed that the remaining factors had a correlation coefficient - total fit (Corrected Item - Total Correlation)  $\geq 0.3$  and Cronbach's Alpha coefficient  $> 0.6$  so the variables were acceptable. and appropriate for subsequent analysis. Assessing the reliability of the scale through Cronbach's Alpha coefficients of the dependent variables. Testing the reliability of a scale of factors that depend on the business performance of the tourism business: There are 10 observed variables with correlation - total correlation (Corrected Item - Total Correlation)  $\geq 0.3$  and Cronbach's Alpha coefficient  $> 0.6$  so the variables are acceptable and appropriate for subsequent analysis

Table 3. 1: Cronbach's Alpha coefficient of reliability results the scale of components

STT	The concept	Component notation	Number of observed variables excluded	Number of observed variables after processing Cronbach's Alpha	Cronbach's Alpha	The correlation coefficient of the smallest sum
1	Brand image	HATH	1	5	0,897	0,830
2	Marketing capacity	NLMT	1	5	0,870	0,811
3	Financial capacity	NLTC	1	4	0,848	0,757
4	Governance capacity	NLQT	1	5	0,854	0,772
5	Organization service capacity	NLPV	0	5	0,899	0,851
6	Quality of products and services	SPDV	0	5	0,809	0,720
7	Information Technology	CNTT	1	4	0,847	0,781
8.1	Corporate culture - Mission	VHDN	0	5	0,900	0,847
8.2	Corporate culture - Adaptability	VHTU	0	5	0,882	0,831
8.3	Corporate culture - Participation	VHTG	0	5	0,910	0,874
8.4	Corporate culture - Consistency	VHNQ	0	5	0,906	0,868
9.1	Social Responsibility - Staff	TNNV	0	5	0,906	0,864
9.2	Social Responsibility - Customers	TNKH	0	5	0,850	0,787
9.3	Social responsibility - Environment	TNMT	0	5	0,840	0,764
9.4	Social responsibility - State	TNNH	0	5	0,899	0,859
10.1	Business performance - Finance	KQTC	0	5	0,897	0,842
10.2	Business efficiency - Non-financial	KPTC	0	5	0,908	0,874
	<b>Total</b>		<b>5</b>	<b>83</b>		

*Source: Processing results from author's survey data*



## CHAPTER 4: RESEARCH RESULTS AND DISCUSSION

### 4.1 Research results

#### 4.1.1 Characteristics of research samples

The process of official research survey in Thua Thien Hue Province - Vietnam was conducted over a period of 12 months from October 2017 to October 2018. With 450 surveyed handouts, 429 questionnaires were collected. The response is 95.33%. Of the 450 votes collected, 11 were rejected because the respondent left many boxes blank, equivalent to 2.44% and 10 votes hitting the same level, equivalent to 2.22%. In the approach of this study are tourism businesses including: tourism businesses, hotel businesses and restaurant businesses.

#### 4.1.2 Descriptive statistics research sample

Table 4. 1: Descriptive statistics of qualitative variables in the survey

Characteristic		Observation Number	Number Percentage (%)
Business areas	Travelers	137	31,9
	Hotel	150	35,0
	Restaurant	142	33,1
Type of business	Private enterprise	87	20,3
	Co., Ltd	122	28,4
	Joint Stock Company	111	25,9
	Other	109	25,4
Location manager	Board of General Directors	161	37,5
	Board of directors	157	36,6
	Head of department	111	25,9
Senior management	Less than 5 years	108	25,2
	From 5 to 10 years	109	25,4
	From 10 to 15 years	106	24,7
	From 15 years and up	106	24,7
Number of years of business establishment	Less than 5 years	110	25,6
	From 5 to 10 years	97	22,6
	From 10 to 15 years	118	27,5
	From 15 years and up	104	24,2
Number of members in the branch or representative office	Under 5	100	23,3
	From 5 to 10	122	28,4
	From 10 to 15	105	24,5
	From 15 and above	102	23,8
Business size	Under 50 people	114	26,6
	From 50 to 100 people	97	22,6
	From 100 to 150 people	102	23,8
	From 150 people or more	116	27,0

Source: Author's results of processing survey data

### 4.1.3 Evaluation of scales

#### 4.1.3.1 Analysis of Cronbach's Alpha reliability coefficient

According to the proposed research model, there are 10 concepts that need to be measured and evaluated, so all 10 concepts are implemented to calculate Cronbach's Alpha coefficient through SPSS 20.0 software.

