

# Journal of Entrepreneurship & Project Management



## **The determinants of successful implementation of Government Projects in Vietnam: A case of Ho Chi Minh City projects**

**<sup>1\*</sup>Sang Tran Giang, <sup>2</sup>Quang Lam Ogunlana & <sup>3</sup>Van  
Phan Thanh**

**ISSN: 2616-8464**

# **The determinants of successful implementation of Government Projects in Vietnam: A case of Ho Chi Minh City projects**

<sup>1\*</sup>Sang Tran Giang, <sup>2</sup>Quang Lam Ogunlana & <sup>3</sup>Van Phan Thanh

<sup>1\*</sup>Post graduate student, Hanoi University of Science and Technology

<sup>2</sup>Lecture, Hanoi University of Science and Technology

<sup>3</sup>Lecturer, Hanoi University of Science and Technology

Email of the corresponding author: [giangsang@gmail.com](mailto:giangsang@gmail.com)

**How to cite this article: Giang S., T, Ogunlana, Q., L. & Thanh, V., P. (2020). The determinants of successful implementation of Government Projects in Vietnam: A case of Ho Chi Minh City projects. *Journal of Entrepreneurship & Project Management*, 4(1), 59-72**

## **Abstract**

The study examined the determinants of successful implementation of government projects in Vietnam in the case of Ho Chi Minh City projects. The specific objectives of the study was to determine the role of stakeholders participation on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam, to establish the influence of human resource on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam, to examine the impact of governance on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam and to establish the effect of adequate budgetary allocation on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam. The study was anchored on two theories, namely, resource-based view and human capital theory. The study adopted a descriptive research design. The targeted population of the study was 893 respondents that were drawn from the employees working in six major projects within Ho Chi Minh City projects. The sample size of the data was 276. The findings of the study established that stakeholder participation, human

resource, governance and adequate budgetary allocation were positively and significantly related to the successful implementation of infrastructure projects. The study concluded that that stakeholder participation increases the successful implementation of infrastructure projects in Ho Chi Minh City in Vietnam since there was a positive and significant relationship between stakeholder participation and the successful implementation of infrastructure projects. The study also concluded that there exists a positive and significant relationship between human resources and the successful implementation of infrastructure projects. Besides, the study concluded that there exists a positive and significant relationship between governance and the successful implementation of infrastructure projects.

**Keywords:** *Stakeholder participation, human resource, governance, adequate budgetary allocation infrastructure projects, Ho Chi Minh City, Vietnam*

## **1.1 Introduction**

The infrastructure projects have been given priorities in many countries because of the accelerated population growth and urbanization in such countries, particularly the developing countries (World Economic Forum, 2015). Vietnam, with a huge population and an infrastructure need of about USD 112.5 billion, has pushed the Vietnam government to raise its infrastructure investments to approximately 11% of GDP up from 6% (Warlters, 2016). The World Bank (2015) demonstrates that the availability of quality and efficient infrastructure influences the growth and productivity of a nation. To ensure strong economic performance and to maintain a healthy economic growth which can firmly deal with the world's economic shocks, modernization and continuous improvement of infrastructure coupled with strong policy guidelines to protect the already available support and coming up with new developments is essential in achieving a strong economic frontier (Toor & Ogunlana, 2012).

Vietnam has discerned the value of infrastructure projects, hence spending a lot of funds on the projects (Nguyen & Dapice, 2017). A research study by Hornstein (2015) revealed that less than 25% of projects prospered and nearly 76% were challenged or failed due to corrupt administration and the deficiency of the resources. The crucial positions for successful project implementation processes are; understanding objectives as well as goals, choosing the ideal groups, ongoing monitoring of the relationships and effectively-structured task plan, open

communication with task beneficiaries as well as participation and careful focus to workers issues (Zhang, Gao, Feng & Sun, 2015).

