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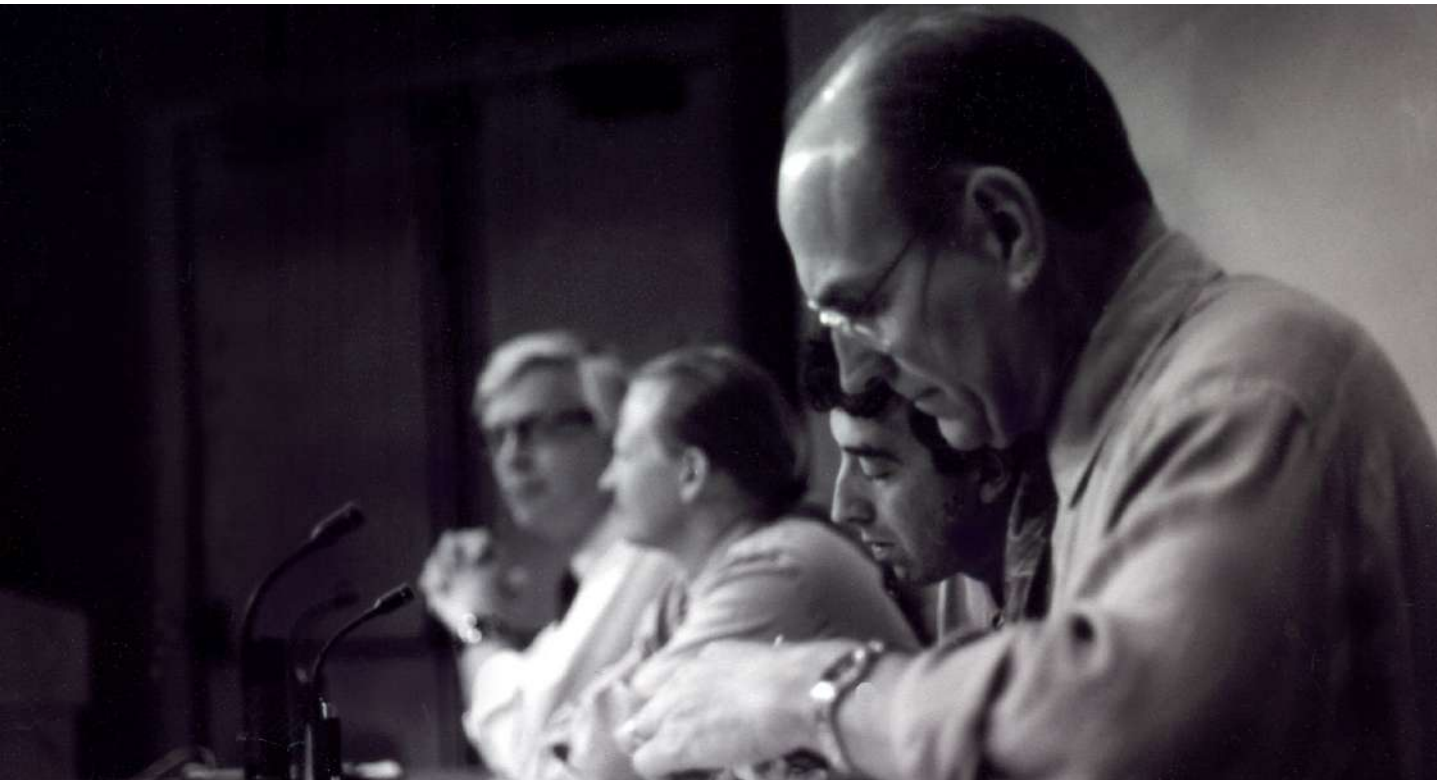
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EDITORIAL COMMENT

The range of articles in this issue attests to the methodological pluralism, or more appropriately, the linguistic and descriptive creativity at work.

Action research, undergirded by pragmatist philosophy, and post-positivism with its mix of quantitative and qualitative analysis, are variations of the triumph of the pragmatic search for the widest inter-subjective agreement; over enquiry into truth as correspondence to reality.

There are ways of conceiving knowledge and its relation to practice that create a warrant of sorts for us to tell stories of living and lived experiences in novel ways that create new knowledge.

Academic writing, particularly in social science, is the describing activity of the researcher as a human agent of change. It seeks to achieve contingent agreement on how to describe what happened and how that can be a useful guide to future actions and behaviour.

Eddie Loh's article describes an action research approach leading to pragmatic outcomes; Dr Chen's project is based on a post positivistic foundation; both are reminders that giving priority to action over principles generate ideas that can be judged for their usefulness, workability and practicality, in term of the social issues they addressed. While promoting new views of phenomena, they recognise that the nature of experimentation has a built-in self-corrective mechanism which factors in the contingencies of shifting social-historical contexts. They produce practical knowledge that is useful to people in their everyday conduct of their lives, increase well-being; and is ultimately an exercise in human problem solving.

Readers wishing to further engage with the authors can find their email contacts in the biodata section.

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**“Small opportunities are
often the beginning of
great enterprises.”**

– Demosthenes

Awareness and Use of Export Promotion Programmes by SMEs in Singapore

Abstract

Trade is generally regarded as the mainstay of a country's economic development. Governments have recognised the advantages of exporting and have established agencies with the mandate to nurture, support, and promote exporting firms from their respective countries. These agencies, known generically as 'export promotion agencies' (EPAs), also provide opportunities for potential exporters to meet and interact with importers from foreign markets. A number of studies have confirmed that EPAs have a significantly positive impact on export performance, largely through the design and development of export promotion programmes (EPPs). This study focused on the awareness and usage of EPPs by small and medium enterprises (SMEs) in Singapore. The specific factors that influence awareness and use of EPPs were detailed. Multiple regression analysis was employed to quantify the impact of firm and export environment on EPP awareness and utilisation. Although the results of the study were mixed, they did indicate that exporting SMEs may not be aware of the different types of promotion programmes offered by the Singapore government, and hence have not used them to maximum effect. While on average two in three survey respondents said they knew about a particular promotion programme, only one in three had actually made use of it. The survey findings also underscored the fact that there are many uncontrollable variables in international marketing, and that even seemingly controllable factors can contribute to challenges and complexities in programme implementation. The results of this study demonstrated the need for improvements to export promotion programme deployment.

Keywords: Export promotion programmes, Export promotion agencies, International trade, Economic development, Export activity, Singapore economy

Introduction

Trade among nations is generally regarded as the mainstay of economic development for respective countries as there are both tangible and intangible benefits to be derived from the activity of trading, specifically, in exporting and importing. These benefits include the creation of wealth for economic development, the opening of employment opportunities, and in less developed markets, the alleviation of poverty. Exports, imports, and the whole activity of trading, are effectively vital to a country's economic prosperity. Increasing export activity in a country is thus one of the key priorities of a government. Whether from a developed or developing country, trade policies are designed to encourage exporting to ensure countries stay competitive in the face of global competition (Martincus & Carballo, 2008). In this respect, exporting can be said to be important and even critical to a country's economic growth and development in its capacity to complement economic development through job creation, spur increase in productivity, and enhance international trade amongst nations. This augments the role of exporting as a key contributor to a country's economic development and prosperity, and points to export promotion as an essential ingredient for progress and moving the country to a higher level of economic development (Koksal, 2008; Ali & Shamsuddoha, 2007). Exporting also enables international diversification for firms, and affords the opportunity for the firms to expand their market for goods and services and improve firm performance (He, Brouthers, & Filatotchev, 2013).

Parallel to exporting is the role of export promotion as a factor in supporting the level of a country's export activity through export promotion programmes, or EPPs. In most countries, EPPs are offered by government and quasi-government agencies as tools for strengthening the competitive standing of exporters from their respective countries, and are viewed as a signal of the government's commitment to export promotion. While EPPs vary in scope and scheme across countries, they are generally intended to achieve the end-objective of promoting exports in the respective country (Leonidou, Palihawadana, & Theodosiou, 2011). EPPs may range from services suited to new exporters to those designed to support the exporting efforts of more experienced exporters. However, export promotion is integral to the foreign trade policy of a government, and most countries have set up export promotion agencies, or EPAs, as part of overall trade promotion policy, particularly to serve as catalysts

to boost the exporting activities of small and medium enterprises (Gil, Llorca, & Serrano, 2008). While EPPs are offered by most governments and are widely used by exporters in their respective countries, the challenge is for them to remain relevant in the face of changing economic and political environments. This is where it is expedient for EPPs to be regularly assessed for effectiveness and relevance in order to provide governments (and quasi-government trade organisations) with guidelines to identify best practices and to implement those programmes that are useful and capable of supporting exporting firms in overcoming the risks and obstacles associated with exporting (Lederman, Olarreaga, & Payton, 2010).

Trade has always been the backbone of the Singapore economy. According to the Singapore Department of Statistics, about 99% (or 170,000) of all companies in Singapore are small and medium enterprises (SMEs). They employ 70% of the workforce and contribute 50% of total value-added (Singstat, 2012). Hence SMEs play a key role in the economy. Because of a small domestic market, Singapore-based companies have to consider expansion into overseas markets at a much earlier stage than their counterparts in larger countries. This has resulted in increased awareness of the need to develop the strengths and international capabilities of Singapore's SMEs and it has become a national priority. Like many other nations, Singapore encourages its SMEs to become world-class business entities that are professionally managed, and focused on developing high value-added products.

The government's acknowledgement that Singapore had to expand overseas led to a restructuring of the Singapore Government EPA, the Singapore Trade Development Board (established in 1983) to become known as 'International Enterprise' in 2002 (IE Singapore, 2013). IE Singapore was, at the time this study was conducted, the Singapore government agency set up to drive the country's external economy. It was acting as a catalyst and support for Singapore-based companies who wish to export overseas. In order to ensure success in exporting, EPPs have to address specific needs of the respective firms and to provide them with relevant programmes and support aimed at maximising their exporting efforts. The availability of EPPs to exporting firms is not a new initiative. Feedback on the effectiveness of these programmes however, has been relatively limited. Information about the success or failure of EPPs should be available to respective EPAs in order to ensure that programmes developed are relevant to the needs of the exporting firms.

A goal of the study was to contribute to the export promotion literature by affirming the incongruence between awareness and use of EPPs by SMEs. Coudounaris (2013) contended that this is an important area of research in the light of new conceptual models being developed based on the examination of the impact of different types of EPPs on firm export performance. A gap may exist between awareness of EPPs and EPP usage and the findings uncovered reinforced the importance of awareness as a construct that warrants further investigation.

Literature Review

Export assistance literature can trace its beginnings to 1964 when Tookey's pioneering research, "Factors Associated with Successes in Exporting" inspired many research scholars (Tookey, 1964). Following this study, several reviews of extant literature on export assistance have been undertaken by different researchers from the 1960s to 2013. Two separate literature reviews were undertaken by researchers Seringhaus (1986) and Diamantopoulos, Schlegelmilch, & Tse (1993) to determine whether assistance programmes and services significantly impact a firm's performance. Both reviews proved inconclusive due to methodology issues and equivocality of the findings. A separate review on export assistance literature by researchers Faroque & Takahashi (2012) provides further insight into earlier studies on export assistance. The researchers confined their review to journal articles published between 1990 and 2009 and found that only 13 quantitative studies had been identified since 1990. This implies that there is need for further research in this area to better understand the impact of Export Promotion Programmes (EPPs) on firms' performance. A short description of those 13 studies is presented in Table 1, including the author and variables used.

Table 1: Studies on the Impact of EPPs on Firms' Performance

Researcher	Export Market Assistance	Independent variable	Mediating variable	Dependent variable	Significance
Donthu & Kim, 1993	Govt, Non-Govt	EPP	-	Export Growth	Y
Singer & Czinkota, 1994	Market (information / experiential services)	EPP	-	Number of export outcomes (pre-export activities and export performance)	Y
Marandu, 1995	Market, Financial, Government	EPPs	-	Export intensity	Y
Gencturk & Kotabe, 2001	Market, Financial	EPPs	-	Competitive position, export sales growth, export profitability	Y, N, N
Spence, 2003	Market, Government	Trade mission	-	Export sales, acquired competence	Y, Y
Alvarez, 2004	Market, Government, Non-Govt	Trade shows, trade missions, exporter committees	-	Probability of being a long term exporter	N, N, Y
Francis & Collins-Dodd, 2004	Market, Financial, Government	EPPs	-	Achievement of export objectives	Y
Lages & Montgomery, 2005	Market, Financial, Government, Non-govt	EPPs	Pricing strategy adaptation	Composite measure: export sales revenue, export sales volume, export profitability	Y
Shamsuddoha & Ali, 2006	Market, Financial, Government	EPPs	Export knowledge, management perception of export market environment, export commitment, export strategy	Composite measure: export sales, export profit, export sales growth, new market entry	Y
Wilkinson & Brouthers, 2006	Market, Government	Trade show, trade mission, programmes identifying agents and distributors	-	Composite measure: Satisfaction with sales growth, market share, number of countries exporting to, overall export performance	Y, N, Y
Ali & Shamsuddoha, 2007	Market, Financial, Government	EPPs	Export knowledge, export commitment, export strategy	Composite measure: export sales, export profit, export sales growth, new market entry	Y
Bonner & McGuinness, 2007	Market, Financial	EPPs	-	Export sales growth	N
Sousa & Bradley, 2009	Market, Financial, Government, Non-govt	EPPs	-	Composite measure: competitors' ratings, market share, overall satisfaction with firm's export performance	Y

Note. Adapted from Faroque & Takahashi (2012).

Effectiveness of EPPs

Leonidou, Palihawadana, & Theodosiou (2011) found from their investigations of national EPPs that the majority of these programmes tended to be spread too thinly over diverse industry sectors. They also lacked sufficient depth in analysis of the correlation between EPPs and exporting behaviour of firms. Freixanet (2012) acknowledged the contribution of Gillespie & Riddle (2004) and Diamantopoulos, Schlegelmilch, & Tse (1993) in their respective analyses of the role of EPAs and their methodological recommendations for empirical research. Gillespie & Riddle affirmed the role of Export Promotion Agencies (EPAs) in supporting local business communities and enabling them to better market their products in the international marketplace. They noted, however, that there are few studies which focus on the reasons and motivations of EPAs in determining what services to offer firms, and how the effectiveness of these services are monitored and refined.

Martincus & Carballo (2010a) suggested that trade promotion activities may expedite entry to international markets for new firms, while at the same time help already exporting firms to enter new country and product markets as well as expand sales in current markets. The impact of EPPs would therefore vary depending on what stage firms are at when they enter international markets, i.e., whether they are new exporters or existing exporters. Those selling new products or entering new markets are likely to need more export promotion assistance than those already trading with existing markets as they would be more familiar with the process and would thus be less likely to face obstacles related to lack of information on these markets. Hence, assessing the effectiveness of EPPs implies a need for policy-makers to conduct regular evaluation exercises of the impact and effectiveness of these programmes (Martincus & Carballo, 2010b).

The Conceptual Model

There is indication in the extant literature that the number of studies focused on offering guidance to providers of export assistance programmes (Kotabe & Czinkota, 1992; Seringhaus & Botschen, 1991) is more than the examining of the direct relationship between the usage of EPPs and export performance (Francis & Collins-Dodd, 2004; Gencturk & Kotabe, 2001; Shamsuddoha & Ali, 2006). There is, however, merit in pursuing studies from both approaches as the complexity of

internationalisation augments the need to have ongoing investigations in EPPs in order to ensure that government funded EPPs are disbursed to, and accessed by firms. In the case of Singapore, these would be the small and medium enterprises that require government support in their export endeavours. In the conceptual model, the approach of examining the relationship between the awareness and use of EPPs and characteristics of the exporter's firm and export environment was adopted. Due consideration was given to firm characteristics such as core competencies, financial resources, human resources and international business experience. The generic factors identified from the extant literature are experiential knowledge, a lack of which would put the firm at a disadvantage in engaging effectively in international activities and sustain competitive advantage in an international environment (Gassmann & Keupp, 2007); the value of commitment, the importance of having an export strategy, and the need for networks.

Overview of the Sample and Methodology

Four hundred and eighty nine professionals from companies that have exported products from Singapore received invitations to participate in this study by answering questions via an online survey hosted by Qualtrics™ (Qualtrics). The main survey respondents were drawn from the online database of the publication, "Singapore SME 1000", 2011 edition, (DP Group, 2011). The survey questions in the study were adapted from the work of Shamsuddoha & Ali (2006). Following a review of EPP studies such as Wilkinson (2006), Crick & Chaudhry (2000), Hajiagha, Zavadskas, & Hashemi (2013), and Francis & Collins-Dodd (2004), the decision to adopt and adapt from the Shamsuddoha & Ali study (2006) was made on the basis that the questions and the context were culturally similar to the Singapore study.

Out of the pool of potential participants, 41 completed the survey. In general, study participants were experienced with exporting; three-quarters of the participants had more than four years of experience and most of those had more than 10 years. All participants were in positions to direct their firms' export activities; more than half (51%) were general managers or directors, one-quarter were managing directors or chief executive officers (CEOs), and the rest were business development or other senior managers. The firms represented in the sample were relatively young, relatively small, but had experienced people in decision-making positions, and more than half

had departments dedicated to their exporting activities.

Programme Popularity

In order to examine the popularity of the export programmes, *awareness* and *use of programme* variables were calculated. First, an awareness score was created for each person, which involved a count of the number of programmes with which each participant said he or she was acquainted. That number was transformed into a rate by dividing it by the total number of export programmes in the survey (15). The use rate was calculated in a similar manner. The average awareness rate was .66 ($s = 0.29$), but the average use rate was only 0.36 ($s = .28$), meaning that, on average, participants used only 36% of the programmes they knew about. The awareness variable is important because it is important to know whether exporters are aware of the EPPs of the Singapore government. Without awareness of the programmes, the programmes cannot be successful.

Low levels of awareness would mean that resources could be diverted into areas that would make potential users more aware and knowledgeable about the existence of the programmes. Low use rates may indicate that the EPP topics and /or content may need to be adjusted in order to the programmes to be effective enough to justify their existence.

Participants' awareness scores ranged from 0 (aware of no programmes at all) to 0.93 (aware of 14 of the 15 programmes). Median awareness rate was high at 0.80. Half of the participants had awareness rates above 0.80. Use rates ranged from 0 to 0.87 (the participant(s) used 13 programmes).

Assuming that utilisation of an export promotion programme would depend in part upon participants' access to information about the EPPs, a *programme popularity* variable was calculated. This measure was an assessment of how effectively each programme reached the sample population. Programme popularity was calculated by averaging the awareness rate and the use rate and dividing by N (41 for each of the relevant variables). Table 2 shows a list of the programmes ranked from most popular to least popular. Assistance in settlement of trade disputes with foreign buyers was least popular at 0.23, while the program for participation in international trade

fairs and missions was most popular at 0.84. Average programme popularity was 0.59 ($s = 0.19$) but at least half the programmes had popularity rates higher than 0.65.

