Factors Affecting The Effectivity Of Promulgation And Implementation State Management Decisions On Economy In The Context Of Vietnam’s Transition Economy

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ABSTRACT
State management reform is a regular and long-term activity for each country to improve the efficiency and competitiveness of the economy in order to adapt to the process of international economic integration. Vietnam as is an economy in the transition process, Vietnam is building actively an effective state management system. Making decisions in the state management on economy is one of the most effective tools to manage the economy. The paper explores the factors affecting the effectiveness of promulgation and implementation of decisions in state management on economy in the context of Vietnam’s transition economy. The paper builds a research model and surveys with 128 officials in state management agencies on economy and some experts. The research results identify the basic factors affecting the effectivity of promulgation and implementation decisions on economic management, propose some solutions to improve the effectivity of these decisions.

Keywords: Management decision, state management decision on economy, environmental management, officials, decision-making environment.

INTRODUCTION
After more than 30 years of implementing the renovation policy, accelerating the process of industrialization, modernization and opening up integration with the region and the world, Vietnam has achieved many achievements. The state has played a fundamental role in orientation, construction and improvement of economic institutions. Decisions in economic management have contributed significantly to mobilizing and allocating effectively domestic and foreign resources, creating a positive motivation to liberate social production. However, in addition to the achievements, the state management decisions on economy still exist many shortcomings, the effectivity of state management decisions on economy is still low. Because these decisions are not based on the issues need to be solved, certain resources and not anticipated the ability to implement them... This causes major shortcomings in the process of promulgation and implementation state management decisions on economy, affecting adversely the process of economic development in the current renovation period of Vietnam.

THEORITICAL REVIEW
The decision can be understood as a choice of solutions or plans for a certain problem (Do Hoang Toan, 2005). Decision-making is the power of an individual to decide any matter in his/her daily life. It can be regarded as identifying and choosing alternatives based on the values and preferences of a decision-maker. It is an important segment of every household because the functioning of family resource management depends on the efficiency of decision-making progress (Abhey et al., 2014). The management decision is an instructive behavior of managers to direct, organize and stimulate all motivation sources in the management system,
dominate the development movement of the entire management system to compete the objectives (Nguyen Hai San, 1990). For state management on economy, the state management decision is the State’s actions to determine the objectives, operation program of individuals or organizations that must make decisions to resolve a certain problem (Kim Van Chinh, 2012). According to Harold Koontz, management decision is associated with the plan factor. Management decisions are associated with an action plan, with building plans, and one plan cannot exist if a decision has not been published (Phan Van Tu, 1999). The decision always shows the will of the manager, whatever the manager does is through decision-making, these decisions can be issued on a common problem so manager may not be aware that he has made decisions and these decisions may affect the future existence of the organization and it takes few years to have a new assessment about this influence for organizational system in the future, but a manager is always a process of decision-making (Peter Drucker et al., 2012). Basically, the state management decision on economy shows the capacity of managers because the right management decision can help organizations and enterprises save a lot of material, financial and human resources and improves the organization’s effectivity (Ho Van Vinh, 2009).

To build a model studying the factors affecting effectivity of promulgation and implementation about state management decisions on economy, the paper is based on two groundworks: The first is studying documents related to promulgation and implementation of state management decisions on economy; the second is choosing the appropriate factors with Vietnam in the context of innovation. This decision is affected by many factors such as: information on decisions (accuracy, completeness, specificity), problems to be solved (the degree of complexity or simplicity of the problem will decide the type of decisions and the level of decisions), the environment of decision which includes political, economic, organizational, social, and technological factors (Do Hoang Toan, 2005). The level of individual decision-making, the priority for innovation, attitudes towards innovation and the degree of influence on innovation effectivity of the decision (Lakhanpal, 1994). The duration of the decision based on the time to make decision will also affect the management decision on economy (Phan Huy Duong, 2017). Overall, the state management decision on economy is to determine the objectives, program of activities of individuals or organizations to solve a certain problem. To improve the effectivity of the promulgation and implementation of state management decisions on economy, it is necessary to focus on some factors such as: problem to be solved, environment, manager, deadline, information and participation of subordinate to make decisions on state management.

**RESEARCH METHOD**

**Measurement and collection of data**

In order to carry out the assessment of the factors affecting the effectivity of promulgation and implementation of decisions on economic management in Vietnam in the context of innovation, the paper uses quantitative research, builds regression model with 6 dependent variables and 20 independent variables, as follows:

\[ Y = a_0 + a_1x_1 + a_2x_2 + a_3x_3 + a_4x_4 + a_5x_5 + a_6x_6 + e \]

**Y**: Effectivity of promulgation and implementation on state management decisions on economy

\[ a_0 - a_6: \text{the coefficients need to be found} \]

\[ x_1, x_2, x_3, x_4, x_5, x_6: \text{Problem need to be sold, manager, deadline of decision, information of decision, participation of subordinates.} \]
To examine the model, the paper uses a questionnaire to assess the factors affecting the effectiveness of promulgation and implementation decisions on economic management in Vietnam. The questionnaire in this research comprised into two sections. The first part was designed to collect respondents’ demographic information comprising of gender, age, marital status and education level. The second part of the questionnaire consisted of the measurement scales of the variables in study. Each of the variables in study was measured using a 5-point Likert scale which was used to show (1) No effect, (2) Less influence, (3) Slight influence, (4) Influence, (5) much influence.

