FLORIDA INTERNATIONAL UNIVERSITY

Miami, Florida

SURFIN' USA:

CRITICAL SUCCESS FACTORS AND KOREAN INVESTMENT WAVE

INTO THE UNITED STATES

A dissertation submitted in partial fulfillment of

the requirements for the degree of

DOCTOR OF BUSINESS ADMINISTRATION

by

Kunmin Kim

2025

To: Dean William G. Hardin
      College of Business

      This dissertation, written by Kunmin Kim, and entitled 'Surfin' USA: Critical Success Factors and Korean Investment Wave into the United States', having been approved in respect to style and intellectual content, is referred to you for judgment.

      We have read this dissertation and recommend that it be approved.

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Jayati Sinha, Committee Member

_____

Attila Hertelendy, Committee Member

_____

Chaitali Kapadia, Committee Member

_____

Miguel Aguirre-Urreta, Major Professor

      Date of Defense: May 29, 2025

      The dissertation of Kunmin Kim is approved.

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Dean William G. Hardin
College of Business

_____

Andrés G. Gil
Vice President for Research and Economic Development
and Dean of the University Graduate School

Florida International University, 2025

DEDICATION

To my father, Jungsik Kim (김정식), and my mother, Kyoung-oak Kim (김경옥)—your unconditional love and lifelong values have shaped the foundation of who I am. To my father-in-law, Sangjin Park (박상진), and my mother-in-law, Eunja Song (송은자)—thank you for your boundless support and encouragement through every step of this journey. To my beloved wife, Sunyoung Park (박선영)—you are my most excellent partner and unwavering source of strength. To my sons, Wonwoo Kim (김원우) and Wonjae Kim (김원재)—you are the reason I persevere, and the future I hope to serve.

I also express my profound gratitude to my country, the Republic of Korea, a dynamic industrial nation that cherishes freedom and peace. In support of global engagement, the Ministry of Economy and Finance assigned me to an international posting near Miami, where FIU is located. I was stationed at the Central American Bank for Economic Integration (CABEI) headquartered in Honduras, and thanks to the relative proximity to Miami, I was able to commute periodically to pursue my academic studies at FIU. Although my academic journey was personally financed, the broader experience gained through the assignment in Central America contributed meaningfully to the completion of this dissertation. I owe my country a deep debt every step I have taken.

Lastly, I give thanks to God, whose presence gave me the courage to stand up again during the most difficult moments of this journey. This journey has deepened my faith and reminded me of his grace.

People often ask me, "Why do you live such a relentless life, balancing the burdens of executive public service and rigorous studies?" I reply, "This cannot be explained merely by the word 'passion.' I strive for the transformation of myself and the world through utmost sincerity and lifelong dedication." That is my calling.

ACKNOWLEDGMENTS

ABSTRACT OF THE DISSERTATION

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Professor Miguel Aguirre-Urreta, Major Professor

This dissertation explores the current rise in Korean firms' foreign direct investment (FDI) into the United States, focusing on three Korean industries: semiconductors, chemicals & batteries, and automobiles. Grounded in the OLI (Ownership, Location, Internalization Advantage) paradigm and structured around six Critical Success Factors (CSFs technological superiority, brand value, cost efficiency, market access, management effectiveness, and uncertainty mitigation), the study empirically examines how these firm-level factors influence the perceived importance of FDI into the U.S., which serves as the dependent variable. The analysis confirms that all six CSFs have a statistically significant effect on the perceived importance of FDI, with uncertainty mitigation, cost efficiency, and technological superiority demonstrating stronger impact. These findings suggest that firms' internal strategic priorities like CSFs play a critical role in shaping investment attitudes. Moreover, the results imply that both corporate decisions and host-country investment promotion policies should take into account the specific CSFs.

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ABBREVIATIONS AND ACRONYMS

CSF	Critical Success Factor
EV	Electric Vehicle
FDI	Foreign Direct Investment
TMT	Heterotrait-Monotrait Ratio
IR Act	Inflation Reduction Act
KOTRA	Korea Trade-Investment Promotion Agency
M&A	Mergers and Acquisitions
MICOM	Measurement Invariance of Composite Models
MNE	Multinational Enterprise
OECD	Organisation for Economic Co-operation and Development
OLI	Ownership-Location-Internalization (Eclectic Paradigm)
R&D	Research and Development
SEM	Structural Equation Modeling
SmartPLS	Smart Partial Least Squares (Statistical Tool)

CHAPTER 1

INTRODUCTION

1.1   Introductory Overview

South Korean industries have recently become major players in foreign direct investment (FDI) into the United States, particularly in high-tech manufacturing, such as electric vehicles, semiconductors, and advanced batteries. This is especially curious given that South Korea has much less domestic capital and income compared to the United States. The FDI resulting from the reactions of Korean industries to the capital-rich U.S. economy indicates an important transformation in the pattern of investment in the world which is characteristically new in the scope of international business and which requires further study.

The recent shift in FDI patterns may partly be associated with recent policy changes in the United States. Both introduced during the Biden-Harris administration, the Inflation Reduction Act or the CHIPS and Science Act seem to have reduced funding barriers and added a degree of policy certainty for companies considering relocating production to the United States (Business Insider, 2024). In response, South Korean firms may have adopted a relatively proactive approach. For instance, in 2023, South Korean firms single-handedly set a record by investing USD 21.5 billion into the United States, surpassing its traditional peer economies of Taiwan and Japan (Business Insider, 2024).

All these sizeable direct investment projects have unique intent strategies underlying them, such as Hyundai's EV production facility construction in Georgia for USD 7 billion, Samsung's Texas semiconductor fabrication plant for USD 17

billion, and LG Energy Solution's USD 5.5 billion battery plant in Arizona. Aside from having significant monetary value, these investments are expected to create tens of thousands of jobs in southern US regions known as the "Battery Belt" (Business Insider, 2024).

South Korean companies alone have created over 800,000 jobs in the United States in the past eight years, showing the depth of the U.S.-Korea economic relations (Donga, 2025). These facts are accompanied by strong bilateralism and intensifying South Korean influence. Moreover, changing US trade policies simultaneously guide South Korean firms' business choices. The Secretary of Commerce and other sovereign US authorities have publicly fueled further Korean spending, showcasing their support in industrial policy reform, investment diversification, and regulatory streamlining (Donga, 2025).

The current surge of Korean firms' direct investments into the United States can aptly be described as a "wave"—a collective and strategic movement gaining considerable momentum. Rather than being overwhelmed by this wave, this dissertation aims to understand its underlying dynamics and propose how firms and policymakers alike can ride it with insight and strategy, rather than be swept away by its force.

In this regard, this research empirically evaluates the drivers of the perceived importance of Korean firms' investing in the United States. For this purpose, the study defines Critical Success Factors (CSFs) - technological superiority, brand value, cost structure, market access, management, and uncertainty avoidance - as primary focal determinants. With this goal in mind, the study seeks to measure the causative relations of these CSFs to Korean firms' FDI intentions toward the U.S.

employing Structural Equation Modeling (SEM) with SmartPLS. This method combines several analytical strands into one coherent, incisive approach that enhances understanding of which strategic elements most profoundly affect Korean firms' overseas investment activities and contributes to the body of international business theory and practice.

1.2   KEY CONCEPTS

1.2.1   Korean Company & Industry

Corporate nationality is a term that has no universally accepted definition in international relations. Thus, for this paper, broad interpretational flexibility will be applied. The most common criteria used are the nationality of the company's managers, the capital procurement source, and the physical location of the company's headquarters, or the location of the CEO's office. If any of these three criteria are met well, the firm in question will be regarded as a Korean company; this is the only definition in this research. Therefore, a subsidiary or a subsidiary of a subsidiary wholly owned by such a Korean firm is defined as a Korean company in this paper.

In addition, in this study, a firm is viewed as Korean if most of the board of directors are South Korean nationals, most of the stock shares are listed at the Korean stock exchange market, or the headquarters' location is in Korea. Also, a joint venture set up for the purposes of US investment is Korean if the ultimate parent company is Korean. Other criteria, such as assets or sales, are irrelevant.

Moreover, for this study, I will use the term industry to describe a set of

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companies within a particular business domain or value chain. For instance, the semiconductor industry includes all companies involved in the research, design, manufacture, distribution, and sales of semiconductors.

1.2.2   Foreign Direct Investment (FDI)[1]

Investment is the most ambiguous macroeconomic indicator to define. The reason is that the investment method is the most diverse and difficult to capture by official statistics. Therefore, statistics on investment should be captured as narrowly as possible.

Nevertheless, statistics on FDI are relatively reliable for reasons why investment funds cross the border. All Korean corporations are required by law to report and register with the Export-Import Bank of Korea, a state-run bank of Korea, at the FDI implementation stage, and based on the statistics, the investment location of each state can be identified. However, the Korean government's FDI statistics also have limitations. FDI is conceptually divided into joint venture and sole venture according to the number of investment ownership entities. It is also divided into greenfield operation, M&A, and brownfield operation, which is an intermediate form, depending on the degree of utilization of existing facilities.

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[1] Foreign Direct Investment (FDI) refers to cross-border investment from the perspective of the host country, while Outward Direct Investment (ODI) describes the same phenomenon from the home country's viewpoint. Although "ODI" would technically be more accurate when describing Korean firms investing in the U.S., the term "FDI" is more widely recognized and intuitively understood in international business literature. Therefore, to maintain clarity and consistency, this study uses "FDI" throughout, despite the conceptual distinction.
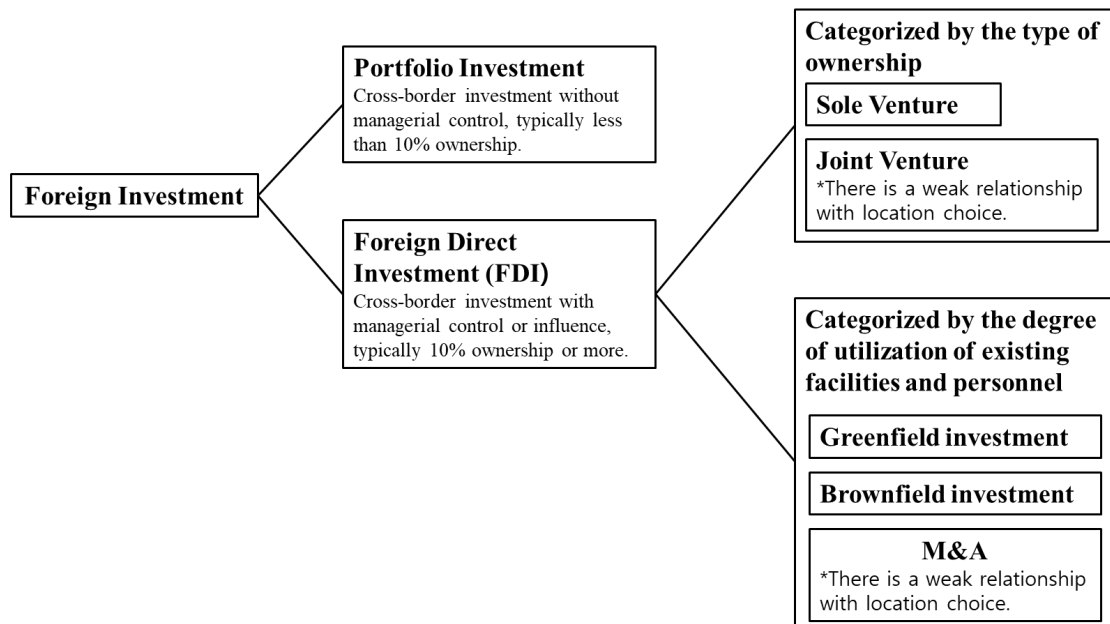
Figure 1. Conceptual classification of foreign investment

However, it should be recognized that there are specific errors in the use of these concepts. Among the concepts of FDI divided above, Joint Venture and M&A are not very related to location selection. Therefore, it is problematic to use it as a concept to study the location of FDI by U.S. states as a direct concept for research questions in this paper. Especially if investment by joint ventures and M&As exceeds 50% of FDI by all Korean companies, it is problematic to use this concept as an independent variable. Fortunately, as a result of a preliminary survey to establish a research plan, most of the investment since 2010 is Greenfield operations, so there is no big problem using this concept.

1.2.3 Discussions on Horizontal FDI and Vertical FDI

The notions of Horizontal Foreign Direct Investment (FDI) and Vertical FDI are of great significance in international business and economics as they explain the

operations of firms within global markets. Each one epitomizes differing motivations and approaches within a firm's Foreign Direct Investment (FDI) strategy.

A corporation engaging in horizontal FDI will invest in foreign markets as a means of replicating the same goods or services business operations available in the home country. The fundamental objectives of this kind of FDI include increasing access to international markets, mitigating trade obstacles, and improving service delivery within regions. The rationale behind horizontal FDI rests on concepts formulated by economists regarding accessibility to the market and avoidance of tariffs during the late 20th century. Markusen (1984) investigated multi-national corporations (MNCs) and their motives for horizontal FDI.

On the contrary, vertical FDI occurs when a firm invests in different production processes across multiple foreign countries. This strategy is employed primarily to take advantage of differing production costs, such as labor and raw materials, whereby a firm undertakes lower value-added production activities where these costs are lower and higher value-added activities where these costs are higher. The origin of vertical FDI is rooted in the economic principles of resource allocation and cost differences. Economists Exploiting cost differences, Helpman (1984) explained models that accounted for vertical FDI.

That said, horizontal and vertical FDI are often not too clear until after the actual investment. In other words, only after a firm completes an FDI will blended motives become apparent. Moreover, blended horizontal and vertical motives make these distinctions more difficult as firms vary their strategies, which oversimplifies the distinction between these investment strategies. It highlights the reasoning that these theoretical distinctions lack in practical business situations and why a tailored

approach to each firm's distinct plans is important. The need to delve deeper into the subject is why researchers test their theories in a detailed analysis of single firms (Helpman, 1984; Markusen, 1984).

To summarize, although horizontal and vertical FDI are helpful in distinguishing an investor's actions, their actual relevance is limited owing to the retrospective nature of these classifications in investment strategy. Each case is different.

1.2.4   Critical Success Factors

Critical success factors (CSFs) are the primary distinguishing features of any organization, which, when managed successfully, will lead to the successful achievement of the organization's mission and strategic objectives. These were identified by Rockart (1979) in the Harvard Business Review as key areas of a business needing excellent performance in order to succeed in any business venture. Rockart (1979) introduced the CSF method in an attempt to address what I considered to be an information needs of the top management problem, arguing that grasping the information on the primary focus enables managers to direct and allocate attention and resources, which increases the efficiency of the organization. It is in this case that Rockart introduced his method for developing measures for critical success factors. In this case, as may be interpreted from the preceding phrases, the objectives were to allocate attention appropriately and reduce unnecessary data-gathering. This has made the method best suited for strategic management.

As CSFs were deepened by Rockart, Leidecker and Bruno (1984) undertook a

study of CSFs by providing a better analysis of eight potential sources from which these factors could be identified, such as environmental factors and competitive strategy. Their article, published in Long Range Planning, was aimed at demonstrating the embrace of the construct of CSFs into strategies of planning, ensuring that the aims of the entity are aligned with strategic drivers of success for fulfillment. This ensures that these strategies could help the organization leverage its strengths and the operational approaches aimed at realizing organizational strategies.

In Planning Review, Freund (1988) documented the case of an insurance company to explain how CSFs have been put to use in actual business settings and how they have improved business planning. The application of CSFs in actual cases demonstrates their role in improving strategic alignment and operational efficiency. In management consulting and strategic planning, CSFs help identify the defining factors that elicit positive outcomes in harshly competitive or otherwise volatile markets. These factors become the basis upon which consultants and strategists advise their clients on the focal areas for operational investment for optimal results.

In other words, CSFs assist in streamlining an organization's resources in order to achieve operational efficiencies and strengthen competitive positioning. They are essential to achieving sustainable growth and maintaining a competitive advantage, which is why business organizations have to be proactive in managing them. As noted in various studies, along with its updated research, these compiled analyses show how organizations can surpass their business goals in dealing with the modern competitive landscape using CSFs as the main focus.

1.3   Problem Statement: The Lucas Paradox between Korea and the U.S.[2]

International investment flows have become an integral component of global economic dynamics, shaping the growth trajectories of both investing and recipient nations. Traditional economic theories primarily explain the movement of capital from capital-rich countries to capital-poor countries, seeking to optimize the allocation of resources and maximize returns. However, the current trend of South Korean companies investing significantly in the United States presents a compelling anomaly to these conventional frameworks. This phenomenon highlights a reverse investment flow from a relatively capital-poor country to one of the wealthiest nations in the world.

Table 1. Projected Jobs by Companies Reshoring[3]

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[2] I propose to refer to this phenomenon as "The Lucas Paradox between Korea and the U.S."—a case that exemplifies a reverse flow of capital from a relatively capital-scarce country (e.g. Korea) to a capital-abundant economy (e.g. the United States). In conventional economic wisdom, capital is expected to travel from rich countries to poor ones, where the marginal returns on capital are believed to be higher. This principle, challenged by Lucas (1990) in his original formulation of the "Lucas Paradox," underscores the weaknesses of institutions and the complementarity of labor and capital in developing regions as reasons for these flows not taking place. However, the Korean case adds an additional layer to this paradox. Korea persistently expands its direct investment into the US—despite its high labor costs and lower need for external capital—while also possessing robust institutions, ample skilled workers, and developed industrial capabilities. This puzzling trend implies that conventional economic frameworks that account for foreign direct investment (FDI) fail to capture the enduring realities of capital migration in the 21st century. It requires a shift in the thinking about FDI motivations to develop strategic, geopolitical, and firm-specific explanations rather than pure endowment factors.

[3] South Korea's high ranking in U.S. job creation is particularly meaningful because it is primarily driven by Korean-headquartered companies making new foreign direct investments (FDI) to establish or expand operations within the United States. In contrast, for countries such as Vietnam, China, and India, much of the reported job creation may stem from the reshoring of production facilities previously operated by U.S. companies in those countries, rather than from FDI originating from Vietnamese, Chinese, or Indian firms.

	Country	Jobs	Companies	% of total jobs
1	Korea	35,403	34	26
2	Vietnam	22,500	2	17
3	Japan	14,349	46	11
4	Canada	13,671	40	10
5	Germany	9,855	60	7
6	China	8,985	46	7
7	Netherlands	4,659	16	3
8	India	4,620	10	3
9	France	4,551	22	3
10	Taiwan	4,500	8	3

Source. Reshoring Initiative. (2022). Reshoring Initiative® 1H 2022 data report.
https://reshorenow.org/content/pdf/2022_1H_data_report-final5.5.pdf

In 2024, South Korea sustained its role as a significant source of foreign direct investment (FDI) into the United States. According to the U.S. Department of Commerce (2024), the cumulative stock of FDI from South Korea to the U.S. reached $78.2 billion, marking a meaningful increase from previous years. This increases underscore South Korea's strategic focus on enhancing its economic presence in the U.S., particularly within the manufacturing sector. Notably, South Korean companies have been instrumental in the expansion of the U.S. electric vehicle and battery industries, sectors that have seen considerable investment following the enactment of the Inflation Reduction Act and the CHIPS & Science Act (Financial Times, 2024). This alignment is crucial for South Korean firms aiming to enhance their global competitiveness amidst rapidly changing global market dynamics. According to the U.S. Department of Commerce, South Korean investments are not only substantial in volume but also deeply integrated into the U.S. economic structure, reinforcing the strategic economic partnership between the two countries (U.S. Department of Commerce, 2024).

Moreover, comparative data on global FDI trends underscore that while other

nations also invest heavily in the U.S., South Korea's investments are particularly impactful in terms of technological transfer and job creation, which are critical for sustaining long-term economic growth in both nations. Notably, South Korean enterprises have been leading in job creation through their continued and increasing investments in the U.S. As Table 1 shows, Korea is the major foreign job creator in the U.S., ahead of Japan and Canada. This distinct role of South Korean direct investment into the U.S. underscores the strategic importance of these investments, which are not merely financial but also serve as bridges for innovation and industrial collaboration (Reshoring Initiative, 2022). Furthermore, the Reshoring Initiative's 2023 data show that South Korea still ranks first among all countries in terms of job creation in the United States through direct investment. In 2023, Korean companies accounted for the largest share of new job creation announced, demonstrating a continued strong commitment to direct investment and employment (Reshoring Initiative, 2023).

Direct investments, particularly from South Korea, have been critically important in enhancing the U.S. job market as well as lowering the dependence on offshoring production supply chains. The Reshoring Initiative 1H 2023 Report articulates that South Korean companies are pouring capital into major U.S. industries, enabling a robust return of employment opportunities to the United States, thus confirming South Korean sponsorship is on the rise (Reshoring Initiative, 2023). Table 2 illustrates investment activities of key Korean manufacturers that are significant to the structural development of the Industrial economic system of the United States.

Table 2. Major Korean manufacturers' direct investment into the U.S.

Corporation	Location (State)	Major products	Investment plan implementation status
Samsung Electronic	Texas	Semiconductor	Preparing second factory construction, reviewing third factory sites in the U.S.
S.K. Innovation	Georgia	Battery	Reviewing third factory sites in the U.S.
L.G. Chemical	Ohio	Battery	Promotion of establishing a joint venture with G.M.
L.G. Electronics	Tennessee	White appliances	Completion of Plant 2 and additional plant expansion is under consideration.
Hanhwa Q CELLS	Georgia	Photovoltaic module	The second plant is under construction
	Texas	Photovoltaic module	A new solar power facility production plant is under consideration.
Hyundai Motors	Georgia	Electric vehicle	Establishment of an Electric Vehicle Production Plant
Lotte Chemical	Louisiana	Ethylene, E.G.	Completion of the second plant in 2019 and the establishment of the second plant are under consideration.
C.J.	New Jersey	Processed food	Factory completion in 2019
Nongshim	California	Processed food	Factory completion in 2020

Source. Based on a telephone interview with an official of the Korea Trade-Investment Promotion Agency, it was newly organized by the author of this research proposal.

