THE RELIABILITY STATISTICS OF THE ESSENTIAL FACTORS AFFECTING A SUCCESSFUL START-UP IN VIETNAM

Dr. Nguyen Van Dung[1] and Dr. Phan Thanh Tam[2]

Lecturer of Lac Hong University (LHU),

ABSTRACT: *In Vietnam, never the phrase "Start-up" is mentioned as much as in recent days. It's like an impulse to act from a practical need. The year of 2016 was also chosen by the Government as the Year of Start-up. That is the good sign as the leaf spring newspapers. The core point when it comes to the spirit of starting a country and starting a business or individual is to think creatively and ceaselessly of the nation as well as of every individual and enterprise. Starting a business and continuous creative energy with a sense of fortitude is one of the key motivations for nation, enterprises and individuals to thrive if they do not want to a successful Start-up in Vietnam. The objective of the study is to test the reliability statistics of the key factors which affecting a successful startup in Vietnam. There were 200 managers of small and medium enterprises (SMEs) interviewed and answered about 13 questions. Data collected from April 2017 to November 2017 for managers of SMEs. The paper had been analyzed Cronbach's Alpha testing and the result of Cronbach's Alpha analysis which used for multiple regression analysis (next research). Managers' responses measured through an adapted questionnaire on a 5-point Likert scale (Conventions: 1: Completely disagree, 2: Disagree, 3: Normal; 4: Agree; 5: completely agree). Hard copy and online questionnaire distributed among 100.000 managers in Vietnam. The research results processed from SPSS 20.0 software.*

KEYWORDS: Start-Up, Factor, Business Start-Up, LHU

INTRODUCTION

In Vietnam, small and medium enterprises are the important roles and dominant enterprises in the economy, accounting for nearly 97% of the total number of enterprises nationwide, employing up to 51% of social workers and contributing more than 40% of GDP... Besides, SMEs had the amount of taxes and fees they have paid to the State that has increased 18.4 times in 10 years. The above mentioned numbers have confirmed the importance and value that private enterprises contributed to Vietnam economy for many years. However, according to some pocket statistics from 100 people who have started their businesses in the last two years, 80% are at risk of dissolution in the first year of operation. The main reason is the lack of knowledge such as human resource plan, marketing research, a business plan… and lack of practical experience in business environment. Clearly, Vietnam is witnessing the rise of a younger generation of young entrepreneurs. They are confident, drastic, strong to create their own jobs and for many others. However, for young entrepreneurs to succeed, they need the companionship of many organizations and individuals.

In addition, over the past four years, a new "flow" of startups has emerged and marked a bold mark in Vietnam. Despite the difficulties, Vietnam's start-up market still ranks among the top three emerging markets in Southeast Asia, along with Thailand and Indonesia. This proves that Vietnam's entrepreneurial market has the vitality and potential to develop in the future.

Moreover, the first quarter of 2016 may not be a good time for the Vietnamese economy, at least on the books side, as the economy grows to a modest 5,46%, much lower than the 6.12% level of the first quarter of 2015. This is not to mention a series of issues that are weighing down on the economy, such as the record salt melt in the Mekong Delta, public debt and budget overspending have become overwhelming. However, this can be seen as encouraging signals as we dare openly and look directly at the most serious problems of the country and economy. And only in the light of all these difficulties can be Vietnam embark on the goal and also the only way out of the country and the economy is to "Become a startup country"… Facing this situation, the researchers had chosen topic **“*THE RELIABILITY STATISTICS OF THE ESSENTIAL FACTORS AFFECTING A SUCCESSFUL START-UP IN VIETNAM*”** as a paper. The objective of this paper is to help policy makers who apply them for improving policy on the management of the successful Start-up in Vietnam.