Raghuram, Bastian and Sundaram (2018) noted that stakeholder participation, especially by the public, is still relatively low despite immense efforts to actively enhance public involvement in infrastructure development in India. According to Hornstein (2015), human competent human resource is essential for the successful implementation of the projects in China (Zhang, Gao, Feng & Sun, 2015). Lovell and Taylor (2013) established that most of the government's projects become successful in the USA because the government sets enough resources and monitors the governance of the management. Thi and Swierczek (2010) in their work on critical success factors in project management in Vietnam established that external environment, project governance, stakeholder participation, training and budgets influence project success

## **1.2 Statement of the Problem**

The infrastructure projects such as roads, schools and hospitals are significant for the development of a country. The government of Vietnam has initiated several infrastructural investments; however, several roads in Vietnam are still in bad condition, dealing with not enough framework (such as poor drainage and weak structures or sustaining structures) and also poor maintenance (Warlters, 2016). Also, some newly-built major community roadways, as well as bridges, experience extreme top quality difficulties. Numerous roads in Ho Chi Minh City have been dug up again for the installation of underground energies, creating additional traffic congestion soon after being developed or updated in 2015 (Moore, Nguyen & Saladini, 2017). The job was done improperly and a lot of resources were taken by the selfish employees to benefit themselves (Tuan, 2010). Also, in 2007, 2 side channels of Can Tho Stayed-cable Bridge attaching Can Tho City and Vinh Long province in the south of Vietnam, the longest stayed-cable bridge in Southeast Asia, fell down (Nguyen & Dapice, 2017).

Nevertheless, there exist scanty studies examining the causes of the poor infrastructural developments in Vietnam. For instance, Dang and Low conducted a study on building infrastructure for long-term growth in Vietnam and the specific objectives were to establish the influence of transparency and accountability, institutional weaknesses in planning and politicized decision making on building infrastructure for long-term growth thus presents a knowledge gap.

Therefore, the study will bridge the gap and establish the determinants of successful implementation of Government Projects in Vietnam in the case of Ho Chi Minh City projects

### **1.3 Research Objectives**

- i. To determine the role of stakeholders participation on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam
- ii. To establish the influence of human resource on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam
- iii. To examine the influence of governance on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam
- iv. To establish the effect of adequate budgetary allocation on infrastructural projects implementation in Ho Chi Minh City projects in Vietnam

### **1.4 Research Hypotheses**

The study was guided by the following research hypothesis:

- i. **H<sub>01</sub>:** Stakeholders participation has no significant effect on in the implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam
- ii. **H<sub>02</sub>:** Human resource has no significant effect on in the implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam
- iii. **H<sub>03</sub>:** Governance has no significant effect on in the implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam
- iv. **H<sub>04</sub>:** Adequate Budgetary allocation has no significant effect on in the implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam

## **2.0 Literature Review**

### **2.1 Empirical review**

Masrom, Rahim, Mohamed, Chen and Yunus (2015) researched the elements that delay the implementation of large infrastructure projects in Malaysia. The study used a descriptive research design. The targeted population of the research study was 521 employees working in government jobs in Seberang Perai. The findings of the research study established that stakeholder involvement, as well as excellent governance, were essential in determining the



effective execution of a task. The research concluded that stakeholder involvement and also good governance were favorably and substantially about effective implementation for large framework projects in Malaysia.

According to Pandey and Asthana (2017), personnel growth, stakeholder involvement and training enhance the success of the projects in India. Yao, Chen and Cai (2013) argued that, if companies wish to maintain career-oriented employees, they ought to seek to take care of the employees' assumptions of career opportunity. If the organizational career paths do not result in opportunities desired by the workers, they might think about searching for alternative tasks if the other placement will undoubtedly use a more desirable job path. Training and career development to the employees may be expensive to a company; however, the long term returns will be high and the trained employees will become more efficient in the execution of duties given (Robertson, Birch & Cooper, 2012).

