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ASEAN Development and Multinational Corporations -  
A Study of the Perception of the Senior Managers  
of MNCs on ASEAN Development.

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## ABSTRACT OF RESEARCH

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The object of the study was to investigate the feelings and reactions of the senior managers of multinational corporations, (MNCs), to the development of the Association of South East Asian Nations, (ASEAN).

ASEAN is a regional grouping of six developing nations formed in 1967 primarily to promote economic cooperation among member states. Though the Association is now in its 20th year of existence, the level of ASEAN economic corporation is currently superficial at best.

In recent years however, ASEAN governments both individually and collectively are increasingly turning to the private sector for new leadership to speed up the development of ASEAN as a regional economic force. These new governmental initiatives are important to ASEAN. This is because not only is the increased pace of private sector investment critical to the health of the economies of the individual member states but more fundamentally, the successful development of ASEAN as a regional force in international trade would help project ASEAN as a more credible economic grouping.

In the private sector, MNCs, because of their access to large investment funds and their international networks, are vital forces for ASEAN development. Besides the traditional strengths of MNCs, this study hypothesised that organisations whose senior

managements in the region were supportive of ASEAN could make greater contributions to ASEAN development.

This study covered 128 senior managers in MNCs operating in Singapore. Singapore, an ASEAN member state, was specially chosen for this study because of the concentration of MNCs there. It also has enabled the study to assess the prospects of the suggested complementarity role of Singapore in MNCs' operations in the region. MNCs in this study were selected from a cross section of industries in the Country.

In the conceptual model especially designed to guide this study, the feelings or perceptions of these managers were seen to be influenced by both internal and external factors. Internal variables evaluated were the selected managerial personalities, demographics and cultural factors. External variables investigated were the selected ASEAN and organisational factors. Both internal and external factors were taken together in an integrated and interactional basis. This approach has shown to be very useful in evaluating the major correlates arising both internally and externally.

The output termed as the managerial perception was then measured, firstly in relation to the specific perception of ASEAN development in terms of benefits, cogency and costs. The remaining variables were then investigated in search of the other correlates. The outputs, taken together constituted the perceptual conditions that may influence ASEAN development.

Managerial responses to "Involvement" and "Commitment" have enabled the study to construct profiles of the four types of managers. This in turn has helped to identify the strategic direction of their organisations. This study then established the major correlates of the overall managerial feelings towards ASEAN. Findings on the other influencing factors added to a more comprehensive description of the feelings of the managers, separately as individuals, as organisation men, as members of an ASEAN state and that of the ASEAN community.

"Aseanese" manager was a label used to identify a special group of these senior managers dedicated to ASEAN development. These managers were not only supportive of ASEAN but were at the same time concerned with their personal development, the performance of their organisations and the welfare of the Nation they worked in. These "Aseanese" managers could be the role model for managerial and organisational developments. They could also be new leaders that could contribute much to National and ASEAN development.

These findings have significant implications for ASEAN, the member states, MNCs and their senior managers. The study has not only added to existing knowledge of MNC operations in ASEAN but has also provided some fundamental insights into the feelings and responses of their senior managers on regional economic cooperation in the context of regionalism generally and ASEAN

more specifically. This knowledge would facilitate the formulation and execution of strategies for effective intervention, promotion and cooperation among the various components of the group.

The recommendations were stated in the form reacting to the four perceptual levels established in this study. These recommendations described how these senior managers, MNCs, government of a member nation and ASEAN agencies could maximise the benefits that each could derive from the ASEAN concept and at the same time effectively contribute to the development of a more integrated and progressive ASEAN.



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## Chapter 1 - INTRODUCTION

---

The Association of South East Asian Nations (ASEAN), was formed in 1967 primarily to promote economic cooperation among member states.

The health of ASEAN economies is often a reflection of the performance of their private sectors. ASEAN governments hence are constantly promoting their private sectors to help boost their national economies. Though this has made significant contributions to the economic growth of ASEAN, the progress of ASEAN as a regional economic unit is inching only very slowly.

However in recent years, ASEAN governments are increasingly realising the role the private sector could also play in contributing to the economic substance of the ASEAN economic cooperative framework. Admittedly, these new governmental interests were prompted to a large extent by the seriousness of worldwide economic problems, particularly the threatening protectionists movements, but the resulting initiatives, focusing on the private sector aiming at creating a more unified and effective way to deal with trade issues with the industrialised nations, have important impacts on the fundamentals of ASEAN development.

In the private sector, multinational corporations (MNCs), because of their enormous economic strengths and international networks are generally positively recognised for their power and the unique role they could play in economic development. It is

little wonder that despite the traditional controversies on the merits of foreign investments by MNCs, cooperative ties between MNCs and host governments in ASEAN are strengthening (Senkuttuvan 1981). Some MNCs within ASEAN are already visibly benefitting from the new opportunities brought about by ASEAN formation (The Straits Times Oct 30, 1986).

As governmental policies evolve and harmonise over a wide range of regional economic issues, new opportunities emerge and organisational responses precipitate as new maximising strategies that lead to new investments and the establishment of new corporate goals in the region.

A question often asked is whether MNCs in ASEAN, in the course of their business in the region, can contribute towards the progress of ASEAN development? If they can, what are their unique contributions? What are the downstream and peripheral effects of these contributions? What efforts need to be made to motivate more MNC involvement in this direction? More importantly, who are the prime movers and what are their natural tendencies?

Studies have shown that tariff protection and other economic incentives are neither sufficient nor do they adequately explain MNCs' investment decisions in developing countries. This study investigated the nature of these complex problems and provided some solutions.

The first chapter will review the background of ASEAN, the economic role of the private sector and the management of MNCs in

the region. Problems of ASEAN's slow progress and MNCs' poor responses to ASEAN's initiatives will then be discussed. The objectives and focus of the research will subsequently be identified and the value of the study will be stated.



- 1.1 - Background of the study
  - 1.1.1 - Aspirations of ASEAN Regionalism
- 

The forces of nationalism, multinational corporations and later regionalism became dominant factors in many new countries that emerged after the Second World War. These factors, promoted to a large extent by the social elites in the process of nation building, have important political and economic consequences. Nationalism reigns supreme for most of the period immediately following independence (Pulvier 1974). After the initial excitement has subsided, the economic realities of nationhood prevail and persist even to this day.

In the early 50's MNCs appeared as a major economic power (Perlmutter 1969). Through their technological resources and worldwide networks, they have a strong competitive advantage particularly in international trade. For some time their impressive superiority appeared destined to rule the world.

Today, MNCs' own limitations and the conflicting interests with host nations are better known. Nevertheless, many MNCs continue to wield significant influence on newly industrialising nations that depend heavily on primary export earnings.

After the relative success of the European Community (EC), regionalism gained popularity, particularly with developing countries. Regionalism is politically attractive and economically promising as an effective strategy for accelerated

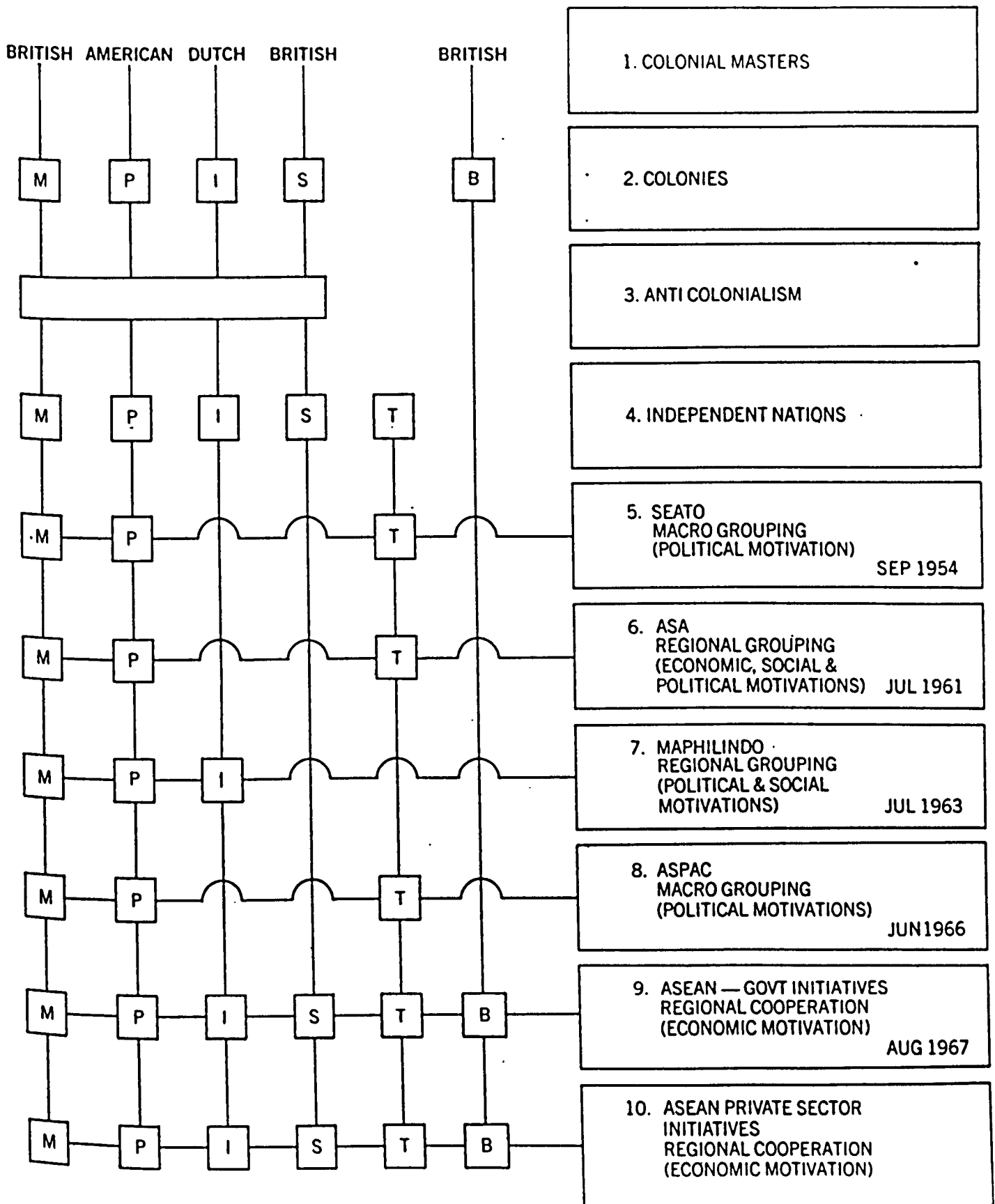
economic development. Proponents in developing countries see regionalism as a way of securing a more equitable and competitive posture in international trade especially in dealings with MNCs and the more industrialised nations.

Southeast Asian nations have experimented with regionalism in a variety of forms and dimensions (Figure A). These include the Southeast Asian Treaty Organisation (SEATO), the Association of Southeast Asia (ASA), Greater Malay Confederation (Maphilindo) and Asian and Pacific Council (ASPAC). However, much of these organisations reflected only the aspirations of the political elites particularly those of the foreign ministers. Without a viable economic basis, none survived beyond their ceremonial beginnings (Tan 1976).

With mounting economic pressures internally and more recently a worldwide protectionist trend, the need for the region to portray a strong economic identity has become increasingly persuasive. In 1967, this was manifested in the formation of ASEAN (Figure B). The grouping consists of over 270 million people in six neighbouring countries of Brunei Darussalam, Indonesia, Malaysia, The Philippines, Singapore and Thailand. A variety of justifications have been put forward for the formation of ASEAN. This includes the need for regional consolidation and cooperation for international political security (Gordon 1966), the need for reducing internal conflicts and the hope to increase regional harmony (Badgley 1971). ASEAN's constitution however, strongly emphasises the promotion of regional cooperation in economic, social, cultural and

FIGURE A

# History of Regionalism in South East Asia



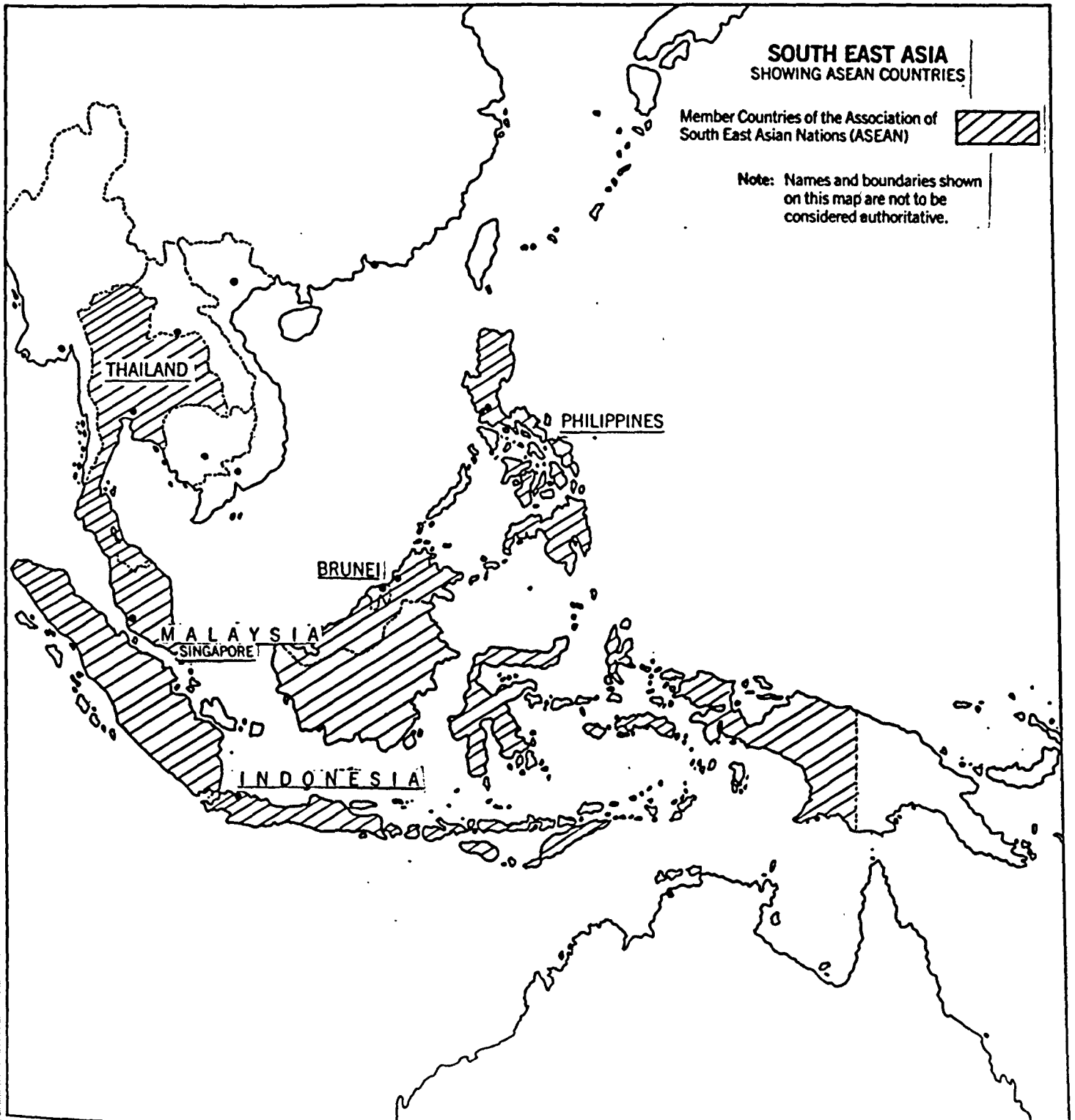
M — MALAYSIA  
 P — PHILIPPINES  
 I — INDONESIA  
 S — SINGAPORE  
 T — THAILAND

B — BRUNEI DARUSALAAM  
 (JOINED JAN 1 1984)

ASA — ASSOCIATION FOR SOUTHEAST ASIA  
 MAPHILINDO — CONCEPT OF MAPHILINDO  
 SEATO — SOUTHEAST ASIA TREATY ORGANISATION  
 ASPAC — ASIAN AND PACIFIC COUNCIL  
 ASEAN — ASSOCIATION OF SOUTHEAST ASIAN NATIONS

FIGURE B

# Map of Southeast Asia Showing ASEAN Countries



technical fields (ASEAN 1967). Hence, the aspiration for a more economically viable regional unit was clearly ASEAN's prime objective (Hutasoit 1967). This economic emphasis from the very beginning distinguished ASEAN from past attempts at regionalism and may have been the reason for its survival for the last two decades.

Economic regionalism for ASEAN countries however, is not easy. The economic makeups of the member nations do not score well on the classical conditions believed by theorists to be conducive to regional integration (Ballassa 1961). The progress of ASEAN, though economic in purpose, has also been inhibited by a broad array of political and social factors. These include mutual suspicions and mistrusts, government instabilities, historical animosities, and cultural and religious differences (Butwell 1963; Zacher & Milne 1974; Cooper & Massell 1965; Levi 1968).

From its very beginning, the potential for convergence appears elusive and possibility of conflict seems overwhelming.

Despite the bleak picture for cooperation, there is nevertheless a strong common desire to ensure that ASEAN works. Besides economic goals, there are also strong sentiments towards fostering closer ties. One reason is the historical common anti colonial platform. Another reason was postulated by Hansen (1969) and Schmitter (1969). They posit that in less developed countries the external dependence of the nations on traditional primary exports, may also be a reason for their natural interest in grouping regionally. This is particularly obvious in ASEAN

since the bulk of their economic earnings comes from the sale of one or two basic commodities in the international market. In this respect, the recent decline of world demand for these primary commodities may have further impelled ASEAN towards stronger regionalism to unify their common position against the industrialised nations. The commitment of ASEAN members to economic growth as a basis of nation building is probably the most significant area of common interest. All member nations have at least an economic planning unit. This brings about possibilities for improved coordination to increase regional trade and complementarity (Taluqdar 1969).

Several options are available for ASEAN economic development. A coordinated regional industrial policy may improve the production and sale of raw materials from the region and lay the foundation for more substantial cooperative work. Although Balassa (1961) sees the greatest benefit of regional cooperation coming from a customs union, Myrdal (1968) notes that regional growth will best be promoted through coordination and cooperation on industrial planning.

One of the highlights of the initial years of ASEAN formation was the United Nations study on economic cooperation commissioned by the foreign ministers at their 1969 annual meeting. The United Nations Reports completed in June 1972, became the blueprint for ASEAN economic development. The UN Report strongly emphasised ASEAN's need to industrialise and to increase productivity. The Report recommended that ASEAN as a unit should embark on the

types of production which are more capital intensive and which require a larger scale of production. This would push ASEAN countries into a larger world market and hence expand their exports. On the basis of this strategy it would be possible to reduce costs to the level established by mass production in the advanced countries and hence become more competitive in the world market.

The UN Report further elaborated:

"Improvement of economic performance and increased rates of growth of national economies come principally from exploiting the advantages of large scale production and the advantages presented by the fact that different geographic areas have different and potential complementary endowments of raw materials, skills and other resources. The potential advantages in both these respects are secured through specialisation in production, expansion of trade and greater freedom of trade. Inside a very large and rich country the necessary enlargement of markets can be achieved within national boundaries. For a group of countries which are relatively small or in which income per head is low and markets small for that reason, the necessary enlargement of markets involves the crossing of national frontiers and some element of international cooperation."

(UN Report 1974 p52).

Such cooperation promises to protect infant industries in the

region, to promote import substitutions and to help ASEAN to realise its economic goals.

A number of techniques for industrial development on the basis of regional cooperation were also suggested in the Report. These included:

- A. "A system of selective trade liberalisation termed as 'Preferential Trading Arrangements' to be negotiated on an item by item basis, and applied progressively on a wider scale in series of annual or biennial negotiations designed to enable the ASEAN countries to expand a balanced trade between themselves in the products in which they individually have advantage, and to benefit by increasing specialisation and exchange;
- B. A system of 'Complementary Arrangements' in which those engaged in private enterprise individual industries, or small groups of related industries, in the different ASEAN countries are encouraged to work out together a scheme for the specialisation in different countries on different products of the industry concerned and their exchange between them; such agreements may cover not only existing products but also the introduction of new products, and may involve proposals for assistance in the form of tariff or other incentives; and
- C. A system of 'Industrial Joint Venture Arrangements' negotiated among the ASEAN governments for the



establishment of new large scale projects, principally in industries which have not hitherto been introduced into the region, and their allocation for a limited period to particular ASEAN countries, together with agreements to provide the products involved the necessary tariff and other assistance to make them viable." (UN Report 1979 p250).

The United Nations team also recommended cooperation in the provision of certain services including research, finance, insurance, economic planning and the development of shipping and tourist facilities. The team also did preliminary studies of thirteen projects that seemed to offer possibilities for industrial package deals (covering nitrogenous fertilisers, phosphate fertilisers, carbon black, soda ash, caprolactam, dimethylteraphthalate, ethylene glycol, newsprint, sheet glass, small internal combustion engines, hermetically sealed compressors, typewriters and steel billets).

The first ASEAN meeting of all Heads of States was held in Bali on February 1976. At this historical Bali Summit, the recommendations of the UN Report were formally accepted. The Heads of States also agreed to assist each other in the production and marketing of basic commodities, particularly with regard to food and energy, and to make joint efforts to improve their access and to compete with other markets outside ASEAN. The meeting ended amidst an euphoria of optimism and all members promised to take unified approaches to combat international economic problems.

### 1.1.2 Private Sector Of the ASEAN Economies

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The economic performance of member nations, in recent years, has been impressive, many surpassing that of the industrialised nations (Pangestu 1980; Wawn 1982).

The entrepreneurial drive of the overseas Chinese in the region has at times been cited as a major factor behind the economic achievements. On this ethnic perspective, the overseas Chinese has been described as the most formidable economic power in Asia outside of Japan (Wu & Wu 1980). A detailed country analysis of the economic role of ethnic Chinese in Asia is available in the study of Wu and Wu. Of special interests is the historic role of Chinese during the colonial period when they acted as intermediaries between Western capitalism and the indigenous agrarian economy.

The capital holdings of overseas Chinese are enormous. In 1975 these were estimated to be over twice the cumulative value of private investment from other sources in the region (Wu & Wu 1980). This raise an economic issue as to why ASEAN nations should continue to seek foreign private investments when little is done to promote the investment of domestically available resources from the ethnic Chinese.

Enthnicity is, of course, a fundamental problem with deep rooted and widespread implications. Since ethnic Chinese represents

only about 5.7% percent of the ASEAN population, (this ranges about 75 percent in Singapore to about 1.4 percent in Indonesia), the disproportionate economic wealth accruing to the Chinese only aggravates the racial issue. The attitudes of the post independence indigenous political elites and the discriminatory policies to help spread the wealth were not without their costs. These forms of legislative, administrative and policy discrimination tend to inhibit growth and are often more widespread and more severe than those applicable to foreign investments generally. However, it is perhaps the nature of ethnic Chinese industries that is probably the major constraint. Unlike those of MNCs, they lack modern management expertise, international networks and advanced technologies. From a quick survey of the nature of capital investments of MNCs and that of the ethnic Chinese in the region, it is easy to come to the conclusion that MNCs rather than ethnic Chinese industries are the engines for economic growth. MNCs are usually strategically well integrated within their respective industries whilst industries of ethnic Chinese are dispersed and highly fragmented. ASEAN's abundant resources have traditionally been attractive to MNCs. The recent rapid growth in the region, has resulted in significant increases in MNCs' investments. Unlike ethnic Chinese, MNCs are less subject to ethnic sensitivity. Further, the investment benefits from MNCs are multifaceted. The tendency of MNCs to generate downstream supporting industries within the national market and the prospects for technological transfer are attractive to host nations. For example, Exxon's technological

transfers include training of local managers for its Singapore operation. The management training and downstream activities arising from Exxon's Pulau Chawan refinery (which ranks among the world's largest) have positive widespread effects throughout the Singapore economy (Chong 1983). Together with MNCs' enormous resources and worldwide network, the advantages outweighed the opportunities of easy access to the Chinese financial resources.

However, MNCs investments are not without difficulties. They are particularly demanding on the host environment. They stay where opportunities are favourable and quit when conditions turn adverse (Walter & AresKong 1981). The stay or leave decision has serious consequences on the national economic health of host nations and the speed and abruptness of this happening often results in economic turmoils and uncertainties for the host nations (Fayerweather 1982).

In the early years, MNCs' mobility and exploitative tendencies that prevailed throughout ASEAN often reinforced the typical suspicions and conflicts between MNCs and host nations. Although this long standing problem has continued to raise doubts about prospects for improved MNC - host nation relations, the recent emergence of ASEAN based regional MNCs operating in Western nations has helped to ease some of these strains. These regional MNCs are majority owned by ASEAN nationals and some are as big as those within the ranks of the FORTUNE 500. Many were built from the remains of the previously powerful colonial operations. Selected ones are backed by local governments,

while some such as Pernas Sime Darby, Intraco and Tumasek are deliberately structured to promote local interests against those of foreign MNCs. The roles of these regional MNCs are similiar to those of the Japanese "sogo shosha" (Ouchi 1981) and many have widespread activities in the West. Having regional MNCs operating in the West has moderated ASEAN policies in their dealings with Western MNCs for fear that Western governments might take retaliatory actions. Governments with ASEAN regional MNCs are already visibly more accomodating in their policies and attitudes towards the traditional Western based MNCs (The Straits Times July 11, 1985).

Just as the overseas Chinese and other domestic investors have their economic roles, MNCs too have a special place in the national economies. It is perhaps the specialisation of their respective roles that has contributed to a more cooperative economic environment in ASEAN today.

### 1.1.3 Senior Managers in MNCs

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To manage their local investments, MNCs are typically headed by international expatriate managers, usually from their home countries. These are supplemented by local managers, many of whom are very able executives who find MNCs both attractive and prestigious (Jansen, et al 1984). To hasten the transfer of management know-how, host nations often legislated tough measures for localisation of MNCs' management personnel. Benefitting from this policy, many local managers have been promoted rapidly to

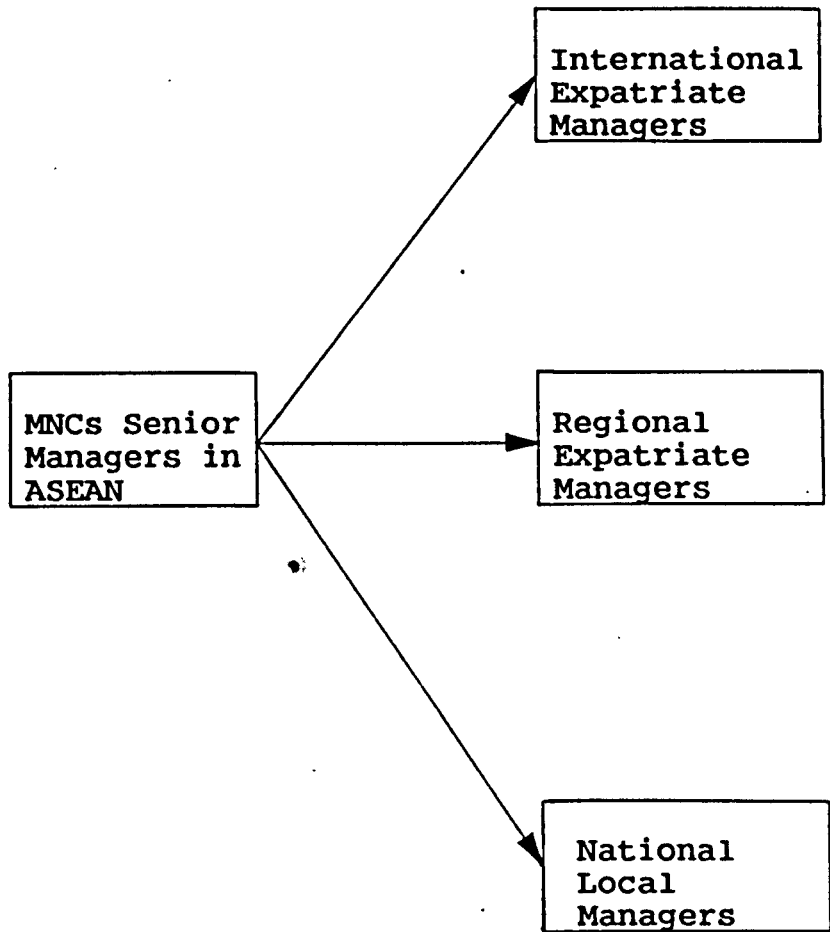
important management positions.

As MNCs' operations in the region expand, there are increasing instances of MNCs running ASEAN markets as a single business unit. Following this development, there are also increasing numbers of managers from the region being employed to work in the ASEAN regional head offices and the various individual markets outside their home countries but within ASEAN. The managers of ASEAN nationalities working in another member nation of ASEAN may best be termed as ASEAN regional expatriate managers (Figure C). Regional posting of this nature is new and offers a solution to the mounting difficulties and the high cost of finding effective managers from MNCs' home operations. It also creates career advancement opportunities for deserving local managers since regional office by function often supervises individuals in local markets.

The heads of both national and regional operations, are top decision makers of their organisations. Their decisions often bind their parent organisations and guide their home offices in establishing policies for the markets in the region. The development and progress of the organisations often depend on the efforts and ideas of these senior local managers (Harbison & Myer 1959). These managers are motivated by both personal and organisational demands placed on them. The recent expansions of some MNCs in the region were in part attributed to the recognition of the benefits to be derived from ASEAN regionalism (Senkuttuvan 1980). These decisions may be partly motivated by

# FIGURE C

## ASEAN MNCs' Managers



the pro-ASEAN feelings of the increasing number of senior managers who are ASEAN nationals. These senior managers are very familiar with regional opportunities and the benefits their organisations and themselves can derive from regional cooperation. They are not only the leaders of their organisations but because of their social status in the local and regional communities, they also have immense influence over the opinions of other elites and the masses in the area. The reactions, feelings, opinions and perceptions of these senior managers may have important consequences on the economic development of ASEAN.



## 1.2 Statement of the Problems

### 1.2.1 ASEAN's Slow Development

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Although as individual countries, the economic growth of member nations has been impressive, the progress of ASEAN regional economic cooperation to date lags far behind the expressed goals. In the government sector, the frequent rhetoric about cooperation has not been often translated into tangible results. One route accepted by all ASEAN members as a possible way of developing ASEAN economic cooperation was to increase intra-ASEAN trade, but the preferential trading arrangement (PTA) signed by the ASEAN governments (aimed at promoting intra ASEAN trade) has produced few results (Annual Report of the ASEAN Standing Committee 1981-2). In fact, most of the projects under the other cooperative schemes, such as the ASEAN Industrial Projects (AIP) and ASEAN Industrial Joint Venture (AIJV), have either been aborted, defunct or left to die a natural death. Even the projects under the more promising Industrial Complementation Scheme have to date not gone beyond the "technically viable" stage.

Attempts to increase ASEAN oriented foreign investments were heavily promoted by the ASEAN governments via formal dialogues with the industrialized world, viz, US, Canada, EC, Japan, Australia and New Zealand. Though initial responses were encouraging, the results have been disappointing. For example, the ASEAN-EC conferences on industrial cooperation were created for discussion of joint ventures between ASEAN businessmen and

their counterparts in the EC. A roundtable meeting was held in Singapore in March, 1977 during which a group of industrialists and senior government officials got together to discuss new investment opportunities in the region. The second conference in 1979 was attended by 776 participants, with 305 from the EC, representing some of Europe's most important industries and financial institutions. Eight impressive essays on trade and investment were presented and vigorously discussed in the ASEAN EC conference in 1981 (Akrasance & Reiger 1982). These governmental initiatives, promoted with much enthusiasm, fizzled off very quickly and resulted in very little tangible contribution to ASEAN development.

#### 1.2.2 MNCs' Indifference to ASEAN Initiatives

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Although the progress of government sponsored regional economic programmes and dialogues with industrialised countries have been slow to produce results, ASEAN governments nevertheless continue to remain very optimistic and zealously enthusiastic about the potential of the economic cooperative framework of ASEAN. With the improved environmental conditions in recent years, the prospects for increased or new foreign investments in the region are increasingly attractive. ASEAN countries are now visibly subscribing to market oriented economic systems. Most governments have also accorded very high priority to economic development. Indeed, ASEAN countries today are perhaps more ready than ever before to attract and sustain foreign economic participation which in turn will do much for regional growth.

Another significant change in recent years is the array of government incentives made available to the MNCs. MNCs' strengths are now widely recognised as valuable catalysts for national development. Governments' new long term investment incentives have also helped to project a more conducive climate for MNCs' long term involvement.

Theoretically MNCs should find the ASEAN concept an attractive one. It offers economies of scale, availability of resources and new business opportunities. Current growth in MNC's investments in the region attests to their positive reaction to the environment (The Straits Times Feb 23, 1985). These MNCs investments are important to the success of ASEAN, since effective implementation of economic cooperative programmes, particularly those projects initiated by ASEAN governments, must largely be dependent on complementary actions taken by the private sector.

However, it is equally clear that the interests and priorities of MNCs in the private sector are not the same as that of the governments (Senkutluvan 1981). Since the output of the government is the input of the private sector, close economic cooperation depends on goal congruency between the government and the private sector.

MNCs have often in the past been criticised for having uncooperative and indifferent attitude towards ASEAN's objective. It was often bluntly pointed out that the regional economic cooperative leadership expected of MNCs was severely lacking (The

Straits Times Nov 30, 1984).

Hostility between MNC and host nation is not new, but with the current cordial and the significantly improved MNC - host nation relationship, it is possible that this encouraging trend may be extended to include support for regional investments in ASEAN as a whole.

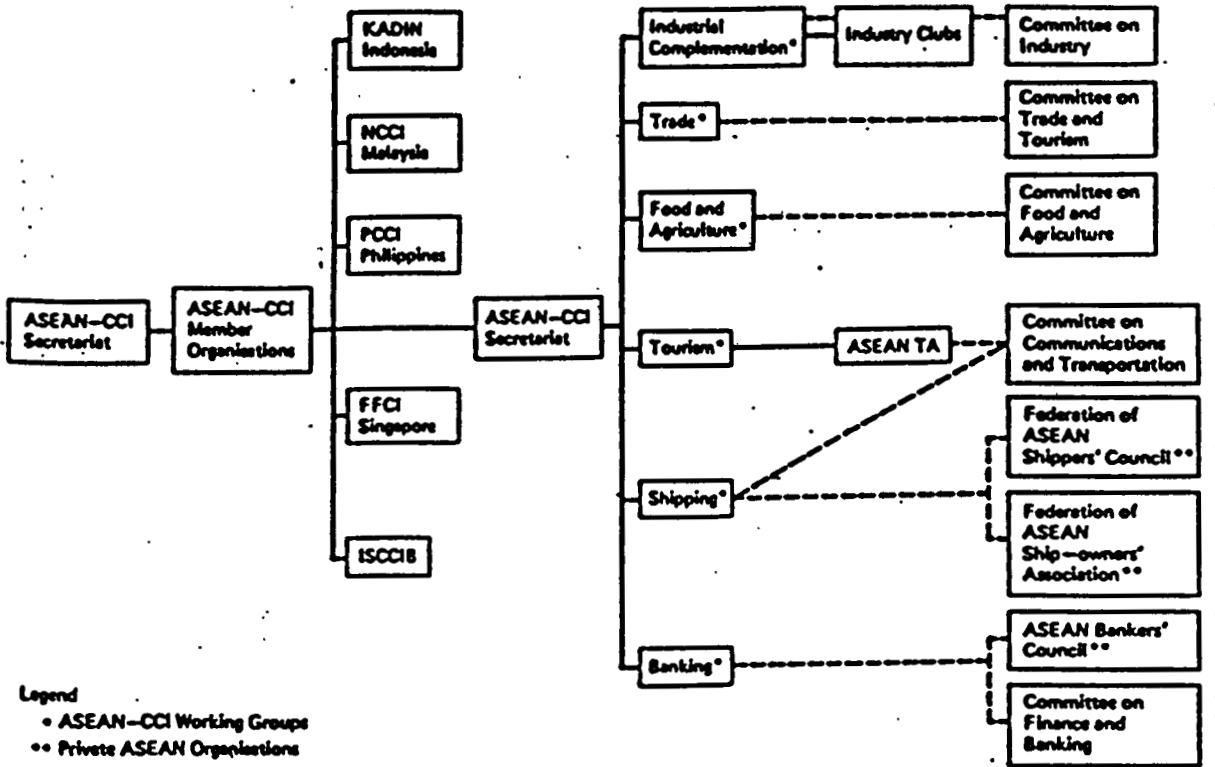
If conditions are now right for MNC investments in the region, the issue is whether this will enhance ASEAN development. The continued unwillingness of MNCs to operate the region as a unit is discouraging for ASEAN. Clearly, much need to be done to enhance understanding and agreement over the goal congruency of MNCs and ASEAN. Without this, there is little basis for hoping for greater MNC participation in ASEAN's regional economic framework.

