

ASSESSMENT OF THE RELATIONSHIP BETWEEN FOREIGN OWNERSHIP AND FIRM PERFORMANCE ON VIETNAMESE LISTED COMPANIES

Nguyen Thi Hoa Hong

Lecturer, Faculty of Business Administration, Foreign Trade University, Vietnam

hongnth@ftu.edu.vn

Nguyen Thanh Loan

Student, Faculty of Business Administration, Foreign Trade University, Vietnam

thanhloan.tln14@gmail.com

Abstract

The study examines the effect of foreign ownership on business performance by using panel data of 710 firms listed on Vietnam stock market during the period of 2013 to 2016. This paper applies Fixed Effect Model (FEM) and Heckman two-step. Empirical results show that foreign ownership initially negatively affects firm performance in terms of Tobin's Q, but when foreign ownership reaches above 24.4%, the correlation becomes positive. Foreign institutional or individual ownership also have the U-shaped relationship with business performance of listed companies. In addition, this paper points out the different impacts of foreign ownership on the performance of firms by size and by industry.

Keywords: Firm performance, Fixed Effect Model (EFM), foreign ownership, Heckman two-step, Vietnam.

Acknowledgements

This paper is the result of research group "Corporate Restructuring" from Foreign Trade University, Vietnam.

1. Introduction

Foreign ownership represents the capital contribution of foreign investors to domestic enterprises. It is also considered one way to raise capital of enterprises. Therefore, the effect of foreign ownership on business performance of companies has been studied extensively in the literature. However, these studies have not given consistent conclusions. One reason is due to difference in the sample selection context in terms of economy, society or legal condition. In addition, different measures of firm performance or estimation methods also lead to no consensus in research results.

Today, with international economic integration as well as bilateral and multilateral agreements, foreign capital flows tend to move easily between countries. According to UNCTAD's World Investment Report 2016, global foreign direct investment flows in 2015 jumped by 38% to USD 1.76 trillion, their highest level since the global economic and financial crisis of 2008–2009. This growth is partly due to a number of attractive incentives in policies for attracting foreign investment in many countries. In Vietnam, foreign investment also tends to increase in recent years. In 2015, foreign direct investment to Vietnam reached USD 11.8 billion, an increase of 28.3% compared to the figure in 2014 and stood 7th among developing countries in Asia (UNCTAD, 2016). This trend stems from the fact that the Vietnamese Government issued many regulations with the view to attracting foreign investment for enterprises. Therefore, it can be said that the Vietnamese Government has gradually become aware of the positive impact of foreign ownership on business performance of domestic companies.

However, the studies on the effect of foreign ownership on firm performance in Vietnam have still been relatively limited and not reached a consensus. The first trend of conclusion is that foreign ownership has positive impact on the performance of enterprises; however when foreign ownership reaches above a certain level, it correlates negatively with the performance (Phung and Mishra, 2015). The second trend confirms the U-shaped relationship between foreign ownership and the performance of public companies (V. Vo and T. Vo, 2016). Nevertheless, all these studies have not yet analyzed the difference in how foreign institutional or individual ownership affect business performance or the effect of foreign ownership on the performance of companies by size or by industry. Meanwhile most of Vietnamese enterprises are small and medium (SMEs); thereby suggesting policies of foreign ownership by size in the most appropriate way is necessary. Therefore, in addition to evaluating the impact of foreign ownership on firm performance in Vietnamese listed companies from both foreign institutional and individual ownership, this is also the

first study that systematically examines the relationship of foreign ownership and firm performance by size and by industry in the Vietnamese context. Using Fixed Effect Model (FEM) and Heckman two-step, empirical results show that foreign ownership initially negatively affects firm performance, but when foreign ownership reaches above 24.4%, the correlation becomes positive. Foreign institutions or individuals also have the U-shaped relationship with business performance of listed companies. In terms of firm size, foreign ownership only has the U-shaped relationship with the performance of small and medium companies. In addition, when dividing enterprises into different industries, this study points out the U-shaped relationship between foreign ownership and business performance of firms in technology and health care industries.

This study is organized as follows. Section 2 presents literature review on the effect of foreign ownership on firm performance. Section 3 describes hypotheses, models, data, descriptive statistics and correlation matrix. Section 4 discusses the results. Finally, section 5 concludes.

2. Literature review

2.1. Theories

2.1.1. Agency theory

Agency theory, which was developed by Jensen and Meckling in 1976, concerns itself with the problems that arise when the desires of the principal and the agent conflict with each other. The reason for this conflict comes from asymmetric information between principals and agents. Generally, managers grasp more information about the enterprise than shareholders, which incurs agency costs.

Agency costs are monetary and non-monetary expenses due to the need to establish supervisory systems. Agency costs consist of three common types: (1) Monitoring costs are incurred when principals attempt to monitor or orient the actions of agents; (2) Bonding costs are incurred by the agents to ensure that they will not cause any damage to shareholders or indemnify when necessary; (3) Residual losses are the costs resulting from the difference between decisions in reality and those to maximize shareholders' benefits (Coriat and Weinstein, 2011).

Due to gaps in distance as well as language or access to information, foreign ownership will incur more agency costs than domestic ownership. In addition, if foreign investors are dispersed, which means that no individuals or institutions have voting rights or motives to control or maximize profits (Leech and Leahy, 1991), their impact on business performance is quite moderate because investor usually own less than 5%. Coffee

(1991) explained that their ability to effectively monitor is limited by higher coordination costs and information asymmetry problems. However, if foreign investors are concentrated or hold more powers to control board of directors, their impact on firm performance is postulated to be superior as these shareholders are capable of mitigating the expropriation of minority shareholders while at the same time maximizing the benefits of risk bearing, incentive alignment, and monitoring (Allen and Phillips, 2000).

2.1.2. Resource – based theory

As Douma et al. (2006) mentioned this theory, a firm's competitive advantage is based on the possession of tangible and intangible resources, which are difficult or costly for other firms to obtain. For emerging economy firms, firm performance has some considerable differences, depending on shareholders being either foreign or domestic and financial or strategic.