To fill the gap in academic literature pertaining to the directional South Korean direct investments in the U.S., this dissertation aims to analyze the strategically pivotal aspects driving such direct investments. The findings are expected to improve the understanding of the evolving trends in international business and direct investment by highlighting the critical success factors (CSFs) motivating the investment decisions. Further, the research results will serve as a basis for strengthening the economic and industrial ties between the two countries.

1.4   Research Gap

Traditional economics explains that capital should flow from capital-rich developed countries to capital-scarce developing nations; however, the Lucas Paradox and subsequent studies emphasizing institutional quality fall short in explaining why countries like South Korea, with strong institutions and abundant capital, are increasingly investing in other developed, high-cost countries such as the United States. Business studies also fail to explain the recent Korean investment wave to the U.S. Business studies show the limitations of focusing on calculating investment costs, such as labor costs, taxes, and land prices, from an accounting perspective rather than explaining the incentives of these companies to act. This portrays a dual research gap: strategically means an economically updated theory of capital needs to be developed for investment behavior between developed nations is out of date; and managerially, there is no comprehensive study on the competitive advantage and the strategic motivators for such investments.

1.4.1. Research Gap in Economics

Traditional economic theories posit that capital naturally flows from developed countries, where it is abundant, to developing countries, where it is scarce, to pursue larger returns. This is because developed countries have an abundance of capital, while the latter is scarce in developing countries. In the year 1990 however, Robert E. Lucas brought forward a counter explanation arguing how capital does not flow from rich to poor countries as is expected—the "Lucas Paradox". As a form of explanation, Lucas cited the non-complementarity of capital and labor in developing countries and the weak institutional framework encompassing inadequate property rights and unstable legal systems as factors.

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Although Lucas provided an explanatory framework for capital flow on an international scale, he fails to account for contemporary investment activity, such as the recently observed surge in foreign direct investment (FDI) from South Korea to the United States. The latter is considered capital poor and South Korea is deemed a highly industrialized country complete with robust institutions and a skilled labor force—neither can be described as a country deficient in capital or burdened with institutional frailties. Regardless, there is a growing trend of Korean firms investing in the U.S. which defies economic logic.

Further empirical research, namely by Alfaro, Kalemli-Ozcan, and Volosovych (2008), highlights the importance of capital account openness in relation to the quality of institutions. The research concluded that the stronger institutions a country had, the greater the capital inflow, thereby confirming that institutional factors greatly influence investment decisions. Even so, this argument fails to account for the capital flow reversals between South Korea and the United States, given that both countries enjoy strong institutions.

This contradiction pinpoints gaps in South Korea and other capital-rich developed nations: why does a relatively capital-rich country like South Korea offshore capital to other developed markets like the United States? Other drivers, such as geopolitical factors, supply chains, and market entry opportunities, are likely much more important than previously thought. As such, a more sophisticated analytical framework that incorporates strategic corporate-level intersectional industry considerations tailored to the phenomenon needs to be developed to account for modern FDI patterns.

1.4.2. Research Gap in Business Studies

The increase in direct investments by Japanese corporations in the United States during the 1980s catalyzed a wave of extensive research within the American business academic community. The studies intricately examined the competitiveness derived from the capabilities of Japanese firms, marking substantial milestones for the field of business management in America (Cole, 1999). Research into Japanese management practices, such as Toyota's Just-In-Time (JIT) system and Honda's strategies, significantly contributed to the development of U.S. management theories, including the rise of the capabilities school of thought (Fujimoto, 1999). This research not only enriched academic knowledge but also spurred advancements in management practices in the U.S., underscoring the transformative impact of Japanese FDI on American business strategy studies (Kotabe, 2020; Westney, 2020).

On the other hand, the U.S.'s academic attention to these Korean businesses is comparatively limited, even as their direct investments in American firms have surged from the 2010s till now. It is well known that South Korean companies have played a major role in developing new industrial ecosystems in the United States, especially through their pioneering investments in semiconductors and chemicals. However, holistic scholarly analyses of these developments that engage with the 'what' and the 'why' of the competitive advantages often remain academic absent. This, remarkably, stands out in the absence of scholarly context on the impact Japanese investments had and the extent to which American academia and industries were influenced.

Furthermore, traditional theories of foreign direct investment (FDI) have predominantly focused on the tendencies of high-cost developed countries to invest

in low-cost developing nations. However, the dynamic characteristics of investments from developed countries like South Korea into higher-cost countries like the U.S. challenge these traditional frameworks. South Korean firms bring specific competitive advantages, such as advanced technological capabilities, robust innovation practices, and strategic market positioning, which are not fully captured by current FDI models (Ohmae, 1982; Porter, 1990). This evolving landscape of international investment underscores the necessity for more thorough scholarly research to better understand these trends and the strategic implications of South Korean investments in high-cost environments like the U.S.

It is understandable why American academics are not interested in the U.S. academic context. The American business academic community has shifted its focus towards the exceptional performance of U.S. companies. U.S. companies are achieving remarkable growth in many high-tech fields, as this field draws sufficient attention from business administration. If research on the growth of Japanese companies in the past was related to the loss of confidence in the U.S. economy itself and the decline of U.S. companies, the current indifference to foreign companies in the U.S. business community may reflect their confidence. The U.S. economy has sustained robust growth driven by the IT sector and high-value service industries, which have experienced unprecedented and continuous expansion.

A critical question remains: Why are South Korean firms, which benefit from relatively lower labor costs and production expenses, increasingly investing in the United States, where labor and production costs are among the highest globally? This phenomenon defies traditional economic logic and suggests a complex interplay of strategic factors that warrants in-depth investigation. Current literature inadequately

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explains this reverse investment flow, highlighting a significant gap in understanding the motivations and impacts of such investments. Understanding these dynamics is crucial not only for advancing theoretical frameworks but also for providing practical insights into global economic strategies.

The easiest, but simplest, way to answer this question is how the U.S. administration thinks; Korean companies are investing in the U.S. under its industrial promotion policy or policy pressure. However, this method cannot explain everything; the U.S. government's incentive or reverse incentive structure is not so strong compared to the size of investment in large facilities that must be maintained for longer years. In essence, investment is not easily decided by external pressure; it is not easy without something more powerful internal momentum.

There is also a way to answer this question from the perspective of Korea's deteriorating business environment. It can be understood that this is a process in which Korean companies are moving to the United States due to the deterioration of the business environment, Korea's excessive regulatory legislation, and increased production costs, such as labor costs. This method is similar to the method taken by this study from the perspective of finding the cause of FDI to the United States from the drivers inside Korean companies. The high regulatory standards and increased labor costs in South Korea, which align with European levels, make their investment strategies in high-cost environments (Korea Trade-Investment Promotion Agency, 2023; OECD, 2022).

Despite all of the above Business Studies and practical explanation attempts, I think that all of these Business Studies approaches have limitations in remaining in the accounting approach to calculating wages, rent, taxes, and indirect costs. Still, it

does not clearly explain the factors that Korean companies make large-scale facility investments in the United States from a long-term perspective. I think it is because business administration did not ask Korean companies and did not know how to ask Korean companies.

This dissertation intends to fill a significant gap in the literature by providing a comprehensive analysis of South Korean direct investments in the U.S. While traditional Foreign Direct Investment (FDI) theories have primarily focused on investments from developed countries to developing nations, the dynamic nature of investments from South Korea into a high-cost economy like the U.S. presents a unique challenge to these conventional frameworks. This study aims to bridge this research gap by examining the strategic motivations, capabilities, and competitive advantages of South Korean firms, thereby challenging traditional FDI theories and contributing to a deeper understanding of global economic dynamics.

Understanding these FDI motivations is important as they provide a better understanding of South Korean corporations for academics, policymakers, and businesses. The dissertation adds to the body of work on South Korean corporations by evaluating the Critical Success Factors (CSFs) that affect their investment and looking at the impact these investments subsequently have on the economy of the United States. With this understanding, relevant stakeholders would be equipped with critical information to devise better policies aimed at fostering and retaining such investment, bolstering national economic and technological growth. Therefore, the research achieves a balance between theoretical frameworks and real-life implications for policymaking, international business, and economic strategy.

1.5   Research Questions

The study is primarily organized around the following central research question: What factors influence Korean companies' intention to invest in the U.S.? This central research question seeks to uncover the internal motivations that drive Korean industries to expand their production facilities in the U.S. market.

While exploring this central research question, two secondary research questions emerge to provide depth and context. The first secondary research question examines the internal characteristics of Korean firms: What are the characteristics of Korean firms as manifested through the Critical Success Factors (CSFs) they perceive themselves to be? This question attempts to construct the uniqueness of Korean firms in terms of the critical success factors they consider fundamental to achieving their objectives. A major part of this study is capturing the self-defined CSF profile of Korean firms to enable the integration of their internal resource strengths and strategic priorities with U.S. investment realizations. The study analyzes the internal determinants in relation to the characteristics of Korean firms vis-a-vis their investment decisions in the U.S. To illustrate, firms viewing innovation and technological advancement as critical success factors are likely to regard investing in the U.S. as a means to harness world-class R&D and a highly skilled workforce.

The second subsidiary research question looks into industry perspectives: How do Korean firms' perceptions regarding the importance of investment in the United States vary across industries? This helps to understand the difference in FDI decisions and intentions among industries. Understanding these distinctions helps place the main research question in a larger economic and industrial context and provides more detail to the overall investment picture.

This is aimed at explaining why Korean companies invest in the U.S., and how this rationale differs by industry, focusing on the secondary research questions, which are meant to serve the central one by analyzing the internal aspects of Korean companies and the industry dynamics external to those firms. This integrated analysis is expected to provide insights into the issues motivating Korean firms' investment in the United States.

CHAPTER 2

BACKGROUND LITERATURE REVIEW
AND THEORY

2.1   Determinants of FDI

In the scholarly study of Foreign Direct Investment (FDI), the gulf between

developed and developing countries shows different region-unique factors

determining the investment inflows. Literature from developing countries tends to

emphasize factors like economic growth, political stability, and market size.

Conversely, the factors motivating FDI into developed countries, which is the theme

of this thorough review, are much more complicated due to more developed policies

and sophisticated market systems.

Singh and Jun's (1995) earlier work showed that political risks, the business

climate of a country, and its export orientation largely determine FDI into developing

countries, thus illustrating the importance of a positive business climate for foreign

investment (Singh & Jun, 1995). Nunnenkampf (2002) also observed that traditional

determinants of developing countries, such as market size and economic growth, do

not lose their importance even with globalization's all-encompassing changes.

(Nunnenkamp, 2002). "Bergsman et al (2000) also argued that the more favorable

business and trade policies leading to reduced trade barriers have quadrupled FDI to

these regions, highlighting the influence of government policy." (Bergsman et al.,

2000).

Shifting to the determinants of FDI in developed countries indicates a change

in focus toward sophisticated economic relations and policy contours. In developed

economies, factors such as GDP growth, level of openness of international trade, and

quality of regulation are equally important, which indicate a shift toward more policy-related concerns that influence FDI (Saini & Singhania, 2018). These factors aid in understanding foreign direct investment patterns in more developed economies, such as the United States, which have advanced economic policies and stability relative to developing countries.

The refined description of developed economies is complemented further by studies like Gast and Herrmann (2008), who examined the impact of political and stock market variables for FDI and the flexible nature of market size in OECD countries during the 1990s. This hypothesis posits that in developed countries, FDI dependency is not based solely on a country's economic size; rather, it is equally determined by the country's economic and political stability (Gast & Herrmann, 2008).

Elaborating further, Rafidi and Verikios (2022) studied Australia and reported that monetary policy, productivity, labor market conditions, tax frameworks, and trade barriers critically influence FDI. This is in consonance with the general view that developed countries undergo government spending and economic activity, and the need to foster foreign direct investment.

Furthermore, Baci et al. (2022) incorporated more rigorous factors by explaining the sophistication of economic policies in developed countries, including the effectiveness of regulators and governance, as well as demographic factors for both developed and developing countries. Baci et al. argued that these tend to be more relevant in developed countries where the complexity of the economy and the regulatory system requires foreign direct investment to consider a multitude of factors.

In all these cases, the studies are grounded on one theoretical framework which is mostly presumed is Dunning's Eclectic Paradigm or the OLI framework which attributes foreign direct investment (FDI) about possessing, locating, and internalizing advantages. This framework serves to demonstrate how developed countries use their location and institutional setting to attract foreign investment.

As the aforementioned factors stem from both the external and internal environment in which a company operates, we can synthesize that the policies, market structure, and regulatory framework within the host nation all have great significance towards the investment decision of any foreign entity. This understanding is of great importance to leaders and authorities of a nation, especially in the case of the United States, where changes are frequently made in order to ensure a more favorable position for FDI.

2.2   Theoretical Approaches

In an effort to explain in depth the multilateral motivations of Foreign Direct Investment (FDI) in the context of its associated models, this work is based on the classification framework developed by Faeth in 2009, which identifies and systematically describes nine theories of FDI. Each model identified by Faeth (2009) offers a fresh perspective towards understanding the drivers of investment decisions made by multi-national enterprises (MNEs) and will be the focal point of the inquiry herein. To provide a more granular assessment of Faeth's work, we will analyze the models of FDI he outlines, paying particular attention to the underexplained assumptions and largely unexamined assertions of FDI theory.

The first steps done in the area of FDI were mostly observational and included surveys with firms to understand why they invested abroad. Behrman (1962) and Robinson (1961) concentrated on the primary FDI determinants, especially those related to the market, such as its size and growth. These studies concluded that there exists considerable incentive for firms to invest in foreign direct investment into emerging markets that exhibit growth potential, and where significant economies of scale could be achieved. These reports also noted that companies were willing and eager to strategically enter markets to overcome restrictive trade barriers or set up shops in those countries as a means of lowering costs and facilitating access to their products. What can be inferred here is that market conditions of the host economy are crucial determinants of the attractiveness of FDI, and markets accessible to investment are those that offer short-term benefits and long-term returns.

The Neoclassical Trade Theory, especially the one influenced by the Heckscher-Ohlin model, describes FDI as an advanced form of international trade that is caused by the difference in the factor endowments of a country. This theory is more elaborately developed by MacDougall (1960), who argued that capital-rich nations are compelled to invest where capital is scarce in order to maximize returns. It further elaborates that the capital seeking enhanced profitability diverts FDI flows to countries where they are scarce. So, labor-abundant but capital-scarce countries will attract investments from capital-rich countries who seek to exploit high marginal returns available on the capital.

Developed by Hymer (1960) and Kindleberger (1969), the theory of ownership advantages suggests that firms that possess certain proprietary assets like modern technologies, patents, and management skills are able to capitalize on those

globally. This model moves away from focusing on external economic factors to center on the firm's features, arguing that these attributes allow the firm to deal with the operating disadvantages in foreign markets. Armed with unique assets, firms can not only penetrate foreign markets more easily but can also outmaneuver local competitors and dominate the international market.

The approach backed by Scaperlanda and Mauer (1969) captures foreign direct investment (FDI) inflows as a response to macroeconomic factors: the GDP growth rate, the stability of the economy, and the economic prospects of the country. The model proposes that foreign investors are significantly drawn to host countries that offer a stable economy and favorable growth prospects as investment opportunities. These macroeconomic indicators act as representation for the country's market and economic vitality and serve as a basis for multinationals in the strategic corporate decisions on resource distribution in the international arena.

Dunning (1977) brought together several theories in his OLI (Ownership, Location, Internalization) framework, which describes the factors influencing Foreign Direct Investment (FDI). This Framework focuses on: ownership advantages, location advantages, and internalization benefits. Ownership advantages are competitive firm-specific assets; location advantages are those pertaining to the host country that facilitate investment, e.g., labor, market size, tax policies, and internalization advantages are the reduced transaction costs associated with using firm resources, as opposed to external contracts, to manage operations. Dunning's framework helps explain why firms prefer FDI as a market entry strategy and how they systematically refine their international operational frameworks to maximize returns.

The division of horizontal and vertical FDI by Markusen (1984) added to the explanation of strategic moves made by multinational corporations. Replicating (simple expansion of) a firm's business operations in other countries in order to serve local markets is called horizontal FDI and is usually done to circumvent trade barriers or meet market demand. Companies usually perform this type of FDI in order to retain control of their brand and to provide services or products tailor-made for the specific region. In contrast, vertical FDI deals with the geographical distribution of different stages of production (or service). Each segment is placed where it can be executed at the lowest cost. This model stresses the logistical and cost-efficient limitations of a multinational strategy in the production line of international companies.

Markusen et al. (1996) created the Knowledge-Capital Model fusing together horizontal and vertical FDI simultaneously on the basis of harnessing both market-seeking and efficiency-seeking strategies. This model brought to light the importance of firm-specific assets, especially knowledge and innovation, in making FDI decisions. Firms that have advanced research and development facilities, proprietary technology, or even specialized knowledge will undertake FDI to harness their competitive advantages and not only gain access to new markets but also optimally restructure their global operations by efficiently redistributing their knowledge-based resources.

Rugman (1979) looked into FDI in the context of a diversification strategy aimed at responding to economic and political risks associated with particular territories. These investments aim at spreading across multiple markets with the purpose of diversifying and reducing overall return volatility. This is more common

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for a firm in a high-risk sector or within a politically, economically, or socially unstable region. With FDI, a firm doesn't just pursue growth by entering new markets but also seeks stability while expanding its operational scope.

Brewer (1993) brought out the importance of government policy in affecting FDI. Policy incentives such as tax breaks, grants, and subsidies, as well as other regulations, determine the degree to which a country will be viewed favorably as a business investment location. The model stresses the need to have policies that are supportive of FDI since multinational firms tend to invest in places where policies support the easy transaction and management of business investments. The relationship between FDI and the many policy variables needs to be determined by decision makers and entrepreneurs in order to enhance economic development and foreign direct investment inflow.

2.3   Relevance of CSFs to the OLI paradigm

The study focuses on Korean firms' critical success factors (CSFs) and correlates them with the firm's reason for making direct investments into the United States (U.S). The work employs the OLI framework (Dunning, 1980, 2001), which outlines the reasons for engaging in foreign direct investment (FDI) as possessing ownership, location, and internalization advantages (detailed as "O," "L," and "I," respectively). The advantages and fundamental prerequisites for doing business internationally are essential to successful cross-border investment and business operations.

Prior to Dunning's OLI paradigm, traditional economic theories on foreign

direct investment (FDI) focused exclusively on capital movement. The theoretical

assumption was that capital migrating from a region with lower marginal

productivity to a region with higher marginal productivity is deemed more beneficial.

More simply stated, investments were thought to flow from capital-rich countries to

capital-poor ones in pursuit of greater returns (Hymer, 1960; Kindleberger, 1969).

The rationale provided for capital flow in this context is sound and rests on the

differential return on investment.

Traditionally, such explanations fall short as they do not incorporate the rich

internal drives and plans of the firm. They also pay too much attention to the larger

picture and ignore the microeconomic realities and firm-specific resources

explanations of FDI. For example, they overlook strategic assets or capabilities, such

as proprietary technologies or brand equity, which are important in explaining

business FDI (Hymer, 1960).

On the other hand, the OLI paradigm attempts to provide a more detailed

rationale for FDI by synthesizing several explanations into one cohesive model.

Dunning first presented the OLI paradigm in 1977 and elaborated it in subsequent

works in 1980. As Dunning outlines, the OLI framework suggests that a firm's

likelihood of engaging in Foreign Direct Investment FDI is driven by its ability to

capitalize on three fundamental advantages: Ownership advantages pertain to firm-

specific resources or capabilities which provide competitive leverage in foreign

markets, such as superior technology, brand equity, and proprietary information.

Location advantages are those specific characteristics of a host country that are

beneficial, such as natural resources, the size of the market, the cost of labor, and

general infrastructure. Internalization advantages occur when a firm needs to manage

resources and capabilities internally as opposed to externally in the organizational

market, such as market imperfection management, transaction cost reduction, and

protecting proprietary assets (Dunning, 2001).

The OLI framework has received many updates and expansions over the

years. Some of the most important ones include the addition of institutions as policies

frameworks that influence FDI decisions by Dunning in 2001; Narula and Dunning's

2010 explanation on how the ownership advantages are not static but change with the

global competition landscape; and Cantwell et al.'s (2015) focus on network relations

and innovation systems in globalization (Dunning, 2000).

The OLI paradigm has received a lot of attention in empirical applied research

around the world, across different sectors. For instance, Rugman and Verbeke (2003)

explored the application of the OLI paradigm to MNEs from emerging economies

and their implementation in international business strategy. In the Asian context,

Makino et al. (2002) studied the reasons behind Japanese MNEs' FDI location

choices through the OLI framework, whereas Meyer (2004) used the framework to

investigate the investment strategies of European firms in transition economies.

Research on Korean firms is relatively scarce, even with the abundant

application of the OLI framework. Relevant research studies include Kim et al.'s

(2016) analysis on the FDI behavior of Korean businesses into China whom they

held the Ownership and Location Advantages to be of real significance, as well as

the Korean multinational enterprises (MNEs) internationalization-strategies study by

Chung and Beamish (2005) where internalization advantages were also vital for the

crossing of borders.

Critical Success Factors are described as the key determining factors an

organization requires to achieve its goals. For Korean businesses, these factors are vital for navigating successfully through international expansion. In this study, the factors are technological superiority and brand value, which are two of the Ownership Advantages in the OLI Framework, controlling a company's assets or abilities relative to the international market competition. These factors become primary in explaining Korean companies' secondary advantages that fall under the Location Advantages in international investment, as directly associated with Cost Efficiency and Access to Markets. Management effectiveness and risk lessening fall under Internalization Advantages, depicting that the company manages the market inefficiencies and risk through internal transactions.

This study aims to understand the Korean firms' perceived critical success factors (CSFs) and how these perceptions impact their investment decisions toward the U.S. market by examining them through the OLI lens. For example, a firm's ownership advantage of proprietary technology (an ownership advantage) and an internalization advantage of management productivity (an internalization advantage) directly influence the firm's international competitiveness and the management of its international subsidiaries. Likewise, cost efficiency and market access (both location advantages) determine investment placement for strategically maximizing profit and market presence.

