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EFFECTS OF STAKEHOLDERS ON GREEN EXPORT STRATEGIES AND COMPETITIVE ADVANTAGES OF VIETNAM'S EXPORTERS

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The paper is one of our studies on green strategy with the aim of studying the effects of stakeholders in the pursuit of green strategy and achieved competitive advantages for Vietnamese exporters from a stakeholder approach. By investigating 275 managers from 75 agricultural, fishery and textile exporters, the paper confirmed that the attitudes, perceptions, and views of senior managers; the interest of customers in foreign markets; pressure from regulatory authorities and governments of exporting countries; The pressure of social stakeholders on environmental issues have positive impacts on the adoption of green export strategies by Vietnamese export enterprises. In addition, pursuiting green strategies help firms gain a differentiated competitive advantage, not a low-cost advantage. The research results imply some suggestions and recommendations for public policy makers and Vietnamese exporters to further promote the application of green export strategy.

Key Words: *green strategy, stakeholders, competitive advantage, Vietnamese exporters.*

1. Introduction

Green in doing business approach is increasingly concerned, not only at operational level such as production, technology, marketing... but also at strategic level. Climate change, environmental degradation, depletion of natural resources, the greenhouse effects, etc... have become the top concerns not only in each country but in many international and global forums. The rapid rise of ecological problems in many parts of the world has created environmental pressure for businesses to respond to requests from different stakeholders such as government and community, residents, socio-economic organizations, customers... (Delmas, Magali A; Toffel, 2010; Leonidou et al., 2017b). These pressures become more and more clear for exporting enterprises - enterprises that directly face a series of environmental challenges (for example: requirements, regulations on the environmental friendliness of products in imported countries, the concerns of the international community about environmental issues , the awareness of customers' green consumption…) in their international activities.

Vietnam is a developing country and export is one of the country's growth pillars. In 2019, in the context of low global trade and economic growth due to the impact of trade conflicts, strategic competition among major economies, increased trade protectionism, total import and export turnover of Vietnam still reached 517 billion USD, of which

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trade surplus was 11.1 billion USD (Vietnam Annual Report, 2019). With export growth of 8.4%, Vietnam ranked 22nd globally in terms of export size at the end of 2019 (Vietdata, 2020). Vietnam currently has established trade relations with more than 200 countries and territories. However, Vietnam's export products are mainly raw products, agricultural products, processed products with low added value, or assembled goods whose inputs depend heavily on foreign countries. Vietnam's supporting industries are underdeveloped with products that do not meet quality or quantity standards, making it difficult for domestic manufacturers to join export-oriented supply chains. This issue becomes more apparent and urgent as trade protectionism is returning strongly at both the national and international level. Expanding and diversifying markets will be feasible for Vietnamese exporters if they can take advantage of the green export strategy, that plays as a differentiating role in recent competitive environment (Bellesi et al., 2005). However, the proportion of enterprises actively shifting towards a green strategy in Vietnam is still quite limited (Do et al., 2019). On the other hand, many previous studies have confirmed that the shift to green strategy is motivated by both internal and external factors (Bıçakcıoğlu, 2018; Leonidou et al., 2015a; Zhang et al., 2011). However, with the position of a developing country that heavily depends on exports, the shift to green export strategy of Vietnamese enterprises seems to be dominated by external factors, especially pressure from stakeholders. With abovementioned reasons, this research paper focuses on three objectives: (1) Analyzing effects of stakeholders on the adoption of green export strategies of Vietnamese export enterprises; (2) Whether pursuing green export strategies, Vietnamese exporting enterprises can get competitive advantage low cost or differentiate? (3) Suggest some implications and recommendations to promote the application of green export strategies in Vietnam.

2. Literature Review and Hypotheses Development

2.1. Green Export Strategy

Strategy is a master plan for an enterprise and is contemporary management practice (Porter, 1989). Time not only affirms the important role of strategy in firm's development, but also witnesses the development of strategic forms in response to the growing challenges of the business environment. By the early 1990s, managers from large companies began to realize the strategic importance of environmental decisions and shifted their strategy to green (Papagiannakis et al., 2014).The term "green strategy" has many different names such as environmental friendly strategy (EFS), eco-strategy... and is defined as "an approach to help firms move towards a friendly environment, ecological response and social responsibility in improving long-term profits and achieving sustainable competitive advantage" (Zhang et al., 2011). Therefore, green export strategy, also known as the environment-friendly export strategy (EFES) "represents the export strategy of enterprises, towards both business results and sustainable natural environment" (Das et al.., 2019). A company that pursues EFES will put their efforts to limit the negative impact on the environment from production and use of their products or services to satisfy requirements from different stakeholders such as the government, consumers, communities and many other related individuals and groups (Banerjee, 2001; Das et al., 2019). In addition to this social responsibility goal, many studies have shown that EFES improves firms' competitive advantage and performance (De Marchi et al., 2013; Fraj et al., 2015; Leonidou et al., 2017a). Depending on the different approach, the contents of EFES could include functional strategies such as green R&D strategy, green production strategy, green marketing strategy, green personnel strategy and green finance strategy (Leonidou et al., 2015b); or include activities aimed at "greening" in the value

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chain such as products, systems and organizations, processes, value chains and recycling, and external partnerships (Lee & Rhee, 2007).

