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HOW TO IMPROVE SHAREHOLDER VALUE CREATION: WITH SPECIAL REFERENCE TO LISTED FOOD MANUFACTURING COMPANIES IN VIETNAM

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This article studies the impact of factors on shareholder value creation in a developing economy. We carried out an investigation into 40 listed food processing companies in Vietnam from 2015 to 2019. In this study, the regression analytical technique is used to study more deeply the effects of variables on shareholder value creation of food processing companies. The research helps us to have some conclusions. First, the financial performance of listed food-producing companies in Vietnam significantly impacts their shareholder value creation. Second, our research suggests that changes in the leverage, asset management, and flexibility of business operations could modify the firm financial performance, leading to the influence on shareholder value creation of Vietnam listed companies manufacturing food products. Despite extensive prior research on the subject, none of them delves deeper into how to improve shareholder value creation in Vietnam's listed food-producing companies. Instead of determining measures that can directly enhance shareholder value creation, our research suggests that this goal could be achieved through making decisions to change the internal factors of a company. Although the aim of "maximizing shareholder wealth" is achieved by solutions built based on the bridging effects of internal factors, they are more detailed and easier to implement.

Keywords: *Shareholder value creation, Firms Manufacturing Food Products, Financial Performance.*

JEL Classifications: *G30, G32, G41, M40*

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1. Introduction

Shareholder value creation is an integral part of the development plan of a corporation because it directly relates to the most important objective of the company "maximizing the wealth of owners". To complete this target, considering its relationships with internal factors and financial performance is necessary. Theoretically, the goal of creating shareholder value could be implemented based on improving internal factors, and then financial performance. To specific, when internal factors are properly oriented, financial performance could be improved, thereby the intrinsic strength of the company could be better, the company could have a more competitive ability with other rivals, and finally enhance the value of owners. However, until now, empirical studies on that issue are still not entirely consistent with each other in the selection of criteria to represent the variables and in the conclusion on the impacts of internal factors and financial performance on shareholder value creation. Therefore, carrying out the empirical research on this issue has

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scientific and practical meaning, especially in choosing suitable representative criteria for the study sample, to have accurate research results. In Vietnam, the matter of creating shareholder value for listed companies manufacturing food products needs more attention, because their ability to increase the wealth of owners is still evaluated as incommensurate with the potential of the industry. In fact, in Vietnam, there are numerous advantages to the development of this sector. First, Vietnam is an agricultural country, helping companies easily access the input of cheap raw materials. Second, the total income per capita went up by 1.5 times from 2015 to 2019, leading to an increase in the demand for food. Third, the proportion of workers 15 years of age and above often stands at 57 percent, which is beneficial to a labor-intensive industry like the food manufacturing sector. Fourth, free trade activities are promoted, creating opportunities to expand domestic and foreign market share. Despite the above benefits, the analysis of some ratios like Return on equity (ROE), Return on capital (ROC), and Economic value added momentum (EVA momentum) reveals the unstableness of the financial performance of listed companies producing food between 2015 and 2019, that may be one of the reasons why their creation of shareholder value is not as expected. Data from those companies shows that the mean Total return on shares (TSR) saw a dramatic drop in the study period, partly reflecting a failure in the stockholder value creation. This situation makes it necessary to study the determinants of shareholder value creation of listed food manufacturers in Vietnam.

2. Literature review and Theoretical Framework

2.1. The influence of internal factors on financial performance

2.1.1. Evaluating firm financial performance

Each ratio can reveal different information. Therefore, it is necessary to analyze combinations of financial ratios to achieve meaningful research results. In this research, we use a group of three ratios including ROE, ROC, and EVA momentum to evaluate the financial performance of Vietnam listed companies manufacturing food products.

+) ROE is one of the ratios that carry a lot of information, as it uses data in both the balance sheet and the income statement. On the other hand, because of the existence of ethical risk in the relationship between owners and managers of the company, ROE is considered an effective tool for helping stockholders to assess the suitability of decisions made by managers. For those reasons, it is one of the most used indicators to evaluate the financial performance of a company (Rappaport, 1986), which is confirmed by (Monteiro, 2006). To have accurate conclusions, evaluating financial performance should be given based on comparing ROE with the cost of equity use (Brealey, R. A., Meyers, S. C. & Alan, J. M. , 2008).