Table 2: EPPs Ranked by Popularity

Programme	Program Popularity
Participation in International Trade Fairs/Missions	0.84
Assistance in Establishing Contact with Foreign Buyers	0.77
Inclusion in Trade Missions	0.76
Export Workshops and Seminars	0.76
Marketing Assistance for Exporting New Products	0.72
Income Tax Rebate on Export Earnings	0.72
Grants to help defray Developmental Costs Related to External Consulting, Airfare, and Accommodation	0.70
Program for Overseas Promotion of the Company's Products	0.65
Technical and Practical Training Programme for Development of Skilled Manpower in Exports	0.56
Assistance in Establishing Sales and Display Centres Overseas	0.47
Technical Assistance for Developing New Products	0.47
Funding Support for Participation in Overseas Training Programmes on Product Development and Marketing	0.46
Loan Insurance Schemes	0.41
Assistance in Obtaining Foreign Technology for Product Development	0.32
Assistance in Settlement of Trade Disputes with Foreign Buyers	0.23

Least Squares Regression Analysis

In order to more clearly understand what, if any, relationships exist between survey participants' awareness of the various programmes, their use of those programmes, and their subjective assessments of the effectiveness of those programmes, ordinary least squares regression analysis was used. The goal was to understand exactly which factors and variables positively or negatively influence the awareness and utilisation of these EPPs. Using the previously established variables, the data was examined in detail to discover which firm, export environment, and demographic variables influenced the awareness and use of the Singapore EPPs.

Participants in the survey were asked a number of questions about their firms and the export market in which they compete. They were asked to respond to these statements on a 1-100 scale. These scale variables covered three basic areas:

1. Participants were asked to describe their firm's export practices.
2. Participants were asked to tell more about their firm.
3. Participants were asked how their firms' products were sold to overseas customers.

A number of survey questions were asked in each of the three categories. These opinion questions, along with the demographic questions, were used to develop regression equations for the dependent variables of awareness and use.

Results

Ordinary least squares regression models were run for the two dependent variables: awareness of EPPs and use of EPPs. For each dependent variable, a "best fit" least squares regression was developed. In order for an independent variable to be included in the final model, a p -value of .05 ($\alpha = .05$) was required. Some of these scale variables were used to answer the research questions, while others were not used because they had little or no relationship to the dependent variables either when used in a correlation test or in a regression.

Awareness Model

The first model to be analysed was the awareness model. A number of least squares regression models were run in order to find the model with the best fit. For an overview of the use of regression in analysing survey data, see Sambandam (2012) and Rubinfeld (2011). There were some issues with multicollinearity in versions of the model tested and some independent variables had to be omitted because of this problem. The "best fit" least squares model for awareness with $M = 67.18$ and $s = 29.45$ yielded an adjusted R^2 of 0.77, $F(7,19) = 13.10$, $p < 0.001$. Hence the model accounted for 77% of the variation in awareness. This type of interpretation is explained in more detail in Hazard Munro (2005). Table 3 contains the coefficients, or B s, for each predictor. Keep in mind that regression results show correlation, or a numerical prediction, but not necessarily causation.

Table 3: Least Squares Regression with Awareness as the Dependent Variable

Model	<i>B</i>	<i>p</i>	95% CI* for <i>B</i>	
			Lower Bound	Upper Bound
Constant	62.88	.00	28.48	97.29
Age group	6.58	.06	-0.32	13.48
Overseas markets for our products are unstable	-0.34	.01	-0.61	-0.08
Business practices in most countries are similar	-0.45	.01	-0.75	-0.15
Customer contact, sales through international trade fairs	0.24	.08	-0.03	0.50
Foreign buyer's local representative in Singapore	0.22	.04	0.01	0.43
Exporting is key activity	-0.29	.01	-0.49	-0.09
Strategies for competing in export markets developed	0.30	.02	0.06	0.54

*CI = Confidence Interval

The awareness variable represented how aware respondents were of export promotion activities used by the Singaporean government and was measured on a scale of 0 – 100. Age group was measured in ten-year categories, with 1 representing respondents 21 – 30 years of age through category 4 representing those respondents 51 or older. Looking at the chart, one can see that a move from one category to the next higher category leads to a 3.29-point increase in awareness. The interpretation of regression coefficients was explained in more detail by Roberts (2009). Miller (2008) also discussed the significance and meaning of regression coefficients and addresses the issue of causality. The other variables were all measured in scales of 1 to 100. The equation for awareness derived from the model is

$$\begin{aligned}
 \text{Awareness} = & 62.88 + 6.58(\text{age}) - 0.34(\text{unstable markets}) - 0.45(\text{similar practices}) \\
 & + 0.24(\text{international trade fairs}) + 0.22(\text{local representative}) - 0.29(\text{key activity}) \\
 & + 0.30(\text{strategies developed})
 \end{aligned}$$

Based on this equation for awareness the following conclusions were made:

- A one-point increase in the opinion of the respondent that overseas markets for the respondent's products are unstable predicted a 0.34-point decrease in the awareness scale.

- A one-point increase in the respondent's opinion that business practices are similar in most countries predicted a 0.45-point decrease in the awareness scale.
- A one-point increase in agreement with the statement that the respondent's firm used participation in international trade fairs to contact customers and accomplish sales was associated with a 0.24-point increase in the awareness scale.
- If firm sales are accomplished by a foreign buyer's local representative in Singapore, then a 1-point increase in this scale will lead to a 0.22-point increase in awareness.
- Somewhat counter-intuitively, on the scale that measured whether exporting is key activity, a one-point increase yielded a 0.29-point decrease in awareness.
- Finally, a one-point increase in agreement with the statement that strategies for competing in export markets have been developed predicted a 0.30-point increase in the awareness scale.

Use Model

The next model tested use as the dependent variable; the results are shown in Table 4. A least-squares model for use with $M = 36.10$ and $s = 28.24$, had an adjusted R^2 of 0.64, $F(5,30) = 13.69$, $p < 0.001$. Hence the model accounted for 64% of the variation in the use of export-support activities offered by the Singapore government. Again, multicollinearity influenced the choice of exogenous variables and only variables with p -values of 0.05 or less were chosen for inclusion in the final model.

Table 4: Least Squares Regression with Use as the Dependent Variable

Model	<i>B</i>	<i>p</i>	95% CI* for <i>B</i>	
			Lower Bound	Upper Bound
Constant	-74.44	.00	-107.38	-37.50
Age group	8.75	.02	1.61	15.88
Firm has difficulty adjusting to globalised environment	0.81	.00	0.45	1.17
Business practices in most countries are similar	-0.43	.00	-0.70	-0.15
Customer contact, sales through international trade fairs	0.55	.00	0.32	0.79
Firm has a budget for exporting activities	0.55	.00	0.32	0.78

*CI = Confidence Interval

Like awareness, use was measured on a scale of 0 – 100 and measured respondents'

use of export-support activities offered by the Singapore government. All variables except age group were also measured on a 0 – 100 scale. As previously discussed, age group was measured on a 1 – 4 scale using ten-year groupings. The equation for use derived from this model is

$$Use = -74.44 + 8.75(age) + 0.81(difficulty\ adjusting) - 0.43(similar\ practices) + 0.55(international\ trade\ fairs) + 0.55(budget)$$

This particular analysis supported the following statements:

- A one-unit increase in the age group category predicted an 8.75 increase in use.
- A one-point increase in the opinion of respondents that their firm was experiencing difficulty adjusting to the globalised environment predicted a 0.81 point increase in the use scale.
- A one-point increase in the opinion that business practices were similar in most countries yielded a 0.43-point decrease in use.
- A one-point increase in the variable saying that the firm used international trade fairs to contact and sell to customers corresponded to a 0.55 increase in use.
- Finally, a one-point increase in respondents stating that their firm has a budget for exporting activities also predicted a 0.55 increase in the use variable.

Discussion

A close examination of the awareness of the export programmes offered by the Singapore government was considered important because, in order to be effective, potential users must first be aware of their existence. Examining this variable can illustrate potential avenues that could be used in order to improve the visibility of the EPPs. Although the age group variable had the largest observed coefficient, when the different scales of the variables were taken into account, the variable, business practices in most countries are similar, had the most influence on the model. This variable, as well as the perception that overseas markets are unstable, were strong predictors for awareness of export programmes, each having had a negative effect on awareness. This may reflect a less-nuanced knowledge of other countries and the export market in general.

Surprisingly, awareness of Singapore's export support programmes was also lower

in firms that stated that exporting was a key activity. This did seem counter-intuitive as one would think that firms that see exporting as a key activity would be more aware of, and more familiar with, export-support programmes. This analysis indicated that the opposite was true. Older respondents also tended to have more awareness of the export-support programmes. Finally, developing strategies for competing in export markets, using international trade fairs to contact customers and sell products, and having a local representative in Singapore, all led to an increase in awareness.

The use of export programmes by survey participants was examined in detail because, even if exporters were aware of the programmes, they would not be effective unless exporters took advantage of the EPPs by using them. The popularity ranking of the EPPs could be used by the Singapore government as a starting point in deciding whether certain programmes were fulfilling their mission or not. The OLS model with use as the dependent variable was not quite as robust as the awareness model, but it was still a decent estimation and all variables were significant at a 2% level or better. As with awareness, use of the export-support activities correlated negatively with the opinion that business practices in most countries were similar. However, those firms that were having difficulty adjusting to a globalised environment were more likely to have a higher use score. It is possible that firms that were more uncomfortable with the global economy were also more likely to seek out programmes such as the Singapore export-support activities. However, that conclusion cannot be drawn solely from this data set. Also, older respondents who were more aware of these programmes were more likely to use them. Lastly, using international trade fairs to contact customers and make sales as well as the firm having a budget for export activities, both positively predicted an increase in use, according to this analysis.

Implications

The objective for governments in developing and offering EPPs is to render support to strengthen the competitive standing of exporters from their respective countries, and to augment the commitment of governments to export promotion. There may thus be a need for a more in-depth and qualitative look at the impact of individual EPPs to ascertain if they are suited to particular industries, and if there is a

need for export coaching for these organisations. This may help to raise awareness of the range of programmes within the broad category of the market development group of EPPs. Conversely, an in-depth study would enable firms to provide feedback to the developers of the EPPs on the peculiarities of their particular sector and enable design of more practical and user-friendly programmes for the firms.

The firm's awareness of export promotional activities was lessened where the following conditions existed: unstable export markets existed for the firm, similar business models to those of the firm existed at the export destination, or exporting was a key activity of the firm. In contrast, when the firm's foreign buyers were locally based or when the firm's strategies to compete in its chosen export markets were developed, then the firm's awareness was raised. Possibly the government should provide ongoing (and updated) advisory notes and briefings around these three export issues or require SMEs to attend export strategy advisory sessions annually, as well as conduct promotions and provide facilities that encourage foreign buyers to hold a permanent presence in Singapore.

As far as use of EPPs, when business models similar to those of the firm existed at the export destination, the firm's use of export promotional activities offered by the Singapore government was lessened. On the other hand, when a firm had difficulty adjusting to a global environment, utilised international trade fairs to contact customers, or had a budget for export activities, the firm's use of export promotional activities offered by government increased. As in the case of the awareness model, the government could provide ongoing (and updated) advisory notes and briefings around this export issue, as well as conduct promotions and provide facilities to encourage foreign buyers to hold a permanent presence in Singapore.

While this study reaffirms the challenges and difficulties in data collection, it concomitantly provided insights to policy makers and business managers on the direction to be taken when undertaking future EPP research. This study has also revealed that there may be a need to raise awareness of the availability of government EPPs in order that they are fully understood and utilised by the SMEs that need them most. Concurrent to this is the fact that there are many factors in the export environment that differ significantly across markets. Hence there were implications from this study, mainly centered on the need to review and re-design EPPs in order that they are utilised

by SMEs to navigate the complexities of export markets.

A key message from the findings was there are many uncontrollable variables in international marketing, and these differ significantly across markets. While results of the study were mixed, they did indicate that exporting small and medium enterprises may not be using EPPs offered by Singapore; therefore, these programmes are not as effective as they could be. Hence, apart from reviewing EPPs to ensure that they meet the needs of SMEs, it is also expedient that improvements to program deployment are considered to enhance awareness, and in turn, use of these programmes.

Conclusion

This study set out to explore the factors that determine the awareness and utilisation of Singapore government EPPs by SMEs located in Singapore. The extant literature was reviewed to develop a theoretical basis for the conceptual model. The SME sector in Singapore was chosen as SMEs are an important pillar of Singapore's economy, comprising 99% of total business establishments, employing 70% of the workforce and generating 50% of economic output (Singstat, 2012). In actual numbers, 170,000 out of a total of 171,000 enterprises in Singapore are SMEs. Hence there is strong government support for this sector, particularly in efforts to encourage internationalisation amongst the SMEs through the design and development of EPPs specifically for this group. The data collection for this research undertaking had been carried out between April and May 2012.

While this study reaffirms the challenges and difficulties in data collection, it also provided insights to policy makers and business managers on the direction to be taken when undertaking future EPP research. The study revealed that there may be a need to raise awareness of the availability of government EPPs in order to ensure that they are fully understood and utilised by the SMEs that need them most. Concurrent to this is the fact that there are many uncontrollable variables that differ significantly across markets. Hence there were implications from this study, mainly centered on the need to review and re-design EPPs in order that they are utilised by SMEs to navigate the complexities of export markets.

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“Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.”

– Paul Hawken

Corruption in South Sudan: A Business Perspective

Dr. Teck Choon Teo
Postdoctoral Researcher
Singapore

Alexander Christian Zhang
Business Executive
Fabristeel, Singapore

Prof. Dr. K. C. Patrick Low
Visiting Professor / University of the South Pacific
Suva, Fiji

Abstract

The paper discusses the historical context leading to the current environment in South Sudan and deploys analytical tools, including the well-known PESTEL framework to identify the key elements to consider in carrying out business and commercial activities there. It suggests the need for a flexible ethical outlook, aligned to the realities of a poverty-stricken country endowed with abundant resources, in an environment characterized by corrupt practices and the possible strategies and approaches appropriate to the specific characteristics of a corruption-embedded business environment.

Using empirical and secondary data, it outlines theoretical recommendations, models and frameworks as analytical tools, applicable to business operations specific to South Sudan. The authors note that, in the final analysis, firms will find it challenging to operate efficiently and effectively in South Sudan without resorting to any unethical measures.

Keywords: Business practices, Framework, Models, Efficiency

Introduction

Corruption continues to thrive, especially in emerging economies, particularly in Africa. South Sudan is the world's newest country, with much economic potential due to its rich and plentiful endowments of natural resources. According to Waal (2013), the South Sudanese economy is expected to be the fastest growing country in 2013. Some investors, most notably Chinese, have already started pouring in considerable investments. However, there are stringent penalties for engaging in corrupt business practices imposed by international entities such as the International Monetary Fund (IMF), World Trade Organization (WTO) and United Nations (UN). These, together with Western anti-corruption policies such as those of the US Foreign Corrupt Practices Act 1977, serve as a significant regulatory measure to encourage US firms to establish corruption free operations within South Sudan. Presently, South Sudan is ranked one of the worst in the world in terms of corruption (173 out of 175 countries), just ahead of North Korea and Afghanistan, according to Transparency International (2013).

This article explores and uncovers elements of the various causes of the phenomenon specific to the African continent, including the unique characteristics which make corruption in Africa different from corruption in other parts of the world.

South Sudan gained independence from Sudan on 9th July 2011, after civil wars over the past 50 years. The historical effects of both the war and the impact of British colonization have severely dampened the nation's economic and social development. Firms seeking to enter such highly corrupt environments will gain useful insights and implications from an analysis of the political, economic, social-cultural, technological, environmental and legal environments (PESTEL) of the focal geographical entity.

A Literature Review of Models, Frameworks and Perspectives Relating to Corruption

Corruption Defined

Corruption at its core is highly toxic and has the potential to spread both in a local national environment and across borders. It exacerbates conditions of the poor who have little control over their own lives. It also undermines trade and affects the fair

treatment of businesses and individuals.

The United Nations Convention Against Corruption (UNCAC), which came into force on 18 December 2005, is the only universal anti-corruption instrument that is legally binding on UN member countries. The United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators (The United Nations Office on Drugs and Crime 2013) identifies various forms of corruption. Examples include, Petty and Grand Corruption; Active and Passive Corruption; Bribery; Embezzlement; Theft and Fraud; Extortion; Abuse of Function; Favoritism and Nepotism; Creating or Exploiting Conflicting Interests; and Improper Political Contributions. A compilation of definitions is provided in *Table 1*:

Table 1: Forms & Definitions of Corruption

Forms of Corruption	Definition
Petty Corruption	Also known as “administrative corruption”, usually involving small monetary sums and the granting of small favors (Costa 2004). Administrative malpractice usually takes place between individual economic actors such as firms, and public officials and licensing agencies (Pedersen and Johannsen, 2008). Another interpretation of Petty Corruption is referred to as “Day-to-day corruption” where it mostly involves individual citizens to access basic public services (Pedersen and Johannsen 2008, Umutohiwawo 2012).
Grand Corruption	Refers to corruption and abuse of power at the highest levels in a government which might also be referred to as “state capture” (Costa 2004, Pedersen and Johannsen 2008, Kenny and Søreide 2008).
Active Corruption	The act of offering or paying a bribe (Costa 2004).
Passive Corruption	The requesting or receiving of a bribe (Costa 2004).
Bribery	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;">Article 15*</p> <p style="text-align: center;">Bribery of national public officials*</p> <p>Each State Party shall adopt such legislative and other measures as may be necessary to establish as criminal offences, when committed intentionally:</p> <p>(a) The promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties;</p> <p>(b) The solicitation or acceptance by a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties.</p> <p style="text-align: center;"><small>*UN CONVENTION AGAINST CORRUPTION</small></p> </div> <p><i>Source: United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators, Vienna (2004).</i></p> <p>Defined by Costa (2004) as “The act of conferring a benefit in order improperly to influence an action or decision. It can be initiated by an official who asks for a bribe, or by a person who offers to pay one.” Following this description, the United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators (2004) indicated in <i>Appendix 1</i> further dissects descriptions of bribery.</p>
Embezzlement	Property usually in monetary terms is taken by someone to whom it has been entrusted (Costa 2004, Johannsen 2008).