✚ *Brand image*: The first time: Brand image is measured by 5 observed variables from HATH1 to HATH5 (HATH6 is excluded in the preliminary step). The results of the reliability test show that the scale with the reliability coefficient  $\alpha = 0.766$  greater than 0.6 is satisfactory. However, the correlation coefficient of the total variable of HATH5 = 0.055 is the lowest and smaller than 0.3, so this type of variable. Therefore, the brand image scale with 4 observed variables is processed 2nd time. The brand image scale of the 2nd processing has 4 observed variables from HATH1 to HATH4. The results of the reliability test show that the scale has a reliability coefficient of  $\alpha = 0.910$  greater than 0.6. The correlation coefficient of the total variables of all variables is satisfactory, the lowest is 0.779 greater than 0.3. Therefore, the brand image scale with 4 observed variables and no excluded variables met the requirements of reliability and continued to be included in the discovery factor analysis.

✚ *Service capacity*: The first time: Service capacity is measured by 5 observed variables NLPV1 to NLPV5. The results of the reliability test show that a scale with a reliability coefficient of  $\alpha = 0.686$  greater than 0.6 is satisfactory. However, the correlation coefficient of the total variable only for NLPV4 = 0.154 is the lowest and is less than 0.3, so this type of variable. Therefore, the service capacity scale with 4 observed variables is processed for the second time. The results of the reliability test show that the scale has a reliability coefficient of  $\alpha = 0.836$  greater than 0.6. The correlation coefficient of the total variables of all variables is satisfactory, the lowest is 0.661 to 0.670 greater than 0.3. Therefore, it meets the requirements of reliability and continues to be included in the discovery factor analysis.

✚ *Mission culture*: The first time: Mission culture is measured by 5 observed variables VHSM1 to VHSM5. The results of the reliability test show that a scale with a reliability coefficient of  $\alpha = 0.811$  greater than 0.6 is satisfactory. However, the correlation coefficient of the total variable of VHSM2 only = 0.155 is the lowest and smaller than 0.3, so this type of variable. Therefore, the mission culture scale with 4 observed variables is processed for the 2nd time. The 2nd mission culture scale has 4 observed variables including VHSM1, VHSM3, VHSM4, and VHSM5. The results of the reliability test show that the scale has a reliability coefficient of  $\alpha = 0.917$  greater than 0.6. The correlation coefficient of the total variables of all variables is satisfactory, the lowest is 0.796 greater than 0.3. Therefore, the mission cultural scale with 4 observed variables (no excluded variables) met the requirement of reliability and continued to be included in the discovery factor analysis.

✚ *Adaptive culture*: First time: Adaptive culture is measured by 5 observed variables VHTU1 to VHTU5. The results of the reliability test show that a scale with a reliability coefficient of  $\alpha = 0.741$  greater than 0.6 is satisfactory. However, the correlation coefficient of the total variable of VHTU4 = 0.065 is the lowest and less than 0.3, so this type of variable. Therefore, the cultural adaptation adaptation scale with 4 observed variables is processed for the 2nd time. The 2nd adaptation culture scale has 4 observed variables (VHTU1, VHTU2, VHTU3, VHTU5). The results of the reliability test show that the scale has a reliability coefficient of  $\alpha = 0.867$  greater than 0.6. The correlation coefficient of the total variables of all variables is satisfactory, the lowest is 0.632 greater than 0.3. Therefore, it meets the requirements of reliability and continues to be included in the discovery factor analysis.

✚ *State responsibility*: First time: State responsibility is measured by 5 observed variables TNNN1 to TNNN5. The results of the reliability test show that the scale with the reliability coefficient  $\alpha = 0.7702$  greater than 0.6 is satisfactory. However, the correlation coefficient of the total variable of TNNN4 only = 0.053 is the lowest and smaller than 0.3, so this type of variable. Therefore, the state responsibility scale with 4 observed variables is processed for the 2nd time. The

second scale of state responsibility has 4 observed variables (TNNN1, TNNN2, TNNN3, TNNN5). The results of the reliability test show that the scale has a reliability coefficient of  $\alpha = 0.895$  greater than 0.6. The correlation coefficient of the total variables of all variables is satisfactory, the lowest is 0.670 greater than 0.3. Therefore, it meets the requirements of reliability and continues to be included in the discovery factor analysis.

The remaining concepts after Cronbach's Alpha treatment have no observed variables excluded. EFA treatment should be included.