+) ROC is a ratio that can rather exactly reflect the return on fee-bearing capital (consisting of interest-bearing debt and equity). ROC solely focuses on the firm's operations, so it is evaluated better than other analytical tools. In recent studies, many researchers even prefer to use ROC over ROA. The reason is that ROA is "an inadequate measure of performance" because it not only consists of "non-operating assets" but also "ignores the benefits of accounts payable and other operating liabilities that together reduce the amount of capital required from investors" (Goedhart, M. & Wessels, D. , 2010). ROC should be compared with the cost of capital, and many researchers consider the weighted average capital cost (WACC) as a suitable cost.

+) EVA momentum

In 1890, it is (Alfred, 1890) introduced the idea of using economic profit to evaluate a firm financial performance. Then researchers of (Stewart J. , 1991), and (Lehn, 1997) show that EVA is an indicator having a higher correlation with the market value of a company than traditional performance measures. (Stewart B. , 2009) introduced EVA momentum to evaluate the financial performance of a company. He called this indicator "the one ratio that tells the whole story". The effectiveness of EVA momentum is confirmed by (Mahoney, 2011) when this author said "EVA Momentum is a registered trademark of EVA Dimensions. In 2009, EVA Momentum emerged as the newest EVA-related business performance measure", and (Colvin, 2010) emphasized this in Fortune that "savvy investors

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and managers will focus on EVA Momentum." (Stewart B., 2009) demonstrated that the strong points of this measure come from some following characteristics, including EVA momentum is based on economics, not accounting; It is a measure to maximize; It is size-neutral; It is situation-neutral; It is an early warning system; It is market-calibrated. With these benefits, (Stewart B., 2009) concluded that EVA momentum is the single best performance measurement tool. In recent studies, many researchers like (Mahoney, 2011), and (Ahmed, M. F. & Suchi, D. , 2016) agree that this measure is beneficial to evaluate the firm financial performance. In conclusion, using EVA momentum as a performance measurement tool is fresh, and the empirical results are still different from each other.

2.1.2. Internal factors

- Liquidity: There have been many studies indicating the impact of solvency on the firm financial performance. Theoretically, "liquidity" plays an important role in the success of a company, because the failure to meet its obligations in due time could result in a low credit rating by the creditors, a reduction in the ability to grow in the market, and ultimately a decrease in capacity to have more capital in the future (Owolabi, S.A. and Obida, S.S., 2012). Empirically, (Zehra, M. and Azam, J., 2012), and (Lartey, V. C; Antwi, S. and Boadi, E. K., 2013) conclude that liquidity has a significantly positive influence on firm financial performance. In this study, we use the quick ratio to evaluate their capacity to meet obligations in due time, because they rely a lot on short-term debt, so eliminating low-liquidity assets is necessary. Moreover, raw materials make up the majority of inventory value, but they are not stable due to the influence of many external factors like the climate, epidemics, politics… Therefore, the current ratios of these companies fluctuate rather strongly, causing the loss of stationarity.

- Asset management: Good asset management can improve the financial performance of companies, which is proven in many studies. When assets are effectively used, they can increase the output of a company, leading to an increase in sales, and profitability could be enhanced. This indicator helps managers to know how efficiently the company's assets are used to generate sales, thereby have reasonable decisions in the next period. This ratio is used by numerous researchers like _(Wu, J., Li, Y., and Zhu, M. , 2010), and _(Seema Gupta, P. K. Jain and Surendra S. Yadav, 2011), and they indicate that the total assets turnover ratio has a significantly positive relationship with firm financial performance. In this research, the total assets turnover ratio is chosen, because the study sample is food-producing companies of which the business results depend on their ability to exploit the potential of assets.

- Leverage: Leverage provides information relating to the capital structure, so this is one of the issues shareholders are most concerned with. In various situations, a high level of debt can bring advantages or disadvantages to financial performance. To specify, when the economy is booming, or the company has a chance to develop, using debt capital is beneficial. By contrast, when the economy is in the depression period, abusing debt is a burden that can put a company at bankruptcy risk. Therefore, empirical researches have different results on the impact of leverage on the firm financial performance. (Asimakopoulos, I.; Samitas, A. and Papadogonas, T., 2009) and (Al-Jafari and Al Samman, 2015) prove that leverage has a negative correlation to financial performance, (Humera, K., Maryam, M., Khalid, Z., Sundas, S. & Bilal, S., 2011) found that additional debt can increase financial performance.