Fraud	Involves the falsification or misrepresentation of information leading to the owner of a property to part with their property voluntarily (Costa 2004, Johannsen 2008).
Extortion	Refers to coercive incentives normally involving the use of violent threats or the exposure of damaging information to induce cooperation (Costa 2004, Johannsen 2008).
Abuse of Function	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Article 19* Abuse of functions</p> <p>Each State Party shall consider adopting such legislative and other measures as may be necessary to establish as a criminal offence, when committed intentionally, the abuse of functions or position, that is, the performance of or failure to perform an act, in violation of laws, by a public official in the discharge of his or her functions, for the purpose of obtaining an undue advantage for himself or herself or for another person or entity.</p> <p><small>*UN CONVENTION AGAINST CORRUPTION</small></p> </div> <p><i>Source: United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators, Vienna (2004).</i></p>
Nepotism and Favorism	<p>According to Costa (2004), “Involve abuses of discretion, although a number of countries do not criminalize the conduct (Article 7 of the UN Convention covers merit selection without even mentioning nepotism). Such abuses usually involve not a direct personal benefit to an official but promote the interests of those linked to the official, be it through family, political party, tribe, or religious group. A corrupt official who hires a relative (nepotism) acts in exchange, not of a bribe but of the less tangible benefit of advancing the interests of others connected to the official.</p> <p>The unlawful favoring of - or discrimination against - individuals can be based on a wide range of group characteristics: race, religion, geographical factors, political or other affiliation, as well as personal or organizational relationships, such as friendship or shared membership of clubs or associations.”</p>
Creating or Exploiting Conflicting Interest	Costa (2004) notes, “As noted in the United Nations Manual on Anti-corruption Policy, most forms of corruption involve the creation or exploitation of some conflict between the professional responsibilities of an individual and his or her private interests. The offering of a bribe creates such a conflict where none may have existed hitherto.”
Improper Political Contributions	Refers to monetary or non-monetary contributions to a political party or individual not solely for the purpose of support of the party but to illicit private beneficial gains in return once the recipient is in power (Costa 2004)

Source compiled from: Costa (2004); Kenny and Soreide (2008); Pedersen and Johannsen (2008); Umutohiwawo (2012) & United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators, Vienna (2004).

Circumventing Corruption

Using the environment in Uganda as a reference point, Svensson (2001) mentions that firms operating in Uganda perceive that corruption is the most serious impediment to conducting business in the country. Bribery is very much intertwined with business practices and is simply considered to be the cost of doing business or even a tax, except that the amount paid does not contribute to government revenues (see *examples of bribery in Appendix 1*). Corruption in Uganda extends to minor markets such as getting a telephone line. A range of different costs have been imposed on firms, despite a stipulated cost in place. In addition, the time taken to get a telephone line operational would also vary up to 13 weeks depending on how bribes are paid (Svensson 2001).

Uganda as a Comparison to South Sudan

Tables 2 - 5 serve to demonstrate why Uganda is an appropriate case to infer the conditions which can also exist in South Sudan currently and in the future.

Table 2: Similarities and Differences in Demographics of Uganda and South Sudan

Description	Uganda	South Sudan
Age Structure	<p>0-14 years: 49.1% (male 8,229,045/female 8,280,499)</p> <p>15-24 years: 21.2% (male 3,540,082/female 3,581,018)</p> <p>25-54 years: 25.3% (male 4,254,335/female 4,259,622)</p> <p>55-64 years: 2.3% (male 364,405/female 411,480)</p> <p>65 years and over: 2.1% (male 320,237/female 400,110) (2012 est.)</p>	<p>0-14 years: 46.5% (male 2,526,970/female 2,414,245)</p> <p>15-24 years: 19.5% (male 1,088,107/female 981,456)</p> <p>25-54 years: 28.9% (male 1,475,065/female 1,591,422)</p> <p>55-64 years: 3% (male 175,306/female 143,793)</p> <p>65 years and over: 2.2% (male 130,001/female 98,811) (2012 est.)</p>
Infant mortality rate	<p>total: 64.2 deaths/1,000 live births</p> <p>male: 73.9 deaths/1,000 live births</p> <p>female: 54.2 deaths/1,000 live births (2012 est.)</p>	<p>total: 71.8 deaths/1,000 live births (2012 est.)</p>
Ethnic diversity	<p>Baganda 16.9%, Banyakole 9.5%, Basoga 8.4%, Bakiga 6.9%, Iteso 6.4%, Langi 6.1%, Acholi 4.7%, Bagisu 4.6%, Lugbara 4.2%, Bunyoro 2.7%, other 29.6%</p>	<p>Dinka, Kakwa, Bari, Azande, Shilluk, Kuku, Murle, Mandari, Didinga, Ndogo, Bviri, Lndi, Anuak, Bongo, Lango, Dungotona, Acholi</p>
Religion	<p>Roman Catholic 41.9%, Protestant 42% (Anglican 35.9%, Pentecostal 4.6%, Seventh-Day Adventist 1.5%), Muslim 12.1%, other 3.1%, none 0.9%</p>	<p>Animist, Christian</p>
Language	<p>English (official national language, taught in grade schools, used in courts of law and by most newspapers and some radio broadcasts), Ganda or Luganda (most widely used of the Niger-Congo languages, preferred for native language publications in the capital and may be taught in school), other Niger-Congo languages, Nilo-Saharan languages, Swahili, Arabic</p>	<p>English (official), Arabic (includes Juba and Sudanese variants) (official), regional languages include Dinka, Nuer, Bari, Zande, Shilluk</p>

Source: CIA World Factbook (2012), <https://www.cia.gov/library/publications/the-world-factbook/>

Table 3: Similarities and Differences in the Geography of Uganda and South Sudan

Description	Uganda	South Sudan
Location	East Africa bordering South Sudan's southern border	East Africa bordering Uganda's northern border
Coastline	None (landlocked)	None (landlocked)
Natural Resources	copper, cobalt, hydropower, limestone, salt, arable land, gold	hydropower, fertile agricultural land, gold, diamonds, petroleum, hardwoods, limestone, iron ore, copper, chromium ore, zinc, tungsten, mica, silver
Geography note	Very fertile	Very fertile

Source: *CIA World Factbook (2012)* <https://www.cia.gov/library/publications/the-world-factbook/>

Table 4: Similarities and Differences in the Government of Uganda and South Sudan

Description	Uganda	South Sudan
Government type	Republic	Republic
Heads of State	Predominantly military background	Predominantly military background

Source: *CIA World Factbook (2012)* <https://www.cia.gov/library/publications/the-world-factbook/>

Table 5: Similarities and Differences in the History of Uganda and South Sudan

Description	Uganda	South Sudan
Colonial	British	British
Wars	Participated in civil and regional wars from 1980s to 2012 – more than 500,000 deaths till 2006, with more than 2.5 million refugees displaced (Lindemann 2010, Pownall 2006).	Participated in civil and regional wars from 1955 to 2012 – more than 2.5million people killed and 5 million displaced refugees (BBC 2012).

Source: *CIA World Factbook (2012)* <https://www.cia.gov/library/publications/the-world-factbook/>

Table 6 depicts the probability of an individual in Uganda being expected or asked to pay a bribe when accessing the sectors denoted. Table 7 reflects the reason for paying bribes.

Table 6: Sector Ranking Indicators (Uganda)

Rank	Sector	Likelihood (%)
1	Police	61.4
2	City and local councils	54.3
3	Judiciary	49.6
4	Registry and licensing services	46.1
5	Land services	46.0
6	Tax services	44.4
7	Medical services	42.7
8	Educational institutions	26.7
9	Utilities (water, electricity and postal services)	24.2

Source: *East Africa Bribery Index Report 2012*.

Table 7: Reasons for Paying Bribes (Uganda)

Reason	(%)
It was the only way to access service	38.8
To hasten up service	25.8
To avoid problems with authorities	15.4
To avoid paying full cost of service	13.6
To access a service I did not legally deserve	3.9
Others	2.4
Total	100.00

Source: *East Africa Bribery Index Report 2012*.

Ugandan Speaker of Parliament Rebecca Kadaga, said: “Corruption is one of the key stumbling blocks to good governance and social development in Africa” (Arinaitwe 2013). As political graft increases the cost of doing business, the corrosive effect together with petty bribes are indeed at the core of the stunted development and impoverishment of many African States (Arinaitwe 2013).

Firms taking note of the collection of various types of corruption and the illustrations of various examples of bribery in *Appendix 1*, will better understand what constitutes corruption and therefore be in a more enlightened position to adhere to local and international conventions and laws which govern corrupt practices. In addition, the provision of tools illustrated by Fletcher and Crawford (2011), Kingsley et al (2012), and Svensson (2001), allows for a successful business outcome when dealing with a corrupt environment if effectively incorporated in entry and operational strategies.

Methodology

The paucity of information due to the relative neoteric environment of modern South Sudan makes it necessary to draw some inferences based on regional environments which have similar characteristics to the focal environment. As some of the fundamental constraints include the sensitive nature of the topic, along with limitations of funds and time, the most appropriate methodology to use is expert opinion from secondary sources such as news reports, conferences, dialogues, and video and audio interviews from reputable parties. Published data, collected from reputable international and national level sources, offer statistical inferences into the various subjects. This includes data from the news agencies such as Al Jazeera which have established standards of impartial and unbiased reporting, offering clear insights into relevant subject specific matters.

A Brief History of Africa and Why Corruption is Unique to the Continent

According to Busia (1962), pre-colonial states in Africa were very much democratically managed, where decentralized power existed within states. This resulted in notably stable societies, with individuals frequently participating in various political processes (Klieman 2003). Even when centralised authorities existed, it was counterbalanced with chieftains helping to manage various districts, zones, and regions in order to ensure checks and balances and accountability (Osabu-Kle 2000). Fonchingong (2005) noted that societies in the pre-colonial era were managed by consultation and societal involvement employing a bottom up model. In fact, the societal constructs in pre-colonial Africa were seldom unjust, such that scholars in the field of African history went as far as to suggest that violence, robbery, and injustice as a whole were uncharacteristic (Nkrumah 1963; Fonchingong 2005).

Colonialism and Corruption

The colonial powers imposed a structure of governance which effectively introduced corruption to Africa in three distinct ways - the introduction of a monetary economy, cash taxation, and the divide and rule policy. Fonchingong (2005)

Firstly, the monetary system paved the way for corruption to spread throughout Africa, largely through white-collar fraudulent anticompetitive behavior (Robb 1992; Mulinge & Lesetedi 2002; Gardner 2009), including cash taxation policies, such as the hut and poll taxes. During the years of colonization, the legitimate powers of African chiefs and domestic institutions were completely undermined by the colonial rulers. Kolapo (2002) stated that “the particular mechanisms by which effective civil societies were developing among African polices were destroyed, as the chief was no longer answerable to local pre-colonial check structures or ideologies” (Kolapo 2002, p. 99). Therefore, these chiefs or local leaders answered directly to the colonial government. As mentioned earlier, locally appointed chieftains of communities were reappointed by the colonial powers. These chieftains helped their colonial government collect taxes. Unchecked, this practice opened up rent-seeking opportunities where chieftains could collect a higher than stipulated amount, thereby increasing their personal wealth, often exponentially. Tlou and Campbell (1984) concluded that “the financial gains accruing from the amount pocketed from taxes blinded the chiefs to the plight suffered by their people as a consequence of taxation”. This mentality of wealth accumulation would later be carried on into the post-colonization era, evident today in many conflict states within Africa where public officials took bribes and facilitated kickbacks at the expense of the wider social community already plagued with poverty (Quenum 2012).

Poor Salaries of Public Officials Leading to Corrupt Behavior

According to Chêne (2009) and Umutoniwawo (2012), low wages denoted aspects of inefficiency particularly for public sector officials as it increased the incentive to accept bribes and misuse of public resources. In addition, research had shown that there was also a strong positive correlation between public sector salaries and the effective control of corruption (Mungiu-Pippidi 2013). Mungiu-Pippidi (2013) contended that this did not mean that high wages would ensure the effective and efficient control of corruption. In fact, Mungiu-Pippidi (2013) described that it was the gradual increment of salary over time that gave public officials a sense of purpose and importance which would eventually curb corrupt behavior. However, Chêne (2009) warned that salary increments would be proven ineffective without efficient and effective monitoring, control and enforcement systems. Olken (2007) conducted a field experiment in Indonesia which demonstrated that an increment in public sector monitoring and audits would significantly reduce corruption.

Political Instability and Poor Governance Incites Corruption

There was evidence that past political regimes and turmoil was associated with a failure of integrity and a neglect of ethics. For example Fagbadebo (2007) suggested that although the Nigeria government adopted multiple anti-corruption measures purportedly to reduce corruption, these actions were viewed, for the most part, as simply a political façade to cover up corrupt practices.

Umutoiwawo (2012), suggested that one of the core reasons for public officials to take bribes was in order to survive in a poorly controlled and regulated government. Any employee under pressure of employment instability, especially with no alternative job prospects, would exploit the opportunity to supplement his or her meagre earnings. The private sector was equally prone, especially when catering to a growing population from returning refugees. Rana (2011), using Pakistan as an example to support the claim of political instability as major factor in corruption, cited the World Bank as saying;

“.....that political instability, corruption and uncertainty in government policies were the most binding constraints for Pakistani business firms in expanding and creating jobs for an ever-increasing young population” (Rana 2011)

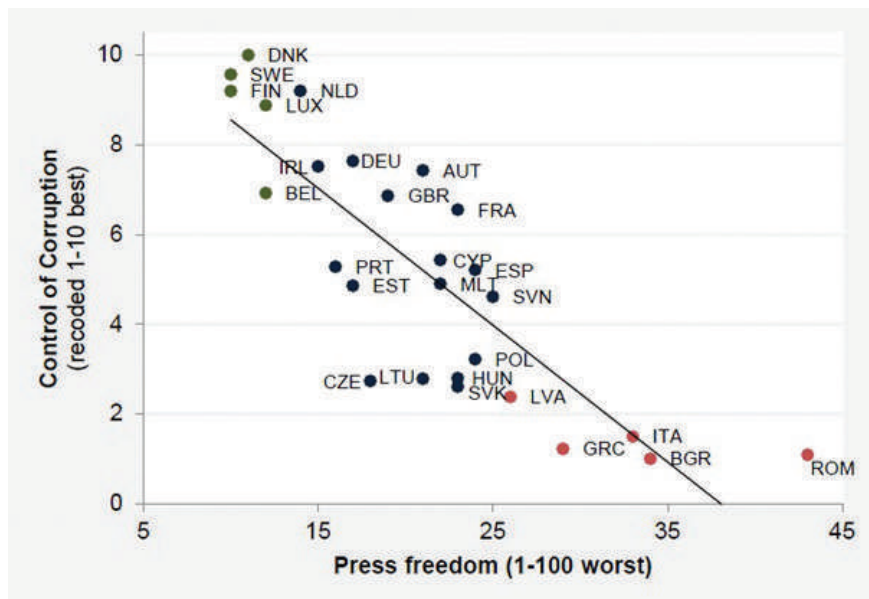
Lack of Transparency and Non-Free Media as Contributing Factors to Corruption

Opportunities for government officials to adopt corrupt practices were directly correlated to the lack of transparency in the fiscal allocation of governmental resources and assets, and the availability of government information to the public. Mungiu-Pippidi (2013) cited the case of Estonia that the curbing of red-tape improved government transparency and lowered corruption levels through the use of the internet to disclose as much information as possible to the wider community.

Figure 1 showed a direct correlation between availability of free media, (which advocates non-corrupt practices by reporting reliable and non-biased information) and corruption levels. It was also noted that newspaper readership and the percentage of internet users within the country had a strong positive correlation to the degree of control of corruption within the country (Mungiu-Pippidi 2013). Given the fact that the access to the internet and open information was scarce in South Sudan and many parts

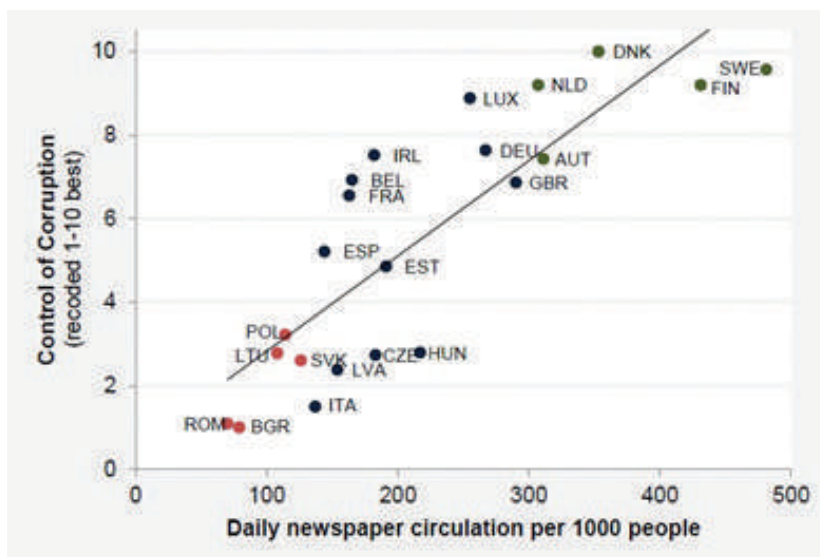
of Africa, it could therefore be inferred on these grounds that the control of corruption was evidently poor. *Figure 1 - 3* below graphically illustrate these relationships.

Figure 1: The Association Between Press Freedom and Corruption



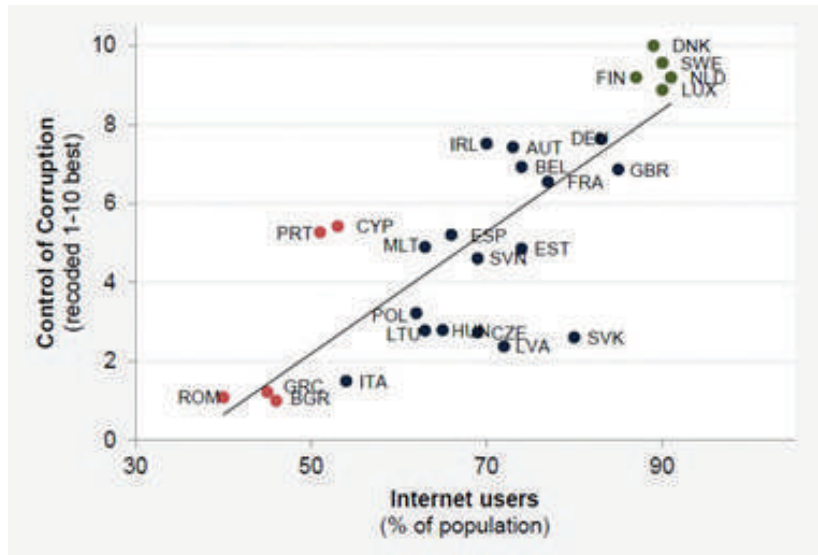
Source: Freedom House, 2013.