2.2. Stakeholders' pressure and green export strategy

According to the stakeholder theory, stakeholder pressures create a significant incentive for firms to adopt environmental practices (Alan & Alain, 1998; B. Barney, 1991). A stakeholder is "a person or group that is influenced or affected by the achievement of an organization's goals" (Freeman, 1984, p. 46). Stakeholder theory rooted from the practical concerns of managers - how they can deal more effectively the concerns of key stakeholder groups (Hörisch et al., 2014). Managers evaluate stakeholders based on their perceptions and therefore act as important "interpreters" of the influence of stakeholders on the organization (Banerjee, 2001). After assessing which stakeholders are important, the manager's perceptions of stakeholders will decide the way in which a firm's strategy is affected (Henriques & Sadorsky, 1999). Due to its central role, managers' perception is centre of this research.

Extenal factors often put more pressure on firms to reduce negative impacts and increase positive effects. Institutional theory states that stakeholders' engagement is important for firms to establish legitimacy. Responding to stakeholder pressure requires an organizational learning capacity, especially when conflicting pressures arise from one or more stakeholders (Roome, 1992). Firms' activities are placed in a network of relationships with stakeholders. Typically, stakeholders fall into two categories - primary and secondary stakeholders.

Primary stakeholders are the members that associate economy benefits directly with firms, including internal stakeholders and the supply chain's members (Hörisch et al., 2014). Internal stakeholders include managers and non-managers, who have an important influence on the success or failure of a business strategy (Freeman, 1984). Employees who support EFS are more likely to find a job there and continue their job (Henriques & Sadorsky, 1999). They may also express satisfaction or dissatisfaction through face-to-face discussions with the company's executives or directors. Dissatisfaction of both managers and staffs can be shown by terminating their employment at the company. In more extreme cases, employees can participate in demonstrations, denunciations, and publicize the company's activities that do not ensure the environment (Henriques & Sadorsky, 1999). However, in order to implement environmental activities, they must have the support of managers. The support from managers are very important to ensure the commitment of firms to environmental issues (Zhu et al., 2008). The main driving force behind the application of EFS is the manager's attitude, perceptions, and awareness to environmental issues (Banerjee et al., 2003; Sharma & Starik, 2004). This is because firms' managers are responsible for: (1) setting goals, policies and procedures for a more proactive ecological approach, and this approach requires a significant investment, including resources and capabilities; (2) fostering organizational values that facilitate actions related to environmental issues such as: gathering environmental information from overseas markets, encouraging interest in eco-staff and effectively meet the foreign buyers' demand for eco-products; (3) focusing on environmental factors in key business processes (developing new products, manufacturing...) to create an environmental oriented firm; and (4) coordinating and supporting environmental initiatives by appointing the right people to monitor, train and motivate employees to become more environmentally conscious through timely support and rewards (Banerjee et al., 2003). The role of managers in EFS is even more important when the firm operates in international markets due to the diversity of the political, legal, and tecnological environment as well as wide geographical and cultural gaps exist between the domestic market and the export markets (Leonidou et al., 2015a).

Therefore, we can develop hypothesis 1 (H1) as follows:

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H1: Managers' attitude, views and perceptions about environmental issues have a positive impact on the export firm's adoption of EFS

Stakeholders in the supply chain of the central firm include organizational and/or individual customers, input suppliers, distributors... In which, distributors can also be considered as organizational customers of the firm. There is a difference in the way of conveying satisfaction or dissatisfaction of stakeholders in the supply chain to environmental activities in general and to EFS of the firm. Individual customers are more likely to engage in public boycotts, while organizational customers and suppliers typically respond by canceling purchase or sale agreements, stopping deliveries or asking for replacement with environmentally friendly products (Henriques & Sadorsky, 1999).

For Vietnamese exporting enterprises, stakeholders in the supply chain, especially organizational and individual customers, who are partners in foreign markets, have a decisive influence on the selection of the firms' EFSs. They tend to require suppliers to comply with certain practices in order to improve their environment, adopt environmental management practices, and provide certifications of compliance with environmental regulations such as ISO 14000, EMAS… (Delmas & Toffel, 2004; Zhu et al., 2008).