### 1.2.3 Ineffective ASEAN Agencies

With mounting government initiatives to promote private sector participation in ASEAN economic cooperative activities, the ASEAN Chamber of Commerce & Industry (ASEAN CCI) was created as the main body to bridge the activities of the governments and those of the private sector. ASEAN CCI (Figure D), organised itself into industry clubs to help coordinate proposals and resolve problems related to economic cooperation. At the beginning of 1980, there were 13 such clubs. By 1984, the number had increased to more than 20. These groups are now part of a complex set of interactions within the ASEAN administration.

FIGURE D

STRUCTURE OF ASEAN - CCI



SOURCE : ANNUAL REPORT OF THE ASEAN STANDING COMMITTEE, 1982-3

ASEAN CCI clubs are headed mainly by professional managers, some of whom are MNCs' senior managers from the private sector (ASEAN CCI Report 1983). In the hierarchy of management, these senior managers are key decision makers. Within the corporations, the direction and pace of organisational involvement in ASEAN must depend, to a large extent, on the leadership of these senior managers in their organisations. These managers in the region combine natural resources and technology to generate the desired outputs. Managerial leadership and perception of the region shapes the involvements and achievements of their organisations.

A continuum of managerial response to ASEAN development to date falls between total indifference to active participation in the various ASEAN agencies. Those managers who head or belong to ASEAN clubs are examples of senior managers in MNCs who are visibly concerned and positively identified with ASEAN development. Others who stayed away from these entities often viewed these bodies with suspicions. Most are indifferent to their existence.

ASEAN CCI, as a formal institution, is best qualified to provide leadership for private sector involvement in ASEAN development. Regrettably, even this visible group is slow in producing results. Members meet only once a year and the agencies within the ASEAN CCI are often clogged with bureaucratic red tape. The initiatives of the senior managers are often frustrated and hence regional opportunities in ASEAN have not been adequately investigated (Annual Report of the ASEAN standing Committee

1982-1983).

The numerous conferences and dialogues between governments and MNCs did not yield any significant results either. The 1980 conference brought together high level representatives of governments including cabinet ministers from ASEAN, international agencies such as Asian Development Bank, MNCs such as Esso, Bank of America, Philips and academia such as Vernon. In particular, they discussed broad government and MNC relations in terms of finance, energy, investment and transfer of technologies (Senkutluvan 1981). At best these proceedings produced only a spectrum of views of different parties. Little has been done to adequately understand the motivations of MNC managers and the goals of their organisations. Even less is done to see if the supportive feelings of some members within this important resource could be promoted as prime movers for ASEAN development.

Yet, the feelings of this group of senior managers, particularly those who are dedicated to ASEAN development, could have a definite impact on the decisions of their organisations.

Senior managers outside the ASEAN CCI may also be promoting ASEAN interests through some of their managerial decisions like structuring ASEAN oriented regional head offices. Their involvement may not be as visible as that of the ASEAN CCI members but their contributions and dedications to ASEAN may not be any less.

If these MNCs' senior managers are significant opinion leaders and that their feelings and decisions not only have an important impact on their organisations but also on ASEAN development as a whole, it is vital that the perceptions and aspirations of these managers for ASEAN development be adequately investigated so that appropriate measures may be initiated to use this important resource to help develop ASEAN opportunities more effectively.

This study investigated these perceptions. From the results of the study, the recommendations will be stated.



### 1.3 Research Objectives

#### 1.3.1 Construction of the Profiles of MNCs' Senior Managers in ASEAN

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Since MNC senior managers in ASEAN were central to this study, the profiles of these senior executives were firstly constructed. This has enabled the study to establish the extent of homogeneity or difference among them. This profile has also provided an inventory of strengths and weaknesses for management development and change.

#### 1.3.2 Identifying MNCs' Strategic Postures in ASEAN

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The next objective was to better understand the organisations. Since the goals of organisations were often influenced by managerial aspirations, these goals could be examined by looking at the organisational strategies the managers helped to formulate and execute.

This objective was accomplished by way of an appraisal of the strategic posture of these MNCs in ASEAN. This in turn has enabled the study to locate and more specifically to examine the empirical correlates between managerial profiles and organisational strategies.

### 1.3.3

### Understanding the Perception of MNCs' Senior Managers on ASEAN Development

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After the above objectives were accomplished, the study was ready to examine the perception of the managers. This study firstly established the correlates of perceptions with managerial and organisational factors generally, and then the organisational strategies and ASEAN development specifically.

## 1.4 Focus of the Study

### 1.4.1 Behavioural Aspects of Regionalism

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The background was ASEAN regionalism, taken loosely to mean a common desire by the member nations to coordinate activities and trade arrangements for mutual benefits. The focus was on the behavioural aspects of some key players in the private sector who might have a measurable influence on the direction and progress of ASEAN regionalism.

### 1.4.2 MNCs in ASEAN

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Since the role and effects of MNCs in the region could be more than economic in nature, the macro strategies of these MNCs in ASEAN were emphasised. This has enabled a wider understanding of the goals of MNCs in ASEAN generally. Both MNCs of international and regional origins were included in the study.

### 1.4.3 MNCs' Senior Managers

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The suggestion that large organisations are swept along by events or somehow perpetuate themselves has been argued directly by Hall (1977) and indirectly by the population ecologists (Hannan & Freeman 1977). The stand taken in this study is that the views of the top executives were important. This is because the views and actions of senior managers have widespread

implications and encompass all aspects of community living, politically, economically, socially and technologically. The emphasis was, therefore, on the upper echelon managers of MNCs. These were dominant actors in their organisations and organisational outcomes and strategies were viewed as a reflection of the values and cognitive bases of these senior managers. MNCs' senior managers in ASEAN may be those of international, regional or local origins. These elites may be a significant force in the promotion of ASEAN development. The focus on these senior managers has not only helped to explain MNCs' strategies which might advance organisational contributions towards ASEAN development, but more significantly the identification of a particular group of these senior managers could lead to the development of ASEAN's 'diplomats' in the private sector.

## 1.5 Value of Study

### 1.5.1 Theoretical Value

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The study have both theoretical and applied values. At the theoretical level, it looked beyond the classical economic prerequisites of regionalism and explored the behavioural forces that might drive economic integration. This is particularly relevant for ASEAN because past attempts to measure the progress of ASEAN regionalism with traditional economic norms were incongruous from the start. Not only were ASEAN's initial conditions unfavourable, performance to date only serves to demonstrate that ASEAN is anything but a regional unit.

Yet, ASEAN has survived for close to two decades and its integrative initiatives though slow to emerge have gained momentum and worldwide recognition over the years. To explain this paradox one could speculate that ASEAN regionalism was conceived differently and that its progress might be better measured in behavioural terms than by strict application of Western economic norms.

It is useful to draw attention to the major similarities and contrasts between ASEAN and the EC. Both regional groupings are voluntary cooperative bodies constituted by relatively stable nations during difficult periods. However, the EC was established as a centralised community institution with well defined supra-national objectives. ASEAN on the other hand began

life as a loose inter-governmental association and continues to remain highly decentralised. EC is an association of industrialised, economically developed nations, while ASEAN was conceived as a way to promote economic development. Both have survived and there are no easy alternatives. Leaders in both regional groupings remain optimistic about the future of their respective groups and are committed to their development. Though it is clear that by classical economic standards, EC has performed well and ASEAN has not, ASEAN governments are no less optimistic about ASEAN than EC governments of the EC.

It is possible that the progress of ASEAN regionalism is distinct from the EC and that its progress and accomplishments cannot be adequately captured by traditional quantitative measurements. This study is especially valuable to help explain the apparent lethargy of ASEAN development. It sought to understand the perception of ASEAN regionalism in non traditional terms. Specific perceptual measures were advanced to help explain ASEAN's apparent lethargic progress amidst sectoral optimism.

Since MNCs in the private sector are perceived as the engine for progress in ASEAN development, the theoretical role of MNCs in regionalism needs also to be better understood. This study has expanded on the theory of MNC and host nation relationships, especially in relation to regionalism generally and ASEAN specifically.

The study took a broad and integrated perspective. This is necessary because of the behavioural approach adopted. Strangely

despite the emphasis in the literature on the complexities of managerial thinkings, many management studies continue to focus on the micro aspects of managerial activities. In recent years however, some attempts have been made at a more integrative approach. Regrettably, many remained rudimentary in nature and commonly lack a strong theoretical base (Nightingale and Taulouse 1977; Ismail 1978). Nye's regionalism model and Hofstede's cross cultural studies are two important exceptions. In their integrated studies, Nye (1971) draws attention to the roles of elites whilst Hofstede (1984) emphasises the importance of cross cultural factors in management settings. By broadening and building on managerial aspects of economic regionalism, this study may have contributed to the theory of economic integration in the integrated perspective as prescribed by Hofstede. The cross cultural factors of the study have given rise to opportunities that may be useful for further theory development. This may also be used to supplement existing cultural concepts such as "use and benefits" as in Strodtkerk (1964) and Whiting (1968). The exploration of the interactions of senior managers in MNCs and the linkage of managerial factors to the organisational environments, will hopefully, prompt future research and theory development in areas of regionalism, elite managers and business strategies of MNCs in a more integrated manner.

This study is also a valuable source of information for the construction of various possible solutions to a number of applied problems. For MNCs' local managers, ASEAN regionalism has brought about a closer-to-home alternative for overseas assignments and career advancement. Sociologically, ASEAN also has created a new identity for regional socialisation among elites. The senior managers in MNCs are social elites. These high achievers are motivated by the need for advancement, to achieve organisational goals, and perhaps also to help realise national and ASEAN objectives. This study illustrated the extent of similarities and differences among them.

Specifically, this study will also help MNCs and the Nation to understand better the thinking of these senior managers and the impacts of their characteristics. An increased understanding of the managerial differences will enable organisations to be more sensitive in their personnel decisions, styles of communications, career pattern and leadership within the region. It may also assist MNC managers to identify themselves as opinion leaders and help to explain the goals of these groups of which they are a part.

For the nation and the ASEAN agencies, the study may further contribute to resource planning and policy development, particularly as they relate to localisation and foreign investments. It has also shown the extent to which the



perceptions of the local and foreign resident managers may be nurtured for national and regional development.

These understandings may help to integrate managerial, organisational, national and regional interests. This will not only increase managerial effectiveness and organisational performance but may also contribute to a stronger economic output for the nation and ASEAN.

As a whole, this study has demonstrated that systematic research in ASEAN is possible and that such research can be relevant to the current issues, interests and needs of the region.

#### 1.5.3 Value to Singapore's Role in an Aspect of Regional Complementarism

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A particularly important auxiliary value of this study is the examination of an aspect of ASEAN complementarism. In this context, this study could also be taken as a preliminary study for the suggestion that, Singapore, because of the concentration of MNCs there, might have an important role in an aspect of the regional complementarity activities.

Singapore is the second smallest country in ASEAN, with a population of two and a half million and a surface area barely a third of Greater London's. Yet behind this smallness is Singapore's increasingly significant role in the world economy. Singapore is one of the handful of countries whose extremely rapid rates of growth have earned itself the label of "newly

industrialising countries" (NICs). The average annual growth rate is in excess of eight percent for the last two decades (Table 1). In October 1984 Euromoney, basing its judgement on a number of key indicators, identified this tiny island-state devoid of any natural resources as the achiever of the world's best overall economic performance over the period 1974 to 1984 (Table 2). Despite recent downturns, Singapore's 1986 GNP per capita continued to compare favourably with that of Ireland, Italy and even that of the U.K.

A primary reason for Singapore's economic success is its participation in world trade. In 1983 Singapore's share of world visible trade was 1.3 percent (Table 3). This compared very favourably with the UK's equivalent figure of 5.5 percent, taking into consideration that the UK population is about 22 times greater than that of Singapore. Similarly 1.5 percent of total world trade in private invisible receipts in 1981 accrued to organisations in Singapore. In 1984, 4.6 percent of all international banking activity was conducted by banks based in Singapore (Bank of England Quarterly Bulletin March 1984).

Comparing this with equivalent figures for the other ASEAN states, it is clear that Singapore is an odd member of ASEAN and may have no place in it. Or is it possible that because of its special position, it has an unique and important role in ASEAN, different from that of the other ASEAN states?

TABLE: 1  
Singapore in an International Context

Country	GNP per capita (US\$)	Average annual growth rate of real GDP/GNP (Percent)			Share of world trade(b) (percent)		
		1982	1960-70	1970-82	1984	1960	1970
Singapore (a)	5,910	8.8	8.5	8.9	1.0	0.5	1.3
Hong Kong (a)	5,340	10.0	9.9	8.1	0.6	0.9	1.3
South Korea(a)	1,910	8.6	8.6	7.9	0.3	0.3	1.5
Brazil (a)	2,240	5.4	7.6	3.6	1.1	1.0	1.3
U K	9,660	2.9	1.5	2.2	9.0	6.8	5.5
Japan	10,080	10.4	4.6	5.5	3.4	6.7	8.8
U S A	13,160	4.3	2.7	6.7	17.4	15.1	12.1
India	260	3.4	3.6	6.5	1.1	0.7	0.5

Sources: World Bank, "World Development Report", 1980 and 1984.  
International Monetary Fund, "International Financial  
Statistics Yearbook", 1984.  
OECD, "Economic Outlook", July 1984  
"South Magazine", February 1985.

Mirza, H. "Multinationals and the Growth of the  
Singapore Economy", 1986.

Notes: (a) - These are some of the "new industrialising countries."  
(b) - Country Exports as a proportion of global  
exports of all non-socialist countries.

TABLE: 2  
Singapore's Comparative Economic Performance, 1974-84

	Overall Performance (b), (c)	The Fastest Growing GDP (d)		The Lowest Rate of Inflation(e)		The Strongest Currencies(f)	
World Rank (a)	Country	Country	Average Annual Real Growth Rate(%)	Country	Average Annual Rate of Inflation(%)	Country	Average Annual Change Against SDR(%)
1	Singapore	Singapore	8.4	Switzerland	3.56	Japan	4.35
2	Taiwan	Taiwan	7.95	Singapore	4.27	Switzerland	3.36
3	Malaysia	S.Korea	7.81	W.Germany	4.38	Singapore	3.07
4	Hong Kong	Hong Kong	7.60	Burma	4.54	Qatar	2.56
5	S. Arabia	Egypt	7.57	Malaysia	5.36	Bahrain	2.14

Source: Based on Euromoney's third annual survey of a decade of economic performance in "Euromoney", October 1984.

Mirza, H. "Multinationals and the Growth of the Singapore Economy", 1986.

- Notes:
- (a) - Ranking as basis of 93 non-socialist countries.
  - (b) - Euromoney's weightings are economic growth, inflation, currency strength, export growth and current account performance.
  - (c) - Japan was 8th, the USA 26th and the UK 54th.
  - (d) - Japan 25th; USA 51st; UK 75th.
  - (e) - Japan 7th; USA 19th; UK 45th.
  - (f) - Japan 1st; USA 8th; UK 33rd.

TABLE: 3  
Foreign Direct Investment (FDI) in Singapore, 1960-83(a)  
US\$ Millions

Year	Total flow of FDI into Singapore	Inflow of USA FDI	Inflow of Japanese(b) FDI
1963	5		
1964	11		
1965	16	30(c)	
1966	18		31(d)
1967	28	1	
1968	23	15	
1969	37	21	
1970	92	30	9
1971	126	25	8
1972	191	59	42
1973	393	92	81
1974	607	88	51
1975	610	84	55
1976	651	-26	27
1977	335	57	66
1978	739	210	174
1979	941	139	255
1980	1,689	339	140
1981	1,916	635	266
1982	2,093	-17	180
1983	1.390(e)	143	NA
Stock of FDI, 1982/83	11,911	1,803	1,383

Sources: International Monetary Funds, "Balance of payments Yearbook", various issues. U.S. Department of Commerce, "Survey of Current Business", November 1984. Japanese Ministry of International Trade and Industry (MITI), "the Overseas Business Operations of Japanese Firms", various issues.

Mirza, H. "Multinationals and the Growth of Singapore Economy", 1986.

- Notes: (a) - Data since derived from different sources are not strictly comparable.  
 (b) - These MITI figures are "licensed" amounts not actual.  
 (c) - Total Inflow, 1946 to 1966.  
 (d) - Total Inflow, 1951 to 1969.  
 (e) - Figure could partly biased due to strength of the USA dollars against the SDR.

## Singapore's Traditional Dependence On Neighbouring States

Despite the impressive performance, Singapore is not an independent capitalist economy but thrives only on the prosperity of its neighbouring nations.

Since its beginning the island has been a centre for regional barter and entrepot trade. From the mid-nineteenth century its role in linking resource-rich South East Asia with the industrialised countries became particularly important.

In 1963 Singapore gained its independence via its membership in the Malaysian Federation. Foreign companies, anticipating a Malaysian common market, increased their local investments in Singapore. When Singapore left the Federation in 1965, many of these MNCs had little options but to redirect their emphasis on export markets, assisted by the government supported export-oriented programmes. Fortunately, this move concided with the restructuring of the world production and trading system. Rising labour costs, high taxes, competition and other factors were increasingly forcing companies from industrialised countries to re-locate production in developing countries. This international development has an important impact on Singapore. The timely development of an appropriate ambience for foreign investment was irresistible to many foreign MNCs. During the 1960's foreign direct investments (FDIs) increased at an unprecedented rate (Table 3). The trend has continued.

It increased to 31 percent of gross domestic capital formation (GDCF) in 1982 (Table 4). In 1983, Singapore has attracted 3.2 percent of world FDI, or 14.6 percent of FDI destined for developing countries (Table 5).

Despite this development, net borrowing from abroad has been relatively modest because much of the FDI were financed by earnings from the very profitable existing foreign subsidiaries, reflecting the very satisfactory investment environment.

Until 1970 the main foreign investors were UK firms (colonial influence) and Overseas Chinese organisations (immigrants). However, because of subsequent massive campaigns for foreign direct investments, investors now include firms of American, Japanese and European, as well as of Malaysian origins.

As a result of these activities foreigners, both corporate and individuals, represent over a quarter of Singapore's GDP (Table 6). Multinational investments are particularly intense especially in manufacturing, banking and other services. Foreign companies as whole finance 60 percent of manufacturing output and about 70 percent of manufacturing exports (Table 7). Even foreign countries appear to have particular sectoral and industrial preferences. For example, foreign investments from UK are concentrated in services such as banking, insurance, consultancy and trade. This perhaps reflects the UK's well known competitive advantage in trade invisibles. Service orientated preferences by Malaysian and Hong Kong investors are perhaps because these investors are often the local subsidiaries

TABLE: 4

## Foreign Investment and Domestic Capital Formation

US\$ Millions

	1972	1975	1980	1981	1982
Annual Foreign Direct Investment (FDI)(a) in Singapore	191	610	1,689	1,916	2,093
Stock of FDI(a)	547	2,157	6,512	8,428	10,521
Earnings(b) of Foreign Investors	128	345	1,332	1,519	1,565
"Rate" of Profit(c) (%)	36	22	28	23	19
Gross Domestic Capital Formation in Singapore (d)	1,194	2,208	5,133	6,029	6,747
Net Borrowing from Abroad(e)	496	584	1,564	1,382	1,279

Sources: International Monetary Fund, "Balance of Payments Yearbooks", Singapore Department of Statistics, "Economic and Social Statistics of Singapore", 1960-62.  
Singapore Department of Statistics, "Yearbook of Statistics", Singapore.

Mirza, H. "Multinationals and the Growth of Singapore Economy", 1986.

- Notes: (a) - IMF data. The Stock of FDI is simply the sum of the annual flows.  
Singapore.  
(c) - Earnings of any year divided by stock of FDI in previous year.  
(d) - GDCF = net domestic savings of local and foreign entities in Singapore plus factor income from abroad plus net borrowings from abroad.  
(e) - Includes various types of short and long term capital flows.



TABLE: 5

Singapore's Share of World Foreign  
Direct Investment (FDI), 1975-83

Percent

	1975	1980	1983
Total Flow of World FDI (US\$ billions)	19.1	47.3	43.0
Regional or Country share of World FDI			
- Industrial Countries	58.8	74.7	65.4
- Developing Countries	26.5	25.3	22.1
- Asia	6.4	10.4	10.2
- Singapore	3.1	4.6	3.2
FDI in Singapore as a proportion of FDI in Asia	48.6	44.6	31.8
FDI in Singapore as a proportion of FDI in developing countries(a)	11.7	13.7	14.6

Source: International Monetary Fund, "Balance of Payments Yearbook", 1982 and 1984.

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Note : (a) - Non oil-exporting countries only.

TABLE: 6

Indigenous and Foreign Shares in Singapore's  
Gross Domestic Product (GDP)

	1966	1970	1975	1980	1982
Total GDP (US\$ Million)	1,086	1,876	5,640	11,302	14,649
Indigenous Share (%)	91	82	77	72	74
Foreign Share (a) (%)	9	18	23	28	26

Source: Singapore Department of Statistics, "Economic and Social Statistics of Singapore", 1960-1982.

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Note: (a) - Resident foreigners and resident foreign companies.

TABLE: 7

Local and Foreign Share in Net  
Manufacturing(a) Investment  
Commitments

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	1972	1975	1980	1982
Total (US\$ million)	69.2	129.2	665.5	815.1
Local (%)	20	19	14	31
Foreign (%)	80	81	86	69

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Source: Singapore Department of Statistics, "Economic and Social Statistics", 1960-82.

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Note: (a) - Excluding petrochemicals.

TABLE: 8

Foreign Establishments(a) in Singapore by  
Country of Origin and Industry, 1982

Country of Domicile of Parent Company	Total No. of Parent Companies Involved	Total No. of Establish- ments	Establishments by Industry or Sector(b)	
			Agriculture, Forestry and Fisheries	Energy
U S A	194	226	-	10
U K	180	369	8	8
Japan	136	129	-	4
Australia & New Zealand	96	125	1	3
W. Germany	43	46	-	1
The Netherlands	29	40	-	-
Sweden	25	26	-	-
Switzerland	23	23	-	1
France	15	12	-	2
Canada	12	22	1	-
Other Developed Countries (c)	33	31	-	-
Hong Kong	66	127	2	1
Malaysia	59	80	2	-
Other Less Developed Countries (d)	19	20	-	1
<b>All Countries</b>	<b>930</b>	<b>1,276</b>	<b>14</b>	<b>31</b>

TABLE: 8

Foreign Establishment(d) in Singapore by  
Country of Origin and Industry, 1982 (cont.)

Country of Domicile of Parent Company	Establishments by Industry or Sector(b)			
	Extraction & Manufacture of Metals, Chemicals & Minerals	Engineering, Vehicles & Construction	Other Manufacturing	Wholesale Distribution incl. Exports/Imports
U S A	43	97	24	5
U K	34	64	37	23
Japan	21	66	14	7
Australia & New Zealand	19	28	22	11
W. Germany	4	21	4	3
The Netherlands	12	5	7	7
Sweden	4	9	1	1
Switzerland	2	12	-	1
France	2	4	-	3
Canada	-	1	2	-
Other Developed Countries(c)	5	12	2	-
Hong Kong	8	11	11	10
Malaysia	9	16	12	9
Other Less Developed Countries(d)	1	8	2	3
All Countries	164	354	138	83

TABLE: 8

Foreign Establishments(a) in Singapore by  
Country of Origin and Industry, 1982 (cont.)

Country of Domicile of Parent Company	Establishments by Industry or Sector(b)			
	Retail Distribution	Transport and Communication	Business and Finance	Other Services
U S A	-	9	33	5
U K	31	39	94	31
Japan	3	8	5	1
Australia & New Zealand	4	11	21	5
W. Germany	-	4	8	1
The Netherlands	1	7	1	-
Sweden	2	4	4	1
Switzerland	1	-	4	2
France	-	-	1	-
Canada	-	2	16	-
Other Developed Countries(c)	-	3	9	-
Hong Kong	13	18	50	3
Malaysia	3	3	24	2
Other Less Developed Countries(d)	1	2	2	-
<b>All Countries</b>	<b>59</b>	<b>110</b>	<b>272</b>	<b>51</b>

TABLE: 8

Foreign Establishments(a) in Singapore by  
Country of Origin and Industry, 1982. (cont.)

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Source: Dun and Bradstreet Ltd., "Who Owns Whom in Australasia and the Far East", London, 1983.

Mirza, H. "Multinationals and the Growth of Singapore Economy", 1986.

- Notes:
- (a) - "Establishments" this includes both direct and indirect subsidiaries in Singapore. Only majority owned (50-100%) subsidiaries are included.
  - (b) - The industry or sector of the parent company, but subsidiaries' industry is used where identifiable.
  - (c) - Includes Finland, Austria, Denmark, Norway, Italy, The Soviet Union, Belgium and Yugoslavia.
  - (d) - Includes India, Bermuda, Panama and The Philippines etc.

TABLE: 9  
The Distribution of USA, U.K. and Japanese  
Foreign Direct Investment in Singapore

Percent

Industry	USA(1982)	U.K. (1981)	Japan(1980)(f)
Petroleum	39.7(a)	N.A. (b)	-
Manufacturing	31.3	40.9	73.4
- chemicals	1.2	29.6	8.8
- non - electrical machinery	3.0	0.6(c)	13.2
- electrical machinery	15.4	3.7	14.8
Trade	10.0	21.3	6.0
Banking	7.0	27.2(d), (e)	(g)
Other Finance, Insurance and Real Estate	9.5	8.0	5.3
Others	2.5	2.5	15.2
<b>Total Amount (US\$ million)</b>	<b>1,803.0</b>	<b>1,169.9(e)</b>	<b>932.2</b>

Sources: U.S. Dept. of Commerce, "Survey of Current Business", August 1983.  
U.K. Government Statistical Office, "Business Monitor" (MA4), Supplement, Census of Overseas Assets 1981", Japanese Ministry of Finance.  
Mirza, H. "Multinationals and the Growth of Singapore Economy", 1986.

Notes: (a) - Includes petroleum refining and related activities.  
(b) - To avoid disclosure most of the share which should be included here have been listed under "Chemicals" and "Banking".  
(c) - Includes mechanical engineering and instrument engineering.  
(d) - Includes Insurance.  
(e) - Data for Banking in Singapore is added to Banking in Malaysia. For this presentation two-thirds of this sum has been allocated to Singapore.  
(f) - Approved, but not confirmed amount of FDI.  
(g) - Included in "other finance".



of UK companies. The USA and Japan are better represented in electrical/electronic industries. Current foreign investment in Singapore is now highly diversified sectorally and industrially (Tables 8 & 9).

Singapore's increasing competition in the world market has helped it to develop into a venue for multinational participation in joint ventures where racial and national identities are blurred. This is very valuable to ASEAN where racial sensitivities continue to be a problem of major concern. For the open economies of ASEAN, Singapore provides the region with a valuable nexus for multi-racial participation. Though much of the regional resources may be those from ethnic Chinese, the MNCs' network has also helped spread multi-racial involvements throughout the region.

The traditional barter and entrepot trade of Singapore is declining in recent years. International trade on the other hand is increasing dramatically. This changing economic profile of Singapore is taking on a new significance in the region. Singapore's international trade together with its excellent infrastructure and the MNC connection could now be an important economic link for ASEAN's regional harmony and economic development. This new role covers a wide range of high value added manufacturing and service industries for the region (Table 10). Singapore's current economy as a whole spreads across a wide but selective range of manufacturing, financial and other services and is gradually re-emerging as an important component of the new regional economic order (Table 11).

A recent study of ASEAN countries revealed that market size, raw material procurement and cheap labour were the primary determinants of country choice by multinationals (Wain 1979). For export-oriented manufactures and services however, Singapore was usually the preferred site. This is because, factors such as good infrastructure, skilled labour, industrial relations and political stability often offset the disadvantages such as the lack of cheap labour or raw materials.

Singapore however continues to source much of its raw materials from the neighbouring ASEAN countries. In this pivotal role in the region, trade with fellow ASEAN countries accounts for between 20-30 percent of its total trade. More significantly, Singapore accounts for 85 percent of intra-ASEAN trade, 21 percent of ASEAN's trade with the other Asia Pacific countries and 36 percent of ASEAN's exports world-wide (IMF Direction of Trade Yearbook, 1984 ). Thus, though all ASEAN states have considerable trade with other countries, Singapore's share of this trade is highly significant. Singapore is also an important financial centre. In the 1970s, Singapore-based banks and MNCs supplied 45 percent of the loans to related companies in Thailand; and these received 51 percent of Thai financial outflows (UN Centre on Transnational Corporation 1981). MNCs operating in ASEAN also tend to establish their headquarters in Singapore to co-ordinate their South East Asian activities. Much of the Singaporean investments in ASEAN arise from the needs of MNCs subsidiaries based in Singapore. Hence, the ASEAN dependence is mutual.

TABLE: 10

A List of "High Value Added" MNCs' Subsidiaries  
in Singapore.

Parent Company	Singapore Company	Products
Consolidated Aeronautics Corp. (USA)	Aerospace Industries Pte Ltd.	Aircraft parts and components
Wild Heerbrug AG (Switzerland)	Wild (Singapore) Pte Ltd.	Surveying instruments, stereomicro- scopes
Beecham Group (U.K.)	Beecham Pharmaceuticals Pte Ltd.	Semi- synthetic penicillins
Alfa Laval (Sweden)	Alfa Laval (Singapore)	Compressors, heat exchangers
Kanegafuchi Chemical Industry Co.Ltd. (Japan)	Kaneka Singapore (Pte) Ltd.	Amino acids
Nestle SA (Switzerland)	Eastreco Pte Ltd.	Regional food research centre
Fuji Oil (Japan) C.Itoh & Co. (Japan)	) Fuji Oil ) Singapore )	Cocoa butter replacer plant

Sources: Singapore Economic Development Board, "Leading International Companies Manufacturing and Providing Technical Services in Singapore", 1983.

Singapore Investment News, September 1983, April 1984 and May 1984.

Mirza, H. "Multinationals and the Growth of Singapore Economy", 1986.

TABLE: 10

A List of "High Value Added" MNCs' Subsidiaries in Singapore  
(Cont'd)

Parent Company	Singapore Company	Products
Air Liquide (France)	Liquide Pte Ltd.	Speciality gases for electronics industries
Caltex Petroleum Corp. (USA)	Singapore Refining Co.	Petroleum products
British Petroleum Co. Ltd. (U.K.)		
Singapore Petroleum Corp. (Sing.)		
WIBAU (W.Germany)	WIBAU-Allatt(s) Pte Ltd.	Road construction equipment
Honeywell Inc. (USA)	Honeywell - Synertek Pte Ltd.	Semiconductors, integrated circuits design
ELXSI Inc. (USA)	Tata/ELXSI Plc Ltd.	Super-mini computers and related software
Tata Industries Ltd. (India)		
Philips (Netherlands)	Philips Singapore Pte Ltd.	Precision tools, discs, TV sets, radios, cassette recorders and domestic appliances
Matsushita Electric Industrial Co. (Japan)	Matsushita Electronics(s) Pte Ltd.	Hi-Fi equipment

TABLE: 11

## Singapore's Major Trading Partners, 1983

Territory or Country	Share of Each Country or Territory			
	Exports(a)		Imports	
USA	18.3		15.2	
Japan	9.2		18.1	
European Community	9.2		10.3	
- Germany		2.3		2.7
- UK		2.3		2.8
Australia	2.8		1.8	
Other Industrialised Countries	2.7		2.3	
ASEAN	25.0(b)	32.7(b)	16.0(b)	25.5(b)
- Brunei		1.1		0.6
- Indonesia		16.1(b)		11.1(b)
- Malaysia		9.2(b)		11.5(b)
- Philippines		2.0		0.5
- Thailand		4.3		1.8
Hong Kong	6.9		2.1	
South Korea	2.3		1.5	
India	2.0		1.2	
China, P.R.	0.9		2.9	
OPEC(c)	6.0		19.5	
Other Developing Countries	12.4		6.1	
Comecon	1.1		0.4	
Total - Percent	98.8(d)		97.2(d)	
- Amount (US\$ bn)	21.8		28.2	

Source: IMF, "Direction of Trade Statistics Yearbook", 1984, Washington.  
 Mirza, H. "Multinationals and the Growth of Singapore Economy", 1986.

Note: (a) - Exports from Singapore.  
 (b) - Singapore statistics include Indonesia and Malaysia. Indonesia and Malaysia's share is derived from the statistics of these two countries.  
 (c) - Excluding Indonesia.  
 (d) - Sum not equal to 100 percent because of incomplete statistics.

This explains why Singapore often treads very carefully in its relations with the other ASEAN countries. This will not only foster cohesion within ASEAN but more importantly it will help to ensure that its attractiveness to foreign investors will not be jeopardised.

A recent analysis of ASEAN trade with the EC by Schmitt-Rink illustrates these points well (Schmitt-Rink 1983). The conclusions indicated that: (i) Singapore's share of all ASEAN-EC trade was 23 percent; (ii) Intra-industry trade essentially in manufactures accounted for one sixth of ASEAN-EC trade; (iii) Singapore's share of intra-industry trade was 55 percent; and (iv) without Singapore the commodity composition of ASEAN's trade with the EC would be similar to that of other developing countries.

Though trade between the ASEAN countries is on the increase, moves towards greater integration continue to flounder. It is interesting to note that much of the pressures for stronger integration emanate from external sources, including EC, US and Japan, which are the homes of most of the MNCs in the region especially in Singapore.

## Proposed Role Of Singapore In ASEAN Regional Complementarism

The size, geographical location and rich resources of the neighbouring states are factors that have continued to knit Singapore firmly into the economic fabric of the region. With modern industrialisation and MNC investments, Singapore's traditional dependence on its neighbours has transformed and inter dependence has increased.

This is not only helping Singapore to overcome its limitations but is also enabling it to participate in the growing opportunities within the neighbouring ASEAN states. The private sector often reacts to the opportunities by extending Singapore sales operations to include the other ASEAN markets. Via this strategy profitability is greatly enhanced and the returns on their investments are further maximised. Singapore government also reacts enthusiastically to regional sales expansion as it often increases the scope and depth of MNC investments in Singapore.

However Singapore is aware that its continued reliance on MNC investment cannot be guaranteed given the turmoil of the world economy. Rapid technological change, international industrial restructuring, increase in protectionism, and continuing competitive pressures from other developing countries, are factors likely to seriously affect Singapore's trade in goods and services (Kaye 1984). Industries critical to Singapore's economy such as petroleum products, electronics and financial services are among those most susceptible to market instability. Technological transfer, a vital concept for national

industrialisation, may not always work. Mirza showed that technology transfer in two major industries on which Singapore depended heavily, petroleum products and electronics, is superficial at best. Fransman argues that the same applies for the machinery industry (Fransman 1984) and Odaka explained why total technology transfer may never occur ...

"'Technology transfer' is a fashionable term these days, but it is not always clear exactly what is meant by it. At the very least, it encompasses (i) production technology, (ii) production control, and (iii) product design. If 'transfer' implies only the transplanting of hardware (i), the matter is rather simple, since it can be boiled down to the problem of financing the purchase of given 'technology' (plant and/or equipment). But the transplantation of technology means much more than that. It entails not only the appropriate choice of products and of techniques, but also the formation of suitable institutional set-ups and the supply of qualified manpower. ... The most demanding task is the third: the development and design of new products" (Odaka 1984 p16).

Low research and development (R & D) activities have always been the cause of Singapore's technological dependence. In 1981,



Singapore devoted a mere 0.3 percent of its GDP to R & D, (Table 12) while South Korea devoted 0.7 percent and the industrialised countries expended a massive 2.4 to 2.5 percent of GDP. In 1980 only 52 private companies (28 of them foreign) conducted any form of R & D in Singapore. Philips was the biggest investor with \$4 million (20 percent of private R & D) and 200 research engineers (Science & Technology Quarterly; Vol. No.2, October 1981).