Figure 2: The Association Between Newspaper Readership and Corruption



Source: Mungiu-Pippidi (2013), *The Good, the Bad and the Ugly: Controlling Corruption in the European Union*.

Figure 3: The Association Between the Percentage of Internet Users and Corruption

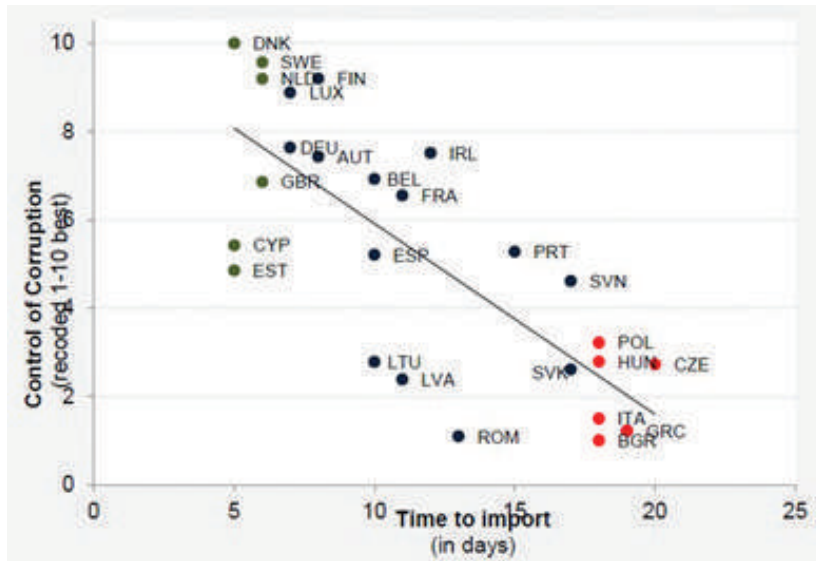


Source: World Bank database (2013).

Why Red Tape Increases Opportunities for Corruption

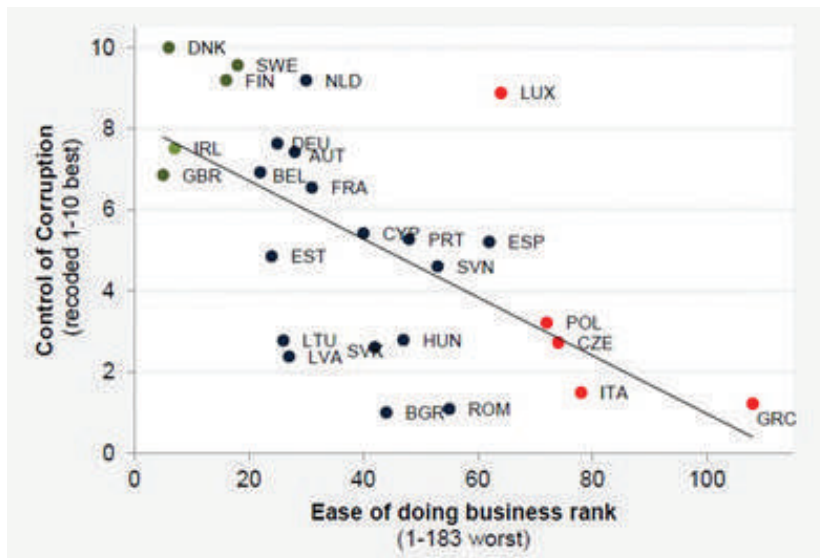
There was a general consensus that ‘red tape’ promoted bribery, especially in the public sector, and that it was also attributed to the inefficiency of processes which increased opportunities for corruption and the exploitation of these inefficiencies (Blackburn et al 2008; Guriev 2004; Jain 2002). In fact, Mungiu-Pippidi (2013) asserted that one of the major reasons contributing to Greece’s poor economic performance was the high level of red tape in the country. This, combined with low transparency, led to poor performance with constraints on legal and societal outcomes. Greece was also considered to be underdeveloped especially in terms of internet access where free and easily accessible government information was not provided to the public (Mungiu-Pippidi 2013). Corruption was also facilitated by the staggeringly poor governmental audits and judiciary system. *Figure 5*, provided by the World Bank (2013) indicated that as the number of days spent on import/export procedures, clearances and transfer got higher, the control of corruption decreased. In addition, *Figure 4* showed that the easier it was to facilitate business operations, such as securing contracts, permits, and other trade and process related operations a business required for legally and effectively operating in a country, the more control the country had over corruption.

Figure 4: The Association Between Trade Barriers and Corruption



Source: World Bank (2013)

Figure 5: The Association Between the Ease of Doing Business and Corruption



Source: International Finance Corporation / Worldbank (2009).

The Current Environment in South Sudan

As alluded to earlier, a PESTEL analysis (*i.e. Political; Economic; Socio-cultural; Technological; Environmental; Legal*) is a useful tool to scan and analyse the environment in which firms operate in order to make informed decisions particularly when developing a strategy. External influences are factors external to South Sudan which influence both the private and public sector of the country. Internal factors are those which exist within South Sudan. It is important to note however, that factors that characterise the environmental context of South Sudan often overlap and have unique degrees of co-dependency and widely affect each other.

South Sudan's Economic Environment

A 2013 International Monetary Fund (IMF) report suggested that South Sudan may well be the fastest growing economy in the world, despite its economically crippling oil shutdown in January 2012, contracting the country's GDP by 55% that year (Waal 2013). Beyond 'Black Gold', South Sudan boasted other valuable commodities especially in the agricultural sector (Waal 2013). It had approximately 82 million-hectares of land, over 50% of which was estimated to be highly suited for agriculture (GoSS 2011). However, Kosti Manibe Ngai, Minister of Finance and Economic Planning of South Sudan, speaking at the African Finance Ministers Press Conference for the IMF, admitted that the technological and infrastructural capabilities needed for the development of the agricultural sector, was presently non-existent. However, the South Sudan government had made it a priority to facilitate investment in roads, in order to develop and profit from agriculture, petroleum, mining and other energy resource development plans. These sectors were key in unlocking South Sudan's economic potential. He also mentioned that the proposed plan to link South Sudan to Uganda was being implemented. (Ngai 2013).

South Sudan's Private Sector

The African Economic Outlook (AEO) (2012) recorded that the number of registered businesses in Juba had increased exponentially over the last few years from 471 in 2006 to 8894 in 2010. However, the AEO noted that local business people remained relatively non-existent despite efforts of the GoSS to encourage

entrepreneurial activities. *Table 8* below indicated the relative ease of doing business in Juba. According to the International Finance Corporation (IFC), Juba was ranked 159th out of the 183 global economic hubs.

Table 8: Ease of Doing Business

Indicator	Juba: South Sudan (days)	Khartoum: Sudan (days)	Sub-Saharan Africa (days)
Starting a business	123	121	126
Dealing with construction permits	49	139	117
Registering property	124	40	121
Getting Credit	176	138	120
Protecting Investors	173	157	113
Paying Taxes	84	94	116
Trading Cross- Borders	181	143	136
Enforcing Contracts	74	146	118
Closing a Business	183	183	128
Overall ease of doing business	159	154	137

Source: International Finance Corporation: Doing Business in Juba, 2011.

South Sudan's Financial Sector

The African Economic Outlook (2012) described the financial sector in South Sudan as extremely underdeveloped, especially in terms of its weak regulatory framework, frail financial infrastructure and poorly educated workforce. Although South Sudan was predominantly a cash economy, the State Department of the United States (2013) reported that there were no international Automated Teller Machines (ATMs) operating within the country. In addition, the African Economic Outlook (2013) also reported that there were only eight operating commercial banks, and banking services were “mostly limited to foreign exchange, bank transfers and remittance services. Only a handful of banks provided loans, trade finance and savings accounts.” With no established stock exchange, black market currency transactions were also highly prominent in the country (African Economic Outlook 2012).

The Socio-cultural Environment of South Sudan

South Sudan' cultural diversity, with over 60 distinct ethnic groups and languages,

posed a big challenge to nation building and the development of an integrated national identity. A large majority of the population had little or no access to health care, and maternal mortality rate was by far the worst in the world (UNICEF 2012). There was a high level of poverty and poor living conditions. The main glue that gelled the nation together was its shared history in the struggle for self-sovereignty from the North.

In the context of doing business in South Sudan, the investing entity would have to consider this underlying tribal implications and the low literacy rate, (up to 80% of the local population was illiterate). It may be advisable, for a start, for the investing entity to consider employing foreign employees with the adequate skill-sets necessary to carry out local operations. Another source was the continuously growing population of returnees from western countries, many of whom were highly educated. The last recorded population in July 2013 was 11.09 million (CIA 2013) in contrast to approximately 9 million recorded in 2011 (CIA 2012). However, a report of North-South Institute (2012), pointed out that these skills may not necessarily be readily transferable, owing to the current very poor skill matching platforms within the country: “South Sudan may not, as yet, have the capacity to utilize professionals’ knowledge and skills.

Technology and Infrastructure in South Sudan

According to South Sudan’s minister of finance and economic planning, Kosti Manibe Ngai, infrastructure within South Sudan was virtually non-existent. A number of key channels into neighboring countries were currently being constructed, to facilitate investments for its core industries (Ngai 2013). The GoSS (2012) acknowledged that the implementation of construction plans to build and upgrade infrastructural elements such as telecommunication, and electricity was also of fundamental importance, to overcome the major impediment to businesses. This presently low-level of technology and infrastructure translated to ‘red tape’ in which the extraction of bribes was an inevitable outcome.

Transportation and Logistics in South Sudan

According to Ranganathan and Briceño-Garmendia (2011), 60% of firms situated within South Sudan indicated that transportation was a major obstacle to business operations; a further 15 to 21% of firms indicated that the inadequate transportation

facilities had greatly prevented the facilitation of business. Statistics showed that the average pace in which traffic moved in the country, taking into account the underdeveloped roads leading out of South Sudan to neighboring countries, was approximately only 6.4km/h (Ranganathan & Briceño- Garmendia 2011). Mombasa and Port Sudan were two of the main trading routes to Juba. Ranganathan and Briceño-Garmendia (2011) suggest that Mombasa was the more competitive of the two in terms of ‘time and costs’ associated with logistic efficiency and feasibility. However, the World Bank (2011) had also stated that import and export processes from Mombasa, Kenya was still noted to be significantly more complex, costly, and time consuming than those of regional averages.

Access to Energy in South Sudan

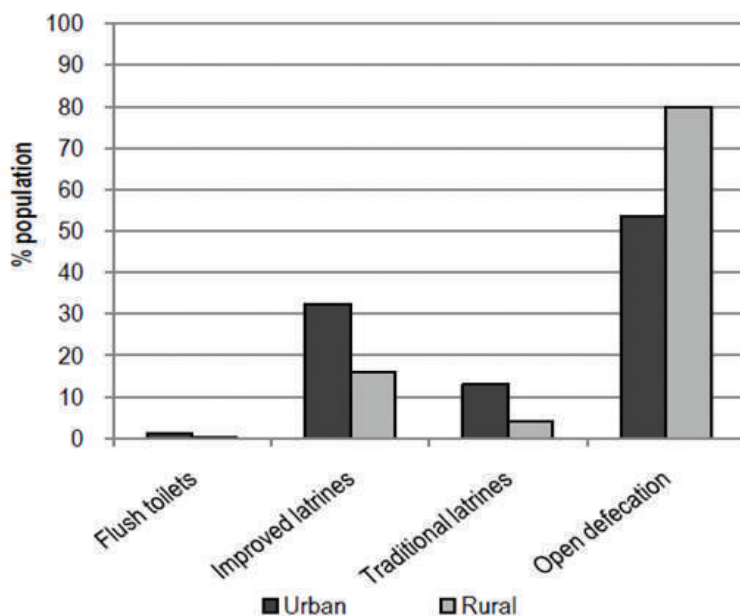
The common practice especially in Juba was the sharing of generators in order to circumvent the shortage of a reliable power supply grid (Ranganathan & Briceño-Garmendia 2011). Research had shown that despite the pre-payment system to access electricity by consumers, operators still claimed the lack of funds or fuel as the main cause for power outages even when contractors were legally bound to supply operators with fuel given the expected usage of power derived from prepayment. There was suspicion that corruption practices might go beyond on-the-ground operators and contractors. However, it was still unclear whether such unethical practices governed the energy market. Hence, companies should be prudent when finding a power source; an independent and shared power source should also be considered (Lupai 2012).

South Sudan’s Environmental Dimension

Access to Water and Sanitation

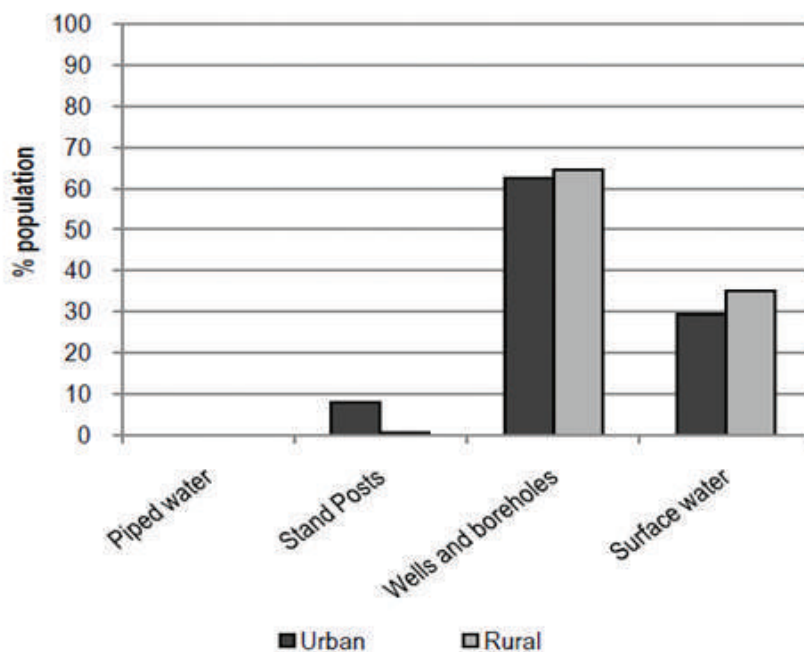
The GoSS (2012) indicated that construction and renovation works were in progress to give five cities access to water supply. However, tap water was still largely inaccessible in homes or often only flowed intermittently from time to time in a majority of areas in the country. The general norm was the use of water storage tanks or the purchase of unfiltered water from the Nile which was transported to most areas including Juba, using army trucks (Laessing 2013). *Figure 6* and *7* showed that access to sanitation facilities and water supply between urban and rural communities in South Sudan was inequitable.

Figure 6: Access to Sanitation Facilities in South Sudan



Source: Ranganathan and Briceño-Garmendia 2011, *South Sudan's Infrastructure: A Continental Perspective*, World Bank, p. 26

Figure 7: Access to Water Supply in South Sudan



Source: Ranganathan and Briceño-Garmendia 2011, *South Sudan's Infrastructure: A Continental Perspective*, World Bank, p. 26

As safe drinking water and sanitation facilities were widely inaccessible, health concerns were therefore also of key importance to the South Sudanese population. The occurrence of natural disasters, communal conflict and the sudden influx of repatriating refugees largely increased the need for humanitarian aid. According to the European Commission (2013), the degree to which South Sudan was plagued with misfortune was devastating. Recent statistics showed that in 2013 alone, an additional 87,000 people had been added to those who required aid; 27,000 affected by the flood in Warrap State in September 2013, and the remaining 60,000 were returnees from the North needing to be reintegrated.

The Legal Environment in South Sudan

The legal system in South Sudan was based primarily on customary law and the English common law, along with some adaptations from Sudan before its independence (U.S. Department of State, 2013). Despite having a legal framework in place, the Transitional Constitution of South Sudan post-independence in 2011 had yet to be revised and updated. For instance, no official legislation existed to govern labour, public procurement bills, or aspects of land rights as they were still undergoing sanction approval by the legislative assembly of South Sudan (U.S. Department of State, 2013). Thus, based on a report submitted by the U.S. Department of State (2013) on the legal climate in South Sudan, the country's legal framework and judiciary as a whole was very much underdeveloped.

The supervision of legal obligations, officially stipulated or otherwise, must be adequately followed as a precaution to prosecution. According to David Raad and Associates, a leading investment consulting agency in South Sudan, this was especially in the case of contract law where the enforceability was supported by South Sudan's legal framework. This framework in place did work despite its slow process, and an investor's rights could be protected only if rules were strictly followed (Maritz 2011). An additional problem investors should be concerned with did not lie solely with the inefficient and underdeveloped legal framework in South Sudan but the recognition of South Sudan as a sovereign and independent state by overseas institutions as many of their systems had yet to be updated (Kosar 2013).