![Figure 1. The research model](image)

The data from this study was computed using SPSS. The researchers performed a pilot test in which the researchers derived the questionnaires from the initial 20 respondents in order to ensure the items in each variable are reliable. When the results of pilot tests were found to be reliable, the researchers distributed the remaining 108 questionnaires to the respondents.
RESEARCH RESULT

The questionnaire was used to collect data from 128 respondents:

| Number | Respondent                                                                 | Number of votes |
|--------|-----------------------------------------------------------------------------|-----------------|
| 1      | Ministries related to economic management activities (investigation of agencies under the Ministry related to state management on economy) include: Ministry of Finance, Ministry of Planning and Investment, Ministry of Science and Technology, Ministry Agriculture and Rural Development ... | 15              |
| 2      | Local governments at the city, provinces and districts are involved in state management on the economy | 10              |
| 3      | State-owned enterprises include (Song Da Group, Vietnam Electricity, Vietnam Shipbuilding Industry Group, ..) and some private enterprises. | 78              |
| 4      | Associations                                                               | 10              |
| 5      | Experts on economic state management                                        | 15              |
|        | **Total**                                                                  | **128**         |

The results of regression and multi-line defects tests are presented in the table below. The model's dependent variable is effectivity in promulgation and emplemention managerment decisions on economy and 20 independent variables.

**Demography of Respondents**

| Types                           | Frequency | Percent | Accumulation rate |
|---------------------------------|-----------|---------|-------------------|
| **Gender**                      |           |         |                   |
| - Male                          | 80        | 62.5    | 62.5              |
| - Female                        | 48        | 37.5    | 100.0             |
| **Age**                         |           |         |                   |
| 25 – 30 years old               | 12        | 9.4     | 2.4               |
| 30 – 35 years old               | 63        | 49.2    | 11.8              |
| 35 – 44 years old               | 49        | 38.3    | 61.4              |
| 45 years old and above          | 127       | 99.2    | 100.0             |
| **Working experience**          |           |         |                   |
| 1-5 years                       | 11        | 8.6     | 8.8               |
| 6-10 years                      | 13        | 10.2    | 19.2              |
| 11-20 years                     | 66        | 51.6    | 72.0              |
| Above 20 years                  | 35        | 27.3    | 100.0             |
| **Education Leve**              |           |         |                   |
| - Master's degree               | 27        | 21.1    | 21.6              |
| - Bachelor’s degree             | 91        | 71.1    | 94.4              |
| - Colleges’s degree             | 7         | 5.5     | 100.0             |
| **Position**                    |           |         |                   |
| - Researcher                    | 8         | 6.3     | 6.6               |
| - Official                      | 22        | 17.2    | 24.6              |
| - Manager                       | 92        | 71.9    | 100.0             |
Pearson correlation test was used to examine the correlation between each independent variable with the dependent variable. The results of the correlation test shows “Problem need to be solved”, “Decision's environment”, “Manager on economy”, “Decision's deadline”, “Information in management on economy”, “Participation of subordinates” also have Cronbach's Alpha are above 0.6 (from 0.878 to 0.948); Corrected item – Total Correction of variables are above 0.3. Conclusion is that all variables in the group are reliable and appropriate. Please refer to Table 2.