Financial foreign shareholders with an abundant source of capital will help enterprises enhance the capital to invest in production and business activities, thereby creating more competitive advantages on the market. However, these investors often focus on liquidity results but are unwilling to commit to a long-term relationship with the firm or to engage in a process of restructuring in case of poor performance (Aguilera and Jackson, 2003). Therefore, financial foreign shareholders' effect on firm performance is quite moderate. On the other hand, strategic foreign shareholders use their ownership stakes as a means to foster their strategic interests, which involve securing access to new markets, location-specific resources and low-cost production facilities. Furthermore, with superior technical, managerial, and financial resources, these investors help domestic companies acquire both tangible and intangible resources to create more competitive advantages on the market (Chibber and Majumdar, 1999). As a result, strategic foreign shareholders' impact on business performance is more positive.

2.2. Foreign ownership and firm performance

So far, there has been a lot of research on the effect of ownership structure on firm performance. However, the results of these studies have many differences.

❖ *Linear correlation*

The most common viewpoint is that companies with foreign ownership operate more efficiently than those with only domestic ownership. Oxelheim and Randoy (2003) investigated the effect of foreign ownership on the performance of 225 firms in Norway and Sweden for the period 1996-1998, and concluded that this relationship is positive. Companies with foreign ownership not only achieve better governance, but also improve

corporate value in both emerging and developed markets. This study also found that Anglo-American membership has positive impact on companies in manufacturing, information technology and telecommunications. Arnold and Javorcik (2005) analyzing the causality between foreign ownership and plant productivity in Indonesia concluded that foreign ownership leads to significant increases in productivity in both the first year of merger and the following years. Koo and Maeng (2006), who conducted a study on Korean construction firms between 1992 and 2002, stated that foreign ownership helps companies overcome financial constraints and access foreign capital, thereby increasing the chance of investment and leading to superior performance. Aydin, Sayim and Yalama (2007) analyzing the Turkish market also found that foreign ownership has positive impact on financial ratios and firm performance. Huang and Shiu (2009) argued that foreign shareholders can contribute high quality resources in terms of technology, finance, expertise, and experience, thereby giving them more credibility and reputation in comparison with domestic investors. Nakano and Nguyen (2013) studying companies in Japanese electronics industry from 1998 to 2011 emphasized that foreign ownership has significant relationship with corporate value. The management role of foreign investors helps managers make less optimal decisions.

On the other hand, the second group of authors demonstrates that firms with only domestic ownership have better performance than those with foreign ownership. Kim and Lyn (1990) studied US firms to find out whether there are any differences in business performance between domestic and foreign firms. They identified that US domestic firms are more efficient in terms of return on equity (ROE). Gulger (1998) studying the effect of concentrated ownership on non-financial companies in Austria found the negative impact of concentrated ownership on profit margin. Aitken and Harrison (1999) using the data from over 4,000 Venezuelan companies concluded that the increase in foreign ownership has negative impact on the performance of enterprises. Munday et al. (2003) conducted a study from 1994 to 1998 to compare the profitability of domestic companies and subsidiaries in the UK. The author found that foreign subsidiaries in the construction sector are less efficient than domestic firms in terms of return on equity and profit margin. Domestic entrepreneurs often understand more about the local market, leading to better firm performance (Huang and Shiu, 2009).

❖ *No correlation*

Konings et al. (2002) found no evidence that companies with foreign ownership are more efficient than those with purely domestic ownership in Bulgaria and Romania.

Gunduz and Tatoglu (2003) studying the impact of foreign ownership on the performance of companies listed on the Istanbul Stock Exchange used a variety of accounting or stock measurement methods. They concluded that companies with foreign ownership are more efficient in terms of revenue-to-asset ratio but there are no significant differences in other measurement methods such as return on equity or current liquidity ratio. Barbosa and Louri (2005) also stated that there are no significant differences in business performance between enterprises with foreign ownership and those without in Portugal.

❖ *Non-linear correlation*

Some studies conclude on the non-linear relationship between foreign ownership and firm performance. Gurbuz and Aybars (2010) analyzing the data in Turkey from 2005 to 2007 found an inverted U-shaped relationship between foreign ownership and business performance, which means that initially the increase in foreign ownership leads to better firm performance, but this relationship becomes negative after the turning point. Choi et al. (2012) also found empirical evidence of an inverted U-shaped relationship between foreign ownership and the performance of Korean companies between 2004 and 2007. They argued that foreign ownership increases firm performance by encouraging independent management, but firm performance will decline if foreign ownership becomes too focused to control the management. Viet (2012) also concluded that foreign ownership has positive impact on firm performance, but when foreign ownership exceeds 31.85%, the relationship will be negative. Guariglia and Yu (2014) in their study of Chinese companies found that firms with the combination of domestic and foreign ownership operate more efficiently than those with purely domestic or foreign ownership. After initially rising with the increase in foreign ownership, labor productivity and profitability begin to decline when foreign ownership reaches beyond 64%. Hoang et al. (2014) also found a non-linear relationship when investigating the impact of foreign ownership on the performance of listed construction companies on Hanoi Stock Exchange and Ho Chi Minh Stock Exchange. V. Vo and T. Vo (2016) discovered the U-shaped relationship between foreign ownership and profitability of 161 Vietnamese firms listed on Ho Chi Minh City Exchange during the period of 2007 to 2014. Empirical results show that firm profitability declines with an increase of foreign ownership up to about 25.7%, but when foreign ownership goes beyond this level, profitability increases.

3. Methodology

3.1. Hypotheses

From research questions and previous studies, this study will propose the following hypotheses:

Hypothesis 1: Foreign ownership has a U-shaped relationship with firm performance of Vietnamese listed companies

Hypothesis 2: Foreign institutions' ownership has a U-shaped relationship with firm performance of Vietnamese listed companies

Hypothesis 3: Foreign individuals' ownership has a U-shaped relationship with firm performance of Vietnamese listed companies

Hypothesis 4: The effect of foreign ownership on firm performance of Vietnamese listed companies by size is different

Hypothesis 5: The effect of foreign ownership on firm performance of Vietnamese listed companies by industry is different

3.2. Model specification

The following empirical models will be used to test the hypotheses:

$$(1) FP_{it} = \beta_0 + \beta_1 FO_{it} + \beta_2 FO_{it}^2 + \beta_3 TAN_{it} + \beta_4 CAT_{it} + \beta_5 LIQ_{it} + \beta_6 LEV_{it} + \beta_7 MTBV_{it} + \beta_8 MTBV_{it}^2 + \beta_9 YR_t + u_{it}$$

$$(2) FP_{it} = \beta_0 + \beta_1 FOO_{it} + \beta_2 FOO_{it}^2 + \beta_3 TAN_{it} + \beta_4 CAT_{it} + \beta_5 LIQ_{it} + \beta_6 LEV_{it} + \beta_7 MTBV_{it} + \beta_8 MTBV_{it}^2 + \beta_9 YR_t + u_{it}$$

$$(3) FP_{it} = \beta_0 + \beta_1 FOI_{it} + \beta_2 FOI_{it}^2 + \beta_3 TAN_{it} + \beta_4 CAT_{it} + \beta_5 LIQ_{it} + \beta_6 LEV_{it} + \beta_7 MTBV_{it} + \beta_8 MTBV_{it}^2 + \beta_9 YR_t + u_{it}$$

i, t presents firm i at time t and u is the error term. Firm performance is measured by Tobin's Q and return on equity.