The Future of Business Development in South Sudan

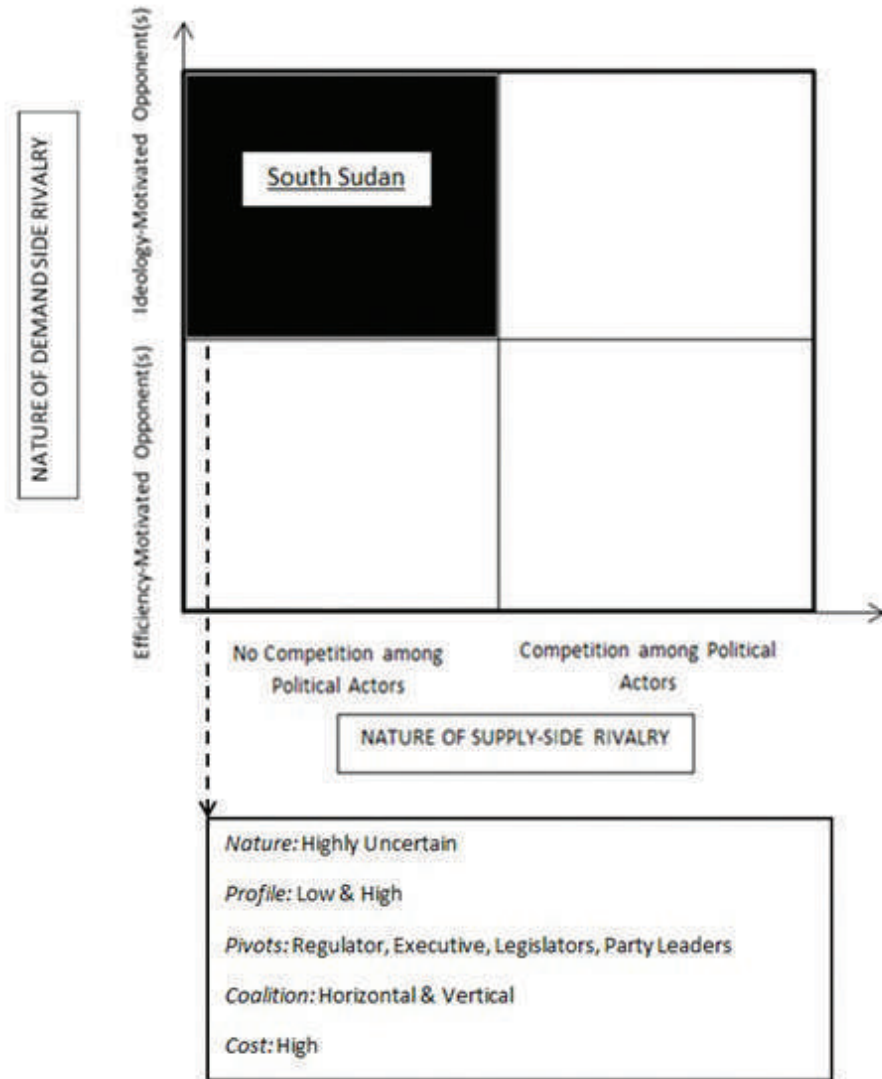
Analytical Findings of the Contextual Environment in South Sudan

With corruption practices deeply embedded in South Sudan's history, diverging away from rent seeking practices might prove very difficult. Post-independence, its people were unable to see past individual and tribal wealth as a means of establishing an adequate social status. Individuals who fought in the war felt a general sense of entitlement and sought posts within the government. The low public sector wages contributed to rent-seeking behavior. The prominence of tribalism within the Government of South Sudan (GoSS) was also considered a contributory factor. Tribalism, as an extension of nepotism, with 'tribalistic' behavior, effectively contributed to civil unrest and the stagnation of social, economic and national development. A lack of education and access to non-traditional occupations fostered nepotism. Therefore, the population's access to education could be a key contributor to lowering the country's corruption level, by facilitating the emergence of an environment which encouraged co-existence on an occupational, educational, and social level through the synchronization of languages, ideologies and nationalism. These social, cultural and political realities, together with the primitive stage of development of its IT and communications, its legal and business regulatory framework, pointed to the need for investors to be circumspect. Working with local partner for a start would be advisable, to test the partnership chemistry as part of a learning curve to develop overall operational effectiveness before converting to a joint partnership. There must be willingness and the flexibility to adapt to the unique feature of the South Sudanese market

Theoretical Application of Models and Frameworks

Fletcher and Crawford (2011) assert that guidelines do exist to determine ethical considerations. The pivotal consideration is not to decide what ethical philosophy a firm should adopt. Rather it should be to decipher where host and home country values and standards lie. This pragmatic approach of adapting to a corrupted environment arises from the conventional wisdom that the higher the degree in which corruption is evident in the firm's home country and that of its stakeholders, the higher the level of success in establishing a successful trading relationship with South Sudan.

Figure 8: An Application of Non-market Strategy (South Sudan)



Source: compiled and modified from Kingsley et al's (2012): Political Markets and Regulatory Uncertainty

As a critical success factor, anticipations of policy changes have to be factored into a firm's market strategy. The analysis of the political environment is crucial in strategy formulation. If leveraged and utilized effectively, they enable a firm to improve its political performance and translate into effective strategic decisions and outcomes, so Kingsley et al (2012). Where regulatory uncertainty is derived from the demand and supply of policy, the characterization of South Sudan's environment is essential in the application of this model. Currently there is uncertainty as to whether the political

environment in South Sudan lacks competition. There are strong indications that President Kiir holds absolute power over the cabinet's affairs, demonstrated vividly when he completely dissolved his entire elected cabinet in July 2013, and undermining all democratic fundamentals in the process. Whether this implies a low competitive rivalry within the political environment in South Sudan remains to be seen. We can only be more certain of the nature of competitive rivalry in Sudanese politics post elections in 2015.

Limitations of the Study

This study uses expert opinion and statistical data collected from credible secondary sources to develop a theoretical model. It is a pragmatic approach largely due to the limitations of funds and time and the highly sensitive nature of the topic

Another weakness of this study is the use of public declarations and promises made by politicians and governmental organizations. Such news reports and sources of information possess a degree of bias.

Lastly, the models and frameworks used in the recommendations have not been empirically tested. Therefore, readers should view them as recommended methods which firms may find useful to consider and adopt and/or adapt when embarking on doing business in the South Sudanese market.

Appendix 1: Examples of Bribery

Corruption against the rule

A payment or benefit is provided to ensure that the giver or someone connected to him or her receives a benefit to which they are *not* entitled.

Corruption with the rule

A payment is made to ensure that the giver or someone connected to him or her actually receives a service to which they *are* lawfully entitled.

Offering or receiving improper gifts, gratuities, favors or commission.

In some countries, public officials commonly accept tips or gratuities in exchange for their services, frequently in violation of relevant codes of conduct. As links always develop between payments and results, such payments become difficult to distinguish from bribery or extortion.

Bribery to avoid liability for taxes

Officials in revenue collecting agencies, such as tax and customs, may be asked to reduce the amounts demanded or to overlook evidence of wrongdoing, including evasion or similar crimes. They may also be invited to ignore illegal imports or exports, or to turn a blind eye to illicit transactions, such as money- laundering.

Bribery in support of fraud

Payroll officials may be bribed to participate in abuses such as listing and paying non-existent employees (“ghost workers”).

Bribery to avoid criminal liability

Law enforcement officers, prosecutors, judges or other officials may be bribed to ensure that criminal activities are not properly investigated or prosecuted or, if they are prosecuted, to ensure a favorable outcome.

Bribery in support of unfair competition for benefits or resources

Public or private sector employees responsible for making contracts for goods or services (public procurement) may be bribed to ensure that contracts are made with the party that is paying the bribe, and on unjustifiably favorable terms. Where the bribe

is paid out of the contract proceeds themselves, it is described as a “kickback” or secret commission.

Private sector bribery

Corrupt banking and finance officials are bribed to approve loans that do not meet basic security criteria and are certain to default, causing widespread economic damage to individuals, institutions and economies. Just as bribes can be offered to public officials conducting public procurements, so, too, can bribes pollute procurement transactions wholly within the private sector.

Bribery to obtain confidential or “inside” information

Employees in the public and private sectors are often bribed to disclose confidential information and protected personal details for a host of commercial reasons.

Influence peddling

Public officials or political or government insiders sell illicitly the access they have to decision-makers. Influence peddling is distinct from legitimate political advocacy or lobbying (see Article 18 of the UN Convention). In some countries, legislators demand bribes in exchange for their votes in favour of particular pieces of legislation.

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**“There are no old roads
to new directions.”**

– Boston Consulting Group

Motivation and Innovation Behaviour: Studies in Chinese Start-up Entrepreneurs

Chen Sheng (Ph.D, MBA, MSc)
Lecturer,
East Asia Institute of Management

Abstract

This research looks at the relationship between the motivations and innovation behaviours of Chinese start-up entrepreneurs. The study adopts a post-positivist approach and through an exploration of appropriate ontological, epistemological and methodological philosophies, seeks to discover and develop a model of the link between the motivations of start-up entrepreneurs and types of innovation behaviours. Following an extensive literature review, a research model was developed around four hypotheses. A thirty-seven items questionnaire was distributed to 400 Chinese entrepreneurs in the Chinese cities of Tianjin and Beijing. One hundred and fifty two valid responses were received and analysed. In-depth interviews were also carried out.

Given the importance of innovation as a primary source of wealth creation, the findings from this study will be useful beyond creating a better understanding and appreciation of the alignment between motivations and innovation behaviours. There are pitfalls entrepreneurs need to avoid, that will help to reduce the risk of entrepreneurial failure. The would-be entrepreneur is better-informed on what it will take to increase the likelihood of entrepreneurial success as ways of social and economic development.

Keywords: Entrepreneurship, Entrepreneurial, Motivation, Start-up entrepreneur, Technologic innovation

Introduction

There are some research blanks in the field of entrepreneurship and innovation, particularly in investigating the relationship between the motivations of entrepreneurs and innovative behaviour.

The focus of this research is to find out the relations between entrepreneurial motivations and behaviours related to technological innovation. A post-positivist approach is adopted as the most appropriate way of uncovering this link in social science research. Ultimately, the findings of this approach of marrying the scientific and the theoretical will inform start-up entrepreneurs how they can better carry out different and suitable innovative behaviours to adapt and develop business endeavours in empirically-supported ways, resulting in an increase in the success rate of entrepreneurship.

Literature review

Entrepreneurs, as individuals, have historically been critical to increasing a firm's productivity and helping business recover from an economic recession (Drucker, 1985; Liu, 2002). Entrepreneurship involves the creation of a new business for profit and an entrepreneur is "a person who creates a new business". Where they are also founders of new businesses (Mescon & Montanari, 1981), they are special in the range of entrepreneurs and are aptly described as "start-up entrepreneurs". Jame R. Cook (1986) holds the view that start-up entrepreneurs are good candidates to start their own businesses and make them successful. This study focuses on persons who are new enterprise founders (Howell, 1972). They found new enterprises that have not existed before (Draheim, 1972). Scott Shane *et al.* (2003) also define them as "firm founders". The subjects of study are Chinese entrepreneurs in their start-up stage. The subject of the research is to investigate how their motivations affect behaviours of technological innovation.

In many new enterprises, entrepreneurial motivations are the driving forces encouraging some people who have entrepreneurial abilities and conditions to start a business (Olson & Bosserman, 1984). How effectively they embark on their

entrepreneurship journey has become the main basis for the success or otherwise of their enterprises (Bhide, 2000; Carter, 1996). Alan and Malin (2011) believe that entrepreneurial motivations are important explanatory mechanisms for a variety of entrepreneurial behaviours. (Olson & Bosserman, 1984) believe that entrepreneurial motivation is the driving force of entrepreneurial behaviour, Kuratko and Naffziger (1997), on the basis of the previous scholars' researches, classify four types of entrepreneurial motivations, namely

1. Extrinsic reward: Mainly focus on the form of money and shares.
2. Intrinsic reward: Mainly focus on the internal control needs and achievements.
3. Independent / autonomous: They are bosses and have freedom to achieve.
4. Family security: Entrepreneurs provide protection for themselves and their families through their entrepreneurial ventures.

Robichaud and Roger (2001) refined Kuratko and Naffziger's (1997) scale by adding in new descriptors, including 'close to home', 'protection after retirement', and 'improve the quality of life'. They pointed out that an important source of entrepreneurial motivations is the setting of targets that influenced the entrepreneur's behaviour and thus indirectly addressed the success of their enterprises through ownership of a business enterprise. Baum (2003) also believed that entrepreneurial goals can be one of the metrics for motivation. Goals seem to be an entrepreneur's preferred motivational drive that played an important role in business results.

Technological innovation is an essential tool to increase the productivity and competitiveness of an enterprise. (Marcela & Francisco et al., 2010).

There are, broadly, two categories of innovation intensity: incremental innovation and radical innovation (Ettlie, 1984; Dewar & Dutton, 1986; Sheremata, 2004). Some researchers classify these two types of innovative behaviours as incremental innovation and quantum innovation respectively (Hill, 2003). Incremental innovation is a subtle improvement of existing products' features and properties, with a low requirement for technical capacity and resource of the enterprise (Nelson & Winter, 1982; Tushman & Anderson, 1986; Ettlie & Bridge & O'Keefe, 1984). An incremental innovation will build upon existing knowledge and resources in an enterprise in a process of competence-enhancement. Incremental innovation may trigger off a revolutionary innovation through a series of small, continuous and substantial innovation.

A radical innovation is competence-destroying, requiring completely new knowledge and/or resources. It is based on major technological changes and a set of different principles of technology. It usually opens up new markets and potential applications (Dess & Beard, 1984; Dewar & Dutton, 1986). Although radical innovation may bring about enormous challenges to existing enterprise at times (Daft, 1982), it is often the basis for new enterprises to create markets that may cause major changes in the whole industry (Henderson & Clark, 1990). Radical innovation leads to products, processes or services with unprecedented performance characteristics, creating changes in its wake that transform existing markets or industries or create new ones. (Kotelnikov, 2001).

The research model

Crotty (1998) suggests that a research proposal should consider:

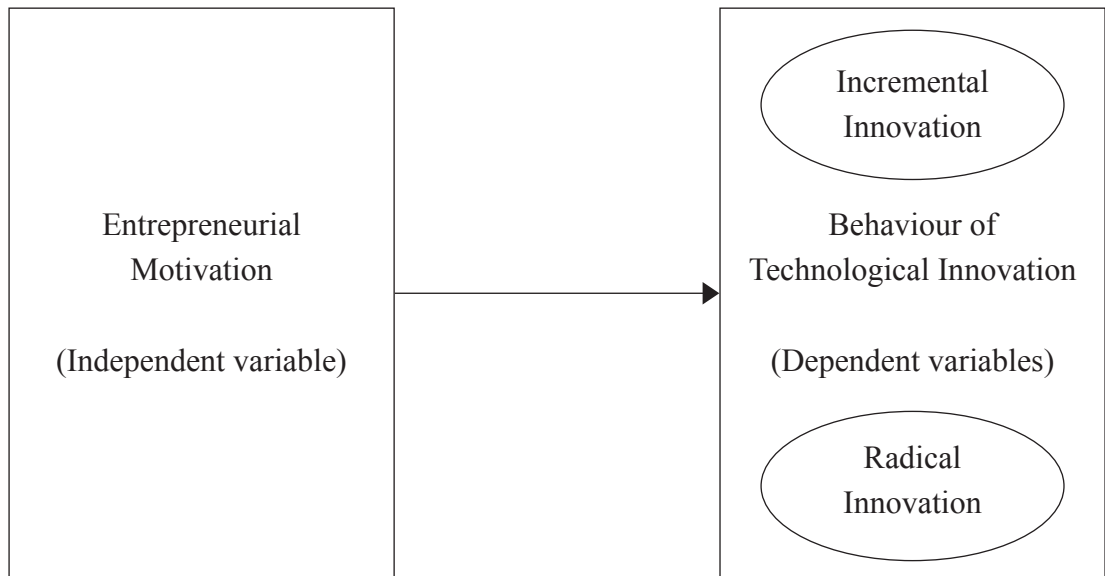
1. What epistemology, ie. The theory of embedded knowledge informing the research (eg. Objectivism, subjectivism)
2. The philosophical stance, i.e. the theoretical perspective behind the methodology used (eg. Postpositivism, positivism, critical theory, etc)
3. The methodology governing the choice of methods (eg. Experimental research, survey research, ethnography, etc)
4. What techniques and procedures to use (eg. Questionnaire, interviews, focus groups, etc)

This research is informed by the following considerations:

1. The philosophical underpinnings of a postpositivism framework around which ontology, epistemology and method
2. The approach, strategies and methods of research
3. The collection and analysis of reliable and valid data

To guide the research, a model was created to investigate how entrepreneurial motivations influence behaviours of technological innovation in Chinese start-up entrepreneurs. Motivations are regarded as independent variables with the innovative behaviours as dependent variables. The figure below charts the way the study will explore the correlation between independent variables and dependent variables.

Figure 1: Basic Model of Dissertation



Source: research summary

The research hypotheses

Hypothesis 1:

There is a negative correlation between extrinsic reward and radical innovation

Hypothesis 2:

There is a positive correlation between extrinsic reward and incremental innovation

Hypothesis 3:

There is a negative correlation between independent/autonomous motivation and radical innovation.

Hypothesis 4:

There is a positive correlation between independent/autonomous motivation and incremental innovation

Hypothesis 5:

There is a positive correlation between intrinsic reward and radical innovation

Hypothesis 6:

There is a negative correlation between intrinsic reward and incremental innovation

Hypothesis 7:

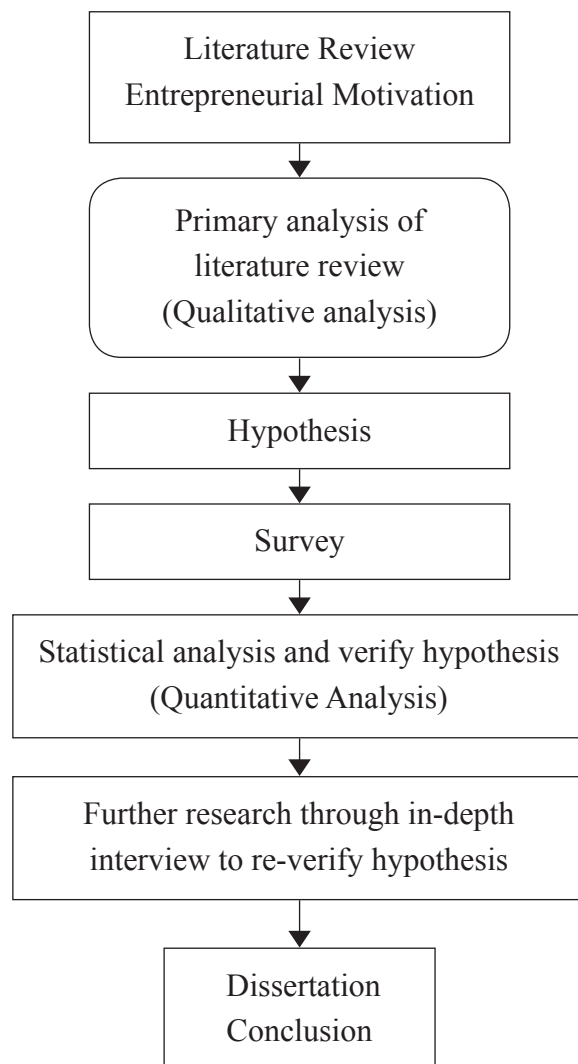
There is a negative correlation between family security and radical innovation

Hypothesis 8:

There is a positive correlation between family security and incremental innovation

The following diagram summarises the stages of the research process:

Figure 2: Figure of Research Processing



Source: research summary

Methodology

The philosophical underpinnings for this study include beliefs about what is it (ontology), how we know it (epistemology), what values go into it (axiology), how we write about it and the processes for researching it (methodology) (Creswell, 1994).

A postpositivistic framework is adopted as it views the content of a dissertation as a kind of existence that justifies research into the relationship between the existence of motivation and innovative behaviour.

Entrepreneurial motivation comes from the brain and belongs to individual experience. It is presented by entrepreneurship. However, a start-up entrepreneur's innovation really exists in the world. Therefore, this study will research the validation and interpretation of these two concepts through entrepreneur's sensory, conscience and survey. In the real field, only the existence of a start-up entrepreneur can produce motivation and innovation behaviours for competition, which may lead to good performance. Post positivism reflects a deterministic philosophy in which causes probably determine effects or outcomes (Creswell, 2006).