LITERATURE REVIEW

Human Resource Plan (HRP): It is the process of forecasting the future human resource requirements of the organization and determining as to how the existing human resource capacity of the organization can be utilized to fulfill these requirements. It, thus, focuses on the basic economic concept of demand and supply in context to the human resource capacity of the organization. It is the HRP process which helps the management of the organization in meeting the future demand of human resource in the organization with the supply of the appropriate people in appropriate numbers at the appropriate time and place. Further, it is only after proper analysis of the HR requirements can the process of recruitment and selection be initiated by the management. Also, HRP is essential in successfully achieving the strategies and objectives of organization. In fact, with the element of strategies and long term objectives of the organization being widely associated with human resource planning these days, HR Planning has now become Strategic HR Planning. **Mathis, R.L; Jackson, J.H (2003).**

Human Resource Plan (HRP) may be defined as strategy for acquisition, utilization, improvement and preservation of the human resources of an enterprise. The objective is to provide right personnel for the right work and optimum utilization of the existing human resources. HRP exists as a part of the planning process of business. This is the activity of the management which is aimed at coordinating requirements for and the availability of different types of employers. The major activities of HRP include: forecasting (future requirements), inventorying (present strength), anticipating (comparison of present and future requirements) and planning (necessary program to meet future requirements). Human Resource Planning involves gathering of information, making objectives, and making decisions to enable the organization achieve its objectives and goals. Surprisingly, this aspect of HR is one of the most neglected in the HRM field. When Human Resource Planning is applied properly in the field of Human Resource Management. **Kaufman, Bruce E. (2008).**

Marketing research: It is "the process or set of processes that links the producers, customers, and end users to the marketer through information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications. It is the systematic gathering,

recording, and analysis of qualitative and quantitative data about issues relating to marketing products and services. The goal of marketing research is to identify and assess how changing elements of the marketing mix impacts customer behavior. The term is commonly interchanged with market research; however, expert practitioners may wish to draw a distinction, in that market research is concerned specifically with markets, while marketing research is concerned specifically about marketing processes. **Kotler, Philip and Armstrong, Gary (2007).**

A business plan: It is a formal statement of business goals, reasons they are attainable, and plans for reaching them. It may also contain background information about the organization or team attempting to reach those goals. Business plans may target changes in perception and branding by the customer, client, taxpayer, or larger community. When the existing business is to assume a major change or when planning a new venture, a 3 to 5-year business plan is required, since investors will look for their investment return in that timeframe. Business plans may be internally or externally focused. Externally focused plans target goals that are important to external stakeholders, particularly financial stakeholders. They typically have detailed information about the organization or team attempting to reach the goals. With for-profit entities, external stakeholders include investors and customers. External stake-holders of non-profits include donors and the clients of the non-profit's services. For government agencies, external stakeholders include tax-payers, higher-level government agencies, and international lending bodies such as the International Monetary Fund, the World Bank, various economic agencies of the United Nations, and development banks. **Pinson, Linda, (2004).**

Internally focused business plans target intermediate goals required to reach the external goals. They may cover the development of a new product, a new service, a new IT system, a restructuring of finance, the refurbishing of a factory or a restructuring of the organization. An internal business plan is often developed in conjunction with a balanced scorecard or a list of critical success factors. This allows success of the plan to be measured using non-financial measures. Business plans that identify and target internal goals, but provide only general guidance on how they will be met are called strategic plans. Operational plans describe the goals of an internal organization, working group or department. Project plans, sometimes known as project frameworks, describe the goals of a particular project. They may also address the project's place within the organization's larger strategic goals. **Eric S. Siegel, Brian R. Ford, (1993).**

A start-up: It is a company that is designed to grow rapidly, as programmer, venture capitalist and Y Combinatory founder Paul Graham explained in his 2012 essay, "Startup = Growth." Many of the most successful start-up in history have seen enormous growth in revenues and user numbers from one month or even one week or one day to the next. A startup is a company that is in the first stage of its operations. These companies are often initially bankrolled by their entrepreneurial founders as they attempt to capitalize on developing a product or service for which they believe there is a demand. Due to limited revenue or high costs, most of these small-scale operations are not sustainable in the long term without additional funding from venture capitalists. **Robehmed, Natalie (2013).**