#### 4.1.3.2 Discovery factor analysis (EFA)

##### Explore factor analysis (EFA) for unidirectional concepts

After testing the scale by the reliability analysis Cronbach 'Alpha has 7 unidirectional concepts that meet the requirements of the breakthrough factor analysis (EFA) by Principal Axis Factoring and Promax rotation.

The first time: The results of discovery factor analysis (EFA) have a KMO coefficient of 0.828 ( $> 0.5$ ), Bartlett's test has Sig = 0.000 ( $< 0.05$ ) but there are 02 excluded variables, SPDV3, IT4 excluded because uploading 2 different factors has a cross-loading factor  $< 0.3$ .

The second time: After eliminating the first questions, continue analyzing EFA for 7 unidirectional scales including: i) Brand image; ii) Marketing capacity; iii) Financial capacity; iv) Management capacity; v) Capacity of service organization; vi) Quality of products and services; vii) Information technology. In order to check the discriminant value convergence through: KMO index = 0.831 (greater than 0.5 and less than 1) so the appropriateness of the factors is reached. Bartlett's test has Sig = 0.000 (less than or equal to 0.05) so the variables are correlated with each other in the whole. The factor load factor is greater than 0.5, so the single correlation between variables and factors is considered to be of practical significance. The total variance is equal to 64,142% (greater than 50%) so the scale is accepted.

##### *Explore factor analysis (EFA) for omnidirectional concepts*

EFA analysis for 3 unidirectional scales including: i) Corporate culture; ii) Social responsibility; iii) Business results. In order to check the discriminant value convergence through: KMO index = 0.822 so the appropriateness of the factors is reached. Bartlett's test has Sig = 0,000 so the variables are correlated with each other in the population. The factor load factor is greater than 0.5, so the single correlation between variables and factors is considered to be of practical significance. The total variance is equal to 70,232% so the scale is accepted.

#### 4.1.3.3 Confirmation factor analysis (CFA)

##### CFA results for unidirectional scales

Unidirectional: Consisting of 29 observed variables, CFA affirmation analysis was conducted to determine the suitability of data collected, discriminant and convergence values of the scales shown through Parameters: Chi-square / df = 1,740 ( $< 3$ ); GFI = 0.910 ( $> 0.9$ ); TLI = 0.963 ( $> 0.9$ ); CFI = 0.967 ( $> 0.9$ ); RMSEA = 0.042 ( $< 0.05$ ); P = 0,000 ( $< 0.05$ ). The indicators are satisfactory so the data set is suitable for the model.

##### CFA results for multidirectional scales

*Scale of corporate culture:* The scale of corporate culture is assumed to be a concept that affects business results of tourism businesses with four components: i) Mission with four observed variables (VHSM1, VHSM3, VHSM4 and VHSM5); ii) Adaptability to four observed variables (VHTU1, VHTU2, VHTU3 and VHTU5); iii) Consistency with five observed variables (VHNQ1-VHNQ5); iv) Participation with five observed variables (VHTG1-VHTG5) was included in the analysis. CFA results of this scale show that the model has a good fit with the data, the value P = 0,000; CMIN / df = 1,573 ( $< 3$ ). Other measurement criteria are also satisfactory (GFI = 0.949; TLI = 0.984; CFI = 0.986 are both greater than 0.9; RMSEA = 0.037 ( $< 0.05$ )). So the VHDN multidirectional scale is suitable for distribution Next step.

*Social responsibility:* The social responsibility scale is assumed to be a concept affecting business results of tourism businesses with four components: i) Environment; ii) Legal; iii) Clients and iv) Employees included in the analysis. The CFA results of this scale show that the model is suitable for data value  $P = 0,000$ ;  $CMIN / df = 1,749$  ( $<3$ ). Other measurement criteria also met  $GFI = 0.941$ ;  $TLI = 0.976$ ;  $CFI = 0.979$  is greater than 0.9;  $RMSEA = 0.042$  ( $<0.05$ ). So the VHDN omnidirectional scale is suitable for next step analysis.

*Business results:* The scale of business results of tourism businesses is divided into two groups: i) Financial results; ii) Non-financial results, included in the analysis. The CFA results of this scale show that the model is suitable for data value  $P = 0,000$ ;  $CMIN / df = 2,041$  ( $<3$ ). Other measurement criteria also met  $GFI$  requirement = 0.968;  $TLI = 0.989$ ;  $CFI = 0.992$  are both greater than 0.9;  $RMSEA = 0.049$  ( $<0.05$ ).