A post-positivistic framework supports methodological pluralism, expressed in the use of both qualitative and quantitative approaches to generate reliable and valid data to be used in analytical research on how the entrepreneurial motivations influence the innovation behaviour.

Implementation of research

The stage of knowledge hypothesis is followed by a research strategy (Creswell, 1998; Mertens, 2005). In this study, a survey was conducted using a specifically designed questionnaire to collect quantitative data for analysis. The thirty-seven (37) items questionnaire was sent out to 400 entrepreneurs in China identified as start-up entrepreneurs. One hundred and fifty two (152) valid responses were received and used for statistical analysis.

a. Statistical analysis techniques

The primary statistical analyses used include the reliability and validity analysis

of the data collected. Multiple regression analysis was deployed to learn about the relationship between several independent (predictor) variables and a dependent (criterion) variable.

A linear regression model is created, consisting of a number of explanatory variables, which is used to reveal the linear relationship between outcome variable and other explanatory variables. The mathematical form of a multiple linear regression model is as follows:

$$y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \dots + \beta_px_p + \varepsilon$$

In the formula, there are p explanatory variables. The change in outcome variable y is explained by two parts: 1) its expectation as a function of p explanatory variables, that is, $E(y) = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \dots + \beta_px_p$. 2) Variation due to random disturbance represented by ε . $\beta_0, \beta_1, \beta_2, \dots$ are regression coefficients. ε is random error. β_i can be regarded as the average change in the outcome variable when x_i is changed by one unit and other explanatory variables keep the same. Only if the relationship between the outcome and the covariate is linear, the linear regression model is suitable to reflect the statistical relationship. Usually a hypothesis testing is used to test if there is a significant relation between the outcome and the covariates. The null hypothesis H_0 is the regression coefficient β is not significantly different from 0. When $\beta=0$, it means that the change in covariates doesn't cause change in the outcome y and there is no linear relation between x and y . Under H_0 , the test statistic follows F distribution as follows

$$F = \frac{R^2 / p}{(1 - R^2) / (n - p - 1)}$$

A “ ” statistic is used to test the goodness of fit after fitting a linear regression model. The *SPSS* is used to calculate the p-value. If p-value is less than the given significance level α , researcher rejects H_0 and the regression coefficient is not zero. The relationship between the covariate and the outcome can be described by the linear regression equation. It is seen from the above formula that the goodness of fit statistic and the F statistic are positively correlated.

When the model fitting is improved, the test is more significant. F , “ R^2 ” and p-value are used to judge the relationship between the covariate and the outcome.

b. Construct validity analysis

To test the construct validity of the questionnaire, factor analysis (Wu, 2006), using the SPSS as a tool, was carried out. Results from the factor analysis of both the questionnaire items on motivation and technological innovation are as follows:

Table 1: Factors Analysis Testing of Motivation

Dimension	Variable (Item)	Rotated Factor Loadings			
		Intrinsic reward	Independent /autonomous	Extrinsic reward	Family Security
Extrinsic reward	EM01: To increase my personal income	-.219	-.027	.762	.336
	EM02: Acquire personal wealth	-.264	-.040	.712	.131
	EM03: Increase profits and sales	-.232	-.088	.785	.249
	EM04: Improving the quality of life	-.324	-.065	.708	.115
Independent / autonomous	INDM01: Maintain my personal freedom	.096	.792	.005	-.126
	INDM02: Personal Security	.075	.715	.315	-.024
	INDM03: Self-employment	-.024	.814	-.107	-.034
	INDM04: To be my own boss	-.051	.727	-.275	.013
	INDM05: Autonomous decision-making	-.105	.706	-.072	.126
Intrinsic reward	INTM01: Gain public recognition	.777	.049	-.379	-.042
	INTM02: Meet the challenge	.688	.116	-.167	-.291
	INTM03: Personal growth	.689	-.072	-.212	-.287
	INTM04: Social acceptance	.699	-.102	-.215	-.159
	INTM05: To prove I can do it	.688	-.012	-.135	-.268
Family Security	FM01: Secure future for family members	-.171	-.019	.230	.702
	FM02: To build a business to pass on	-.199	-.014	.278	.796
	FM03: Retirement and protection	-.225	.012	.193	.815
	FM04: Close to home	-.252	-.011	.022	.713

Data Source: through SPSS13.00

KMO is a measure of sampling adequacy and Bartlett Test’s of Sphericity testifies whether the correlation matrix is an identity matrix. Both taken together provide a minimum standard before a factor analysis should be conducted. For entrepreneurial

motivation, the KMO value is 0.85 and great than 0.5 (Kaiser, 1974; Fred, 2005). Bartlett’s test implies suitability for factor analysis with significance level less than 0.05 (Qiu, 2005). As is shown in the table above, significance level is 0.00 and less than 0.05. The whole eigenvalues of four factors explains 64.012% of total variation. The factor analysis is appropriate in this dissertation.

Results from factor analysis on technological innovation are as follows:

Table 2: Factor Analysis Testing of Technological Innovation

Dimension	Variable (Item)	Rotated Factor Loadings	
		Radical innovation	Incremental innovation
Radical innovation	RINN01: New functional products	.872	-.271
	RINN02: New technological ideas	.862	-.304
	RINN03: New technologies in the industry	.834	-.259
	RINN04: Based on breakthrough concept	.896	-.265
Incremental innovation	IINN01: Based on style and services	-.111	.894
	IINN02: Improve technologies gradually	-.460	.747
	IINN03: Improve products and processes gradually	-.379	.807

Data Source: through SPSS13.00

The obtained KMO value is 0.873, greater than 0.5 (Kaiser, 1974; Fred, 2005), and the Bartlett’s test implies suitability for factor analysis with significance level less than 0.05 (Qiu, 2005). As is shown in the table above, significance level is 0.00 and less than 0.05. The table above shows that the total eigenvalues of the two factors explained 81.838% of variance. The factor analysis is appropriate in this dissertation.

c. Internal reliability testing

Reliability is the overall consistency of a measure. Internal reliability testing seeks to ensure that the various items measuring the different constructs deliver consistent scores. Cronbach’s Alpha test was carried out to estimate the reliability of the questionnaire.

Internal reliability testing to the motivation questionnaires are as follow:

Table 3: Internal Reliability Statistics of Motivation

Dimension	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Cronbach's Alpha if Item Deleted	
Extrinsic reward	.845	.846	EM01	.774
			EM02	.827
			EM03	.774
			EM04	.830
Independent/ Autonomous	.807	.808	INDM01	.754
			INDM02	.788
			INDM03	.745
			INDM04	.774
			INDM05	.785
Intrinsic reward	.831	.833	INTM01	.772
			INTM02	.796
			INTM03	.796
			INTM04	.809
			INTM05	.811
Family Security	.828	.826	FM01	.813
			FM02	.736
			FM03	.739
			FM04	.819

Data Source: In statistical table by SPSS 13.00

Internal reliability testing to the behaviour of technological innovation questionnaire are as follows:

Table 4: Internal Reliability Statistics of Technological Innovation

Dimension	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Cronbach's Alpha if Item Deleted	
Radical innovation	.936	.937	RINN01	.917
			RINN02	.935
			RINN03	.905
			RINN04	.906
Incremental innovation	.847	.850	IINN01	.840
			IINN02	.761
			IINN03	.741

Data Source: In statistical table by SPSS 13.00

According to the research, Cronbach's Alpha is within the range of Nunnally (1978)'s acceptable reliability coefficient. Analysis of the item-total of the statistics shows that the reliability coefficient, after deleting a certain assessment item, is less than the reliability coefficient by including all of the items. It means the research should keep all of these items as the internal reliability is good.

Through a reliability analysis of the questionnaires of motivation and behaviours of technological innovation, all the structures of questionnaire have excellent internal reliability. It can be used as a basis for the further research.

d. Statistical research based on the regression analysis

A linear regression analysis was carried out, based on 152 effective questionnaires to test the correlation between each factor of motivation (independent variable) and innovation (dependent variable).

An absolute value of the correlation coefficient is equal to or greater than 0.8, which indicates that two variables are highly correlated. An absolute value of the correlation coefficient is less than or equal to 0.4, representing a low correlation. An absolute value of correlation coefficient 0.4 to 0.8 means that the correlation is modest (Wu, 2008).

1. Multiple regression analysis based on motivation of extrinsic reward and behavior of radical innovation

Table 5: Model Summary of Multiple Regression (1)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.671 ^a	.450	.435	1.33721	.450	30.064	4	147	.000

^a Predictors: (Constant), EM04, EM02, EM03, EM01

2. Multiple regression analysis based on motivation of extrinsic reward and behavior of incremental innovation

Table 6: Model Summary of Multiple Regression (2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.693 ^a	.480	.466	.99307	.480	33.885	4	147	.000

^a Predictors: (Constant), EM04, EM02, EM03, EM01

3. Multiple regression analysis based on independent/autonomous motivation and behavior of radical innovation

Table 7: Model Summary of Multiple Regression (3)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.264 ^a	.070	.038	1.74479	.070	2.196	5	146	.058

^a. Predictors: (Constant), INDM05, INDM02, INDM04, INDM01, INDM03

4. Multiple regression analysis based on independent/autonomous motivation and behavior of incremental innovation

Table 8: Model Summary of Multiple Regression (4)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.199 ^a	.040	.007	1.35389	.040	1.202	5	146	.311

^a. Predictors: (Constant), INDM05, INDM02, INDM04, INDM01, INDM03

5. Multiple regression analysis based on motivation of intrinsic reward and radical innovation behavior

Table 9: Model Summary of Multiple Regression (5)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.859 ^a	.739	.730	.92477	.739	82.561	5	146	.000

^a. Predictors: (Constant), INTM05, INTM02, INTM04, INTM03, INTM01

6. Multiple regression analysis based on motivation of intrinsic reward and behavior of incremental innovation

Table 10: Model Summary of Multiple Regression (6)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.589 ^a	.347	.324	1.11662	.347	15.495	5	146	.000

^a. Predictors: (Constant), INTM05, INTM02, INTM04, INTM03, INTM01

7. Multiple regression analysis based on motivation of family security and behavior of radical innovation

Table 11: Model Summary of Multiple Regression (7)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.623 ^a	.389	.372	1.40975	.389	23.366	4	147	.000

^a Predictors: (Constant), FM04, FM01, FM03, FM02

8. Multiple regression analysis based on motivation of family security and behavior of incremental innovation

Table 12: Model Summary of Multiple Regression (8)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.514 ^a	.264	.244	1.18109	.264	13.186	4	147	.000

^a Predictors: (Constant), FM04, FM01, FM03, FM02

A summary of the results of the multiple regression analysis of motivations on innovation behaviours is given in the table below:

Table 13: Summary of Multiple Regression Analysis

	Radical innovation	Incremental innovation
Extrinsic reward	-0.671**	0.693**
Independent/ autonomous	None	None
Intrinsic reward	0.859**	-0.589**
Family security	-0.623**	0.514**

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

Intrinsic reward motivation has negative regression with incremental innovation, and has positive regression with radical innovation while extrinsic reward motivation has positive regression with incremental innovation, and has negative regression with radical innovation. On the other hand, family security motivation has positive regression with incremental innovation, and has negative regression with radical innovation.

The regression analysis did not indicate any relationship between independent/ autonomous motivation and innovations. This suggests that different entrepreneurial

motivations influence different innovative behaviours to a varying degree.

The conclusions for the 8 hypotheses are given in the table below.

Table 14: Conclusion of Hypothesis

Hypothesis number	Description	Conclusion
Hypothesis 1	There is a negative correlation between extrinsic reward and radical innovation	ACCEPT
Hypothesis 2	There is a positive correlation between extrinsic reward and incremental innovation	ACCEPT
Hypothesis 3	There is a negative correlation between independent/autonomous motivation and radical innovation	NOT ACCEPT
Hypothesis 4	There is positive correlation between independent /autonomous motivation and incremental innovation	NOT ACCEPT
Hypothesis 5	There is a positive correlation between intrinsic reward and radical innovation	ACCEPT
Hypothesis 6	There is a negative correlation between intrinsic reward and incremental innovation	ACCEPT
Hypothesis 7	There is a negative correlation between family security and radical innovation	ACCEPT
Hypothesis 8	There is a positive correlation between family security and incremental innovation	ACCEPT

Source: Research summary

Conclusions

We can draw the following conclusions from this study of different types of Chinese start-up entrepreneurs with different entrepreneurial motivations.

1. The start-up entrepreneurs who possess extrinsic reward motivation generally tend to adopt incremental innovation. They often take a passive role and do not want to risk adopting large-scale innovation. This phenomenon shows that most of start-up entrepreneurs regard earning wealth and other material needs as the main target of their innovation start-ups. They constitute the majority of start-up entrepreneurs.
2. Typically, independent / autonomous motivation has little significant relationship with innovative behaviour. Start-up entrepreneurs who possess this motivational drive may also have other motivations.

3. Start-up entrepreneurs who possess family motivation also tend to exhibit features of extrinsic rewards motivation. This may indicate that they are driven by similar needs and goals of this type of start-up entrepreneurs' processes, which coincide with extrinsic rewards motivation.
4. Start-up entrepreneurs who possess intrinsic reward motivation often tend to adopt radical innovation. They seem willing to embark on more competitive, risky and more innovative ventures in pursuit of higher profits. Their high innovation intensity makes them greater contributors to a society's economic development.

Limitations of this research

The main drawback of this study is the exclusion of the larger context of the socio-historical world and macro-economic of start-up entrepreneurs. These include the trends of economic development, national policies, business conditions, regional differences, competitive market conditions and other external environmental factors that have a bearing on the entrepreneurial situation.

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“You cannot discover new oceans unless you have the courage to lose sight of the shore.”

– Anonymous

Geographical Boundary Expansion of Professional Services Offerings in Indo-China

Eddie Kok-Hong Loh

*Director of Risk Consulting, Deloitte,
Malaysia*

Abstract

Following on from its intention to innovate, be futures-focused and expand its service footprint, a prominent professional services company has embarked on a plan to increase its presence in other Southeast Asian countries. Geographical expansion into the emerging Myanmar market in addition to expanding the recently opened Cambodian practice is subject to evidence-based feasibility considerations. The push toward expanding geographic presence is complimented by strengthening operations and introducing new risk consulting services into the existing practice in Vietnam.

The study aims to implement a rigorous research framework in investigating the feasibility of this expansion of new services into new markets and existing markets in Southeast Asia. Two research questions guiding the study are:

- How and to what extent will the proposed expansion of professional services into Myanmar & Cambodia be feasible and what evidence based recommendations will facilitate its consideration?
- How and to what extent does the re-organisation and structuring of the risk consulting services in Vietnam optimise the business the professional firm's footprint mitigate threats and promote business performances within the context of work and cultural differences?

In order to investigate these questions, the study recognises that factors other than economic indicators and market metrics are critical considerations. While difficult to measure, the importance of understanding the business practice, cultural diversity and

work norms of the sites of interest, are included. As such a pragmatist paradigm is adopted and a mixed methods action research cycle is designed. The study is informed by the people, process and technology framework.

Secondary data analysis of market metrics in both the new and existing markets reveal that there is significant scope for increased demand and capturing market share despite the high competition.

Quantitative data and analysis using descriptive and correlation statistics reveal that talent, cultural etiquette and the adoption of technology are critical pre-requisites for successful expansion.

Qualitative data and analysis using thematic analysis triangulate the findings from the survey and reveal deeper motives, attitudes and responses from both internal and external stakeholders. These include an intra-organisational reluctance to participate in the research from stakeholders in an existing site. This refusal to participate reveals that underlying fear of and resistance to change in addition to a non-alignment of norms need to be addressed to avoid obstruction to firm initiatives.

The study concludes by illustrating its limitations and suggestions for further research.

Keywords: Change, Crisis, Culture, Development, Innovation, Governance, Organisation

Introduction

The purpose of this research is to investigate how and to what extent will a Southeast Asian-based professional services firm's expansion of professional services into Myanmar & Cambodia be feasible and what evidence based recommendations will facilitate this consideration. It further seeks to examine to what extent a structural adjust of the Vietnam operations will optimise the business footprint, mitigate threats and promote business performance within the context of work and cultural differences in Vietnam.

It is anticipated that this study will build on previous work to highlight the market characteristics of the relevant countries and the underlying characteristics of professional services initiatives in order to expand and structurally adjust geographically, the operations of the business whilst ensuring the organisation's goals are met.

As Southeast Asia markets emerge, expand and require greater levels of professional services support, professional firms need to be innovative and pro-active so as to ensure an early entrance into the market but also to cautiously time the investment needed in these markets.

This report details prior research and the theoretical foundations relevant to this study. As noted in the introduction, the study is concerned with evaluating the feasibility of

- geographic expansion of professional services into emerging national economies in Southeast Asia; and
- structural adjustment of existing operations in Vietnam that best meets the needs of the market and projected future needs.

An advantage of focused-country studies over cross-country studies is that the former can control data quality better, which allows researchers to analyse in-depth, the impacts of key institutional factors on various issues. It does so while holding constant other factors (control variables) that might confound the enquiry as is usually the case in a cross-country study (Fan, Wei & Xu, 2011).

Secondary econometric data reveals that talent, fair pricing, cultural etiquette and the acceptance of technology are indispensable fundamentals in new emerging markets (Meyer, Tran and Nguyen, (2005)). It further reveals the urgent necessity to understand clients' demand for talented professionals in the existing Vietnamese market as associated with the demand for new services.

This initial study relies on a pragmatist paradigm, employing a mixed-methods action research approach. Departments within the firm and external business practitioners were sampled to investigate the individual and shared sense of the feasibility of geographical expansion of services recognising the significant diversity of practice, norms and culture and its likely impact on expansion initiatives. Those

invited to undertake the survey were thought to be those most likely to understand the meta- and micro conditions associated with the particular research sites. Participant observation and informal discussions (group and individual) allowed the researcher to gain in-depth understanding as to the ‘difficult to measure’ dimensions associated with the study.

Background

Professional Services’ expansion into emerging markets in Southeast Asia is under researched if at all. Kvale & Brinkmann, (2009), confirm that there is a gap in the research guiding practice as to the geographic expansion of services into developing business environments. The key concepts underpinning this study include emerging markets, structural adjustment, feasibility study and market diversity. These need to be defined and contextualised to the study to gain clarity as to their application in the study.

Olsson (2001, p.147) describes emerging markets as “those countries which have started to grow but have yet to reach a mature stage of development and/or where there is significant potential for economic or political instability.”