METHODS OF RESEARCH

The researcher selected one of these methods of collecting the data taking into consideration the nature of investigation, objective and scope of the inquiry, financial resources, available time and the desired degree of accuracy. Though the researchers pay attention to all these factors but much depends upon the ability and experience of the researcher and experts.
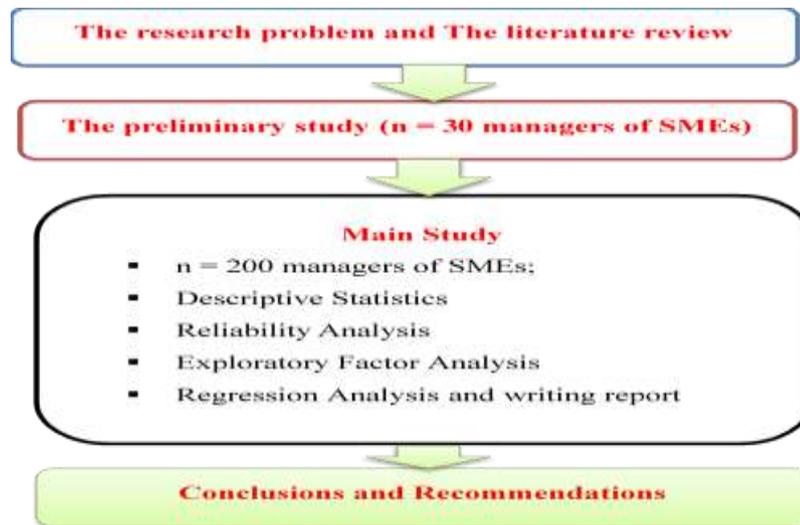
Figure 1: Research process for the various factors affecting the successful start-up

This study consists of two phases: Phase one is a preliminary study and the second phase is a formal and more comprehensive study. The study is done by qualitative method. The Research will be done by formal quantitative methods. Unit of analysis is a manager of SMEs.

The preliminary study for manager of SMEs was conducted in June 2017, using qualitative methods to interview 30 managers of SMEs to examine the content and meaning of the words used in the scale. Following this, the formal study was conducted in July 2017. The researchers had been using qualitative methods to interview 200 managers of SMEs to answere 13 questions belowed. After the data have been collected, the researchers turn to the task of analyzing them. The analysis of data requires a number of closely related operations such as establishment of categories, the application of these categories to raw data through coding, tabulation and then drawing statistical inferences.

- Coding operation is usually done at this stage through which the categories of data are transformed into symbols that may be tabulated and counted.

- Editing is the procedure that improves the quality of the data for coding. With coding the stage is ready for tabulation.

- Tabulation is a part of the technical procedure wherein the classified data are put in the form of tables. The mechanical devices can be made use of at this juncture. A great deal of data, especially in large inquiries, is tabulated by computers. Computers not only save time but also make it possible to study large number of variables affecting a problem simultaneously.

The research Data collected were tested by the reliability index (excluding variables with correlation coefficients lower < 0.30 and variable coefficient Cronbach's alpha < 0.60), factor analysis explored (remove the variable low load factor < 0.50). The hypothesis was tested

through multiple regression analysis with linear Enter method. Conventions: 1: Completely disagree, 2: Disagree, 3: Normal; 4: Agree; 5: completely agree. Data collected were tested by the reliability index (excluding variables with correlation coefficients lower < 0.30 and variable coefficient Cronbach's alpha < 0.60), factor analysis explored (remove the variable low load factor < 0.50).