#### 4.1.3.4 Critical model CFA results

The CFA results of the final measurement model show that the model is consistent with  $P = 0,000$  value data;  $CMIN / df = 1,499$  ( $<3$ ). Other measurement criteria also met  $TLI = 0.941$  ( $> 0.9$ );  $CFI = 0.946$  ( $> 0.9$ );  $RMSEA = 0.034$  ( $<0.05$ ). Where  $GFI = 0.814$  is less than 0.9 but greater than 0.8 acceptable because the number of survey samples is satisfactory compared to the observation  $79 \times 5 = 395$  compared to the sample number 429. All regression weight is normalized in the critical model all reach significant levels and have great value.

#### 4.1.4 Test of research model and hypotheses

##### 4.1.4.1 Test the research model by linear structure model (SEM)

The estimated (standardized) results of the research model show that the model is consistent with the data (Figure 4.6), chi square = 4309,459, with degrees of freedom = 2719,  $P$  value = 0,000;  $CMIN / df = 1,585$  ( $<3$ ). Other measurement criteria also met  $GFI = 0.801$  (greater than 0.8);  $TLI = 0.931$  ( $> 0.9$ );  $CFI = 0.935$  ( $> 0.9$ );  $RMSEA = 0.037$  ( $<0.05$ ). The estimation results of the main parameters presented show that these causal relationships are statistically significant ( $p < 5\%$ ). Based on the above results, it is possible to conclude that the concepts in the research model gain value.

##### 4.1.4.2 Estimation test of research model by Bootstrap ( $N = 1000$ )

The author uses the bootstrap method with the number of replicates  $N = 1000$ . The estimated results by bootstrap with  $N = 1000$  are averaged together, showing that the bias appears but is very small, great value The opposite of the critical value  $CR < 1.96$  implies  $p\text{-value} > 5\%$ . Therefore, it can be concluded that the estimates in the research model are reliable.

##### 4.1.4.3 Test of research hypothesis by linear structure model (SEM)

Table 4. 2: Valuation results distinguish between factors in the critical model

			Estimate	S.E.	C.R	P	Result
KQKD	<---	HATH	0,088	0,040	20,221	0,026	Accept H1
KQKD	<---	NLMT	0,209	0,029	70,117	***	Accept H2
KQKD	<---	NLTC	0,276	0,057	40,874	***	Accept H3
KQKD	<---	NLQT	0,146	0,050	20,920	0,003	Accept H4
KQKD	<---	NLPV	0,247	0,055	40,522	***	Accept H5
KQKD	<---	SPDV	0,091	0,045	20,038	0,042	Accept H6
KQKD	<---	CNTT	0,268	0,050	50,326	***	Accept H7
KQKD	<---	VHDN	0,129	0,065	10,972	0,049	Accept H8
KQKD	<---	TNXH	0,203	0,067	30,013	0,003	Accept H9

Source: Research results of the author

The estimation results of the research model and bootstrap in the analysis of linear structure model (SEM) show that the hypothetical relationship in the official research model has statistical significance because  $p$  has high value especially 0.049 is less than 0.05, reaching the level of significance (at the 95% confidence level). In other words, assumptions in the formal research model are accepted.

#### *4.1.5 Testing the difference of the model of the impact of competitiveness factors on business results of tourism enterprises according to qualitative variables*

Testing whether the model influences competitiveness factors on tourism business results by gender of business type, management position, number of years of establishment, number of members, size of business, and age difference. Here research tests according to ANOVA. The results show that currently, in the field of business, the size of the business is the difference in the impact of competitiveness factors on the business results of tourism businesses. Meanwhile, type of business, management position, seniority, number of years of establishment of a business, number of branches is the opposite.