Ruigrok and Tulder, (2013, pp.36-37) describe re-structuring as “changes in the way products are designed, developed, produced and distributed whether they are goods or services”. This study adopts the definition of restructuring as ‘establishing a sustainable business footprint that best meets current and future markets’.

Fassinger, (2008) describes market diversity as a multitude of individual differences and similarities that bring together individuals from various backgrounds that possess important skills that stimulate organisational competitiveness and growth. The study agrees with Fassinger’s position which describes the dynamic nature of rapidly evolving workforces that are anticipated to be a hallmark of emerging market economies.

‘Feasibility’ is defined as “the determination that there is a reasonable likelihood of satisfying explicit objectives when a selected course of action is tested for fit to a context of specific constraints and limited resources” (Graaskamp, J. A. (1972). Feasibility

will be analysed using the People, Process and Technology (PPT) framework and refer to considerations of economic market conditions, perceived market value, costs and social (workforce) considerations (Goodall, Rosamund & Harding, 2014).

The PPT framework was first coined by Chen and Popovich (2003) within the context of designing better Customer Relationship Management (CRM) solutions and presents an integrated approach to managing relationships by focusing on customer retention and relationship development (Chen & Popovich, 2003,).

A secondary data analysis related to the markets of interest was conducted. This included data associated with the measures of feasibility as referred to in Goodall, Rosamund & Harding (2014), being considerations of economic market conditions, perceived market value, costs and social (workforce) considerations. These considerations highlight numerous relevant facts and stakeholder opinions within a measurement framework related to feasibility.

For the purposes of this study and associated with the research, the countries are classified as new and existing. This indicates that the firm already has operations in the country (existing) or it does not (new).

This following section looks into the data that contributes largely to the definition of emerging markets (Olsson (2001, p.147).The characteristics of the data for this study will be linked with the PPT framework as illustrated in the matrix below.

Table 1: Emerging market measures and the People, Process and Technology framework

No	Characteristics	PPTW Framework
1	GDP Growth	Market Diversity
2	Corruption Index	Process
3	Current Markets	Market Diversity
4	Market Needs	Market Diversity
5	People	People
6	Culture	People
7	Networking and Relationship Building	Process
8	Eminence Building	Process
9	Technology	Technology

Source: Developed for this research

New markets (Myanmar and Cambodia)

Cambodia's economy has been rapidly growing, with a real GDP growth that could reach 7.1% in 2015 due to strong domestics and key export markets. The key drivers of the economy are textiles and footwear, where exports amount to 1/3 of the GDP. Exports from the sector rose 22 percent year over year in the first 11 months of 2013 to US\$5.1 billion.

Myanmar's economy grew at 6.5 percent in 2012/13 according to Myanmar Economic Monitor report compiled by the World Bank Group and is expected to grow 6.7% in 2015.

Figure 1: ASEAN Growth Trends

ASEAN growth momentum will continue in line with global trend

Real GDP Growth Rate (GDP %)	2013	2014F	2015F	Ave. 2016F-2019F	Trend	Highlight
Brunei	(1.8)	0.0	2.6	4.2	↑	Energy and petrochemical projects are the key growth drivers in the coming years; non-energy driver sector diversification remains the major challenge.
Cambodia	7.0	6.8	7.1	7.5	↑	The Cambodian People Party, led by the Prime Minister Hun Sen, is open to political reform after striking with the Cambodia National Rescue Party, its opposition in parliament, to end the latter's boycott of parliament. In turn, tensions between the two main political parties will persist.
Lao PDR	8.2	7.4	7.7	7.6	↑	Priorities include controlling inflation while maintaining economic growth, in order to step up government revenue collection and to move ahead with reforms aimed at making the business environment more conducive to private-sector activity.
Myanmar	5.5	6.4	6.7	7.5	↑	The government will continue to promote an ambitious economic reform agenda. Economic policymaking will improve gradually, but the business environment will remain challenging.
Vietnam	5.4	5.6	6.0	6.4	↑	The government will continue to restructure the banking sector, with a focus on the partial privatisation of major state-owned banks; however, progress will be slow and vulnerable to policy disagreements within the Communist Party of Vietnam (CPV).

Sources: ADB, EIU & IMF

In Myanmar, the priority for foreign investment focuses on the following:

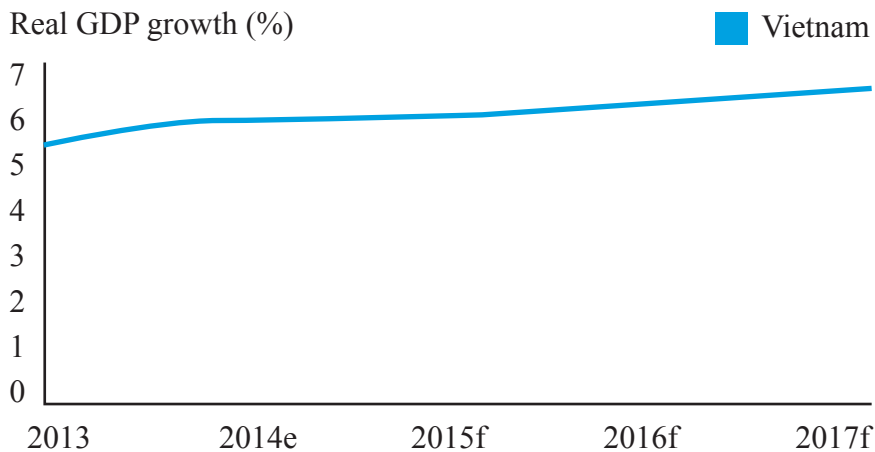
- Resource-based investment;
- Resource-based export-oriented value added projects; and
- Labour intensive export-oriented projects (Aung, 2013)

From the secondary data analysis it can be concluded that both the ‘new’ markets for new services in Cambodia and Myanmar can support Aung’s vision of increased economic prosperity and investment given that both countries are gaining economic traction and improving infrastructure. Myanmar, with its democratic reforms, has exposed tremendous prospects for professional services to assist organisations in areas of information technology, compliance and development of structured business organisations policies and procedures.

Existing market (Vietnam)

Based on the reports from The World Bank, Vietnam’s GDP growth rate has averaged 6.4% per year for the last decade but in 2014, the growth was 6% and is projected to stabilise in 2015.

Figure 2: Vietnam’s GDP growth (Source: Worldbank)



Hanoi has a population of 7.1 million people and a GDP in excess of US\$19.5 billion. Ho Chi Minh is the economic centre of South Vietnam with a population of 8.2 million and a GDP of US\$36 billion. The market between North and South Vietnam differs slightly where the North has a majority of State Owned Enterprises (SOE) and accounts for almost 50% of the Vietnamese economy while South Vietnam has an increasing number of multinational companies based in and within Ho Chi Minh City.

Overview of Methodological Approaches

The Approach

This section presents the logic and theoretical underpinnings for the research design and methodology adopted for the study. The purpose of this section is to provide an overview of methodological approaches, reasoning for the research design, ethical considerations, and sampling strategy to systematically collect data to address the research questions.

The essence of the expression “*strategic uncertainties*” (Coombes, Danaher & Danaher, 2004) and the need to develop a rigorous research design both underpinned the approach to methodology adopted by the study. This is captured in Booth, Colomb, & Williams’ (2008, p.4) observation that “Doing research carefully and reporting it clearly is hard work, consisting of many tasks, often competing for your attention at the same time. And no matter how carefully you plan, research follows a crooked path, taking unexpected turns, sometimes up blind alleys, even looping back on itself.”

Only when research is grounded in high ethical standards and solid methodology can its power to answer complex questions be fully realised. As Creswell (2009, p5) clearly affirms that, “Preliminary steps in designing a research proposal, then, are to assess the knowledge claims brought to the study, to consider the strategy of enquiry that will be used, and to identify specific methods”

The research questions

A review of the literature in section two provided multidisciplinary definitions of new markets and structural adjustment. In addition to providing the definitions, the review of the literature highlights the challenges associated with the purpose of the study. In summary, the organisational issues are:

1. Emerging market development (Myanmar and Cambodia); and
2. Optimising the business footprint in both North and South Vietnam which have different market characteristics.

In order to address these issues, the following research questions are:

1. How and to what extent will the professional services firm’s expansion of professional services into Myanmar & Cambodia be feasible and what evidence based recommendations will facilitate its consideration?

2. How and to what extent does the re-organisation and structuring of the firm's services in Vietnam optimise the business footprint, mitigate threats and promote business performance within the context of work and cultural differences?

Selection of research design and strategy of inquiry

The development of research design and strategy of inquiry needs to be justified based on the most appropriate methodology for meeting the purpose of the study and answering the research questions. The research design includes the selection of the research paradigm, research approach, data gathering techniques, sampling process, data analysis strategies, and addressing ethical issues.

Research design

The report also details the conceptual framework and empirical knowledge that provide literature insights and previous studies related to the research opportunities. This section addresses the empirical issues that include justification of the research paradigm and the most appropriate method for gathering data to answer the research questions. The research design refers to the plan or proposal to conduct research that involves the relationship between philosophies, strategies of inquiry, and specific methods needed to answer the research questions (Creswell, 2009; Merriam, 2009).

Research paradigm

Creswell (2009) stated that researchers start a project with certain assumptions or knowledge claims. These assumptions guide how researchers explore their research questions and how they learn while undertaking the research. According to Mackenzie & Knipe (2006, p4), "It is the choice of paradigm that sets down the intent, motivation, and expectations for the research". Before a method is chosen, the basic belief system or worldview that guides the researcher needs to be identified (Guba & Lincoln, 1994).

Though the philosophical discussion regarding research paradigms and knowledge claims is of staggering depth and breadth, Creswell (2009) has narrowed the discussion to four dominant worldviews: postpositivism, constructivism, advocacy/participatory, and pragmatism. It is from Creswell's (2009) worldview descriptions that the theoretical framework discussion is launched and defined.

While some researchers are beholden to adopting postpositivism, constructivism, or advocacy/participatory paradigms for their studies, the pragmatist researcher takes

an action-oriented approach that suggests the research problem is the central focus of paradigm adoption (Mackenzie & Knipe, 2006). Pragmatists seek to understand the problem and pose probable solutions or enhancements based on a deep understanding of the problem or situation (Creswell, 2009). Summarized in the chart below, pragmatists are not committed to one particular paradigm, nor are they interested in the heated philosophical debates around what constitutes “reality.” From a pragmatic perspective, “Truth is what works at the time” (Creswell, 2009, p. 12).

The knowledge claims of the pragmatism paradigm closely align with the researcher’s belief system and epistemological understanding regarding real-world application and problem solving. Though some argue the hegemonic role of positivism, it is the questions being asked that must guide the research design, according to pragmatists. “By focusing on the phenomenon under examination, rather than the methodology, researchers can select appropriate methodologies for their enquiries” (Falconer, 1999).

According to Johnson and Onwuegbuzie (2004), the philosophical implications of pragmatism attempt to find a middle ground and a workable solution between the philosophical dualities of subjectivism and objectivism, focusing on the more moderate and common sense versions of these concepts based on how well they work in solving problems. According to Creswell (2009), pragmatism opens the doors to solving real-world problems using multiple methods, different worldviews, and different assumptions.

The research design is a mixed methods design. This is appropriate in the constructive pragmatism approach as it establishes a baseline measure of relevant statistical indicators that may explain the research question while also allowing the researcher to adopt a “participant-observer” method to gain deeper qualitative insights and understanding (Creswell, 2003). A mixed method (qualitative and quantitative methods) approach including literature review, semi-structured interviews and a survey to collate evidence will provide both breadth of empirical evidence and depth of understanding (Creswell, 2009).

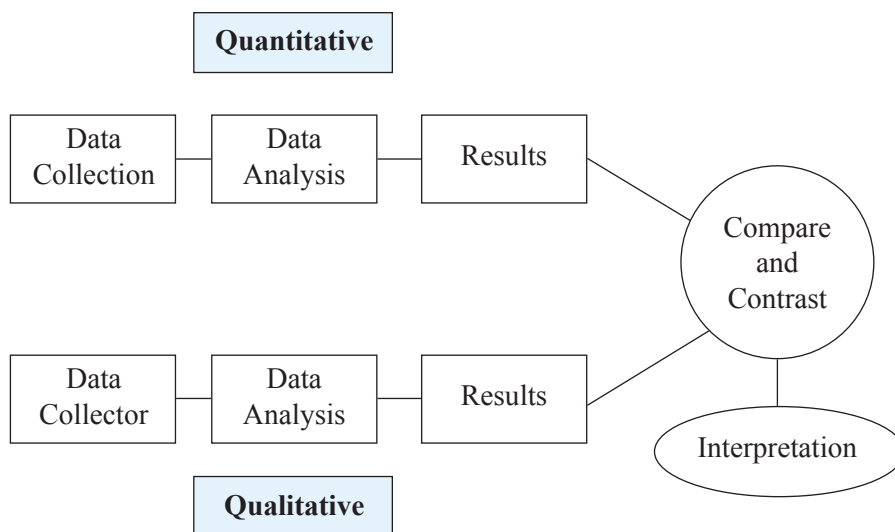
The study is especially empathetic to the diversity of the people being studied and seeks to understand their social and historical construction of reality and meaning as this will increase the alignment between the expectations and ‘fit’ of the investment.

This can only be achieved by including qualitative investigation. The quantitative survey and secondary data provide a baseline for the study thus highlighting numerous relevant facts and stakeholder opinions within a measurement framework.

Methodology

The research for this study adopts a pragmatic paradigm. A mixed-methods approach is able to analyse both quantitative and qualitative responses to the research. The pragmatic paradigm recognises the centrality of the research problem and applies all approaches to understanding the problem (Creswell, 2003). The pragmatist paradigm typically employs mixed methods as part of the research process and has the flexibility to use both quantitative and qualitative data collection methods as a means of validating the results of the research process.

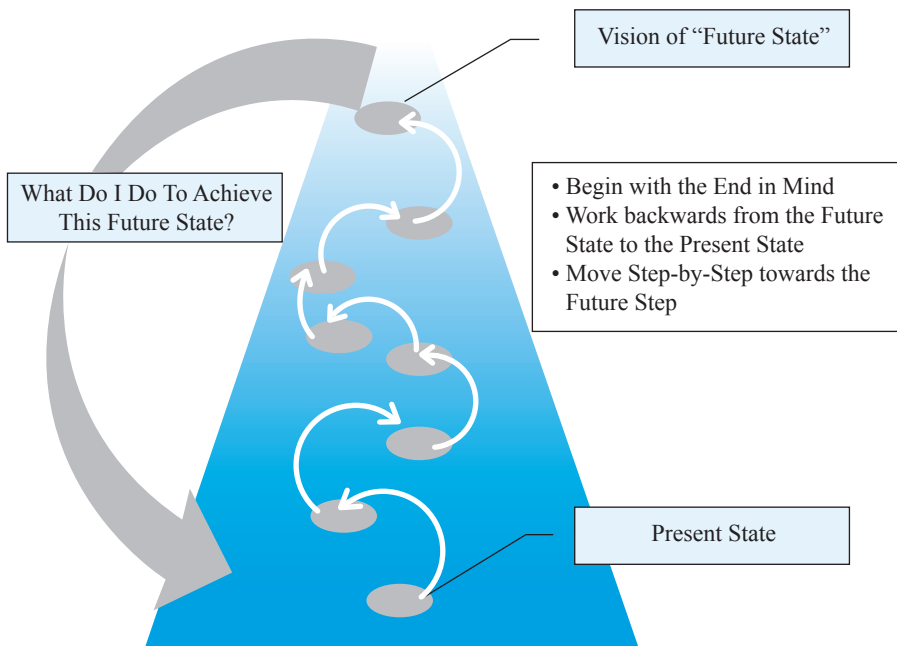
**Figure 3: Mixed method research design approach
(Adopted from Creswell 2012)**



The strategy of employing a mixed methods approach to the research design has allowed the researcher to involve collecting and analysing both quantitative and qualitative data in a single study (Creswell, 2003).

Incorporated into the design is an action research cycle which includes the foresight technique of Backcasting. This implies that part of the action research cycle includes describing a desirable future position. From this, questions emerge which inform both the quantitative (survey) questions and the questions informing the observations, group and face-to-face discussions. Figure 4 relates to the backcasting technique. Figure 5 illustrates the research design.

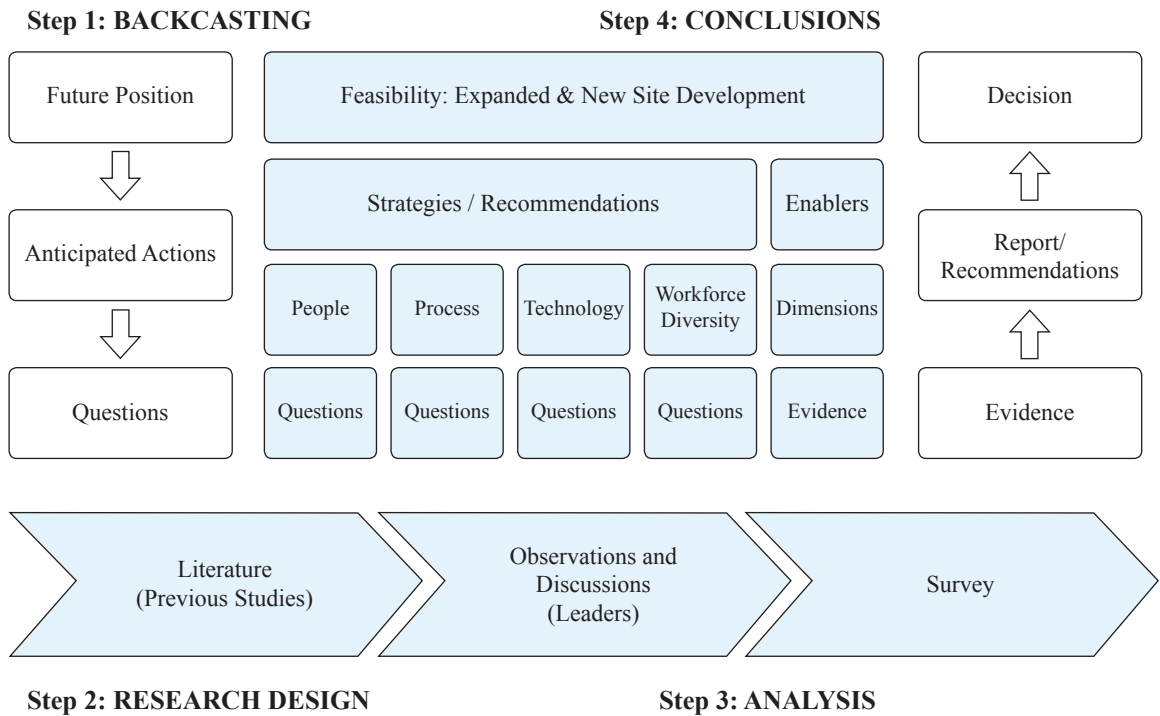
Figure 4: Backcasting Technique



Source: Adopted from Hobcraft, P. (2013)

Backcasting is recognised as a foresight technique usually employed once a preferable future is selected from a range of alternative possible futures. Foresight is defined as the “creative envisioning of possible futures, understanding the complexity and ambiguity of systems and providing input for the taking of provident care in detecting and avoiding hazards while envisioning desired futures. It is used primarily to allow for the planning and direction setting required to achieve a desired future position” (van der Laan, 2010, p. 62). The Backcasting technique follows a foresight process and begins with a future position in mind. The action research cycle then evaluates the anticipated actions against valid evidence to refine the actions in order to develop recommendations based on valid research.