This review summarizes the OLI framework and its theoretical advances, highlights its application in empirical research, particularly regarding Korean firms, and provides insights that contribute to understanding the factors motivating Korean companies to invest in the United States while expanding the scope of international business studies.

CHAPTER 3

RESEARCH MODEL & HYPOTHESIS

This study introduces a research model to explore the motivation of Foreign

Direct Investment (FDI) of Korean industries into the U.S., focusing on the

dependent variable of 'perceived importance of FDI into the U.S.' As independent

variables, this research incorporates several Critical Success Factors (CSFs):

technological superiority, brand value, cost efficiency, market access, management

effectiveness, and uncertainty mitigation. The study also briefly considers the

moderating effect of the respondent's industry expertise, indicating that professionals

from sectors like semiconductor, automotive, and chemical may perceive and act on

these CSFs differently, which subtly influences the outcomes.

3.1   Constructs

This research has investigated and incorporated various constructs used in

previous studies to create a new model that examines the dynamics of foreign direct

investment (FDI) from Korean companies into the U.S. market. For the dependent

variable, instead of using the volatile direct FDI variables, I focus on the perception

of FDI importance, which provides a more stable and consistent basis for research.

This approach is supported by previous studies, such as "Geopolitics, Nationalism,

and Foreign Direct Investment," which examines the perceptions of Chinese FDI into

the U.S. and how geopolitical and nationalistic sentiments shape public attitudes

toward these investments. This study highlights how stakeholder perceptions

influence FDI decisions in a geopolitical context, arguing that heightened

geopolitical concerns and nationalism can negatively affect public views on incoming FDI (Zeng & Li, 2019). Similarly, "Does well banking performance attract FDI? Empirical evidence from the SAARC economies" empirically examines the perceived relationship between banking sector performance and FDI inflows, emphasizing the role of stakeholder perceptions in shaping positive views towards FDI (Tahir & Alam, 2022).

The dependent variable in this study is perceived FDI importance, reflecting stakeholders' views on how investments align with their broader strategic and operational goals. This perception encapsulates the overall value and potential benefits that FDI can bring to the company, ranging from increased market presence to enhanced global competitiveness. Understanding this variable is vital for analyzing how these perceptions directly influence the decision-making process in high-stakes international investments, emphasizing the significance of aligning investment strategies with the perceived long-term advantages in the competitive U.S. market.

The independent variables are defined by perceived Critical Success Factors (CSFs) that include technological superiority, brand value, cost efficiency, Market access, management effectiveness, and uncertainty mitigation. Each of these factors plays a fundamental role in shaping a company's ability to succeed in foreign markets. For instance, technological superiority allows a company to lead in innovation, driving efficiency and product performance that can outpace competitors (Porter, 1985). Similarly, a strong brand value can enhance a product's marketability and customer loyalty, which is crucial in a saturated market like the U.S. (Keller, 1993). The inclusion of cost efficiency, Market access, and management

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effectiveness further underlines the multifaceted approach needed to navigate international markets effectively, while the ability to mitigate uncertainty ensures resilience and adaptability in unpredictable environments (Horngren et al., 2012; Hull, 2015; Kotler & Keller, 2016; Robbins & Coulter, 2018).

The role of the moderator in this study is the respondent's area of expertise, whether in the semiconductor, automotive, or chemical industries. Each industry presents distinct challenges and opportunities in the context of FDI. For example, the semiconductor industry, with its rapid technological advancements and high capital expenditure, requires a different strategic approach compared to the automotive industry, which might prioritize brand value and Market access due to its consumer-facing nature. The chemical industry's reliance on regulatory approvals and environmental considerations also uniquely influences FDI decisions. This moderating effect of industry expertise is essential for understanding the nuances of how various CSFs are perceived and acted upon in different industrial contexts, ultimately influencing FDI intentions and outcomes in the U.S. market.

Table 3. Definition of constructs

		Definition	
Dependent Variable	Perceived FDI Importance into the U.S.	This variable measures the perceived importance of foreign direct investments in the U.S. by Korean companies. It reflects stakeholders' beliefs about the extent to which investing in the U.S. market could contribute to their company's overall strategic and operational goals.	Zeng & Li (2019); Tahir & Alam (2022)
Independent Variable	Perceived Critical Success Factors		
	Technological superiority is perceived as CSF.	Technological superiority is defined as the condition in which a corporation possesses advanced technologies that significantly surpass the capabilities of its competitors, enabling it to lead in efficiency, innovation, and product performance.	Porter (1985); Prahalad & Hamel(1990)
	Brand value is perceived as CSF.	Brand value Strength is the added value that a company gains from a product with a recognizable and admired name when compared to a generic equivalent. This concept encapsulates the economic and marketing benefits that accrue to a product or service from its brand name.	Aaker(1996); Keller(1993)
	Cost efficiency is perceived as CSF.	Cost efficiency is defined as the ability of the company to minimize the costs of its operations and resources while achieving the desired level of output and quality.	Barney(1991); Porter(1980)
	Market access perceived as CSF	Market access is defined as the extent to which a company must effectively access and serve diverse market segments to succeed. This encompasses effective distribution, strategic marketing, and extensive market coverage, which are identified as essential for maximizing sales and market presence.	Kotler & Keller(2012); Levitt(1983)
	Management effectiveness is perceived as CSF.	Management effectiveness is defined as the corporation's capacity to achieve its goals through the efficient and effective use of its resources. This entails not only the management of financial and physical assets but also the strategic utilization of human and informational resources.	Drucker(1985); Mintzberg(1973)
	Uncertainty mitigation is perceived as CSF.	Uncertainty mitigation is defined as a company's ability to anticipate, manage, and reduce the impacts of uncertainties in economic, political, and regulatory environments, and natural disasters such as floods, hurricanes, and droughts.	Jauch & Kraft (1986); Miller(1992)
Moderator	Respondent's Area of Expertise		
	Semiconductor industry	Semiconductor industry	Grove(1999)
	Automotive industry	In the automotive sector, activities encompass the designing, engineering, manufacturing, and promotion of automobiles.	Womack et al. (1990); Clark & Fujimoto(1991)
	Chemical Industry	The chemical sector consists of enterprises that transform basic inputs like oil, natural gas, water, metals, and minerals into a wide range of chemical products.	Porter(1980); Prahalad & Hamel(1990)

3.2   Background Theory of Hypotheses: How are the OLI Paradigm and CSFs Related?

In this research, I have analyzed prior studies and constructed a new model that looks at FDI by Korean firms into the US market. As for the dependent variable, I opt to use an FDI perception measure instead of a direct FDI value, because it captures a more stable and reliable construct for research purposes. This is backed by literature like "Geopolitics, Nationalism, and Foreign Direct Investment," which looks into public perceptions of Chinese FDI in the US and the nationalistic and geopolitical sentiments that serve public opinion towards these investments. This literature demonstrates the impact of stakeholder perceptions on FDI decision-making and argues that increasing geopolitical and nationalistic sentiments may pose a risk to public attitudes toward Foreign Direct Investments (Zeng & Li, 2019). Likewise, "Does well banking performance attract FDI? Empirical evidence from the SAARC economies" empirically investigates the perceived link between the performance of the banking sector and the inflow of foreign direct investment (Tahir & Alam, 2022).

The perceived importance of foreign direct investment (FDI) from the viewpoint of stakeholders is an investment system's operational and strategic goal is the dependent variable in this study. This perception summarizes the overall worth and benefits that FDI could potentially offer to the firm, which includes better access to markets and higher global competitiveness. It is pertinent to understand this variable for evaluating the ways in which such perceptions impact executive decisions in multi-billion-dollar international investments, highlighting the

importance of integrating investment plans with enduring value in a highly competitive U.S. market.

The independent variables are determined by perceived Critical Success Factors (CSFs) such as technological superiority, brand value, cost efficiency, market access, management efficacy, and uncertainty mitigation. A company's ability to succeed in foreign markets is determined by each of these factors. For example, technological superiority enables a company to dominate in innovation, drive, efficiency, and product performance, which gives them an edge over rivals (Porter, 1985). Additionally, brand equity can strengthen a product's appeal and loyalty from customers, which is critical in oversaturated markets like the U.S (Keller, 1993). The addition of cost efficiency, market access, and management effectiveness highlights the sophistication needed to successfully traverse international borders, while the ability to mitigate uncertainty supports persisting and adapting to turbulent settings (Horngren et al., 2012; Hull, 2015; Kotler & Keller, 2016; Robbins & Coulter, 2018).

As for moderators, the respondents had diverse prior knowledge with regard to their disciplines under study: semiconductor, automotive, or chemical industry. Every industry has its own set of problems and advantages related to FDI. For instance, the semiconductor industry has a positive challenge in the form of technology life cycle and high capital expenditure, which differs from the automotive industry's focus on brand value and market access due to the latter's consumer orientation. The chemical industry's dependence on regulatory approval and environmental issues also uniquely impacts FDI decisions. This industry-specific knowledge is important in explaining the perception and implementation of different CSFs in relation to FDI intentions and outcomes in the United States.

Table 4. Hypotheses

	Hypothesis
H0 Null	The independent variables do not influence the Perceived FDI Importance into the U.S., and the respondent's area of expertise (Semiconductor Industry, Automobile Industry, Chemical Industry) does not moderate these relationships.
H1	Technological Superiority positively influences the perceived FDI Importance into the U.S. as it showcases the innovative capabilities and high-tech solutions from Korean companies.
H2	Brand Value positively influences the Perceived FDI Importance into the U.S. because well-regarded brands are likely to be trusted more and seen as beneficial for local economies.
H3	Cost Efficiency positively influences the Perceived FDI Importance into the U.S., demonstrating that efficient cost management can enhance investment attractiveness.
H4	Market access positively influences the perceived FDI Importance into the U.S., indicating that companies with extensive global market presence are viewed as more capable of successful expansions.
H5	Management Effectiveness positively influences the Perceived FDI Importance into the U.S., as effective management is critical in ensuring the success of overseas investments.
H6	Uncertainty Mitigation positively influences the Perceived FDI Importance into the U.S., suggesting that companies that effectively manage risks are preferred for investments.
H7	The relationship between Technological Superiority and Perceived FDI Importance into the U.S. is moderated by the respondent's area of expertise, being stronger among professionals in the Semiconductor Industry.
H8	The relationship between Brand Value and Perceived FDI Importance into the U.S. is moderated by the respondent's area of expertise, being more pronounced among professionals in the Automobile Industry.
H9	The relationship between Cost Efficiency and Perceived FDI Importance into the U.S. is moderated by the respondent's area of expertise, being more significant among professionals in the Chemical Industry.
H10	The relationship between Market access and Perceived FDI Importance into the U.S. is moderated by the respondent's area of expertise, showing greater strength among professionals in the Semiconductor Industry due to the global scale of operations typical in this sector.
H11	The relationship between Management Effectiveness and Perceived FDI Importance into the U.S. is moderated by the respondent's area of expertise, with a stronger impact observed among professionals in the Automobile Industry, where management decisions are crucial for competitive advantage.
H12	The relationship between Uncertainty Mitigation and Perceived FDI Importance into the U.S. is moderated by the respondent's area of expertise, being more impactful among professionals in the Chemical Industry, where regulatory and environmental uncertainties are prevalent.

3.3 Hypothesis 1

Based on Hypothesis 1, the superiority of technology affects the importance

placed on the FDI (Foreign Direct Investment) in U.S.-Korean companies tend to focus on the areas that aid in boosting their technological capabilities. This stems from their need to achieve and protect the competitive advantage technologically over companies providing similar services. They can lose out to more advanced firms whose source of success lies in the technological prowess they provide by adopting new innovations. It is, therefore, imperative for companies to invest in areas that give them a market window to maintain their innovation supremacy. Korean firms aspire to safeguard their investments in technology in the U.S. because of the well-established research and development facilities, along with the reliable laws regarding intellectual property. R&D also gets a considerable amount of spending, thus Korean firms would not only protect their technological investments, but would also use them to enhance them. The existence of the Silicon Valley tech center enriches the possibility of getting high-tech instruments and human capital empowered with skills. Therefore, innovation is ceaseless.

The Korea's manufacturing industry gets significant boost from the high level engineering colleges in the US because of the skill set possessed by the graduates. Such innovation rich environment provides impetus for Korean companies to increase foreign direct investment into the United States.

These businesses are better positioned to join the global technological network, accessing new technologies and business models essential for remaining competitive, by relocating their operations to the United States. The high plausibility of this assumption stems from the alignment of emerging technologies with business growth opportunities. South Korean companies realize that competitive advantage through innovation must be sustained and that the U.S. is the only country that can

provide the conditions for achieving this, thus making FDI into the U.S. strategically valuable.

Kogut and Chang's (1991) analysis of Japanese FDI into the U.S. provides strong evidence for supporting Hypothesis 1, which claims that there is a positive relationship between technological supremacy and the importance given to foreign direct investment (FDI). According to the findings of the study, there is a considerable concentration of Japanese firms in U.S. industries with a high R&D component, which is the expected conduct for Korean counterparts in the same situation. The similarity of investment strategies between Japanese and the assumed Korean disproves the statement on the lack of technological assets in a region as a major driver for FDI. Like the assumptions made about Korean firms, Japanese companies use joint ventures as an entry strategy to integrate and exploit the U.S. technology system.

This assists in the development and sharing of technology and allows these companies to assimilate into the innovation driven US economy. The investments of this nature are motivated by the necessity to stay competitive in rapidly evolving technological markets where domination is critical for market sustenance and financial gains.

Kogut and Chang's research (1991) asserted that foreigners direct their investments (FDI) to industries with the most active R&D because of the greater profit associated with growth and innovation, which is very important for sustaining the competitive advantage regionally and globally. The empirical findings from negative binomial regression analysis shed more light on the connection between FDI and technological capabilities and show a striking tendency to concentrate

investments in areas where there is a lot of developed technologies. The contribution of this study in relation to hypothesis 1 is that it tries to justify the influence of technological capabilities on investment decisions of multinationals, not only regarding Japanese firms but most likely for Korean firms as well. This underscores that such Korean companies are presumed to have these FDI strategies for the United States in order to exploit the advanced technologies and powerful intellectual property rights existing in the country. Thus, the strategic alignment observed in this case provides good reason to expect that Korean firms would logically be expected to reason and act in the same way, thereby making Hypothesis 1 very plausible.

3.4   Hypothesis 2

According to Hypothesis 2, strong brand value increases the perceived importance of FDI into the United States because well-known brands tend to do much better and grow in competitive economies such as the United States. Brand equity is one of the most important assets in the international markets because it impacts customer loyalty as well as the opportunity for entry into the market. Strong brands can not only charge a higher price but also receive a great deal of customer loyalty, which is needed for successful entry into the market. Korean companies, for example, can operate in the U.S. because they take advantage of the strong legal protection the country offers for intellectual property, brand value, and reputation. In addition, the brand's products have inherent advantages due to the direct exposure that the sophisticated market of the U.S. provides for their brand. Korean companies consider the US a focal target market in strategic positioning of the brand, because

success in the market will translate to enhanced global brand presence. Investment decisions in the land of opportunity are often made due to the enormous consumer market or may serve other international countries in the future. The hypothesis is very plausible as it has to do with the brand-enhancing strategy in business that controls foreign direct investments.

Developing a robust brand identity in the United States not only secures brand protection and increases international prestige, but also positions foreign direct investment as a primary target for Korean companies seeking to improve their competitive position in the market.

The work of Ok et al. (2011) has a striking effect on the Hypothesis 2 of this research regarding the favorable influence of brand value on FDI's importance in competitive markets like the US. The study demonstrates how perceived value of a brand, including its social, hedonic, and utilitarian aspects, integrates compositely into brand credibility and brand prestige along with consumer social image and trust, which drives their admiration and social image. The research is important for Korean firms thinking about FDI in the USA. It explains that strong brand value reinforces the credibility of a company and increases its reputation and prestige, and trustworthy social influence in the US market. Strategic brand management, trust, and prestige enable companies to charge premium prices, garner strong customer loyalty, and dominate in these advanced emerging economies, ensuring brand equity. For them, it means better leveraging the Korean established brand value to compete in the US sophisticated markets for global brand recognition.

In addition, the empirical impact stemming from the brand value-related relationship outcomes with consumers In terms of relationship outcomes was brand

value, as previously highlighted in the research based Core Branding Theory, is notable because Korean companies acquires and defend a global brand positioning by entering US markets through FDI, which is Anglo-saxon branded core marketing strategy from Global South to North branding strategies. This approach furthers enables Korean companies not only to acquire defend but also improves their brand value, which unilaterally benefits through the perception of an increase in trust towards the brand. Such outcomes are crucial as they affirm the value-generating synergies that can be achieved through FDI used to enter and penetrate new markets. These benefits to the brand can elevate trust and strengthen the social image, which stabilizes the market trust that the brand can maintain under bilateral competitive assets while meritoriously sustaining asymmetric edging advantage while enabling Korean global branding.

The argument presented by Ok et al. (2011) reinforces the brand value-augmented FDI strategy where entering the U.S. market is thoroughly recommended because the evidence of perceived brand value, credibility, and brand prestige consumed whereby drive brand trust and socially congruence of the brand image is strong, thereby forming an image favorable as result of branding the company's operations in the US. This condition enhances the ability of the brand image to the US market as well as commanding international attention, while the business enhances and dominates a strong position, as well as strengthening the company's value in the market. Based on the primary data examined, it becomes clear that Korean firms are likely to enhance their brand image and marketing performance by spending in the US market, which strongly supports brand value erosion and puts forth precious evidence of the credibility supporting investment.

Thus, the brand value hypothesis set forth the business competition explanations in the premise western dominate these regions is through brand value while reserving the hypothesis holds concerning the primary value-dominating South North border.

3.5   Hypothesis 3

Cost efficiency plays a role in a business's profitability, sustainability, and international operations. Addressing Hypothesis 3, this aspect formulates a relationship between cost management efficiency and the significance placed on FDI into the United States. Their link derives from competitive advantage gained through efficient cost management. Moreover, the focus on Korean companies shows that the strategic decision to invest in the U.S. is driven by the perception that operations are cost-effective and efficient. These perceptions can stem from the U.S. market's robust infrastructure and technology, as they reduce production and logistics costs to boost market competitiveness. While production costs in the U.S. are often perceived as high, there are several advantages due to advanced manufacturing technologies and efficient supply chains. Those significantly lower operational costs, thereby making the country appealing to cost-conscious firms. Surely, these advantages mark the mark, aligning with the hypothesis presented where primary gains through investment in the U.S. give Korean firms the opportunity for repositioning expenses. Overall, for those firms, investment in the country provides a strategic advantage in relation to dominance in cost utilization. Furthermore, the rationale regarding the optimization that can be achieved through prudent resource allocation substantiates

the hypothesis in question.

Using the same reasoning as in Hypothesis 3, it appears that Barrell and Pain's (1996) study provided striking empirical evidence that aligns with the notion that cost efficiency is an important consideration U.S. foreign direct investment (FDI) is associated with. The study makes a thorough examination of the relationship between factor costs, such as labor and capital have on the level of outward FDI by U. S. firms and emphasizes the need for economic efficiency in international investment policies. The results indicate that there are other important necessary conditions apart from market size and cost factors, such as short-term expectations of volatility of the U.S. dollar, which are important for making investment decisions. This is crucial for Korean Corporations planning to undertake FDI into the U.S. because having the ability to control and forecast these expenses can lead to a tremendous competitive edge. The detailed econometric analysis that they provide in their study, based on the theoretical model of FDI, clearly illustrates how these costs influence the investment patterns of multinationals. The outcomes also reveal that regions that offer maximum economic benefits for meeting production and operational expenditure are more prone to being targeted by the firms for investment. These results strongly support the prevailing emphasis on cost and sustainability strategies.

For Korean firms, this suggests that there is a need to develop a targeted strategy plan for advancing into the U.S. Business sector, considering that the supply chain and manufacturing technology infrastructure can effectively reduce the production cost. The use of an instrumental variable technique to assess dollar value shifts within a short time frame deepens the analysis and strategic implications of investment short-term return maximization for firms, which is very important for

optimizing return on investments. These results confirm not only the hypothesis arguing for cost efficiency as an important factor justifying FDI, but also illustrate the diverse relationship between the economies, policy environment, and business investment activities in the global economy.

In the reasoning presented in Barrell and Pain's (1996) study, Hypothesis 3 sufficiently explains the validity of. In this framework, cost efficiency emerged as a central rather than peripheral concern for FDI, even for Koreans firms. The fact that empirical evidence supports the reliance on cost efficiency strategically adds reason Korean firms ought to investigate its use below the theoretical expectation in strategizing for investments in the U.S. succeeds.

3.6   Hypothesis 4

Hypothesis 4 contends that U.S. local production market access greatly affects the perception of importance regarding FDI, particularly with regard to tapping into the vast U.S. market. Expanding Market access is important for any company that seeks to increase sales volume and achieve Economies of Scale. Firms that produce locally in the U.S. are better positioned as they are able to market their products according to the taste of the consumers, which improves Market penetration. Korean companies with production facilities in the U.S. can take advantage of tax-slapping import duties and non-tariff trade obstructions such as tax-fueled quotas, thus boosting their competitiveness. Local production allows prompt response to changes in the market and consumer behavior, which is very important in a flexible market system. Shifting the locus of production to the US is intended to also strategically align Korean companies with the objectives of expanding Market access. For Korean companies, this not only helps in bypassing the US border but also provides a strong foothold in North America and other parts of the world. It is reasonable to argue this hypothesis as it enhances the understanding of strategic needs of global companies when penetrating into other markets. The U.S. market, one of the largest and most diverse, simultaneously increases its entry barriers for foreign products. This makes the market a critical target for foreign direct investment aimed at expanding.