### **4.2 Discuss the research results.**

Based on the research results show that financial capacity is a factor of competitiveness that has the strongest impact on business results ( $\beta = 0.276$ ), with this result consistent with the recent research of Camisón and Forés (2015) the authors have determined that the competitiveness of travel companies is motivated by specific internal or external factors: Evidence from Spain. The second most powerful factor ( $\beta = 0.2268$ ) is information technology, this result is similar to the point of view of Purnama, C., and Subroto, WT (2016) showing that the intensity of competition in the environment is not Certainly, information technology has a positive impact on the business performance of small and medium enterprises. The third positive impact factor on business results ( $\beta = 0.247$ ) is the capacity to organize service, according to the authors Tavitiyaman *et al.* (2012) research In terms of the impact of competitive strategy and organizational structure on hotel performance, the professionalism of the service organization process, the professionalism of the employees creates the credibility and loyalty of customers. The fourth most influential marketing capacity ( $\beta = 0.209$ ) with this result is consistent with the recent research of Camisón and Forés (2015). Good marketing is an opportunity to promote competitiveness, which improves the business performance of that business. Social responsibility factors under 4 dimensions include: Responsibility for employees, responsibility for customers, responsibility for the environment responsibility to the State is also a factor of impact competitiveness fifth strength ( $\beta = 0,203$ ) in the same research as that of Tamajón and Font (2013) on the issue of Corporate Social Responsibility in business tourism business with type Small and medium businesses in enterprises have a good brand image, making customers care more about their businesses, thereby attracting customers better, increasing market share. The sixth strong factor ( $\beta = 0.146$ ) management capacity of this result is also the research result of Camisón and Forés (2015) the author group affirms that human resource management is an internal factor internal strength of the business and this is also one of the core factors that create the competitiveness of tourism businesses in Spain. The corporate culture element consists of 4 aspects: Mission, adaptability, participation, consistency, has the 7th strongest impact on business results with a coefficient of  $\beta = 0.1129$  similar to Denison's research. , DR (1990) asserted that corporate culture on 4 aspects if the company performs well 4 aspects that improve organizational efficiency. The factor of product and service quality with the 8th impact factor  $\beta = 0.091$  is of the same opinion with Law *et al.* (2015). The results suggest that the tourism and hotel businesses in China have good business results if they provide really good products and services. At the same time, the survey data has a business scale that makes a difference by providing unique products and services of the quality of products and services with the highest average response rate of 3.0. This proves that customers always require their suppliers of products and services with unique quality. And finally, the brand image element has the weakest impact of the 9 factors of competitiveness on business results of

tourism businesses with a coefficient of  $\beta = 0.088$  coinciding with the research of Tavitiyaman *et al.* (2012) on the impact of competitive strategy and organizational structure on tourism and hotel business performance.

## CHAPTER 5: CONCLUSION AND ADMINISTRATIVE IMPLICATIONS

### 5.1 Conclusion of research

The study results have confirmed that 9 factors of competitiveness have positive impacts (+) on the business results of tourism businesses and are ranked in order of impact from strong to weak as follows: Energy financial capacity, information technology, service capacity, marketing capacity, social responsibility, management capacity, corporate culture, products and services and finally brand image. In addition, the study also clarifies the interaction of these factors.

### 5.2 Implications for governance

#### 5.2.1 From the perspective of corporate governance

✚ **Regarding financial capacity:** Through the research results, it is shown that financial capacity has the strongest impact with the coefficient of  $\beta = 0.276$  on the business results of tourism businesses. Therefore, businesses need to have a solid financial strategy, always ensure that their operating capital is strong and financially effective in accordance with the growth process. and development of the enterprise, in order to ensure competitiveness as well as the ability to expand and develop a wide range of products and services, enterprises often renovate modern technologies to meet the market, need to build business strategy creates a brand image, so that raising capital will be easier, as well as having solvency, capital turnover will be better faster. In addition, businesses need to cut unnecessary costs, do not bring added value to businesses, need to build criteria to evaluate costs, build a sense of saving against waste of the collective staff department in the business.

✚ **For information technology:** From research results, information technology factors have the second strongest impact with the coefficient  $\beta = 0.2268$  on business results of tourism businesses. So for businesses in the field of accommodation, travel, cuisine need high communication elements, intangibles of products and services and the characteristics of business processes will promote public Information technology plays a crucial role in creating new business opportunities. Improvements in beneficial information technology such as wake-up system, electronic door lock, in-room payment monitoring, video library, internet provision for customers, online conferencing, etc., as well as strong business need investing in management software applications, combining technology elements into the service delivery process to improve service performance and quality, designing social media channels, seminars, and teams organizing online events on the basis of information technology and digital technologies to interact with customers to discuss the supply of products and services to manage and manage at work, serve business, continue marketing, strengthening the use of information technology to strengthen internal capacity, to interact with external customers as well as facing difficulties of the external environment.