Long, Ogunlana, Quang and Lam (2014) surveyed the concerns relating to the inadequate performance of big construction companies in Vietnam. The targeted population was 971. The results of the study disclosed that problems related to poor efficiency of the building projects consisted of slow repayment of finished works, bad agreement monitoring, out-of-date or improper building techniques, as well as unexpected website conditions; poor website administration as well as guidance. The study also reported that sluggish details flow in between parties; monetary difficulties of lack of skilled workers influenced the implementation of the projects.

## **2.2 Theoretical Review**

### **2.2.1 Resource-Based View**

Barney (2001) established the Resource Based-View theory (RBV) that proposes that for a resource to make benefits, it ought to produce monetary value. McIvor (2019) suggested that an organization comprises of physical and intellectual resources that help to generate income and enhance sustainability. Also, Hafeez, Malak and Zhang, (2017) reported that the assets available within an organization are critical to generating revenue and can be grouped as either physical assets or academic assets. The resource-based view primarily looks at what happens inside the firm, how decisions are made, value-creating activities and utilizing various resource input to stir

performance. Individuals as a resource must have insight and expected innovation to deal with the material and budgetary support appropriately (Barney, 2001).

Superior execution of the duties is typically based on building up an intensely distinct arrangement of resources, independent and vital improvement and a fit workforce is an excellently thought out system to support prevalent returns (Kor & Mahoney, 2004). Inevitably, a strategist who grasps this theory brings up that upper hand originates from adjusting abilities, necessary arrangements and skilled workforce with hierarchical frameworks, structures and procedures that accomplish capacities at the expected level (Colbert, 2004). The theory was relevant and it informed the variable adequate budget allocation and governance.

### **2.2.2 Human Capital Theory**

Schultz proposed the human capital theory in 1961 (Schultz, 1961) and Becker further developed the theory in 1964 (Olaniyan & Okemakinde, 2018). According to the theory, employees in the organization are essential and determine performance and productivity. The theory further postulated maintaining employees sometimes is costly in some situations such as the provision of education and determining motivation factors (Nafukho, Hairston & Brooks, 2014). The theory also articulates that Organization maintains very motivated personnel and talented workforce who will feel to be part of the Organization hence increasing the overall performance when there is a transition of power within the Organization (Schultz, 1961).

Furthermore, the theory was relevant to the study and gave ideas as to why the company should consider human resources within the organization. The organization should establish a mechanism that will promote the employees and encourage them to work harder and improve their performance. Therefore, the theory was relevant to the current study and helped to inform the variable of human resource development and stakeholder participation. The theory clearly postulated that the approach of motivating workers leads to an improvement in employee performance, which may lead to improved productivity

### **3.1 Research Methodology**

The research embraced the descriptive research design. The detailed study design is made use of when collecting information about people's perspectives, points of views and habits. Moreover, a

descriptive provides summarised information such as proportions of central tendency including but not limited to the mean, median, and standard deviation. The targeted population of the research study was 893 participants that were drawn from the workers working in 6 major projects within Ho Chi Minh City projects. The sample was 276 respondents.

#### 4. 0. Research Findings and Discussion

##### 4.1: Correlation Analysis

Table 1 presents the Correlation Analysis results

**Table 1: Correlation Analysis Results**

Correlations		infrastructural projects implementation	stakeholders participation	human resource	Adequate budgetary allocation	governance
infrastructural projects implementatio n	Pearson Correlati on Sig. (2- tailed)	1.000				
stakeholders participation	Pearson Correlati on Sig. (2- tailed)	.672** 0.000	1.000			
human resource	Pearson Correlati on Sig. (2- tailed)	.782** 0.000	.548** 0.000	1.000		
Adequate budgetary allocation	Pearson Correlati on Sig. (2- tailed)	.718** 0.000	.579** 0.000	.548** 0.000	1.000	
governance	Pearson Correlati on Sig. (2- tailed)	.847** 0.000	.525** 0.000	.455** 0.000	.581** 0.000	1.000



The results from Table 1 show that stakeholders participation and infrastructural projects implementation is positively and significantly associated ( $r=0.672$ ,  $p=0.000$ ). Human resource and infrastructural projects implementation are positively and significantly associated ( $r=0.782$ ,  $p=0.000$ ). Also, adequate budgetary allocation and infrastructural projects implementation had a positive and significant association ( $r=0.718$ ,  $p=0.000$ ). Similarly, results showed that Adequate budgetary allocation and infrastructural projects implementation had a positive and significant association ( $r=0.847$   $p=0.000$ ).