In different countries, customers' concerns about the environment can be different, thus have different impacts on the adoption of EFSs. For example, the concern for the environment is very high in Nordic countries such as Sweden, that export strategies of firms exporting in this market are popular with green strategies (C¸agatay & Mihci, 2003). The customer's interest in eco-issues can even vary by region within the same country. The more developed regions are the greater the concern about ecological problems and are much more concers in less developed regions (Stone et al., 2004). Regardless of the transnational or regional variations, customer concerns about the environment have a positive impact on the adoption of EFS (Banerjee et al., 2003). Therefore, hypothesis 2 (H2) can be developed as follows:

H2: Foreign customer's concerns about environmental issues have a positive impact on on the export firm's adoption of EFS

Secondary stakeholders do not participate directly in the transactions that create economic benefits for firms (Mitchell et al., 1997). Regarding EFSs, secondary stakeholders include regulators, government, and social stakeholders in both domestic and foreign markets (Henriques & Sadorsky, 1999).

Governments and authorities are the most obvious secondary stakeholders when it comes to environmental issues and often involves coercive pressures (Zhu & Sarkis, 2007). Firms must comply with environmental regulations, fines of the regulators, and face risk of being banned from exporting in foreign markets (Henriques & Sadorsky, 1999). The pressures and threats from such penalties will make the image and relationship with customers worse. Exporting firms are under pressure from regulatory agencies, the governments of home country and host country for environmental issues. However, exporting firms in developing countries are often under pressures of adopting EFSs to in imported countries rather than in their home country (Do Thi Binh, 2020). Therefore, under pressure from regulators and the government, hypothesis 3 (H3) can be developed as follows:

H3: Pressure of foreign regulatory agencies and governments on environmental issues have a positive impact on on the export firm's adoption of EFS

The growing influence of social stakeholders has been one of the emerging international issues over the past 20 years (Doh and Guay, 2006). Social stakeholders include (but are not limited to) public interest groups such as environmental organizations (including non-governmental organizations) and communities, labor unions, and industry associations. and media (Sharma & Starik, 2004). Each of these groups can mobilize public opinion for or against the company's environmental approach (Freeman, 1984). Social stakeholders often use indi-

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rect approaches (eg, protests, strikes...) to influence the behavior of a company because they do not have a direct stake in the organization (Sharma & Starik, 2004). In addition, the social stakeholders often link together to increase their pressure on firms' EFSs (Mitchell et al., 1997), especially through environmental certification of non-governmental organizations Therefore, hypothesis 4 (H4) is as follows:

H4: Pressures from foreign NGO/social stakeholders about environmental issues have a positive impact on on the export firm's adoption of EFS

2.3. Green export strategy and competitive advantage

EFS relates to the combination of "green" issues in the functional activities of firms such as R&D, production, marketing, human resources, finance... (Banerjee et al., 2003). In this study, the author considers that EFS includes activities towards "green" in the value chain such as products, systems and organizations, processes, value chains and recycling, and the relationships to external partnerships following the approach of (Lee & Rhee, 2007). One of the reasons that firms including export firms shifted to EFS is due to possible competitive advantages (Aragón-Correa & Sharma, 2003). "Competitive advantages are factors that help firms achieve a much higher return on investment than the average rate of return on investment in the industry" (Hill, 2008). It can be low-cost competitive advantage or differentiation competitive advantage (Michael E. Porter, 1998). The differentiation advantage comes from EFS approach that can provide to foreign markets with innovative products, as well as substantial tangible improvements (to achieve environmental friendliness) or the intangible (sense of security) of a firm's products (Shrivastava, 1995). In addition, adding eco aspects to products (e.g. recyclable packaging, biodegradable; non-toxic materials...) can help the company build a special image in the eyes of foreign consumers versus competing brands (Polonsky, 1995). Moreover, EFS characterized by ecological factors often has positive quality implications (eg, due to the use of environmentally friendly materials, separate production processes, strict quality control system...) so it is possible to improve the company's "differentiation" from its competitors (Orsato, 2006). Owning certificates or awards for the environment due to EFS can also help firms gain a differentiation advantage in international markets. Therefore, hypothesis 5a (H5a) is as follows:

H5a: The pursuit of EFS helps firms gain a differentiated competitive advantage in international markets.

The adoption of EFS can also bring low cost advantages for exporters (Shrivastava, 1995). This is because EFS is based on natural environmental protection and cleaning technologies to save energy and other important resources, leading to cost reduction (Shrivastava, 1995). Furthermore, pursuing this strategy could also lead to a decrease in the likelihood of litigation and insurance in the overseas market, thus reducing costs (Morgan & Jeffrey, 2000). Cost reduction can also come from prioritizing the purchase of cheaper raw materials, using recycling programs, and exploiting financial schemes for environmentally friendly products (Miles et al., 2015). In addition, focusing on manufacturing techniques of green product for international markets can help firms achieve a curve of experience (e.g. better functional coordination, stricter process monitoring, more availabe in solving unexpected problems…) and reducing costs (William Q & Thomas J. Douglas, 1998).