RESEARCH RESULTS

Table 1: The various factors affecting the successful Start-up

Code	Human Resource Plan (HRP)	Sources
HRP1	Current HR Supply: Start-up analyzes the human resource (HR) quality that is sufficient to needs for the management of the successful business such as skills, talents, competencies, qualifications, experience, age, tenures...	Pinson
HRP2	Future HR demand: Start-up has analysis of the future workforce requirements of the business that have all the known HR variables like attrition, lay-offs, foreseeable vacancies, retirements, promotions, pre-set transfers...	Daniels
HRP3	Demand forecast: Start-up has the assessment of the current human resource availability in the organization is good for the successful business.	Experts
HRP4	HR sourcing strategy and implementation: The start-up develops planning to meet these gaps as per the demand forecast created by them. This may include conducting communication programs with employees, relocation, talent acquisition recruitment and outsourcing, talent management, training and coaching, and revision of policies.	Pinson
Code	Marketing Research (MR)	Sources
MR1	Start up analyzes macro & micro economic data include: Supply & Demand, GDP, Price change, Economic growth, Sales by sector/industries, interest rate, number of investment/ divestment, CPI, Social analysis, etc.	Pirolo
MR2	Start up analyzes the implement the marketing mix concept, which is consist of: Place, price, product, promotion, people, process, physical evidence and also political & social situation to analyze global market situation, etc.	Pirolo
MR3	Start up analyzes market trends, growth, market size, market share, market competition include: channel mapping identities of key channels, drivers of customers loyalty and satisfaction, brand perception, satisfaction levels, current competitor-channel relationship analysis, etc.	Experts
Code	Business Plan (BP)	Sources
BP1	Start up analyzes business plans that are decision-making tools. The content and format of the business plan is determined by the goals and audience. A business plan for a project requiring equity financing will need to explain why current resources.	Edelman
BP2	Start up has to prepar a business plan draws on a wide range of knowledge from many different business disciplines: finance, human resource management, intellectual property management, supply chain management, operations management, and marketing, among others…	Edelman
BP3	Start up has to write a good business plan can help to make a good business credible, understandable, and attractive to someone who is unfamiliar with the business. Writing a good business plan by SWOT analysis.	Experts
Code	The Successful Start-up (SS)	Sources
SS1	Human resource planning (HRP) is the essential factor contributing to a successful startup in Vietnam	Experts
SS2	Marketing research (MR) is the essential factor contributing to a successful startup in Vietnam	Authors
SS3	Business Plan (BP) is the essential factor contributing to a successful startup in Vietnam	Mazzarol

(Source: The researchers' collecting data and experts)

Table 1 showed that there are 13 variables included: Human Resource Plan (HRP) has 4 variables, from HRP1 to HRP4. Marketing Research (MR) has 3 variables, from MR1 to MR3. Business Plan (BP) has 3 variables, from BP1 to BP3. The successful start-up (SS) has 3 variables, from SS1 to SS3.

Table 2: Demography results for frequencies of Statistics

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	54	31.6	31.6	31.6
	Male	117	68.4	68.4	100.0
	Total	171	100.0	100.0	

Family situation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	56	32.7	32.7	32.7
	Married	115	67.3	67.3	100.0
	Total	171	100.0	100.0	

The level of the knowledge

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Postgraduate	3	1.8	1.8	1.8
	College	37	21.6	21.6	23.4
	Graduate	131	76.6	76.6	100.0
	Total	171	100.0	100.0	

Experienced

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 5 years	24	14.0	14.0	14.0
	From 5 to 10 years	120	70.2	70.2	84.2
	More than 10 years	27	15.8	15.8	100.0
	Total	171	100.0	100.0	

Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 5 million VND	16	9.4	9.4	9.4
	From 5 to 10 million VND	133	77.8	77.8	87.1
	More than 10 million VND	22	12.9	12.9	100.0
	Total	171	100.0	100.0	

(Source: The researchers' collecting data and SPSS)

Table 2 showed that demography results for frequencies of statistics is 171 managers but survey data of 200 the managers of SMEs in Vietnam and 171 managers processed (29 samples lacked of the information) by SPSS 20.0. Besides, demography results following: Gender, female has 54 persons with 31.6 percent; male has 117 persons with 68.4 percent. Family situation, single has 56 persons with 32.7 percent, married has 115 persons with 67.3 percent. The level of the knowledge, postgraduate has 3 persons with 1.8 percent, graduate has 131 persons with 76.6 percent. Experiences, under 5 years has 24 persons with 14.0 percent, from 5 to 10 years has 120 persons with 70.2 percent, more than 10 years has 27 persons with 15.8 percent. And

Income, under 5 million VND has 16 persons with 9.4 percent, from 5 to 10 million VND has 133 persons with 77.8 percent, more than 10 million VND has 22 persons with 12.9 percent.