Tobin's Q (TOB) is calculated as follows:

$$\log \left(\frac{\text{Share's market price} \times \text{Number of outstanding shares} + \text{Book value of debt}}{\text{Book value of total assets}} \right)$$

Tobin's Q is defined as the ratio between the market value and replacement value of assets. Some studies used book value of assets instead of replacement value of assets as the denominator in the formula of Tobin's Q. Moreover, to reduce the impact of outliers, Oxelheim and Randoy (2003) took natural log of Tobin's Q.

Return on equity (ROE) is the ratio of profit after interest and tax over owners' capital. This ratio is often used to measure the efficiency of using owners' capital. O.

Mihai and C. Mihai (2014) also calculated ROE as the ratio of net profit over equity. Demsetz and Villalonga (2001) also used ROE to measure firm performance in their study.

Foreign ownership (FO) is measured by the proportion of shares held by all foreign investors in the capital structure of enterprises. Miguel et al. (2004) and Douma et al (2006) also used this calculation. Some other studies use dummy variable to represent foreign ownership (Zemplinerova and Hromadkova, 2012). Foreign institutions' ownership (FOO) is the percentage of shares which foreign institutions hold in the capital structure of companies, while foreign individuals' ownership (FOI) is the proportion of shares held by foreign individuals.

Tangibility (TAN) is the ratio of fixed assets over total assets. Mahai (2014) also calculated tangibility in the same way. Muritala (2012) asserted that firms with high tangibility would incur fewer financial expenses. However, if enterprises do not optimize their fixed assets, the higher ratio will accompany more negative impact on firm performance.

Net working capital turnover (CAT) is measured as follows:

$$\frac{\text{Net revenue}}{\text{Short-term assets} - \text{Short-term liabilities}}$$

This ratio demonstrates the efficiency of enterprises in using capital (Hintosova and Kubikova, 2016). Net working capital turnover can show whether the status of selling products of companies is reasonable or whether the cost of production is high or low compared to revenue earned.

Current liquidity (LIQ) is the ratio of short-term assets over short-term liabilities. Liquidity indicators show the relative ability of enterprises to quickly make use of profit opportunities. High current liquidity ratio (LIQ) indicates the stability in cash flows and available internal funds, thereby avoiding external debts (Martinez-Sola et al., 2013).

Leverage (LEV) is the ratio of total liabilities over market value of equity. Phung and Mishra (2015) also calculated leverage in the same way. Leverage is used to limit the impact of financial risks. Firm leverage may have positive, negative, or no relationship with firm performance (Margaritis and Psillaki, 2010).

Market-to-book value of equity (MTBV) is the ratio of market value of equity over owners' capital. This ratio is used to measure investment opportunities (Adjaoud and Ben-Amar, 2010). Zakaria et al. (2014) also used this indicator as a control variable in their research model.

In addition, many studies add year dummy (YR) into the model to control the effect of different business environment in each year on all firms. Konings et al. (2002) also used year dummy to control sudden shocks in the business environment.

About methods to estimate the models, this study will use Fixed Effect Model (FEM) and Heckman two-step. According to Himmelberg et al. (1999), the endogeneity problem arising from the incomplete observation of a firm's business environment may lead to a missing variable bias, thereby overstating the impact of foreign ownership. In addition, the sample selection period is quite short (4 years from 2013 to 2016) and in the period when the economy has gradually recovered from the economic crisis. Therefore, in most industries, the changes in firms tend to take place at slow pace. As a result, the study will use FEM to estimate the models (1), (2) and (3). In addition, during data collection, the specific percentage of foreign ownership in all the enterprises from 2013 to 2016 could not be collected. Therefore, excluding the proportion of foreign ownership which may exist in the remaining observations will lead to a sample selection bias. To solve this problem, Heckman two-step will be applied as follows: (1) Estimating selection model (4) to investigate the possibility of an observation having foreign ownership, thereby estimating Mills ratio (IMR); (2) Estimating initial models (1), (2), (3) with the addition of a new variable IMR using Heckman two-step.

$$(4) FO_{it} = \alpha_0 + \alpha_1 SIZE_{it} + \alpha_2 AGE_{it} + \alpha_3 EPS_{it} + \alpha_4 STDEBT_{it} + \alpha_5 MTBV_{it} + e_{it}$$

i, t presents firm i at time t . Table 1 describes the specific calculation of all the variables in the selection model.

Table 1: Variables in selection model

Variable	Description
Dependent variables (will be 1 if the observation is selected and 0 if opposite)	
FO	The percentage of foreign ownership in capital structure
FOO	The percentage of foreign institutions' ownership in capital structure
FOI	The percentage of foreign individuals' ownership in capital structure
Explanatory variables	
SIZE	Natural log of net revenue
AGE	The number of listed years up to 2017
EPS	Net profit / Number of outstanding shares
STDEBT	Short-term liabilities / Total assets
MTBV	Market value of equity / Owners' capital
e	Error term

Applying the method as Phung and Mishra (2015) used in their research, this study calculates the inflection point z in the models as follows:

$$z = -\frac{\beta_1}{2\beta_2}$$

3.3. Data description

The sample of this study includes 710 companies listed on Vietnam stock market. The data span the period from 2013 to 2016, resulting in 2840 firm-year observations included in the models.

To study the hypotheses, the author divides 710 companies by size and industry. In terms of size, according to Decree 56/2009/NĐ-CP of the Vietnamese Government, the signs to identify small- and medium-sized enterprises are the capital of VND 100 billion or less and total employees of 300 people or less. In contrast, big-sized enterprises have the capital of over VND 100 billion and total employees of over 300 people. In terms of industry, according to ICB (Industry Classification Benchmark), listed firms will be divided into the following industries: Utilities, Technology, Industrials, Consumer services, Consumer goods, Financials, Basic materials, Oil and Gas, Telecommunications, and Health care.