Further examination of earlier studies indicates that market accessibility and entry barriers have a profound impact on FDI investment decisions. For instance, Hennart and Park (1994) showed that Japanese companies take into account economies of scale and trade barriers when investing in U.S. manufacturing. This is

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strategically aligned with the goals of Korean companies who, for the same reasons, want to dominate the U.S. market (Hennart & Park, 1994). Typically, these firms tend to relocate and actually produce in the area where they can utilize these economies and evade trade barriers, which demonstrates the importance of these investment strategies for penetrating the vast and complex U.S. marketplace. Makki et al. (2004) explain how various degrees of trade openness affect the FDI in different economic settings, arguing that these factors also motivate Korean companies to move their production facilities to the U.S. These firms not only gain immediate access to the market, but also improve their position for easier access towards accelerating growth into North America and the world (Makki et al., 2004). Thus, the level of trade accessibility and barriers to entry fundamentally determines the direction of FDI policy, where accessibility is viewed as a principal driver of such critical business decisions.

3.7   Hypothesis 5

Management effectiveness is a strong factor that impacts how FDI is regarded in the U.S., according to Hypothesis 5, as it pertains to foreign management intention. Given the importance of international exposure, skilled international management is vital to overseas operations. Control as an element of management at the overseas level can determine the success or failure of integration and performance of foreign subsidiaries. The developed stage of business in the U.S. offers opportunities for effective management, which is needed within a mature economy with established business norms and a diverse workforce. These

dimensions aid in the development of managerial skill and flexibility, which are important in international business. For Korean firms, using FDI to enhance warehouse management effectiveness in the U.S. is advantageous in terms of corporate restructuring strategy and governance improvement for advancing globalization. Support to elevate and uphold American business practices adds value to the management quality as well as operational excellence of the investment. The hypothesis is very valid considering the overwhelming reliance of management effectiveness on the success of international business operations. FDI places Korean firms in a position to enjoy American standards of management and innovations in corporate governance necessary for effective globalization strategies.

Evaluating other scholarly contributions, Daude and Stein (2007) claim that the quality of institutions, such as a country's regulatory framework, increases foreign direct investment substantially due to providing an environment that is easily manageable and stable, thus favorable for strategic management decisions (Daude & Stein, 2007). This supports the framework, which assumes that efficient management is important because it capitalizes on the benefits of high-quality institutions with regard to achieving maximum operational efficiency and strategic decision making regarding FDI location and management. Furthermore, the usefulness of management effectiveness in these areas is also emphasized by Azémar and Desbordes (2010), who argue that certain short-term strategic policies such as fiscal advantages and deregulation of the labor market have the potential to greatly foster foreign investment when paired with a flexible regulatory system designed for effective management (Azémar & Desbordes, 2010). Such strategies imply that effective management extends beyond internal corporate policies to include relations

with institutions, especially for Korean firms in the sophisticated U.S. market. Thus, it remains very likely to assume that increasing management effectiveness by means of FDI into the U.S. will further advance corporate objectives concerning international operational governance design.

The sophisticated U.S. business environment with its meticulous regulatory structures and high transparency maintains superior management practices which heavily capitalizes on foreign investment opportunities. These elements sufficiently demonstrate the essential-role management optimization plays in the success of overseas endeavors, underpinning the rationale put forth in Hypothesis 5.

3.8   Hypothesis 6

Hypothesis 6 suggests that effective uncertainty mitigation increases the relevance of FDI into the U.S. regarding the FDI's focus on the stability and predictability of the U.S. market. Strategic planning and investment over a long horizon require control and mitigation of uncertainties. Businesses are more willing to invest in economies where the risks can be controlled and the results are fairly certain. The political and economic environment in the U.S. enhances the reliability of business operations and therefore lowers operational risks. This is particularly favorable to foreign investors because their capital investments will be protected by this environment. Korean firms appreciate that they can strategically devise and operationalize long-term investment plans due to the stability offered in the U.S. The relatively stable economy and regulatory environment make the U.S. a preferred host destination for investment intended at reducing uncertainty for business operations.

This is highly plausible because it tries to respond to the fundamental concern of business, which is risk minimization. For Korean firms, the stable and predictable environment of the U.S. becomes a source of competitive advantage, thus making it the most preferred host country for FDI intended to reduce the uncertainty of their operations worldwide.

The substantial amount of research highlights the importance of having a calm and stable environment on the inflows of foreign direct investment (FDI) into a country for economic growth and development. According to Solomon and Ruiz (2012), political risk and macroeconomic volatility serve as major deterrents to FDI, especially in high tension areas like Africa (Solomon & Ruiz, 2012). This meshes with the hypothesis by showing the degree to which the U.S. politically and economically supports his nation serves to dampen volatility and is therefore appealing to investors, especially those from South Korea.

Lemi and Asefa (2003) further illustrate this phenomenon by arguing that politically motivated violence generally undermines the effectiveness of foreign direct investment in the African region. They sustain that while aggregate U.S. FDI into Africa may not be greatly influenced by economic-political uncertainty, there is an adverse impact on sector-oriented FDI, especially in the manufacturing and non-manufacturing sectors, analyzing to political instability (Lemi & Asefa, 2003). As a whole, these authors illustrate how the level of strategic control applied by non-U.S. firms is reversed for non-U.S. firms that require stable operating conditions.

Finally, the research conducted by Julio and Yook (2016) contributes to these findings by showing that policy uncertainty, particularly around election cycles, leads to a sharp decline in FDI, especially in more volatile and less predictable political

systems (Julio & Yook, 2016). This robustly supports Hypothesis 6 by evidencing that America's comparatively lower policy uncertainty and higher institutional quality are strategic advantages impairing investment risks for Korean firms considering FDI. Collectively, these studies support the hypothesis that mitigating uncertainty through a stable and predictable setting makes a country significantly more appealing as an FDI target, fulfilling the needs of businesses attempting to administer and limit risk in their global activities.

3.9   Hypothesis 7~12

The link between the factors affecting Foreign Direct Investment (FDI) and the specific characteristics of an industry is quite intricate and differs from one sector to another. This is important when considering why, even in the same economic system, some industries are more prone to experience greater inflows and outflows of FDI as compared to others, depending on a host of converging economic factors and their individual traits. The works of Pugel (1981), Changwatchai (2010), and Solocha et al. (1990) provide some form of proof of this difference, which assumes that the specific variability of industries leads us to consider propositions H7 to H12 of some industry disparity regarding the influence of FDI determinants as reasonable.

Pugel (1981) has documented how characteristics of an industry, such as R&D, marketing, organizational skills of the firm, and advantages in capital costs, influence FDI in U.S. manufacturing industries. These factors apply due to the specific nature of the industry's thrust and its internal capabilities. For instance, industries with a high intensity of R&D may be motivated to invest in foreign markets because there is a strong drive to safeguard sophisticated inventions and

innovations generated within the country. On the other hand, industries with a high intensity of marketing may want to venture into places where there is strong competition for their goods, which proves that one determinant has the potential to uniquely impact industries on a fundamental level as guided by their key strengths and strategic directives.

In the same tone, Changwatchai (2010) employed the Gravity Model to analyze the determinants of FDI by industry in ASEAN countries, which indicates that economic factors like GDP, trade volume, and tariff levels affect industries in different ways. Those industries that are more integrated into global supply chains may experience higher FDI inflows due to the lower tariff barriers, while those situated in higher wage and educational level countries may experience reduced FDI due to higher operational costs. This analysis adds yet another layer of industry-specific complexity to the determinants of FDI by highlighting the influence on FDI volatility in conjunction with the industry's size of FDI.

In the end, the study from Solocha et al. (1990) concerning Canadian FDI in the USA underlines the importance of industry structures, transaction costs, and firm-specific assets, including the technology level of the firm, on FDI decision making. Industries with high transaction costs might look to invest in areas where these costs are lowered, which is a determinant not universally applicable but particularly to industries where cost efficacy is a primary concern. This study also explains that some smaller firms in Canada, within a captive market growth space, may look for FDI as a response strategy, thus underscoring the fact that both the magnitude of the industry and the type of domestic issues tend to determine the scope of FDI.

All of the studies together prove Hypotheses H7 through H12 correct by

showcasing the determinants of FDI have heterogeneous impacts across sectors.

However, they differ for a variety of reasons and the unique characteristics of the

business. This variation by industry is unique to each industry and requires

understanding how different factors are measured for FDI, which is important for

policymakers and business decision-makers who want to design or control FDI.

Identifying and analyzing these intricacies expands the accuracy of predictions

regarding FDI and aids in the development of policies that address the unique

challenges and strategic advantages each industry contains.
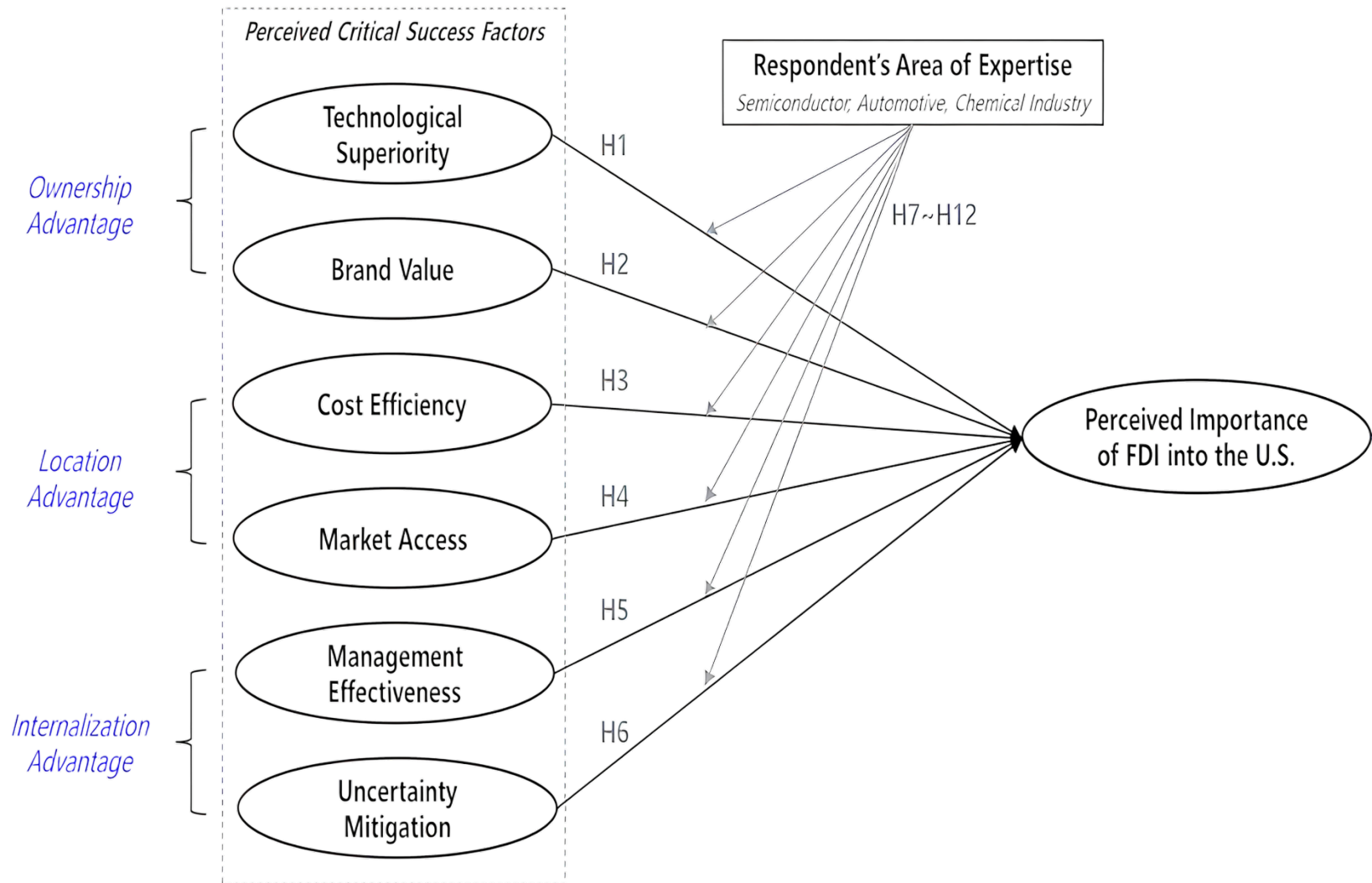
Figure 2. The Conceptual Research Model

3.10   Conceptual Framework

The framework in Figure 2 captures the interrelationship between some of the critical success factors (CSFs) and the magnifying effect, perceived importance of Foreign Direct Investment (FDI) into the U.S. by Korean companies. This logic follows Dunning's paradigm of Ownership, Location and Internalization (OLI) which divides the CSFs into three: advantages of ownership, advantages of location, and advantages of internalization.

As seen in Figure 2, ownership advantages encompass technological superiority and brand value. Strategic assets which enable firms to compete effectively in international markets are put forth in the form of hypotheses H1 and H2, which expect an influence of technological superiority and brand value on the perceived importance of FDI into the U.S. as positive. Advantage of location is hypothesized in terms of cost efficiency and Market access (Hypotheses H3 and H4) to positively enhance the perception of importance towards FDI due to the value of strategic geographical positioning and effective cost management. Internalization advantages which compose management effectiveness and uncertainty reduction (H5, H6) are expected to positively influence perceived importance towards FDI by validating how international operations can be optimized through effective management and risk reduction.

Moreover, Figure 2 encompasses the moderating impacts of the respondents' area of expertise on the relations between the CSFs and FDI importance as perceived by the respondents. H7 through H12 describe these effects. In turn, each CSF may affect the importance of FDI differently for some sectors, like the semiconductor,

automotive, and chemical industries. The diagram captures these relationships, providing a clear picture of the dynamics of the theory as the study seeks to understand within the framework which factors strategically drive the investment decisions of Korean firms into the U.S. market.

CHAPTER 4

RESEARCH METHODOLOGY

4.1   Participants and Procedure

In the context of assessing the causative correlation between Perception of Investment in the United States and the Critical Success Factors (CSFs) of Korean companies, the survey element is of fundamental importance. This portion of the study involves the stepwise participation outline as shown in Figure 3, aimed at capturing participants who are in a position to share relevant opinions on the matter under consideration.

The criteria for selection focus on a myriad of socio-professional and professional factors in order to form a robust multicriteria framework that ensures the selection of informative respondents on CSFs.

Professional Background: The respondents must possess no less than 7 years of experience in their respective domains. This requirement ensures that the respondents have sufficient experience in the industry which is crucial in capturing nuanced CSFs that may shape perceptions about investments in the United States.

Decision Making Authority: The respondents for the survey are drawn from broad mid-level and upper management or research positions such as heads of departments, team leaders and senior researchers. The inclusion of such respondents ensures that the perspective of people that have the power to make change at the strategic level is captured so that all strategic and operational perspectives and dynamics are aligned.

Educational qualifications: Practical work experience paired with a structured

theoretical understanding of business and management systems enables eligibility for respondents with a doctorate in relevant fields.

The criteria are defined with "or" instead of "and" which means all qualified respondents can be included irrespective of their scope. This enriches the data collected through the survey by capturing constituents of what is critical in achieving success in any organizational setup.

Figure 3 depicts an illustrative example of a narrow and strict qualifying criteria funnel for respondents of the survey focusing on CSFs in the semiconductor, chemical, and automotive sectors in South Korea. This part of the research is designed to capture the views of professionals who are actively participating in these industries and understand the important strategic context of U.S. capital investments.

The first few stages involve forwarding links to potential respondents via text messages using contacts from relevant professional bodies. The first initial question posed to respondents is whether they consider themselves to belong to the particular industry in question. Should they decide that they do not, then the survey is automated for closure.

For those confirming relevance, the explanation of CSFs that follows is customized for a CSFs overview. It is crucial that respondents engage with CSFs before moving forward, as meaningful discourse on these factors necessitates specialized knowledge. Then the survey assesses respondents' self-evaluated readiness regarding discussion on CSFs and if respondents feel insufficiently competent, the survey concludes.

This second layer of screening uses respondents' work experience, job title, or educational qualifications as criteria. Respondents confirming more than seven years

of industry experience move directly to the main survey. Respondents lacking adequate experience, but occupying high-level positions or holding doctoral degrees, are also deemed eligible. This multilevel screening guarantees that the survey obtains relevant data from knowledgeable respondents who possess advanced academic qualifications critical for evaluating CSFs, which require extensive knowledge and experience for analysis.

As shown in the Figure 3, this elaborative selection procedure guarantees that only qualified respondents with adequate knowledge and experience pertaining to the CSFs are surveyed. This information will be particularly useful for analyzing the impact and areas of competitive advantage within these key industries relative to U.S. investments. This study will greatly enhance the understanding of the relationships between the critical success factors of Korean firms and how they view the significance of U.S. investments, which is essential for the whole research.
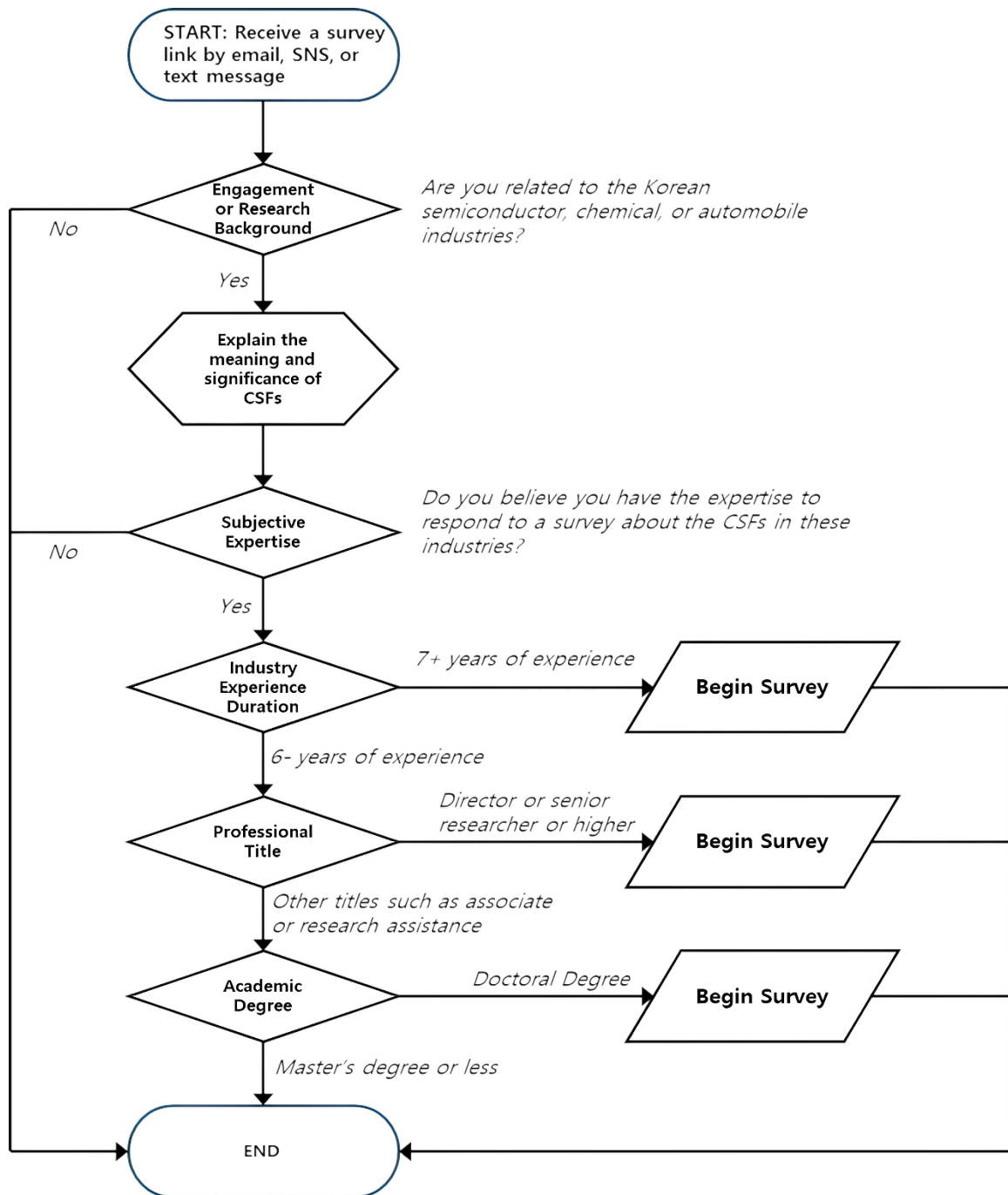
Figure 3. The Procedures for Selecting Respondents to the Survey

4.2   Research Design

The research in discussion seeks to analyze the relations between Critical Success Factors (CSFs) and investment priorities of Korean businessmen within the context of the OLI paradigm with a particular emphasis on semiconductor, chemical, and automotive industries. There is scant research in the context of Korean-specific industries that attempts to integrate CSFs with investment intention empirical studies, although theoretical frameworks do exist.

In describing the method employed, it is important to note that this research is quantitative in nature. The intended method of data collection is through a formalized questionnaire developed for the employees of the identified sectors in Korea. The primary data collection method will involve sending hyperlinks of the survey to the mobile phones and emails of a stratified random sample of employees from the organization lists provided by industry associations.

To guarantee that the data is credible and takes into account well-informed opinions, the survey participants are circumscribed to those who possess at least seven years of relevant work experience in the industry, are in managerial positions (at minimum a department head), or hold a doctorate. This ensures that sample respondents are knowledgeable enough to understand the CSFs in question and how they influence investment choices.

As a prerequisite, an informed pilot followed by a quantitative one will be conducted over the summer to refine measurement testing for the survey's questions (Hair et al., 2010). This is important for ensuring that the survey captures the essence of CSFs in relation to investment intentions. The survey administration and data

collection processes will be contracted to a private survey company in South Korea in order to maximize the reliability and efficiency of the processes.

The data will be analyzed with Smart-PLS, which is particularly beneficial for analyzing complex interactions through partial least squares path modeling (Hair et al., 2017). This instrument will be useful as the study intends to examine how several variables like CSFs and investment intentions interact structurally.

There will be protocols in place to disqualify participants who do not meet specific criteria, such as spending too little time on certain tasks, or incorrectly answering one or two attention questions placed throughout the survey. These strategies are essential in protecting the validity and reliability of the information gathered.

The participants' privacy, along with the accuracy of the information provided, will uphold suiting ethical principles. Every participant will be provided with informed consent, and confidentiality will be maintained through data anonymization. All of the ethical considerations set forth by the institutional review board at the researcher's university will be carefully implemented.