Hence, while Singapore will continue to rigourously seek for increased foreign investments, higher technological industrial development and the expected stimulating competitive effects, all of which may appear to help to promote Singapore's self-reliance, Singapore will still continue to need its resource rich neighbours and their huge domestic markets, to justify the continued presence and enlargement of foreign investments in the tiny island state.

Given this environment, it is possible that there is a new intermediary role that Singapore can play in the context of MNC and ASEAN development. One useful strategy in this role is the promotion of the establishment of complementary MNCs' regional subsidiaries in other nearby ASEAN states to increase MNCs business in the region and to strengthen their Singapore regional base. Greater regional participation with national specialisation may create a more competitive yet regionally oriented self reliant market. This positive synergy is significant and valuable not only to MNCs and Singapore but also to the fundamental objectives of ASEAN economic cooperation.

TABLE: 12

## Gross R &amp; D Expenditure in Selected Countries, 1981

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Country	Amount (US\$ bn)	Proportion of GDP (%)
Singapore	0.04	0.3
U K	6.0	2.4
Japan	14.4	2.5
USA	39.1	2.5
Germany	8.2	2.5

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Sources: "Science and Technology Quarterly, October 1983.

Mirza, H. "Multinationals and the Growth of Singapore Economy", 1986.

## Vertical Integration And Industrial Complementarism

The complementarity strategy in regionalism has its roots in the concept of vertical integration.

MNCs' sourcing of components, parts and other imports from the region is not only an important part of technology transfer (Ng, et al 1986), it is also a constituent of the process of vertical integration. In the context of ASEAN, the backward integration which include purchasing from other ASEAN members would not only reduce imports but could also promote production of more complex components in selected member countries. This eventually could lead to complete production by ASEAN firms. Some strong vertical integrations have already been created, especially in the electronics industry (Lim & Pang 1977).

In Singapore, although many MNCs still import a major proportion of their materials, a large range of less sophisticated inputs are already being produced by local subsidiaries of MNCs in Singapore. Over the years, this local production has spread to the lower labour cost areas especially in Malaysia. MNCs have much to gain from this arrangement and several major Japanese electronics and appliances firms such as Matsushita, Sanyo and Hitachi have even been successful in encouraging other supporting Japanese firms to set up local productions in Singapore (Kwan & Lee 1983).

This relationship between MNCs in Singapore and local firms could be termed as "cross-industrial", with the locals or their

subsidiaries supplying the MNCs in Singapore with raw materials, components, distribution and other services. It could also be termed as "operational complementarism" since these operations run parallel to the concept of complementarism such as that put forward to promote ASEAN development. In Singapore there is already a trend for an increasing number of new components being sourced from neighbouring ASEAN countries. Because of the strong performance of most MNCs in Singapore, the timing is perhaps right for Singapore to promote this intermediary role of matching ASEAN's regional resources and low labour costs, with Singapore's excellent infrastructure for accelerated ASEAN development. This could promote intra ASEAN collaboration utilising the respective strengths of the individual members and would reduce the likelihood of one member nation competing with another.

#### Singapore's Self Reliance and ASEAN Development

Because of the dominance of MNCs, the crucial role they play in the economy, the limited domestic market and the turbulence of the international market, the issue of dependency will always be critical to Singapore. It is in the country's interest to reduce over dependency in any one direction. Any major move towards self-reliance by Singapore alone, however, is neither possible nor desirable. This is because even if the Country takes on a major direct involvement in the economy, the main beneficiaries of this indigenisation policy will be the state-owned enterprises and not the economy generally. Secondly, as

displacement of MNCs is not the intention, Singapore would still remain heavily dependent on external forces. In particular, the economy would still be susceptible to: (a) disruptions in supply of components and raw materials; (b) disruptions in demand, from protectionism in industrialised markets, for example; and (c) competition from neighbouring countries.

ASEAN could be more than a supplier of raw materials for Singapore MNCs' operations. It could assist Singapore in balancing the financial, technological and preferred market dominance of MNCs. This could not only reduce the fears of the anti-competitive effects of MNCs but could also contribute to the overall transfer of technology.

Singapore's intermediary role in complementarism of MNCs operations in ASEAN is an useful alternative to avoid over dependence on MNCs and to help advance regional cooperation. The foundation for this role has its strength in the traditionally strong competitive advantage in regional intermediation since the entrepot days. ASEAN's economic prospects are excellent. The group has a large labour force, abundance of raw materials and energy resources. Most ASEAN members have what Singapore lacks and lack what Singapore has. Greater economic co-operation between Singapore and the other member nations would present ASEAN as a potentially powerful block of nations. The report of the Independent Task Force on Economic Co-operation presented in June 1983, (Scricharatchanya & Awanohara 1984) could be a basis for further discussion. This report recommended a variety of measures. Among others, it emphasised industrial co-operation to

facilitate intra-ASEAN complementarism. ASEAN's development into a credible economic organisation along the lines suggested could evolve from the existing activities of MNCs in Singapore or from new MNCs desiring to break into the ASEAN markets. Singapore with its concentration of MNCs can play a leading role in this perspective. These synergies may have immense impact on the future of ASEAN generally and Singapore specifically.

In summary, the proposed role of Singapore in regional complementarism, capitalising on Singapore's strengths, is worthy of further consideration. Singapore's traditional role as an intermediary in regional trade has in the past, contributed much to the economy. With ASEAN and the MNCs connection, there is now an opportunity to revitalise this role in the context of regional complementarism of MNCs operations. This role is akin to the industrial complementarity scheme, a classical approach to promote regional cooperation. Its benefits as part of the vertical integration strategy are well known to MNCs. Whilst Singapore's efforts in attracting and retaining foreign investments are aimed primarily at promoting its own economy, this proposed regional complementarism of MNCs could also promote ASEAN development to the benefit of all member nations including Singapore and the MNCs. With the knowledge of MNCs' organisational strategies established in this study, this concept of MNCs regional complementarism could be further developed.

## Chapter 2 THEORETICAL DEVELOPMENT

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Chapter One gave an overview of the study. In this Chapter, the primary thrust of the study will firstly be explained followed by theoretical justification of the selected components. The hypotheses will then be presented and the final model of the study integrating all the justified components will then be described.

## 2.1 Direction of the Study

### 2.1.1 Managerial Perceptual Process

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The theoretical approach for model development started with an appreciation of the managerial perceptual process in the context of environmental influences. In this perspective, managerial perceptions were seen as managerial responses to the environmental challenges arising both internally and externally to the organisation. This in turn would affect organisational performance since much will depend on the senior managers' ability to maximise organisational resources to meet market opportunities.

Though many of the environmental challenges arising internally are within the control of managers, those arising externally are less controllable. Nevertheless both internal and external challenges will affect the manager and the organisation which in turn may affect ASEAN development. In the external context, it is often the managerial characteristics that intervene between organisation and environment. In the internal context, managerial values often directly influence and are influenced by the organisational objectives and strategies. Organisational objectives and strategies are therefore both the dependent and independent variables arising out of these interactions.

The manager is at the interface of the organisation and the environment. His perception of the environment will determine his choice from the available alternative courses of action.



This in turn will affect the organisation in either a positive or a negative way.

Traditionally, there are two distinct approaches to the study of managers in organisational and national settings, one sociological and the other psychological. The first seeks to explain managerial behaviour by emphasising the central tendencies of groups. The latter views behaviour in and around organisational and national environments as a function of the characteristics of specific individuals.

Perrow (1970) argues for the sociological perspective:

"The sociologist makes only minimal and quite crude assumptions about the psychology of individuals and the interactions of people ... because it is the goal of his professional discipline to study the pattern regularities of interaction among groups, or social structure." (Perrow 1970 p22).

But, there is a need to understand why people behave the way they do. In order to achieve this, one must consider what makes them unique since individuals differ in their reactions to similar situations. In this psychological approach, the roles of personal goals, characteristics and perceptions are stressed. This study of managerial perceptions took on a managerial psychological approach and emphasised how these perceptions may be influenced by behavioural factors.

Perception shapes and produces what we actually experience. It

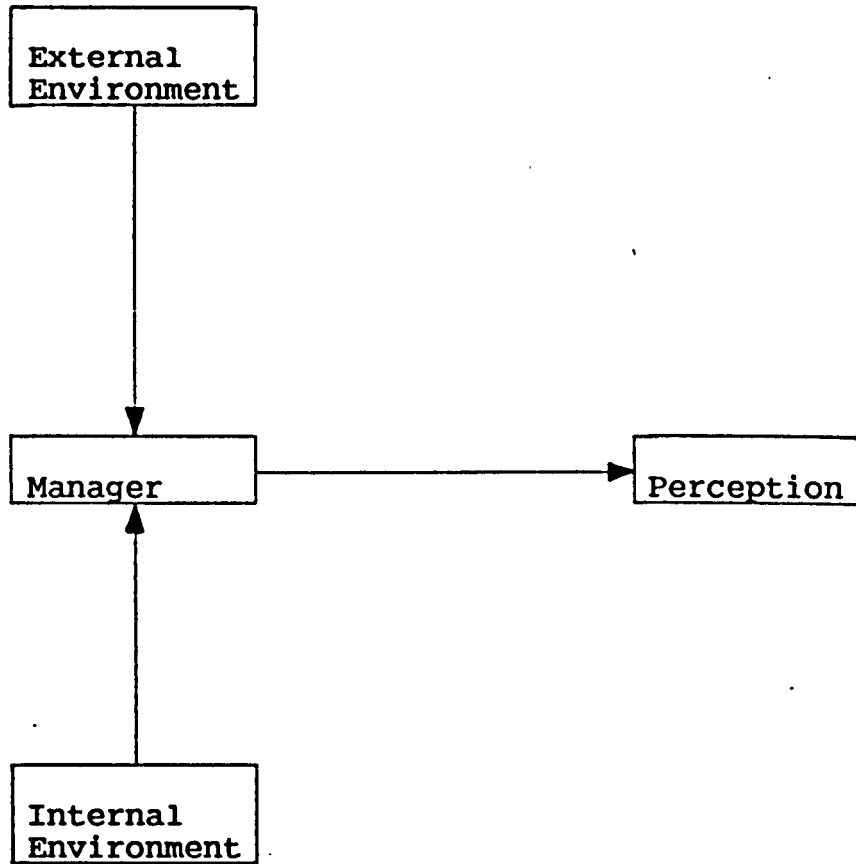
is a process that includes both a selecting and an organising mechanism. Not all information confronting an individual is processed. The selection component of perception screens out what is considered irrelevant. The organising component orders and categorises information so as to allow a person to create meaning out of situations.

Managerial and organisational factors are seen as the forces behind the formulation of managerial perception. These important factors influence managerial responses to various situations. Much of the selecting and organising processes of perception is influenced by these factors.

This study measured the managerial perception in relation to the selected environmental factors. Perception and the environment, both internal and external, will together provide a broader understanding of managerial feeling and will help to explain behaviour in a given situation. This managerial perceptual process is summarised as in Figure E.

# FIGURE E

## Managerial Perceptual Process



## 2.1.2 "Involvement" and "Commitment"

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The study adopted two elements as a mean of categorisation of the managers. These were "Involvement" and "Commitment". Though the two are associated with one another, they are not necessarily sequential.

### 1. "Involvement"

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The term "involvement" has been used in both experimental and field studies. The bulk of the experimental work has been concerned with the effects of involvement on perception, retention, problem solving, level of aspiration and the like (Berkowitz 1965). The concern of field studies has commonly been the relationship of "job involvement" to performance, absenteeism, and so on (Vroom 1964). In this wide range of uses, different interpretations have been introduced. This result in a lack of clarity and agreement as to what "involvement" means.

However, since this study focuses on the work life of the senior manager and the organisation, the conceptualisation of involvement in relation to the job or "job involvement" is appropriate. The literature includes three different conceptualisations of the construct of "job involvement". A person is involved in his job, 1) when work is a central life interest to him (Dubin 1956; Lodahl & Kejiner 1965; Davis 1966); 2) when he actively participates in his job (Allport 1943; Vroom

1959, 1962); and 3) when he perceives performance as central to his self esteem (Iverson & Reuder 1956; French & Kahn 1962; Hackman 1968; Siegel 1969) and consistent with his self concept (Aronson & Carlsmith 1962; Vroom 1964).

These conceptualisations of job involvement also run parallel to the structural definitions of self generally, as presented by Gergen (1971). Gergen defines self as a system of concepts. He classifies self into three dimensions. The first dimension includes concepts which describe self as an entity or "the identity self" (Coleman 1969). This dimension of self concept may be likened to the "central life interests self" aspect of job involvement but takes on a broader perspective. Gergen's second dimension describes self as an active entity or "the doer self". This dimension of self concept relates to the participative aspect of job involvement. The items which load heavily on this factor involve doing or trying to do things that relate to the organisation. The third dimension of Gergen's definition of self is "the evaluative self". This corresponds to self esteem and self concept aspects of job involvement.

In this study, managerial involvement as a person and the job may be operationalised as follows. For "the identity self" the individual will review broad interests central to his wider living environment or his degree of identification with the ASEAN region. For the "doer self" the individual will review things that he does in his organisation and will express his degree of identification with his organisation. The third component,

"evaluate self" may be examined under two subcomponents, "self esteem" and the "self concept". "Self esteem" relates self to society and the nation. In the "self concept" it is the inner self relating to the individual career and well being that will be measured.

Saleh and Hosek (1976) found these various factors of self to be empirically differentiable. Involvement can thus be put in a broader context of these perspectives of self.

Measurements for "Involvement" were adapted from Saleh and Hosek (1976). Minor modifications were made for the purpose of this study (Question 12, Appendix A).

## 2. "Commitment"

"Commitment" has been extensively used in organisational literature but, like involvement, it is used only within the very narrow context of the organisation or the job. Several measures of organisational commitment can be found in the literature, (Grusky 1966; Hrebiniak & Alutto 1972) but little effort has been made to develop suitable behavioural measures of commitment. There have been no systematic or comprehensive efforts to determine the stability, consistency of predictive powers of these various instruments. Researchers instead rely on the face validity of these variables. Moreover, most explanations of work behaviour focus on behaviour-outcome contingencies models, such as expectancy and reinforcement theories. But commitment as a process extends beyond the

organisation. It takes into consideration personal characteristics and the environment (Hall & Schneider 1972; Rabinowitz & Hall 1977; Mowday & McDade 1980; Angle & Perry 1981; Morris & Sherman 1981).

Weiner (1982) viewed commitment as a normative process, "clearly distinctive from instrumental - utilitarian approaches to the explanation of work behaviour" (Weiner 1982 p418). A basic premise of Weiner's identification approach is that internalized normative pressure, such as personal moral standards, will need to be considered to arrive at a fuller explanation of individual behaviour in organisations. It is expected that personal internal pressure once established would have long term effects on behaviour, independent of rewards or punishments.

The identification approach postulates commitment to be an attitudinal intervening construct. Buchanan in this context defines commitment as: "... a partisan, affective attachment to the goods and values of an organisation, to one's role in relation to goals and values, and to the organisation for its own sake, apart from its purely instrumental worth" (Buchanan 1974 p533).

Within the literature, three classes of variables seem to emerge as antecedents of commitment. The first is the personality - need variable (Hall, Schneider & Nygren 1970; Dubin, Champoux & Porter 1975; Steers 1975). Typical conclusions in this perspective suggest that managers would most likely identify with and commit themselves strongly to organisations that fit their

goals and their desired climate. Variables in the second category of antecedents of commitment commonly include job characteristics and work experience (Hall & Schneider 1972; Porter & Steers 1973; Buchanan 1974). A third category includes personal demographics (Hall, Schneider & Nygren 1970; Lee 1971). Weiner (1982) concluded that commitment is really a function of situational, organisational and personal factors.

The extent of commitment is hence probably related to the perception of congruence between organisational and personal values. The socialisation of individuals and the resulting values and beliefs will often represent important influences on the propensity of individuals to become committed to an organisation or society.

Hence, commitment may affect self, organisation and the society. The societal influences in this study may be further distinguished between those arising from the nation and from ASEAN as an unit. Thus, in this study, the managerial perceptions of commitment, as with involvement, can be measured at the four levels of self, the organisation, the nation and ASEAN as a whole.

A useful instrument for measuring organisational commitment was developed by Mowday, Steers & Porters (1979). This instrument was adapted for use in this study. The 15 item questionnaire was modified very slightly for evaluating commitment in each area of self, organisation, nation and ASEAN (Question 13, Appendix A).



### 2.1.3 Hypothesis

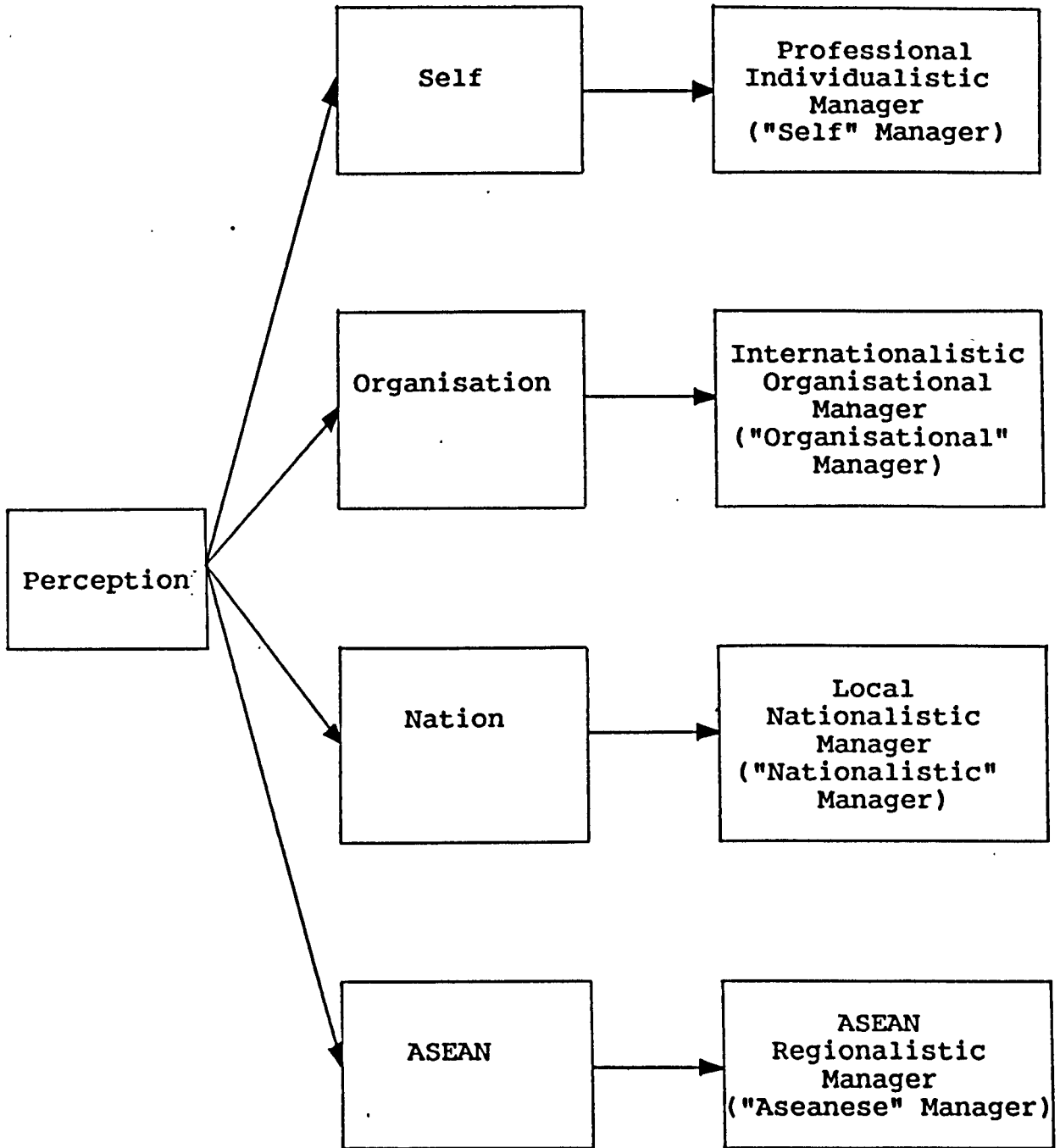
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The study hypothesised that among the senior managers in MNCs there were four different levels of "Involvement" and "Commitment". The extent to which each of these levels of perception was identified with would enable this study to label them under each of the four types of managers as illustrated in Figure F. These are ... 1) professional individualistic manager, or "Self" manager; 2) internationalistic organisational manager or "Organisational" manager; 3) local nationalistic manager or "Nationalistic" manager; 4) ASEAN regionalistic manager or "Aseanese" manager. The differences in their perceptions may be elaborated as follows:

1. "Self" managers - For these managers, self interests, such as personal advancement, come first. Asean is of little interest to these managers.
2. "Organisational" managers - For these managers the welfare of their organisations are placed above other matters. ASEAN is only of interest to the extent that organisational interests are affected.
3. "Nationalistic" managers - For these managers, national interests are of paramount importance. ASEAN is often seen as threatening to national interests.

FIGURE F

Managerial Typologies By Perceptual Levels



4. "Aseanse"  
managers - For these managers, ASEAN development reigns supreme. However they are also just as concerned for themselves, their organisations and the nation. In their wholistic perspective, ASEAN is an ideal grouping that will benefit all in the region. Hence they are strong supporters of ASEAN and are likely to take appropriate steps to further ASEAN development.

The first hypothesis (H1) on the differences in the perception of "Involvement" and "Commitment" of the senior managers were summarised in Table 13. This could be more specifically narrated as follows:

H1: The perception of the "Involvement" and "Commitment" of MNCs' senior managers to themselves, their organisations, the nation they work in and ASEAN will be distinct.

This distinction will enable the study to categorise the managers. Those who are strongly involved with and committed to themselves, may be labelled as the "Self" managers; those who are strongly involved with and committed to their organisations may be labelled as the "Organisational" managers; those who are strongly involved with and committed to the Nation they work in may be labelled as the "Nationalistic" managers; and finally, those who are strongly involved with and committed to ASEAN may be labelled as the "Aseanese" managers.

TABLE: 13

Types of Managers (H1)  
(Involvement and Commitment)

Managerial Type	"Self" Manager	"Organisa- tional" Manager	"National- istic" Manager	"Aseanese" Manager
Perception				
I. Involvement				
1. Self	+	-	-	+
2. Org	-	+	-	+
3. Nation	-	-	+	+
4. ASEAN	-	-	-	+
II. Commitment				
1. Self	+	-	-	+
2. Org	-	+	-	+
3. Nation	-	-	+	+
4. ASEAN	-	-	-	+

+ : Correlated Positively

- : Correlated Negatively

## 2.2 Regional Integration

### 2.2.1 Related Literature

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There are two distinct streams within the literature on regional integration: the popular journalistic stream such as those published in the Contemporary Southeast Asia, Journal of Common Market Studies; and the academic stream such as those work undertaken by Balassa and Nye. The first of these, although of historical interest, is not of much value to theory development. The second - academic writings - suffers from the strong bias towards political economics. The majority of these fall between attempts to construct grand theories on integration to isolated micro-level studies focusing only on narrow aspects of integration (Machlup 1976). Many lack a strong theoretical base and their usefulness in advancing theory or in practical application was severely restricted.

Below is a survey on the definition for the term "integration". Since the terms regionalism, integration and regional integration have been used in the literature to mean the same thing, this study will also use these interchangeably.

"Integration" has been conceived of in various ways. Deutsch et al (1957), in their study of political community and the North Atlantic Area, focus on the creation of "security communities" which they describe as the existence of "institutions and practices strong enough and widespread enough to assure, for a "long" time, dependable expectations of "peaceful change" among

the population" (Deutsch, et al 1957 p228). The major role of these "security communities" is the prevention of aroused conflict and an emphasis on peaceful coexistence.

Jacob and Teune (1964) highlight the inconsistencies among the various definitions of integration and focus on the political characteristics of the concept. They indicate that "political integration generally implies a relationship of community among people with the same political entity. That is, they are held together by mutual ties of one kind or another which gives the group a feeling of identity and self-awareness. Integration, therefore, is based on strong cohesiveness within a social group; and political integration is present with a political-governmental unit of some sort of cohesion" (Jacob & Teune 1964 p4).

Etzioni (1965) focuses on "community" creation. A community is established "only when it has self-sufficient integrative mechanism; that is when the maintenance of its existence and form is provided for by its own processes and is not dependent upon those of external systems or member units" (Etzioni 1965 p4).

Hass (1958) in his study of the coalescing process within Europe, defines integration as "the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new center, whose institutions possess or demand jurisdiction over the pre-existing national states" (Hass 1958 pl6).

Gregg (1968) suggests that integration may be defined "as the transformation of an inter-nation subsystem in a direction in which more weight is accorded to decisions and actions in the make-up of the aggregate of actors", where "the nation-state ceases to be an autonomous decision-making unit with respect to certain important policies; the locus of economic problem solving is to some extent shifted from the state to an inter-governmental or supra-national body"(Gregg 1968 p304). This definition is primarily aimed at economic cooperation as the core of the integration processes but implies that political coalition building could also be an important aspect of this development.

This survey of definitions point to two major difficulties in current uses of the term "integration". The first is the use of the term to refer to economic cooperation as well as political and social groupings. The second is the application of the same word to both a "process" and a certain stage or "level" of integration. These are significant problems in that assessment of the extent, degree, or level of cooperation in areas being examined may vary widely depending on the definition used. Such has been the case in examinations of European integration. Deutsch sees the European integration process as having been stalled since 1958 while Hass, Linberg and Inglehart conclude that European integration has made its greatest gains since 1958 (Nye 1968). The source of difficulty is in the general "fuzziness" of the concept of integration.

There was also much interest in attempting to measure integrative strengths and potentials. Initially, aggregates of social and

economic indicators were used to rank nations (Isard 1960). This perspective was stimulated by the work of Almond and Coleman, Deutsch, Merrit and Rokkan, and Russett, among others (Almond & Coleman 1960). In these studies, nations were matched by some criteria and the results were categorised into general typologies. More recent studies, however, tended to concentrate on relationships between nations. There is a tendency to operationalise the relevant variables, test their validity and statistically reduce the number of relevant variables to a smaller set of more reliable indicators. Some of these studies were cross-sectional (focused on point-in-time analysis) whilst others were longitudinal (concerned with the identification of trends). In more recent years, new variables have been introduced into the study of international relations and scholars have combined several kinds of data (attribute, transaction, perception, international events) with scaling techniques that permit comparisons.

Deutsch (1967) relied more on different indicators of trends towards or away from integration. In predicting the amount of arms control that would be acceptable to Europeans in 1967, 1971 and 1976, Deutsch employed five types of measures: interviews with elite leaders, public opinion polls, a survey of arms control and disarmament proposals, content analysis of newspapers and periodicals, and transaction data on inter-nation behaviour. Transaction indices employed were trade, travel, postal correspondence and exchange of students.



Russett (1967) correlated some 89 separate indices covering 130 nations in a comprehensive study of regionalism. He employed factor analysis to select 54 of these indices to measure the cohesiveness of world regions. The five underlying factors measured by these indices were: 1) social and cultural homogeneity; 2) similarity of political attitudes or external behaviour; 3) shared supranational membership; 4) economic interdependence; and 5) geographical proximity. His measures for the first four factors turned out to be excellent predictors of regional ties, but geographical proximity did not explain much about affinities among nations.

Rummel (1968) utilised factor analysis and separated attribute indicators from behavioural indicators. He correlated nation-patterns and isolated those indicators with the highest validity. He also compared his variables against those of other studies and found a high level of congruence among the studies. The attribute indicators that he found most significant were: energy consumption/population, bloc membership, killed in foreign violence, Roman Catholics/population, and population/area. The most significant behavioural pattern indicators include tourism, emigrants/populations, weighted UN voting distance, exchange of students, exports/GNP, and inter-governmental membership.

In subsequent studies data were collected concerning the dyadic behaviour of nations. The data included measures of: salience, emigration and communication, UN voting, exports, foreign students, international organisations, official conflict behaviour, and diplomatic representation (Rummel 1968).

Brams (1966) also utilised transaction data in a factor analysis design to determine patterns of relationships among nations. He correlated flows of diplomatic exchanges with trade, and shared membership in inter-governmental organisations, in order to highlight subgroups of nations in the international system.

Increasingly, attribute data and behavioural data have been combined with data on the perceptions of leaders to provide more sophisticated analyses of international relationships. Perceptions of policy makers have been measured by content analysis of documents, newspapers, memoirs, and other sources, and scaled by Q-sort (Moses, et al 1967) and other methods according to degrees of cognition (Adelman 1969) hostility (Holsti 1969), or trust (Azar 1970).

In recent years, events in regional groupings have received increasing attention (Machlup 1976). Events however differ from perceptions in that the former are government actions rather than affective feelings by policy makers. Interest in event analysis and perception was stimulated by North and McClelland of the Hoover Institute (Singer 1968). These dimensions of analysis were specially valuable because they allowed qualitative measurement of the content of communication rather than simply the volume of communication among nations.

Nye (1971) argued that a major difficulty in these studies is that the concept of integration has been too inclusive and thus too general to allow for consistent interpretation. To avoid

this problem of excessive generality, Nye has suggested a categorisation of types and subtypes of integration, each of which can be associated with a clear measurement of the conditions of integration at a given point in time (Figure G). Nye's major types are economic integration (formation of a transnational economy), social integration (formation of a transnational society) and political integration (formation of a political bloc). Nye asserts that the disaggregation of concepts will force scholars working with the idea of integration to make more qualified generalisations. This would establish a trend away from the use of often overly simplistic isolated indicators.

Each of Nye's types of integration is in turn a composite of several indicators. For example the indicator of economic integration is derived from Balassa's concept of abolition of discrimination between economic units belonging to different nation-states (Balassa 1961). Nye's subtypes of economic integration include trade integration and services integration, both of which he suggests can be measured quantitatively.

Nye also proposed a dynamic dimension (Figure H). The dynamic aspects of his model includes the "process mechanism" and the "integrative potential" components. The list of variables within the "process mechanism" and the "integrative potential" components are as in Figure I. According to Nye, the integrative potential may further be categorised under structural and perceptual conditions.

FIGURE G

ASEAN ECONOMIC INTEGRATION & MNCs SENIOR MANAGERS  
(USING NYE'S CATEGORISATION)

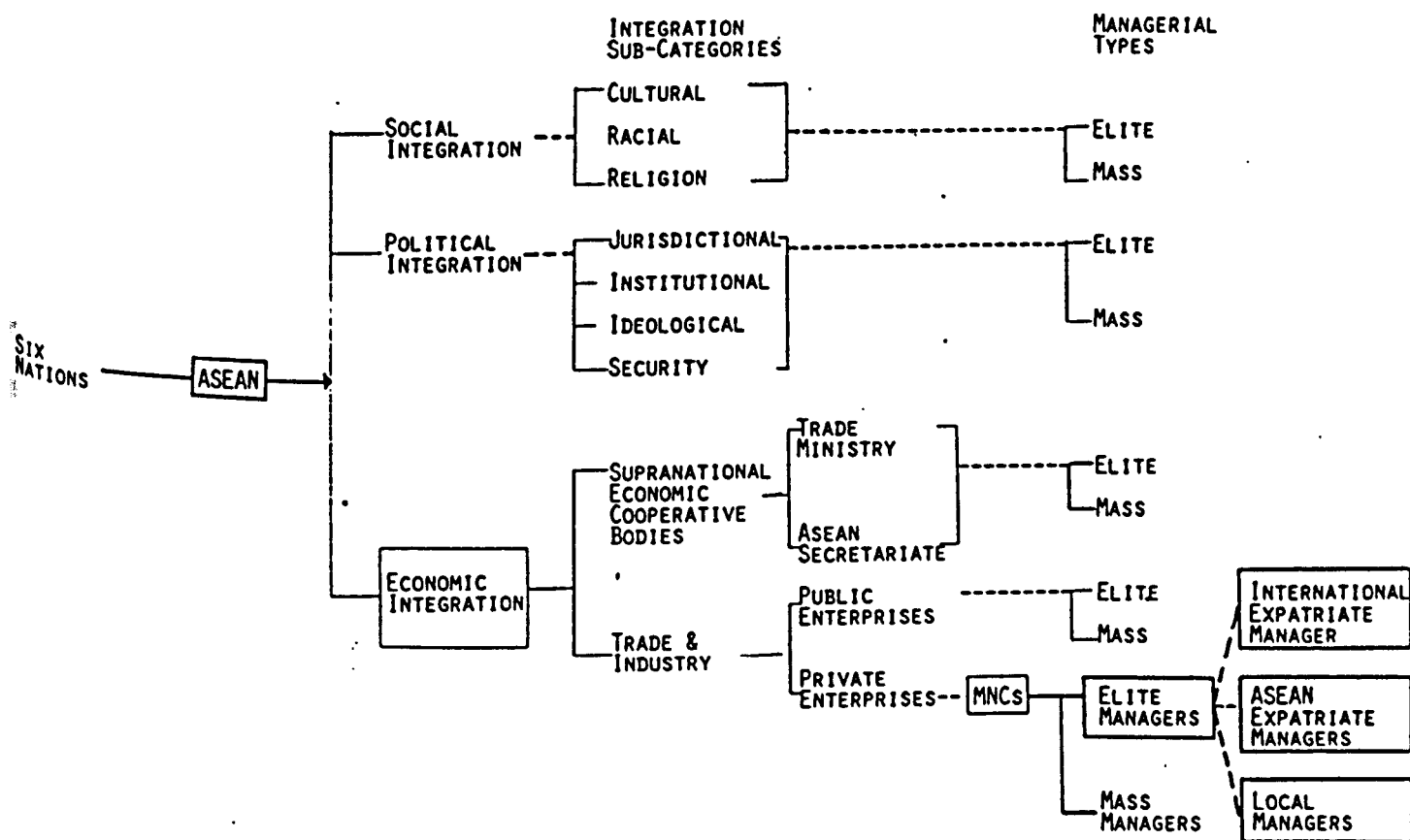
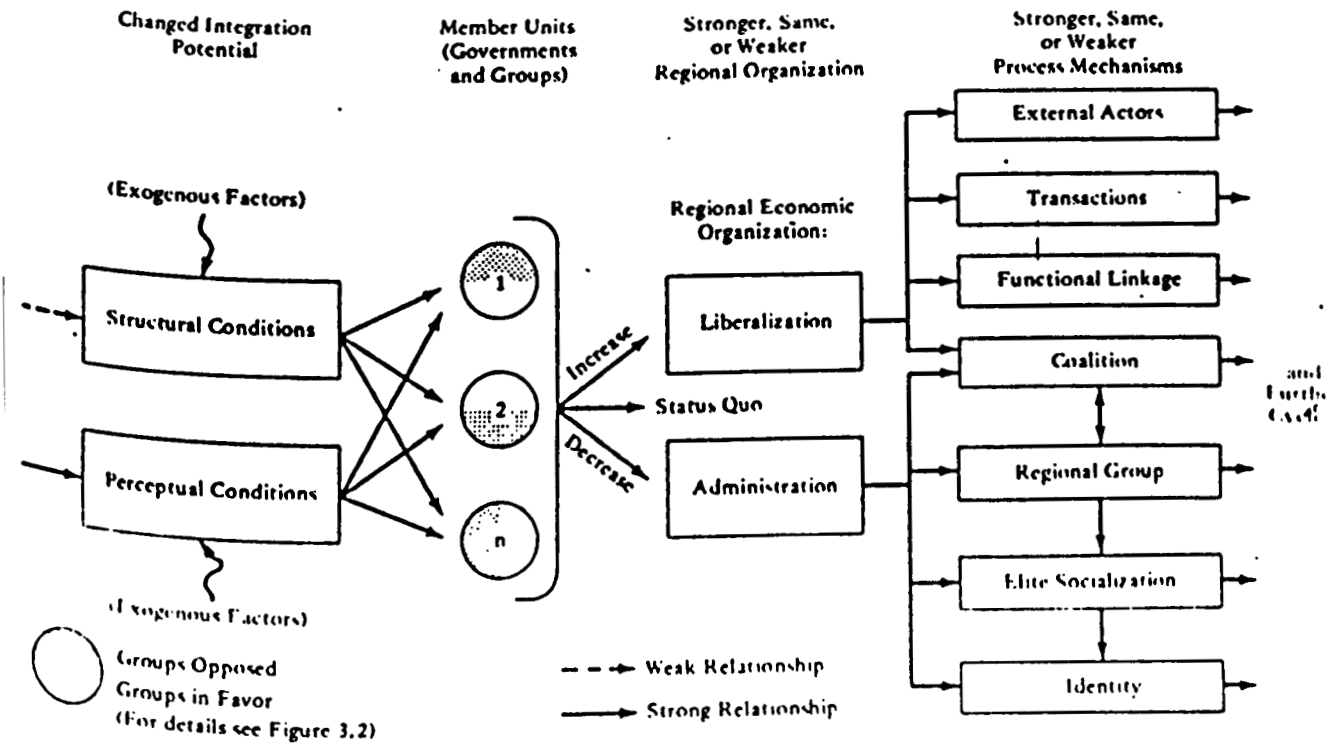
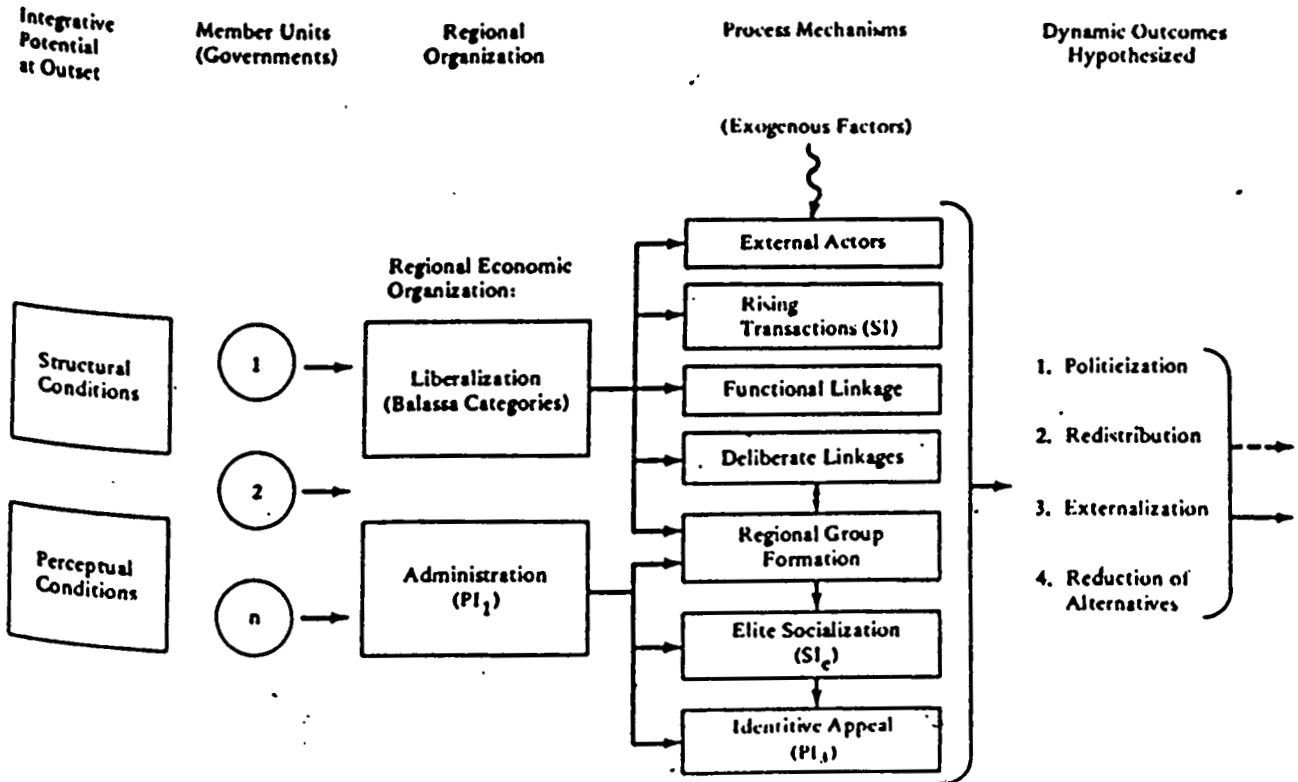


FIGURE H

REGIONAL INTERGRATION PROCESS OVER TIME



SOURCE : NYE, J.S. "PEACE IN PARTS" BOSTON, 1971

FIGURE: I

Nye's list of variables in his process mechanisms and integrative potentials

I. Process Mechanisms

1. Functional linkages of tasks
2. Rising transactions
3. Deliberate linkages and coalition formation
4. Elite socialisation
5. Regional group formation
6. Ideological - identitive appeal
7. Involvement of external actors

II Integrative Potential

A. Structural Conditions

1. Symmetry or economic equality of units
2. Elite value complementarity
3. Existence of pluralism (modern association groups)
4. Capacity of members states to adapt and respond

B. Perceptual conditions

1. Perceived equity of distribution of benefits
2. Perceived external cogency
3. Low (or exportable) visible cost

Nye further identified the key "actors" or "elites" that play a role in the integrative process. Socialisation of these "elites" was presented as a crucial "process mechanism" for regional integration over time. He distinguished between mass social integration and group or elite social integration and saw "elite" social integration as a prerequisite for regional integration. Among the elites he identified were : politicians, national bureaucrats, military leaders, academics and managers. Nye attempted to delineate the impact of regionalism by these elites. Though Nye has been confused by the several different levels of analysis, it is nevertheless clear that elites play an important role.