3.4. Descriptive statistics

The average value of Tobin's Q (TOB) of listed enterprises is 1.028, which is greater than 1, implying that the market value of a firm is more valuable than its replacement cost.

Table 2: Descriptive statistics

Variable	Mean	Standard deviation	Minimum	Maximum
TOB	1.0278	0.4397	0.1676	4.5981
ROE	0.0730	1.7284	-51.1111	65.0905
FO	0.0833	0.1119	0.0000	0.4910
FOO	0.0744	0.1143	0.0000	0.4877
FOI	0.0184	0.0382	0.0000	0.4257
TAN	0.3831	0.2389	0.0000	0.9774
CAT	10.4095	103.5574	-1,245.7950	2,981.8820
LIQ	2.5526	4.3693	0.0347	74.7611
LEV	3.5741	7.5169	0.0031	91.1661
MTBV	1.0311	0.8922	-1.8345	10.9701
SIZE	12.8405	1.7095	3.9318	18.1114
AGE	7.0409	3.2402	0.0000	17.0000
EPS	0.0019	0.0031	-0.0446	0.0225
STDEBT	0.4064	0.2351	0.0020	1.8931

The mean value of return on equity (ROE) is about 7.3% or on average, if the shareholder invests VND 100, the company will generate net profit of VND 7.3. However, this indicator has a large spread in its value.

Foreign ownership (FO) applied in this quantitative study reaches an average of 8.33% in capital structure of enterprises. Foreign institutions (FOO) account on average for 7.44% while foreign individuals (FOI) only own about 1.84% in firm capital structure. These degrees of ownership are 0% when the firm does not have foreign investors in a particular year.

3.5. Correlation matrix

Table 3: Correlation matrix

	TOB	ROE	FO	FOO	FOI	TAN	CAT
TOB	1						
ROE	0.0294	1					
FO	0.2059	0.0234	1				
FOO	0.2429	0.0172	0.9486	1			
FOI	0.0298	-0.0026	0.3244	0.0083	1		
TAN	-0.0157	-0.0004	-0.0548	-0.0734	-0.0381	1	
CAT	-0.0034	0.0038	0.0039	0.0038	0.0423	0.0261	1
LIQ	-0.1332	0.0052	0.0848	0.0506	0.144	-0.0962	-0.0274
LEV	-0.0313	-0.0517	-0.155	-0.1735	-0.0531	-0.0049	0.0008
MTBV	0.741	-0.1188	0.2029	0.2168	0.0167	-0.0219	-0.0124
SIZE	0.271	0.0244	0.2247	0.2329	-0.0969	-0.0165	0.0536
AGE	-0.0145	0.0247	0.1233	0.108	0.038	-0.0985	0.0211
EPS	0.3768	0.1435	0.2222	0.2464	0.0434	-0.1078	0.0231
STDEBT	0.1052	-0.0396	-0.1469	-0.1451	-0.0467	-0.3885	0.0181

	LIQ	LEV	MTBV	SIZE	AGE	EPS	STDEBT
LIQ	1						
LEV	-0.1471	1					
MTBV	0.0045	-0.2281	1				
SIZE	-0.2462	-0.0049	0.1925	1			
AGE	-0.0156	-0.1639	-0.024	0.0805	1		
EPS	0.0211	-0.3396	0.3697	0.2842	0.1059	1	
STDEBT	-0.4118	0.4491	-0.0415	0.2329	0.0103	-0.1362	1

From Table 3, the correlation coefficient between Tobin's Q and ROE was relatively low (0.0294). Therefore, using two methods to measure business performance of enterprises is reasonable to give a more accurate overview of business performance on different aspects.

In general, the correlation coefficients between the variables are not big (less than 0.5), suggesting that there is not much possibility of autocorrelation in the models (Gujarati, 2008).

4. Empirical results

4.1. The effect of foreign ownership on firm performance of Vietnam listed companies

Table 4: Regression results

Variables	Dependent variable TOB			Dependent variable ROE		
	FEM	FEM robust	Heckman	FEM	FEM robust	Heckman
FO	-0.3708**	-0.3708*	0.1922*	-0.0886	-0.0886	-0.1027
	(0.0500)	(0.0780)	(0.0750)	(0.9230)	(0.9150)	(0.8660)
FO2	0.7590*	0.7590*	-0.0136	0.2356	0.2356	0.9759
	(0.0890)	(0.0930)	(0.9600)	(0.9140)	(0.9030)	(0.5250)
TAN	-0.0481	-0.0481	0.0080	-0.0399	-0.0399	-0.0872
	(0.2150)	(0.3750)	(0.6640)	(0.8320)	(0.8450)	(0.4040)
CAT	0.0000183	0.0000183	0.0000	0.0001	0.0001	0.0000
	(0.5590)	(0.3950)	(0.6130)	(0.6000)	(0.4050)	(0.8820)
LIQ	-0.0062***	-0.0062***	-0.0086***	-0.0041	-0.0041	-0.0034
	(0.0000)	(0.0080)	(0.0000)	(0.4790)	(0.1460)	(0.5040)
LEV	0.0055***	0.0055	0.0101***	-0.0111*	-0.0111	-0.0214***
	(0.0000)	(0.1240)	(0.0000)	(0.0510)	(0.5360)	(0.0000)
MTBV	0.4348***	0.4348***	0.5407***	-0.4798***	-0.4798**	-0.1514***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0180)	(0.0090)
MTBV2	-0.0339***	-0.0339***	-0.0421***	0.0081	0.0081	-0.0165*
	(0.0000)	(0.0000)	(0.0000)	(0.3020)	(0.6980)	(0.0600)
_CONS	-0.4157***	-0.4157***	-0.5709***	0.5368***	0.5368***	0.6275***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0090)	(0.0000)
Observations	2,285	2,285	2,619	2,285	2,285	2,619
Years controlled	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.5877	0.5877		0.1338	0.1338	
Overall F-test	202.63	38.33		21.96	0.93	
Prob>Chi2	0.0000	0.0000		0.0000	0.5104	
F test that all u _i =0	4.54			1.38		
Prob > F	0.0000			0.0000		
Hausman test Chi2	92.26			102.87		
Prob > Chi2	0.0000			0.0000		
Wald test for	3.90E+34			1.80E+34		
Heteroskedasticity	0.0000			0.0000		
Wooldridge test	23.547			108.586		

for autocorrelation	0.0000			0.0000		
Wald chi2(11)			4830.19			87.87
Prob > chi2			0.0000			0.0000
IMR			0.0469			-1.349591
P-value (IMR)			0.3720			0.0000
P-value in parentheses: *** p<0.01. ** p<0.05. * p<0.1						

From Table 4, P-value of the test F is $0.0000 < 0.05$ or the model with dependent variable Tobin's Q is appropriate. R^2 being 0.5877 indicates that variables in the model account for nearly 60% of the change in business performance of companies listed on Vietnam stock market.