- Growth in sales: Growth in sales should be considered in research on determinants of firm financial performance because it is sales are one of the signs of business success (Deitiana, 2011). Based on this indicator, managers can partly evaluate the capacity of their company to expand the market share or launch new products. In addition, good growth in sales also helps the company to be more interested in investors, in other words, it is easy for it to access a new source of capital to catch business opportunities, and finally, improve its financial performance. Numerous empirical types of research have been carried out, and many of them like studies done by (Zeitun, 2007), and (Yazdanfar, 2013) found a positive and significant relationship between firm growth and performance.

- Firm size: Financial performance could be affected by firm size in many ways. On the one hand, a large company gets more confidence from

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its current and potential investors, creditors, its stakeholders, and even its consumers. That is proved by the high business performance of conglomerates and multinational corporations in the global economy (Abel, 2008). On the other hand, when a company becomes larger, it has to suffer from the higher cost of management. In addition, it requires managers to make more effort to give timely and accurate decisions, otherwise, the financial performance will be negatively impacted. For these reasons, there are various empirical results on the effect between firm size and financial performance. (Ayele, 2012) and (Erasmus, 2013) found a positive influence between firm size and financial performance, while (Ramasamy, 2005), (Salman, 2012) found that firm size has a negative influence on financial performance.

- Firm age: Firm age is also an internal factor that could change the firm financial performance. Some researchers (like (Agarwal, 2002), (Liargovas, 2012)) agree that older companies have more skills and experience in coping with circumstances arising in operations, choosing effective business strategies, giving the right decisions in a short time, therefore, its financial performance could be higher. However, others (such as (Sorensen, 2000)) argue that it is difficult for these companies to access new technologies of production and management, and modify operation processes to achieve higher performance, so they lose some competitive advantages compared to younger firms.

2.2. The influence of financial performance on shareholder value creation

Although theories indicate the importance of improving shareholder wealth, the number of studies on the effect of financial performance on shareholder value creation is not abundant, and their conclusions on this issue are rather different. The empirical research of (Mahoney, 2011) shows that EVA momentum is related to the future value of the company that is measured by market and total capitalization. About this issue, (Aziz, 2011) concluded that EVA momentum has a negative correlation with the ratio of total real estate assets over gross tangible assets. Similarly, the empirical study results of (Ahmed, M. F. & Suchi, D. , 2016) show an inverse relationship between EVA momentum and shareholder wealth creation. By contrast, (Nakhaei, 2013) carried out an empirical study to determine the impact of some value-based performance measures (including EVA, EVA momentum, REVA) and accounting measures (consisting of net profit and operating profit) on shareholder value. However, this research can not give any conclusive evidence supporting whether EVA or EVA-related measures have a significant relationship with stock performance.

2.3. The variables measurement

In the study period, the Vietnamese corporate income tax was changed in 2016 (from 22% to 20%). Therefore, the tax used to compute the ROC of food manufacturing companies in 2015 was 20%, and since 2016, it is 20%.

2.4. Hypotheses and research models

Based on the literature review above, some of the following hypotheses are built in this study:

H1: Liquidity influences positively firm financial performance

H2: Asset management influences positively firm financial performance

H3: Leverage influences positively firm financial performance

H4: Growth in sales influences positively firm financial performance

H5: Firm size influences positively firm financial performance

H6: Firm age influences positively firm financial performance

H7: Firm financial performance influences positively shareholders' value creation

(1) $PER_{i,t} = \beta_0 + \beta_1 QR_{i,t} + \beta_2 ATR_{i,t} + \beta_3 LEV_{i,t} + \beta_4 SIZE_{i,t} + \beta_5 GROWTH_{i,t} + \beta_6 AGE_{i,t} + \alpha_i + \varepsilon_{i,t}$

(2) $TSR_{i,t} = \beta_0 + \beta_1 ROE_{i,t} + \beta_2 ROC_{i,t} + \beta_3 EVAM_{i,t} + \alpha_i + \varepsilon_{i,t}$

Where: PER is financial performance; QR is quick ratio; ATR is total assets turnover ratio; LEV is leverage; GROWTH is growth in sales; SIZE is firm size; AGE is firm age; TSR is total shareholder return (which measures shareholder value creation); ε is an error.