Nye says:

"In general, the greater the complementarity of elites with effective power over economic policy as reflected in similar statements and policies toward the most salient political-economic issues in their region, the better the conditions for positive or integrative response to the feedback from the process forces released by participation in the integration scheme." (Nye 1971 p81).

Nye showed little interest in structural conditions, and conceives them as "relatively stable variables largely determined by factors other than integration process" (Nye 1971 p75). He emphasises the perceptual conditions which according to him differ from the structural conditions of symmetry because these are based on perception by the actors. This distinction

made by Nye helps to explain the gap that often appears between the actual changes in economic symmetry in a region and the perception of equity among decision-makers.

Nye in his complex model does not speak of "integration" as having occurred or not. Rather he concerns himself with, for example, trade integration in the economic category or elite integration in the social category. In this approach he hopes eventually to evaluate the dynamic process of integration rather than just seeing it as a static, all or nothing situation. That is to say, the nature of the overall process can be assessed, besides the degree of integration. Nye, therefore, will not say that "integration" is occurring in a region, or has or even can occur. In Nye's opinion it may be occurring in some categories and not in others.

Although Nye's model is confusing and much of his theory is not supported by empirical evidence, he contends that in regionalism, changes take place according to his dynamic integration model. Unfortunately, Nye did not specify the inter-relationship of the variables among those in the process mechanism or integrative potential components. Within the latter neither did he specify the relationships of the components at the structural or perceptual levels.

In summary, one could conclude that despite several weaknesses, Nye made three major contributions to the integration literature. He developed a conceptual and operational definition of regional integration, proposed a dynamic model of regional development and



established some techniques to measure integration. The use of Nye's various integration dimensions would be one way of facilitating a solution to the problem of operationalising the concept of integration. Of special relevance to this study are the perceptual conditions of the elite managers, who, according to Nye have a significant impact on regional development.

If one accepts Nye's proposition for ASEAN, then one could predict the likely direction of the integrative process through a study of the various variables specified by Nye. A beginning has been made to compile data on integrative tendencies in Asia (Nye 1971), but studies on perceptual conditions in integration generally and ASEAN particularly, continue to be avoided by researchers.

#### 2.2.2 Selected Variables

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Perceptual conditions of ASEAN integration are of special importance since this study takes the view that the behavioural bases of knowledge may help to overcome some of the cultural problems arising from the applicability of Western integration concepts. Nye's three perceptual conditions are:

1. Perceived equity of distribution of benefits
2. Perceived external cogency
3. Perceived cost

These were operationalised in the model of this study and are justified as follows:

## 1. Perceived Equity of Distribution of Benefits

The background of Nye's model has already been covered. In Nye's model the first of the three perceptual conditions is the perceived equity of distribution of benefits, or the "Benefits" variable.

The politics of regional integration is often argued as a non-zero-sum game. This suggests that all states are better off with integration. Even if the smallest state like Brunei Darussalam might not gain as much as Singapore or Indonesia, it is often assumed to be better off than it would have been without ASEAN. Others, however, argue that regionalism is more like a zero-sum game.

What matters most is not the hard facts about economic changes but rather how decision-makers perceived the gains or losses in relation to their countries, their organisations and themselves. This will be affected by sensitivities to traditional competition between the states and the personal predictions of the individual decision-makers. Admittedly, a great deal will depend on whether politicians will make it a particular point to dramatize inequalities.

This "Benefits" variable was operationalised via Question 15 which was specially developed for this study while closely adhering to Nye's prescription of "Benefits" (Appendix A).

## 2. Perceived External Cogency

Nye's second perceptual condition is labelled as "perceived external cogency" or the "Cogency" variable. In the private sector, the way that organisation decision-makers perceive the nature of their external situations, may be an important condition influencing their feelings towards ASEAN. There are a variety of relevant perceptions, such as a sense of external threat from a large neighbouring competitive organisation which may suddenly appear in the traditional home market, or a loss of status or privileges previously available through local governments.

Schmitter (1969) has suggested that a useful measure of external dependence is the percentage of total exports represented by the two main export items. One problem with using such data alone is that they measure dependence, not perception of dependence by the relevant elites. According to this measure, Singapore and Indonesia were in the past more mutually dependent economically than with any other country in the world. In recent years the entrepot trade dependence has declined steeply, but the perception of overall dependence has become increasingly visible and has often been articulated as a positive mutual goal for the two nations (The Straits Times Nov.29, 1986).

The important question here is the existence of a common perception on the "Cogency" of such dependence. Perception of external cogency was measured by Question 14 (Appendix A).

### 3. Perceived Costs

Traditionally, a key tenet of government strategies aimed at the private sector is to make integration seem relatively cost-free. One way to achieve this is by careful choice of initial steps. Where initial visible costs are low, it is easier to get agreement on the first steps that hopefully will help start the whole process. Over time, of course, costs are likely to become more visible.

Finding low cost situations is not always easy. For example, there are currently very similar manufacturing operations in both Malaysia and The Philippines. These may be protected to varying degree by the respective governments. Besides, there are also different government incentives for business to stay within different parts of a country. If organisations were to integrate, consolidation and disruptions may be necessary. These are often costly and clearly visible.

A high tariff common to all markets in the region against products from outside the region is often a preferred strategy, as it is less visible. The proponents argue that though it may represent a real cost to consumers inside the region, in the long run this may be compensated if the goals of ASEAN integration are realised.

According to Johnson's (1967) theory of economic nationalism, the widely dispersed and less visible costs of protectionist subsidies are not as politically important as are the concrete

benefits gained by specific groups being protected. Thus to the extent that it looks as though only outsiders are being hurt and the visible costs can be "exported", reaching agreement on integration policies may be made easier.

Similarly, if external aid either from the government or MNCs' home offices can be used to solve problems that have arisen because of integration, then, the costs of resolving these problems are in effect exportable and the solution may be more likely to be adopted. In short, the greater the prospects for avoiding or exporting the visible costs, the more favourable it will be for a positive response for integration. Alternatively, the lower the costs are perceived to be, the stronger will be the sentiments for integration. Perceptions of "Costs" was measured by Question 16 (Appendix A).

### 2.2.3 Hypotheses

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In general this study hypothesised that the perceptions of "Benefits", "Cogency" and "Costs" were reflections of the type of managers.

"Self" managers were expected to perceive ASEAN as beneficial to their self interest largely because of the expanded career opportunities. Because of this, they would play down the "Costs" of ASEAN development and would glorify the environment, seeing it as "Cogent" for ASEAN integration.

"Organisational" managers were expected to perceive ASEAN as not beneficial to their organisational interest because of the traditional hostilities and suspiciousness between MNCs and host nations. Because of this, aggravated by the current uncertainties in the region, they were expected to perceive the environment as not "Cogent". Furthermore, since organisations intending to expand their organisations in the region must incur high start-up expenses, "Costs" were expected to be perceived as high.

"Nationalistic" managers were expected to see ASEAN as a threatening organisation to which the Nation must submit itself to. This being the case, they would perceive the region as not "Cogent" since ASEAN would likely to be detrimental to the nation. Consequently the high cost of ASEAN formation would be emphasised.

"Aseanese" managers were expected to see ASEAN as the ultimate solution that would be beneficial to all. This being the case, these managers would emphasise the "Cogency" of the environment and would choose to ignore costs.

The hypotheses on the differences in the managerial perception of ASEAN development using Nye's perceptual variables of "Benefits", "Cogency" and "Costs" were summarised in Table 14. These are more specifically narrated as follows:

H2a: "Self" and "Aseanese" managers will be correlated positively to "Benefits" but "Organisational" and "Nationalistic" managers will be correlated negatively to "Benefits".

H2b: "Self" and "Aseanese" managers will be correlated positively to "Cogency" but "Organisational" and "Nationalistic" managers will be correlated negatively to "Cogency".

H2c: "Self" and "Aseanese" managers will be correlated negatively to "Costs" but "Organisational" and "Nationalistic" managers will be correlated positively to "Costs".

TABLE: 14

Perception of Benefits, Cogency &  
Costs of ASEAN Development (H2a, 2b, 2c)

Nye's Variables		Managerial Type	"Self" Manager	"Organisa- tional" Manager	"National- istic" Manager	"Aseanese" Manager
1.	Benefits		+	-	-	+
2.	Cogency		+	-	-	+
3.	Costs		-	+	+	-

+ : Correlated Positively

- : Correlated Negatively



## 2.3 Managers' Demographics, Personalities and Cultural Factors

### 2.3.1 Related Literature

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Organisations are progressively recognising and taking into accounts the differences in managerial factors, besides government and labour rules, capital and equipment, in different countries. Many American multinational companies are already varying their management approaches and techniques when they operate in foreign countries. Management researchers are also increasingly emphasising managerial demographics, personalities and cultural factors in their studies of the functions of management.

These emphaises arise largely because organisational outcomes, including strategy and performance, are often viewed as reflections of the demographics, personalities and cultural backgrounds of the powerful senior managers of the organisations. It is also expected that there may be some linkages between these variables and managers' perceptions of the environment.

#### Managerial Demographics

Hambrick and Mason (1984) in their study entitled "An Upper Echelon's Perspective in Organisations", classified managerial characteristics into two groups of observable (demographic) and psychological (personality) variables. In their synthesis of the literature they stated that organisational outcomes may be predicted via analysis of the backgrounds of managers. In

particular, they placed primary emphasis on and argued strongly for a focus on the observable managerial demographics such as age, education, status and financial position.

### Managerial Personalities

The literature on personality is highly filled with controversies (Weiss & Davison 1981; Rorer & Widiger 1983; Schneider 1983). There are numerous theorists of personality (London & Exner 1978; Hall & Lindzey 1979) and differing research approaches. Almost all the major theorists in psychology, such as Freud and Skinner who have been concerned with developing comprehensive explanations of human behaviours, have been fundamentally concerned with personality. Other studies by Rapport and Orwant (1962) also suggest that behaviour in non-zero-sum games is influenced by personality factors.

The personality area by its very nature is difficult and confusing both definitionally and theoretically. This study will not attempt to evaluate the entire literature but rather will only identify those aspects of the literature which are directly relevant.

One behavioural issue central to this study is the personality versus situation debate. On the one hand, Mischel and Peake (1982), argue that situations are the primary determinants of behaviour while, on the other hand Buss and Craik (1983) emphasise the importance of personality. Until mid-1960s personologists and situationists functioned independently, as if under some kind of truce. However, in 1968 Mischel published a

book particularly critical of trait theorists. He was severely attacked. Most of the criticism of Mischel's position was on his extreme social learning perspective. Strictly speaking this was less than fair since he utilized the extreme social learning perspective more as a term of reference rather than as a total representation of his own position.

While theorists still differ substantially on the personalities/situations question, an interactionist perspective has in the meantime emerged. This came about as a rapprochement between trait or personality theorists (personologists) on the one hand and social learning or behavioural psychologists (situationalists) on the other.

Perhaps the most insightful representative of the interactionist perspective is Bowers (1973). Rather than arguing for traits or against situationism, Bowers states that "situations are as much a function of the person as the person's behaviour is a function of the situation" (Bowers 1973 p327). He argues from the Piagetian assimilation-accommodation framework that situations and persons exist as a result of how they are known. The situation then, is a function of the perceiver in the sense that perceivers' cognitive schemes filter and organise the situation. Situations then, are not separable from persons. People tend to choose to locate themselves in environments and organisations that are compatible with their personalities and behavioural tendencies (Szilagyi & Schweiger 1984). It follows then, that if managers foster environments that are consistent with their

own inclinations, the environments will be isomorphic with, and not separable from, the managers operating within.

Mischel and Bowers have not been the only parties to the debate over personality and situational correlates of behaviour. At least two other books on interactional psychology also have appeared (Endler & Magnusson 1976; Pervin & Lewis 1978). Although some writers on personality theory may still take an extreme perspective, interest in interactional psychology has grown, revealing much of the unrealised potential for insight into a number of contemporary topics on organisational behaviour.

Another development in the trait factor theory was described by Mischel (1968) who postulated that an individual personality was composed of enduring predispositions. Hence, personality may be seen as relatively permanent characteristics that determine consistent patterns of behaviour including consistent responses to environmental stimuli (Buss & Craik 1980). They are stable and common to many individuals and are consistent over situations and persistent over time. They are also expected to influence perceptions in a consistent way and may be influenced by, or interact with, the situation.

In current literature most theoreticians now appear to agree that:

- a) it is meaningful to talk about stable personality characteristics;
  - b) it is meaningful to seek optimal conceptual frameworks;
- and

- c) accounting for behaviour involves three sources of data: personality, situation and their interactions.

The general direction of this study is therefore consistent with the interactionist perspective of the personality factor. Specifically for this study, a MNC manager's perception of ASEAN is seen to be a function of both the situations arising from ASEAN, the Nation and the organisation and that of the personality and demographics of the individual manager.

### Cross Cultural Factors

Culture has long been considered an important element in the determination of perception. Not surprisingly the amount of cross-cultural research published has been massive. There have been several handbooks (Triandis, et al 1980; Munroe, Munroe & Whiting 1981), edited collections (Altman, Rapoport & Wohlwill 1980; Warren 1980; Hamnett & Brislin 1980), proceeding of conferences (Eckensberger Lonner & Poortinga 1979; Levison & Malone 1980), textbooks (Segall 1979; Hofstede 1980) and numerous articles in several well known journals such as Academy of Management Journal/Review.

Since ASEAN is not only a region of convergence of a variety of people of diversified backgrounds from all over Asia but is also the crossroad of East and West, cross cultural issues are of particular significance.

Exhortations concerning the importance of gathering cross-cultural data have been made by industrial psychologists (Landy &

Trumbo 1980), social psychologists (Hollander 1978; Wrightsman & Deaux 1981) and cognitive psychologists (Estes 1975; Medin 1981). The range of concepts investigated in cross-cultural studies of individuals has also been vast. These include the acquisition of a culture's norms (Erchak 1980), the use of leisure time (Crandall & Thompson 1978), and a host of other aspects of human behaviour. Cross-cultural research is especially rich as it is not confined to one methodology, a topic area, or a traditional speciality within psychology such as experimental, developmental, social or clinical.

Another factor contributing to the large literature is the resurrection and development of old concepts. In particular the relationship between personality and culture has again been examined in recent years (Draguns 1979; Morsbach 1980; Shweder 1979a; 1979b; 1980). These authors tried very hard to avoid the classic criticism that personality and culture studies yield little but collections of stereotypes. Instead they took into consideration individual variability, multimodel distributions, the international dynamics of a society and a recognition that comparisons are a matter of cultural emphasis rather than the presence or absence of a feature. Other researches on personality focused on people's knowledge about their world (Posner & Baroody 1979), their communication with one another (DeVos 1980), and the transmission of knowledge to the next generation (Edwards 1981; McClelland 1981).

Like a number of concepts long studied by psychologists, such as personality and intelligence, there is no one definition of

"culture" which is widely accepted. The most frequently cited definition is probably that of Kroeber and Kluckhohn (1952). They include such elements as "patterns, explicit and implicit of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievements of human groups ... [and] ideas and their attached values" (Kroeber & Kluckhohn 1952 p181).

A more recent definition of culture in management was given by Hofstede. He defined culture as "the collective mental programming of the people in an environment" (Hofstede 1980 p43). Culture distinguishes the members of one human group from another and influences human responses to the environment. In general, people are seen as being from different cultures if their ways of life as a group are significantly different.

There are a number of excellent review articles highlighting the various aspects of cross-cultural management research (Triandis 1967; Nath 1969; Ajiferuke & Boddewyn 1970; Barrett & Bass 1970; Boddewyn & Nath 1970; Roberts 1970; Hofstede 1980).

Nath (1969) discussed the methodological issues in cross-cultural research. Roberts (1970) took a broader perspective, categorising over 500 organisational studies into some twenty-six areas of interests. Boddewyn and Nath (1970) focussed on studies dealing with business managers in two or more countries.

Both Nath (1969) and Roberts (1970) were sharply critical of work in this field. Nath (1969) argued that most of the

investigations he could find compared performance in only two selected countries. In an even more critical survey of cross-cultural research related to organisations, Roberts (1970) concluded that only a little knowledge has resulted from such research. She did not feel they deserved the effort which was expended on them.

Barrett & Bass (1970) reviewed surveys of managers' attitudes and behaviours. They were more optimistic and were able to identify a sufficient number of consistent but tentative generalisations to suggest that the field was viable.

Nevertheless, methodological issues in cross cultural studies remain difficult as the theoretical problems are complex.

The emic-etic theoretical framework which incorporated a range of methodological possibilities has proved to be a very helpful guide to researchers (Lonner 1979; Triandis, et al 1980; Brislin 1981). Emic-etic or "cultural-specific and cultural-general" is the search for cultural-specific concepts (emics) and cultural-general concepts (etics). Even then, "emics", identified by people outside a culture are difficult to understand and to describe because, by definition, they are not part of the outsider's frame of reference.

In the cross cultural management literature, one may identify six major different approaches to cross-cultural studies (Adler 1983). These approaches vary in the theoretical and management issues which they address, in their assumptions about universality, in their ways of dealing with similarities and



differences, and therefore, in their methodology. The most common type of management study is the parochial type such as the studies of the United States conducted by American management researchers in foreign countries. The second most common type is ethnocentric (Heenan & Perlmutter 1979). These studies attempt to replicate American management research in foreign countries. The third is polycentric. These studies focus on describing, explaining, and interpreting the patterns of management and types of organisations in foreign countries. The fourth type, comparative management studies, attempt to identify those aspects of organisations which are similar to and those aspects which are different from cultures around the world. In the fifth type, the geocentric studies, cross cultural researchers focus on identifying the similarities among cultures which will allow MNCs to have unified policies for their worldwide operations. The sixth, and to date the least common type of management research, is the synergistic studies. These attempt to create universal principles. Synergistic studies explore cross-cultural interaction and use both similarities and differences in creating both universal and culturally specific patterns of management. The purpose of synergistic studies is to create a transnational culture which can be used around the world while maintaining an appropriate level of cultural particularity.

As is evident from the above, cross-cultural studies are very complex. Each type has a different perspective. Each is designed to address a different set of questions and is based on a different set of assumptions. For researchers to build a

meaningful framework to understand the complicated cultural aspects of behaviour of people in organisations around the world, and for managers to use the results of cross-cultural management research effectively, it is necessary that the perspective of each study be accurately specified.

Perhaps because of these difficulties, very little research has been done on managerial behaviours in organisations sited in cross-cultural locations. Harbison and Myers' book (1959) "Management in the Industrial World" was the first extensive effort of its kind to study cross-cultural comparative management. Their work was based on field studies in various countries and was a valuable contribution to this field. It was not until 1963 that Haire, Ghiselli & Porter published a more quantitative book titled "Managerial Thinking" which included a survey of managers in fourteen countries (Haire, Ghiselli & Porter 1963). Since then, little has been published in this area.

As this research focuses on MNCs in ASEAN, a region within the international scene, the study can therefore be approached from a geocentric perspective if universality is emphasised or from a comparative perspective if cultural differences are stressed. Both geocentric and comparative cross cultural management studies are therefore of special relevance and are further elaborated as follows:

Geocentric studies investigate the management of MNCs which operate in more than one nation. Geocentric studies are not

concerned with comparing domestic organisations within each culture. Although not explicitly stated, this type of research tends to be a search for similarity across cultures. The underlying assumption is that there are universally effective approaches to organising and managing organisations.

Pure geocentric research thus assumes cross-cultural universality without questioning its validity. By implicitly ignoring the dimension of culture or considering it of negligible importance, geocentric research simply uses noncultural variables to explain multinational phenomena. Much of the international finance research carried out is geocentric in nature.

Comparative management studies on the other hand are designed to identify similarities and differences across two or more cultures. They assume that culture is important and has an important impact on managers. There are cultural similarities and also there are cultural differences. Comparative studies answer the questions: "How is a manager from culture A different from a manager from culture B? In which areas can an organisation's policies and strategies be similar across all cultures, and in which areas must they be different?" For cross-cultural management research, comparative studies are designed to distinguish between those aspects of the organisational theory which are truly universal and those which are culturally specific. Using cross-cultural similarities, comparative studies are designed to identify universal forces. In this aspect, comparative studies may be clearly distinguished from

ethnocentric and polycentric studies. In ethnocentric studies, one culture's "universal" theories are imposed on another culture, while in polycentric studies, the possibility of a meaningful universal finding is denied. In comparative studies, however, universality may exist if a definite pattern emerges from the studies. Comparative studies thus search both for similarities and differences. They label the emergent similarity as "cultural universality" and the emergent difference as "cultural specificity".

Both Child (1981) and Laurent (1983) have suggested that the transcultural approach might be most appropriate for macro level organisational studies but cautioned that it might be least appropriate for studies of behaviour of people at the micro level.

Hence, the comparative approach, with its underlying assumptions and methodology, is best suited to this study. The methodological issues involved in conducting sophisticated comparative management research are numerous and complex. Since the primary aim here is only to distinguish culturally specific and universal behaviours, the complex methodological issues will not be dealt with here.

### 2.3.2 Selected Variables

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#### Managerial Demographics

As guided by the study of Hambrick and Mason (1984), the observable demographics investigated in this study were age,

education, status and financial position. To this "mobility" was added in view of the multinational nature of the organisations under study. These variables were operationalised in the questionnaire as follows:

1. Age (Question 5.1, Appendix A)
2. Education (Questions 5.6, 7.1, Appendix A)
3. Financial Position (Questions 5.5, 7.4, Appendix A)
4. Organisational Status (Questions 7.2, 7.3, Appendix A)
5. Job Mobility (Question 7.8, Appendix A)

Other data including sex and marital status were included mainly for classification purposes.

#### Managerial Personality

After collecting the diverse backgrounds of the managers in MNCs, particularly with regard to their economic and career differences, the following personality traits were investigated:

1. Authoritarianism
2. Conciliation
3. Suspiciousness
4. Manifest Needs
5. Locus of Control
- 5a. Cosmopolitans and Locals

The theoretical justifications for the first three traits, authoritarianism, conciliation and suspiciousness, can be found in the theory of Adorno et al. (1950) concerning the

authoritarian personality. In their study on antisemites, they discovered that hostility against one minority group was often accompanied by a dislike for other minority groups. The "authoritarian" personality often held an organised pattern of attitudes on a wide range of topics. They tended to be ethnocentric, glorifying their own group, conservative, strict, and narrow in their social, economic and political outlook.

Adorno and his colleagues went further and specified the theoretical antecedents and consequences of the authoritarian personality. The authoritarian personality is generally expected to have been developed in harsh, rigid and unrealistically demanding cultural and nationalistic environments. It is more likely to develop in those cultures where parents practice strict discipline and where nationalism is emphasised. The manifestation of the authoritarian personality is in the perception of the world as unfriendly and menacing; in feelings of anxiety and hostility (particularly towards groups that are different); in a desire for safety through ready submission to authority and convention; and in a need to conform to those in position of authority. Such people perceive those who are different from their particular group and those who deviate from conventional social rules as bad and potentially dangerous - the world is a jungle and safety lies in their own group. They strongly believe in the necessity to obey authority and to adhere to social rules.

Measuring these three personality traits, as with any personality traits, is a complex problem. This is simply

because of the complexity of human personality. In the literature there are numerous personality measuring instruments. These include MMPI (Greene 1980); Rorschach Technique (Levitt 1980); 16PF (Cattell, et al 1970); Eysenck Personality Questionnaire (Oswalk & Velicar 1980); California Psychological Inventory (Martin, et al 1981); Personality Research Form, PRF (Jackson 1967); and Sentence Completion (Turnbow & Dana 1981).

Besides the selection of an appropriate instrument, the validity of the measurement is another difficult dimension to overcome. To measure personality traits in an acceptable manner, the validity issue requires specific knowledge of the nature of these traits, how they interact and change and how they relate to each other - clearly a formidable task. This may partly explain the battery of instruments available, as invariably each has its own defects.

In management studies, Shure and Meeker (1967) surveyed the numerous personality instruments and distilled from them a set of more meaningful measures with only a few manageable scales that has proved to be more effective in providing for a comprehensive understanding of behaviour in social interaction. In the distillation process, twenty-four test scales based on their previously established relevance were selected for scrutiny. In the final schedules, they produced a personality attitude schedule (PAS) consisting of 102 items. These are labelled under six factors in three groups of authoritarianism, conciliation and suspiciousness. Details are as follows:

### 1) Authoritarianism

These scales were derived from the Californian F Scale (Adorono, et al 1950), Levinson's Internationalism Scale (Levinson 1957) and Gladstone's International Scale (Gladstone 1955).

### 2) Conciliation

The scales were derived primarily from Gladstone's International Scales (Gladstone 1955).

### 3) Suspiciousness

These scales were derived from Thurstone's Stable Scale (Thurstone 1951).

Shure and Meeker's PAS has since been extensively used in managerial studies and has been well validated in cross-cultural settings (Cummings, Harnett & Stevens 1971; Cummings, Harnett & Schmidt 1972; Harnett, Cummings & Hamner 1973).

This instrument was used in this study to measure the three personality variables of authoritarianism, conciliation and suspiciousness (Question 8 Appendix A).

The remaining personality variables viz Manifest Needs, Locus of Control and Cosmopolitans and Locals are justified as follows:

### 4) Manifest Needs

One of the most consistently enduring themes of psychology is that human behaviour is driven by needs. Murray (1938)



postulated a "Need for Achievement" in a list of 20 manifest psychogenic needs. Murray made a further contribution in that he developed an instrument - the Thematic Apperception Test (TAT) - to measure achievement motivation. This method of measurement was adopted and utilised extensively by others. Murray's theory was extended by McClelland (1953) and Atkinson (1958) and the study of human needs was furthered in the later writings of McClelland (1961), Atkinson (1964), Maslow (1970) and Weiner (1973).

Although contributions to this area have also been made by Tolman (1932) and Lewin (1935), it was perhaps, McClelland who developed the most complete list of "innate propensities" in the human species (Atkinson 1964; Weiner 1973). McClelland (1961) regarded achievement motivation as a relatively permanent, innate personality trait. It is a "drive" to achieve, relative to a standard of excellence. McClelland took his research out of the laboratory and sought to link achievement motivation to economic growth. Specifically, he believed that Western Protestant business people were driven by a desire to do well. He linked cultural background and the resulting childhood training to the development of a need for achievement in children and later economic development.

According to McClelland, societies having high achievement motivation should show a high rate of economic development as the achievement motivation would be translated into innovations and hard work. McClelland (1961) in his extensive studies found

considerable support for this theory in a wide variety of nations.

McClelland further posits that motivated behaviour is largely a function of the strengths of the various needs (n Achievement, n Affiliation, n Autonomy and n Dominance) at a given point in time. While n Achievement has received the largest share of attention, in terms of work related research, more researchers are beginning to indicate that n Affiliation, n Autonomy and n Dominance can also represent important needs in determining work attitudes and behaviours (Pritchard & Karasick 1973; Litwin & Stringer 1968).

These contributions by McClelland (1961) are of special relevance to this study. Various instruments have been used to measure this "Need for Achievement". Of these, McClelland's research (1961) utilizing TAT to measure achievement motivation is among the best documented studies. However, there are serious practical problems associated with its use. In particular, it is time consuming and strongly qualitative.

An available alternative is Steers and Braunstein's (1976) Manifest Needs Questionnaire. This instrument measures the four needs of achievement, affiliation, autonomy and dominance, using behaviourally based scales. Past results indicated that the instrument exhibits an acceptable level of convergent, discriminant and predictive validity as well as reasonably high retest reliability and internal consistency (Steers & Braunstein 1976).

The development and validation of the Manifest Needs

Questionnaire (MNQ) went through three studies and included 593 subjects. The MNQ in the original three studies was also compared to the more popular need measures and against independently rated behaviours in work settings. In these studies the MNQ exhibited a higher level of convergent and discriminant validity than other techniques. Results of the MNQ were also found to be consistent with theories related to organisational commitment, job performance, organisational hierarchy and leadership attitudes.

Thus, the Steers and Braunstein (1976) MNQ presents a reasonably valid, reliable and yet adequately brief instrument to measure the specific needs of Murray (1938). MNQ was adopted for the measurement of manifest needs in this study (Question 10, Appendix A).

#### 5) Locus of Control

One personality characteristic that seems to hold much promise in explaining executive behaviour is Rotter's (1966) locus of control. Simply stated, Rotter's internal-external scale measures an individual's perception of how much control he has over the events in his life. An internal person is convinced that the outcomes of his behaviour are the results of his own efforts. In contrast, an external person believes that the events of his life are beyond his control and should be attributed to fate, luck, or destiny. Depending on these perceptions, it is assumed that there will be considerable differences in behaviour.

Apart from the many studies outside the direct realm of management (Lefcourt 1976; Phares 1976), relationships have been found between locus of control and work alienation, job satisfaction, job involvement, leadership style and level of business activity (Rice 1978). For example, according to some studies, it appears that externals are more alienated from the work settings than are internals (Mitchell 1975; Seeman 1967; Wolfe 1972). Internals seem also to be more satisfied with their work than are externals (Organ & Green 1974; Pryer & Distefano 1971). One study indicated that superior performance was achieved most often by internal leaders and by groups led by internals (Anderson & Schneider 1978). It also appeared that internal managers were more task oriented and coped better with stress than did externals (Anderson 1977; Anderson, Hellriegel & Slocum 1977). Differences could also be found in the way power was utilised. External leaders were more likely to resort to coercive power. Internals, on the other hand, would rely more on persuasive power (Goodstadt & Hjelle 1973; Mitchell, Smyser & Weed 1975). In addition, according to these studies, internals seem to be more satisfied in a participative work environment (Mitchell, Smyser & Weed 1975; Runyon 1973).

In spite of the various applications of the internal-external scale in the management context, very little research has been done to relate locus of control to the organisation and the environment. Although no research can be found looking directly at these relationships, a few studies did make some attempts in

this direction, for instance by associating entrepreneurial behaviour with locus of control. These studies indicate that internals are more activity oriented and more likely than externals to possess entrepreneurial qualities (Brockhaus 1975; Durand & Shea 1974; Shapero 1975).

Because ASEAN could present new market opportunities, the entrepreneurial qualities of managers are important to ASEAN development. This study attempted to establish the extent to which senior managers of MNCs in ASEAN were internally oriented. This was expected to help to verify organisational strategies as manifestations of their managers' entrepreneurial qualities and help forecast managerial dynamics in terms of how the market opportunities in ASEAN might be met.

In this study, links were postulated between locus of control and types of managers. Once the links were established it was the desire to further identify the individual demographics, personality, cultural and organisational factors.

For the measurement of locus of control, Rotter's scale was applied directly (Question 9, Appendix A).

#### 5a) Cosmopolitans and Locals

Closely linked to the concept of locus of control but distinct from it, is the concept of cosmopolitans and locals. The conceptualisation of cosmopolitans and locals is found in Merton (1957) and Gouldner (1975). "Cosmopolitans" are oriented beyond their community or organisation, whereas, "locals" are oriented

towards their immediate community or organisation.

Literature on organisational behaviour has frequently included cosmopolitanism as an indicator of "professionalism" in exploring theories of organisational innovativeness (Hage & Dewar 1973; Pierce & Delbecq 1977).

Other studies also reinforced the positive relationship between cosmopolitanism and innovativeness (Rogers 1983). Within the medical social system, it was also reported that cosmopolitanism is associated positively with early adoption of innovations (Coleman, Katz & Menzel 1957).