#### 4.2 Regression Analysis

The regression was conducted to identify the determinants of successful implementation of Government Projects in Vietnam: A case of Ho Chi Minh City projects. The results presented in table 2 indicate the Model Fitness

**Table 2: Model Fitness**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.719a	0.616	0.702	0.22642

a Predictors: (Constant), stakeholders participation, human resource, governance, Adequate budgetary allocation

The model fitness in Table 2 shows that stakeholders' participation, personnel, governance, appropriate monetary allocation were established to be acceptable variables in discussing infrastructural projects execution in Ho Chi Minh City jobs in Vietnam. The coefficient of determination supports this, also referred to as the R square of 0.616. This suggests that stakeholders' involvement, human resource, administration, ample budgetary allotment aspects describe 61.6% of the variations in the dependent variable, which in this case is infrastructural jobs execution. Table 3 shows the results of Analysis of Variance (ANOVA).

**Table 3: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.172	4	1.593	46.85	.000b
	Residual	5.716	168	0.034		
	Total	13.888	202			

a Dependent Variable: Infrastructural projects implementation

b Predictors: (Constant) stakeholders participation, human resource, governance, Adequate budgetary allocation

The ANOVA results in Table 3 show that the general model was statistically substantial. Further, the outcomes recommend that the independent variables were considerable indications of Infrastructural project implementation. This was sustained by an F statistic of 46.85 and also the reported p worth (0.000), which was less than the 0.05 significance level. The Multiple Regression of Coefficient is presented in Table 4

**Table 4: Multiple Regression Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.214	0.152		2.092	0.039
	Stakeholders participation,	0.358	0.064	0.183	5.5938	0.014
	Human resource	0.651	0.077	0.253	8.4545	0.007
	Governance,	0.457	0.064	0.268	7.1406	0.001
	Adequate budgetary allocation	0.276	0.057	0.134	4.842	0.004

a Dependent Variable: Infrastructural projects implementation

$$Y=0.214+ 0.358X_1+0.651X_2+0.457X_3+0.276X_4$$

Where:

Y= Infrastructural projects implementation

X<sub>1</sub>= Stakeholders participation

X<sub>2</sub>= Human resource

X<sub>3</sub>= Governance

X<sub>4</sub>= Adequate budgetary allocation

Regression of coefficients results in Table 4 shows that Stakeholders participation and Infrastructural projects implementation are positive and significantly related ( $\beta = 0.358$ ,  $p=0.014$ ). Further human resource and infrastructural projects implementation are positively and significantly related ( $\beta = 0.651$ ,  $p=0.007$ ). Similarly, the results show that the governance and Infrastructural projects implementation is positively and significantly related ( $\beta = 0.457$ ,

$p=0.001$ ). Finally, adequate budgetary allocation is positively and significantly related to Infrastructural projects implementation ( $\beta =0.276$ ,  $p=0.004$ ). This implies that an improvement in stakeholders participation, human resource, adequate budgetary allocation and governance leads to an increase in Infrastructural projects implementation.