3. Data and methodology

3.1. Data

The main content of this research approach is to evaluate the influence of independent variables on

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Table 1: *The variables measurements*

Variable	Measurement
TSR	Stock price end of year - Stock price beginning of year + Dividends / Stock price beginning of year
ROE	Net income / Average Shareholder's Equity
ROC	EBIT(1 - Tax rate) / Interest-bearing debt + Equity
EVA momentum (EVM)	$EVA_1 - EVA_0$ / $Sales_0$
Quick ratio (QR)	Current assets - Inventory / Current liabilities
Total assets turnover ratio (ATR)	Sales / Total assets
Leverage (LEV)	Total liabilities / Total assets
Firm size (SIZE)	Log of Total Assets
Growth in sales (GROWTH)	$(Sales_t - Sales_{t-1})$ / $Sales_{t-1}$
Firm age (AGE)	The starting age of a business is the time from when the company started its business to the year it was researched

financial performance, and the impact of financial performance on shareholder value creation of companies manufacturing food products. To complete this research objective, the information of 40 listed Vietnamese food-producing companies is used. The dataset has to meet some requirements including 40 selected companies must be listed at least from 2015; There is no disruption in their business operation.

3.2. Research method

Data processing techniques include calculating data analysis model is assisted by STATA version 14. Firstly, we determine the fit model (Chow test, Breusch, and Pagan Lagrangian multiplier test, and Hausman test are used to help me to choose the appropriate model for the research sample). Secondly, the Wald test and Wooldridge test are used to check the existence of heteroskedasticity and the autocorrelation problem, if there are both issues, the Cluster regression will be carried out. On the other hand, if only heteroskedasticity exists, robust standard error estimation will be used.

4. Empirical results

4.1. Panel unit root test and Checking for Multicollinearity

The result of the Levin-Chin-Chu test shows that all variables in our models are stationary at the level and hence have no unit roots. In Model 1, the VIF value of the variable "SIZE" is rather high (22.39). After the variable "SIZE" is removed, it can be concluded that there is no multicollinearity problem in this model. In Model 2, according to the results of VIF, it can be concluded that there is no multicollinearity problem in this model.

4.2. Descriptive statistics

4.2.1. Internal factors

The descriptive statistics table shows that there is a difference in age of Vietnam listed companies manufacturing food products with a big gap of 54 years between the youngest and oldest firms. This situation comes from the economic history of Vietnam. Since 1986, Vietnam started to change from a centrally planned economy to "Socialist-ori-

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Table 2: *VIF result of Model 1 after removing variable "SIZE"*

Variable	VIF	1/VIF
AGE	4.58	0.218569
ATR	4.33	0.230851
LEV	2.51	0.399197
QR	2.17	0.460277
GROWTH	1.13	0.884257
Mean VIF	**2.94**	

(Result from STATA 14)

Table 3: *VIF result of Model 2*

Variable	VIF	1/VIF
ROC	1.01	0.98924
ROE	1.01	0.992059
EVAM	1.00	0.99535
Mean VIF	**1.01**	

(Result from STATA 14)

Table 4: *Descriptive statistics*

		2015	2016	2017	2018	2019
	Obs	40	40	40	40	40
GROWTH	**Mean**	1.517681	0.097213	0.08082	0.09323	-0.05191
	Std. Dev	8.692972	0.253462	0.434076	0.350522	0.305875
	Min	-0.666015	-0.371226	-0.906455	-0.588314	-0.872421
	Max	55.0539	0.690598	2.134001	1.210277	0.735919
QR	**Mean**	1.260611	1.728132	1.452845	1.095888	1.011064
	Std. Dev	1.099654	2.720531	3.051175	1.284656	0.901944
	Min	0.216339	0.004127	0.00126	0.001221	0.001889
	Max	4.622696	14.00834	19.76473	7.880794	4.918271
ATR	**Mean**	1.471683	1.385623	1.382463	1.332119	1.207737
	Std. Dev	0.949083	0.981325	1.027344	0.942002	0.929707
	Min	0.098576	0.27825	0.056457	0.071451	0.070616
	Max	5.211261	5.75894	5.600413	5.549524	5.189271
LEV	**Mean**	0.590929	0.944687	1.326035	1.596704	1.863475
	Std. Dev	0.478978	2.490063	3.635389	4.879992	6.033846
	Min	0.12552	0.048687	0.042151	0.079492	0.061698
	Max	2.833383	16.06896	19.52086	27.07494	31.77586
AGE	**Mean**	22	23	24	25	26
	Std. Dev	12.10848	12.10848	12.10848	12.10848	12.10848
	Min	4	5	6	7	8
	Max	58	59	60	61	62
SIZE	**Mean**	27.46424	27.52057	27.59205	27.65242	27.688
	Std. Dev	1.284483	1.364917	1.400868	1.457253	1.478502
	Min	25.01989	25.01989	25.01989	25.01989	25.01989
	Max	30.08336	30.08336	30.08336	30.08336	30.08336