With the significance level of 10%, initially, 1% increase in foreign ownership reduces Tobin's Q by 0.37%. However, when foreign shareholders own more than 24.4%, Tobin's Q positively correlates with foreign ownership. V. Vo and T. Vo (2016) in their study of 161 firms listed on Ho Chi Minh Stock Exchange between 2007 and 2014 also found the U-shaped relationship, but the turning point was 25.7%. Chhibber and Majumdar (1999) also claimed that companies having foreign ownership of more than 50% would perform better than those having lower foreign ownership or purely domestic ownership. About the reasons for the positive impact, Phung and Mishra (2015) pointed out that Vietnam is an emerging market with an ineffective corporate governance system, foreign ownership can play a monitoring role in governance and provide advanced skills and resources, which may lead to an increase in a firm's value. However, if foreign investors own only a small number of shares, they are less likely to or have less motivation to participate in corporate governance or directly contribute to corporate policies.

Firm tangibility (TAN) and net working capital turnover (CAT) have no statistically significant association with business performance of enterprises. The study of Singhania et al. (2015) did also not realize any relation between tangibility and firm performance in terms of return on total assets. Current liquidity ratio (LIQ) has negative effect on the performance of enterprises, which is the same as the conclusion of Abuzar (2004) in his study. High current liquidity ratio shows that the company has been holding too many liquid assets, however, these assets can not make profit until they are invested, leading to negative impact on firm performance. Leverage (LEV) has positive association with firm performance. Jensen (1986) argued that the increase in firm leverage can mitigate agency problems and help improve the performance. Miller and Modigliani (1963) also claimed that leverage has positive impact on firm performance because of the benefit of a tax

shield. Market-to-book value of equity (MTBV and MTBV2) has an inverted U-shaped relationship with business performance of enterprises in terms of Tobin's Q. Zakaria et al. (2014) also concluded that investment opportunities of enterprises (the ratio of market value over book value of equity) negatively correlate with business performance. When the expectations of investors are greater than the true capacity of firms, it gives the opportunity for companies to receive more resources to improve their efficiency. However, when the gap is too high, that enterprises do not make good use of capital will lead to reduction in firm performance.

In addition to FEM, the model is also estimated by using Random Effect Model (REM), but the Hausman test indicates that $\text{Prob} > \chi^2 = 0.0000 < 0.05$ or FEM is more appropriate than REM in this case. Besides, P-value of both the Wald test and Woolridge test is $0.0000 < 0.05$, leading to the presence of heteroskedasticity and autocorrelation in model (1). Therefore, to solve these problems, this study uses FEM with robust standard in conformity with the method used in the study of V. Vo and T. Vo (2016). The correlation between variables in this method remains nearly the same as that in FEM. However, the statistical significance level of the variables was slightly reduced, except for leverage (LEV) which no longer has statistically significant effect on Tobin's Q.

When Heckman two-step is used to estimate model (1), P-value of Mill ratio (IMR) being 0.3720 is not statistically significant, suggesting that the model does not have sample selection bias. Therefore, FEM is suitable for estimating this model.

The above steps are also applied when the measure of business performance is return on equity (ROE). However, the coefficients in Table 4 show that foreign ownership also has a U-shaped relationship with ROE but this result is not statistically significant. Konings et al. (2002) also concluded that foreign ownership does not affect firm performance in Bulgaria and Romania. One reason for this conclusion is that foreign ownership often takes some time to directly influence the performance of companies due to the lag in restructuring. On the other hand, Tobin's Q is a market indicator and depends on investors' expectations, so this level of expectations can change more quickly to show the relationship between foreign ownership and the performance of enterprises.

In conclusion, **Hypothesis 1 has been justified about the U-shaped relationship between foreign ownership and firm performance of companies listed on Vietnam stock exchange.**

4.2. The effect of foreign institutional or individual ownership on firm performance of Vietnam listed companies

Table 5: Regression results by foreign institutional or individual ownership

Variables	Dependent variable TOB		Dependent variable ROE	
	FOO	FOI	FOO	FOI
FOO or FOI	-0.1778	-0.1171	-0.9036	-1.6144
	(0.2370)	(0.6940)	(0.2770)	(0.3100)
FOO2 or FOI2	0.6542*	2.2109*	1.7294	7.6746
	(0.0840)	(0.0630)	(0.4100)	(0.2270)
TAN	-0.0075	-0.0073	-0.0772	-0.0739
	(0.7710)	(0.7770)	(0.5920)	(0.5920)
CAT	0.0000	0.0000	-0.0001	-0.0001
	(0.9650)	(0.8850)	(0.7920)	(0.7970)
LIQ	-0.0067***	-0.0073***	-0.0014	-0.0026
	(0.0000)	(0.0000)	(0.8240)	(0.6750)
LEV	0.0089***	0.0090***	-0.0344***	-0.0340***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)
MTBV	0.4963***	0.4962***	-0.1766**	-0.1940**
	(0.0000)	(0.0000)	(0.0270)	(0.0110)
MTBV2	-0.0342***	-0.0341***	-0.0037	-0.0021
	(0.0000)	(0.0000)	(0.7710)	(0.8630)
_CONS	-0.2527***	-0.2409***	1.9712***	1.9205***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Selection model (4)				
SIZE	0.0822***	0.0822***	0.0822***	0.0822***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)
AGE	0.0237***	0.0237***	0.0237***	0.0237***
	(0.0060)	(0.0060)	(0.0060)	(0.0060)
EPS	47.2767***	47.2767***	47.2767***	47.2767***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)
STDEBT	-0.3501***	-0.3501***	-0.3501***	-0.3501***
	(0.0020)	(0.0020)	(0.0020)	(0.0020)
MTBV	-0.0500	-0.0500	-0.0500	-0.0500
	(0.1090)	(0.1090)	(0.1090)	(0.1090)
_CONS	-1.2882***	-1.2882***	-1.2882***	-1.2882***
	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Observations	2,623	2,623	2,623	2,623
Wald chi2(11)	1841.9	1797.16	47.06	50.33
Prob > chi2	0.0000	0.0000	0.0000	0.0000
IMR	-0.2850***	-0.2979***	-1.7392***	-1.6809***