The managerial cosmopolitanism - innovativeness relationship in this study could be examined by correlating the cosmopolitanism scores against a number of innovative strategic decisions adopted by the organisation such as new product entry, and regional management.

Dye's (1966) Local-Cosmopolitan Scale has often been used to help to categorise individuals as "locals" or "cosmopolitans". Items in the questionnaire will identify persons whose scale of social experience is limited, and whose primary interests and involvements are in local, rather than in regional or international affairs. Often, these "locals" perceive themselves primarily as members of a national community rather than as members of a larger social organisation such as ASEAN. They identify with and respect individuals with local, rather than regional or international reputations.

The reliability of Dye's scale has been tested by Dye, using an item analysis called the Likert Discriminatory Power Technique (1938). Each of the five items discriminated significantly between respondents in the highest and lowest quartiles on the scale.

Dye's instrument was used in this study with slight adaptation (Question 11, Appendix A). The five 7-point Likert-type items have been distributed at random throughout the questionnaire. Agreement with each item was interpreted as a localistic response. Scores on the scale range from 35 (most localistic) to 7 (least localistic).

#### Cross Cultural Factors

Though regionalism invariably involves an amalgamation of several nations, often with diverse cultural backgrounds, it is surprising that there are very few studies on regionalism involving cross cultural issues. Though it may be assumed that cultures within ASEAN are generally more similar between one member state and another, than to those of the outside world, but because of the historical background and the pace of industrialisation, certain aspects of some member states are today more similar to MNCs' home nations than to those of another member state.

Cross cultural implications are important as organisations operating in host nation would need to know how much one can and cannot generalise across cultures. Both in terms of theoretical problems and practical issues, organisations in ASEAN will be

more effective if the cultural impact of the new environment brought about by regionalism is better understood. This requires some feelings for the evolving values of the managers and takes into account not only the prevailing authority structures within the host culture but also the new economic dynamics resulting from ASEAN that may influence social practices. There is therefore a need to understand better not only the individual variables but also the interactions with the macro cultural variables which in turn, could affect both individuals and organisations.

The senior managers of ASEAN in MNCs are of diverse origins, representing different cultural settings. A large proportion of these are international expatriates of Western origins. These managers are clearly visible as a distinct and isolated group. Their ethnic features, traditions, and ethical standards are different from managers of local origin. No matter how much they may admire and respect the local environment, in the minds of the locals they owe their allegiance to their home countries and look, think, and operate as foreigners.

Local managers and regional expatriate managers from ASEAN are the other two groups. They are also conspicuous in their own societies. As elites they are above the masses but unlike the expatriates they remain as part of the locals. Their commitments to their own nations are sometimes doubted by the masses but it is not necessary that their attitudes parallel to those of the expatriates.



The cultural aspect of this study searched for the empirical evidence of managers who might have predictable, and theoretically important patterns of perception. This could help establish how perceptions are related to cultural factors.

The three types of international, regional and local managers in this study could be distinctly differentiated under two major ethnic groups of ASEAN and Westerners.

The senior managers as citizens of their respective countries can be even more precisely differentiated by their nationalities, viz Singaporean, ASEAN Nationals (other than that of Singapore) and Westerners.

They may also be further differentiated by their religions viz Protestants, Catholics, Buddhists and those of no religious affiliations.

These three variables of ethnicity, nationality and religion have been used in interpreting the cultural impacts. These variables are further elaborated as follows:

### 1. Ethnicity

Ethnicity is less readily self-defining and can range in meaning from colour alone, to fairly narrow cultural groupings, with little or no difference in appearance between members of different groups. Perhaps the broadest definition, but one which remains useful is that which describes ethnic groups as "distinct peoples" (Cox 1970). Although "peoples" can probably

be agreed upon definitionally, "distinctness" is a key consideration as to whether ethnicity is a useful variable in this study of integration.

Cox noted that ethnic separation plays an important part in cultural variation, but he also emphasised "physical distinguishability" as an important factor affecting the creation of ethnic systems. A similar direction was taken by Deutsch in his consideration of "Race in Intranational and International Relations" (Deutsch 1970). Deutsch indicates that "ethnicity" involves traceable descent, concentration of childhood experiences, family associations, peer-group associations and probability of intermarriages, and that "culture" is a distribution of similar or interlocking memories relating to facts, images, preferences and basic orientations as derived in part from childhood learning (Deutsch 1970).

Deutsch advocated the identification of a group of persons on the basis of some physical characteristics such as colour, without elaborate procedures for verification. By this method it was hoped that different observers would use the same means to classify people as either members or non-members of the group (Deutsch 1970). This approach was adopted and the issue of ethnicity in ASEAN was broadly categorised into ASEAN (consisting mainly of Chinese, Malays and Indians) and Westerners. A question on ethnic group membership was put to all respondents (Question 6.3, Appendix A).

## 2. Nationality

Nationality was used in the broad sense of citizenship, indicating an identity with a national political entity. Legal citizenship was the indicator employed here. Among the locals in ASEAN, the racial background ranges from a distinctive national identity, such as when one race strongly dominates in numbers as in Singapore and Indonesia, to a composite mixture of races, as in Malaysia. Hence, citizenship cannot be automatically equated to nationalist sentiments although the strength of such sentiments could be measured and compared. A key issue to establish was whether managers of Singapore nationality were more supportive of ASEAN than managers of Western nationality? Are there any differences between managers of the two neighbouring ASEAN states such as Singapore and Malaysia in terms of their feelings for ASEAN development? Nationality was measured by Questions 6.1, (Appendix A). Question 7.9, (Appendix A) was also put to all respondents to enable further distinction among the managers in terms of international expatriate managers, regional expatriate managers and local managers.

## 3. Religion

Religion refers to a set of beliefs which mould a way of life for those who adhere to its principles. When a respondent indicates his membership in a particular religious group, the acceptance of such beliefs is broadly assumed, along with the cultural and social characteristics which may be shaped by the religious environment. A question on religious affiliation was included

in the questionnaire and the responses were grouped into the major religious groups viz. Protestants, Catholics, Buddhists and those without any religious affiliations (Question 6.4, Appendix A).

### 2.3.3 Hypotheses

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A clear implication from the work reviewed above is that managerial perceptions may be linked to the individual demographics, personalities and cultural backgrounds.

The study further suggested that the extent of "Involvement" and "Commitment" of each of the four types of managers to themselves, their organisations, the nation and ASEAN, was a reflection of their demographics.

"Self" managers were expected to be young individuals who had just started on their careers. Because education, tertiary education in particular, is more widespread in recent years than before, they were expected to be better educated. Also, it would be likely that they were employed into their positions largely because of their educational qualifications. Since they were new in their jobs, they were expected to be less senior and hence were expected to be less well off financially. Because of their youth and the need to acquire experience, they were expected to be more mobile both voluntary and involuntary.

"Organisations" managers were expected to be managers long at their job and hence would be much older. Because tertiary

education was a rare privilege during their youth, most of them would be less formally educated than others. However, because of their length of service and the experiences they had acquired over the years, they were valuable to the company and were expected to be high on organisational status. Since salary normally commensurates with experience, they were expected to be well off financially. However, because of their age, seniority and their financial position, they were expected to be less mobile both internally such as accepting transfers to new positions or externally such as changes of employers.

"Nationalistic" managers were expected to be young managers, inexperienced but forceful in imposing their nationalistic ideals on others. For them national interests would always come first. Their impatience to set out to "correct" the nation often jeopardised their studies. Hence they would be less well educated. Because of their youth, educational background aggravated by their strong ideological stand, they would be viewed with suspicions and would usually be lower in the organisational hierarchy. They would therefore be financially less well off and less mobile both voluntary and involuntary.

"Aseanese" managers were expected to be middle age managers, experienced and well educated. Because of their performance, experience and educational background, they were expected to be high on organisational hierarchy. Their seniority would command a much higher remuneration and they would therefore be more well off financially. They were expected to be mobile.

The hypotheses on the demographics of the four types of managers were summarised in Table 5.

These hypotheses are more specifically described as follows:

H3a: "Self" and "Nationalistic" managers will be correlated negatively to older "Age" but "Organisational" and "Aseanese" managers will be correlated positively to older "Age".

H3b: "Self" and "Aseanese" managers will be correlated positively to high "Education" level but "Organisational" and "Nationalistic" managers will be correlated negatively to high "Education" level.

H3c: "Self" and "Nationalistic" managers will be correlated negatively to high "Organisational Status" but "Organisational" and "Aseanese" managers will be correlated positively to high "Organisational Status".

H3d: "Self" and "Nationalistic" managers will be correlated negatively to strong "Financial Position" but "Organisational" and "Aseanese" managers will be correlated positively to strong "Financial Position".

H3e: "Self" and "Aseanese" managers will be correlated positively to high "Mobility" but "Organisational" and "Nationalistic" managers will be correlated negatively to high "Mobility".

In terms of managerial origins, the study suggested that:

"Self" managers would be international expatriate managers who left home in search of better careers overseas.

"Organisational" managers would also be international expatriate managers who were often assigned by their organisations to an overseas subsidiary because of their knowledge of the organisation, experience and reliability.

"Nationalistic" managers would be local managers. These managers often were reluctant to leave home as they preferred to be closer to the area of their concern.

"Aseanese" managers would be ASEAN regional expatriate managers. Unlike international expatriate managers, these managers were from the local region. But unlike the locals, they were more international. However, not different to local managers their desire to remain in ASEAN is largely motivated by their concern for the region.

The hypothesis for "Origin" is more specifically described as follows:

H4: "Self" and "Organisational" managers will be correlated positively to international expatriate managers. "Nationalistic" managers will be correlated positively to local managers and "Aseanese" managers will be correlated positively to regional expatriate managers.

In terms of personality, the study hypothesised that the personality of the four types of managers were distinct.

These hypotheses were summarised in Table 17. They are more specifically described as follows:

H5a: "Self" managers will be correlated negatively to "Conciliation", "Suspiciousness" and "Need for Affiliation". They will be however correlated positively to "Authoritarianism", "Need for Achievement", "Need for Dominance" and "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be correlated positively to "Cosmopolitans"

H5b: "Organisational" managers will be correlated positively with "Conciliation", "Authoritarianism", "Suspiciousness" and "Need for Achievement". They will be however correlated negatively to "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be correlated positively to "Cosmopolitans".

H5c: "Nationalistic" managers will be correlated negatively to "Conciliation", "Need for Achievement", "Need for Affiliation" and "Need for Dominance". They will be however correlated positively to "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Externals" and they will be correlated positively to "Locals".



H5d: "Aseanese" manager will be correlated positively to "Conciliation", "Need for Achievement" and "Need for Affiliation". They will be however correlated negatively to "Authoritarianism", "Suspiciousness", "Need for Dominance" and "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be correlated positively to "Cosmopolitans".

In terms of ethnicity, the study hypothesised that the ethnicity of the four types of managers were different. The hypothesis was summarised in Table 18. This hypothesis is more specifically described as follows:

H6a: "Self" and "Organisation" managers will be correlated positively to Western ethnic group whereas "Nationalistic" and "Aseanese" managers will be correlated positively to Asian ethnic group.

In terms of nationality, the study hypothesised that the nationality of the four types of managers was different. The hypothesis was also summarised in Table 18. This hypothesis is more specifically described as follows:

H6b: "Self" and "Organisational" manager will be correlated positively to Western nationalities. "Nationalistic" managers will be correlated positively to Singapore nationality and "Aseanese" managers will be correlated

positively to ASEAN nationality other than that of Singapore.

In terms of religion, the study hypothesised that the religion of the four types of managers was different. The hypothesis was also summarised in Table 18. This is more specifically narrated as follows:

H6c: "Self" and "Organisational" managers will be correlated positively to Protestants and Catholics, "Nationalistic" managers will be correlated positively to Buddhists and "Aseanese" managers will be correlated positively to those without any religious affiliation.

TABLE: 15

Managerial Demographic Profile (H3a to H3e)

Managerial Type	"Self" Manager	"Organisational" Manager	"National-istic" Manager	"Aseanese" Manager
<b>Demographics</b>				
1. Age (Older)	-	+	-	+
2. Education (High)	+	-	-	+
3. Organisational Status (High)	-	+	-	+
4. Financial Status (Strong)	-	+	-	+
5. Mobility (High)	+	-	-	+

+ : Correlated Positively

- : Correlated Negatively

TABLE: 16

Managerial Origins (H4)

Origins	Managerial Type	"Self" Manager	"Organisa-tional" Manager	"National-istic" Manager	"Aseanese" Manager
1.	International Expatriate Manager	+	+	-	-
2.	Regional Expatriate Manager	-	-	- -	+
3.	National Local Manager	-	-	+	-

+ : Correlated Positively

- : Correlated Negatively

TABLE: 17

## Managerial Personality (H5a to H5d)

Personality Type	Managerial Type	"Self" Manager	"Organisa- tional" Manager	"National- istic" Manager	"Aseanese" Manager
1.	Conciliation	-	+	-	+
2.	Authoritarianism	+	+	+	-
3.	Suspiciousness	-	+	+	-
4.	N Achievement	+	+	-	+
5.	N Affiliation	-	+	-	+
6.	N Dominance	+	+	-	-
7.	N Autonomy	+	-	+	-
8.	Locus of Control	Internal	External	External	Internal
9.	Cosmo/Local	Cosmo	Local	Local	Cosmo

+ : Correlated Positively

- : Correlated Negatively

TABLE: 18

Managerial Cultural Profile (H6a to H6c)

Managerial Type	"Self" Manager	"Organisational" Manager	"Nationalistic" Manager	"Aseanese" Manager
<b>Cultural Factors</b>				
<b>I. Ethnic Group</b>				
1. A	-	-	+	+
2. W	+	+	-	-
<b>II. Nationality</b>				
1. S	-	-	+	-
2. A	-	-	-	+
3. W	+	+	-	-
<b>III. Religion</b>				
1. Pro	+	+	-	-
2. Ctl	-	-	-	-
3. Bud	-	-	+	-
4. Nil	-	-	-	+

**Ethnic Group:**

- 1. A - Asian
- 2. W - Westerners

**Nationality:**

- 1. S - Singaporean
- 2. A - ASEAN (Others)
- 3. W - Westerners

**Religion:**

- 1. Pro - Protestants
- 2. Ctl - Catholics
- 3. Bud - Buddhists
- 4. Nil - No Religion

+ : Correlated Positively

- : Correlated Negatively

## 2.4 MNCs' Structure And Strategy

### 2.4.1 Related Literature

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#### Organisational Structure

MNCs are different from domestic companies in that they are organisations whose operations cross national boundaries (Fayerweather 1982). There are however more elaborate definitions. For example, Ewing (1972) defines MNCs as those organisations which have marketing and production facilities in many countries, have worldwide access to capital, depend on income from outside their "home" countries and are managed with a worldwide point of view. For this study, Fayerweather's simple definition is more than adequate as it captures the critical difference with the local firm in terms of national boundaries. In fact, the difference between an MNC and a geographically dispersed domestic corporation is more of degree than of kind (Herbert 1984). Both encounter management, technical and operational difficulties caused largely by geographic distance. In this view, the MNC is simply the extreme case of a dispersed firm, the components of which happened to be located in a number of autonomous, legal and political units (Fayerweather 1982; Herbert 1984).

In organisational studies, researchers have consistently been concerned with organisational structure and its determinants (Van de Ven & Ferry 1980). For example Chandler (1962) demonstrated

that diversity influenced organisational structure. study by Stopford and Wells (1972) found that foreign involvement also influenced structure. A number of case studies have investigated the structural changes in American MNCs because of their international involvements (Beer & Davies 1976; Cascino 1979; Dance 1969; Goggin 1974; McKern 1971). In these studies samples of US MNCs were classified into structural types and compared by such variables as product diversity, dependence on foreign operations, strategic emphasis, ownership and control characteristics. The tentative findings suggested that MNCs' structures may be related to the extent of their dependence on foreign operations.

In the literature, several other studies have been made to explain the structural differences of MNCs. For instance, the purpose of structure has been identified as: enabling control (Jaeger 1980), achieving economies of scale (Kotter, Schlesinger & Sathe 1979); creating uniformity or flexibility (Drake & Caudill 1981); or accommodating environmental variability (Miles & Snow 1978).

The choice of an appropriate structure with which to conduct international operations would take several of these factors into account (Zenoff 1971). Each alternative structure has inherent strengths and weaknesses, suggesting the need to evaluate carefully what the structure is intended to facilitate and what specific conditions confront the organisations (Herbert 1984, Daniels, Pitts & Tretter 1984). The choice may be made



from several options (Robock & Simmonds, 1983). The major types, in an evolutionary perspective, may be described as follows:

### Domestic Organisation

Most MNCs begin with a completely domestic perspective. The operation of a domestic organisation by definition lies within their home country's political boundaries. Opportunities for export may be taken up, but the involvement typically does not entail any direct foreign investment (Rolfe 1969).

Depending on the nature of the business, organisations could be divided by function such as manufacturing, marketing, and finance; product lines such as fresh fruits and canned fruits; customers and consumers such as industrial, commercial, retail, government and public; or regions, for example in the U.S. the west coast division would handle orders from Japanese, Australian and ASEAN customers; the east coast division would handle orders from European customers.

Under this domestically oriented structure, foreign opportunities and markets will be responded to at best, rather than actively sought after and developed. Foreign orders may even be viewed as inconveniences by managers and given low priority. They are often handled through foreign licensees or commission agents. When the orders finally became attractive or recognised as potentially capable of yielding substantial benefits, the need for an international operation may then be investigated.

The simplest form of international involvement is that of adding foreign market responsibilities to domestic markets and seeking to increase sales with minimal risk, effort and expenditure. This often involves the hiring of an export manager or creating an export department within the domestic structure.

With an increasingly internationally-oriented organisation, wholly owned subsidiaries or joint ventures in overseas locations may then be established. Typically, these subsidiaries or joint ventures are initially motivated by the need to secure and to channel foreign resources to be used by the parent corporation. Payment is often dictated by inter-divisional transfer pricing policies, which may set prices for such resources in accordance with market value or with a cost-plus-fixed-profit contract, or some other arrangements which would maximise the profitability of the parent corporations.

#### International Division

At some point, the organisation's objectives in international markets may demand further specialisation in its structure. An "International Division" may then be formed to provide a focus of expertise and resources. Even then the office of the international operation would typically continue to be physically located at the corporation's domestic headquarters. The international division is usually headed by a vice president or international director, who reports to the parent company's chief executive officer. Assistance is provided by functionally-specialised staff. The international division may also continue

to be structured according to geography, product lines, function or some combinations of these (Dymsza 1972).

The single most common structure for the international division, however, is to be organised by geographical regions. The geographically-based structure is more effective when the corporation's activities are widespread and yet the product lines are relatively few. This form of international organisation "enables management to coordinate its activities, product lines and staff services in a given area and country and to adjust to environmental parameters" (Dymsza 1972 p23). There may be some decentralised decision making and each region may be treated as a profit center.

Another possible structure for the international operation at this stage is the setting up of product line organisations parallel to the product line divisions of the domestic firm. Product line organisations are particularly common when the parent firm's products are technologically complex (Dymsza 1972). The obvious advantages are that close contact can be maintained with the domestic division and that specific responsibility can be assigned for the performance and profitability of each specialised line.

A third structural possibility is the setting up of divisions parallel to the parent firm's functional structure. This functional approach is especially common and desirable when competitive advantage rests in functional superiority such as high manufacturing efficiency, in-depth marketing services for

clients, product innovation, or short turnaround of delivery commitments.

### Matrix Organisation

Davis (1973) points out that inadequacies may occur as a result of an organisation's single focus on a geographical area, product, or function. Operational difficulties also may be encountered in accommodating specialised functional, product, or geographical interests in the realities of a given isolated marketplace. A matrix organisation, such as by area and product, can help overcome the weaknesses within the various components of the international division. It also increases the commitment to move to a fully integrated operation for a more effective international operation.

### Fully Integrated International Operation

The most internationally oriented structure is that in which foreign and domestic markets are treated identically. Under this structure, the market's needs and characteristics determine the manner in which goods and services are developed.

Each regional organisation is normally self-sufficient, autonomous and independent. Loose coordination or broad strategic guidance is often the function of the international headquarters. International staff are few in number, high in the hierarchy and may be located centrally in the region to avoid duplication of effort, to achieve economies of scale and to ensure uniformity of procedures.

Each regional manager is likely to have full responsibility for the assigned market area including production, marketing and services. These managers would normally report directly to the chief executive officer of the international operation. Such a structure encourages decentralisation of authority, the identification of responsibility for performance and promotes the development of high level managerial talent worldwide.

Although the choice of organisational structure of MNC can be classified as described above, there is still considerable controversy in this area (Blau & Scott 1962; Blau 1974; Van de Ven & Delberq 1974; Pierce & Dunham 1976; Van de Ven & Ferry 1980).

Regionalism, which could provide immediate access to a number of countries, might have an important impact on organisational structure. As regionalism groups a number of markets, its dynamics may impede, hasten or leapfrog the process of the evolution of organisational structure. Regionalism, like MNC, emphasises both binational and multinational issues. In the case of MNCs, the binational issues are those concerned with home and host nations. The multinational issues of regionalism are similar to those challenging the MNCs. Regionalism emphasises regional benefits and unification within the region. MNCs may have a parallel interest in promoting a productive regional grouping.

MNCs operating in ASEAN, could choose to promote the option of a fully integrated regional structure consisting of an autonomous

operation within ASEAN. This is because ASEAN has the benefit of the economy of scale and geographic proximity. MNCs operating in the region as an autonomous unit are also in a better position to take advantage of the various economic cooperative schemes created by regionalism.

Despite these advantages, some MNCs may remain binational. This could be because of the skepticism of their managers who might choose to emphasise the weaknesses within their organisations or the weaknesses of ASEAN regionalism. It has been suggested these structural choices may be a reflection of the perceptions of managers (Lawrence & Lorsch 1967; Hage 1971; Van de Ven & Delbecq 1974; Van de Ven & Ferry 1980). Managerial perception of ASEAN hence might be an important determinant of MNCs' organisational structure in ASEAN. This in turn might have an important impact on ASEAN development.

#### Structure And Strategy Connections

Because an organisational structure is formulated to help achieve organisation's goals and the decision as to structure is a function of managers' perceptions, it can be said that organisational structure is an important goal oriented strategy that incorporates managerial perception. Understanding the connection between structure and strategy is therefore best began with an appreciation of managerial perception. At the macro level, this could start with a strategic analysis of the firm. At a corporate level, this includes an analysis of the organisation's characteristics, principal objectives and

adopted strategies. Principal objectives refer to here, are the choices and main goals of the overall firm. Senior managers in local operations have very little control over them. Strategies are the key policies and patterns of action by which these goals are pursued (Chaffee 1985). These strategies are usually formulated by the senior managers and are strongly influenced by these managers. Although mismatch is rare, innovative managers have been known to be able to strategise and grow despite head office pessimisms.

Understanding the impact of the adopted strategies on ASEAN development, could start with an appreciation of the strategic profile of the organisations as perceived by their senior managers. As this macro level, the identification of the strategic profile commonly begins with the strategic analysis of the firm. Strategic analysis of a firm conducting business solely within one nation is essentially directed at assessing the internal capabilities of the enterprise in relation to the external factors and determining what opportunities are best for the firm and what strategies need to be adopted. An analysis of a domestic organisation would therefore include the local market, domestic competition, the government and so on. These elements are relevant to MNCs in ASEAN too, but additionally they must include external factors in both host and home nations. Some major elements affecting MNC strategic objectives are economic differentials, resource transmission, innovations, conflict with host nations, binational and multinational dimensions. Some of these findings would be reported here.

Hence, understanding the strategic profile of the MNCs will not only provide better insights into organisational structures but may also enable the study to understand better the possible impacts of the managers' strategies on ASEAN development.

#### 2.4.2 Selected Variables

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The above literature suggests that MNCs may be differentiated in terms of organisational structure. It is also suggested that the choice of an appropriate structure is often a reflection of managerial perception of the environment. Using a strategic analysis approach, the characteristics and objectives were investigated.

The selected organisational variables measured in this study were: organisational size, performance, participation, centralisation, and generic objectives and choices. These were then supplemented by the strategic posture of the organisation.

These variables were operationalised in the study as follows:

##### 1. Size

1. Sales (Question 1.4, Appendix A)
2. Number of Employees (Question 1.7, Appendix A)

##### 2. Performance

1. Market Share (Question 1.3, Appendix A)
2. Growth Rate (Question 1.4, Appendix A)
3. Profitability (Question 1.10, Appendix A)



### 3. Participation

1. Duration in Operation (Question 1.2, Appendix A)
2. Proportion of Capital Invested in Immovable Assets (Question 1.6, Appendix A)
3. Ownership (Question 1.8, Appendix A)

Organisational participation was an important aspect of organisational structure investigated. This is because multinational corporations are often considered mercenary organisations that enter a region, exploit it and then get out. The extent of their participation via their investments in a nation or in a region is expected to be influenced by management's perception of the nation and the region (Daniels, Pitts & Tretter 1984; Herbert 1984; Gladwin & Walter 1980) and may be related to the organisational structure in the region (Egelhoff 1980; Herbert 1984).

### 4. Centralisation

Centralisation was a design variable measured. Centralisation was taken to mean the extent to which decision making power was concentrated. The two indices used to assess the extent of centralisation in the organisations studied were:

- a. The locus of authority (Question 1.21, Appendix A)
- b. Frequency of communication (Question 1.22, Appendix A)

## 5. Generic Choice

Numerous texts and articles such as Hofer and Schendel 1978, Miles and Snow 1978, and Porter 1980, have been written on organisational strategic choice but very little empirical research has been carried out from the managerial perspective. Burke (1984) evaluated organisational strategies in terms of three broad dimensions of managerial generic choices.

These are:

- a. Build strategy - to significantly and permanently increase market share.
- b. Hold strategy - to maintain market share.
- c. Pull back strategy - to allow share to fall as a prelude to moving out of the region.

Burke's (1984) strategic options were expected to help to interpret the macro aspects of an organisation's structure. These were operationalised directly (Question 2, Appendix A).

## 6. Generic Objectives

As noted by several writers (Hofer & Schender 1978; Glueck 1980; Porter 1980), a classification of companies' operations into "generic" objectives is useful. Although implicitly limited to uninternational cases, Hayes and Wheelwright (1979a; 1979b) follow Chapple and Stayles (1961) in making the firm's operations the central focus in strategy development.

Four strategic objectives based on resource flows have been proposed by Herbert (1984). It should be noted here that although these were labelled by Herbert as strategies, they were also referred to as objectives. These objectives are volume expansion, resource acquisition, reciprocity, and integrated operations in major world markets. The language of these labels is especially relevant to MNCs. Herbert's four strategic objectives are elaborated as follows:

- a. Volume expansion objectives - These are intended to create more total demand for the firm's services or products from new international markets. Greater market volume is attained by export from the home country to the countries to which new markets have been created. Products hence flow outward from the home country, and revenues flow inward but the major emphasis remains on the home market. In the eyes of the home country management, the international aspect of business is fundamentally of less importance than the domestic aspect.
- b. Resource acquisition objectives - These are especially common in organisations desiring to ensure a reliable source of necessary foreign materials. Foreign subsidiaries are often established to facilitate the tasks of purchase and acquisition. These subsidiaries may operate towards vertical integration. The resource flow is inward with the resources leaving the host country.

- c. Reciprocity objectives - These are adopted when raw materials or semi-finished elements are shipped to a developing country for processing into high value finished goods to be re-exported to developed nations (Drucker 1977). The major difference between the strategies of reciprocity and resource acquisition is that with reciprocity the resource of cheap labour is added to low-value goods that are imported into the country and then usually exported again. Resource acquisition on the other hand provides for "home" use of resources imported from a foreign country.
- d. Integration objectives - Organisations operating under these objectives would have various operations sited in various countries, each specialising on at least one aspect of the parent company's main products or services which the host country possesses a strong comparative advantage. These subsidiaries commonly operate independently internationally, but are connected on an integrated basis.

Herbert's four organisational strategic objectives were operationalized by a total of 16 questions, four for each of the strategic purposes (Question 3, Appendix A).

## 7. Strategic Postures

Based on the work of Hofer (1975) a list of 33 strategies that were considered central to the corporation's strategic posture

was generated by Jauch, Osborn and Glueck (1980). After evaluation, rating and analysis, these were reduced to twenty - four strategies in eight categories.

These are: 1) liquidation - sales or liquidation of the organisation or a major subsidiary; 2) integration - backward or forward integration, launching new products in new markets and/or becoming a captive supplier or distributor; 3) market development - altering the number of markets served, or increasing promotion efforts in existing markets with existing products; 4) market penetration - altering the sales of existing products in existing markets; 5) product extension - altering the number or range of products offered via similar distribution channels; 6) production efficiency - embarking on a major cost cutting exercise; 7) goal emphasis - altering expectations for growth and/or profits; and 8) mergers - grouping with firms using similar technology and/or similar products in similar markets and/or to group through conglomerate mergers.

The strategic postures of the organisation were assessed with the instrument from Jauch, Osborn and Glueck (1980) with minor modifications. These measures were operationalised via Question 4 (Appendix A).

Though data were collected in all eight categories, for ease of analysis, these were grouped into two distinct sets of "Retrenchment" and "Growth" strategic posture (Pecotich, Laczniak & Inderrieden 1985), as follows:

## I. Retrenchment

Quest  
No.

- 4.1 Reduce business
- 4.2 Sell business
- 4.3 Single customer
- 4.5 Decrease vertical integration
- 4.6 Decrease no. of existing market
- 4.7 Decrease no. of existing product
- 4.10 Decrease penetration existing market/existing products
- 4.15 Major cost cutting
- 4.16 Major cutback in R & D expenditures
- 4.17 Decrease usage of production capacity
- 4.18 Reduce overall growth level
- 4.19 Reduce product growth level

## II. Growth

Quest  
No.

- 4.4 Increase vertical integration
- 4.8 increase no. of markets with existing products
- 4.9 Increase no. of markets with new products
- 4.11 Increase penetration: existing market/existing products.
- 4.12 Increase penetration: existing market/new products
- 4.13 Add new related products to new customers
- 4.14 Add new unrelated products to new customers
- 4.20 major increase in profit goals
- 4.21 Major increase in sales growth
- 4.22 Growth by mergers: new markets/existing products
- 4.23 Growth by mergers: existing markets/new products
- 4.24 Growth by mergers: new markets/new products

### 2.4.3 Hypotheses

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The demographics of the organisations were expected to reflect the fundamental values of their managers in terms of their focus on self, organisation, nation or ASEAN.

These could be described as follows:

"Self" managers - Organisations of "Self" managers were expected to be small but strong in their performance. They often would be tightly owned with little, if any, local participation. They were expected to be highly centralised.

"Organisation" managers - Organisations of "Organisational" managers were expected to be large but weak in performance. They too would have little local participations and were expected to be highly centralised.

"Nationalistic" managers - Organisations of "Nationalistic" managers were expected to be small, poor in performance and highly decentralised. However, they were expected to have considerable local participations.

"Aseanese" managers - Organisations of "Aseanese" managers were expected to be large, high in performance, highly decentralised and would have strong local participations. They were expected to be highly decentralised.

These hypotheses were summarised in Table 19 and are more specifically narrated as follows:

TABLE: 19

## Organisational Demographic (H7a to H7d)

Managerial Type	"Self" Manager	"Organisational" Manager	"National-istic" Manager	"Aseanese" Manager
Organisational Demographics				
1. Size				
Sales	-	+	-	+
Employee No.	-	+	-	+
2. Performance				
Market Share	+	-	-	+
Growth	+	-	-	+
Net Profits	+	-	-	+
3. Participation				
Years in Business	-	-	+	+
% Assets	-	-	+	+
Local Shareholdings	-	-	+	+
4. Centralisation				
Authority	-	-	-	+
Communication	+	+	-	-

+ : Correlated Positively

- : Correlated Negatively



H7a: "SIZE" -

Organisations of "Self" and "Nationalistic" will be correlated negatively to high "Sales" but organisations of "Organisational" and "Aseanese" managers will be correlated positively to high "Sales".

Organisations of "Self" and "Nationalistic" will be correlated negatively to large "Employee Number" but organisations of "Organisational" and "Aseanese" managers will be correlated positively to large "Employee Number".

H7b: "PERFORMANCE" -

Organisations of "Self" and "Aseanese" managers will be correlated positively to high "Market Share" but organisations of "Organisational" and "Nationalistic" manager will be correlated negatively to high "Market Share".

Organisations of "Self" and "Aseanese" manager will be correlated positively to "Growth" but organisations of "Organisational" and "Nationalistic" managers will be correlated negatively to "Growth".

Organisations of "Self" and "Aseanese" managers will be correlated positively to high "Net Profits" but organisations of "Organisational" and "Nationalistic" managers will be correlated negatively to high "Net Profits".

H7c: "PARTICIPATION" -

Organisations of "Self" and "Organisational" managers will be correlated positively to long "Years in Business" but organisations of "Nationalistic" and "Aseanese" managers will be correlated negatively to long "Years in Business".

Organisations of "Self" and "Organisational" managers will be correlated negatively to high "Percentage Assets" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to high "Percentage Assets".

Organisations of "Self" and "Organisational" managers will be correlated negatively to large "Local Shareholdings" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to large "Local Shareholdings".

H7d: "CENTRALISATION" -

Organisations of "Self" and "Organisational" managers will be correlated negatively to immense "Authority" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to immense "Authority".

Organisations of "Self" and "Organisational" managers will be correlated positively to strong "Communication" but organisations of "Nationalistic" and "Aseanese"

managers will be correlated negatively to strong "Communication".

The generic choices of the organisations for the various types of managers were hypothesised as summarised in Table 20. These are more specifically described as follows:

H8a: Organisations of "Self" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8b: Organisations of "Organisational" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8c: Organisations of "Nationalistic" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8d: Organisations of "Aseanese" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8e: Organisations of "Self" managers will be correlated positively to a generic "Pull-Back" strategy for the past five years in ASEAN.

H8f: Organisations of "Organisational" managers will be correlated positively to a generic "Build" strategy for the past five years in ASEAN.

TABLE: 20

Organisation's Generic Choice (H8a to H8h)

Generic Choice	Managerial Type	"Self" Manager	"Organisa-tional" Manager	"National-istic" Manager	"Aseanese" Manager
<b>I. Nation</b>					
1.	Build	+	+	+	+
2.	Hold	0	0	0	0
3.	Pull-Back	0	0	0	0
<b>II. ASEAN</b>					
1.	Build	0	+	0	+
2.	Hold	0	0	0	0
3.	Pull-Back	+	0	+	0

+ : Correlated Positively

0 : Not Significant

H8g: Organisations of "Nationalistic" managers will be correlated positively to a generic "Pull-Back" strategy for the past five years in ASEAN.

H8h: Organisations of "Aseanese" managers will be correlated positively to a generic "Build" strategy for the past five years in ASEAN.

The generic objectives of the organisations of the different types of managers were also expected to be different.

"Self" managers - Organisations of "Self" managers were expected to be short term in orientation and would have very little interest in the region other than to increase sales i.e. "Volume Expansion".

"Organisational" managers - Organisations of "Organisational" managers were expected to have activities that would generally appear to be congruent to the objectives of ASEAN. However, because they were expected to perceive the region as not "Cogent" and the "Benefits" as little, "costs" as high, they were expected to avoid or postpone the integration objective. If found to be true, this would be unfortunate since these organisations were expected to have strong potentials to contribute much to ASEAN development. However, these organisations were also those long in the region and were expected to continue their "Resource Acquisitions" objectives. Being very familiar to the area, many were expected to have matured into "Reciprocity" objectives and would continue to expand their volume in the region.

"Nationalistic" managers - Organisations of "Nationalistic" managers were expected to be similiar to those of "Self" managers. But as Singapore is devoid of any natural resources, ASEAN would likely to be perceived as useful if only for purposes of "Resource Acquisiton". In turn, these organisations were expected to seek opportunities to expand their sales in the region.

"Aseanese" managers - Organisations of the "Aseanese" managers were expected to be dynamic and progressive organisations. They were expected to pursue all the four generic objectives. This would match well with the aspirations of the "Aseanese" managers and would argus well for ASEAN development.

These hypotheses were summarised in Table 21 and are more specifically narratted as follows:

H9a: Organisations of "Self" managers will be correlated negatively to "Integration", "Reciprocity" and "Resource Acquisition" objectives but will be correlated positively to "Volume Expansion" objective.