The low cost advantage can also be obtained from economies of scale due to the growing demand for green products in foreign markets (Menon & Menon, 1995). In addition, the adoption of EFS often involves cooperation between suppliers, subsidiaries, distributors and other members of the supply chain and helps to streamline operations in foreign markets, leading to cost reduction (Zeithaml & Zeithaml, 1984). For the above reasons we can give hypothesis 5b (H5b) as follows:

H5b: The pursuit of EFS helps firms gain a low cost competitive advantage in international markets.

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Synthesizing the above 5 hypotheses, we have a research model as shown in Figure 1.

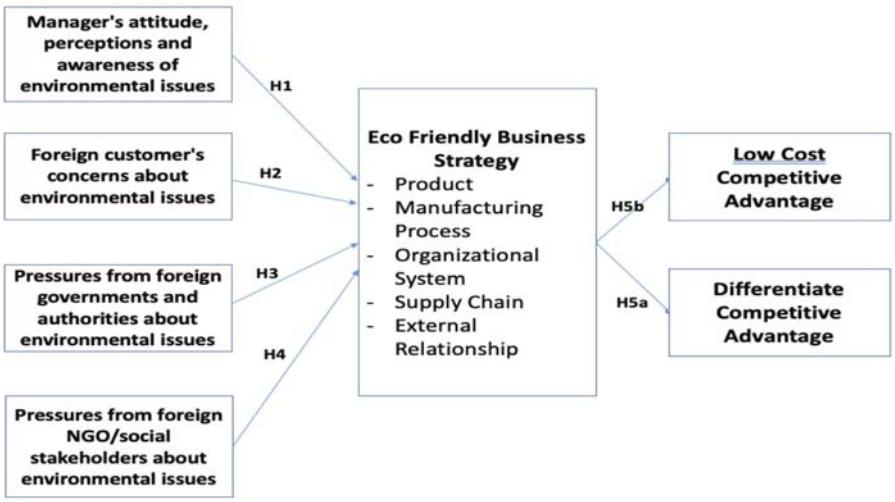

Figure 1: *Research Model*

3. Research Methodology

3.1. Research Setting and Participations

In terms of Vietnam's export commodity structure, the group of phones, electronics, machinery and means of transport accounts for nearly 45% of the country's export value (VietData, 2020) and should consider about "green" in exports. However, enterprises that produce the above groups of commodity are mainly FDI enterprises. This study focuses on EFSs of Vietnamese enterprises, so enterprises that export agricultural products, seafood and textiles - belonging to the typical export industries of Vietnamese enterprises - are selected as research enterprises.

With the help of officers from the Departments of Industry and Trade in 10 provinces/cities - Hanoi, Hai Phong, Quang Ninh, Bac Ninh, Can Tho, Hau Giang, Tien Giang, An Giang and Ca Mau, the author received the lists of agricultural, aquatic and textile exporters that have owned or are in the process of applying for international environmental certifications such as ISO14001, GlobalGAP, ASC, FOS, BAP / ACC, OEKO-Tex Standard 100, OCS ... These enterprise are considered as EFS oriented enterprises - the subject of the study. Through screening and with the help of the Departments of Industry and Trade of selected provinces/cities, the author contacted and sent questionnaires to 275 managers from 75 selected enterprises. Within 10 months, from November 2018 to September 2019, 202/275 managers responded to the questionnaire (response rate was 73.45%). The structure of managers from enterprises participating in the survey is shown in Figure 2.

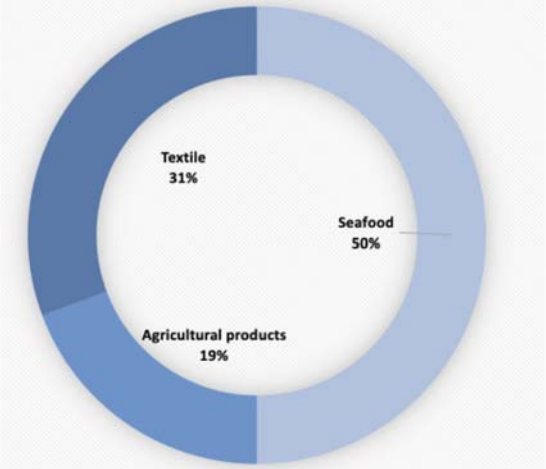

Figure 2. Structure of managers in surveyed export firms

3.2. Measures

Qualitative research was used through discussion and in-depth interviews. The research was con-