Table 3: Cronbach's Alpha testing for Human Resource Plan (HRP)

Reliability Statistics

Cronbach's Alpha	N of Items
.893	4

Item-Total Statistics

Code	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
HRP1	9.3743	7.671	.688	.890
HRP2	9.2632	7.019	.774	.859
HRP3	9.1462	7.243	.828	.839
HRP4	9.3567	7.513	.773	.860

(Source: The researchers' collecting data and SPSS 20.0)

Table 3 showed that all of variables of **Human Resource Plan (HRP)** surveyed Corrected Item-Total Correlation greater than 0.3 and Cronbach's Alpha if Item deleted greater than 0.6 and Cronbach's Alpha is very reliability. Such observations make it eligible for the survey variables after testing scale. Conclusion, Cronbach's Alpha of the Human Resource Plan (HRP) is 0.893 > 0.6. That is very good for following next research.

Table 4: Cronbach's Alpha testing for Marketing Research (MR)

Reliability Statistics

Cronbach's Alpha	N of Items
.931	3

Item-Total Statistics

Code	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
MR1	5.8538	6.643	.924	.844
MR2	5.6784	7.678	.837	.915
MR3	5.9064	7.838	.817	.930

(Source: The researchers' collecting data and SPSS 20.0)

Table 4 showed that all of variables of **Marketing Research (MR)** surveyed Corrected Item-Total Correlation greater than 0.3 and Cronbach's Alpha if Item deleted greater than 0.6 and Cronbach's Alpha is very reliability. Such observations make it eligible for the survey variables after testing scale. Conclusion, Cronbach's Alpha of the Marketing Research (MR) is 0.931 > 0.6. That is very good for following next research.

Table 5: Cronbach's Alpha testing for Business Plan (BP)

Reliability Statistics

Cronbach's Alpha	N of Items
.855	3

Item-Total Statistics

Code	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BP1	5.8187	6.138	.703	.819
BP2	5.8596	6.004	.775	.753
BP3	5.8070	5.968	.705	.818

(Source: The researchers' collecting data and SPSS 20.0)

Table 5 showed that all of variables of **Business Plan (BP)** surveyed Corrected Item-Total Correlation greater than 0.3 and Cronbach's Alpha if Item deleted greater than 0.6 and Cronbach's Alpha is very reliability. Such observations make it eligible for the survey variables after testing scale. Conclusion, Cronbach's Alpha of the Business Plan (BP) is $0.855 > 0.6$. That is very good for following next research.

Table 6: Cronbach's Alpha testing for the Successful Start-up (SS)

Reliability Statistics

Cronbach's Alpha	N of Items
.678	3

Item-Total Statistics

Code	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SS1	6.7251	1.565	.434	.656
SS2	6.6608	1.143	.505	.576
SS3	6.6023	1.253	.553	.501

(Source: The researchers' collecting data and SPSS 20.0)

Table 6 showed that all of variables of **the Successful Start-up (SS)** surveyed Corrected Item-Total Correlation greater than 0.3 and Cronbach's Alpha if Item deleted greater than 0.6 and Cronbach's Alpha is very reliability. Such observations make it eligible for the survey variables after testing scale. Conclusion, Cronbach's Alpha of the Successful Start-up (SS) is $0.678 > 0.6$. That is very good for following next research.

Table 7: Descriptive Statistics for factors affecting the Successful Start-up (SS)

Code	N	Minimum	Maximum	Mean	Std. Deviation
BP1	171	1.00	5.00	2.9240	1.35041
BP2	171	1.00	5.00	2.8830	1.30533
BP3	171	1.00	5.00	2.9357	1.38541
MR1	171	1.00	5.00	2.8655	1.50276
MR2	171	1.00	5.00	3.0409	1.39054
MR3	171	1.00	5.00	2.8129	1.38056
HRP1	171	1.00	5.00	3.0058	1.02611
HRP2	171	1.00	5.00	3.1170	1.08373
HRP3	171	1.00	5.00	3.2339	.99008
HRP4	171	1.00	5.00	3.0234	.98191
SS1	171	2.00	5.00	3.2690	.59223
SS2	171	2.00	5.00	3.3333	.76696
SS3	171	2.00	5.00	3.3918	.68061
Valid N (listwise)	171				