H9b: Organisations of "Organisational" managers will be correlated negatively to "Integration" objective but will be correlated positively to "Volume Expansion", "Reciprocity" and "Resource Acquisition" objectives.

TABLE: 21

Organisation's Generic Objectives (H9a to H9d)

Managerial Type	"Self" Manager	"Organisational" Manager	"Nationalistic" Manager	"Aseanese" Manager
Generic Objectives				
1. Integration	-	-	-	+
2. Volume Expansion	+	+	+	+
3. Reciprocity	-	+	-	+
4. Resource Acquisition	-	+	+	+

+ : Correlated Positively

- : Correlated Negatively

H9c: Organisations of "Nationalistic" managers will be correlated negatively to "Integration" and "Reciprocity" objectives but will be correlated positively to "Volume Expansion" and "Resource Acquisition" objectives.

H9d: Organisations of "Aseanese" managers will be correlated positively to all generic objectives viz "Integration", "Volume Expansion", "Reciprocity" and "Resource Acquisition" objectives.

It was also expected that there would be a strong congruency between the organisation's strategic posture of the past five years and the recommended strategic posture of the organisations for the future five years. This congruency if established, would illustrate not only the suggestion that managers tend to identify themselves with organisations of similiar values but also would increase the certainty of the recommend strategic posture being adopted.

Hypothesis H10a on the congruency between the strategic direction of the organisation for the past five years and the recommendations of the managers for the next five years was illustrated in Table 22.



TABLE: 22

Organisational Strategic Posture (H10a to H10h)

Strategic Posture	Managerial Type	"Self" Manager	"Organisa-tional" Manager	"National-istic" Manager	"Aseanese" Manager
I.	Congruency	+	+	+	+
II.	Past Five Years				
	1. Retrenchment	0	+	+	0
	2. Growth	+	0	0	+
III.	Next Five Years				
	1. Retrenchment	0	+	+	0
	2. Growth	+	0	0	+

+ : Correlated Positively

0 : Not Significant

This is more specifically described as follows:

H10a: The past and the recommended future strategic posture of the organisations of the four types of managers will be correlated positively.

The hypotheses on the "Retrenchment" and "Growth" strategies or the strategic postures of the organisations are more specifically described as follows:

H10b: Organisations of "Self" managers will be correlated positively to a "Growth" posture in the past five years.

H10c: Organisations of "Organisational" managers will be correlated positively to a "Retrenchment" posture in the past five years.

H10d: Organisations of "Nationalistic" managers will be correlated positively to a "Retrenchment" posture in the past five years.

H10e: Organisations of "Aseanese" managers will be correlated positively to a "Growth" posture in the past five years.

H10f: "Self" managers will be correlated positively to a recommended "Growth" posture for the next five years.

H10g: "Organisational" managers will be correlated positively to a recommended "Retrenchment" posture for the next five years.

H10h: "Nationalistic" manager will be correlated positively to a recommended "Retrenchment" posture for the next five years.

H10i: "Aseanese" managers will be correlated positively to a recommended "Growth" posture for next five years.

## 2.5 Model of the Study

### 2.5.1 Management: Environment Models

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Three macro behavioural models in the management literature are of special relevance in justifying the model that has been especially formulated for this study. These are:

#### The Farmer-Richman model

This pioneering model by Farmer and Richman (1965) attempts to separate environmental factors from management fundamentals. Their approach is, firstly, to identify the critical elements in the management process and to attempt to evaluate the operations of the individual firms in varying cultures. The next step is to identify the various environmental factors that have been found to have significant impact on the operations and the effectiveness of the managers. These factors are identified as: (i) educational variables, (ii) sociological-cultural variables, (iii) political and legal variables, and (iv) economic variables (Figure J).

Farmer and Richman in their conclusions, postulate that environmental factors affect the elements of the management process or the way in which managing is done, and the management effectiveness. Despite the mixing of environmentally resultant policy considerations with the basics of management, the Farmer-Richman model has made an exceptionally important contribution to

FIGURE J  
THE FARMER-RICHMAN MODEL

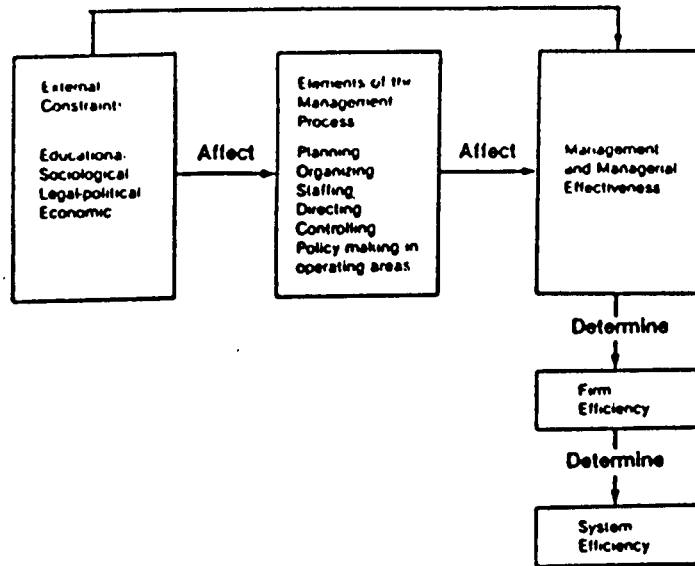


FIGURE K  
THE NEGANDHI-ESTAFEN MODEL

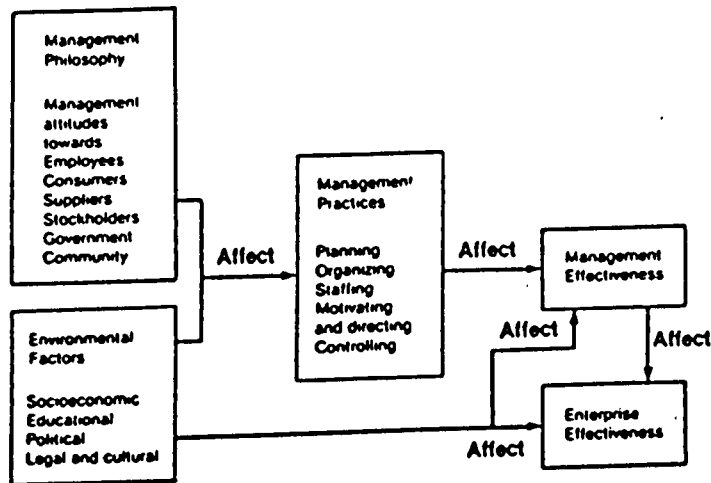
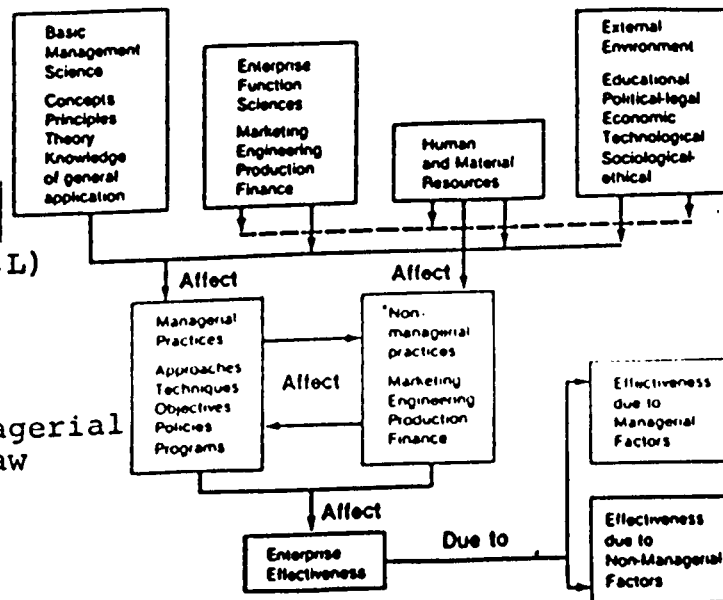


FIGURE L  
THE KOONTZ MODEL



Source: (Fig J,K,L)  
Koontz, H and  
O'Donnell, C  
"Principles of  
Management: An  
Analysis of Managerial  
Functions" McGraw  
Hill, 1972

study of the relationship between environment and management factors.

#### The Negandhi-Estafen model

Another model suggested for the study of the influence of the external environment on the basics of management is the model first offered by Negandhi and Estafen (1965) . The major difference in the Negandhi-Estafen model from that of Farmer and Richman is the introduction of a major independent cultural based variable in the form of management philosophy. Management philosophy was defined as an expressed or implied attitude of the organisation towards critical internal and external factors, such as consumers, employees, distributors, stockholders, government and the community.

In this model, both management philosophy and environmental factors are seen as having an influence on the practice of management (Figure K). Environmental factors are also seen as independently affecting management and the enterprise effectiveness. Though the Negandhi-Estafen model separated management philosophy from practices, the area of management philosophy is treated as independent of environmental factors. Unfortunately, the model itself did not identify how management techniques can be separated from basic and environmentally influenced practices.

## The Koontz Model

Koontz (1972), in reviewing the above two approaches, proposed a model that separated environmental factors from management fundamentals. He postulates that the effectiveness of an enterprise's operation depends not only on management but also on other environmental factors (Figure L). An obvious factor is the availability of human and material resources. While these are natural products of an environment, it is possible that in the same environment but for different enterprises and for many reasons, each may have varying degrees of access to and may respond differently to such resources.

Koontz categorises organisational activities into two broad categories: managerial and non-managerial. Either or both can be the causal factors for at least some degree of organisational effectiveness. According to Koontz, both types are affected by the availability of human and material resources and by the constraints and influences of the external environment, whether political, economical, social or technological in nature.

Besides these three studies, the integration of managerial, organisational and environmental factors has also been consistently advocated by researchers in these areas (Rorer & Widiger 1983; Schneider 1983; Weiss & Adler 1984; Prescott 1986). These researchers continue to stress the importance of emphasising the situation and the person as factors influencing organisational behaviour and performance. Prescott in his recent

study of strategies and environmental relationships concluded that "Environment is critical because it establishes the context in which to evaluate the importance of various relationships between strategy and performance" (Prescott 1986 p342).

The model of this study runs parallel to this prescription. The managerial factors in the model of the study were the demographics, personality and cultural factors of the senior MNCs' managers. The organisational factors were the demographics, generic choices and objectives, and their strategic postures.

This study will now proceed to justify the model of the study in relation to Nye's regionalism model which focused on elites within a regional grouping, as was in this study.



## 2.5.2 Regionalism Model

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In Nye's terms, it is not possible for a single study to provide an evaluation of the total dynamics of integration. One could however, assert that theoretically, using the indicators suggested by Nye together with an examination of the environmental variables, a snap shot of the dynamics of integration could be obtained. With this goal in mind, Nye's model may be reformulated as in Figure M.

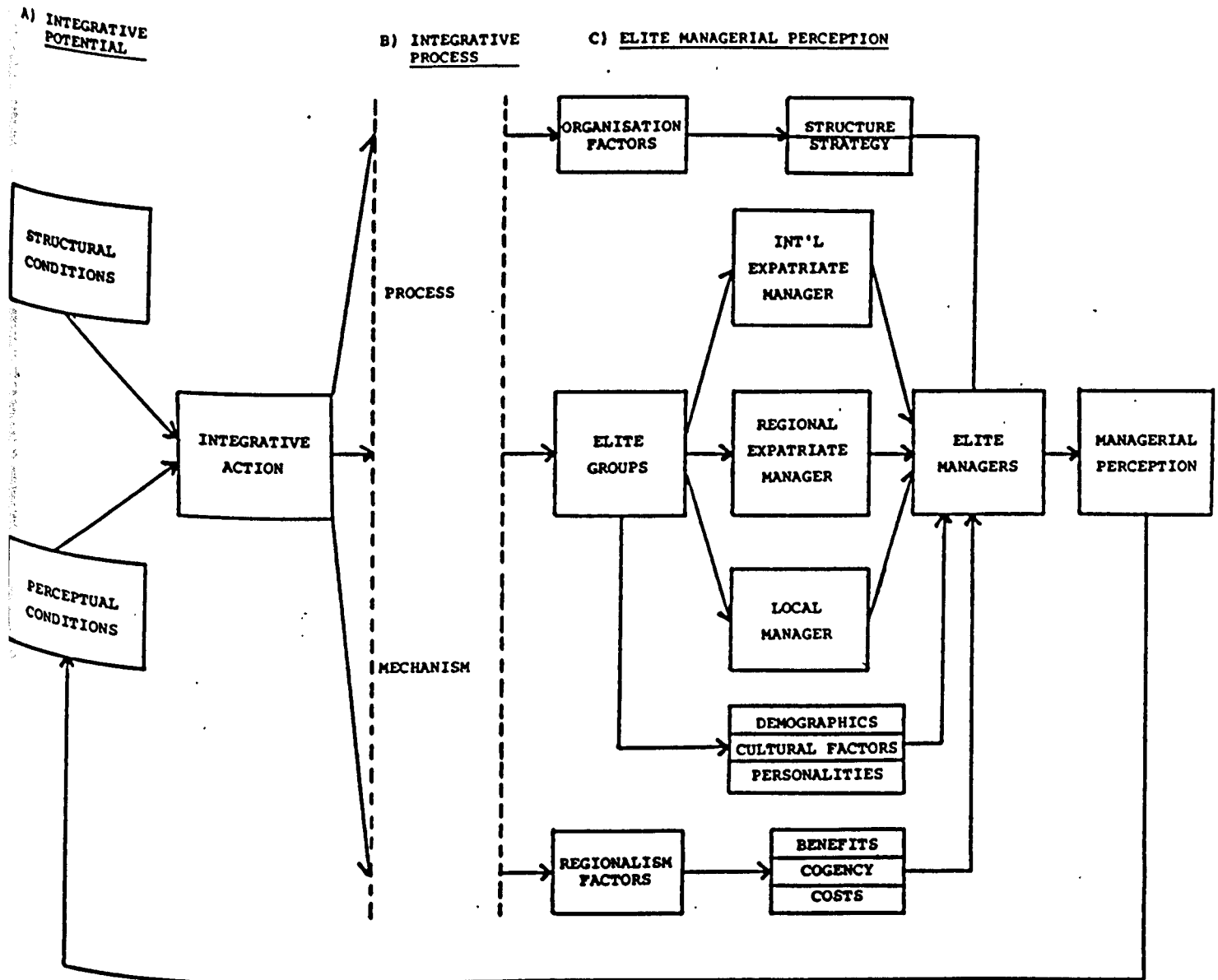
Nye's structural conditions in the model of this study, are represented by the organisational and national influences. Nye's perceptual conditions are presented by the personality and managerial background. The model of the study is designed to investigate the relationship of these conditions for one particular "elite" group: the top management team of the MNCs. This particular elite group, although not specifically identified by Nye, constitutes part of the critical pressure group, highlighted by Nye.

This approach is not only a partial operationalisation of Nye's study of integration, but the focus on senior managers is also consistent with modern macro approaches to the study of management. Hambrick and Mason (1984) in their article "Upper Echelons: The Organisation as a Reflection of Its Top Management" state:

"This paper argues for a new emphasis in macro-organisational research: an emphasis on the dominant

FIGURE M

PART OF NYE'S MODEL REFORMULATED



coalition of the organisation in particular its top management. Organisational outcomes - both strategies and effectiveness are viewed as reflections of the values and cognitive bases of the powerful actors in the organisation." (Hambrick and Mason 1984 p193).

The focus on elites hence is not only proposed by Nye for regionalism study but also by several macro management researchers for the study of organisational effectiveness. The management: environment models postulated by management theorists and Nye's dynamic model of regionalism taken together with a single emphasis on senior management constituted the theoretical justification for the integrated model specially designed for this study.

### 2.5.3. The Integrated Model

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As ASEAN regional integration is a primary focus of this study, the managerial perceptual process was examined in the context of regional integration. This final interface of the manager and his environment in relation to ASEAN development completed the theoretical basis for this study.

In this integrated approach, the perception of the manager was hypothesised to influence and be influenced by the managerial and organisational factors. The perception was also hypothesised to be affected by national cultural characteristics and some aspects of ASEAN formation. Taking all these together, managerial perceptions of ASEAN development were then measured.

The final model is described in Figure N. The selected variables within each factor of the model are shown in Figure O.

FIGURE N

### Theoretical Framework of The Study

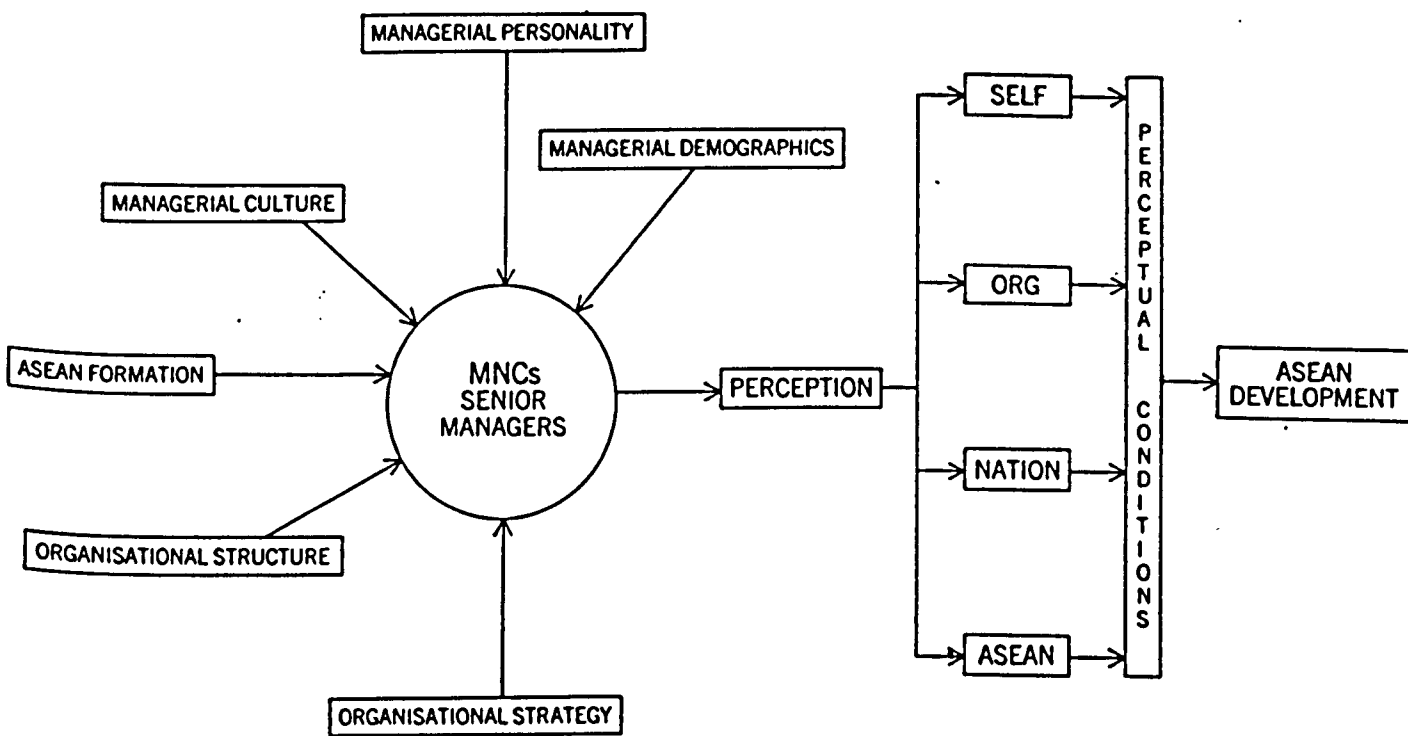
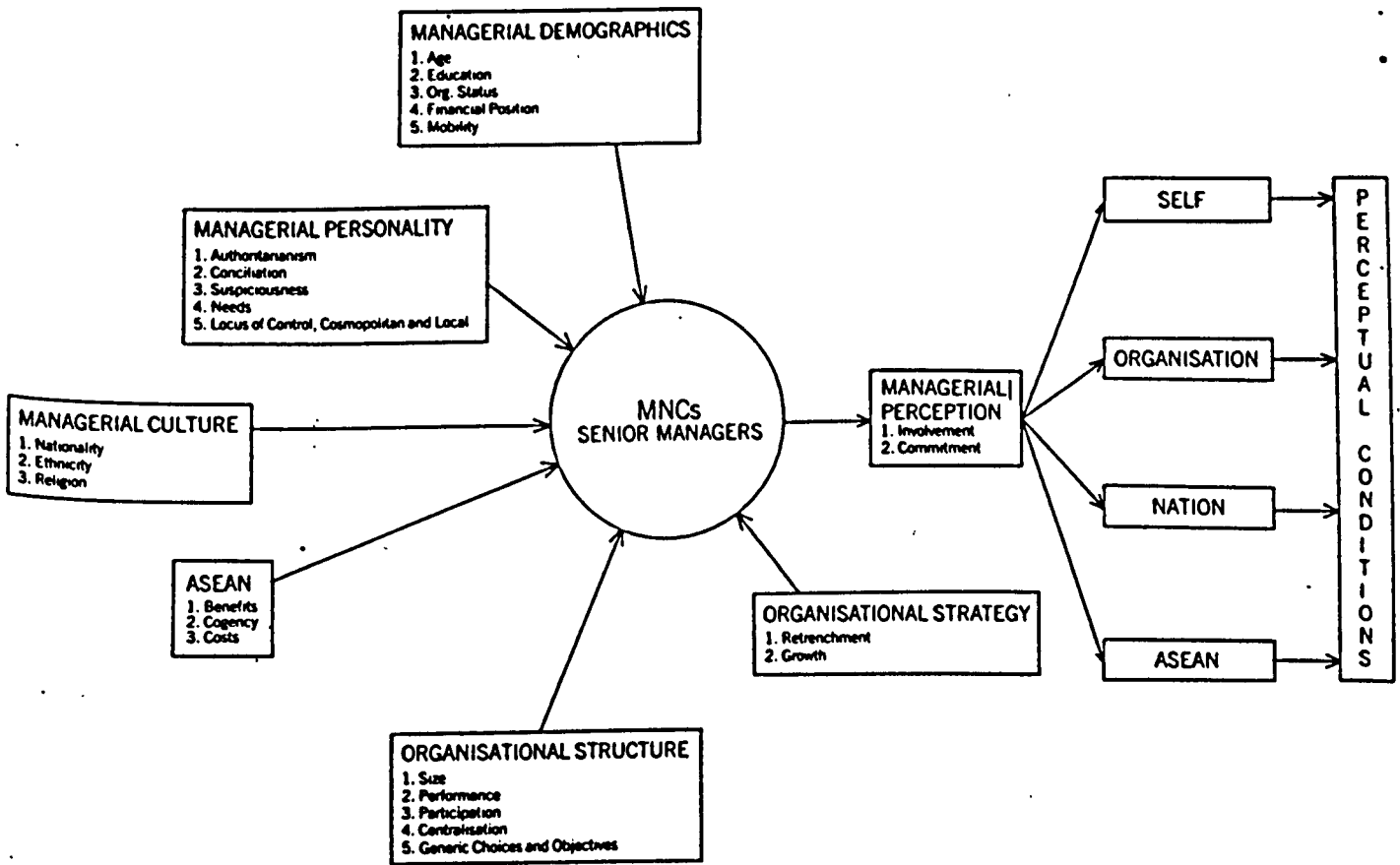


FIGURE 0

Model of The Study



### Chapter 3 - RESEARCH METHODOLOGY

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Chapter Two described the model and provided the theoretical framework for the evaluation of the perception of MNCs' senior executives on ASEAN regionalism, given their managerial, organisational, and national backgrounds. A survey of the relevant literature was made to indicate the nature of the major streams of thoughts which were relevant to this study. The selected elements of the study were specified and an integrative perspective was presented. In this Chapter, the methodology and related analytical issues will be explained.

### 3.1 Sample

#### 3.1.1 Location

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Data were collected in Singapore, one of the six ASEAN nations. This is primarily because of the concentration of MNCs there. Further it also enable this study to assess the prospects of the intermediary role of Singapore in MNCs' regional complementarism as described in Chapter One.

#### 3.1.2 Size

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The sample consisted of 128 seniors managers who were the top echelon decision makers in MNCs operating in Singapore.

Of this about 6% were CEO and managing directors, 36% were general managers and vice presidents and 41% were third level managers. 87% were males and 13% females. Their average age was 38 years.

#### 3.1.3 Selection Criteria

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The MNCs were selected from the directory entitled "Major Companies Of The Far East, 1985" (Carr 1986).

Owing to the nature of the study, strict randomisation was not possible. However, a conscious attempt was made to ensure a wide representation of industries ranging from banking and retailing to food manufacturing and engineering. The average age



of these operations in Singapore was about 25 years. Most organisations have between 51-100 employees and their revenue sales in Singapore were between US\$5 million to US\$10 million per annum.

### 3.2 Questionnaire

#### 3.2.1 Language

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English was the medium that was used in the questionnaire. This is because not only is English an official language, it is also the most commonly used business language in Singapore, particularly among MNCs.

Further, it is reasonable to assume that most top executives in MNCs are conversant in English. Hence, the adoption of English as the medium of the questionnaire is not expected to present any language difficulties.

#### 3.2.2 Scales

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Both quantitative and qualitative data were collected via four types of question in the questionnaire.

In collecting quantitative data, respondents were required to write a number, such as 38, or mark a cross "X" or circle a scale 5 6.

These are illustrated as follows:

- A. Example: Q 1.2 How many years has this organisation been in business? (Please state numerically in each box.)

Years in this Nation	Years in ASEAN <u>outside</u> this Nation	Years worldwide outside ASEAN
1    _____	2    _____	3    _____
_____	_____	_____

B. Example: Q 1.14 What was the approximate profit % of NET SALES of this operation in the last financial year? (Please mark "X" where applicable. GP - Gross Percentage, NP - Net Percentage after all taxes.)

GP%	NP%	GP%	NP%
1. Under 1%		5. 10%-under 15%	
2. 1%-under 3%		6. 15%-under 25%	
3. 3%-under 5%		7. 25% & Above	
4. 5%-under 10%			

C. Example: Q 5.4 How many times have you changed the country of residence in your work life? (Using the scale below, please circle the number most representative of your response.)

0    1    2    3    4    5    6    7    8    9    10 or more

Qualitative data were largely collected via opinion questions. These questions were designed to allow respondents to express the intensity of their observations and feelings. Respondents were required to state in each box after each question, the number of

a given scale which was most representative of their response.

These are illustrated as follows:

D. Example:Q 3 Please indicate the extent to which each of the following describes the objectives of this organisation or this operation, or the parent office as the case may be. (Using the scale below, please write in each box the number most representative of your response.)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Always <u>NOT</u> the case			Maybe			Always <u>IS</u> the case	Not Applicable

3.1 A major objective of the corporate strategy of this operation is to increase sales through new markets in ASEAN.

3.2 Products are exported from this organisation's home country and revenues are sent back to the home country.

Wherever possible, the Likert seven point scale was used.

### 3.2.3 Design

The final questionnaire consisted of 18 questions in 22 pages. The size was considered a disadvantage. However, further reduction was difficult given the integrative approach adopted. The problem was aggravated by the fact that most senior managers were busy executives. During pretest, the lengthy questionnaire was met with some initial resistance. The

following steps were taken to overcome the problem:

- 1) Special considerations were given to the design of the questionnaire to ensure content clarity and a smooth trend of thought.
- 2) The questionnaire was neatly typeset, well printed and carefully bound, to lend support to the argument that the survey was a serious study, worthy of their time.
- 3) A personal appeal was made to the goodwill of the executives.
- 4) A strong emphasis was made to the senior executives on the importance of the survey, stressing the value of the answers to these issues of personal, organisational, national and regional interests. Respondents were encouraged to request a copy of the final report.
- 5) As the sample size was small by nature and the respondents were very senior members of the business community, repeated personal visits were made at predetermined intervals, usually about two weeks, to promote completion. Because of the anonymous nature of the response, a final confirmation of the return of the completed questionnaire was routinely requested on the third visit. To avoid distortions to the sample through non returns, the uniqueness of the position of each respondent was emphasised and at least three more attempts were made in each "overdue" case before a "no response" status was accepted.

### 3.3 Research Procedure

#### 3.3.1 Questionnaire Pretest

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The questionnaire was rigorously pretested to:

- 1) achieve a smoother psychological sequence from the stand point of the respondent
- 2) remove measures that have not contributed to differentiation
- 3) ensure clarity, remove loaded question, ambiguous words or misleading or unstated implications
- 4) confirm the desirability of keeping the responses anonymous
- 5) reduce answering time to about 45 minutes

#### 3.3.2 Data Collection

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Because of the sensitivities of the data and the respondents, it was finally decided that the completed questionnaire would be kept anonymous. Since the sample size was small, the anonymous nature of the response could create considerable difficulties as it would not be possible for one to go back to the respondent when some questions or parts of the questionnaire were found unanswered, or needed clarifications. To help to avoid this, each questionnaire was hand delivered and completion was preceded by a face to face appeal, stressing the importance of a complete and timely return of the questionnaire.

In total, 128 completed questionnaires out of a total 225 distributed were returned. The 57% response rate was considered

very satisfactory given the very high social and managerial status of the respondents and the lengthy and complex nature of the questionnaire. Furthermore, perhaps also because of the seniority of the respondents, missing values were insignificant.

### 3.3.3 Time Lags and Events

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As senior managers were very busy executives who also travelled frequently and since each respondent was approached on an individual basis, data collection stretched over a period of about six months. During this period, there were some major events which affected various ASEAN members in varying degrees. For example, the Aquino Revolution in The Philippines ousted former President Marcos, the Indonesian rupiah was devalued by about 45%, and the Singapore and Malaysian economies sank to an all time low. Though these events might be of some concern, there is really no theoretical reason why they should affect the results of this study. Further, most variables measured here were those considered to have developed over time and should not be affected by short term events. Where short term events were expected to affect the findings these effects would be discussed.

### 3.4 Analytical Methods

#### 3.4.1 Statistical Packages

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In designing the analytical methods, a general survey of methodologies was made as prescribed in Kerlinger's text "Foundations of Behavioral Research" (1973) which was particularly useful in guiding the construction of the approach to the analytical method.

Computation work was done primarily with a personal computer. The statistical packages used were "SPSS PC+ for IBM PC" as described in Marija J. Norusis of SPSS Inc. 1986 and "SYSTAT" as described in the SYSTAT Manual 1984 produced by SYSTAT Incorporated. Both packages consisted primarily of sets of statistical routines which were repeatedly used in the various analytical work of this study.

#### 3.4.2 Factor and Cluster Analysis

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With the help of the statistical packages as described, the analysis of the data began in an orderly fashion from relatively simple exploratory analysis to the more complex confirmatory testing. After editing the data, the exploratory analysis carried out included frequency tabulation, descriptive statistical computation and plotting. After the discovered errors in the data were eliminated, the data were ready for confirmatory testing.

As a fundamental hypothesis to be tested was the existence of the four types of managers, factor analysis and cluster analysis were the two techniques used for analysis for interdependence. Cluster analysis was used primarily to confirm the preliminary findings through factor analysis. Factor analysis was preferred over cluster technique, since this study was more concerned with correlates of managerial emphasis rather than to provide a description of persons. Factor analysis, besides reducing the number of variables to a more manageable set, has also enabled this study to better identify the underlying constructs in the data for the construction of the correlates of the four distinct managerial types.

As it is possible to generate several factor solutions on the data by factor rotation scheme, the basic "unrotated" factor analysis employing principal components analysis was introduced first. The objective of the principal components was to generate a first factor that would have the maximum explained variance. Then with the first factor and its associated loadings fixed, principal components locate a second factor maximising the variance explained in the second factor. This procedure continued until the number of useful factors were exhausted. This study then was ready to determine the existence of the four types of managers.

As interpretation of the factors was difficult since principal components analysis was used, varimax rotation was employed to improve the interpretability of the results. Varimax rotation



searched for a set of factor loadings such that each factor would have some loadings close to zero and some loadings close to -1 or +1. This has facilitated the interpretation since the variable and factor correlations when they were either close to +1 or -1, would indicate a clear association between the variable and the factor; or if they were close to zero, it would indicate a clear lack of association.

### 3.4.3 Analysis of Variance, Multiple Regression and Correlation Analysis

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#### Analysis of Variance

After the four factors were confirmed, the testing of the hypotheses began.

In testing the hypotheses, where appropriate, analysis of variance (ANOVA) was used. ANOVA, differs from regression in that categorical independent variables were utilized. An overall test for the main effects was conducted followed by a comparison of means to explain the nature of the relationship. Scheffe test (Scheffe 1953; Winer 1971) was utilized for comparison where appropriate.

#### Multiple Regression and Correlation Analysis

As this study was not only concerned with whether there was a statistically significant association between variables, but was also concerned with the use of the knowledge of one variable to estimate a second, regression analysis was another approach adopted. This has enabled this study to know the amount or

degrees of association between variables. With correlation analysis, a coefficient to measure the closeness of association between variables could be calculated. With regression, an equation could be developed from the data for one or more independent variables. This in turn could be used to estimate the values for the dependent variables.

Where there were more than two sets of variables, multiple correlation and multivariate analysis were used.

### 3.5 Limitations of the Study

#### 3.5.1 Causality

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It is a truism that all studies of this nature have their limitations. Some are limited by design, some by available tools and others simply by the inherent nature of the problem. This study has all these problems.

The study was a cross sectional survey. Surveys of this nature are common in social sciences and business studies. Their common defects and advantages are well known and have been adequately discussed in many widely available publications such as Moser & Kalton (1979).

Key methodological issues of special importance to this study have already been addressed. Other principal limitations to be mentioned are causality, measurement and limitations of a small sample size.

On causality, it is emphasised here that though the theoretical proposition in this study appeared causal in nature, this is a correlation study and that any inference of causality must therefore be tentative. Such inferences are outside the scope of this study and must be subjected to verifications with further experimental studies.

#### 3.5.2 Measurement

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Measurement reliability and validity are important issues that have to be addressed in any study.

In this study. since all the major instruments used have previously been well tested, used and widely reported in several well known publications, their reliability and validity have been adequately demonstrated and these will not be repeated here.

However, there might be problems where changes were made however slight, to the original questionnaires. Also the instruments for the three variables namely "Benefits", "Cogency" and "Costs" though guided by Nye, were specially constructed for this study. Clearly, in these instances, the issue of validity is a problem of some concern. To help overcome these problems, rigorous interviews were carried out during the questionnaire pretest and modifications were made to improve the wordings and hopefully increase validity. Nevertheless, it is possible that not all issues of validity have been addressed. Since this is only an exploratory study, these shortcomings will need to be tolerated. The trade-off was between the strengths of some tested instruments that might not measure some aspects of the variables as precisely and a specially constructed instrument that was not validated by earlier studies. To measure the perception of ASEAN development in terms of Nye's prescription of "Benefits", "Cogency" and "Costs", a decision was made to use an instrument designed in the context of the local setting and which has during pretest produced satisfactory approximations.

### 3.5.3 Sample Difficulties

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The sample of 128 senior managers although relatively small may

in the circumstances be considered adequate. The number was constrained largely by of the level of seniority of the target respondent and the relatively small number of MNCs in the region. This was further restricted by the desire to formulate a sample size as representative as possible of the total population.

It is therefore possible that the inevitable small sample size could affect the extent to which the findings could be generalised.

However, this concern must not be overly exaggerated. Indeed many similar researches published in major psychological journals, utilised sample sizes smaller than that of this study. Also, generalisability can be achieved by methods other than by a large sample size. It is possible to draw strong conclusions via series of studies with small samples. If this study is placed in the context of a programme of studies in this direction, it may provide a useful basis for generalisation. Nevertheless, it must be accepted that any attempt to generalise from the results of this pioneering study must remain tentative.

Overall, the limitations of this study are not in themselves a cause for concern. Methodological questions are complex and the solutions are always less than perfect. A researcher is always involved in making difficult trade-offs between the strengths and weaknesses of the various possible approaches.

Decisions had to be made to achieve satisfactory solutions to the difficult questions at hand. Such considerations involve some compromises and may even lead to some of the results being

discounted on methodological grounds (Siegel 1956). Only further researches in different settings with different methodologies might perhaps improve the answers to the complex issues under examination.

## Chapter 4 - FINDINGS

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In this Chapter, the various findings will be presented.

Several of the variables utilized in this study were measured by single questions, while others were measured by multiple items indices. Some had clear objective referents, while others were more abstract perceptions. A summary of the selected variables and the sources of the various instruments employed was given in Appendix B. The hypotheses tested were listed in Appendix C.