| No | Factors or Dependent Variable                                      | Cronbach’s Alpha if Item Deleted | Corrected item – Total Correction | Sign  |
|----|---------------------------------------------------------------------|----------------------------------|-----------------------------------|-------|
| 1  | Problem need to be solved                                           | .931                             | VDGQ                              |
|    | Degree of compliance with national political objectives             |                                  | VDGQ1                             |
|    | The complexity or simplicity of the problem                         |                                  | VDGQ2                             |
| 2  | Decision’s enviroment                                               | .948                             | MTQD                              |
|    | Economic and political factors                                      | .886                             | MTQD1                             |
|    | Cultural and social factors                                         | .922                             | MTQD2                             |
|    | Natural technology factors                                          | .878                             | MTQD3                             |
| 3  | Manager on economy                                                 | .941                             | CBQL                              |
|    | Political quality                                                   | .705                             | CBQL1                             |
|    | Professional skills                                                | .890                             | CBQL2                             |
|    | Ability to organize work and people                                 | .805                             | CBQL3                             |
|    | Personality                                                         | .856                             | CBQL4                             |
|    | Professional ethics                                                | .866                             | CBQL5                             |
|    | Credibility                                                         | .823                             | CBQL6                             |
| 4  | Decision’s deadline                                                | .925                             | THQD                              |
|    | Decide on strategic problem                                         | .862                             | THQD1                             |
|    | Decide on short-term, specific-purpose problem                      | .862                             | THQD2                             |
| 5  | Information in management on economy                               | .926                             | TTQL                              |
|    | Accuracy                                                            | .792                             | TTQL1                             |
|    | Timeliness                                                          | .876                             | TTQL2                             |
|    | Economical                                                         | .874                             | TTQL3                             |
|    | Security                                                            | .777                             | TTQL4                             |
| 6  | Participation of subordinates                                       | .878                             | TGCD                              |
|    | Participation and implementation of the long-term decisions         | .823                             | TGCD1                             |
|    | Participation and implementation of the short-term decisions        | .793                             | TGCD2                             |
|    | Participation and implementation of the once decisions              | .692                             | TGCD3                             |
Analyze factor discovery
After meeting the requirements for reliability test, 20 observed variables were included in the factor analysis. Analysis result from research data shows KMO is quite high (0.917 > 0.5), Bartlett’s Test of Sphericity with p-value = 0.00 < 0.05, with the total variance used to explain the factors is 80.457% (>50%) so it meets the criteria of factor analysis. All of Factor loadings are above 0.5, Eigenvalue>1. So, the results of analyzing factors which impact effectivity of promulgation and implemention the decision on economic management have extracted 6 elements with 20 observed variables.

| Table 3. Analysis results of explaining factors of independent variables | Rotated Component Matrixa Component |
|---|---|---|
| | 1 | 2 | 3 |
| VDGQ1 | .603 | | |
| VDGQ2 | .755 | | |
| MTQD1 | .893 | | |
| MTQD2 | .823 | | |
| CBQL1 | .605 | | |
| CBQL2 | .777 | | |
| CBQL4 | | .814 | |
| THQD1 | | .785 | |
| THQD2 | | .683 | |
| TTQL1 | | .609 | |
| TTQL2 | | .686 | |
| TTQL3 | | | .582 |
| TTQL4 | | | .709 |
| TGQD1 | | | .738 |
| TGQD2 | | | .838 |
| MTQD3 | | | .693 |
| CBQL3 | | | .878 |
| CBQL5 | | | .753 |
| CBQL6 | | | .816 |
| TGQD3 | | | | .813 |

KMO and Bartlett’s Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .917 |
| Bartlett’s Test of Sphericity Approx. Chi-Square | 2760.24 |

| Df | 6 |
| Sig. | .000 |

Multiple Regression Analysis
After analyzing the exploratory factor, the paper performs testing hypotheses through correlation testing and multiple regression. Before examining the research model using multiple regression analysis, the paper examined the correlation between variables in the model using Pearson's Correlation coefficients to quantify the severity of the relationship between independent variables and dependent variables. The results show that the dependent variable is correlated with most other study variables and it has a correlation coefficient that reaches statistical significance from 0.582 to 0.893 and is greater than 0.55 (Table 3).
There are 3 representative factors: Decision’s environment (MTQD), Manager on economy (CBQL), Participation of subordinates (TGCD), this is reorganized differently from the original theoretical model (including 6 factors), as follows:

Table 4. Modified model through Cronbach Alpha test and exploratory factor analysis

| Number | Factor | Featured variable | Explain |
|--------|--------|------------------|---------|
| 1      | MTQD   | VDGQ1, VDGQ2, MTQD1, MTQD2, CBQL1, CBQL2, TTQL1, TTQL2, MTQD3, CBQL3 | Decision's environment |
| 2      | CBQL   | CBQL4, CBQL5, CBQL6, THQD1, THQD2 | State management officials who have decision-making authority |
| 3      | TGCD   | TGCD1, TGCD2, TGCD3, TTQL3, TTQL4 | Participation, support and compliance of subordinates in the process of decision-making |

Research data model with Adjusted R Square = .715 shows that 71.5% change in the effectiveness of promulgation and implementation of economic management decisions is explained by independent variables of the model (Table 5)

Table 5. Model Summary

| Model | R    | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|---------------------------|
| 1     | .850 | .722     | .715              | .51744095                |

a. Predictors: (Constant), MTQD, CBQL, TGCD

The results of regression analysis on three factors affecting the effectiveness of promulgation and implementation of state management decisions on economy in Vietnam today are as follows:

Table 6. Results of the coefficients

| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. | Collinearity Statistics |
|-------|-----------------------------|---------------------------|---|------|-------------------------|
|       | B                           | Std. Error                | Beta |       | Tolerance            | VIF  |
| 1     | (Constant)                  | .041 | .049 | .833 | .407                    |      |
|       | MTQD                        | .684 | .050 | .706 | 13.797                  | 1.00 | 1.106 |
|       | CBQL                        | .325 | .050 | .336 | 6.559                   | 1.00 | 1.118 |
|       | TGCD                        | .323 | .050 | .334 | 6.524                   | 1.00 | 1.100 |

a. Dependent Variable: HQQDQL

The results in Table 6 show that 3 factors affecting effectiveness of promulgation and implementation of state management decisions on economy have sig < 0.05, which makes them significant, Variance inflation factor (VIF) > 1 so it can be concluded that there is no multicollinearity phenomenon between these three factors. And Sig. < 0.001 so it can be
concluded the model given is consistent with real data. In other words, the independent variables are correlated with the dependent variable with a 99% confidence level (Figure 7).

| Model        | Sum of Squares | df | Mean Square | F   | Sig. |
|--------------|----------------|----|-------------|-----|------|
| Regression   | 73.883         | 3  | 24.628      | 91.982 | .000
| Residual     | 28.381         | 106 | .268        |      |      |
| Total        | 102.264        | 109 |             |      |      |

*a. Dependent Variable: HQQDQL
b. Predictors: (Constant), MTQL, CBQL, TGCD

The multiple linear regression equation shows the relationship between the three factors, decision environment, manager and participation of subordinates that affect the effectiveness of promulgation and implementation state management decisions on economy in Vietnam and is built as follows:

\[ \text{HQQDQL} = 0.41 + 0.684 \text{MTQL} + 0.325 \text{CBQL} + 0.323 \text{TGCD} \]

**SOLUTIONS AND RECOMMENDATIONS**

Based on the research, the paper proposes some solutions to enhance the effectiveness of promulgation and implementation state management decisions on economy in Vietnam: *Firstly, changing awareness about the role and importance of State management decisions on economy in the context of transition.* First of all, it is necessary to be fully aware of the role of state management decisions on economy. It is necessary to define clearly the economic management decision that expresses the manager’s will on the objectives, policies, management rules, procedures, plans … These become a formal, normative and enforceable order for members in organizations. And state management decisions on economy need to be consistent with the problem that it resolves, must be based on the objectives of the decision to select solutions. In addition, the decisions must ensure the scientific and systematic as well as be based on the conditions of resources (material, financial, human resources and time, information,…). Before making decisions, it is necessary to take into account barriers and the ability of the implementers.

The second is arranging officials. The reform of official regime with the following main contents:

- Determining clearly the position, structure and standards of titles and officials in each state agency to serve as a basis for recruiting and using
- Do well the planning work and implement the planning arranging official; through the evaluation and classification of official, identifying clearly officials who are under-qualified. There is a suitable policy for those officials to be removed from the apparatus
- Renewing the regime of recruitment and management of officials. Recruitment of officials must be based on the needs, positions, structure and criteria of titles of officials.
- The evaluation and classification of officials must be based on the results of performing assigned task
- Conducting recruitment examinations for some leader positions associated with professional skills in the state management apparatus.
- Innovation of staff management. Continue to implement strongly the contract regime to implement some work
- Overcome too many deputies. It is necessary to focus on renovating working methods, reducing meetings, defining clearly the responsibilities of officials.

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The third is to improve the decision-making environment. Decision-making environments are forces and factors outside the decision-making system that have a profound effect on decision-making. This environment includes political, economic, organizational, social and technological factors. The decision-making environment includes political, economic, organizational, social and technological factors. Determine exactly the impact of the environment to improve, adapt and to create favorable conditions for making the right decisions. Must know how to analyze the impact of the environment on the decision-making process. Based on analyzing decision-making environmental, people will find appropriate solutions to improve, transform, adapt and exist with them in the most beneficial way.

The fourth is to increase the participation of subordinates in the process of promulgating and implementing decisions. Predicting the ability to implementing decisions, the level of compliance with decisions, thereby making management decisions effectively, accurately and appropriately.

CONCLUSIONS

Overall, there are three factors affecting the effectivity of promulgation and implemention of state management decisions on economy in the context of innovation in Vietnam. They are decision-making environment, manager, participation and the level of compliance with economic management decisions of subordinates. All of three factors have sig. <0.05, thus they are statistical significance. In general, state management decisions on economy play an important role in the economic development. Improving the effectivity of implementation of economic management decisions is a permanent and long-term activity for Vietnam. Therefore, in the coming years, one of the most important solutions to improve the effectivity of promulgation and implemention decisions is focusing on reforming the decision-making environment, building management staff to meet the country’s innovation requirements as well as increasing the participation of subordinates in the process of promulgation and implemention the decisions.

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