P-value (IMR)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
P-value in parentheses: *** p<0.01. ** p<0.05. * p<0.1				

The results of estimating model (2) and (3) using FEM indicate that the ownership of foreign institutions or individuals has no statistically significant effect on Tobin's Q. However, Heckman two-step is applied, P-value of Mill ratio (IMR) in both models being $0.000 < 0.05$ shows the presence of sample selection bias in the model. Therefore, using Heckman two-step is more appropriate in this case.

In selection model (4), except for market-to-book value of equity (MTBV), all other variables have effect on the decision of foreign investors. Accordingly, size, the number of listed years and earnings per share have positive association with the investment of foreign investors into companies. Ko et al. (2007) also pointed out that foreign investors tend to select large profitable enterprises with high growth potential. By contrast, short-term loans (STDEBT) negatively correlate with the decision of overseas investors.

With the significance level of 10%, initially, firm performance declines with the increase of foreign institutions' ownership (FOO and FOO2), but when this percentage goes beyond 13.59%, firm performance increases. Similarly, with the significance level of 10%, the rise of foreign individuals' ownership will make firm performance decline, but when this proportion goes beyond 2.65%, business performance rises. Kaytmaz and Ucdogruk (2010) also asserted that when foreign institutions have established a certain percentage of shares in capital structure, optimizing assets of enterprises will bring higher performance.

The study also uses Heckman two-step with dependent variable ROE, but the results show that the ownership of foreign institutions or individuals has no statistically significant influence on ROE. Karpoff and Walkling (1996) did not find any relationship between institutions' ownership and business performance.

Based on the above results, **Hypothesis 2 and 3 have been proved that the ownership of foreign institutions or individuals has the U-shaped relationship with business performance of listed firms.**

4.3. The effect of foreign ownership on firm performance of Vietnamese listed companies by size

Table 6: Regression results by size of firms

Variables	Dependent variable TOB		Dependent variable ROE	
	BIG	SME	BIG	SME
FO	0.1190	-0.9069**	1.4505	-2.3251*
	(0.5810)	(0.0160)	(0.2800)	(0.0830)
FO2	-0.1204	1.7988**	-3.0558	5.9604**
	(0.8050)	(0.0250)	(0.3260)	(0.0500)
TAN	-0.1086*	-0.0204	-0.3130	0.1144
	(0.0920)	(0.7580)	(0.2680)	(0.6640)
CAT	0.0000	0.0000	0.0000	0.0002
	(0.2890)	(0.3610)	(0.4680)	(0.4890)
LIQ	-0.0040	-0.0064**	-0.0033	-0.0053
	(0.4100)	(0.0120)	(0.5190)	(0.1410)
LEV	0.0083***	0.0046	-0.0200**	-0.0092
	(0.0000)	(0.2890)	(0.0330)	(0.6650)
MTBV	0.4602***	0.4199***	-0.0521	-0.6813**
	(0.0000)	(0.0000)	(0.7390)	(0.0150)
MTBV2	-0.0333***	-0.0337***	-0.0150	0.0182
	(0.0000)	(0.0000)	(0.6380)	(0.5020)
_CONS	-0.4075***	-0.4250***	0.3372	0.5961**
	(0.0000)	(0.0000)	(0.1360)	(0.0190)
Observations	936	1,349	936	1,349
R-squared	0.8013	0.5146	0.069	0.1845
Overall F-test	54.66	21.49	2.00	0.9
Prob>Chi2	0.0000	0.0000	0.0284	0.5442
P-value in parentheses: *** p<0.01. ** p<0.05. * p<0.1				

The results in Table 6 show that foreign ownership does not affect business performance of large-sized firms (BIG) in terms of both Tobin's Q and ROE. However, when considering the performance of small- and medium-sized firms (SMEs), foreign ownership has a U-shaped relationship with Tobin's Q. From Table 6, P-value of the F test is $0.0000 < 0.05$ or the model with dependent variable Tobin's Q is appropriate. R^2 being 0.5146 indicates that variables in the model account for 51.46% of the change in business performance of companies listed on Vietnam stock market.

With the significance level of 5%, initially, 1% increase in foreign ownership reduces Tobin's Q by 0.91%. However, when foreign shareholders own over 25.2%, Tobin's Q positively correlates with foreign ownership. In Venezuela, Aitken and Harrison

(1999) also concluded that foreign ownership closely correlates with the increase in productivity but only in small enterprises.

T-test results in Table 7 show the differences on average between large and small and medium firms listed on Vietnamese stock market. With the significance level of 1%, on average, large firms have higher Tobin's Q (TOB) and attract more foreign investors (FO) than their counterparts. In addition, small- and medium-sized companies also record lower tangibility (TAN). The biggest difference between two groups of companies is the average market-to-book value of equity (MTBV). In addition, when firms have larger size, they also receive more expectations from investors. However, small and medium enterprises have higher average current liquidity ratio (LIQ) and higher leverage (LEV) than large companies.

Table 7: T-test result

TOB	ROE	FO	TAN	CAT	LIQ	LEV	MTBV
0,145449	0,077942	0,0333435	0,0280681	5,620971	-1,332618	-1,097791	0,2620532
(0,000)	(0,240)	(0,000)	(0,002)	(0,157)	(0,000)	(0,000)	(0,000)

Dhar (1988) studying companies having foreign ownership in India pointed out that most firms will establish strategic links rather than simply contribute capital. Specifically, foreign investors will support technology, consulting or marketing and branding. As a result, the competitiveness of enterprises can be enhanced. Moreover, according to General Statistic Office of Vietnam, over 97% of Vietnamese enterprises are small and medium. The capital and technical conditions of these companies are quite backward, leading to low business performance and profitability. Therefore, if small and medium companies receive such supports from foreign shareholders, they can achieve tremendous growth in comparison with previous periods. In large companies, they have often gained certain successes in business activities, so the impact of foreign shareholders will not be clear or need more time to show this positive relationship.