This methodology will enable the study to assess the investment activities of Korean firms in the international arena and bridge the gap in Korean market scholarship, as explained above enabling understanding and informed actions for the developed applicable theories. This design will reinforce the credibility of the research within business and academic circles while ensuring the results are applicable and useful to relevant practitioners in the industry.

4.3   Measurements

In the planned research dissecting the link between the Critical Success Factors (CSFs) and Koreans' Foreign Direct Investment (FDI) sentiments towards the United States, the survey aims to address several areas of business strategy and operations. Each block of questions has been designed systematically in accordance with some elements of theory and practitioner's work, so, all the dynamics are accommodated.

The technological superiority as a component is also averagely measured in the survey. The characteristics of constituency technological superiority question gauge how much importance is placed on leadership in technology, on new technologies, and how technology shapes competition. Also, the influence of technology on product development strategies, the importance of being a technology leader for enduring success, and defining the best strategy for market dominance are examined. The questions stem from research conducted by Cameron & Quinn (2011) regarding the substantial impact of technology on firm performance and innovation.

Brand value is evaluated using ascertained measures tapping into the importance of brand value to business success, the impact of a strong brand image on competitive advantage, and brand loyalty and its importance among customers. Additionally, the survey seeks to measure the impact of brand reputation in pulling new businesses. This methodology draws on other works like Keller's (1993) on brand equity and Aaker's (1991) on brand management, both emphasizing the impact of brand recognition and loyalty in business towards success.

Cost efficiency is studied by exploring the scope of importance of cost efficiency towards sustaining a competitive edge, significance of cost management on financial stability, and crucial nature of achieving cost efficiency towards

profitability. The questions also examine the impact of resource allocation on operational success and how cost control affects organizational performance. Womack and Jones (1997) on lean thinking alongside Horngren et al. (2000) on cost management shaped this under the spotlight of explaining how the focus on cost efficiency broadens the attractiveness of investments.

Access to the market is determined by the survey questions concerning the value of the expansion of access on company growth, the value of the new market entry, and diversification of markets in business continuity. The survey assesses the value of global presence, as well as the value and relevance of a country's market system in economic growth for new markets concerning strategic objectives. These questions are framed in relation to Johanson and Vahlne (1977) on the processes of internationalization and Yip (1989) on global strategy, highlighting the relevance of access to markets in the range of strategic development.

The efficiency selection criterion is on the importance of achieving the strategic objectives with effective management, powerful leaders, and change drivers for the organization, and swiftness and accuracy of decision making among other aspects of management. Other aspects include the outcome of management on employees' performance, motivation level, and the role of the change in management towards the disruption of business in the industry. This is based on the contribution of Drucker (1954) regarding management and Kotter (1996) concerning leadership, and points to the importance of management in guiding foreign direct investment (FDI) towards success.

How risks related to political, economic, and regulatory issues of overseas investments are dealt with demonstrate uncertainty mitigation. The survey assesses

the effectiveness of risk mitigation strategies as they relate to achieving the desired return. Questions like these are essential in understanding how companies manage risks and achieve stable returns on investments, and are in line with Saggi (2002) and Hassen and Anis (2012) on risk management frameworks.

Perceived FDI Importance in the U.S. is measured as one of the dependent variables through participants' appraisal of the strategic value associated with U.S. investments, their scope in the international landscape, and the relative advantages of FDI into the U.S. compared to other global destinations. The survey also seeks to assess how the challenges of the U.S. market influence investment decisions. The constructs are situated within the theorization by Dunning (1980) on international production theories and Hymer (1960) on direct foreign investment.

In summary, the academic and practical frameworks that guide the development of these survey questions include Porter's (1990) Competitive Advantage, Christensen's (1997) Disruptive Innovations, and Barney's (1991) Resource-based View. They substantiate the interest and focus questions proposed in your research proposal from an academic perspective.

Table 5. Measurement questions by variable

Technological Superiority • How important do you consider investment in strengthening technological superiority? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important) • Do you think management pays more attention to technology compared to other areas? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) • Do you think technological superiority is an essential core element for achieving your company's management goals and success? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) • Do you expect technological superiority to become more important than other management elements within 3-5 years? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)
Brand Value • How important do you consider investment in enhancing brand value? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important) • Do you think management pays more attention to brand compared to other areas? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) • Do you think brand value is an essential core element for achieving your company's management goals and success? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) • Do you expect brand value to become more important than other management elements within 3-5 years? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)
Cost Efficiency • How important do you consider investment in strengthening cost efficiency? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important) • Do you think management pays more attention to cost efficiency compared to other areas? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) • Do you think cost efficiency is an essential core element for achieving your company's management goals and success? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) • Do you expect cost efficiency to become more important than other management elements within 3-5 years? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)
Management Effectiveness • How important do you consider investment in improving management effectiveness? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important) • Do you think management pays more attention to management effectiveness compared to other areas? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) • Do you think management effectiveness is an essential core element for achieving your company's management goals and success? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree) Do you expect management effectiveness to become more important than other management elements within 3-5 years? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)

Market Access
- How important do you consider investment in strengthening market access? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important)
- Do you think management pays more attention to market access compared to other areas? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)
- Do you think market access is an essential core element for achieving your company's management goals and success? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)
Do you expect market access to become more important than other management elements within 3-5 years? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)

Uncertainty Mitigation
- How important do you consider investment in uncertainty mitigation? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important)
- Do you think management pays more attention to uncertainty mitigation compared to other areas? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)
- Do you think uncertainty mitigation is an essential core element for achieving your company's management goals and success? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)
Do you expect uncertainty mitigation to become more important than other management elements within 3-5 years? (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree)

Perceived FDI Importance into the U.S.
- How important do you think investment in the United States is for securing your company's global competitiveness? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important)
- Do you have plans to initiate or increase FDI (Foreign Direct Investment) into the United States over the next 3-5 years? (1 = Not at all, 2 = Almost none, 3 = Under consideration, 4 = Have plans, 5 = Have specific plans)
- Compared to other FDI (Foreign Direct Investment) candidate regions, how would you rate the business environment in the United States? (1 = Very poor, 2 = Somewhat poor, 3 = Average, 4 = Good, 5 = Very good)
How important do you think entering the U.S. market is for your company's mid to long-term growth? (1 = Not important at all, 2 = Not very important, 3 = Neutral, 4 = Important, 5 = Very important)

4.4 Pilot Study

This pilot study intends to explore the very first elements of the research model concerning foreign direct investment (FDI) in the semiconductor, chemical and battery, and automotive sectors. Its specific objective is to test the validity and reliability of the survey instrument within the context of evaluating the feasibility of the proposed structural equation modeling approach.

For the survey to be accurate, a prior evaluation was done concerning the relevance of the measurement items for the survey. Research Data was collected from a private survey company through an online survey from October 18 to October 27, 2024. A total of 162 responses were collected, confirming the validity of the survey instrument. The pilot study also sought to evaluate the overall usability of the research model without the moderating influences from the respondents' respective industries.

This research relies on Partial Least Squares Structural Equation Modeling (PLS-SEM). This approach facilitates the analysis of complex relationships with latent variables, such as a manager's perception of investment decision nuances. Both the measurement model and the structural model were analyzed by SmartPLS, for the appropriate measurement.

The results from this pilot study suggest that the research model fulfills the basic requirements for both measurement evaluation and structural evaluation. Therefore, the study moves forward with the proposed model, which facilitates the later stages of the research. This validation supports the controversy of the study and enhances the understanding of FDI in the context of high-technology industries.

4.4.1 Descriptive Statistics

The pilot study focused on professionals from the semiconductor, chemical and battery, and automotive industries, ensuring a sample of participants with relevant expertise. A total of 162 valid responses were included in the analysis after screening for incomplete or insincere responses.

All respondents were male and the largest group (56.2%) was between 40 to 49 years of age. The other respondents were 30 to 39 years old (27.8%), 50 to 59 years old (15.4%), and over 60 years old (0.6%). The entire sample were South Korean nationals.

There was adequate representation of all industries, with 36.4% of respondents from the semiconductor sector, 33.3% from the chemical and battery sector, and 30.2% from the automotive sector. The participants had diverse academic qualifications, most of whom were from the natural sciences (44.4%) and engineering (26.5%), followed by business and economics (13.6%), social sciences (8.6%), and humanities (6.8%).

In terms of professional experience, 36.4% of respondents had spent 11-15 years in the industry, 25.3% for 7-10 years, 19.1% for less than 6 years, 18.5% for 16-20 years, and 0.6% for over 21 years. Concerning the job titles, 41.4% were senior staff, 35.2% were mid-level managers, 8.6% were assistant managers, and 5.6% were department heads or above.

The sample composition mirrors an amalgamation of seasoned professionals with rich academic qualifications coupled with practical experience. The range of

industry sectors and the variety of career roles add value to the sample as they allow

for the effective examination of FDI in high-tech industries.

Table 6. Descriptive Statistics

Category	Classification	n	%
Gender	Male	162	100.0
	Female	0	0.0
Age	20–29 years	0	0.0
	30–39 years	45	27.8
	40–49 years	91	56.2
	50–59 years	25	15.4
	60 years and over	1	0.6
Nationality	Republic of Korea	162	100.0
	United States	0	0.0
	Japan	0	0.0
	China	0	0.0
	Other	0	0.0
Industry	Semiconductor	59	36.4
	Chemical & Battery	54	33.3
	Automotive	49	30.2
Educational Background	Engineering	43	26.5
	Natural Sciences	72	44.4
	Business/Economics	22	13.6
	Humanities	11	6.8
	Social Sciences	14	8.6
	Other	0	0.0
Industry Experience	Up to 6 years	31	19.1
	7–10 years	41	25.3
	11–15 years	59	36.4
	16–20 years	30	18.5
	Over 21 years	1	0.6
Residence in the U.S.	Yes	3	1.9
	No	159	98.1
Job Position	Junior Staff	14	8.6
	Senior Staff	67	41.4
	Managerial Positions	57	35.2
	Assistant Managers	14	8.6
	Department Heads or Higher	9	5.6
	Executives	1	0.6

4.4.2 Preliminary Assessment of the Measurement Model

The measurement model describes the relationship between latent variables

(concepts that are not directly measurable) and their corresponding indicators (items on a survey). This helps to check whether the indicators measure the relevant constructs of interest. The indicators are evaluated for convergent validity, reliability, and discriminant validity.

Table 7. Factor Loadings of Observed Variables

Construct	Indicator	Factor Loading
Brand Value	Brand Value1	0.936
	Brand Value2	0.944
	Brand Value3	0.806
	Brand Value4	0.968
Cost Efficiency	Cost Efficiency1	0.962
	Cost Efficiency2	0.940
	Cost Efficiency3	0.831
	Cost Efficiency4	0.960
Importance of FDI	Importance of FDI1	0.974
	Importance of FDI2	0.963
	Importance of FDI3	0.909
	Importance of FDI4	0.977
Management Effectiveness	Management Effectiveness1	0.961
	Management Effectiveness2	0.920
	Management Effectiveness3	0.775
	Management Effectiveness4	0.923
Market Access	Market Access1	0.908
	Market Access2	0.893
	Market Access3	0.715
	Market Access4	0.951
Technological Superiority	Technological Superiority1	0.956
	Technological Superiority2	0.953
	Technological Superiority3	0.824
	Technological Superiority4	0.937
Uncertainty Mitigation	Uncertainty Mitigation1	0.937
	Uncertainty Mitigation2	0.907
	Uncertainty Mitigation3	0.727
	Uncertainty Mitigation4	0.957

Convergent validity is defined as the extent to which two or more indicators designed to measure the same construct correlate highly. This validation is conducted through the computations of factor loadings and average variance extracted (AVE).

Factor loadings confirm each observable variable's contribution to the relevant latent variable. In most social science research, a cutoff of 0.7 is used, which means the survey items adequately reflect the concept (Hair et al., 2017). Table 7 displays the factor loadings obtained from the SmartPLS output, showcasing how all indicators meet the convergence validity benchmarks.

AVE measures the percentage of variance within a latent construct as it relates to a measurement error, comparing it to the total variance attributed to errors in measurement. Acceptable threshold for AVE is 0.5 (Fornell & Larcker, 1981). Table 8 shows the AVEs for each construct, which all surpass the 0.5 mark, thus supporting convergent validity.

Table 8. Construct Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability (rho a)	Average Variance Extracted (AVE)
Technological Superiority	0.938	0.938	0.845
Brand Value	0.934	0.938	0.838
Management Effectiveness	0.917	0.922	0.805
Cost Efficiency	0.942	0.944	0.855
Market Access	0.890	0.904	0.759
Uncertainty Mitigation	0.905	0.918	0.786
Importance of FDI	0.968	0.970	0.914

High indicator correlations in reflective models are expected because they result from the latent variable (Hair et al., 2017). VIF is regarded as one of the measures for assessing multicollinearity, but in the context of reflective models, it is not a significant issue. VIF, however, can demonstrate value in certain cases, such a

measuring common method biases or the multicollinearity of latent variables (Kock & Lynn, 2012). A case in point is SmartPLS, which allows users to measure the vertical and lateral collinearity of latent variables using VIF. Therefore, VIF, whilst not generally associated with reflective models, can be beneficial in some analytic situations.

Reliability is assessed with the help of Cronbach's Alpha and Composite Reliability (CR). The Cronbach Alpha's >= 0.7 threshold indicates acceptable reliability (Nunnally & Bernstein, 1994). It is stated that Composite Reliability (CR) is even more refined when it comes to measuring reliability, as it takes into account individual indicators' factor loadings, with a minimum threshold of >= 0.7 (Bagozzi & Yi, 1988). With reference to Table 8, all constructs are within the limits of these thresholds, which guarantees reliability.

Validity for constructs that are supposed to be distinct and are supposed to be different is called discriminant validity. A construct's AVE must be greater than the highest squared correlation of its AVE to other constructs; this is known as the Fornell-Larcker criterion (Fornell & Larcker, 1981). The ratio of Heterotrait and Monotrait (HTMT) must also be less than 0.85 in order to assert discriminant validity. All constructs meet the criteria, which means the distinctiveness criteria are also met.

The measurement model assessment indicates that the indicators measure their corresponding latent constructs to a great extent. All of them are factoring into the model, including factor loadings being more than .7, AVE is greater than .5, consistency of above 0.7 for Cronbach's and Composite Reliability, and all other stated conditions of Discriminant Validity. The model and its findings are claimed to

be uncontested by other testing standards for measurement models, and hence strongly build the argument for the structural model evaluation.

4.4.3 Structural Model and Predictive Accuracy Assessment

The structural model analyzes the relationships in a hierarchy when variables are sequentially dependent upon one another. The analysis will be based on how well the model's fit indices explain the variance within the model.

Differently from CB-SEM, PLS-SEM does not depend on one fitting index to evaluate the model. In PLS-SEM, both the Standardized Root Mean Residual (SRMR) and other indicators are used for model fit evaluation (Shon et al., 2014).

Table 9. Model Fit Indices

Fit Index	Saturated Model	Estimated Model
SRMR	0.052	0.052
d_ULS	1.081	1.081
d_G	1.031	1.031
Chi-square	871.009	871.009
NFI	0.853	0.853

SRMR relates to how the kernel of a difference between two matrices, which are deemed to be observable by correlation, the one matrix being the correlation matrix, which can be obtained through calculations, while the other matrix is a modeled correlation matrix. The model fit of a PLS-SEM is deemed to be adequate if SRMR is less than 0.08 (Hair et al., 2017). SmartPLS provides the SRMR report, which indicates that both the saturated model and estimated model SRMR equals

0.052. This signifies that the model supports adequate model fit.

The model is supported as being adequate with NFI 0.853 because those numbers show that the model deems fit close to 0, which is greatly preferred (Hair et al., 2017). Notable values SRMR, d_ULS, and d_G confirm that structural model is still in the valid range for nullifying the hypothesis, therefore making sure that the structure model is are valid model and adequate to fit.

The predictive ability of the model is assessed to determine how well it can predict future observations. Predictive validity in PLS-SEM is commonly evaluated using cross-validated redundancy measures (Q^2) and out-of-sample predictive assessments (Shmueli et al., 2016). A Q^2 value greater than zero indicates that the model has predictive relevance.

While the current SmartPLS report does not explicitly provide Q^2 values, the strong R^2 value suggests that the independent variables effectively explain the dependent variable's variance. The combination of high R^2 (0.819), acceptable SRMR (0.052), and strong composite reliability indicates that the model has strong predictive validity.

4.4.4 Pilot Study Results

Results from the structural model suggest that the relationships between latent variables have been sufficiently captured. The value of R^2 was high (0.819), which means that predictive accuracy together with explanatory power is sizable, and the SRMR result was also favorable (0.052). In this case, the predictive performance of the model relies on the explanatory and fit indices, requiring further testing to

validate the model empirically. In light of the results from the pilot study, this particular model can be said to be ready for use with only minor changes needed.

Adding explanatory ability to a model alongside model fit and predictive validity justifies moving into the primary phase. The results are clear and do support the assertion that quick changes to the model will not validate the study. Thus, the accuracy and reliability of the assessment are maintained. Further analyses with larger data sets or additional validation checks can be added later if they are thought to be needed.

CHAPTER 5

MAIN STUDY

The result of the pilot study confirmed the validity of the survey design. Taking these results into account, the main study survey was carried out in a period of 15 days, from December 30, 2024, to January 14, 2025, which resulted in an additional 566 responses. The survey was carried out with a specific set of respondents based on pre-existing criteria pertinent to the researched topic. In an effort to maintain a high standard of response quality, a number of responses that were deemed false or disingenuous were removed, including patterns of responses that were homogeneous, out-of-scope participants, and statistical outliers. In particular, much attention was paid to the VIF values as these had been problematic in earlier pilot tests. Furthermore, it was decided that the sample included more females for the main survey so that it accounted for about 35 percent of the sample due to the feedback on the previous survey, where the only participants were men.

Finally, after screening the data, a final dataset of 566 responses, which can be used for analysis, was selected. Data was analyzed through SmartPLS 4.0, using a step-by-step approach to structural equation modelling (SEM). The analysis was done in four major parts: (1) evaluating the measurement model, (2) analyzing measurement invariance of composite models (MICOM), (3) evaluating the structural model, and (4) moderation analysis. At every phase, SmartPLS 4.0's advanced features were used to obtain and interpret the results.

With this meticulous approach to analysis, the study sought to confirm the research model and accurately assess the relationship among the six independent

variables, Technological Superiority, Brand Value, Cost Efficiency, Market Access, Management Effectiveness, Uncertainty Mitigation, and their combined effect on the dependent variable Perceived Importance of Foreign Direct Investment (FDI) into the United States. Additionally, the study aimed to assess the impact of industry-specific characteristics by adding respondents' specialization as a moderating variable on their perception of the importance of FDI. This enables one to understand sector-specific differences in the region's investment decision-making processes and strategic priorities.

5.1   Descriptive Statistics: Demographic Feature

The respondents (N = 566) were analyzed based on their age, gender, nationality, and specialized field. The majority of respondents were in the 40-49 age group (48.6%), followed by the 50-59 age group (30.6%), then the 30-39 age group (17.1%). The 60 years or older category made up a smaller portion (3.7%), and there were no respondents in the 20-29 age category. The experienced professionals who participated in the survey are likely to have enough career experience to answer questions about CSFs, as suggested by the age distribution. In terms of gender, most respondents were male (67.9%). Female respondents made up 32.1% of the total sample. It is likely that the surveyed industries, which include semiconductors, chemicals, and automotive, employed more males than females, accounting for the disproportionality in gender. Most respondents were from the Republic of Korea, with a smaller proportion from the United States and other nationalities, which suggests most respondents were Korean citizens. This is due to the focus of the study

investigating the foreign investments of Korean firms. One respondent reported dual nationality, including Japanese citizenship. Respondents' expertise was categorized into three specialized fields, which were Industry: Semiconductors and Related Industries; Chemical and Battery Industries.

The largest subgroup of the expert area was formed by semiconductor specialists. Numerous professionals from the chemical and battery industries and those employed in the automotive sector followed. These distributions demonstrate the relevance of the survey to important industrial activities with a considerable focus on foreign investment. These primary results depict the sample adequately, capturing both the depth of experience and the structural sophistication of the respondents, who, in this case, were mostly Koreans, pointing toward a stratified narrative of high-tech and manufacturing with clear gender distinctions. This composition is expected to shape the perspectives and insights captured in the study on foreign direct investment and vital success determinants.

In the main survey of 566 participants, job grades were classified into seven levels, with no respondents recorded under "Other" (Grade 7). A total of 364 respondents (64.31%) held positions at the Manager or Assistant Research Fellow level or higher (Grades 3 to 6), indicating substantial responsibility in their organizations. Notably, seven respondents (1.24%) were at the Executive or Research Director level. For the purposes of this study, only those at Grade 3 or above were considered qualified to answer on Critical Success Factors (CSFs), even if they lacked a doctoral degree or more than seven years of experience.

Table 10. Demographic Summary

Category	Response	Respondents (n)	Percentage (%)
	20-29	0	0.0
Age Group	30-39	97	17.1
	40-49	275	48.6

	50-59	173	30.6
	60+	21	3.7
Gender	Male	384	67.8
	Female	182	32.2
Current (or most recent) Position	Staff/Assistant or Researcher level	6	1.06
	Assistant Manager or Assistant Research Fellow level	196	34.63
	Manager or Senior Researcher level	168	29.68
	Deputy General Manager or Principal Researcher level	166	29.33
	General Manager or Chief Researcher level	23	4.06
	Executive or Research Director level	7	1.24
	Other	0	0
Nationality	Republic of Korea	557	98.4
	United States	6	1.1
	Other	3	0.5
Specialized Field of Industry	Semiconductor	168	29.7
	Chemical/Battery	139	24.6
	Automotive	259	45.8
	Total	566	100.0

5.2 Measurement Model Assessment

In the context of structural equation modeling (SEM), the evaluation of the measurement model is arguably one of the most important steps in checking the reliability and validity of the constructs antecedent to an analysis of the structural model (Hair et al. 2011). In this study, the reliability and validity of the measurement model were evaluated with respect to their dependability and authenticity using partial least squares structural equation modeling (PLS-SEM) with Smart-PLS.