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Table 1: *Measures*

		Variables		Source
EFS	Product	PR1	We have concurrent engineering towards green	Adopted from Lee & Rhee, (2007)
		PR2	We have assessment system for product/service life cycle	
		PR3	We have marketing program towards green	
	Manufacturing Process	MP1	We have programs and practices that reduce environmental pollution	
		MP2	We have green technologies in production process	
		MP3	We have official procedures for environmental evaluating	
	Organizational System	OS1	We have training and educational programs for environment	
		OS2	We have specialized division on environmental issues	
		OS3	We have programs to assess environmental performance	
	Supply Chain & Recovery	CF1	Our procurement is concerned with environmentally friendly products	
		CF2	Our suppliers have mutual support and collaboration toward green	
		CF3	We have recycle and/or re-use programs	
	External Relationship	ER1	We have good relationships with communities, local authorities, NGOs, Scio-political organizations	
		ER2	We voluntarily participate in environmental protection programs	
		ER3	We periodically publish transparent information of the corporate environmental information	
Stakeholders	Managers' attitude, views and perceptions	MG1	Our managers keep us away from the risks involved in relation to ecological issues	Adopted from (Leonidou et al., 2015b)
		MG2	Our managers pay attention to ecological issues In our company, managers have clear instructions to implement environmental goals Our company has managers who understand issues of ecological development in foreign markets	
		MG3		
		MG4	Our managers make sure that our equipment is well-maintained and operated in an eco-friendly way	
		MG5	Our managers put a lot of effort in understanding the green aspects of our activities	
		MG6		
	Foreign customers' concerns	IC1	The public in the foreign market expresses its concerns for damaging the environment	
		IC2	The customers in the foreign market increasingly demand eco-friendly products	
		IC3	The public in the foreign market expresses more concern for issues other than environmental	
		IC4	The customers in the foreign market expect our company to be environmentally sensitive	
	Foreign governments and authorities	IG1	Foreign governments increasingly regulate the environment	Adopted from (Buysse & Verbek, 2003)
		IG2	Foreign governments increasingly pay attention to environmental issues from imported goods	
		IG3	The different management agencies on foreign markets are increasingly issuing regulations on environment	
		IG4	Different management agencies on foreign markets are increasingly paying attention to environmental issues from imported goods	
	NGO/ Social stakeholders	SS1	NGOs' certification programs for environment are increasing	
		SS2	Foreign media increasingly pay attention to environmental issues from imported goods	
		SS3	Professional associations increasingly pay attention to environmental issues from imported goods	
		SS4	Trade unions increasingly pay attention to environmental issues from imported goods	
Competitive	Differentiation competitive advantage	DC1	We create a green brand image to identify the firm in the market	Adopted from (Molina-Azorín et al., 2015) và (Leonidou et al., 2015a)
		DC2	Our environmentally friendly products have better quality than our rivals	
		DC3	Our environmentally friendly products add more value for customers	
		DC4	Our environmentally friendly products/service are highly innovative	
	Cost leadership competitive advantage	CC1	Our environmentally friendly products focus on minimizing costs	
		CC2	We focus on improving our productivity	
		CC3	We utilize economies of scale	

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ducted by discussing with 05 experts who are CEOs of seafood, textile and agricultural exporters; export authority experts from the Ministry of Industry and Trade. The aiming of discussion was developing a theoretical research model and measures as shown in Table 1.

Then, the research used the structural equation model SEM - the model that helps to simultaneously estimate the elements in the overall model, to estimate the causal relationship between concepts and the structure of the theoretical model - to process investigation data.

4. Results

4.1. Measure validation

To evaluate the intrinsic consistency of the research concepts, exploratory factor analysis (EFA) and Cronbach's Alpha reliability coefficient analysis were performed. Scale test results with Cronbach's Alpha are summarized in Table 2.

components meet the requirements for EFA analysis. The EFA results have KMO coefficient = 0.708, the Bartlett test value is significant (sig <0.05), 11 groups of factors are extracted with the total variance extracted 62.435% and the observed variables have multiplier load coefficients Factor loading is greater than 0.5, so no variables are eliminated. Variables in the original component are not grouped with the observed variables located in other components. Therefore, there is no need to rename the factors of the research model but will keep the next step of analysis.