When the performance measure is ROE, P-value of the F test being 0.5442 is not statistically significant. Therefore, the estimation model is inappropriate or foreign ownership has no statistically significant impact on ROE.

Thus, Hypothesis 4 on **the different effect of foreign ownership on business performance of large enterprises compared to small and medium ones has been justified.**

4.4. The effect of foreign ownership on firm performance of Vietnamese listed companies by industry

Table 8: Regression results of dependent variable ROE by industry

Variables	Utilities	Technolo -gy	Indus- trials	Consu- mer services	Consu- mer goods	Financ- ials	Basic material s	Health care
FO	-0.669	-0.604*	0.044	-0.133	1.456	-0.716	0.556	-0.885**
	(0.140)	(0.069)	(0.964)	(0.828)	(0.626)	(0.140)	(0.595)	(0.050)
FO2	1.798	1.240*	-2.671	0.437	-2.151	1.369	0.232	0.864*
	(0.127)	(0.072)	(0.343)	(0.718)	(0.732)	(0.146)	(0.919)	(0.084)
TAN	-0.136	-0.198**	-0.047	-0.204*	1.573	-0.162	-0.631*	-0.829***
	(0.270)	(0.043)	(0.894)	(0.077)	(0.326)	(0.149)	(0.064)	(0.010)
CAT	0.000	-0.001	0.000	0.000	0.001	0.000	0.000	0.001***
	(0.165)	(0.563)	(0.513)	(0.369)	(0.178)	(0.392)	(0.387)	(0.007)
LIQ	-0.006*	0.004***	0.002	-0.002	-0.046	-0.001	-0.013*	-0.096
	(0.061)	(0.004)	(0.717)	(0.595)	(0.152)	(0.223)	(0.068)	(0.235)
LEV	-0.016	0.003	-0.011	-0.037**	-0.042	-0.027*	-0.038**	0.001
	(0.451)	(0.582)	(0.623)	(0.050)	(0.181)	(0.095)	(0.019)	(0.795)
MTBV	-0.043	0.209***	-0.846*	-0.008	-0.649	-0.250	-1.386**	0.040
	(0.488)	(0.008)	(0.058)	(0.841)	(0.234)	(0.153)	(0.021)	(0.681)
MTBV2	0.021	-0.046	0.039	0.002	0.009	0.051**	0.412***	-0.003
	(0.101)	(0.124)	(0.233)	(0.716)	(0.913)	(0.050)	(0.008)	(0.873)
_CONS	0.290**	0.042	0.772*	0.253***	0.159	0.364*	1.214**	0.604**
	(0.015)	(0.447)	(0.067)	(0.001)	(0.680)	(0.086)	(0.019)	(0.032)
Obs	149	72	859	156	359	300	311	66
R-squared	0.1796	0.5453	0.1757	0.0822	0.2635	0.0789	0.3827	0.3759
Overall F- test	2.21	35.19	0.61	4.41	0.39	9.53	2.89	12.66
Prob>Chi2	0.0325	0.0000	0.8157	0.0001	0.9587	0.0000	0.0025	0.0000

P-value in parentheses: *** p<0.01. ** p<0.05. * p<0.1

The estimation of model (1) with enterprises in different industries indicates that foreign ownership has no statistically significant impact on Tobin's Q of enterprises in each industry. Oxelheim and Randoy (2003) also pointed out that foreign ownership does not have statistically significant effect on the performance of firms in different industries. However, if the performance measure is ROE, foreign ownership has a U-shaped relationship with business performance of companies in health care and technology

industry (Table 8). Jurajda and Stancik (2012) also claimed that the impact of foreign investors on acquired domestic firms was different for each industry.

In health care industry, P-value of the F test is $0.0000 < 0.05$ or the model is appropriate. R^2 being 0.3759 indicates that variables in the model account for 37.59% of the change in business performance of listed companies in health care field. With the significance level of 10%, initially, that foreign ownership increases 1% reduces ROE by 0.89%. However, when foreign ownership goes beyond 51.22%, the association becomes positive. In technology industry, P-value of the F test is $0.0000 < 0.05$ or the model is appropriate. R^2 being 0.5453 indicates that variables in the model account for 54.53% of the change in business performance of listed firms in technology field. With the significance level of 10%, initially, firm performance declines with the increase of foreign ownership, but when this percentage goes beyond 24.35%, firm performance increases. Regarding the correlation between foreign ownership and business performance of enterprises only in health care and technology industry, these fields both require modern technologies to keep pace with the latest advances in the world. Perez-Gonzalez (2005) also concluded that subsidiaries of multinational corporations in Mexico improve productivity, particularly those operating in industries that rely heavily on technological innovation. Oxelheim and Randoy (2003) argued that the reason for difference between companies in different industries is the cost of capital. Enterprises in high-tech industries often lack the collateral needed for debt financing. In contrast, other industries such as shipping, property and retailing can rely on traditional debt financing. Therefore, the capital raised by foreign investors in companies in the high-tech industries will play a more important role than those in other industries, thereby bringing more positive impact.

Thus, Hypothesis 5 on **the different effect of foreign ownership on the performance of enterprises in different industries has been proved.**

Through the above results, in spite of the same data, model and methodology, the regression results with Tobin's Q and ROE have certain differences. Douma et al. (2006) also concluded that there is no statistically significant relationship between the ownership of foreign financial institutions and return on assets (ROA). However, these investors have positive effect on Tobin's Q. Hence, it can be seen that the true relationship between foreign ownership and firm performance depends on performance measure or enterprise's goals. Murphy, Trailer, and Hill (1996) also asserted that there is little likelihood that different financial measures will draw consensus results.

5. Conclusion

Through quantitative research, foreign ownership initially negatively affects business performance of firms listed on Vietnam stock market in terms of Tobin's Q, but when foreign ownership reaches above 24.4%, the correlation becomes positive. In addition, tangibility (TAN) and net working capital turnover (CAT) do not have statistically significant effect on business performance of listed companies. While current liquidity ratio (LIQ) has negative impact, leverage (LEV) has positive effect on Tobin's Q. Market-to-book value of equity (MTBV) has an inverted U-shaped relationship with Tobin's Q. However, when the performance measure is ROE, there is no statistically significant relationship between foreign ownership and firm performance.