Figure 5: Research Design



Source: Author developed for this study

The survey design used in this research is a mixed method (qualitative and quantitative methods) approach including literature review and semi-structured interviews. The main purpose of this survey is to collate evidence which will provide both breadth of empirical evidence and depth of understanding. For the purpose of this study, the survey is designed to investigate numerous relevant facts and stakeholder opinions within a measurement framework.

Data collection

The firm being studied is an international professional services provider. The Southeast Asian firm is run by a CEO, Partners, Executive Directors and Directors in the upper echelon of its structure. The sampling population for the study includes these leaders, plus operational staff associated with the sites either as onsite or collaborating with onsite members. During the qualitative stage of the research, outsider experts within the industry were consulted. The sample invited to participate in the voluntary online survey includes only members of the firm. The sample invited to engage in the

informal, qualitative part of the study, also includes external experts.

A purposeful sampling strategy was adopted, and targeted invitations were sent out, to solicit participation in the survey.

Data Analysis

From a population of 89 staff invited to complete the survey, 29 responses were received. This represents a 33% response rate. It was apparent from the data collection that a group of staff purposefully did not participate. This revealed a valuable insight in regards to the willingness of staff to engage in the structural adjustment of their own workplace structure. It signals a resistance to change and possibly the perception that those without an insight to the business practices of the site, were in a position of power and control which excluded local participation.

The collection of qualitative data was based on the observation of communications between stakeholders and group and face-to-face discussions. A number of themes emerged from the analysis of this data and allowed for thematic analysis.

Qualitative

The qualitative research is based on the researcher as a participant observer which involves the following group of stakeholders:

- Firm's Internal
 - Partners
 - Executive Directors
 - Directors
 - Senior Managers
- Business Entrepreneurs (External)

The qualitative methods adopted for data collection includes:

 - Direct interaction with the above using group; and
 - Observations of and discussions with individuals
- The quantitative data was collected by using an anonymous online survey. The researcher developed survey questions, developed the measurement instrument and sent the link to the survey to the various stakeholders.

- From observations, as well as group and face-to-face discussions, the researcher was able to identify themes associated with the research question. These themes allowed for further question development facilitating deeper understanding. The themes were formulated and the observations summarized across all observations therein.
- The research questions have shown that a suitable business infrastructure has to be planned and setup in order to capitalise on the markets. Some of the areas to set up are the arrangements of trainings which respondents from the survey have indicated.
- Individuals, especially those with a command of the English language and having a favourable standing in societies, play a major significance in having a better success rate to secure businesses.
- The outcome for structural adjustments for the Vietnam office indicates a strong concurrence that structural reforms, such as increasing the strength of BD resources encourage business performances and also mitigate any potential internal or external threats.
- While there is a high inclination that foreign practitioners are more favourable over local professionals in leading BD initiatives and also being the experts in their respective fields, foreign practitioners have to be mindful of local business etiquettes and cultures.

Quantitative

A descriptive statistical analysis was conducted based on demographic data and frequencies. From the response, the profile of respondents shows that the sample represents the following:

1. 48% of the respondents are Directors, Partners and Executive Directors (firm leadership)
2. 68% are from the Malaysian practice (practice facilitating market expansion and structural adjustment)
3. 60% of the respondents have more than 10 years of work experience

From an analysis of the data presented above, findings were structured according to the PPT framework. The following conclusions are listed as follows:

People

- Majority of the respondents agree that seniority or position, core experience and industry subject matter experts have a major part in successfully getting new business
- More than 50% of the respondents believe that there are insufficient qualified professionals to deliver quality services especially in IT related services and prefer to depend on overseas practitioners
- Age plays a major part in succeeding in making inroads during any business networking events. Over and on top, language and respect to more senior people give an advantage especially when the practitioner is also conversant in English. This is an added advantage especially in emerging markets where individuals and not the organisations drive successful professional services growth.

Process

- Training is essentially very important for practitioners as the competition amongst the Big-4 in the emerging markets is very strong.
- Paper qualifications and/or credentials are essential in providing evidence that the consultants are qualified and able to deliver documents in both local and English language.
- Respondents are inclined to agree that local offices adhere to global professional terms of engagements and accept and agree that a handshake agreement is not considered as a “done deal” until proper engagement documents are signed off by prospects.
- Respondents envisage that there are trust issues between local and other SEA firms specifically in the area of providing advice and recommendations.

Technology

- While local organisations look favourably towards investing in technology and innovation of services, there is a need to engage overseas consultants to undertake projects related to projects in Information Audit, IT Controls or Cybersecurity services.
- While infrastructures such as roads, highways and reliable telecommunications are essential for innovation in professional services, the use of the internet is deemed as a norm in the daily practices.

Workforce Diversity

- The formation of BD teams is essential to reach out to the market to secure new businesses. BD activities which are very much akin to building strong client

relationships require communication in both local and English language

- The market tends to favour firms with good socio economic standing, giving them a favourable advantage in seeking new businesses.

Market

While a number of respondents believe that the emerging markets have huge business growth, an important factor in securing new business is through constant networking and building up relationships, while bringing in foreign subject matter professionals gives an added advantage.

Correlation Analysis

The quantitative data were tested for significance at both the 0.95 and 0.99 significance levels, using Pearson's Correlation analysis. From the results, numerous insights and conclusion were drawn and also related to the descriptive statistical findings.

Training Essentials

- Joint projects were carried out with other team members from other SEA offices;
- Staff member were seconded to other SEA offices for an agreed period to gain working experience and knowledge through in-house trainings and engagement participations.

Business Development Team

- The Cambodian's senior management relied on their network to seek business opportunities.
- In Myanmar, a local audit firm (MV) based in Yangon, networked with potential clients and organised workshops and seminars for their clients and the banking fraternities respectively while the Regional Managing Partner (RMP) reached out to potential clients through local based Funds Management firms.
- Partners and Directors in Hanoi, Vietnam undertook business development (BD) activities to build relationships with key stakeholders of State Owned Enterprises (SOE). The arrangement was important as stakeholders commonly "prefer" to socialise with high profile personnel from within the business community.
- At Ho Chi Minh City (HCMC) with its good number of multinational companies, a foreigner leading a BD initiative was seen to be more "trustworthy" and "knowledgeable" compared to local resources.

Increasing Eminence

- An effective method for a firm “go to market” plan included hosting a number of seminars with selected topics and specially invited key speakers aimed at different audiences (banks, audit clients, pharmaceutical industries) in Vietnam, Cambodia and Myanmar.
- Another initiative to increase its branding and eminence was through subject and theme based competitions amongst local universities.

Function Streamlining

- To ensure the expansion of ERS services across different industries, the North Vietnam practitioners targeted services from FSI and SOE industries while in South Vietnam, the focus was towards securing multinational clients.
- In Cambodia and Myanmar, the firm relied on large local companies where services such as internal audit and risk assessment were introduced to the market.

Technology

- Vietnam’s forecasted IT spending will grow at a compound annual growth rate (CAGR) of 12.6% between 2014 and 2018, with expansion underpinned by rising incomes, enterprise modernisation and the policy environment put in place by the government. The Vietnamese government is also pursuing a number of ICT initiatives and continues to allocate funding to develop Vietnam’s domestic IT industry. (Business Monitor International, 2014)
- Vietnam’s banking system has more than 90 banks including 5 State Owned Commercial Banks and almost 40 Joint-Stock Commercial Banks. Based on current proposals from various banking clients, banks are looking at implementing Basel II compliance programs, security related services such as IT Audit and Controls Assessment. (2012 and 2013 Annual Reports, State Bank of Vietnam)
- In Myanmar, about 60 percent of the GDP comes from agriculture, and as much as 65 percent of the labour force is employed in this sector alone (Encyclopaedia of the Nations (n.d.), Burma (Myanmar). Because of a lack of local talents in the IT sector, companies often turn to professional services firms for assistance in eminence building, training and collaboration in technology based engagements.
- The core exports from Cambodia are mainly textiles and garment followed by footwear. The banking sector is a potential source of business as there is a demand to equip banks with automated banking facilities. The demand for services mainly falls under IT assessment and controls, development of IT policies and regulatory requirements.

Summary

- Participant observation discussions with stakeholders and the survey results indicate that a suitable business infrastructure such as specialised functional trainings, needs to be planned and setup to capitalise on the market opportunities.
- Individuals with a good command of the English language and with favourable standing in society are more likely to succeed in securing businesses.
- Effective structural adjustments for Vietnam office, including structural reforms and strengthening BD resources should correlate with better business performance and mitigate any potential threats both internally and externally.
- It is important that practitioners are familiar with and are able to adapt to local cultural practices, particularly foreign practitioners who are engaged as subject matter experts to their clients.

Results and discussion

We now review the contributions of the study, respond to the research questions and look into the feasibility of increasing the professional services firm's presence in Myanmar and Cambodia and the structural modification of its Vietnamese operations in order to expand its services.

Myanmar and Cambodia

- Large organisations e.g. the FSI and E&R industries, need to adopt IT in their business operations.
- It is also desirable for local offices and other SEA offices undertaking IT related projects such as Information Technology Audit, IT Controls or Cyber Security services, to use joint collaborative teams.
- Proper planning with the SEA office will facilitate the development of a robust structure which will maximize revenue generation, cost management, create good network amongst the corporate and government entities, as well as help in talent retention.

The following recommendations are divided into short and long term initiatives to be executed together with the SEA offices:

No.	Short Term Recommendations (0 to 2 years)
1	Review the types of businesses across various industries (Market Awareness), understanding the business needs in areas of governance, compliance, security and process improvements
2	Bring on board a BD Manager (Manager Level) to hunt for opportunities
3	Hire a competitor's Director to expand the business across different industries
4	Construct a pricing mechanism for various levels of services
5	Build good relationships with top C suite personnel of large multinational companies through thought leadership seminars
6	Send Key staff to other SEA offices to be exposed to different culture and work methods
7	Partner professional bodies such as ACCA, Myanmar Industries Association (MIA) or The Association of Banks in Cambodia (ABC) in eminence related events
8	Engage with the firm to secure resources in joint engagements
9	Engage with various media to promote the firm's professional services. Interviews with SMEs and Partners are also a form of marketing and of no or relatively low cost.

No.	Long Term Recommendations (> 2 years)
1	Build list of clientele and convert engagements into case studies
2	Embed and apply Data Analytics in Audit or Risk related projects
3	Provide continuous training and up-skilling of staff through joint collaborative engagements with other SEA offices
4	Send Key Staff to other SEA offices to be exposed to other engagements and new work methods over an agreed period
5	Connect with universities to promote the professional services firm. One effective method in attracting fresh talent is to organize firm's knowledge competition
6	Create and launch new services into the market

Vietnam

- Vietnam's market is a mixed of vibrant private, foreign investment sectors and SOEs, competing in fast growing markets.
- International business opportunities abound, in the context of a fast growing local market driven by rising incomes and population growth, and coupled with inexpensive low to medium skilled workforce.
- Business in Vietnam is mainly in SOE projects, particularly involving work on the development of risk management framework and internal audit engagements.
- Particularly during the acquisition stage, it is important, sometimes even essential,

that experienced practitioners or industry experts are accessible.

- There is a lack of qualified professionals in IT controls projects, and may require inputs from overseas consultants.

The following recommendation are divided into short and long term initiatives to be executed together with the assistance from the SEA office:

No.	Short Term Recommendations (0 to 2 years)
1	Revisit the possibility of having a BD director under the specified service line in the firm
2	Bring on board a foreigner for the role of BD Director who can look for business opportunities in South Vietnam
3	Hire FSI talents for the purpose of penetrating the FSI sectors in North Vietnam
4	Engage with other SEA offices to secure resources to help out engagements
5	Conduct joint seminars with industry experts as guest speakers targeting focus industries such as FSI.
6	Up-skill and increase resources through joint collaborative engagements with resources from other SEA offices
7	Introduce risk consulting services to other functions
8	Embed and apply Data Analytics in any Audit or Risk Engagements
9	Nominate personnel to other SEA offices to work with other colleagues and gain experience from the engagements
10	Engage with various media to promote the firm. Interviews with SMEs and Partners are also a form of marketing and of no cost to the function

No.	Long Term Recommendations (> 2 years)
1.	Build list of clientele and convert engagements into case studies
2.	Continuous training and up-skilling of staff through joint collaborative engagements with other SEA offices
3.	Seek the possibility of providing assistance through project deliveries in new offices such as Myanmar or Cambodia
4.	Connect with various universities to promote the firm. One of the most effective method in attracting fresh talents is through the organising of the firm's established knowledge competition
5.	Create new services to be introduced into the market

While Vietnam has established its office in more than 20 years, it is an opportune time to re-visit its business model with the view of attracting more engagements from

multinational companies and SOEs.

One way is to review the commonly requested services, expand the BD and marketing resources to attend to these services and leveraging on other SEA offices for the delivery of resources.

The recommendation of creating a strong network through the use of the firm's C&M and the possibility of "code-sharing" initiatives with other functions offer great opportunities for the firm. This can be achieved by introducing its services to other functions and inviting them to become "evangelists" to their clients. In the long haul, we may be able to optimistically say that the Vietnam office can be a power house and can potentially out-perform other offices in SEA.

The challenge for Vietnam to achieve greater success is by no means easy. The route it will take is different from the journey the firm will take to expand its services to Cambodia and Myanmar.

Conclusion

The regional expansion and business growth plans of a professional services company into new and existing markets call for the embedment of contemporary protocols which will act as a catalyst to cultural change in the organisation. These protocols should encourage communication and collaboration, no matter where staff members are located. Effective functioning in (such) multiple places of work requires heightened levels of self-discipline and the ability to make places amenable to work as well as doing particular work tasks in appropriate places. Both of these abilities require workers to learn about the affordances of particular places in order to understand what works where and how, and therefore cope with being 'always on, always ready, always connected wherever they happen to be (Felstead, 2012, p. 37).

Staff must be innovative and collaborative, efficient and productive. For this to occur, organisations must be responsive and agile to the current trends towards teleworkers in contemporary workplaces. The focus of this research has been to outline contemporary protocols for the teleworker to create a smart presence to enhance organisational endeavours. The study does not propose to change policy at an

organisation, nor does it propose to outline critical skills for leaders in a virtual work environment. The ability to share a common team goal whilst working independently with the emphasis on outcomes, not on where the team member is physically located, is essential. It is recommended that protocols be adopted by organisations/virtual teams in the planning stage of telework and/or the establishing of a virtual team; clearly articulating the protocols will assist in the success of the individual and team outcomes.

The researcher acknowledges that further research into the area of how teleworkers can successfully collaborate within a virtual team, and any further protocols that can be established, would make an additional significant contribution to the success of teleworking.

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About the Authors

Dr. Diana Pang

Dr. Diana Pang, D.B.A. (University of South Australia), is currently Senior Business Development Manager at the Australian Trade Commission (Singapore). Her undergraduate degree in Psychology is from Iowa State University, and she also holds an MSc in International Marketing from the University of Strathclyde. Diana's career started in a market research organisation from where she honed in her skills in qualitative and quantitative research techniques. She has a keen interest in working with small and medium enterprises (SMEs) that have potential for overseas expansion, and her strength lies in consulting and advising them on developing export plans and strategies. Diana has ongoing research interests in studying the impact of export promotion programmes on SMEs. She can be contacted at msdianapang@gmail.com

Dr. Teo Teck Choon

Dr. Teo, DBA (University of South Australia), is an independent Postdoctoral Researcher in Singapore with specialisations in Marketing and Strategy. Dr. Teo is best known for his research on strategic marketing, organisations and leadership, particularly in organisational contexts, and he has published several research papers in international journals. Dr. Teo has lectured in and examined UK university courses including International Marketing, Organisational Behaviour and Strategic Management at undergraduate and postgraduate levels. He can be contacted at johnnttc@singnet.com.sg

Alexander Christian Zhang

Alexander Christian is currently a Business Executive at the Fabristeel Singapore, Singapore. He obtained a BBus (Hons) in International Business from La Trobe University (Australia), and is an active writer with exceptional leadership skills. He can be contacted at alexander.christian_z@yahoo.com.au

Prof. Dr. K. C. Patrick Low

Prof Low holds a Ph.D in Management and International Business (University of South Australia), M.Bus with distinctions, Curtin University of Technology. He is also a Chartered Marketer (CIM, UK) and Qualified Myers- Briggs Type Indicator (MBTI) and DISC-qualified Administrator. An educationalist with a profound knowledge of the higher education system, he is an expert in teaching, research guidance, mentoring, leadership and administration. Currently he is the Visiting Professor at University of the South Pacific, Suva, Fiji . He can be contacted at patrick_low2003@yahoo.com

Eddie Loh

Eddie Loh is Director of Risk Consulting at Deloitte Malaysia. Eddie has over 20 years of hands-on experience in business and operational developments, strategic IT, solution project management combining strategic and focused approaches including establishing creative strategies for optimising core team strengths. Eddie's experience covers operational, supply-chain and business processes improvements in industries such as FMCG, Manufacturing well as Public Sector. He holds a Master of Professional Studies from the University of Southern Queensland and is currently taking a PhD in Business from the University of Malaya-Wales. Eddie can be contacted at eloh@deloitte.com or eddielohkh@gmail.com.

Dr. Chen Sheng

Dr. Chen Sheng is currently a lecturer in East Asia Institute of Management. He holds a Ph.D degree in Strategy & Project Management from SKEMA Business School, France. He obtained a MSc (Hons) degree in Technopreneurship & Innovation from Nanyang Technological University, Singapore, and a MBA degree from Centenary College in US. Dr. Chen has worked in various industries as senior manager in China, Hong Kong and Singapore before embarking on his academic career. His research interests includes Entrepreneurship; Project Management and Innovation. He can be contacted at chsh7209@yahoo.com.sg

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