✚ **Regarding the capacity to organize service:** The results of the study showed that the factor of organizational capacity for the third strong positive impact with the coefficient  $\beta = 0.247$  to the business results of tourism businesses. In fact, there are more and more customers 'demands, wishing businesses to provide products and services more and more professionally, so businesses compete more and more fiercely to meet customers' needs businesses should pay attention to improving the quality of products and services to ensure customer satisfaction and loyalty often have preferential policies for loyal customers, often contact to keep customer foot. Every member of the business needs to be equipped with the knowledge, skills and good service attitude to answer customers' specific questions and requirements, always be polite and friendly with customers, always available willing to help and meet customer requirements, familiar with the process of service implementation, to serve customers professionally from which to create customer satisfaction and trust such as



evaluation. Good service organization. Service staff must have the ability to serve professionally because customers always want to be served by a competent employee then they feel the least risk. Therefore, employees need to demonstrate their ability with communication skills, persuasion as well as deep knowledge of the products and services that they provide. In order to build long-term customer service goals, this is also one of the business strategies of businesses. During communication, the staff is also one of the important factors affecting the visitor experience.

✚ **Regarding marketing capacity:** Through research results, it shows that the factor of marketing capacity has the fourth strongest impact with the coefficient of  $\beta = 0.209$  on the business results of tourism businesses. Also through the survey results from the leaders, managers of tourism businesses in Thua Thien Hue province with the highest average response rate of 3.67 is a scale of “Businesses regularly receive from Italy customers' opinions about the products and services they provide”. This shows that businesses need to pay attention to feedback from customers and arrange a team to regularly solve all questions from customers as thoroughly as possible. In addition, businesses need to spend budgets for marketing such as advertising and communication to enhance communication outside the website, newspapers, magazines, television, internet ... because it is also information provided to customers. The brand is one of the factors that play a role in determining the choices of customers, the external communication has a positive impact on the reputation of the brand. Businesses often use market research to collect information about customers, receive feedback from customers about their products and services, and build relationships business relationship with customers in order to create customer trust, businesses need to care about the marketing team because this is the team that always meets the needs of customers, businesses need to design their websites attractive to create. Brand image attracts attention from customers and the interface and content of the website always meet customer satisfaction.

✚ **For social responsibility:** This is one of the factors that businesses need to consider such as the need to build a sense of responsibility for raising the awareness of social responsibility as well as the benefits from social responsibility back to the business. So the first thing is that the leader of the business must have a positive and positive perception from the issue of corporate social responsibility, then the business managers because they are the ones who greatly influence the vision put the right business strategy and thereby create good business competitiveness as well as business results. At the same time, leaders and managers also need to understand the nature of social responsibility in 4 different aspects.

- *Social responsibility - For employees:* Enterprises need to fully carry out the responsibilities of the salary, bonus, health insurance, social insurance, maternity, sickness, Tet holiday policies...for employees, adopt a policy to nominate professional fostering to improve staff qualifications, create a comfortable and comfortable working environment in order to promote the working ability of employees and businesses in need organize periodic health examinations for employees, organize annual vacations to entertain as well as connect members in the enterprise to create a solidarity and solidarity to support each other at work. Just as businesses need to create conditions to improve the quality of life for employees, flexibility to balance well between life and work for workers, always pay attention to the needs and expectations of workers, businesses need to have a staff compensation policy that is above average.

- *Social responsibility - For customers:* The products and services that tourism businesses provide are tours, accommodation, catering...so must ensure the safety and health for customers is great. For employees who are professionally trained to provide full information about products and services that the enterprise provides to customers clearly, training employees must always respect customer feedback. Seriously, always meet the legitimate needs of customers, satisfactorily resolve customer complaints, ensure customer interests consider customer satisfaction as the key of the business to create credibility of businesses to customers who trust and businesses need to participate in active activities for social communities like eel G scholarships for poor students, building houses of gratitude.

- *Social responsibility - For the environment:* Enterprises should consider their business activities to be responsible for the environment is really necessary from which businesses build business strategies as well as every member in The company is committed to seriously implementing its business of socially responsible social responsibility, supporting the surrounding community to implement environmental responsibility. Environmental factors and the surrounding community are always carefully considered in the business activities, always focusing on taking actions that contribute to environmental conservation, food hygiene and safety, businesses have good awareness of environmental and natural resources protection and businesses always choose suppliers of environmentally friendly products and services, and businesses encourage customers to use products and services with a sense of responsibility to the environment.