4.2. Test of Hypotheses

We conducted structural equation modeling to test our hypotheses. The results suggested that the hypothesized model fit the data well ($\chi 2$= 115,70, p <0,00, $\chi^2/_{df}$ = 1,59, NFI = .97, NNFI = .96, CFI = .96, RMSEA = .07) (Bagozzi & Heatherton, 1994). The standardized path coeffi- cients, together with

Table 2: *Summary of Cronbach Alpha reliability coefficients of research concepts*

Constructs	Cronbach Alpha	
Managers' attitudes, opinions and perceptions about environmental issues	0,721	Accepted
The interest of customers on foreign markets on environmental issues	0,702	Accepted
Pressure of foreign regulatory agencies and governments on environmental issues	0,714	Accepted
Pressure of NGOs/ Social stakeholders about environmental issues	0,724	Accepted
Products	0,715	Accepted
Manufacturing process	0,686	Accepted
Organizational system	0,702	Accepted
Supply Chain & Recovery	0,695	Accepted
External Relationship	0,679	Accepted
Differentiation competitive advantage	0,673	Accepted
Cost leadership competitive advantage	0,658	Accepted

The structure of the research model all have accepted Cronbach's alpha coefficients (greater than the required level 0.6). Considering the variable-total correlation coefficient of observed variables are satisfactory> 0.3 (Hair et al., 2006), so no variables are eliminated and the scale is suitable for further EFA analysis according to the. After testing Cronbach's Alpha's confidence coefficients, all observed variables of the green export strategic

the corresponding t-values of the structural model, appear in Table 3

Managers' attitudes, opinions and perceptions had a favorable impact on crafting an environmentally friendly export business strategy (β = .36, t = 4.53, p = .00) and H1 was supported. This confirms previous results that because managers are responsible for setting objectives, plans, and policies in the organization, their sensitivity and commitment to

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Table 3: *Structural model results.*

Hypotheses and Hypothesized path		Standardised path coefficient β	T Value	P Value
H1	Managers' attitudes, opinions and perceptions → EFS	.36	4.53	.00
H2	The concerns of foreign customers → EFS	.25	2.13	.05
H3	Pressure of foreign regulatory agencies and governments → EFS	.23	4.04	.00
H4	Pressure of NGOs/ Social stakeholders → EFS	.42	5.54	.00
H5a	EFS → Differentiation competitive advantage	.27	3.15	.00
H5b	EFS → Cost leadership competitive advantage	.18	1.82	0.15

ecological matters are likely to be implanted in the firm's export strategies (Banerjee et al., 2003; Menon & Menon, 1997; Stone & Wakefield, 2000). Such managerial sensitivity is also critical in sending a message to all employees about demonstrating commitment to environmental issues across all levels and functional areas of the organization. Many Vietnamese export enterprises also clearly affirmed the leading role of senior leaders in their EFS such as General Director Bui Viet Quang of Song Hong Garment Joint Stock Company; Chairman Le Van Quang of Minh Phu seafood corporation

With regard to H2, which connects environmental foreign customers' concerns in the foreign market with environmentally friendly export business strategy, was confirmed (β = .25, t = 2.13, p = .00). This result is in line with findings in domestic business research (e.g., Kassinis & Vafeas, 2006; Langerak et al., 1998; Menon & Menon, 1997) that highlight the driving role of public opinion in making organizations more sensitive to ecological issues. Discussions with export managers revealed that environmental foreign customers' concerns are more evident in more economically advanced countries that have stringent regulatory systems, as well as in multiple consumer groups, advocacy groups, and other pressure groups with an interest in protecting the environment.The results of the discussion with the leaders of Vietnamese export enterprises showed that: in developed countries, consumers are more concerned with the environment and therefore Vietnamese export enterprises must gradually turn to EFS to meet the needs of customers.

Hypothesis H3 - "Pressures from foreign governments and authorities about environmental issues have a positive impact on on the export firm's adoption of EFS" is confirmed when β =. 23, t = 4.04, p = .00. This conclusion is also consistent with studies before emphasizing the role of the government and regulators as the coercive pressure to force firms that want to export goods in that market to turn to EFS (Zhu & Sarkis, 2007), or otherwise, will face export bans in that market (Henriques & Sadorsky, 1999). For example, for agricultural products, the US requires all imported agricultural products to meet the standards of US Department of Agriculture (USDA); The European Community requires imported fresh fruits and vegetables to meet EU market standards for quality and labeling; Japan requires imported products to comply with the provisions of the Law on Food Sanitation, Law on Agricultural Standards of Japan and the Law of Measurement... Or as the advice of an international consultant under the trade and investment policy support project of Europe (EU-MUTRAP) for Vietnamese seafood exporters: "if quality is not guaranteed, product origin cannot be proven, many Vietnam seafood exporters to EU market is at risk of severe fines, even fines with the amount of millions of USD ". The specific requirements, strict regulations on quality, food hygiene, safety and the environmental requirements of foreign governments and

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authorities have a strong impact on the pursuit of EFSs of Vietnamese export enterprises.