(Calculated from financial statements of food manufacturing companies)

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ented market economy", therefore, State-owned enterprises often operate for a longer time.

In the study period, the mean values of "firm size" experienced a slight increase, showing that companies producing food products did not strongly expand their business operations, although macroeconomy had numerous positive signs with the gross domestic products rate rising from 3.78 percent to 9.58 percent, and the consumer price index fluctuating between 0.06% and 4.74%.

Between 2015 and 2019, the mean value of quick ratio of listed food producing companies saw a strong decrease from 1.73 to 1.01, showing some problems relating to solvency. This situation could come from the abuse of debt, especially short-term debt, by firms in the food sector. In 5-year period, there mean value of leverage rose significantly by more than 3 times (from 0. 59 to 1.86). There are two main following reasons leading to the high level of this indicator. First, food manufacturing companies were increasingly dependent on debt to meet their need of capital. In fact, using debt is one of favourite policies of managers, because it can reduce the time of accumulating capital, so it helps them to catch precious business chances. Some positive signs of the Vietnamese economy made numerous companies expect a good prospect of development. Therefore, many enterprises decided to borrow money to invest in business expansion. However, relying on this source of capital also has some disadvantages. It increases the financial burdens of companies, decreases their solvency, and when the unfavourable factors occur (for example the economic recession, epidemics, political conflicts…), it could put companies at risk of bankruptcy. The drop in the mean value of total assets turnover ratio between 2015 - 2019 partly indicates that the exploitation of assets of studied firms was not as good as expected. In addition, their "growth in sales" sharply declined. These numbers evoke a problem in orientation of capital use and investment for Vietnam listed companies producing food products. Second, in study sample, there are numerous companies whose precursors are State-owned enterprises. Although SOE equitization has been carried out, these companies have faced a range of financial management issues. A low effectiveness of controlling input and output of capital, mistakes in choosing business partners and projects, lack of determination in handling bad debts… have resulted in a lot of financial troubles. Some of them even have to suffer from a negative equity.

In conclusion, descriptive statistic figures partly show problems that Vietnam listed companies manufacturing food products are facing with. However, the abundance of capital and business goals of these enterprises are different. As a consequence, evaluating the impact of these factors is necessary, thereby each company could choose their own business strategies in the future.

4.2.2. Firm financial performance

The analyses of three ratios (including ROE, ROC, and EVA momentum) give a multidimensional evaluation of a firm financial performance. The figure for ROE shows that this financial indicator increased from 2015 to 2017, and declined in the next two years. However, the number of companies with ROE higher than or equal to the cost of equity demonstrates that the use of this capital between 2015 and 2019 was effective. In other words, the conclusion on the financial performance based on ROE is that it was rather "good". Meanwhile, the mean value of ROC experienced a strong fluctuation over the 5-year period. Comparing the ROC of studied companies with their WACC indicates that the number of enterprises having a good financial performance was not high, but this figure saw an increasing tendency. Analyzing EVA momentum reveals a dramatic growth from 2015 to 2018, but this indicator sharply dropped in 2019. One of the causes of this phenomenon is the strong increase in interest of short-term and long-term debts in 2019, resulting in the decline in EVA_{2019}. As a consequence, the number of companies with EVA momentum higher than or equal to 0 is not high.

In short, the financial performance of Vietnam-listed companies manufacturing food products experienced a fluctuation in the study period. However, this result demonstrates the fact that enterprises in this sector did not make use of opportunities to develop, despite favorable macroeconomic conditions.