### **4.3 Hypothesis Testing**

#### **4.3.1 Hypothesis Testing for Stakeholders participation and Infrastructural projects implementation**

Results in Table 4 shows that the P value was 0.014 that is less than 0.05. The P-value of 0.014 implied that the null hypothesis was rejected hence there is a significant relationship between stakeholders participation and implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam. This was supported by a calculated t-statistic of 5.5938 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

#### **4.3.2 Hypothesis Testing for Human resource and Infrastructural projects implementation**

Results in Table 4 shows that the P value was 0.007 that is less than 0.05. The P-value of 0.001 implied that the null hypothesis was rejected hence there is a significant relationship between human resource and implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam. This was supported by a calculated t-statistic of 8.4545 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

#### **4.3.3 Hypothesis Testing For Governance and Infrastructural projects implementation**

Results in Table 4 shows that the P value was 0.001 that is less than 0.05. The P-value of 0.001 implied that the null hypothesis was rejected hence there is a significant relationship between governance and implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam. This was supported by a calculated t-statistic of 7.1406 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

#### **4.3.4 Hypothesis Testing Adequate Budgetary Allocation and Infrastructural projects implementation**

Results in Table 4 shows that the P value was 0.004 that is less than 0.05. The P-value of 0.001 implied that the null hypothesis was rejected hence there is a significant relationship between

adequate budgetary allocation and implementation of infrastructural projects in Ho Chi Minh City projects in Vietnam. This was supported by a calculated t-statistic of 4.842 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

## **5.1 Conclusion**

Based on the results of the research study, the study concluded that stakeholder engagement increases the effective application of framework jobs in Ho Chi Minh City in Vietnam. This is evidenced by the favourable and also considerable connection between stakeholder engagement and application of facilities jobs. The research additionally ends that there is a favorable and substantial organization in between stakeholder engagement and also the effective implementation of the jobs.

The study also concluded that human resource and Infrastructural project implementation has a positive and significant association. The study further concluded that there exists a positive and significant relationship between human resources and the successful implementation of infrastructure projects. The study concluded that there must be enough human resources who are motivated to ensure timely completion of the projects. Labour is readily available; nonetheless, employees need continuous training to keep them abreast of technological changes and other modern ways of infrastructure construction.

The research concluded that governance, as well as infrastructural tasks execution, have a positive and significant association. The study likewise concluded up that there exists a positive as well as a strong relationship between governance and the successful implementation of infrastructure projects. The research study concluded that the openness of the monitoring raises excellent administration hence fosters the successful execution of the tasks.

The research study likewise concluded that appropriate financial allocation has a favorable and also significant association on the effective application of framework jobs. The study also concluded that ample budgetary allocation has a beneficial and significant relationship on the effective execution of infrastructural projects. The research study ascertained that funds must be designated in good time and guarantee a high liability of the funds to increase investor self-confidence.

## **6.1 Recommendations**

Based on the conclusion, the study recommended that all the stakeholders of the project need to be involved in the process of the execution of the projects because there was a positive and significant relationship between stakeholder participation and the successful implementation of the projects. The study recommended that the management should not undermine any of the employee efforts who have been involved in project implementation and the making of the decisions should be in a transparent way so that they can support or oppose the decisions.

The study recommended that all of the employees should be subjected to career development so that they gain more skills and become experts in the execution of the projects. The study found that human resources positively and significantly influence the successful implementation of infrastructure projects; thus, continuous training must be adhered to at all times to guarantee project success. The study also recommended that human resource can be enhanced through the organizing of the workshops, offering scholarship programs and establishing of Training programs

The study suggested that governance of the infrastructural projects in Ho Chi Minh City should be governed transparently and honestly. The management and implementation of the projects were positively and significantly related. The study recommended that corrupt individuals in the governance should be dismissed from the work so to minimize embezzlement of funds and ensure harmony between the promoters of a project and the stakeholders' thus successful implementation of infrastructure projects.

The study recommended that resources allocated for the projects should be adequate to cater for the costs of the projects and also the budget allocated for the projects should be checked severely to minimize the stalling of the projects. The study also recommended that the government should not be diverting funds meant for infrastructure to other projects and also ensure there is value for money in projects being undertaken.