With β = .42, t = 5.54, p = .00, hypothesis H4 affirms that the pressure of social stakeholders has a positive impact on the pursuit of EFSs of Vietnamese exporters. The results of this study once again highlight the role of public interest groups such as environmental organizations, non-governmental organizations, industry associations, and the media... in shifting export strategy towards green as some previous studies (For example: Sharma & Starik (2004), Freeman (1984)...). Regarding agricultural sector, organic agricultural certifications such as IFOAM, USDA Organic certification or producer-based management system regulations such as ISO 14001 certification, audit and ecological management systems (Eco-Management and Audit Scheme - EMAS), SA8000 certification is sometimes a necessary condition to export products to European and American markets. For textiles, The Global Organic Textile Standard (GOTS) is the world's leading standard for organic fibers, including the criteria for ecological environment, social equity, independently certified and requirements so that Vietnamese textiles and garments can be exported to difficult markets. For seafood export, obtaining certification from prestigious organizations such as the Aquaculture Management Council (ASC), Global Gap, certified for organic farming products such as EU Bio, Bio Suisse... will help Vietnamese seafood exporters to be confident in competing in European markets. It can be said that the demand for environmental certification, organic certification, ecological certification... of non-governmental organizations, unions, environmental organizations... increasingly shows as great pressure for Vietnamese export enterprises shift to EFSs.

The results of the study on the impact of EFS on competitive advantage (hypothesis 5) showed interesting findings when asserting that EFS creates conditions for developing differentiated competitive advantages (β = .27, t = 3.15, p = .00) but not effective in creating low cost advantage (β = .18, t = 1.82, p = .15). Hypothesis H5a is confirmed to create confidence and expectation for Vietnamese exporters to pursue EFSs and build a different image on the international market, which is an eco-friendly, organic and ecological image. This conclusion is consistent with the conclusions of some foreign studies such as (Leonidou et al., 2015a; López-Gamero & Molina-Azorín, 2016; Shrivastava, 1995). However, the negation of the H5b hypothesis provides doubtful evidence about the possibility of cost reduction in export markets when pursuing EFSs. Perhaps, when pursuing this strategy, Vietnamese exporters can meet the necessary minimum environmental standards in foreign markets, but have not really actively applied environmental sustainability practices to be able to significant savings from recycling, fuel economy or economies of scale, as shown by research (Miles et al., 2015).

5. Conclusions and Implications

The above research results have shown the positive influence of primary stakeholders (managers' attitudes, views and perceptions; foreign customers' concerns in environmental issues) and secondary stakeholders (pressure from regulatory agencies and governments of exporting countries; pressure from social stakeholders) to pursue EFSs of Vietnam exporters. In addition, pursuing EFSs helps Vietnamese exporters gain differentiated competitive advantages rather than low cost competitive advantage. Our findings have implications for both public policymakers and Vietnamese exporters.

(1) For public policymakers

With research results confirmed that when pursuing EFSs, Vietnamese exporters can achieve differentiated competitive advantages, public policy makers should convey to Vietnamese exporters that: approaching EFSs in exports will help them strengthen their presence in the international markets. The green, eco friendly image of the firm in international markets will be differentiated from other competitors and therefore will remain in mind of customers, helping positioning the firm well in international markets. The achiviement of differen-

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tiated competitive advantage when pursuing EFSs will create a motivation to attract other exporters to consider of switching to EFSs. In addition, the results also showed that pressures from NGOs/social stakeholders and governments of exporting countries have a positive impact on the "green" choice in exporting strategies. This draws some of the implications for public policy makers:

(i) Public policy makers should consider diversifying incentive policies to shift to EFSs. Such policies can be special incentives (for example, tax reduction for green-labeled products, tax reduction for businesses interested in ecological issues) to encourage companies to pay attention to more ecological problems when exporting; green award/certificates (for example, green export award of the year, certificate of green export enterprise) for enterprises that have achieved a high level of environmental standards in exports; Free consultation/consultation for exporters wishing to take advantage of ecological issues as a distinct competitive advantage in foreign markets...

(ii) Public policy makers should strengthen policies to enforce environmental responsibility for manufacturing enterprises in general and export enterprises in particular. Only when the legal regulations and social norms associated with domestic environmental factors are strong enough to put greater pressure on enterprises, EFSs will be considered by exporting enterprises.

(2) For Vietnamese Exporters

The managers of Vietnamese exporters need to understand the important role of EFSs in foreign markets if they want to achieve a differentiated competitive advantage, ensuring sustainable development. However, in order to apply such strategy, senior managers' attitudes, views and perceptions have a strong impact on promoting the application of quality property. Therefore, perceptions, views and attitudes about environmental issues must be respected, especially from top managers and managers in the export department, which is responsible for the operations of company in foreign markets. Top managers of exporting enterprises need to instill a set of appropriate values (e.g. sustainability, conservation, reproducibility, ecology) among employees to facilitate ideas and actions towards the environment, developing a green culture in the company.