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Table 5: *Descriptive statistics*

		2015	2016	2017	2018	2019
	Obs	40	40	40	40	40
ROE	**Mean**	0.302624	0.100287	0.114829	0.103642	0.037386
	Std. Dev	0.838862	0.227364	0.172987	0.205575	0.273632
	Min	-0.003674	-0.953237	-0.269447	-0.428876	-0.934544
	Max	5.352876	0.728235	0.647274	0.815236	0.322022
	Companies with ROE higher than or equal to r_e	22	22	19	22	24
ROC	**Mean**	0.045411	0.20286	-0.018208	0.062706	0.046089
	Std. Dev	0.352421	0.81596	0.559694	0.109043	0.123887
	Min	-1.911292	-0.069008	-3.445114	-0.318726	-0.461577
	Max	0.920466	5.217001	0.256351	0.277435	0.266762
	Companies with ROC higher than or equal to WACC	11	14	13	17	18
EVA momentum	**Mean**	-0.004062	0.01681	0.293159	0.734242	-0.148984
	Std. Dev	0.847291	0.978317	1.646134	4.369148	0.916991
	Min	-2.32422	-3.17691	-2.30483	-0.19201	-5.7896
	Max	4.21432	4.99303	8.7184	27.65398	0.13572
	Companies with EVA momentum higher than or equal to 0	19	16	23	23	19
TSR	**Mean**	0.055496	0.118925	0.096597	0.007983	-0.058012
	Std. Dev	0.584661	0.653317	0.616233	0.70262	0.609799
	Min	-1.25219	-1.25219	-1.25219	-1.25219	-1.25219
	Max	1.41439	1.41439	1.41439	1.41439	1.376154

(Calculated from financial statements of food manufacturing companies)

4.2.3. Shareholders' value creation

The figure for "total shareholder return" grew significantly over the two first years, but it strongly fell the next time. Especially, this number was negative in the year 2019, indicating a need of researching the way to enhance the shareholder value creation of Vietnam-listed companies manufacturing food products. If this situation is not improved, investors will seek other business chances, and the ability to develop this industry will decrease.

4.3. Regression results

4.3.1. Model 1

Correlation analysis

Table 6 shows that there are significant correlations between the variable "ROE" and some independent variables including GROWTH, QR, and ATR. Meanwhile, ROC has significant relationships with GROWTH, QR, ATR, and LEV. Variable "EVA momentum" significantly correlates with only the leverage of studied companies.

Discussion of regression results

The result of the Chow test, Breusch, and Pagan Lagrangian multiplier test, and Hausman test show that fixed effect panel data regression is suitable for models in which ROE and ROC are dependent variables, while the simple ordinary least square (OLS) is the fit estimation for the model in which EVAM is the explained variable. On the other hand, in all three models where ROE, ROC, and EVAM are dependent variables, the Wald test indicates the existence of a heteroskedasticity problem and the Wooldridge test shows that there is no autocorrelation issue, so robust standard error estimation is used.

The regression results indicate that the variable "leverage" significantly naa ROE, ROC, and EVAM. These results are similar to the findings of (Asimakopoulos, I.; Samitas, A. and Papadogonas, T. , 2009) and (Al-Jafari and Al Samman , 2015). They show that companies producing foods used a higher level of debt in comparison with their ability to use capital. One of the causes of this problem is

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Table 6: *Correlation matrix*

	ROE	ROC	EVAM	GROWTH	AGE	QR	ATR	LEV	SIZE
ROE	1.000								
ROC	0.686 (0.000)	1.000							
EVAM	0.103 (0.145)	0.110 (0.120)	1.000						
GROWTH	0.190 (0.007)	0.308 (0.000)	-0.022 (0.759)	1.000					
AGE	0.001 (0.987)	0.054 (0.445)	0.100 (0.158)	-0.079 (0.265)	1.000				
QR	0.119 (0.093)	0.280 (0.000)	0.047 (0.510)	0.177 (0.012)	-0.097 (0.173)	1.000			
ATR	0.218 (0.002)	0.388 (0.000)	0.099 (0.162)	0.154 (0.029)	0.320 (0.000)	0.002 (0.984)	1.000		
LEV	0.000 (0.998)	-0.372 (0.000)	-0.143 (0.044)	-0.174 (0.014)	-0.180 (0.011)	-0.687 (0.000)	-0.192 (0.006)	1.000	
SIZE	0.007 (0.927)	0.065 (0.361)	-0.029 (0.679)	0.214 (0.002)	-0.221 (0.002)	-0.006 (0.934)	-0.337 (0.000)	-0.113 (0.112)	1.000