Applying Heckman two-step, the study finds that size (SIZE), the number of listed years (AGE) and earnings per share (EPS) positively correlate with the investment decision of foreign investors. In contrast, short-term loans (STDEBT) have negative impact on foreign investors' investment. Regarding the relationship of foreign institutions with firm performance in terms of Tobin's Q, the U-shaped relationship with the turning point of 13.59% is recorded. In terms of foreign individuals, the ownership of these shareholders initially adversely affects Tobin's Q, but when this ownership is above 2.65%, firm performance increases.

For large-sized listed companies, foreign ownership does not correlate to firm performance in terms of both Tobin's Q and ROE. However, in small- and medium-sized enterprises, when foreign ownership goes beyond 25.2%, foreign shareholders improve the performance of enterprises in terms of Tobin's Q.

About the effect of foreign ownership on the performance of companies in different industries, while Tobin's Q does not show any statistically significant relationship, return on equity (ROE) represents the U-shaped relationship in technology and health care companies. However, while the inflection point in technology companies is 24.35%, this turning point in health care firms is 51.22%.

❖ *New points of the study*

Compared with previous studies, this study has contributed some new directions in investigating the relationship between foreign ownership and firm performance as follows: (1) Broadening the scope of research into the impact of foreign ownership on firms in different industries in terms of both Tobin's Q and ROE; (2) Studying the effect of foreign institutional or individual ownership on firm performance, thereby proposing the optimal capital structure for Vietnamese enterprises; (3) Comparing the effect of foreign ownership

on the performance of large enterprises and small and medium ones, thereby creating the basis for the authorities and companies to develop suitable policies to attract foreign capital by size; (4) Comparing the impact of foreign ownership on firm performance in different industries, thus creating the basis for the authorities and firms to develop appropriate policies to attract foreign capital by industry.

❖ *Suggestions for future studies*

Due to limited time and resources, the research is conducted about Vietnamese enterprises over a four-year period from 2013 to 2016. If future studies can collect data over a longer period of time as in the periods of before, during and after the 2008–2009 economic crisis, the real impact of foreign ownership on business performance can be seen over the whole cycle of the economy. In addition, foreign financial institutions or strategic corporations will often have different goals and investment plans. The nationality of the investor is also a factor that attracts a lot of attention in studies of corporate ownership structure. Therefore, the division of foreign ownership by financial institutions and strategic corporations or by the nationality of shareholders will help to investigate the impact of foreign ownership on firm performance from more multi-dimensional perspectives. As a result, enterprises in particular and the Vietnam economy in general can easily determine the appropriate strategies for attracting foreign investment.

REFERENCES

1. Angelucci, M., Estrin S., Konings, J. and Zolkiewski, Z. 2002, The Effect of Ownership and Competitive Pressure on Firm Performance in Transition Countries: Micro Evidence from Bulgaria, Romania and Poland, *William Davidson Working Paper*, 434
2. Balsari, C., and Ucdogruk, Y. 2010, The Effects Of Foreign Ownership And Size On Firm Performance: Evidence From Panel Data Analysis Of ISE Listed Firms, *International Journal of Emerging and Transition Economies*, 3 (1), 93-114
3. Barbosa, N. and Louri, H. 2005, Corporate Performance: Does Ownership Matter? A Comparison of Foreign- and Domestic-Owned Firms in Greece and Portugal, *Review of Industrial Organization*, 27 (2005), 73-102
4. Benfratello, L. and Sembenelli, A. 2005, Foreign Ownership And Productivity: Is The Direction Of Causality So Obvious?, *International Journal of Industrial Organization*, 24 (2006), 733-751
5. Chari, A., Chen, W. and Dominguez, K. 2009, Foreign Ownership and Firm Performance: Emerging Market Acquisitions in the United States, *NBER Working Paper*, 14786

6. Dimelis, S., and Louri, H. 2002, Foreign Ownership And Production Efficiency: A Quantile Regression Analysis, *Oxford Economic Papers*, 54 (2002), 449-469
7. Douma, S., George, R., and Kabir, R. 2006, Foreign And Domestic Ownership, Business Groups, And Firm Performance: Evidence From A Large Emerging Market, *Strategic Management Journal*, 27, 637-657
8. Gelubcke, J. 2011, Foreign Ownership and Firm Performance in German Services: First Evidence based on Official Statistics, *Working Paper Series in Economics*, 213
9. Gurbuz, A., and Aybars, A. 2010, The Impact of Foreign Ownership on Firm Performance: Evidence from an Emerging Market: Turkey, *American Journal of Economics and Business Administration*, 2 (4), 350-359
10. Hintošová, A. B. and Kubíková, Z. 2016, The Effect Of The Degree Of Foreign Ownership On Firms' Performance, *Review of Economic Perspectives*, 16(1), 29–43
11. Mihai, O., and Mihai, C. 2014, The Impact of Foreign Ownership on the Performance of Romanian Listed Manufacturing Companies, *The International Journal of Management Science and Information Technology*, II, 106 – 122
12. Nakano, M., and Nguyen, P. 2013, Foreign Ownership And Firm Performance: Evidence From Japan's Electronics Industry, *Applied Financial Economics*, 23(1), 41-50
13. Oxelheim, L. and Randoy, T. 2003, The Impact Of Foreign Board Membership On Firm Value, *Journal of Banking & Finance*, 27 (2003), 2369-2392
14. Phung, D. N. and Mishra, A. V. 2015, Ownership Structure and Firm Performance: Evidence from Vietnamese Listed Firms, *Australian Economic Papers*
15. Singhania, M., Saini, N. and Gupta, P. 2015, Foreign Ownership and Indian Firm Performance: A Dynamic Panel Approach, *The Journal of Private Equity*, 19(1), 77-85
16. Vo, T. T. V. and Vo, H. D. T. 2016, The Impact Of Foreign Ownership On Profitability Of Vietnamese Firms Listed On Ho Chi Minh Stock Exchange, *University of economics- The university of Danang*
17. United Nations Conference on Trade and Development, 2016, *World Investment Report 2016*, United Nations
18. Zakaria, Z., Purhanudin, N. and Palanimally, Y. 2014, Ownership Structure and Firm Performance in Malaysia: In Trading Services Sector, *European Journal of Business and Social Sciences*, 3(2), 32-43