Research results also showeds the concerns of customers in foreign markets about ecological issues; pressure from regulatory agencies and governments of exporting countries; pressure of NGOs/social stakeholders on environmental issues are 03 external environmental factors that push Vietnamese export enterprises to apply EFSs. This requires top managers of Vietnamese exporters to regularly review and research foreign markets to understand the level of customer environmental concerns and update regulations and environmental requirements on different export markets. This will help them update and adjust EFSs to meet the requirements of the export market. In addition, the affirmation of the obtained competitive advantage of EFS as a differentiated competitive advantage, not low-cost competitive advantage, has implications for exporters in considering the level of proactivity when switching to EFS. Perhaps EFS requires longer time for Vietnamese exporting enterprises to gain economies of scale to cut costs; or the more proactive approach in export quality instead of passively meeting new environmental criteria and standards can help firms save significantly from recycling, saving fuel as research by (Miles et al.., 2015). Anyway, more research is needed to confirm this for Vietnamese exporting enterprises.

This paper limits the research on stakeholders affecting the adoption of EFSs of Vietnamese export enterprises and expected competitive advantages, so the implications for public policy makers and other firms' managers still have many limitations. In the future, we will continue to expand our research when considering more about the effects of firms' size and export experience on EFSs. In addition, the research on the impact of EFSs on the strategic performance (in terms of the market and in terms of finance) is also necessary to emphasize the motiva-

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tion for exporting enterprises when switching to EFSs. Such future research directions will help clarify recommendations made for Vietnamese exporters and policy makers.◆

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Summary

Bài nghiên cứu là một trong những nghiên cứu của chúng tôi về chiến lược kinh doanh xanh với mục đích nghiên cứu ảnh hưởng của các bên liên quan đến việc theo đuổi loại hình chiến lược này cũng như những lợi thế cạnh tranh đạt được đối với các DN xuất khẩu Việt Nam từ góc độ tiếp cận các bên liên quan. Bằng việc điều tra 275 nhà quản lý thuộc 75 DN xuất khẩu nông sản, thủy sản và dệt may, bài nghiên cứu khẳng định rằng thái độ, nhận thức, quan điểm của các nhà quản lý cấp cao; sự quan tâm của khách hàng trên thị trường nước ngoài; sức ép của các cơ quan quản lý và chính phủ các quốc gia xuất khẩu; sức ép của các bên liên quan xã hội về vấn đề môi trường có tác động tích cực đến việc theo đuổi chiến lược xuất khẩu xanh của các DN xuất khẩu Việt Nam. Ngoài ra, việc theo đuổi chiến lược này giúp các DN điều tra đạt được lợi thế cạnh tranh khác biệt hóa chứ không phải lợi thế chi phí thấp. Kết quả nghiên cứu là gợi ý để tác giả đưa ra hàm ý, kiến nghị đối với các nhà hoạch định chính sách công và các DN xuất khẩu Việt Nam để thúc đẩy hơn nữa việc áp dụng chiến lược xuất khẩu xanh.

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THE IMPACT OF LAGGED PROFITABILITY ON THE FINANCIAL PERFORMANCE MEASURED BY THE MARKET VALUE OF FOOD PROCESSING COMPANIES LISTED ON VIETNAM'S STOCK EXCHANGE

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This study focuses on the influence of lagged profitability on financial performance measured by the company's market value in the context of an emerging transitional economy. In order to complete the research goals, the data of 29 listed food manufacturing companies in Vietnam in the period from 2014 to 2019 is used. The data is analysed by using software STATA 14. The empirical results show that both lagged variables including ROA and ROE have a significantly positive impact on financial performance measured by Tobin's Q.

Keywords: *Profitability, Financial performance, Market value, Food manufacturing industry*

Introduction

Financial performance is an issue attracting the attention from many investors and managers of a company, because it plays an integral role in firm development. Based on improving financial performance, a company can enhance its reputation. Therefore, this is one of the most important goals of managers. However, evaluating result of business operations through ratios calculated by data in financial statement of a company only shows values in the past, it is not the current firm market values, and as a consequence, there is some differences among these ones. In addition, the company's financial statements do not include market value, so they do not adequately meet management's performance evaluation objectives. For the reasons above, economists developed other measurement tools like Tobin's Q, MB, MVA,… of which, Tobin's Q has been most used by analysts. Moreover, studying the determinants of firm financial performance in terms of time is also also considered by researchers. Specifically, many of them have investigated the effect of lagged profitability on the current firm financial performance. Lagged profit rate or lagged profitability is the firm profitability in the periods preceding the study period (Yazdanfar, 2013). Numerous researchers indicate that lagged profitability significantly affect the current financial performance. Therefore, considering this factor is meaningful to suggesting useful solutions to improve the firm financial performance. In this study, I evaluate the impact of lagged profitability on the firm financial performance (that is measured by the market value).

Vietnam is an agricultural country, so food manufacturing companies play an important role in the