5.2.1   Reliability Assessment

Reliability pertains to the consistency of the measurement instrument and is

assessed through Cronbach's Alpha and Composite Reliability (CR).

In his study, Hair et al. (2011) point out that a threshold of 0.7 or higher indicates satisfactory reliability. In this analysis all constructs show Cronbach's Alpha values greater than .90 which is an indication of satisfactory internal consistency of the measurement items.The Technological Superiority construct, for example, has a value of 0.974 for Cronbach's Alpha which means that the construct is highly reliable.

In contrast to Cronbach's Alpha, Composite Reliability (CR) considers each item's loading, which leads to a more accurate calculation of internal consistency (Hair et al., 2011). A CR value greater than 0.7 is considered satisfactory. The findings of this research demonstrate strong internal consistency due to all constructs exceeding the threshold of 0.9. For instance, Brand Value with a Composite Reliability of 0.985 exemplifies a construct's high reliability. In this study, Table 11 lists the latent variables' Cronbach's Alpha and Composite Reliability values.

Table 11. Construct Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability (CR)
Brand Value	0.979	0.985
Cost Efficiency	0.980	0.985
Importance of U.S. FDI	0.929	0.949
Management Effectiveness	0.971	0.979
Market Access	0.976	0.983
Technological Superiority	0.974	0.981
Uncertainty Mitigation	0.975	0.982

5.2.2   Validity Assessment

Validity assessment ensures that measurement items accurately capture the intended construct and consists of convergent validity and discriminant validity.

Convergent Validity

    Convergent validity assesses the extent to which indicators of a construct share a high proportion of variance. Average Variance Extracted (AVE) is the primary metric for assessing convergent validity, with an AVE value of 0.5 or higher indicating an adequate level of validity (Fornell & Larcker, 1981). In this study, all constructs demonstrate AVE values above 0.8, confirming strong convergent validity. For example, Cost Efficiency exhibits an AVE of 0.944, ensuring that its indicators adequately represent the construct. Table 12 presents the AVE values for each construct.

Table 12. Convergent Validity Assessment

Construct	Average Variance Extracted (AVE)
Brand Value	0.941
Cost Efficiency	0.944
Importance of U.S. FDI	0.824
Management Effectiveness	0.920
Market Access	0.934
Technological Superiority	0.929
Uncertainty Mitigation	0.930
Technological Superiority	0.974

Discriminant Validity

    Discriminant validity checks if a particular construct is different from another construct. Two criteria are usually at the focus: the Fornell-Larcker criterion and the Heterotrait-Monotrait Ratio (HTMT) (Henseler et al., 2015).

    This criterion also provides that the square root of each construct's AVE should be greater than its correlations with the other constructs (Fornell & Larcker, 1981). The results suggest that all constructs meet this requirement, confirming discriminant validity.

According to Henseler et al. (2015), the HTMT ratio should remain below 0.9. In this research, all HTMT values are below the 0.9 threshold, hence, all other constructs measure different aspects of the framework. Table 13 displays HTMT value for all constructs and supports the claim of discriminant validity.

Table 13. Discriminant Validity (HTMT Criterion)

Construct	Brand Value	Cost Efficiency	Importance of U.S. FDI	Management Effectiveness	Market Access	Technological Superiority
Cost Efficiency	0.025	-				
Importance of U.S. FDI	0.192	0.319	-			
Management Effectiveness	0.040	0.018	0.177	-		
Market Access	0.027	0.039	0.199	0.014	-	
Technological Superiority	0.043	0.020	0.279	0.031	0.016	-
Uncertainty Mitigation	0.037	0.052	0.343	0.028	0.023	0.057

5.2.3   Result of Measurement Model Assessment

From the results of the measurement model evaluation, all of the constructs have high reliability and validity. Internal consistency is confirmed through the significant values of Cronbach's Alpha and CR, while convergent validity is confirmed through the AVE values. Furthermore, both the Fornell-Larcker criterion and the HTMT ratio validate discriminant validity. Therefore, the proposed measurement model is strong, which means that the structural model analysis can be reliably conducted.

5.3   MICOM: Measurement Invariance of Composite Models

The Measurement Invariance of Composite Models (MICOM) analysis is one of the preliminary steps to be undertaken prior to multi-group analysis (MGA) and implements a significant filter to ascertain that differences between groups are not spurious due to lack or distortion of measurement, and are instead indicative of true differences in constructs (Henseler et al., 2016). Considering subclass capture as participants nominated into three tiers as experts in the semiconductor industry, chemical & battery industry, and automotive industry, MICOM is applied to test the comparability of the constructs among these subgroups.

5.3.1   Configural Invariance Verification

The first step of the MICOM analysis, configural invariance, evaluates if all groups have identical measurement models which include all aspects of a construct's operationalization, item indicators, and data treatment. Since all groups within industries share the same measurement systems, and all respondents were evaluated through the same items and scales, configural invariance is confirmed. Hence, it appears that the same constructs are measured in all the groups (Hair et al., 2022).

5.3.2   Compositional Invariance Assessment

Compositional invariance evaluates whether the composite scores of a set of latent variables change with respect to different groups. This is done through permutation analysis, where the original correlation of each construct is tested against its permutation mean, evaluating if the 5.0% quantile serves as a threshold. The results of each group comparison will be reported as follows:

Table 14. Semiconductor vs. Chemical & Battery Industry Experts

Construct	Original Correlation	Correlation Permutation Mean	5.0% Quantile	Permutation p-Value
Brand Value	0.998	0.998	0.998	0.043
Cost Efficiency	1.000	1.000	1.000	0.614
Importance of U.S. FDI	1.000	1.000	1.000	0.227
Management Effectiveness	1.000	1.000	0.999	0.402
Market Access	0.999	0.999	0.999	0.130
Technological Superiority	0.999	1.000	0.999	0.038
Uncertainty Mitigation	1.000	1.000	1.000	0.428

The results of compositional invariance testing between semiconductor, chemical, and battery industry experts revealed that most constructs demonstrated statistically significant compositional invariance. Constructs such as Cost Efficiency (p = .614), Importance of U.S. FDI (p = .227), and Uncertainty Mitigation (p = .428) exhibited high p-values, confirming strong measurement invariance. However, Technological Superiority (p = .038) and Brand Value (p = .043) showed slight deviations below the .05 threshold, indicating minor variations in how these constructs might be interpreted across the two industry groups. These findings suggest that respondents from the two industries may perceive these particular constructs somewhat differently. According to Henseler et al. (2016), even when partial measurement invariance exists, meaningful multi-group moderation analysis (MGA) can still be supported if configural and compositional invariance are broadly established. Considering that these statistical deviations are relatively minor and that

most constructs demonstrate strong compositional invariance, proceeding with MGA

appears justified, with careful attention given to interpreting the results related to

Technological Superiority and Brand Value.

Table 15. Semiconductor vs. Automotive Industry Experts

Construct	Original Correlation	Correlation Permutation Mean	5.0% Quantile	Permutation p-Value
Brand Value	0.999	0.996	0.997	0.090
Cost Efficiency	1.000	1.000	1.000	0.763
Importance of U.S. FDI	1.000	1.000	0.999	0.951
Management Effectiveness	0.982	0.986	0.966	0.078
Market Access	1.000	1.000	0.999	0.544
Technological Superiority	1.000	1.000	1.000	0.023
Uncertainty Mitigation	1.000	1.000	1.000	0.890

The compositional invariance test results between semiconductor and

automotive industry experts showed that Cost Efficiency (p = .763), Importance of

U.S. FDI (p = .951), Market Access (p = .544), and Uncertainty Mitigation (p = .890)

demonstrated high p-values, indicating strong measurement consistency. However,

Technological Superiority (p = .023) fell below the .05 threshold, while Management

Effectiveness (p = .078) and Brand Value (p = .090) approached this threshold. This

suggests differences in how these constructs are interpreted between the two industry

groups. The statistically significant deviation in Technological Superiority

particularly indicates that perceptions of technological competitiveness may differ

between these groups. Hair et al. (2018) suggest that MGA can proceed even when

partial measurement invariance is detected, provided that most constructs maintain

invariance. Therefore, since most constructs exhibit strong compositional invariance, conducting moderation effect analysis between these two groups can be statistically justified while exercising caution in interpreting Technological Superiority, Brand Value, and Management Effectiveness.

Table 16. Automotive vs. Chemical & Battery Industry Experts

Construct	Original correlation	Correlation permutation mean	5.0%	Permutation p-value
Brand Value	1.000	1.000	1.000	0.409
Cost Efficiency	1.000	1.000	1.000	0.079
Importance of U.S. FDI	1.000	1.000	1.000	0.132
Management Effectiveness	0.978	0.990	0.981	0.044
Market Access	1.000	0.997	0.997	0.650
Technological Superiority	1.000	1.000	1.000	0.070
Uncertainty Mitigation	1.000	1.000	1.000	0.831

The compositional invariance test results between automotive and chemical & battery industry experts indicated that Brand Value (p = .409), Market Access (p = .650), and Uncertainty Mitigation (p = .831) showed high p-values, demonstrating strong measurement stability. However, Management Effectiveness (p = .044) displayed a p-value below the .05 threshold, while Cost Efficiency (p = .079) and Technological Superiority (p = .070) approached this threshold. These findings suggest minor industry-specific differences in how these constructs are conceptualized. The marginal non-invariance of management effectiveness suggests that respondents from the two industry groups might have somewhat different perspectives on FDI decision-making. Voorhees et al. (2016) argue that deviations in

measurement invariance for some constructs do not undermine the validity of multi-group comparisons as long as these deviations are not substantial. Therefore, despite the minor differences observed in Management Effectiveness, Cost Efficiency, and Technological Superiority, these deviations are not significant enough to invalidate the overall MGA. Consequently, moderation effect analysis can appropriately proceed with careful interpretation of these constructs.

5.3.3 Equality of Mean and Variance Assessment

The final step involves comparing the mean and variance of each construct across groups to ensure they are statistically equivalent. The p-values from the equality test should exceed 0.05 for measurement invariance to hold. While some constructs exhibit minor variations, most constructs satisfy this p-values condition, allowing for meaningful group comparisons.

5.3.4 Discussion and Implications of MICOM Results

The Measurement Invariance of Composite Models (MICOM) analysis across semiconductor, automotive, and chemical & battery industry expert groups revealed partial compositional invariance, with most constructs demonstrating strong measurement stability. Despite marginal deviations in several constructs, there is substantial methodological and statistical justification for proceeding with multi-group moderation analysis (MGA). The integrated analysis combines evidence that supports the viability of MGA even when full compositional invariance cannot be achieved.

The results indicate that Cost Efficiency (p = .614, p = .763, p = .079), Importance of U.S. FDI (p = .227, p = .951, p = .132), Market Access (p = .130, p = .544, p = .650), and Uncertainty Mitigation (p = .428, p = .890, p = .831) consistently exhibited strong compositional invariance across all group comparisons. However, Technological Superiority showed statistical deviation in two comparisons (p = .038, p = .023), Brand Value demonstrated marginal non-invariance in one comparison (p = .043), and Management Effectiveness failed compositional invariance in the automotive versus chemical & battery comparison (p = .044).

Several methodological factors support the validity of conducting MGA despite these deviations. One, in this study, the large sample size enhances statistical power, resulting in some benign violations of full invariance (Henseler et al., 2016). This phenomenon is particularly relevant when p-values are close to the conventional threshold of .05, as observed in this study. Second, in the context of other explanations, the exploratory focus of this analysis allows some less rigorously justifiable violations of compositional invariance as long as there is adequate theoretical rationale to justify further exploration (Hair et al., 2022). Most constructs' measurement model primarily does not violate these bounds, suggesting most industry groups are homogeneous.

Third, the presence of partial measurement invariance—where configural and partial compositional invariance are met—allows for valid comparisons across groups, aligned with established guidelines for MICOM analysis (Henseler et al., 2016). As Voorhees et al. (2016) argue, deviations in measurement invariance for some constructs do not undermine the validity of multi-group comparisons as long as these deviations are not substantial. The p-values for the non-invariant constructs in

this study (ranging from .023 to .044) indicate statistically significant but not severe deviations.

Moreover, within the given framework, it makes sense to anticipate some divergence in the views of industry practitioners on Technological Superiority, Brand Value, and Management Effectiveness because of the unique competitive challenges and business needs of their industries. Such differences in interpretation of constructs with regard to an industry do not diminish comparison, but rather, add notable context that deepens understanding of the analysis.

As Hair et al. (2019) suggest, when most constructs maintain invariance and the deviations are relatively minor, MGA can proceed with appropriate interpretative caution applied to the affected constructs. The results indicate that the overall measurement framework is stable enough to support meaningful cross-group comparisons.

In conclusion, even though the MICOM analysis showed some compositional invariance, statistically and for the other methodological arguments posed, the rationale for the multi-group moderation analysis carried out in this study is that it was appropriate. The discrepancies in Technological Superiority, Brand Value, and Management Effectiveness require interpretive attention but do not affect the overall credibility of the MAGA. This reasoning serves the emerging standards that seek to balance the clear need for complex, multi-industry comparative research with the unrelenting difficulty associated with achieving full measurement invariance.

5.4   Structural Model Assessment

5.4.1 Structural Model Assessment

Evaluating the model structure is one of the most important steps when doing Partial Least Squares Structural Equation Modeling (PLS-SEM). In this case, the independently perceived variables are the Critical Success Factors (CSFs) that the respondents have regarding their companies and industries. These include: Technological Superiority, Brand Value, Cost Efficiency, Market Access, Management Effectiveness, and Uncertainty Mitigation. As a dependent variable, the perceived importance of FDI in the US shows how Korean firms regard investing in the United States. These relations are most useful in understanding the primary motives informing the strategic planning Korean companies engage in relative to Foreign Direct Investment (FDI).

5.4.2 Multicollinearity Assessment

Multicollinearity was assessed using the Variance Inflation Factor (VIF) values obtained through the "PLS Algorithm" function in Smart-PLS. As recommended by Hair et al. (2019), VIF values below 5 indicate an absence of severe multicollinearity issues. The results confirm that all VIF values remain well below the threshold of 5, suggesting that multicollinearity is not a concern in this model.

Table 17. Multicollinearity Assessment (VIF Values)

Predictor Variable	VIF
Brand Value	1.006
Cost Efficiency	1.005
Management Effectiveness	1.003

Market Access	1.003
Technological Superiority	1.006
Uncertainty Mitigation	1.008

5.4.3 Path Coefficients and Significance Analysis

Path coefficients measure the strength and direction of relationships between independent and dependent variables. The bootstrapping procedure, executed with 5,000 resamples, was used to assess the statistical significance of these relationships. Table 2 presents the results of this analysis.

Table 18. Hypotheses Testing Results

Hypothesis	Path Coefficient (β)	T-Statistic	p-value	Supported
H1: Technological superiority positively influences the perceived importance of FDI into the U.S.	0.304	9.340	< 0.000	Yes
H2: Brand Value positively influences the perceived importance of FDI into the U.S.	0.198	6.263	< 0.000	Yes
H3: Cost Efficiency positively influences the perceived importance of FDI into the U.S.	0.318	9.928	< 0.000	Yes
H4: Market Access positively influences the perceived importance of FDI into the U.S.	0.176	5.217	< 0.000	Yes
H5: Management Effectiveness positively influences the perceived importance of FDI into the U.S.	0.167	5.149	< 0.000	Yes
H6: Uncertainty Mitigation positively influences the perceived importance of FDI into the U.S.	0.359	11.633	< 0.000	Yes

Among the CSFs, Uncertainty Mitigation ($\beta = 0.359$, $p < 0.000$) has the

strongest effect on the perceived importance of FDI into the U.S. This finding

suggests that Korean firms that perceive uncertainty mitigation as a crucial success

factor place the highest importance on investing in the United States. The strong

statistical significance and high path coefficient imply that reducing business

uncertainty is a primary motivator behind FDI decisions. Expanding this

interpretation, it can be inferred that firms invest in the U.S. to stabilize operations,

hedge against risks in their home market, and navigate geopolitical or economic

uncertainties.

Similarly, Cost Efficiency ($\beta = 0.318$, $p < 0.000$) emerges as the second most

influential factor. This result indicates that firms prioritizing cost efficiency perceive

U.S. FDI as a means of achieving operational cost reductions and optimizing

production structures. The relationship is both statistically and practically significant,

suggesting that Korean companies view investment into the U.S. as an opportunity to

enhance productivity through supply chain efficiencies and favorable cost structures.

Technological Superiority ($\beta = 0.304$, $p < 0.000$) follows closely in its

influence on FDI perception. This result implies that firms emphasizing

technological advancement are more inclined to view investment into the U.S. as a

strategic move to access cutting-edge research ecosystems, attract highly skilled

labor, and foster innovation through partnerships with advanced U.S. technology

firms.

While Brand Value ($\beta = 0.198$, $p < 0.000$), Market Access ($\beta = 0.176$, $p <$

0.000), and Management Effectiveness ($\beta = 0.167$, $p < 0.000$) also exhibit

statistically significant relationships with the perceived importance of U.S. FDI, their

lower path coefficients suggest that they play a comparatively secondary role. Firms

that emphasize brand equity may still view U.S. investment as an opportunity to expand global recognition, but this factor is not as dominant as uncertainty mitigation or cost efficiency in shaping investment decisions.
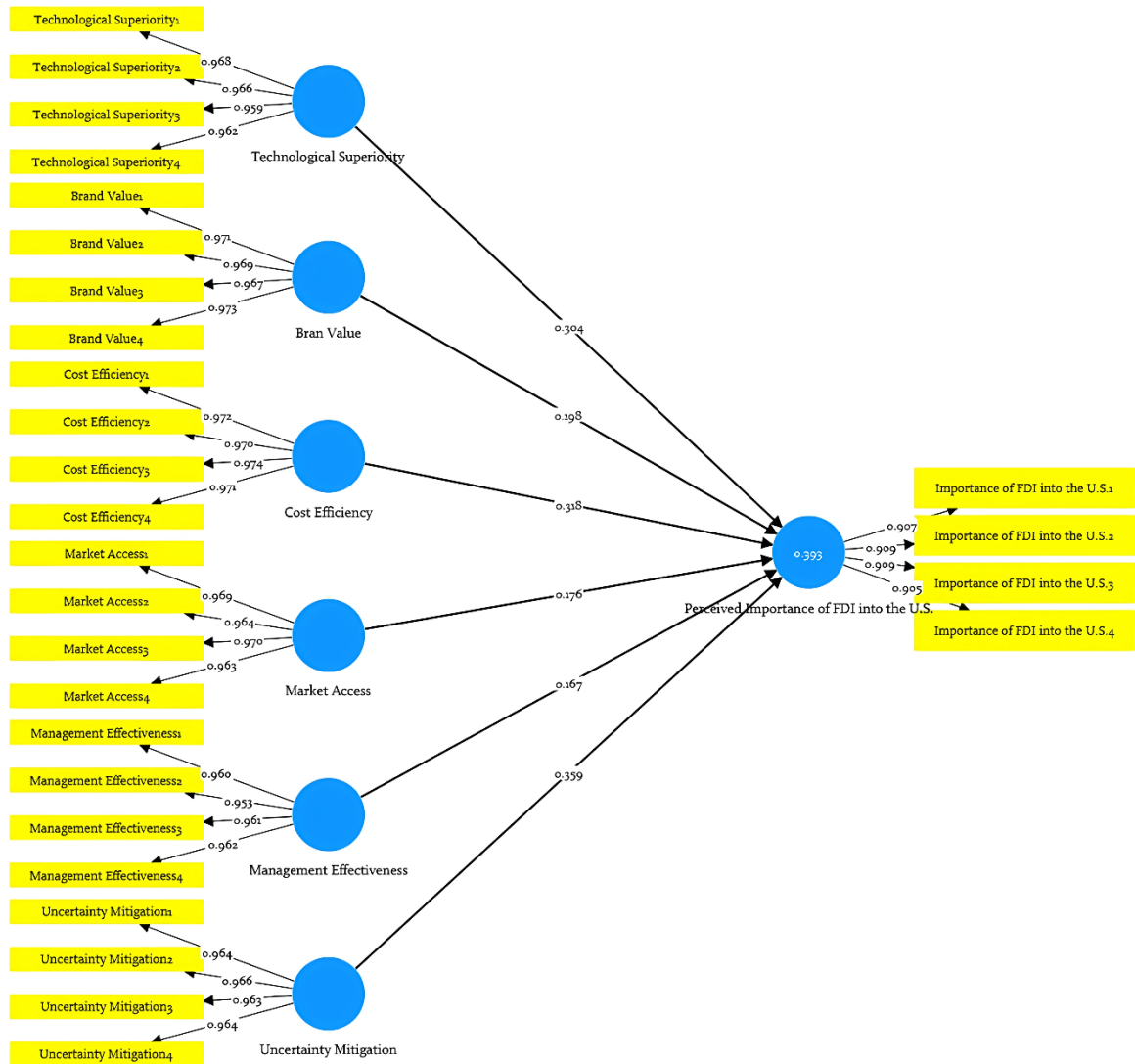

Figure 4. Path Coefficients and Loadings
Note. This image is extracted from the SmartPLS program (https://www.smartpls.com)
Ringle, C. M., Wende, S., and Becker, J.-M. 2024. "SmartPLS 4." Bönningstedt

5.4.4   R-Squared Value Assessment

The R-squared value (the coefficient of determination) evaluates a model's explanatory power; specifically, it denotes the extent to which the independent variables associated with the model explain the variance in the dependent variable. According to Hair et al. (2019), R-squared values of 0.25, 0.50, and 0.75 indicate weak, moderate, and strong explanatory capabilities, respectively.

Table 19. R-Squared Values

Dependent Variable	R-Squared	Adjusted R-Squared
Importance of U.S. FDI	0.393	0.386

A R-squared of 0.393 illustrates that CSFs explain roughly 39.3% of the variance in the perceived importance of FDI into the U.S. This indicates that the model possesses moderate explanatory power, suggesting that while the independent variables in the study are important in explaining the dependent variable, some external factors that are not measured in the study may also impact FDI perception.