Because of the exploratory nature of this study, the tentative nature of the findings will again be emphasised.

## 4.1 The Four Types of Managers

### 4.1.1 Correlations Between "Involvement" and "Commitment"

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H1: The perception of the "Involvement" and "Commitment" of MNCs' senior managers to themselves, their organisations, the nation they work in and ASEAN will be distinct.

This distinction will enable the study to categorise the managers. Those who are strongly involved with and committed to themselves may be labelled as the "Self" managers; those who are strongly involved with and committed to their organisations may be labelled as the "Organisational" managers; those who are strongly involved with and committed to the Nation they work in may be labelled as the "Nationalistic" managers; and finally, those who are strongly involved with and committed to ASEAN may be labelled as the "Aseanese" managers.

The analysis started a with a test for correlation between "Involvement" and "Commitment". The strong correlation that was found was reported in Table 23. This finding has enabled the responses to "Involvement" and "Commitment" issues to be taken together for a stronger interpretation of subsequent findings.



TABLE: 23

Correlation Matrix of Involvement and Commitment  
(H1)

	INVS	INVO	INVN	INVA
1. COMS	0.615	0.454	0.372	0.392
2. COMO	0.156	0.583	0.403	0.358
3. COMN	0.170	0.313	0.738	0.471
4. COMA	0.285	0.329	0.552	0.779

INVS - Involvement to "Self"

INVO - Involvement to "Organisation"

INVN - Involvement to "Nation"

INVA - Involvement to "ASEAN"

COMS - Commitment to "Self"

COMO - Commitment to "Org"

COMN - Commitment to "Nation"

COMA - Commitment to "ASEAN"

#### 4.1.2 Factor Findings

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Using factor analysis by varimax rotations, managerial responses to "Involvement" and "Commitment" were tabulated in Tables 24 and 25. The four factors emerged readily distinguishable, particularly with "Commitment" (Table 25).

It may be concluded that not only were "Involvement" and "Commitment" strongly correlated, but the four levels of "Involvement" and "Commitment" to "Self", "Organisation", "Nation" and ASEAN were clearly distinct.

The variables form a linear combination, defining each of the four generic types of managers. This has enabled each of the variables to be summated for each of the four types of managers.

#### 4.1.3. Cluster Findings

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To further confirm the results of the factor findings, a cluster analysis was carried out.

This was done with the K means (Hartigan 1975) cluster analysis technique. Table 26 illustrates the managerial responses under these four labels. Four groups were found. On examining the differences between the means, it was clear that Group 1 was a low "Involvement" and "Commitment" group ("Nationalistic" managers). Group 2 was a high "Involvement" and "Commitment" group (Aseanese managers). Group 3 appeared as an intermediate group ("Self" managers) while Group 4 appeared to be a high

TABLE: 24

Factor Analysis of Managerial Responses To "Involvement"  
 (Varimax Rotation)  
 (H1)

	Factor Loadings			
	Self	Org	Nation	Asean
1. Most important thing	0.861	0.806	0.607	0.905
2. Greatest pleasure as	0.863	0.805	0.699	0.894
3. Preferred entity	0.702	0.660	0.757	0.854
4. Care for development of	0.214	0.288	0.236	0.194
5. Spent most time on	0.776	0.581	0.449	0.828
6. Concerned for performance of	0.620	0.801	0.340	0.524
7. Concerned for progress of	0.698	0.740	0.266	0.514
Percentage of variance explained	10.6%	12.5%	5.6%	28.9%
Total :58%				

Note: For reason of space and ease of reading, the zeros were omitted. The factor loadings were collapsed into the relevant columns.

TABLE: 25

Factor Analysis of Managerial Responses to "Commitment"  
(Varimax Rotation)  
(H1)

	Factor Loadings			
	Self	Org	Nation	Asean
1. Effort to further	0.734	0.623	0.689	0.766
2. Progress of	0.418	0.109	0.506	0.550
3. Value congruence to	0.555	0.603	0.728	0.768
4. Proud of	0.684	0.741	0.749	0.762
5. Inspired by	0.884	0.882	0.723	0.812
6. Choice of	0.721	0.744	0.746	0.761
7. Gains from	0.092	0.596	0.758	0.505
8. Fate of	0.734	0.693	0.525	0.663
9. To continue with	0.330	0.456	0.435	0.337
Percentage of variance explained	5.9%	9.1%	11.3%	32.0%
Total : 58%				

Note: For reason of space and ease of reading, the zeros were omitted. The factor loadings were collapsed into the relevant columns.

TABLE: 26  
Cluster Findings  
(H1)

	GROUP MEANS				Overall Means	F
	1	2	3	4		
INVS	28.7	39.2	32.5	36.4	33.8	11.3**
INVO	30.5	42.6	38.1	38.4	37.9	21.3**
INVN	24.1	38.5	31.7	21.7	30.2	47.8**
INVA	16.5	34.7	25.5	17.1	24.5	56.9**
COMS	36.1	56.9	47.5	49.1	47.9	34.4**
COMO	38.2	58.6	49.6	49.8	49.7	45.4**
COMN	38.5	56.0	47.4	35.0	45.6	38.3**
COMA	39.1	53.9	40.0	27.8	38.9	82.1**
Number	17	22	68	21		
Percentage	13	17	53	16		

\*\* P < 0.001

INVS - Involvement to "Self"	COMS - Commitment to "Self"
INVO - Involvement to "Organisation"	COMO - Commitment to "Org"
INVN - Involvement to "Nation"	COMN - Commitment to "Nation"
INVA - Involvement to "ASEAN"	COMA - Commitment to "ASEAN"

1 - Low on all

2 - High on ASEAN/Others

3 - Intermediate on all

4 - High on Organisation

"Organisation" oriented group who were low on ASEAN and Nation ("Organisational" managers). These findings although they were not as sharply defined as those with factor analysis do lend strong support to Hypothesis 1. The relatively high member of "Aseanese" manages is particularly significant.

Hence Hypothesis 1 was confirmed.

## 4.2 Perception of ASEAN Development - ASEAN Factors

### 4.2.1 Nye's Measurement - "Benefits"

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H2a: "Self" and "Aseanese" managers will be correlated positively to "Benefits" but "Organisational" and "Nationalistic" managers will be correlated negatively to "Benefits".

The findings were summarised in Table 27.

The regression strongly indicated that the managerial perception of "Benefits" varied across the four types of managers. ( $F [4,120] = 23.9, p < 0.01$ ). Forty two percent of the variable was explained by the regression. However the only significant betas were those of the "Nationalistic" managers ( $P = 0.09, P < 0.01$ ) and "Aseanese" managers. It appears therefore that only those managers who were highly "Nationalistic" or "Aseanese" perceived "Benefits" from ASEAN development positively. The "Self" and "Organisational" managers did not perceive these "Benefits".

Hypothesis H2a was partially confirmed.

TABLE: 27  
(H2a to H2c)

Multiple Regression on Managerial Perception  
of Benefits, Cogency and Costs

	Self	Org	Nation	Asean	R <sup>2</sup>	Adj R <sup>2</sup>	df	F
1. Benefits	0.013 (0.04)	-0.013 (-0.03)	0.026* (0.09)	0.160** (0.6)	0.44	0.42	4, 120	23.9**
2. Cogency	-0.002	0.007	0.071* (0.28)	0.009 (0.04)	0.10	0.06	4, 115	3.0*
3. Costs	-0.015 (-0.05)	-0.007 (-0.02)	0.029 (0.11)	0.032 (0.13)	0.04	0.01	4, 120	1.16
* P < 0.05				** P < 0.01				

Note : In brackets are the Beta Values  
(standardized regression coefficients)



#### 4.2.2 Nye's Measurement - "Cogency"

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H2b: "Self" and "Aseanese" managers will be correlated positively to "Cogency" but "Organisational" and "Nationalistic" managers will be correlated negatively to "Cogency".

The findings were also summarised in Table 27.

The regression indicated that the managerial perception of "Cogency" did vary across the four types of managers ( $F [4,115] = 3.0, P < 0.05$ ). However only 6% of the variance was explained and the only significant beta was that of the "Nationalistic" managers ( $B = 0.28, P < 0.05$ ) who contrary to the hypothesis perceived the environment as "Cogent".

Though Hypothesis H2b was rejected, since the other results were insignificant, the perception of "Cogency" by "Nationalistic" managers was indeed a surprisingly encouraging finding. This finding is particularly important to the Singapore Government and the MNCs. Singapore has for some time now been taking on a strongly supportive attitude towards ASEAN development. They now have the clear support from its "Nationalistic" managers with whom they could easily build up a more dynamic partnership to strongly promote ASEAN development more effectively. Singapore could also count on these "Nationalistic" managers to persuade their organisations to reach out to ASEAN opportunities. One possibility is to operationalise the intermediary

complementarity role of Singapore as described in Chapter One.

4.2.3. Nye's Measurement - "Costs"

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H2c: "Self" and "Aseanese" managers will be correlated negatively to "Costs" but "Organisational" and "Nationalistic" managers will be correlated positively to "Costs".

The findings were summarised in Table 27. "Costs" was not significant with any of the four types of managers.

Hypothesis H2c was totally rejected.

### 4.3 Perception of ASEAN Development - Managerial Factors

#### 4.3.1. Managerial Demographics

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H3a: "Self" and "Nationalistic" managers will be correlated negatively to older "Age" but "Organisational" and "Aseanese" managers will be correlated positively to older "Age".

H3b: "Self" and "Aseanese" managers will be correlated positively to high "Education" level but "Organisational" and "Nationalistic" managers will be correlated negatively to high "Education" level.

H3c: "Self" and "Nationalistic" managers will be correlated negatively to high "Organisational Status" but "Organisational" and "Aseanese" managers will be correlated positively to high "Organisational Status".

H3d: "Self" and "Nationalistic" managers will be correlated negatively to strong "Financial Position" but "Organisational" and "Aseanese" managers will be correlated positively to strong "Financial Position".

H3e: "Self" and "Aseanese" managers will be correlated positively to high "Mobility" but "Organisational" and "Nationalistic" managers will be correlated negatively to high "Mobility".

The findings were tabulated in Table 28.

TABLE: 28

Correlations of Managerial Demographics  
(H3a to H3e)

		Self	Org	Nation	Asean
1.	Age	-0.156*	0.269**	0.139	0.047
2.	Education	-0.102	-0.267**	-0.192*	-0.265**
3.	Organisation Status	0.138	-0.089	0.057	0.129
4.	Financial Position	-0.156*	0.169*	-0.025	-0.033
5.	Mobility	0.081	0.065	-0.137	-0.035
		* P < 0.05	** P < 0.01		

"AGE" was found to be significantly correlated but negatively with "Self" managers and very significantly and positively correlated with "Organisational" managers. This confirmed the earlier speculation that "Self" managers were younger and "Organisational" managers were older groups. "AGE" was found not to be a significant variable with the other two types of managers.

Hypothesis H3a was partially confirmed.

"EDUCATION" was found to be significantly correlated with "Nationalistic" managers and very significantly correlated with "Organisational" and "Aseanese" managers.

However, all were in the negative direction. Though the negative readings were expected of "Nationalistic" and "Organisational" managers, suggesting that they were likely to be less educated, it is indeed surprising to find "Aseanese" managers among the less educated. Despite various verifications made, this strange reading remained unchallenged and unexplainable.

Hypothesis H3b was partially confirmed.

"ORGANISATIONAL STATUS" was found not to be significantly correlated with any of the four types of managers.

Hypothesis H3c was totally rejected.

"FINANCIAL POSITION" was found to be significant but negatively correlated with "Self" managers but correlated positively with "Organisational" managers. This confirmed the earlier

speculation that "Self" managers were likely to be less well off financially perhaps because most have only recently started on their careers. "Organisational" managers were expected to be those who have been in their organisations for a considerable period of time. Hence they were better off financially as hypothesised. "FINANCIAL POSITION" was not significantly correlated with the others.

Hypothesis H3d was partially confirmed.

"MOBILITY" was found to be totally uncorrelated to any of the four types of managers. This is disappointing since the extent of "MOBILITY" may help in identifying those who were more likely to accept transfers within the region.

Hypothesis H3e was totally rejected.

#### 4.3.2 Managerial "Origins"

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H4: "Self" and "Organisational" managers will be correlated positively to international expatriate managers. "Nationalistic" managers will be correlated positively to local managers and "Aseanese" managers will be correlated positively to regional expatriate managers.

To test for the overall effect of managerial origin, a multivariate analysis of variance with the four types of managerial orientations as dependent variables was carried out. The results were highly significant (Pillais trace = 0.25,  $P < 0.01$ ). This indicates that managerial "Origin" had an effect on managerial orientation. To further explore the nature of the relationship a series of univariate ANOVA and multiple comparisons were carried out. The results showed that "Origin" was significant with "Aseanese" managers and very significant with "Nationalistic" managers. "Aseanese" managers were found to be mostly regional expatriate managers but some were local managers. "Nationalistic" managers were mostly local managers with some regional expatriate managers.

The results were tabulated in Table 29.

Hypothesis H4 was therefore virtually confirmed.

TABLE: 29

Analysis of Vairance of Managerial Origins  
(H4)

		Self	Org	Nation	Asean
1. International Expatriate Manager	n	30	30	30	30
	$\bar{x}$	79.3	86.2	65.2	45.8
	Std Dev	11.5	9.1	14.1	16.1
2. Regional Expatriate Manager	n	12	12	12	12
	$\bar{x}$	86.0	90.8	74.0	73.8
	Std Dev	10.6	10.4	16.9	19.7
3. Local Manager	n	84	84	84	84
	$\bar{x}$	81.8	87.5	79.8	64.2
	Std Dev	15.1	13.2	15.1	16.8
	df	2,122	2,123	2,122	2,123
	F	1.0	0.6	10.2**	4.7*
* P < 0.05		** P < 0.01			

Note : MANOVA results using the managerial types (Self, Organisational, Nationalistic and Aseanese) as dependents were highly significant (Pillais trace = 0.25, P < 0.01).



#### 4.3.3. Managerial Personalities

---

##### a. Personality of "Self" managers

H5a: "Self" managers will be correlated negatively to "Conciliation", "Suspiciousness" and "Need for Affiliation". They will be however correlated positively to "Authoritarianism", "Need for Achievement", "Need for Dominance" and "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be positively correlated positively to "Cosmopolitans"

Table 30 summarised the findings of the managerial personality.

Multiple regression analysis showed the overall results as highly significant for the four types of managers. The personality of these four types of managers did vary.

For "Self" managers, the significant personality variables were "Authoritarianism", "Need for Achievement" and "Need for Dominance". The "Need for Achievement" was strongest, followed by "Need for Dominance" and lastly the "Authoritarian" personality. The remaining factors were not significant.

Hypothesis H5a was therefore partially confirmed.

TABLE: 30

Multiple Regression of Managerial Personality  
(H5a to H5d)

	Self	Org	Nation	Asean
1. Conciliation	-0.16 (-0.08)	0.51** (0.28)	0.32 (0.13)	0.37 (0.14)
2. Authoritarianism	0.37** (0.29)	0.25** (0.22)	0.65** (0.44)	0.28** (0.18)
3. Suspiciousness	0.08 (0.05)	0.10 (0.08)	-0.09 (-0.05)	-0.15 (-0.08)
4. N Achievement	1.12** (0.26)	0.82** (0.22)	0.21 (0.04)	0.23 (0.04)
5. N Affiliation	0.22 (0.05)	-0.43 (-0.12)	0.29 (0.06)	-0.81 (-0.16)
6. N Dominance	0.96** (0.28)	0.63 (0.22)	1.03** (0.26)	0.77 (0.19)
7. N Autonomy	0.18 (0.05)	-0.58** (-0.18)	-0.59 (-0.13)	-0.83 (-0.18)
8. Internal Locus of Control	-1.22 (-0.14)	0.92 (0.12)	1.02 (0.10)	0.31 (0.03)
9. Cosmopolitan	6.00 (0.02)	0.11 (0.04)	0.08 (0.02)	0.14 (0.04)
<sup>2</sup> R	0.31	0.45	0.34	0.16
<sup>2</sup> Adj R	0.25	0.40	0.28	0.09
F	5.60**	10.25**	6.50**	2.42*
* P < 0.05		** P < 0.01		

Note : Figures in brackets are Beta Values  
(standardized regression coefficient)

b. "Organisational" managers

H5b: "Organisational" managers will be correlated positively with "Conciliation", "Authoritarianism", "Suspiciousness" and "Need for Achievement". They will be however correlated negatively to "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be correlated positively to "Cosmopolitans".

As reported in Table 30, only four personality factors were significant with "Organisational" managers. These were "Need for Achievement", "Conciliation" and "Authoritarianism". The "Need for Autonomy" factor was negative, suggesting that "Organisational" managers preferred not to be autonomous.

Hypothesis H5b was partially confirmed.

c. "Nationalistic" managers

H5c: "Nationalistic" managers will be correlated negatively to "Conciliation", "Need for Achievement", "Need for Affiliation" and "Need for Dominance". They will be however correlated positively to "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Externals" and they will be correlated positively to "Locals".

The findings were summarised in Table 30: "Need for Dominance" and "Authoritarianism" were highly significant personality factors. Other personality factors were not significant. The "Need for Dominance" factor was positive and not negative in direction as hypothesised. This is of much concern since "Nationalistic" managers did also perceive the region as "Cogent" for integration. Any tendency to dominate could create further difficulties for ASEAN development. However, it is possible that this personality factor was really a passive perceptual weakness commonly associated with successful performers and could be overcome.

Hypothesis H5c was partially confirmed.

d. "Aseanese" managers

H5d: "Aseanese" manager will be correlated positively to "Conciliation", "Need for Achievement" and "Need for Affiliation". They will be however correlated negatively to "Authoritarianism", "Suspiciousness", "Need for Dominance" and "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be correlated positively to "Cosmopolitans".

Table 30 summarised the findings for the "Aseanese" managers. The only highly significant factor was "Authoritarianism". The other factors were all not significant.

This is disappointing since correlations of personality factors

could lead to a potentially rich discussion on the leadership styles of this special group of elites. The study must now rely on other "Internal" factors to help explain the perception of these managers.

Hypothesis H5d was partially confirmed.

#### 4.4 Perception of ASEAN Development - National (Cultural) Factors

##### 4.4.1 Ethnicity

---

H6a: "Self" and "Organisation" managers will be correlated positively to Western ethnic group where "Nationalistic" and "Aseanese" managers will correlated positively to Asian ethnic group.

The findings were summarised in Table 31.

To test for the overall effect of ethnicity, a multivariate analysis of variance with the four types of managerial orientation as dependent variables was carried out. The results were significant (Pillai's trace = 0.1,  $P < 0.05$ ). This indicates that managerial ethnicity has an effect on managerial orientations. To explore the nature of this relationship further, a series of univariate ANOVA and multiple comparisons were carried out. The results showed that "Ethnicity" was very significant with "Nationalistic" managers, indicating that "Nationalistic" managers were mainly of ASEAN ethnic group.

Hypothesis H6a was partially confirmed.

#### 4.4 Perception of ASEAN Development - National (Cultural) Factors

##### 4.4.1 Ethnicity

---

H6a: "Self" and "Organisation" managers will be correlated positively to Western ethnic group whereas "Nationalistic" and "Aseanese" managers will be correlated positively to Asian ethnic group.

The findings were summarised in Table 31.

To test for the overall effect of ethnicity, a multivariate analysis of variance with the four types of managerial orientation as dependent variables was carried out. The results were significant (Pillais trace = 0.1,  $P < 0.05$ ). This indicates that managerial ethnicity has an effect on managerial orientations. To explore the nature of this relationship further, a series of univariate ANOVA and multiple comparison were carried out. The results showed that "Ethnicity" was very significant with "Nationalistic" managers, indicating that "Nationalistic" managers were mainly of ASEAN ethnic group.

Hypothesis H6a was partially confirmed.

TABLE: 31

Analysis of Variance of Ethnicity of Managers  
(H6a)

		Self	Org	Nation	Asean	
		N	99	99	99	99
1.	ASEAN Ethnic Group	$\bar{x}$	82.4	87.9	78.1	64.0
		Std Dev	14.4	12.3	15.2	17.1
	<hr/>					
		N	24	24	24	24
2.	Western Ethnic Group	$\bar{x}$	78.4	86.2	65.8	57.8
		Std Dev	12.3	10.2	15.5	16.4
	<hr/>					
		t	1.26	0.52	3.54**	1.63
<hr/>						
		* P < 0.05		** P < 0.01		

Note: MANOVA results using the managerial types (Self, Organisational, Nationalistic and Aseanese) as dependents were found to be significant (Pillais trace = 0.1 P < 0.05).



#### 4.4.2 "Nationality"

---

H6b: "Self" and "Organisational" manager will be correlated positively to Western nationalities. "Nationalistic" managers will be correlated positively to Singapore nationality and "Aseanese" managers will be correlated positively to ASEAN nationality other than that of Singapore.

The findings were summarised in Table 32.

The analysis carried out for "Ethnicity" was repeated for "Nationality". The results were significant (Pillais trace = 0.2,  $P < 0.05$ ). This indicates that "Nationality" had an effect on managerial orientation. Results of the subsequent ANOVA and multiple comparison tests showed that "Nationality" was significant with "Aseanese" managers and very significant with "Nationalistic" managers. "Aseanese" managers were shown to be mostly of ASEAN nationality other than Singaporean and "Nationalistic" managers were mostly Singaporean.

Hypothesis H6b was partially confirmed.

TABLE: 32

Analysis of Variance of Nationality of Managers  
(H6b)

		Self	Org	Nation	Asean
	N	83	84	84	84
1. Singaporeans	$\bar{x}$	82	88	80	64
	Std Dev	15.3	13.1	14.9	16.6
	N	12	12	12	12
2. ASEAN Nationals (Other than Singaporean)	$\bar{x}$	84	88	75	73
	Std Dev	10.6	11.7	18.3	21.4
	N	25	25	25	25
3. Westerners	$\bar{x}$	78	85	65	57
	Std Dev	11.8	9.83	13.4	17.0
	df	2,117	2,118	2,117	2,118
	F	1.2	0.5	9.1**	3.6*
	* P < 0.05		** P < 0.01		

Note: MANOVA results using the managerial types (Self, Organisational, Nationalistic and Aseanese) as dependents were found to be significant (Pillais trace = 0.2 P<0.05).

#### 4.4.3 "Religion"

---

H6c: "Self" and "Organisational" managers will be correlated positively to Protestants and Catholics, "Nationalistic" managers will be correlated positively to Buddhists and "Aseanese" managers will be correlated positively to those without any religious affiliation.

The findings were summarised in Table 33.

The same analytical routines as those for "Ethnicity" and "Nationality" were carried for "Religion".

"Religion" was found not to be a significant factor with any of the four types of managers.

Hypothesis H6c was totally rejected.

TABLE: 33

Analysis of Variance of Religion of Managers  
(H6c)

		Self	Org	Nation	Asean
1. Protestants	N	46	40	45	46
	$\bar{x}$	82	87	76	66
	Std Dev	15.4	13.9	17.0	18.8
2. Catholics	N	20	21	21	21
	$\bar{x}$	70	88	77	58.9
	Std Dev	16.4	12.4	19.0	17.0
3. Buddhists	N	22	22	22	22
	$\bar{x}$	84	90	81	66
	Std Dev	9.7	8.9	9.9	12.3
4. None	N	30	30	30	30
	$\bar{x}$	79	84	71	58
	Std Dev	13.3	10.6	15.2	16.1
	df	3,114	3,115	3,114	3,115
	F	0.97	1.09	1.81	2.04

Note: MANOVA results using the managerial types (Self, Organisational, Nationalistic and Aseanese) as dependents. None were found to be significant (Pillais trace = 0.12  $P < 0.05$ ).

4.5 Perception of ASEAN Development  
- Organisational Factors

4.5.1 Demographics

---

H7a: "SIZE" -

Organisations of "Self" and "Nationalistic" will be correlated negatively to high "Sales" but organisations of "Organisational" and "Aseanese" managers will be correlated positively to high "Sales".

Organisations of "Self" and "Nationalistic" will be correlated negatively to large "Employee Number" but organisations of "Organisational" and "Aseanese" managers will be correlated positively to large "Employee Number".

H7b: "PERFORMANCE" -

Organisations of "Self" and "Aseanese" managers will be correlated positively to high "Market Share" but organisations of "Organisational" and "Nationalistic" manager will be correlated negatively to high "Market Share".

Organisations of "Self" and "Aseanese" manager will be correlated positively to "Growth" but organisations of "Organisational" and "Nationalistic" managers will be correlated negatively to "Growth".

Organisations of "Self" and "Aseanese" managers will be correlated positively to high "Net Profits" but organisations of "Organisational" and "Nationalistic" managers will be correlated negatively to high "Net Profits".

H7c: "PARTICIPATION" -

Organisations of "Self" and "Organisational" managers will be correlated positively to long "Years in Business" but organisations of "Nationalistic" and "Aseanese" managers will be correlated negatively to long "Years in Business".

Organisations of "Self" and "Organisational" managers will be correlated negatively to high "Percentage Assets" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to high "Percentage Assets".

Organisations of "Self" and "Organisational" managers will be correlated negatively to large "Local Shareholdings" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to large "Local Shareholdings".

H7d: "CENTRALISATION" -

Organisations of "Self" and "Organisational" managers will be correlated negatively to immense "Authority" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to immense

"Authority".

Organisations of "Self" and "Organisational" managers will be correlated positively to strong "Communication" but organisations of "Nationalistic" and "Aseanese" managers will be correlated negatively to strong "Communication".

The findings were tabulated in Table 34.

"SIZE" - "Sales" were found to be uncorrelated with any of the four types of managers. "Employee Number" was significantly correlated but negatively with the organisations of "Self" and "Organisational" managers. The negative correlation of "Employee Number" with "Self" managers was expected but the negative correlation to "Organisational" managers was not. One likely explanation of this is that most large MNCs really have only very small number of employees in the Nation since most operate only as coordination offices. This could also suggest that some supervisory functions emanating from Singapore were already in operation.

Hypothesis H7a was partially confirmed.

"PERFORMANCE" - "Market share" and "Growth rate" were found to be uncorrelated with any of the four types of managers. "Net profit" was correlated only with organisations of "Self" managers. This suggests that organisations of "Self" managers were more profitable. The general lack of correlations could also be attributed to the confidentiality of the data.

TABLE: 34

Correlation Analysis of Organisational Demography  
(H7a to H7d)

	Self	Org	Nation	Asean
<b>1. SIZE</b>				
Sales	-0.07	-0.05	-0.06	-0.03
Employee No.	-0.15*	-0.15*	0.10	-0.06
<b>2. PERFORMANCE</b>				
Market Share	-0.07	0.00	-0.13	0.08
Growth	0.12	0.06	0.06	0.06
Net Profits	0.24**	0.07	0.08	-0.02
<b>3. PARTICIPATION</b>				
Years in Business	0.00	0.06	-0.06	-0.11
% Assets	-0.11	0.09	0.11	-0.08
Local Shareholdings	0.05	0.05	0.03	0.02
<b>4. CENTRALISATION</b>				
Authority	0.20*	0.17*	0.14	0.17*
Communication	0.11	0.17*	0.16*	0.24**
<p>* P &lt; 0.05      ** P &lt; 0.01</p>				



Hypothesis H7b was partially confirmed.

"PARTICIPATION" - "Years in business", "Percentage assets" and "Percentage local shareholdings" were totally uncorrelated with any of the four types of managers. This is a disappointment as local participation and extent of investment in fixed assets are often indicators of strength of commitment to the Nation. However this is not totally unexpected since MNCs in Singapore are not under much localisation pressure as in elsewhere.

Hypothesis H7c was totally rejected.

"CENTRALISATION" - "Authority" was correlated positively to organisations of "Self", "Organisational", and "Aseanese" managers. "Communication" was correlated positively to organisations of "Aseanese", "Organisational" and "Nationalistic" managers. "Communication" was especially significant with "Aseanese" managers. This is an important finding since effectiveness of "Aseanese" leadership in the region will strengthen with strong communication.

#### 4.5.2 Generic Choices and Objectives

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##### a. Generic Choices - Nation

- H8a: Organisations of "Self" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.
- H8b: Organisations of "Organisational" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.
- H8c: Organisations of "Nationalistic" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.
- H8d: Organisations of "Aseanese" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

The results were summarised in Table 35.

To test for the overall effect of "Generic Choices", a multivariate analysis of variable with the four types of managerial orientations as dependent variables was carried out. The results were significant (Pillais trace = 0.01  $P < 0.05$ ). This indicates that there was a relationship between "Generic Choices" and managerial orientation. However as there were only 3 cases with "Pull-Back" Choice, against about 100 "Build" and about 23 "Hold" the data was not expected to explain much for

TABLE: 35

Analysis of Variance of Organisational  
Generic Choices (Nation)  
(H8a to H8d)

		Self	Org	Nation	Asean
	n	100	100	99	100
1. Build	$\bar{x}$	82	88	76	63
	Std Dev	14	12	16	18
	n	22	22	23	23
2. Hold	$\bar{x}$	76	81	73	63
	Std Dev	11	11	13	13
	n	3	3	3	3
3. Pull-back	$\bar{x}$	95	101	88	90
	Std Dev	7	12	26	30
	df	2,112	2,112	2,112	2,123
	F	3.18*	5.08*	1.38	3.8*
	* P < 0.05		** P < 0.01		

Note: MANOVA results using the managerial types (Self, Organisational, Nationalistic and Aseanese) as dependents, were found to be significant (Pillais trace = 0.10 P < 0.05).

"Pull-Back". Nevertheless further univariate and multiple comparison tests were carried as previously. With univariate and multiple comparison tests, the results were significant with "Self", "Organisational" and "Aseanese" managers. It was not significant with "Nationalistic" managers.

Strictly speaking the data confirmed Hypotheses 8a and 8c and rejected Hypotheses 8b and 8d. The variables also showed to have an effect on managerial orientations. However with only 3 cases of "Pull-Back" Choice, the data need to be read together with the "Growth" and "Retrenchment" findings given in Tables 38 and 39.

b. Generic Choices - ASEAN

H8e: Organisations of "Self" managers will be correlated positively to a generic "Pull-Back" strategy for the past five years in ASEAN.

H8f: Organisations of "Organisational" managers will be correlated positively to a generic "Build" strategy for the past five years in ASEAN.

H8g: Organisations of "Nationalistic" managers will be correlated positively to a generic "Pull-Back" strategy for the past five years in ASEAN.

H8h: Organisations of "Aseanese" managers will be correlated positively to a generic "Build" strategy for the past five years in ASEAN.

The results were summarised in Table 36

Table: 36

Analysis of Variance of Organisational  
Generic Choices (Asean)  
(H8e to H8h)

		Self	Org	Nation	Asean
	n	87	88	87	88
1. Build	$\bar{x}$	83	89	76	64
	Std Dev	13	11	16	17
	n	18	17	18	18
2. Hold	$\bar{x}$	74	78	71	58
	Std Dev	99	14	13	14
	n	2	2	2	2
3. Pull-back	$\bar{x}$	88	97	87	81
	Std Dev	21	20	35	43
	df	2,104	2,104	2,104	2,105
	F	3.9*	7.5**	1.23	2.15
	* P < 0.05		** P < 0.01		

Note: MANOVA results using the managerial types (Self, Organisational, Nationalistic and Aseanese) as dependents, were found to be significant (Pillais trace = 0.16 P < 0.05).

The same analysis for "Nation" was carried out for "Generic Choice" for "ASEAN". Results were significant (Pillais trace = 0.16  $P < 0.05$ ). Univariate and multiple comparison tests showed that the results were significant with "Self" managers and very significant with "Organisational" managers.

As with "Generic Choice" in Nation, the data, strictly speaking, confirmed Hypothesis 8e and 8g and rejected H8f and H8h.

Again because of the small number on "Pull-Back" choice, the data must be read together with "Growth" and "Retrenchment" findings as given in Tables 38 and 39.

c. Generic Objectives

- H9a: Organisations of "Self" managers will be correlated negatively to "Integration", "Reciprocity" and "Resource Acquisition" objectives but will be correlated positively to "Volume Expansion" objective.
- H9b: Organisations of "Organisational" managers will be correlated negatively to "Integration" objective but will be correlated positively to "Volume Expansion", "Reciprocity" and "Resource Acquisition" objectives.
- H9c: Organisations of "Nationalistic" managers will be correlated negatively to "Integration" and "Reciprocity" objectives but will be correlated positively to "Volume Expansion" and "Resource Acquisition" objectives.

H9d: Organisations of "Aseanese" managers will be correlated positively to all generic objectives viz "Integration", "Volume Expansion", "Reciprocity" and "Resource Acquisition" objectives.

The findings were tabulated in Table 37.

The regression strongly indicated that organisational generic objectives did vary across the four types of managers. For "Self" managers, the significant betas were those of "Volume Expansion" and "Resource Acquisition". The "Volume Expansion" beta was negative suggesting that it was more volume "Contractions" than expansion. This is a potentially alarming finding but as this variable was significant and negative for all types of managers, the volume contraction could be the results of the depressed economic condition currently prevailing in Singapore. It is speculated that this will change with improved market conditions. "Resource Acquisition" was another variable that was significant across all four types of managers but there were directional differences. Organisations of "Self" managers were positive in "Resource Acquisition". This is a positive indication and further confirmed the youth of the organisations of these "self" managers, since "Resource Acquisition" is usually an initial objective for MNCs entering the region.

Hypothesis H9a was partially confirmed.

For "Organisational" managers, the significant betas were those of "Volume Expansion", "Reciprocity" and "Resource Acquisition".

TABLE: 37

Multiple Regression Analysis of Organisational  
Generic Objectives  
(H9a to H9d)

	Self	Factor Org	Loadings Nation	Asean
1. Integration	-0.006 (-0.002)	0.101 (0.047)	0.156 (0.054)	-0.329** (-0.105)
2. Vol Expansion	-0.478* (-0.210)	-0.150* (-0.076)	-0.378** (-0.140)	-0.222* (-0.078)
3. Reciprocity	0.074 (0.044)	0.435** (0.300)	0.117 (0.060)	-0.060 (-0.029)
4. Resource Acquisition	0.115* (0.082)	-0.169* (-0.140)	0.248** (0.152)	-0.389** (-0.105)
<sup>2</sup> R	0.030	0.050	0.030	0.032
<sup>2</sup> Adj R	-0.006	0.024	-0.003	-0.001
df	4,118	4,118	4,118	4,119
F	0.790*	1.766*	0.920*	0.980*
* P < 0.05      ** P < 0.01				

Note: In brackets are the Beta values  
(Standardised regression coefficients)



Unfortunately all except "Reciprocity" were negative in direction. The negative relationship with "Resource Acquisition" is on the surface alarming. However, given the historical background and their current activities it is possible to conclude that these organisations have really gone beyond the traditional "Resource Acquisitions" mode and have moved into a more progressive "Reciprocity" mode which this study found to be correlated positively with organisations of these managers. Possible reasons for the negative correlations with "Volume Expansion" are the same as those stated for the organisations of "Self" managers. The lack of correlation between these organisations and "integration" is another evidence of organisational indifference to ASEAN integrative goals.

Hypothesis H9b was partially confirmed.

For "Nationalistic" managers, the significant betas were "Volume Expansion" (negatively) and "Resource Acquisition" (positively). The negative relationship with "Volume Expansion" has been explained and the significant of "Resource Acquisition" was as hypothesised.

Hypothesis H9c was partially confirmed.

For "Aseanese" managers, the significant betas were those of "Integration", "Volume Expansion" and "Resource Acquisition". All these were negative. These negative relationships are other alarming findings. Whilst the negative impact could be explained as in the case of "Volume Expansion" (because of current economic climate) and "Resource Acquisition" (having

moved up to focus on local markets), the negative direction on "Integration" by "Aseanese" managers is a very depressing and serious finding. This negative relationship with "Integration" suggests that "Aseanese" managers though they were supportive of ASEAN and despite their positive perception of the benefits of ASEAN integration (Table 27) were opposed to further integration. This could be an expression of disappointments and frustrations. It is clear that this is a priority problem that needs to be addressed seriously by ASEAN governments and their official agencies if managers supportive of ASEAN are to remain as supporters.

Hypothesis H9d was partially confirmed.

### 4.5.3 Strategic Postures

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#### a. Congruency

H10a: The past and the recommended future strategic posture of the organisations of the four types of managers will be correlated positively.