## 1.7 References

- Agrawal, P. (2019). Urban land consolidation: a review of policy and procedures in Indonesia and other Asian countries. *GeoJournal*, 49(3), 311-322.
- Ahmad, R. (2014). KL fines contractor \$35m for project delay. *The Straits Times*, October 23, 21.
- Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of management*, 27(6), 643-650.
- Hafeez, K., Malak, N. & Zhang, Y. (2017). Outsourcing non-core assets and competences of a firm using analytic hierarchy process. *Computers & Operations Research*, 34(12), 3592-3608.
- Hornstein, H. A. (2015). The integration of project management and organizational change management is now a necessity. *International Journal of Project Management*, 33(2), 291-298.
- Long, N., Ogunlana, S., Quang, T., and Lam, K. (2014). Large construction projects in developing countries: a case study from Vietnam. *International Journal of Project Management*, 22(7), 553-561.
- Lovell, S. T., & Taylor, J. R. (2013). Supplying urban ecosystem services through multifunctional green infrastructure in the United States. *Landscape ecology*, 28(8), 1447-1463.
- Masrom, M. A. N., Rahim, M. H. I. A., Mohamed, S., Chen, G. K., & Yunus, R. (2015). Successful criteria for large infrastructure projects in Malaysia. *Procedia Engineering*, 12(5) 143-149.
- McIvor, R. (2019). How the transaction cost and resource-based theories of the firm inform outsourcing evaluation. *Journal of Operation Management*, 2 (1), 45-63.
- Moore, C., Nguyen, T. T. H., and Saladini, M. (2010). Vietnam Infrastructure (September). Ho Chi Minh City: Italian Trade Commission and Mekong Research. Retrieved December 28, 2010, from [http://www.ice.it/paesi/asia/vietnam/upload/198/Vietnam%20Infrastructure%20Report\\_Sept2010.pdf](http://www.ice.it/paesi/asia/vietnam/upload/198/Vietnam%20Infrastructure%20Report_Sept2010.pdf)



- Nafukho, F. M., Hairston, N., & Brooks, K. (2014). Human capital theory: Implications for human resource development. *Human Resource Development International*, 7(4), 545-551.
- Nguyen, X., T., & Dapice, D. (2017). Vietnam's Infrastructure Constraints. *Journal of project management*, 3(1), 17-26
- Olaniyan, D. A., & Okemakinde, T. (2018). Human capital theory: Implications for educational development. *Pakistan Journal of Social Sciences*, 5(5), 479-483.
- Raghuram, G., Bastian, S., and Sundaram, S. S. (2018). Mega projects in India Environmental and Land Acquisition Issues in the Road Sector (Working Paper No. 2009-03-07). India: Indian Institute of Management Ahmedabab.
- Thi, C. H., & Swierczek, F. W. (2010). Critical success factors in project management: implication from Vietnam. *Asia Pacific Business Review*, 16(4), 567-589.
- Toor, S. U. R., and Ogunlana, S. (2012). Problems causing delays in major construction projects in Thailand. *Construction Management and Economics*, 26(4), 395-408.
- Walters, M. (2016). Vietnam's infrastructure challenge - infrastructure strategy: cross-sectoral issues (Working Paper No. 37184). Washington, D.C.: World Bank. Retrieved from [http://www.wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000310607\\_20060906131540&searchMenuPK=64187283&theSitePK=523679](http://www.wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000310607_20060906131540&searchMenuPK=64187283&theSitePK=523679)
- World Economic Forum, (2015). Strategic Infrastructure Steps to Prioritize and Deliver Infrastructure Effectively and Efficiently. Retrieved from [http://www3.weforum.org/docs/IP/2012/IU/WEF\\_IU\\_Strategic\\_Infrastructure\\_PhaseI.pdf](http://www3.weforum.org/docs/IP/2012/IU/WEF_IU_Strategic_Infrastructure_PhaseI.pdf)
- Zhang, S., Gao, Y., Feng, Z., & Sun, W. (2015). PPP application in infrastructure development in China: Institutional analysis and implications. *International journal of project management*, 33(3), 497-509.