(Result from STATA 14)

Table 7: *Regression result*

	ROE		ROC		EVAM	
	FEM Robust		FEM Robust		OLS Robust	
	Coef.	Std. Err.	Coef.	Std. Err.	Coef.	Std. Err.
GROWTH	0.0357804	0.0449217	0.0163838	0.0261337	-0.0136031	0.0271766
AGE	-0.0136311*	0.0072102	0.0007057	0.0025589	0.0002765	0.0003432
QR	0.0208879	0.0226565	0.0133289	0.012316	-0.0061158	0.0074538
ATR	-0.0280859	0.0609884	0.0333636**	0.015842	0.0067256	0.0055898
LEV	-0.255984**	0.1077704	-0.1683***	0.0441713	-0.048725***	0.017155
_cons	0.5992831**	0.2653412	0.0883211	0.0696554	0.0197122	0.0197905
R-squared	0.2027		0.2886		0.2985	

*(Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$)*

that Vietnam's economy is increasingly opening up, making the competition in the food sector stricter. Meanwhile, many companies are unable to meet consumers' requirements for product quality. This limitation has been preventing them from exploiting the potential of domestic and foreign markets. As a result, many companies tried to use financial leverage to catch opportunities of the economic globalization trend, but their internal strength has not been accumulated enough, resulting in a negative effect of using debt.

On the other hand, explanatory "firm age" significantly negatively impacts indicator "ROE" at the 0.1 level, this influence is analogous to findings of (Sorensen, 2000). This result could be explained by the characteristics of food producing companies in

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Vietnam. Many of them were formerly state-owned enterprises, so their management is still influenced by the old method, leading to the fact that when they are older, they have to face more difficulties in change to meet the demands of the market.

In addition, similar to the research of (Wu, J., Li, Y., and Zhu, M. , 2010), and (Seema Gupta, P. K. Jain and Surendra S. Yadav, 2011), the variable "asset management" in our study (as measured by total assets turnover ratio) significantly negatively affects ROC at the 0.05 level. That regression result could also come from the characteristics of a company manufacturing foods that have to use many machines for its production. Therefore, when it manages effectively its asset, its financial performance will be improved.

4.3.2. Model 2

Correlation analysis

Discussion of regression results

First, the results of the Chow test show that the fixed effect is appropriate for surveyed enterprises because the p-value (0.0015) is less than 0.05. Secondly, the result of the Breusch and Pagan Lagrangian multiplier test shows that the p-value is 0.0025, so random effect panel data regression is more suitable for research samples than OLS. Thirdly, the selection of one model from random effect and fixed effect options is based on the Hausman test. The Hausman test result for 40 listed Vietnamese food-producing companies indicates the use of the fixed effect model is better because the p-value (0.0015) is lower than 0.05. On the other hand, the Wald test indicates the existence of a heteroskedasticity problem in the model and the Wooldridge test shows that there is no autocorrelation problem in panel data, so robust standard error estimation is used.

Table 8: *Correlation matrix*

	TSR	ROE	ROC	EVAM
TSR	1.0000			
ROE	0.3690 (0.0000)	1.0000		
ROC	0.5170 (0.0000)	0.6862 (0.0000)	1.0000	
EVAM	0.3346 (0.0000)	0.1033 (0.1454)	0.1102 (0.1203)	1.0000

(Result from STATA 14)

Table 9: *Regression result*

TSR	FEM	
	Robust	
	Coef.	Std. Err.
ROE	0.8303131***	0.2979148
ROC	3.23813***	0.733317
EVAM	1.484923**	0.5528667
_cons	-0.2787958***	0.0532036
R-squared	0.4285	

*(*** p < 0.01, ** p < 0.05, * p < 0.1) (Results from STATA 14)*

Table 8 demonstrates that the variable "TSR" has significant positive relationships with all three independent variables including ROE, ROC, and VAM at the 0.01 level.