The adjusted R-squared value of 0.386 demonstrates that even with the inclusion of additional predictors, the explanatory power of the model does not diminish with increased complexity. This suggests that while some uncertainty mitigation, cost efficiency, and technological superiority influence perceptions of FDI US degrees, other factors relating to the firm or the economy may improve the model's accuracy.

5.4.5 Effect Size (f²) Assessment

Effect size (f²) measures the contribution of each independent variable to explaining the dependent variable. Cohen (1988) classifies f² values as small (0.02), medium (0.15), and large (0.35). The results in Table 20 indicate that uncertainty mitigation exhibits the strongest effect size, reinforcing its dominant role in driving Korean firms' investment decisions.

Table 20. Effect Size (f²) Values

Predictor Variable	f²
Brand Value	0.045
Cost Efficiency	0.121
Management Effectiveness	0.031
Market Access	0.033
Technological Superiority	0.106
Uncertainty Mitigation	0.155

5.4.6 Result of Structural Model Assessment

The structural model assessment, especially its path coefficients, confirms that Korean firms' perception of the importance of FDI into the U.S. is significantly influenced by their Critical Success Factors (CSFs). The findings suggest that firms that consider uncertainty mitigation as a core success factor are the most likely to view investment into the U.S. as an essential strategy. This suggests that reducing risks and stabilizing business operations are among the strongest motivators for FDI. Moreover, these reasons include but are not limited to cost efficiency alongside technological superiority, indicating a strong influence reinforcing the claim that firms undertake FDI to optimize costs and utilize technological advancement.

On the contrary, brand value, market access, and management effectiveness, while important, contribute to investment perception in relatively weaker proportions. This implies that the value of these factors, though prominent in forming the overall investment strategy, does not aid decisively in the determination of investment within the US.

All in all, the outcomes emphasize the role of effective risk management, financial efficiency, and technological advancement as constituents of Korean firms' FDI policy into the United States.

5.5   Moderation Effect Analysis

This study examines the impact of critical success factors (CSFs) on the perceived importance of Korean firms' foreign direct investment (FDI) into the U.S., specifically focusing on expanding production and service facilities rather than mere market entry. The analysis incorporates the moderating effect of respondents' industry expertise, categorized into three groups: semiconductor, chemical and battery, and automotive industries.

Table 21. Bootstrap MGA Results

Path	Difference			p-Value (2-tailed)		
	Semiconductor vs Chemical & Battery	Semiconductor vs Automotive	Chemical & Battery vs Automotive	Semiconductor vs Chemical & Battery	Semiconductor vs Automotive	Chemical & Battery vs Automotive
Brand Value → FDI Importance	-0.280	-0.217	0.063	**0.002	**0.008	0.866
Cost Efficiency → FDI Importance	-0.090	-0.112	-0.022	0.323	0.168	0.48

Management Effectiveness → FDI Importance	0.008	0.144	0.136	0.932	0.805	0.762
Market Access → FDI Importance	0.086	0.077	-0.009	0.367	0.315	0.43
Technological Superiority → FDI Importance	-0.050	-0.200	-0.151	0.571	**0.01	0.42
Uncertainty Mitigation → FDI Importance	-0.055	0.003	0.057	0.541	0.64	0.81

However, the moderation effect is not a major focus of this study; it is only a secondary focus. It should be noted that the main focus of this study is the relationship between Korean industries' CSFs and the perceived importance of FDI into the U.S. as a means of expanding manufacturing and service infrastructure. In other words, even if there is no moderation effect, this study does not fail to validate the main hypotheses (H1-H6).

To examine how respondents' industry expertise moderates the relationship between critical success factors (CSFs) and the perceived importance of foreign direct investment (FDI) into the U.S., a Multi-Group Analysis (MGA) was conducted. The analysis compared responses among professionals from the semiconductor, chemical & battery, and automotive industries. The results are presented in Table 21.

The MGA results indicate that Brand Value shows statistically significant differences between the semiconductor industry and both the chemical & battery industry (p = 0.002) and the automotive industry (p = 0.008). Interestingly, respondents from the semiconductor industry placed significantly less importance on brand value as a determinant of FDI compared to the other two sectors. This suggests that in the semiconductor sector, where business-to-business transactions and

technical credibility dominate, brand equity may play a secondary role to performance metrics such as reliability and defect rates. In contrast, the chemical & battery and automotive sectors, while still technical, may rely more on brand recognition when seeking business partnerships or customer trust in new markets.

Similarly, a significant difference was observed for Technological Superiority between the semiconductor and automotive sectors ($p = 0.010$), but not between the semiconductor and chemical & battery sectors ($p = 0.571$). Contrary to initial expectations, semiconductor professionals rated technological superiority as a less critical driver of FDI than their counterparts in the automotive sector. This may be due to the relatively stable leadership of Korean semiconductor firms in global technology, where marginal improvements are often incremental and R&D efforts are already internalized. On the other hand, the automotive industry is undergoing rapid transformation due to electrification, autonomous driving, and digital integration, making technological superiority a more dynamic and essential factor in FDI decisions.[4]

In contrast, the remaining CSFs—Cost Efficiency, Management Effectiveness, Market Access, and Uncertainty Mitigation—did not show statistically significant differences across industries (all $p > 0.05$). This indicates that these factors are perceived as universally important across sectors when considering FDI

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[4] Although not discussed in the main body, a statistically significant difference was also observed in Management Effectiveness between the automotive and chemical & battery sectors ($p = 0.044$). While this result meets the conventional threshold for significance ($p < 0.05$), it is close to the cutoff and should therefore be interpreted with caution. Given the partial invariance confirmed through the MICOM procedure and the marginal nature of this p-value, it is academically prudent to refrain from drawing strong conclusions based solely on this result. A more conservative interpretation is warranted in order to maintain the analytical rigor of the study.

into the U.S. The convergence in perceptions likely reflects shared strategic concerns—such as labor costs, market access, and risk mitigation—that transcend industry boundaries in the current global investment environment.

These findings underscore that industry expertise moderates the impact of specific CSFs, particularly in the relationship from brand value and technological superiority to perceived FDI importance into the U.S. However, the absence of significant differences for other independent variables to FDI importance suggests a growing convergence of strategic priorities among high-tech industries. In the responses of other industry experts, there is no significant difference between the independent and dependent variables. This indifference may be driven by increasing technological convergence, blurred industry boundaries, and common macroeconomic incentives across sectors.

Although this research model has a limited moderating effect, some policy implications can also be derived from this moderating effect. For policymakers and corporate strategists, this implies that FDI attraction policies should be customized to emphasize different CSFs depending on the target industry. While factors such as cost efficiency and market access are broadly relevant, emphasizing technological ecosystems and brand alliances may yield better results in attracting investment from specific sectors such as the automotive and chemical industries.

CHAPTER 6

CONCLUSION

6.1   A Summary of Research Motivation, Background, and Model

This study explores strategic factors driving Korean FDI into the U.S. It focuses on the semiconductor, battery, and automotive sectors. The recent increase in FDI by Korean companies into the United States is a noteworthy phenomenon, especially considering the structural differences between the two countries. South Korea is, relative to the United States, a country with lower income levels, lower capital reserves, and generally higher sensitivity to labor and production costs. From the perspective of traditional economic theory, which posits that capital flows from capital-rich to capital-poor economies in search of higher marginal returns, Korea's increasing investment in a high-cost, capital-abundant economy like the United States appears counterintuitive. This study addresses this anomaly through theoretical and empirical analysis, particularly through frameworks that account for firm-level strategy and international business dynamics.

The central research objective is to explore what internal factors influence Korean companies' intention to invest in the United States, and to identify how these factors are perceived as strategically important. To examine this question, the study adopts the OLI paradigm—composed of Ownership, Location, and Internalization advantages—as its theoretical foundation. The OLI framework has long served as a dominant model for explaining why firms choose to engage in international production through FDI, offering a tripartite structure that links firm-specific assets, locational conditions of the host country, and the strategic value of internal

coordination. However, this study does not approach the OLI framework as a self-contained theory to be verified in the abstract. Instead, the OLI paradigm is treated as a conceptual base that requires further operationalization to render it suitable for empirical testing within the context of contemporary Korean firms.

In order to make the components of the OLI paradigm more measurable and interpretable within business practice, this research employs constructs derived from the Critical Success Factors (CSFs) approach. CSFs, originating from the field of strategic management, identify the essential capabilities or conditions that firms must possess or manage effectively to achieve strategic success. Although CSFs and the OLI framework stem from distinct academic traditions, this study identifies a conceptual alignment between the two. Specifically, each of the three OLI dimensions is represented by two CSFs. Technological superiority and brand value correspond to ownership advantages, as they capture the firm-specific capabilities that can be transferred internationally. Cost efficiency and market access reflect location advantages, capturing the extent to which host-country conditions contribute to competitive positioning for FDI. Management effectiveness and uncertainty mitigation are aligned with internalization advantages, highlighting the firm's ability to organize and control operations in foreign environments while minimizing risk.

These six CSFs serve as the independent variables in the study's empirical model and are hypothesized to influence the dependent variable: the perceived importance of FDI into the United States. This dependent variable captures stakeholders' strategic evaluation of U.S.-based investment, focusing not on actual investment behavior but on the perceived significance of such investment in achieving organizational goals. This approach enables the study to examine the

decision-making rationale behind Korean firms' global expansion, based on their internal assessments of what factors are critical for success.

The research model also includes a moderating variable: the respondent's area of industry expertise. The model accounts for three industry categories—semiconductors, chemicals and batteries, and automotive—and tests whether these sectoral differences affect the relationship between the six CSFs and the perceived importance of FDI. Hypotheses H1 through H6 examine the direct effects of the CSFs, while hypotheses H7 through H12 test whether these effects are moderated by the industry-specific expertise of its respondents. The moderating effects, while informative, are secondary to the study's principal aim: to assess whether Korean firms' internal strategic assessments—as represented by CSFs—are significant predictors of their perceived rationale for investing in the United States, and whether these assessments are meaningfully structured in line with the logic of the OLI framework.

In sum, this study constructs a theoretically grounded, empirically operational model for explaining Korean firms' FDI decisions in the United States. It does so by integrating the foundational logic of the OLI paradigm with the managerial accessibility of the CSF framework. This combination allows for the testing of a central hypothesis: that Korean firms' international investment behavior, even in atypical high-cost environments like the United States, can be explained by how they perceive and prioritize specific strategic success factors. In doing so, the research contributes to both the theoretical refinement of international business models and the practical understanding of how multinational firms from non-Western, resource-constrained economies formulate global expansion strategies.

6.2   A Discussion of the Results in Business

Among the six CSFs identified in this research, uncertainty mitigation exhibits the strongest influence on Korean firms' perceived importance of foreign direct investment (FDI) into the United States. This finding reflects the heightened sensitivity of firms to geopolitical and regulatory uncertainty in an era of weakening global trade norms. For Korean firms, establishing production in the U.S. appears to function as a strategy to ensure continued access to the world's largest consumer market, particularly under shifting trade rules and domestic content requirements. However, the strong importance placed on uncertainty mitigation also implies that excessive politicization or policy volatility in the U.S. could deter investment. Historically, the United States has offered one of the most stable institutional environments globally, supported by a strong legal stability and decentralized democratic governance. This is the traditionally best reputation that must be preserved to sustain its FDI attractiveness of U.S. Consequently, businesses that consider uncertainty mitigation a critical success factor (CSF) place significant importance on investment in the United States. Therefore, U.S. policies that emphasize the country's relative stability can be effective. However, if the U.S. government and American democracy itself become sources of unpredictable uncertainty, the attractiveness of the United States as a destination for direct investment could diminish. For example, given that uncertainty originating from the Chinese government is the reason Korean companies are withdrawing from China and no longer making large-scale investments, it makes it clear that in order to attract

direct investment, the government should be a guarantee of stability, not a catalyst for instability (Chea & Park, 2023).

Cost efficiency is the second most influential factor in shaping firms' FDI perceptions. While the United States is not commonly considered a low-cost production base, Korean firms, which evaluate cost efficiency as CSF, regard the U.S. as a good FDI location. Lower land prices, energy costs, and access to subsidies in certain regions contribute to this assessment. The United States, and certain southern states in particular, are providing attractive and competitive production costs for Korean companies. These U.S. production costs have remained low due to advantages such as low land costs, low taxes, low utilities costs such as electricity and water, and low logistics costs from raw material sources and sales regions. This attractive investment atmosphere is in stark contrast to rising production costs in regions such as China and Southeast Asia, which have previously been the focus of Korean investment. Recent U.S. tariff hikes offer separate considerations but can be a relatively short-term issue when it comes to the impact on direct investment. Compared to the strategic and long-term investments needed in industries such as semiconductors and automobiles, the issue of tariffs, which are subject to change under the presidency, may be rather a short-term shock. Because the high-tech equipment industry operates on a basis of decades of investment, the impact of short-term policy changes may be small.

Technological superiority also exerts substantial influence, confirming that Korean firms view U.S.-based investment as an opportunity to integrate into globally advanced innovation ecosystems. This motivation goes beyond considerations of cost or policy risk. Firms appear driven by a desire to access cutting-edge knowledge,

collaborate with R&D institutions, and recruit high-skill labor. California's innovation capacity, Texas's infrastructure and concentration of large corporations, and Georgia's university-industry partnerships illustrate the kinds of technological environments Korean firms seek to engage with (Georgia Department of Economic Development, n.d.; Texas Economic Development Corporation, 2025). That these three states also topped the preferred investment destinations in the additional survey (in Table 22) lends additional support to the interpretation that FDI decisions are increasingly aligned with technological ambition as much as with commercial expansion. Given the trend of industrial innovation, in which all traditional industries combine with AI and software to create new added value, the United States' leading AI and software technology capabilities are attractive to all foreign companies considering foreign investment locations. The United States' leading AI and software technologies in most industries, such as semiconductor design, automobile, and battery performance, raise high expectations.

Conversely, the remaining three CSFs—brand value, management effectiveness, and market access—exhibit relatively weak relations with the perceived importance of FDI into the U.S. The limited impact of brand value suggests that Korean firms do not perceive localized production in the U.S. as a strong mechanism for enhancing corporate reputation, as it is in B2B industries such as semiconductors or batteries. Management effectiveness is similarly underweighted CSF, likely due to the continued centralization of strategic business decisions being made in Korea, even though they have large facilities in the U.S. Establishing a U.S. facility does not, in most cases, shift control over high-level corporate processes. Market access shows limited influence, which may reflect the effectiveness of the

Korea–U.S. Free Trade Agreement (KORUS FTA), enabling firms to access the U.S. market without necessarily establishing a production presence. These findings indicate that for many Korean firms, market entry and brand building are not primary objectives of FDI; rather, risk reduction, cost structure, and technological alignment are more pressing considerations.

To further corroborate the findings derived from the primary research model of this dissertation, an additional, separate survey question was conducted independently: "If you have a preferred state for investment within the United States, please specify it." As illustrated in Table 22, respondents (N = 566) clearly preferred Texas (26.3%), Georgia (21.0%), and California (14.2%), followed by Ohio (8.4%) and Tennessee (7.1%). Respondents were asked to specify their preferred U.S. states for investment, as summarized in Table 22. Although this supplementary question was not incorporated into the main statistical framework of this dissertation, it provides valuable complementary insights, empirically reinforcing the validity and strategic relevance of the three most critical success factors (CSFs)—uncertainty mitigation, cost efficiency, and technological superiority—identified by the core analysis. Notably, the states that emerged as most preferred—Texas, Georgia, California, Ohio, and Tennessee—distinctly embody characteristics aligning closely with these CSFs. Texas and Georgia consistently rank highly among U.S. states for their predictable regulatory climates, transparent administrative procedures, and proactive governmental support for industrial growth, effectively reducing policy and operational uncertainty (Winegarden, 2015; Yushkov et al., 2024). This aligns with the uncertainty mitigation factor, highlighting Korean firms' strategic preference for locations with institutional stability and reduced geopolitical risk exposure.

Furthermore, California's well-known standing in the R&D ecosystem paints a picture of the state's astonishing technological superiority. Similarly, Texas, Ohio, and Georgia have developed strong technological infrastructures and innovation clusters as a result of substantial university-industry partnerships, as well as R&D investments in industrial facilities (Georgia Department of Economic Development, n.d.; Texas Economic Development Corporation, 2025). Thus, while this supplemental survey is fundamentally different from the core analytical model in this dissertation, it strengthens the primary thesis by showing how mitigation of uncertainty, cost, and technological dominance shape the Korean firms' actual FDI preferences in the United States regions.

Table 22. Preferred U.S. States for Investment by Korean Industry Professionals

Rank	U.S. State	Number of Responses (N=566)	Percentage of Responses (%)
1	Texas	149	26.3%
2	Georgia	119	21.0%
3	California	80	14.2%
4	Ohio	48	8.4%
5	Tennessee	40	7.1%
6	Michigan	39	6.8%
7	New York	27	4.7%
Others (e.g., New Jersey, Alabama)		64	11.3%

The Multi-Group Analysis (MGA) conducted in this study reveals additional nuances based on industry differences. Specifically, firms in the semiconductor sector place significantly less importance on brand value compared to those in the

chemical & battery and automotive industries (p = .002 and p = .008, respectively). Similarly, technological superiority is considered less critical by semiconductor firms than by automotive firms (p = .010). These patterns reflect the distinctive competitive dynamics of each sector. In semiconductors, performance metrics outweigh brand identity, and Korean firms already maintain global technological leadership—particularly in memory technologies—limiting their expectations for further technology acquisition through FDI into the U.S. By contrast, the Korean automotive sector is not in a position of technological leadership and often sees U.S. investment as a pathway to narrowing the innovation gap. Other factors—cost efficiency, market access, management effectiveness, and uncertainty mitigation—do not vary significantly across industries (all p > .0167), suggesting that these are widely recognized as strategic imperatives irrespective of sector. These findings highlight that while certain motivations are industry-specific, others form a shared foundation of general FDI decision logic.

6.3   Implications for Theory

Dunning developed the OLI paradigm, or eclectic paradigm, to create an all-encompassing theoretical construct of the determinants of foreign direct investment (FDI) in 1980 and revised it in 2000. He integrated ownership (O), location (L), and internalization (I) advantages, and it has been known for its scope since. Its scope, however, has been limited by a lack of empirical focus and operational definitional clarity, which makes it difficult to utilize in quantitative analysis and system modeling.

This dissertation (my dissertation) makes a new theoretical contribution by proposing a structured empirical model of the OLI paradigm linked to critical success factors (CSFs) alongside increasing its practicality and applicability. Each dimension of the OLI framework was decomposed into two specific CSFs in terms of logical alignment and conceptual fit. Technological superiority and brand value depicting ownership advantage entail the internal capabilities and intangible firm assets of a firm. Cost efficiency and market access operationalize location advantage, which reflects strategic and economical external considerations in host countries. Effectiveness of management and mitigation of uncertainty internalize advantage, pertaining to the governance of international operations and risk management.

This research attempts to quantify the impact of each OLI component on the importance of FDI perceived by Korean firms using Smart-PLS structural modeling techniques, incorporating all six identified CSFs. This methodology preserves the foundational logic of the OLI paradigm while enabling its transformation from a conceptual theory to a rigorously empirical model. The innovation is not in the mere exercise of mapping theory onto variables, but rather in providing a systematic OLI-based quantitative analytical framework that is coherent and consistent within the prevailing theoretical context.

As a result, this integration enhances and deepens the appreciation of how different investment-related factors are prioritized by firms and their overall perception. Instead of viewing the OLI elements as a set of vague abstract classifications, the constructs in this model are posited as behavioral and market-centric strategic drivers that are empirically grounded and can be measured. This advancement shifts the balance toward empirical research and theoretical

argumentation by providing the OLI framework with a solid rationale for conducting FDI research designed around structured surveys.

This dissertation advances the theory of international business by: (a) operationalizing the OLI paradigm via distinct CSFs, (b) facilitating its use in structural equation modeling with Smart-PLS, and (c) empirically illustrating the significance of all three OLI components in the direct investment decisions of Korean firms.[5] Although managerial implications are addressed in the next chapter, the single evidence of the importance of the OLI framework that is provided here is its versatility and analytical relevance in contemporary scholarship. To further elaborate on the theoretical contributions, first, this dissertation addresses a significant gap in prior research by providing conceptual clarity and measurable constructs pertaining to the operationalization of the OLI paradigm using critical success factors (CSFs). Each component of the OLI is meticulously defined and conforms to business realities, which increases the eclectic paradigm's theoretical utility and interpretability. Second, the integration of these CSFs into structural equation modeling through Smart-PLS improves methodological rigor significantly.

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[5] This study identifies and validates three Critical Success Factors (CSFs) that align with the components of the OLI paradigm: Uncertainty Mitigation, Cost Efficiency, and Technological Superiority. Specifically, Uncertainty Mitigation reflects firms' efforts to reduce transaction risks and secure operational stability, which corresponds to the Internalization advantage. Cost Efficiency refers to the ability to reduce production costs, benefit from physical and institutional structures in a host country, aligning with the Location advantage. Technological Superiority captures the firm-specific capabilities such as R&D strength, intellectual property, and innovation leadership, which relate to the Ownership advantage.

By empirically examining how these CSFs influence Korean firms' perceived importance of investing in the U.S., this dissertation confirms the explanatory structure of the OLI paradigm in the context of Korean outbound FDI. In other words, the theoretical logic of "OLI advantages → FDI decision" is operationalized and verified through the empirical path of "Korean firms' CSFs → perceived importance of U.S. direct investment."

This empirical approach enables researchers to test not only the relationships defined by the theory, but also to analyze and navigate intricate interplay among the relations in a methodical fashion, thus reinforcing confidence in the theoretical claims of general applicability. Lastly, the empirical capture demonstrating the importance of the three dimensions—ownership, location, and internalization—bolsters the comprehensive applicability of Dunning's framework to contemporary contexts. By grounding these components empirically regarding Korean firms' foreign direct investment decision-making processes, the dissertation contributes to deepening theoretical concerns while illustrating how the OLI paradigm retains critical relevance in international business analysis.