- *Social responsibility - For the state:* Enterprises always fulfill their obligations to employees such as salary, bonus, insurance... Businesses comply with environmental regulations in their business activities. It is responsible for promoting local community development and heritage conservation, and complying with tax payment in full. Businesses need to raise awareness about social responsibility and the benefits of social responsibility for organizations. Just as businesses need a long-term strategy to apply social responsibility with appropriate steps in different stages.

✚ ***For management capacity:*** Business leaders need to have a strategic vision, a management ability to support adaptive change in the business, always have control principles and business management methods within the business, always fostering a spirit of dialogue and accepting of diverse opinions, a good understanding of the global market with the ability, and a proactive attitude to achieve challenging goals. With effective resource management, managers are encouraged to work in teams and relationships, and focus on training and developing human resources in the enterprise to achieve its goals and empower. It allows employees to expand their scope and contribute towards capacity development of employee. Many businesses are established and matured from household businesses, so the management method is not really scientific, the business strategy decision is still subjective of the business owner internal control to minimize business risks as well as accurate data reporting to ensure the interests of business employees and investors. Research results show that governance capacity has a positive impact with the correlation with the coefficient  $\beta = 0.1146$  to business results, so businesses need to pay attention to the way of corporate governance such as: Enhancing The quality of the team, the organization of recruitment are wide, have policies to attract high-quality resources to work for businesses, create favorable working environment and remuneration policies above the industry average. High-quality management team, constantly detecting and fostering human resources for management positions, arranged in accordance with the professional capacity of each position, often organizing training courses to learn businesses. Nowadays, businesses have foreign elements.

✚ ***For corporate culture:*** From the research results show that corporate culture has a positive impact on the business results of tourism businesses. So leaders, business managers need to seriously look back on building corporate culture in the current context under the following four angles:

- *Corporate culture - Mission:* Businesses need to build a clear mission vision from which to determine the appropriate direction of operation, business leaders carefully research when making strategic business decisions. Entrepreneurship must be accurate, conveying to every member of the business what each individual needs to do to achieve sustainable success, and this creates excitement and motivation for employees in the process.

- *Corporate culture - Adaptability:* Businesses need to encourage creativity in the work of all members of the enterprise, new ideas of members at all levels, always be listened to by the leaders households develop ideas and apply, build a spirit of being ready to deal well with competitors in the industry, adapt to the internal and external environment of enterprises, other changes in the business environment and Besides, failure is always considered as a lesson for improvement.



- *Corporate culture - Consistency*: From the business strategy, the goal-setting business needs a clear consensus among levels and continuously adjusting accordingly, working regulations of the enterprise be expected in advance and consistent with each other even when solving difficult problems.

- *Corporate culture - Participation*: The company always attaches great importance to the human development of cohesion and working spirit, the working capacity of employees is always concerned and regularly improved by the management board motivation for employees to accept challenges to achieve the goals set by the business, making employees see the relationship between their work and the goals of the business, the members are always engaged to the business highly profitable. The company has a clear strategic mission, managers and leaders who inspire employees, motivate employees, employees will have feelings attached to the organization. A business with vision, standard values worshiped and pursued by employees will stay with the organization because of those values.

✚ ***For the quality of products and services***: To measure the quality of products and services that businesses provide through customer satisfaction when using the services that businesses provide, to improve product quality services by diversifying products and services, promoting the development of new products and services as for hotel businesses need to innovate service creation for customers to customize the customer experience for customers such as an innovative means of enabling check-in time flexibility, personalizing room decor according to customers' preferences in order to meet growing customer demand, as well as trying to connect with communication transfer information to customers. Businesses need to provide products and services that must be rich and diverse, corresponding to the costs that customers have spent, businesses always improve the quality of products and services, make a difference by providing providing unique products and services, regularly providing new products and services to meet the increasing needs of customers, from which the enterprise has a reputation for providing good quality products and services.

✚ ***For brand image***: Through research results, it shows that the brand image has the weakest impact of the above 9 factors with the coefficient  $\beta = 0.088$  on business results of tourism businesses. The above results show that it is suitable for tourism businesses doing business in Thua Thien Hue province because the majority of enterprises are not large scale, so the brand image among businesses has not much difference and customers also do not fully identify the brand of each business. Besides, in the future, deep and broad integration will inevitably have strong brands from domestic as well as large corporations from foreign countries penetrating the market. So businesses need to build a brand image from now on as determined to the extent that customers are currently satisfied with the brand image of the business from which to build a brand image strategy in the mind of the customer, managing the brand image in a strict scientific process such as paying attention to the name of the slogan of the brand name when advertising in public to create a positive view from customers. Building a brand image must ensure environmental friendliness, as well as a conscious effort to build a brand image for customers to distinguish the brand image of the business from the brand image of the company competitors.