(Source: The researchers' collecting data and SPSS 20.0)

Table 7 showed that in short, descriptive statistics is to describe and understand the features of a specific data set, by giving short summaries about the sample and measures of the data. The most recognized types of descriptive statistics are the mean, max and min, std. deviation which are used at almost all levels of math and statistics. However, there are less-common types of descriptive statistics that are still very important. Besides, Mean is around 3.0 and Std. Deviation is around 1.0. This showed that the Data is very good for the next research.

CONCLUSIONS

The purpose of the paper is to test reliability statistics of factors that are most important roles for the success of a startup. The first of the purpose is to find out a conceptual model that is designed in which three main factors determine the success of a startup. The second of the purpose is to organize a survey for managers of SMEs. The final is to find out a correlation analyses was done based on 171 respondents. Data collected from April 2017 to November 2017 for managers of SMEs. The paper had been analyzed and tested Cronbach's Alpha and the result of Cronbach's Alpha analysis is more than 0.6 and which used for the next research. In short, in a startup environment like Vietnam, CEOs, founders who want to succeed to need to constantly learn and cultivate selectively. "CEOs, founders who have succeeded or are very close to success, they always improve their knowledge, are willing to learn and hard - working".

REFERENCES

Ary, D., Jacobs, L., Sorensen, C. & Razavieh, A. (2009). *Introduction to research in education (8th ed.)*. Belmont, CA: Wadworth.

Berg, B. (2001). *Qualitative research methods for the social sciences*. Boston: Allyn and Bacon.

Blaug, Mark (2007). *The Social Sciences: Economics*. The New Encyclopædia Britannica.

Daniels, J., Radebaugh, L., Sullivan, D. (2007). *International Business: environment and operations, 11th edition*. Prentice Hall. ISBN.

Edelman, L. F. et al. (2010). *Start-up Motivations and Growth Intentions of Minority Nascent Entrepreneurs*. Journal of Small Business Management.

Eric S. Siegel, Brian R. Ford, Jay M. Bornstein (1993). *The Ernst & Young Business Plan Guide*. New York: John Wiley and Sons, ISBN.

Johnason, P. (2009). *HRM in changing organizational contexts. In D. G. Collings & G. Wood (Eds.)*. Human resource management: A critical approach (pp. 19-37). London: Routledge.

Joshi, Rakesh Mohan, (2005). *International Marketing, Oxford University Press*. New Delhi and New York.

Kaufman, Bruce E. (2008). *Managing the Human Factor: The Early Years of Human Resource Management in American Industry*. Ithaca, New York: Cornell University Press.

Kotler, Philip and Armstrong, Gary (2007). *Principles of Marketing Pearson*. Prentice Hall, New Jersey.

Lussier, R. N., & Achua, C. F., (2010). *Leadership, Theory, Application, & Skill Development. (4th ed)*. Mason, OH: South-Western Cengage Learning.

Mathis, R.L; Jackson, J.H (2003). *Human Resource Management*. Thomson.

Mazzarol, T., Volery, T., Doss, N., & Thein, V. (1999). *Factors influencing small business start-ups*. International Journal of Entrepreneurial Behavior and Research.

Merriam, S. (1998). *Qualitative research and case study applications in education*. San Francisco.

Mumford, M. D.; Zaccaro, S. J.; Harding, F. D.; Jacobs, T. O.; Fleishman, E. A. (2000). *Leadership skills for a changing world solving complex social problems*. The Leadership Quarterly.

Pinson, Linda. (2004). *Anatomy of a Business Plan: A Step-by-Step Guide to Building a Business and Securing Your Company's Future (6th Edition)*. Page 20. Dearborn Trade: Chicago, USA.

Pirolo, L., Presutti, M. (2010). *The Impact of Social Capital on the Start-ups' Performance Growth*. Journal of Small Business Management.

Robehmed, Natalie (2013). What is a Startup? Forbes. Retrieved.