6.4   Implications for Practices

6.4.1. Implications for Policymakers

The results of this study show that cost efficiency, uncertainty mitigation, and technological superiority have a key impact on Korean companies' investment in the United States, providing important implications for the US central, local, and Korean governments to take differentiated policy approaches.

First, if the US central government wants to achieve a rapid revival of its manufacturing industry by attracting foreign direct investment, it should be thoroughly wary of actions that increase uncertainty on its own. This study confirmed that the more Korean companies perceive uncertainty mitigation as an important CSF, the higher the importance of US investment. This can be interpreted as meaning that the highly stable

environment provided by the US, such as legal stability, predictability, political stability, and protection of private and intellectual property rights, is fascinating Korean companies. In fact, the U.S. has maintained its reputation as a "City on a Hill" with consistent rule of law and stable policies since its foundation, and this stability is a key factor in attracting large-scale, risk-sensitive investment in high-tech manufacturing. Therefore, if the U.S. government pursues policies to increase administrative and political risks, companies will be more likely to turn to other countries to meet their key success factors (CSFs).

Second, state and local governments in the United States need to move away from the traditional investment attraction strategy focused on cost reduction and implement a strategy centered on technological advantage. Of course, cost-effectiveness is still important, but as shown in this study and additional survey results (Table 22), most of the regions where Korean companies have high preference for direct investment location were rich in excellent science and engineering universities and excellent technical talents. In particular, regions where Korean companies are interested, such as Texas, Georgia, Ohio, Tennessee, and Michigan, are specialized in fostering science and engineering talents. Rather than simply relying on short-term cost-cutting measures such as tax-free or subsidies, state and local governments need a structural approach to strengthening the region's pool of excellent technical talent and establishing an industry-academic cooperation and technological innovation ecosystem. In the long run, this strategy can make it sustainable to attract investment from companies based on technological competitiveness.

Third, the Korean government should recognize Korean companies' direct

investment in the U.S. as a long-term and strategic choice based on internal success factors (CSFs), not as a phenomenon caused by temporary or external shocks. Many Korean bureaucrats and institutional researchers who met during this study regarded companies' investment in the U.S. as short-term and external factors from an economic perspective. However, corporate executives had a very positive perception of the reasonable and transparent regulatory system in the U.S. and the excellent high-tech manufacturing investment environment, and were expanding long-term investment. These investment decisions are not due to the short-term political cycle or temporary environmental changes in the U.S., which is a four-year presidential term. Rather, this reflects the reality that many companies in Korea believe that it has become difficult to satisfy their CSFs. At the same time, Korean companies are choosing to relocate their production facilities, believing that they are likely to meet their CSFs in the United States. If the Korean government does not recognize the internal decision-making structure of companies and focuses only on external environmental analysis, it will be difficult to overcome the weakening of the competitiveness of the domestic manufacturing industry. Therefore, if the Korean government wants to induce more investment in production facilities in Korea, it should accurately grasp Korean companies' internal investment motives and continue to strengthen institutional and structural improvement efforts so that companies can meet long-term success factors in their own country.

6.4.2. Implications for Business Leaders

By transforming the existing abstract OLI paradigm into actionable and

measurable critical success factors (CSFs), the framework of this study provides managers with meaningful insights to directly support strategic decision-making. By integrating key factors such as technological superiority, cost efficiency, market access, and uncertainty mitigation, this model helps companies structurally evaluate the degree of readiness and strategic suitability for FDI into the United States according to the industry-specific context. While traditional OLI theory is somewhat abstract for practical applications, the CSF-based approach of this study provides clear criteria for evaluating investment opportunities and linking them to corporate-level capabilities based on empirical grounds. In particular, CSFs are widely used not only in internal corporate strategy departments but also in external management consulting services, and are highly accessible and useful from the perspective of managers. Many companies already use CSF frameworks in the process of strategizing, and many external consulting institutions also provide diagnostic tools or benchmarking systems based on CSFs, making this model easier to apply in practice. In addition, this model can be customized by reflecting the specificity of each industry, such as semiconductor, chemical, and automotive industries, allowing managers to make more sophisticated decisions that fit their industrial context.

6.5   Limitations

While this study provides meaningful insights into the strategic considerations of Korean firms regarding foreign direct investment (FDI) into the United States, several limitations should be acknowledged when interpreting the results. These

limitations pertain primarily to research design, data collection, and generalizability. Addressing these constraints is essential for contextualizing the findings and for informing future research.

First, one of the limitations of this study is that it relied on cross-sectional data that captured respondents' perceptions and assessments of critical success factors (CSFs) from a single point in time (the time of the survey). The limitation that the survey data in this study is the mental situation of respondents at a certain point in time may affect the value that the findings have as academic knowledge. Therefore, the study was unable to explain how corporate priorities or strategic considerations might change as a result of changing market conditions, politicians' rhetoric on investment and trade, regulatory changes, or technological advances. Especially given that investment decisions are the most volatile of all business decisions, the problem of using data captured at a single point in time is particularly noticeable. It may have been influenced by the temporary political situation in Korea and the United States or by media reports at the time of this study.

Second, one consideration regarding the construct "uncertainty mitigation" is that its effectiveness may depend on the stability of the surrounding political and institutional environment. While the variable captures perceptions at the firm level regarding stability in a specific host country, such perceptions, in principle, are subject to change. The political context can shift with government turnover, legislative reforms, or changes in foreign relations, all of which may influence the degree of regulatory consistency and business confidence. Thus, the efficacy of uncertainty mitigation as a perceived success factor may fluctuate over time or differ geographically depending on the political landscape at a given moment. Such

temporality and contextual dependency do not refute the construct but rather raise cautions when applying the results beyond the timeframe and geopolitical context of this study. Further research may be beneficial if this variable is treated as dynamic rather than static—perhaps by incorporating time-series data or indices of political risk to examine how firms revise their strategic evaluations in response to evolving political environments.

Third, the study's methodology is based on perceptual data rather than objective investment behavior. The dependent variable—Perceived Importance of FDI into the U.S.—captures respondents' evaluative judgments rather than actual capital deployment or operational performance. As a result, there may be a gap between what professionals believe to be strategically important and how firms ultimately act. While perceptions are critical in shaping organizational decision-making, future studies could benefit from triangulating perceptual data with behavioral indicators such as real investment flows, firm performance metrics, or location-specific cost analyses.

Fourth, although the sample size (N = 566) is robust and covers respondents from key industrial sectors—semiconductors, chemicals and batteries, and automotive—the sample is not drawn from a fully randomized population of Korean multinational firms. The data are based on voluntary responses, and thus may reflect a degree of self-selection bias. Respondents who chose to participate in the survey may differ systematically from those who did not, potentially in their level of knowledge, experience with FDI, or interest in U.S. markets. This may skew the representativeness of the sample and limit the generalizability of the findings beyond the surveyed population.

Fifth, while the integration of the OLI framework with Critical Success Factors (CSFs) offers a novel analytical lens, this approach also imposes certain interpretive boundaries. The assignment of each CSF to a specific OLI dimension—such as pairing technological superiority with ownership advantage—follows theoretical logic but may not capture all the nuances of firm behavior. For example, technological superiority could also have locational implications when considering the absorptive capacity of regional innovation ecosystems. The simplification of constructs into discrete categories, while necessary for model clarity, may understate the multidimensional nature of strategic drivers.

Sixths, the industry-specific comparison using Multi-Group Analysis (MGA) adds depth to the study, but the analysis was limited to three sectors. While these industries represent a substantial portion of Korea's recent FDI into the U.S., other sectors—such as pharmaceuticals, telecommunications, or logistics—may follow different investment rationales. The exclusion of such industries restricts the scope of sectoral inference. Additionally, some subgroup sizes may have been uneven, affecting the statistical power of intergroup comparisons and the reliability of marginal effects in smaller categories.

Finally, the supplementary survey question regarding preferred U.S. investment states, while valuable in supporting the main findings, was not part of the structural equation model (SEM). Its function is primarily illustrative and interpretive, not predictive or causal. Thus, while the observed preference for Texas, Georgia, and California provides additional support for the salience of uncertainty mitigation, it should not be overemphasized or interpreted as a definitive determinant of actual investment behavior. Its role is to contextualize, not to substitute, the

statistical inferences drawn from the model.

6.6 Future Research Directions

This study naturally suggests a very interesting triggering study. First, in order to increase academic consistency, it may be possible to design and study longitudinal studies to capture all forms of dynamic changes and to more robustly understand the impact of CSF on investment behavior over time. In future studies, tracking all measurable data over several periods to uncover temporal trends and causal inferences may help to better understand the relationship between CSFs subject to this study and a company's direct investment intention. Regular surveys may also be able to extract common perceptions of CSFs of Korean companies that do not change while capturing dynamic changes. If research using such dynamic data continues, I think this study has the potential to develop into a theory of direct investment.

Next, considering that the consumers of this study are the state and local governments of the United States that actively seek to attract investment from Korean companies, it may be possible to propose a study based on them. It will be possible to analyze the relationship between CSFs of Korean companies and different investment intentions in each state by using the business environment of each state as a control variable. In this way, you will be able to study the necessary corporate investment attraction activities for each state. Or you will be able to recognize the effectiveness of their various subsidies or investment attraction policies.

6.7 Concluding Remarks

In the beginning, this dissertation opens with a metaphor portraying the South Korean direct investment by its corporations into the United States as analogous to waves. The goal of this study is to help the government and businesses in the United States learn how to effectively "surf" on these investment waves from Korea. In this manner, the dissertation provides an analytic framework for understanding the direct investment flows more clearly. Furthermore, the research emphasizes a more fundamental philosophical perspective on making investment decisions. More precisely, it argues that the decision should not be externally dictated but instead, it should be driven by internal parameters like Critical Success Factors (CSFs). Simply put, companies will choose to undertake a direct investment once they expect to be able to compete strongly and anticipate being able to sustain growth in the region. Furthermore, the explanation for the enduring increase in South Korean firms' direct investments into the U.S. lies in the enduring business climate with reduced uncertainty, advanced technology, and lower cost of operations, nurtured over time by the U.S. On the other hand, such direct investment flows could be constrained or diminished by the presence of sudden, capricious policy mechanisms associated with and risking unpredictability.

May this dissertation serve as a guiding chart for those striving to surf the ever-shifting tides of the investment wave.

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APPENDICES

SURVEY QUESTIONS[6]

1. Do you have work experience or expertise in any of the following industries: ①semiconductor industry, ②chemical or battery industry, or ③automotive industry?
     1. Yes
     2. No - [If answered "2) No", the survey ends]

   Explanatory Note
   Before the survey, I will briefly explain Critical Success Factors (CSF) and Foreign Direct Investment (FDI).
   Critical Success Factors (CSF) are key elements that an organization or project must succeed in to achieve strategic goals. CSFs are directly related to corporate strategy and are typically defined during the business strategy development stage. For example, improving customer service, increasing social media engagement, and improving content creation speed can be Critical Success Factors (CSFs). CSFs help organizations determine what to focus on and compare progress toward goals.
   Foreign Direct Investment (FDI) refers to an investment where an investor, company, or government from one country acquires a substantial stake in or completely acquires a company or project in another country. Unlike simple stock investment, FDI refers to a level of investment that can exercise substantial influence over the management of the investment target company. FDI plays an important role in expanding business into new regions or strengthening positions as multinational corporations.

2. Do you think you have the expertise to answer questions about the CSFs of any of the above three industries?
     1. Yes
     2. No - [If answered "2) No", the survey ends]

3. Does any of the following apply to you? (Multiple selections possible)
     1. Have more than 7 years of practical experience in the above three industries
     2. Have held a position of manager or senior researcher or higher in the above three industries
     3. Have a doctoral degree related to the above three industries
     4. None of the above applies

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[6] The survey was conducted online on websites and on mobile in Korean (Hangul). Two professional translators participated in the translation, one translated Korean into English and the other translated English into Korean, then found the differences, corrected them, and finally agreed to complete them. Questions 1-3 at the beginning of the survey were questions to see if the respondents were suitable for the survey, and if not, the survey was designed to end automatically.

- o [If answered "4) None of the above applies", the survey ends]

4. What is your age (full years)?
    1. 20-29 years
    2. 30-39 years
    3. 40-49 years
    4. 50-59 years
    5. 60 years or older

5. What is your gender?
    1. Male
    2. Female
    3. Other

6. What is your nationality?
    1. Republic of Korea
    2. United States
    3. Japan
    4. China
    5. Other

7. In which industry field do you have expertise? (Multiple selections possible)
    1. Semiconductor and Related Industries
       Including semiconductor design, manufacturing, equipment, components, materials, technology development, and related service industries
       (Examples: memory semiconductors, system semiconductors, foundry, semiconductor equipment, wafers, sensors, RF and wireless semiconductors, packaging, assembly, programming, etc.)
    2. Chemical, Battery, and Related Industries
       Including chemicals, specialty chemicals, battery design, manufacturing, equipment, components, materials, technology development, and related industries
       (Examples: petrochemicals, fine chemicals, specialty chemicals, secondary batteries, electrolytes, separators, electrode materials, functional materials, nanomaterials, biodegradable materials, composite materials, paints, coatings, etc.)
    3. Automotive Manufacturing and Related Industries
       Including automotive design, manufacturing, equipment, components, materials, technology development, and related service industries
       (Examples: complete vehicle manufacturing, automotive parts, production technology, quality control, autonomous driving technology, electric vehicle platforms, connected cars, vehicle OS, emission reduction technology, etc.)
8. What is your highest degree major?
    1. Engineering
    2. Natural Sciences

3. Business/Economics and related fields
4. Humanities (Example: English Literature, Philosophy, etc.)
5. Social Sciences excluding Business-related fields (Example: Political Science, Public Administration, Sociology, etc.)
6. Other
   If you answered 'Other' to the above question, please specify:

9. What is your total combined experience in the above three industry fields?
   1. 6 years or less
   2. 7-10 years
   3. 11-15 years
   4. 16-20 years
   5. 21 years or more

10. Have you lived in the United States for more than one year?
    1. Yes
    2. No

11. What is your current or most recent position?
    1. Staff/Assistant or Researcher level
    2. Assistant Manager or Assistant Research Fellow level
    3. Manager or Senior Researcher level
    4. Deputy General Manager or Principal Researcher level
    5. General Manager or Chief Researcher level
    6. Executive or Research Director level
    7. Other - If you answered 'Other' to the above question, please specify:

12. What is the employment size of the company or institution where you currently work or recently worked?
    1. 1-10 employees
    2. 11-50 employees
    3. 51-200 employees
    4. 201-500 employees
    5. 501-1000 employees
    6. More than 1000 employees

Explanatory Note: Technological Superiority (Securing Core Technology)
Technological superiority can be defined as the ability to secure differentiated
competitive advantage in the market through continuous technological
innovation and advanced technology development. This refers to core internal
capabilities that enable companies to meet customer needs through technological
innovation, respond quickly to market changes, and widen the gap with
competitors.

13. How important do you consider investment in strengthening technological
superiority?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important

14. Do you think management pays more attention to technology compared to
other areas?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

15. Do you think technological superiority is an essential core element for
achieving your company's management goals and success?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

16. Do you expect technological superiority to become more important than other
management elements within 3-5 years?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

Explanatory Note: Brand Value (Securing High Customer Loyalty and Wide Brand Recognition)
Brand value is an intangible core asset that increases customer trust and loyalty and drives long-term corporate growth. It forms corporate identity, becomes the standard for decision-making, and leads relationships with customers and stakeholders.

17. How important do you consider investment in enhancing brand value?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important

18. Do you think management pays more attention to brand compared to other areas?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

19. Do you think brand value is an essential core element for achieving your company's management goals and success?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

20. Do you expect brand value to become more important than other management elements within 3-5 years?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

Explanatory Note: Cost Efficiency (Cost Reduction)
Cost efficiency (cost reduction) is the ability to minimize operational costs while maintaining or improving quality and productivity. This is an important success factor achieved through optimization of production processes, efficient use of resources, and continuous improvement activities.

21. How important do you consider investment in strengthening cost efficiency?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important

22. Do you think management pays more attention to cost efficiency compared to other areas?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

23. Do you think cost efficiency is an essential core element for achieving your company's management goals and success?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

24. Do you expect cost efficiency to become more important than other management elements within 3-5 years?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

Explanatory Note: Market Access (Securing Distribution Network and Customer Access)
Market access refers to a company's ability to effectively enter and expand in target markets. This is an important success factor achieved through building strong distribution networks, establishing effective marketing strategies, and developing a deep understanding of customer needs.

25. How important do you consider investment in strengthening market access?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important

26. Do you think management pays more attention to market access compared to other areas?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

27. Do you think market access is an essential core element for achieving your company's management goals and success?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

28. Do you expect market access to become more important than other management elements within 3-5 years?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

Explanatory Note: Management Effectiveness (Optimization of HR Management, Performance Management, Organizational Structure, Decision-making, etc.) Management effectiveness refers to the degree to which a company's management optimizes human resource management, performance management, organizational structure, and decision-making according to strategic objectives. Generally, excessive regulations, rigid organizational structures, frequent labor disputes, and increased litigation risks against management are known to hinder management effectiveness.

29. How important do you consider investment in improving management effectiveness?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important

30. Do you think management pays more attention to management effectiveness compared to other areas?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

31. Do you think management effectiveness is an essential core element for achieving your company's management goals and success?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

32. Do you expect management effectiveness to become more important than other management elements within 3-5 years?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

Explanatory Note: Uncertainty Mitigation
Uncertainty mitigation is a company's ability to effectively respond to and manage market volatility and unpredictable situations. This is a critical success factor achieved through developing risk management strategies, maintaining flexible decision-making structures, and preparing for various scenarios.

33. How important do you consider investment in uncertainty mitigation?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important

34. Do you think management pays more attention to uncertainty mitigation compared to other areas?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

35. Do you think uncertainty mitigation is an essential core element for achieving your company's management goals and success?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

36. Do you expect uncertainty mitigation to become more important than other management elements within 3-5 years?
    1. Strongly disagree
    2. Disagree
    3. Neutral
    4. Agree
    5. Strongly agree

Comparison of Importance between CSFs
37. Below are the Critical Success Factors (CSFs) you answered about above. Please select only 3 CSFs that should be secured first for corporate growth and competitiveness, in order of importance.
    1. Technological Superiority (Securing Core Technology)
    2. Brand Value (Securing High Customer Loyalty and Brand Recognition)
    3. Management Effectiveness (Optimization of Organization, HR, Performance Management, Decision-making Process, etc.)
    4. Cost Efficiency (Cost Reduction)

5. Market Access (Securing Distribution Network and Customer Access)
6. Uncertainty Mitigation (Strengthening Risk Management)

Explanatory Note: Perception of the Importance of Korean Companies' FDI (Foreign Direct Investment) into the United States
*FDI (Foreign Direct Investment) is different from financial investment (indirect investment) for asset value increase, and refers to establishing new corporations, factories and research institutes, acquiring shares, joint ventures, M&As, etc. for actual production and service provision, technology development and other business activities in overseas locations.

38. How important do you think investment in the United States is for securing your company's global competitiveness?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important

39. Do you have plans to initiate or increase FDI (Foreign Direct Investment) into the United States over the next 3-5 years?
    1. Not at all
    2. Almost none
    3. Under consideration
    4. Have plans
    5. Have specific plans

40. Compared to other FDI (Foreign Direct Investment) candidate regions, how would you rate the business environment in the United States?
    1. Very poor
    2. Somewhat poor
    3. Average
    4. Good
    5. Very good

41. How important do you think entering the U.S. market is for your company's mid to long-term growth?
    1. Not important at all
    2. Not very important
    3. Neutral
    4. Important
    5. Very important
42. When pursuing Foreign Direct Investment (FDI) into the United States, please select 3 Critical Success Factors (CSFs) that are expected to improve, in order of importance.
    1. Technological Superiority (Securing Core Technology)

2. Brand Value (Securing High Customer Loyalty and Brand Recognition)
3. Management Effectiveness (Optimization of Organization, HR, and Processes)
4. Cost Efficiency (Cost Reduction)
5. Market Access (Securing Distribution Network and Customer Access)
6. Uncertainty Mitigation (Strengthening Risk Management)

43. Which region do you think would yield the highest performance when Korean companies make Foreign Direct Investment (FDI) into the United States?
    1. Georgia
    2. Texas
    3. Indiana
    4. Ohio
    5. Kentucky
    6. Arizona
    7. Alabama
    8. California
    9. New York
    10. Florida
    11. Other (Please specify: _____)

VITA

Name: Kunmin Kim

2001-2007   Bachelor of Economics & Politics
             Sungkyunkwan University (Seoul, Korea)

2007-2008   Deputy Director of Growth Strategy Division,
             Deputy Director of National Competitiveness Division,
             Ministry of Economy and Finance - Korea

2008-2011   Lieutenant of Republic of Korea Navy
             Personnel Officer, Wargame Controller, Translation Officer
             Officer Candidate School

2011-2014   Deputy Director of Industrial Policy Division
             Deputy Director of Business Environment Division
             Ministry of Economy and Finance - Korea

2014-2015   Master of Public Policy
             National Graduate Institute for Policy Studies (Tokyo, Japan)
             Young Leader's Program, MEXT Scholarship

2015-2018   Task Manager of Capacity Building & Training
             Asian Development Bank Institute (Tokyo, Japan)

2018-2019   Deputy Director of Public Institution Innovation Division,
             Senior Deputy Director of Public Institutions Planning Division,
             Ministry of Economy and Finance – Korea

2019   Presidential Commendation for Meritorious Service
             awarded by President of the Republic of Korea

2019-2020   Senior Deputy Director of Public Institutions Policy Coordination Division
             Ministry of Economy and Finance

2020-2023   Administrator of Korea Trust Fund,
             Central American Bank for Economic Integration (Honduras)

2023-2025   Director of Fiscal System,
             Ministry of Economy and Finance – Korea

2024   Ministerial Commendation for Meritorious Service
             awarded by Deputy Prime Minister and Minister of Economy and Finance

2025-Present Director of Defense Acquisition Budget,
             Ministry of Economy and Finance – Korea