### 5.2.2 Recommendations to the State

✚ ***Promote tourism image promotion locally***: Need to have a strategy to promote tourism images, regularly promote tourism products and destinations, and promote tourism promotion in the province such as hosting organize many national and international events such as Hue Festival, Miss Earth, Cultural Tourism Week...actively participate in promoting, promoting, fairs, exhibitions, conferences, seminars, delivery save tourism development, publish tourism promotion publications, organize travel photo contests on the media, coordinate tourism business units to attract tourists.

✚ ***Training human resources for tourism***: The State also needs to attach importance to the training and fostering of tourism human resources, and needs a human resource project in the coming time to meet the human resource needs in the context of integration such as equipping employees with professional knowledge, communication skills, problem-solving skills, problem-solving skills ... and job-loving attitude, serious attitude at work according to team standardization. Human

resources in the tourism industry, focusing on small and medium-sized businesses because most businesses currently doing business in tourism are often at a small scale, with specific sectors such as reception, food, kitchen, interpreters, tour guides to improve the competitiveness of tourism businesses.

✚ ***Building and diversifying tourism products:*** It is necessary to diversify products and services to provide tourists, promoting cultural values in building products and services, such as paying more attention to exploiting intangible cultural values to serve the locality, creating favorable conditions for Hue traditional village products, Hue culture, Hue cuisine to build brands, need seminars on the topic of Ao Dai to Currently, the ancient land creates an indispensable traditional beauty when it comes to the charm of the ancient Hue woman in order to maximize the cultural tourism mission to become a big and typical brand of Hue. Hue to ensure adequate tourism development factors and this is also one of the factors that make a difference.

✚ ***Linking tourism development cooperation of the region:*** In general, Hue tourism in recent years has had positive changes, the development space has also been expanded, in addition, the State should have a role to promote cooperation in tourism development to attract large domestic and foreign enterprises to invest in Thua Thien Hue province. Strengthening the links of tourism routes inside and outside the province, developing tourism products such as Ho Chi Minh City, Da Nang, Quang Tri, Ha Noi...Continuing to exploit tourist routes by air with other countries.

✚ ***Create an open environment, ensure security and safety for visitors:*** Promote propaganda, raise awareness about protecting the tourism environment, behave civilized and polite to build a good image on the spot In the coming time, the coordination between departments and localities in the province needs more attention of all levels and sectors, especially the central and provincial leaders, as well as the responsibility of business cooperation tourism businesses, managers and local communities. Strengthening infrastructure, security and order to serve travelers security and safety when visiting absolutely.

### 5.3 Limitations and further research directions

**Firstly**, the research model is built only at 9 elements of competitiveness that positively impact the business results of tourism businesses. Although according to the standardized estimation results, the model explains that 70.69% of the positive factors affecting business results are relatively high, but there may still be hidden factors. Other impact on business results but not yet included in this research model. **Secondly**, only 429 sample is not large and only collected businesses in Thua Thien Hue province so the results of the study can not be generalized to represent both tourism businesses in Vietnam so if It may be necessary to increase the number of observations to reduce errors during testing as well as the errors of the research model so that the scope of the study can be expanded. **Thirdly**, this research only approaches as a researcher in business administration, there are other approaches such as those directly doing business in the field of tourism or people Policy makers for tourism businesses will have other research results that contribute more to businesses as well as policy makers./.

## **LIST OF RESEARCH WORKS BY AUTHOR DISCLOSURE RELATED TO THE THESIS**

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3. Nguyen Van It, Hoang Thi Chinh, Tran Anh Minh (2018). Relations and impact of organizational culture, marketing capacity, brand image on the business performance of tourism businesses in the city. *Ho Chi Minh. Journal of Human Development.* No. 05 (58): 79-89.
4. Nguyen Van It, Hoang Thi Chinh, Tran Anh Minh (2018). Study the effect of factors of marketing capacity, brand image and competitiveness on business performance of tourism businesses in Thua Thien Hue province. *Journal of Science, Technology and Food.* Episode 16 (1): 140-152.
5. Nguyen Van It, Hoang Thi Chinh, Tran Anh Minh (2019). The impact of competitiveness factors on business results of tourism businesses in Thua Thien Hue province. *Journal of Industry and Trade.* No. 9 - May 2019: 234-239.