The regression result shows that all three independent variables in the second model significantly positively influence total shareholder return. In other words, when the financial performance of

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companies manufacturing food products is improved, their shareholder value creation could be enhanced. This result is similar to that of the previous study by (Mahoney, 2011) Theoretically, these empirical results are reasonable, because the fact that the firm performance of a company becomes better shows the potential development of the company, which attracts the attention of investors, leading to the improvement in the shareholder value.

In reality, for Vietnam-listed companies at large and Vietnam-listed companies manufacturing food products, in particular, the impacts of these ratios are clearer because of the following reasons. Firstly, the age of the Vietnamese stock market is rather young in comparison with that of many countries in the world. Thus, the experience of investors is still limited, and they need to depend on knowledge in books on the finance sector. In this case, the ratios of profitability are a precious guide for them when they compare the real business situation among listed companies. Secondly, the issue of information asymmetry is not eliminated yet. Therefore, using ratios calculated based on financial statements is one of the primary methods for investors when they decide on an investment. Thirdly, a lot of companies manufacturing food products were formerly state-owned enterprises. Their management is still influenced by the old method, leading to the doubt of investors about their financial performance. As a consequence, to limit risks, investors tend to choose companies having high ROE, ROC, and EVA momentum

R-Squared is high (42.85%), which shows that the proportion of variance in the dependent variable that can be predicted from the independent variables in this model is quite good

In conclusion, when these ratios of a company change, the estimation of investors will be modified. However, how do increase these three ratios? Analyzing the regression results in the first model can answer to some extent.

5. Conclusion

In conclusion, when ROE, ROC, and EVA momentum are enhanced, shareholder value creation could be improved. Based on this research result and the study on determinants of ROE, ROC, and EVA momentum, our empirical research demonstrates that the goal of "maximizing shareholder wealth" could be achieved through making decisions to change the internal factors of a company. To specify, changes in the leverage, asset management, and flexibility of business operation could modify the shareholder value creation of Vietnam-listed companies manufacturing food products. This result is meaningful to these companies when international trade is increasingly open, and the competition in this sector is becoming more severe. Based on identifying determinants of shareholder value creation, they could find out the way to improve their business activities.◆

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Summary

Nghiên cứu này được thực hiện để tìm hiểu tác động của các yếu tố đến việc tạo ra giá trị của cổ đông trong nền kinh tế đang phát triển. Chúng tôi đã tiến hành điều tra 40 công ty chế biến thực phẩm niêm yết tại Việt Nam từ năm 2015 đến năm 2019. Trong nghiên cứu này, kỹ thuật phân tích hồi quy được sử dụng để nghiên cứu sâu hơn ảnh hưởng của các biến đến việc tạo ra giá trị cổ đông của các công ty chế biến thực phẩm. Nghiên cứu giúp chúng tôi có một số kết luận. Thứ nhất, hoạt động tài chính của các công ty sản xuất thực phẩm niêm yết tại Việt Nam tác động tích cực đáng kể đến việc tạo ra giá trị cho cổ đông của họ. Thứ hai, kết quả nghiên cứu cho thấy rằng những thay đổi về đòn bẩy, quản lý tài sản, tính linh hoạt của hoạt động kinh doanh có thể thay đổi hiệu quả tài chính, dẫn đến những ảnh hưởng tới việc tạo ra giá trị cổ đông của các công ty niêm yết Việt Nam sản xuất thực phẩm. Mặc dù đã có nhiều nghiên cứu trước đây về chủ đề này, nhưng không có nghiên cứu nào đào sâu về định hướng của doanh nghiệp để tạo ra giá trị cho cổ đông của các công ty sản xuất thực phẩm niêm yết tại Việt Nam. Thay vì xác định các biện pháp có thể trực tiếp nâng cao việc tạo ra giá trị cho cổ đông, nghiên cứu của chúng tôi cho thấy rằng mục tiêu này có thể đạt được thông qua việc đưa ra các quyết định thay đổi các yếu tố nội bộ của một công ty. Mặc dù mục tiêu "tối đa hóa sự giàu có của cổ đông" được thực hiện bởi các giải pháp được xây dựng dựa trên tác động bắc cầu của các yếu tố bên trong, chúng chi tiết hơn và dễ thực hiện hơn.

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