The findings were summarised in Table 38.

The data showed the strong correlations between the past and future strategies of the organisations of the four types of managers. This indicates that there were and would likely to continue to be strong convergence between the feelings of the senior managers and the operations of their organisations. This not only confirmed the general feelings that managers tend to choose organisations that have about the same values as theirs, it also follows that the future goals of the organisations will likely to be those as expressed by the managers.

Hypothesis H10a was confirmed.

#### b. Past and Future Five Years

H10b: Organisations of "Self" managers will be correlated positively to a "Growth" posture in the past five years.

H10c: Organisations of "Organisational" managers will be correlated positively to a "Retrenchment" posture in



the past five years.

H10d: Organisations of "Nationalistic" managers will be correlated positively to a "Retrenchment" posture in the past five years.

H10e: Organisations of "Aseanese" managers will be correlated positively to a "Growth" posture in the past five years.

H10f: "Self" managers will be correlated positively to a recommended "Growth" posture for the next five years.

H10g: "Organisational" managers will be correlated positively to a recommended "Retrenchment" posture for the next five years.

H10h: "Nationalistic" manager will be correlated positively to a recommended "Retrenchment" posture for the next five years.

H10i: "Aseanese" managers will be correlated positively to a recommended "Growth" posture for next five years.

The findings were summarised in Table 39.

Overall, there were no significant relationship between "Retrenchment" strategies and the types of managers for both the past and the future five years. There were however, overall significant relationship between the future "Growth" strategies and the types of managers. This relationship was particularly significant for those of the past five years. In both past and

TABLE: 39

Multiple Regression Analysis of Organisational  
Strategic Posture  
(H10b to H10i)

	Self	Org	Nation	Asean	R <sup>2</sup>	Adj R <sup>2</sup>	df	F
<b>1. PAST</b>								
Retrench	-0.05 (-0.08)	-0.05 (-0.06)	0.10 (0.18)	0.02 (0.03)	0.03	0.02	4, 91	0.64
Growth	-0.06 (-0.06)	0.19 (0.17)	0.15 (0.18)	0.13 (0.18)	0.16	0.13	4, 103	4.90**
<b>2. FUTURE</b>								
Retrench	-0.11 (0.05)	0.04 (0.22)	-0.01 (-0.17)	0.07 (0.15)	0.03	0.02	4, 89	0.59
Growth	-0.12 (-0.13)	0.23 (0.22)	0.06 (0.08)	0.08 (0.12)	0.09	0.05	4, 104	2.43*
* P < 0.05      ** P < 0.01								

future five years, the relationship between "Growth" strategies and "Self" managers were negative. There were however no significant betas for the individual managers.

The overall results indicate that organisations which have chosen "Growth" strategies in the past would continue to adopt "Growth" strategies for the future five years. This also means that those that have adopted "Retrenchment" strategies in the past five years would be unlikely to adopt "Growth" strategies for the future five years. Whilst the former will contribute to regional growth and ASEAN development, appropriate intervening strategies are necessary to persuade the remaining type of organisations to adopt a "Growth" profile.

Because of the strong evidence here for "Growth", data on the "Generic Choices" (Tables 35 and 36) should be read in conjunction with these findings.

Hypotheses H10b to H10i were partially confirmed.

## Chapter 5 - SUMMARY AND RECOMMENDATIONS

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In this Chapter the findings will be summarised and recommendations will be made for the managers, their organisations, the Nation and ASEAN.

"Aseanese" managers were presented as the key managerial resource that could provide the managerial leadership for effective private sector participation in ASEAN development.

The background of the "Aseanese" managers and their concern for ASEAN were the prime attributes of "Aseanese" managerial leadership. The aspirations of these "Aseanese" managers could help change the lethargic profile of ASEAN to a more integrated and dynamic one for a more progressive ASEAN.



## 5.1. Summary of Findings

### 5.1.1 MNCs' Senior Managers and ASEAN Development

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The study has shown that the perceptions of MNCs senior managers in terms of their involvement with and commitment to themselves, the organisations they worked for, the nation they worked in and ASEAN were distinct and separate (Tables 24 & 25).

The "Self" managers were those who perceived themselves as strongly involved with and committed to their personal development. To this group of managers, self interests came first. The "Organisational" managers were those who perceived themselves as strongly involved with and committed to the organisations they worked for. To this group of managers, organisational interests were placed above other matters. There were also some who perceived themselves as strongly involved with and committed to the Nation. To this group of "Nationalistic" managers, national interests were of paramount importance. Finally, there were those who perceived themselves as strongly involved with and committed to ASEAN development. To this group of "Aseanese" managers, ASEAN's development reigns supreme.

These different types of managers viewed the "Benefits" and "Cogency" of ASEAN development differently. They also came from different cultural backgrounds. "Nationalistic" managers were usually local managers and the "Aseanese" managers were usually managers of other ASEAN nationalities (Table 29). These two groups of manager are of special importance to the region since

they have their roots in ASEAN. Besides this study also shown that these managers perceived the "Benefits" of ASEAN development more optimistically than others (Table 27). However, there were critical differences between them too. Among others, "Nationalistic" managers emphasised "Cogency" whilst "Aseanese" managers emphasised "Benefits" of ASEAN development (Table 27).

The strong similarities between them and their organisations' strategic posture were also significant. Organisations of both types of managers were equally pessimistic about "Volume Expansion" strategies which were generally widely thought of as a major economic reward of ASEAN development. Nevertheless both groups acknowledged that ASEAN development presented opportunities for "Resource Acquisitions" (Table 27).

Since these senior managers were top decision makers in their organisations, their perceptions, both positive and negative, could have serious impact on ASEAN development. This is even more important since participations from the private sector is now viewed by many as a critical factor in ASEAN development. For private sector participation to be effective, differing strategies must be operationalised to appeal to these various types of managers taking into considerations, the personalities, the organisational demographics and strategic posture (Tables 30, 34 & 37) established in this study. Only by considering these vital variables can strategies be suitably adopted for effective implementation in the promotion of ASEAN development.

### 5.1.2 The Integrated Model of the Study

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The model used was specially designed for this study. The integrated approach worked well. The innovation in categorising managers using "Involvement" and "Commitment" has also worked very satisfactorily. This integrated approach has allowed the study to explore the various factors that were considered to have important impacts on the results. The classification of managers has enabled the construction of the managerial profiles for better identification of the managerial strengths and weaknesses. Overall results have given considerable support to of this approach although not all variables have been meaningful. Some variables were found to be very informative, while others were irrelevant.

Variables found to be very useful were:

1. "Involvement" factors (except "Care for development of").
2. "Commitment" factors.
3. Managerial demographics (except "Organisational Status" and "Mobility").
4. Personality factors (except "Suspiciousness", "Needs for Affiliation", "Locus of Control" and "Cosmopolitans/ Locals").
5. Nye's regionalism measurement (except "Costs").
6. Organisational generic objectives.

## 7. Organisational strategic posture.

The following variables were found to be irrelevant to the study:

1. Ethnicity.
2. Religion.
3. Organisational demographics (except "Centralisation").
4. Organisational generic choices.

### 5.1.3. The Revised Model for Future Studies

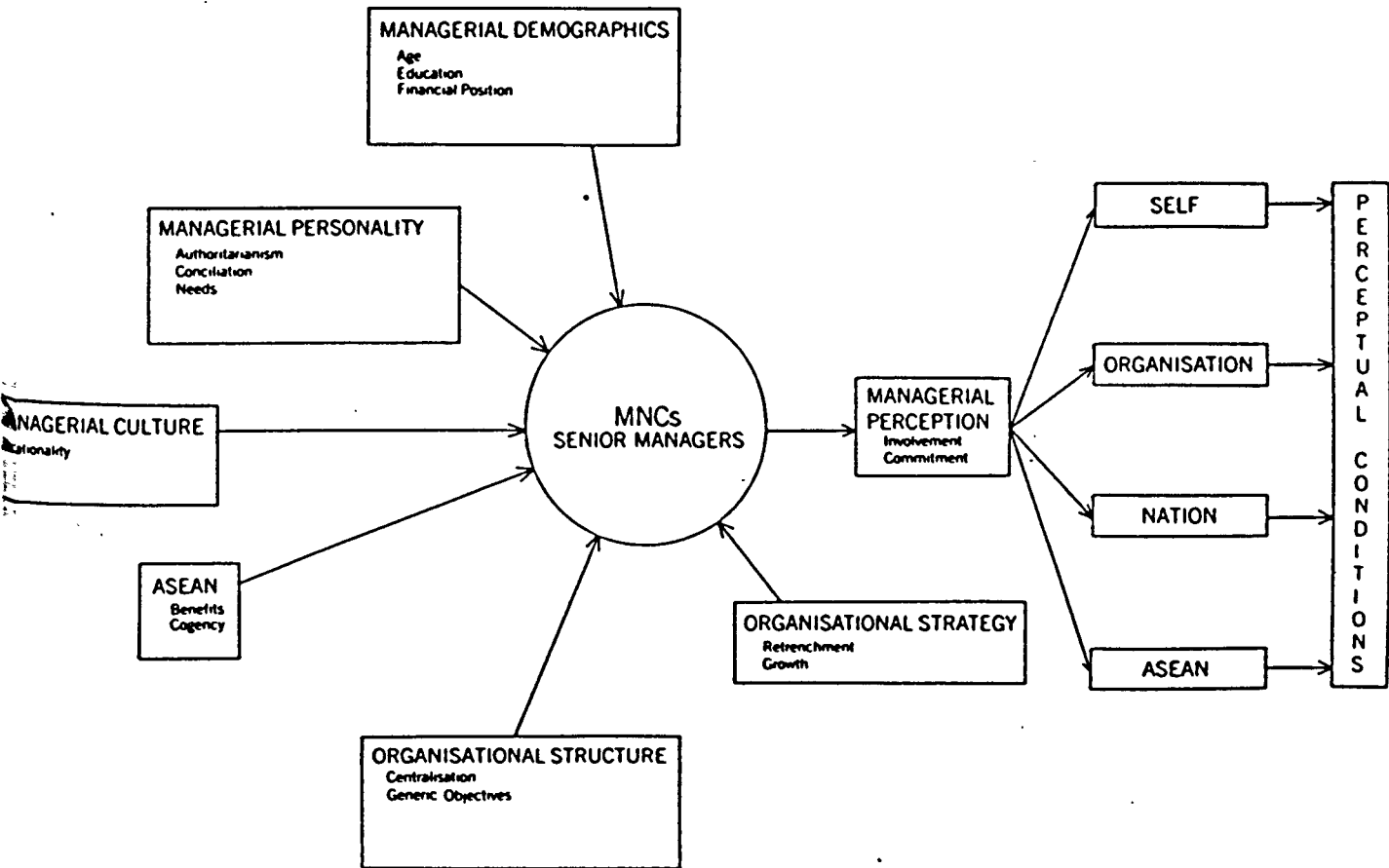
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Based on the findings, the model of this study was revised and a new model presented in Figure P is recommended for future studies. The model is not only useful for ASEAN studies but may also be applicable to studies on other regional groupings particularly those of the developing nations.

However, it must again be emphasised that this study should be viewed only as part of a larger integration study as prescribed by Nye and the dynamic nature of integration must always be borne in mind.

FIGURE P

Model of The Study  
(REVISED)



## 5.2 Recommendations for Managers - Managerial Strategies

### 5.2.1. Managerial Strategies for "Self" and "Organisational" Managers

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As this study took on an interactionist perspective between the managers and their environments, the findings were rich and much could be used to formulate appropriate intervening strategies to promote managerial leadership in ASEAN development (Bass 1981).

"Self" managers were found to be high on "Need for Achievement", "Need for Dominance" and were strongly "Authoritarian" (Table 30). Since ASEAN development presents new opportunities, "Self" managers are advised to look beyond self to ASEAN to broaden their achievement horizons. However ASEAN also stands for a collection of nations with diverse interests of equal priority. The strong "Need for Dominance" and "Authoritarian" personality would have to be contained to accommodate the notion of equality of partnership and the supremacy of national sovereignty.

"Organisational" managers were also high on "Need for Achievement" (Table 30). Though they were "Conciliatory", they were also dominantly "Authoritarian". The conflicting "Conciliatory" and "Authoritarian" personalities were perhaps evidence of the inherently strong inter-organisational communication skills commonly associated with organisational men (Whyte 1958). Their strong identification with the organisations was also demonstrated by their negative relationship with "Need for Autonomy".

This personality profile of "Organisational" managers augurs well for the management of an ASEAN oriented operation. These managers would likely to be authoritative enough to instruct yet conciliating enough to allow for regional differences. Regrettably "Organisation" managers viewed "Benefits" of ASEAN development negatively. This could in part be attributed to their disappointments with ASEAN achievements to date. If "Organisational" managers were expected to be more effective in pursuing ASEAN's goals, then the benefits of ASEAN to the organisations would need to be better demonstrated by the official promoters. Only then that these managers would be prepared to be more involved with and committed to ASEAN development.

#### 5.2.2. Managerial Strategies for "Nationalistic" Managers

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"Nationalistic" managers like "Self" managers were strong on "Need for Dominance" and "Authoritarian" personalities (Table 30). Unlike "Self" managers their "Need of Achievements" were not dominant, suggesting a somewhat reluctant attitude to reach out for ASEAN opportunities. However, "Nationalistic" managers understood the "Benefits" and "Cogency" of ASEAN development (Table 27). Persuading "Nationalistic" managers to be more involved with and committed to ASEAN development is expected to be easier than originally thought possible. "Nationalistic" managers were clearly of the opinion that a strong ASEAN was in the national interest. This nationalistic view of ASEAN could

help ASEAN development significantly since ASEAN interests were seen by these managers as parallel to those of the nation. However, the "Authoritarian" and "Need for Dominance" personality factor could hinder progress. A critical review of the personality factors in the light of regional differences and sensitivities could make the realisation of ASEAN opportunities by "Nationalistic" managers more rewarding.

### 5.2.3 Managerial Strategies for "Aseanese" Managers

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Since "Aseanese" managers were considerably more involved with and committed to ASEAN and perceived the "Benefits" of ASEAN development more strongly compared to the other types of managers, one could conclude that they are perhaps the ideal prime movers for managerial leadership for stronger MNCs' involvement and commitment to ASEAN development.

As there was only one personality factor which was significant with "Aseanese" managers, it is perhaps fortunate that personality factors could be ignored when dealing with "Aseanese" managers. The dominant "Authoritarian" factor, the only significant trait, came as of little surprise. This is because top executives by function were often expected to be more assertive. Further, in this study, "Authoritarian" was a personality trait common to all four types of managers (Table 30).

"Aseanese" managers perceived the "Benefits" of ASEAN development significantly. However "Cogency" was not significant (Table 27).



It is possible that though "Aseanese" managers were strongly supportive of ASEAN, they were uncertain of the "Cogency" given the current turbulence in the region. This perhaps also accounts for their negative relationship with "Integration" objective (Table 37). Their strong sentiments for "Benefits" however were also supported by their very significant relationship with "Resource Acquisition" (Table 37), suggesting their continued interest in the region.

It is possible that the negative aspects of their organisational strategic posture was consistent with the lack of concrete integrative achievements to date by the ASEAN governments and the various official ASEAN agencies. However because of their supportive feelings for ASEAN and if given the official encouragements to participate and to lead the ASEAN movement in the private sector, it is very likely that these prime movers will not only be able to discard their negative perceptions easily but will also be willing to help implement the various cooperative strategies for ASEAN development for the benefit of ASEAN, the nation, their organisations and themselves.

### 5.3 Recommendations for MNCs - Organisational Strategies

#### 5.3.1. "Integration" and "Volume Expansion" Strategies

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Where "Integration" and "Volume Expansion" strategic objectives were significant among the various types of managers, the relationships were negative (Table 37). This suggests that "Integration" even if it was viewed as a very significant objective by "Aseanese" managers, the relationship was perhaps perceived as untimely and hence unproductive. The negative response to "Volume Expansion" by all type of managers across all organisations, suggests that the pessimism may be more related to current adverse market conditions than with ASEAN development specifically. Hence one could speculate that with improved market conditions, the "Volume Expansion" objective would not only continue to be significantly perceived but might even be positively so. This in turn would enable MNCs, those of "Aseanese" managers in particular, to profitably operationalise the appropriate integration strategies for organisational growth in the region.

#### 5.3.2 "Reciprocity" Strategies

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"Reciprocity" was significant only with "Organisational" managers. Because of the tendency by member nations to compete on very similarly designed industrialisation programmes, opportunities for reciprocity may be less obvious. However

collaborative rather than competitive strategies are possible profitable alternatives. Examples of collaborative types of reciprocity strategies that could be recommended to MNCs in the region are strategies involving functional specialisations in each member country. Components made in Malaysia may be finished in Singapore for final assembly in Malaysia for export.

### 5.3.3. "Resource Acquisition" Strategies

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Though "Resource Acquisition" strategies were correlated with organisations of all four types of managers, they were most significant with the organisations of the "Nationalistic" and "Aseanese" managers and negatively significant with "Organisational" and "Aseanese" managers (Table 37). Whilst the positive and significant results with the "Nationalistic" and "Self" managers could lead to stronger intra ASEAN trade, the negative associations with "Organisational" and "Aseanese" managers could seriously undermine these efforts. Alternately, one could also speculate that organisations of these types of managers could have now progressed beyond "Resource Acquisition" and might be perceiving ASEAN more as a long term independent market, to build and grow and not just as an area solely for purposes of resource acquisition. The latter is reassuring and is indeed the perspective adopted by many progressive MNCs in the region such as Kao, Elders Group and ICI.

## 5.4 Recommendations for the Nation - National Strategies

### 5.4.1 Managerial Resource Strategies

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Singapore's free trade policy is well known, particularly among its neighbours. As part of this policy, the system encourages foreign investments from countries far abroad as well as those in the region. Though senior managers of MNCs were usually nationals of the countries of their parent offices, especially since Singapore has a very liberal expatriate employment policy, the significant number of local managers was very enlightening (Table 29). As expected, many of these were "Nationalistic" managers. However there were also a significant number of regional expatriate managers who were found to be strongly correlated to "Aseanese" managers (Table 29). It is clear that Singapore's liberal expatriate employment policy has not only attracted much of the highly skilled international expatriate managers to the Nation but has also attracted many of these regional expatriate managers many of whom were "Aseanese" and hence were concerned with ASEAN development.

These "Aseanese" managers of regional origin and "Nationalistic" managers of local origins together constituted a significant managerial force in Singapore. Together they perceived ASEAN as "Beneficial" and "Cogent" (Table 27). Hence, the goal of the Nation to be an active promoter of ASEAN development is likely to have the strong support of these elite forces in the Nation.

However "Aseanese" managers viewed "Integration", "Volume Expansion" and "Resource Acquisition" negatively (Table 37). Of these, the negative perception of "Integration" goes completely against the fundamental goal of ASEAN.

Enlisting the support of "Aseanese" managers for ASEAN development would firstly need to reverse this negative perception. Logical deduction of how this has come about is not enough, further studies are needed to help establish the parameters for change.

It is also recommended that Singapore should continue to maintain its liberal expatriate employment policy, not only to achieve technology transfer expected by the government but more significantly to collaborate with these senior managers to help maximising Singapore's roles in ASEAN development.

#### 5.4.2 MNCs' Complementarism Strategy

All the four types of managers were generally optimistic of the future in the region as evident from the "Growth" strategies they desired to operationalise over the next five years (Table 39). In varying degrees "Resource Acquisition" was seen as a major factor in the region (Table 37). "Benefits" and "Cogency" of ASEAN development were particularly significant among "Nationalistic" managers, many of whom were Singaporean (Tables 27 and 32). Given this background and the problems of the lack of natural resources in Singapore, aggravated by the competitive nature of the traditional industries, the proposed MNCs'

Complementarism Scheme as described in Chapter One is worthy of further considerations. This is a strongly collaborative strategy within which "Aseanese" managers in Singapore could play a significant intermediary role using Singapore's competitive advantage in the service industry to promote the broader ASEAN objectives for the benefits of all parties in the region.

#### 5.4.3 ASEAN Regional Centre Strategy

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Since "Centralisation" was a significant organisation demography perceived by the four types of managers (Table 34), the strategic location of Singapore and its excellent infra structure offer the ideal home for the "ASEAN Regional Office". The concentration of MNCs already operating in Singapore, the liberal expatriate employment policy, modern and effective communication system, schooling, housing, recreational and conference facilities are the immediate term advantages for MNCs to locate their ASEAN regional offices in Singapore. These are the competitive advantages of Singapore and they matched well with the aspirations of the "Aseanese" managers. Singapore is strongly recommended to pursue this strategy starting with the MNCs and their senior managers already there.

## 5.5 Recommendations for ASEAN - ASEAN Strategies

### 5.5.1 "Growth" Strategies

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Notwithstanding the occasional political turbulence in the region, racial tensions between Malays and Chinese, the current depressed state of the economies in most member nations, serious uncertainties in some member nations like The Philippines, growth strategies in ASEAN were significantly positive with all managers except the "Nationalistic" managers who viewed it as significant but negatively. One possible reason for the negative perception of the "Nationalistic" manager could be the consequence of the unexpected and traumatic economic downturn experienced by Singapore in 1984 and 1985 after a record breaking growth lasting for more than one decade. Though recovery has significantly been achieved in 1986, managers could have remained very cautious in their outlook. It is particularly significant that "Organisational" managers were more growth oriented than others.

Given this generally optimistic outlook, ASEAN integrative programmes could be expected to be well received. ASEAN agencies are strongly advised not to be inhibited by the current poor economic performance and other negative social factors in the region but to aggressively develop and put forward specific growth oriented proposals to match the "Growth" strategies which most managers of MNCs in the private sector would operationalise during the next five years.

### 5.5.2 Integrating ASEAN's Private Sector

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If ASEAN's fundamental objectives are to be attained, integration objective must be accorded the highest priority (Business Times Dec. 29, 1986). It is also increasingly being emphasised that integration efforts to be effective must be directed at both public and private sectors.

Attempts to promote private sector participation in ASEAN development were not new. However, in recent years, more specific efforts have been made with encouraging responses. Regrettably, tangible results from the private sector to date remained disappointing. In this study, even though "Aseanese" managers saw "Integration" as a significant objective for their organisations, the negative relationship suggests that much need to be done before MNCs managers were willing to evaluate integrative proposals more positively.

Fortunately, the overall ASEAN environment is now poised for some fundamental changes. In particular, all member countries are currently in serious pursuit of some basic structural changes to their national economies. The goals are to reduce dependence on exports of raw materials, to become more diversified and to increase the competitiveness of their exports of manufactured goods in the international market. The concept of ASEAN integration is precisely the strategy available to help achieve these goals.



Further, "deregulation" is also increasingly being emphasised and with privatisations, the role of the private sector is gaining official endorsements. Given this environment, ASEAN is today perhaps more ready than ever before for greater intra ASEAN trade and other economic cooperations.

It is in this more promising environment that ASEAN agencies may now have again another opportunity to more effectively demonstrate the benefits of the various integrative strategies that could be operationalised because there is an ASEAN. One tangible step is to bring into fruition some of the more promising blueprints on integrative projects. On a more sustainable basis, ASEAN agencies will need to be more effective in facilitating the exchange of ideas on integrative initiatives that may be profitable to the private sector, MNC in particular. Only when this network is available can "Integration" be a more widespread strategy.

Preparations are now underway for the Third ASEAN Summit, scheduled for December 1987 in Manila. This is an excellent opportunity for the governments and the ASEAN agencies to come up with tangible integrative decisions. If this failed, one can expect a further decline in the sense of commitment to the regional organisation by MNCs' managers generally and more seriously by the "Aseanese" managers specifically.

ASEAN agencies are hence strongly recommended to seek the participation of these "Aseanese" managers to help formulate tangible proposals starting with this forthcoming Third ASEAN

Summit. With the leadership and contribution from the "Aseanese" managers, the Third ASEAN Summit may be a turning point in ASEAN development.

### 5.5.3 Nurturing "Aseanese" Managers

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Among the four types of MNC senior managers, it may be concluded that "Aseanese" managers have more attributes than others to lead the private sector in ASEAN development. Not only did they perceive the "Benefits" of ASEAN development significantly (Table 27) but the fact that many of these were ASEAN regional expatriates (Table 29) means that these managers have with them a background more representative of ASEAN as a whole than the others. Unlike the international expatriate managers, they were part of the region. More effective than the local managers, their experiences went beyond the boundary of a single member state.

Another major strength of these "Aseanese" managers is that these top executives were not only strongly involved with and committed to ASEAN development but were also concerned with the interests of the Nation, their organisations and themselves (Table 26). ASEAN development in the private sector needs clear direction and strong leadership. These strongly motivated high performance managers may not only be able to influence the perceptions of other elite managers but they may also be the role model for regional managerial development. In this respect, they could also be engineering organisational development to meet the

expanded needs of their organisations in the region. These "Aseanese" managers among the senior management team, are able and willing leaders ready to participate and to promote the interest of not only ASEAN as a regional concept but also the constituents of it, which includes the Nation, the organisations and the managers.

Though personality and cultural sensitivities were not found to be critical factors, harnessing "Aseanese" managers is not without its problems. Their lack of desire to integrate and to expand volume sales in the region (Table 37) were serious perceptual problems that need to be overcome.

Nurturing these "Aseanese" managers for ASEAN development could start with making specific efforts to secure their participation in the official ASEAN agencies. Working with "Aseanese" managers as a group would require a clear understanding of the nature of their involvement and commitment to self, organisation, Nation and ASEAN. On a more individual basis, their personal and organisational goals will also need to be taken into consideration. It is only through this interactionist approach that appropriate communication channels may be adopted for strategy consultation, formulation and execution. This in turn will help nurture the leadership of these "Aseanese" managers for more tangible private sector contributions to ASEAN development. With "Aseanese" managers, there is now an opportunity for the private sector to lead ASEAN towards a more integrated, effective and dynamic regional economic grouping in Asia.

**A STUDY OF  
SENIOR MANAGERS  
IN ASEAN**

# GENERAL INSTRUCTIONS

**Thank you for agreeing to complete the questionnaire.**

**Below is some general information which may assist you in completing this questionnaire.**

- 1. There are altogether 5 parts. Please avoid stopping until you come to the end of each part.**
- 2. Please do not go back to completed answers. Spontaneous response is important.**
- 3. There are four types of questions in this questionnaire. For some you may be required to fill a number 38, or state the response in words Malaysia. For others you are to make a cross X or circle a scale ② 3.**
- 4. Confidentiality is guaranteed and while individual responses are collected, only aggregated data will be used. No attempt will be made in any way to identify or isolate your response from the total.**
- 5. Please answer all questions. Where it is not applicable please indicate as so since incomplete questionnaire may invalidate the results.**

**Your opinion is highly valued and respected.**

**Thank you again for your participation.**

**SPECIAL NOTES: The following terms will be used repeatedly in the questionnaire. These are explained as below:**

**A) The Company** is distinguished as follows:

This operation — means the part of your organisation in this Nation which you now work in.

This organisation — means the entire organisation including subsidiaries and joint ventures of which your operation is a part.

The parent office — means the parent office to which all parts of the organisation finally report.

**B) ASEAN** — is the Association of six nations in the region, viz Brunei Darussalam, Indonesia, Malaysia, The Philippines, Singapore and Thailand.

# PART I

## ORGANISATIONAL FACTORS

**This part seeks to understand your organisation. Please answer the questions as accurately as you can. Again please be assured that CONFIDENTIALITY IS GUARANTEED.**

### Question 1

1.1 In which of the following general industry types are the areas of business of this organisation? (If this organisation is involved in more than one industry type, please indicate the approximate percentage of after tax profit contribution from each industry.)

1 Food, beverages, tobacco & agricultural products .....	
2 Consumer durables, household & personal products .....	
3 Textiles & apparel .....	
4 Timber, furniture & wood products .....	
5 Paper, printing & publishing .....	
6 Minerals, chemicals & petroleum products .....	
7 Heavy industries, industrial hardware & constructions .....	
8 Light equipment, electronics & domestic appliances .....	
9 Services, retailing, banking & finance .....	
10 Others .....	
Total	100%

1.2 How many years has this organisation been in business?(Please state numerically in each box.)

Years in  
this Nation  
1

Years in ASEAN  
outside this Nation  
2

Years worldwide  
outside ASEAN  
3

1.3 What is the market share ranking of this organisation in the principal industry (as indicated above) in the last financial year? (Please mark "X" where applicable.)

	This Nation	ASEAN outside this Nation	Worldwide outside ASEAN
1 Largest .....			
2 2th — 5th .....			
3 6th — 10th .....			
4 11th — 20th .....			
5 Don't know .....			

1.4 Please indicate the percentage growth rate of this organisation's principal business. (Please write the number in each box. For negative growth please place the number in brackets.)

1 In this Nation  %      2 In ASEAN outside this Nation  %      3 Worldwide outside ASEAN  %

1.5 What were the approximate total sales of this organisation in the last financial year? (Please mark "X" where applicable.)

	This Nation	ASEAN Outside this Nation	Worldwide outside ASEAN
1 Under US\$1 million .....			
2 US\$1 million-under 5 million .....			
3 US\$5 million-under 10 million .....			
4 US\$10 million-under 100 million .....			
5 US\$100 million-under 500 million .....			
6 US\$500 million-under 1000 million .....			
7 US\$1000 million & over .....			

1.6 In which countries of ASEAN does this organisation has offices? (Please mark "X" where applicable.)

1 Brunei Darussalam       4 The Philippines   
 2 Indonesia       5 Singapore   
 3 Malaysia       6 Thailand

1.7 How many employees are there in this organisation? (Please mark "X" where applicable.)

	Total	In this Nation	In ASEAN outside this Nation	Worldwide outside ASEAN
1 No employees .....				
2 Less than 10 .....				
3 11 — 50 .....				
4 51 — 100 .....				
5 101 — 500 .....				
6 501 — 5,000 .....				
7 More than 5,000 .....				

1.8 Of these, how many are managers? (Please mark "X" where applicable.)

	Total	In this Nation	In ASEAN Outside this Nation	Worldwide outside ASEAN
1 No managers .....				
2 1 — 3 .....				
3 4 — 6 .....				
4 7 — 10 .....				
5 11 — 50 .....				
6 51 — 500 .....				
7 More than 500 .....				



1.9 What % of the company assets of this operation are in plant, machinery and immovable assets? (Using the scale below, please circle the number most representative of your response.)

10% & Under    20    30    40    50    60    70    80    90% & More

1.10 In which country is this operation currently located? (Please mark "X" where applicable.)

- |                     |                          |                   |                          |
|---------------------|--------------------------|-------------------|--------------------------|
| 1 Brunei Darussalam | <input type="checkbox"/> | 4 The Philippines | <input type="checkbox"/> |
| 2 Indonesia         | <input type="checkbox"/> | 5 Singapore       | <input type="checkbox"/> |
| 3 Malaysia          | <input type="checkbox"/> | 6 Thailand        | <input type="checkbox"/> |

1.11 What are the markets of the ASEAN countries which this operation manages? (Please mark "X" where applicable.)

- |                     |                          |                   |                          |
|---------------------|--------------------------|-------------------|--------------------------|
| 1 Brunei Darussalam | <input type="checkbox"/> | 4 The Philippines | <input type="checkbox"/> |
| 2 Indonesia         | <input type="checkbox"/> | 5 Singapore       | <input type="checkbox"/> |
| 3 Malaysia          | <input type="checkbox"/> | 6 Thailand        | <input type="checkbox"/> |

1.12 What is the nature of the ownership of this operation? (Please state the numerical % in each box.)

1 Local shareholders (of this Nation) .....	
2 ASEAN shareholders (not of this Nation) .....	
3 Foreign shareholders (not of ASEAN) .....	
4 ASEAN governments .....	
5 Non ASEAN governments.....	
Total .....	100%

1.13 What approximate % of the sales of this operation are to the following markets? (Please state the numerical % in each box.)

1 This Nation .....	
2 ASEAN (outside this Nation) .....	
3 Asia (outside ASEAN) .....	
4 Australia/New Zealand .....	
5 North America .....	
6 Europe .....	
7 Other .....	
Total .....	100%

1.14 What was the approximate profit % of NET SALES of this operation in the last financial year? (Please mark "X" where applicable. GP — Gross Percentage, NP — Net Percentage after all taxes.)

	GP%	NP%
1 Under 1%		
2 1%— under 3%		
3 3%— under 5%		
4 5%— under 10%		

	GP%	NP%
5 10%— under 15%		
6 15%— under 25%		
7 25% & Above		

1.15 What approximate % of net sales of this operation is of: (Please state the numerical % in each box.)

1 Local production within this Nation.....	%
2 ASEAN production outside this Nation.....	%
3 Foreign production outside ASEAN.....	%
Total	100%

1.16 Please state the number of the managers working in this operation who are: (Please state numerically in each box.)

- 1 International expatriate managers (Managers of nationalities not of ASEAN.)
- 2 ASEAN expatriate managers (Managers of ASEAN nationalities other than that of this Nation.)
- 3 Local managers (Managers of nationality of this Nation.)

1.17 How would you classify this operation in the general structure of this organisation? (Please mark "X" where applicable.)

- 1 International head office
- 2 Regional head office
- 3 Branch office
- 4 Subsidiary company
- 5 Department
- 6 Associate company
- 7 Other (Please state)

1.18 Where is the international head office of this operation? (Please mark "X" where applicable.)

- 1 North America
- 2 Europe
- 3 Australia/New Zealand
- 4 Asia (outside ASEAN)
- 5 ASEAN (outside this Nation)
- 6 Other
- 7 Not Applicable

1.19 Where is the regional head office of this operation? (Please mark "X" where applicable.)

- 1 North America
- 2 Europe
- 3 Australia/New Zealand
- 4 Asia (outside ASEAN)
- 5 ASEAN (outside this Nation)
- 6 Other
- 7 Not Applicable

1.20 Where is the ASEAN head office of this operation? (Please mark "X" where applicable.)

- 1 Brunei Darussalam
- 2 Indonesia
- 3 Malaysia
- 4 The Philippines
- 5 Singapore
- 6 Thailand
- 7 Not applicable



**Question 3**

The following are series of questions on organisational objectives. Please answer them as accurately as possible.

Please indicate the extent to which each of the following describes the objectives of this organisation, or this operation, or the parent office as the case may be. (Using the scale below, please write in each box the number most representative of your response.)

	1	2	3	4	5	6	7	8	
	Always NOT the case				Maybe		Always IS the case		Not Applicable
3.1	A major objective of the corporate strategy of this operation is to increase sales through new markets in ASEAN.								<input type="checkbox"/>
3.2	Products are exported from this organisation's home country and revenues are sent back to the home country.								<input type="checkbox"/>
3.3	The major emphasis by the parent office is on the home market.								<input type="checkbox"/>
3.4	In the eyes of the top management of the parent office, international trade is of little importance.								<input type="checkbox"/>
3.5	The primary purpose of this operation is to provide the resource needs of the parent office.								<input type="checkbox"/>
3.6	This operation is established primarily to avoid higher costs.								<input type="checkbox"/>
3.7	The flow of resources is outward from this operation to the country of the parent office.								<input type="checkbox"/>
3.8	The parent office has established this operation mainly for the purposes of vertical integration.								<input type="checkbox"/>
3.9	The flow of products or benefits is two way between this operation and the parent office.								<input type="checkbox"/>
3.10	A good example of the nature of this operation is that low value raw materials or semifinished components are shipped to this Nation and processed into high-valued finished goods to be exported to developed nations.								<input type="checkbox"/>
3.11	The involvement of this operation in this Nation is best described as both buying local products/services and selling foreign products/services.								<input type="checkbox"/>
3.12	Local materials are added to imported semi finished goods for export to other countries.								<input type="checkbox"/>
3.13	This operation is relatively self contained.								<input type="checkbox"/>
3.14	The foreign and domestic operations of this organisation are of equal priority.								<input type="checkbox"/>
3.15	An objective of the management is to create an operation which is self-contained and independent.								<input type="checkbox"/>
3.16	The parent office of this organisation operates with loose coordination and broad strategic guidance.								<input type="checkbox"/>





## PART II

# MANAGERIAL FACTORS

The following are series of questions on demographic, cultural and work background. Please answer them fully and as accurately as you can. **CONFIDENTIALITY IS GUARANTEED** and no one will be able to identify the respondent except yourself.

### Question 5

- 5.1 Please state age at last birthday. (Please state numerically.)
- 5.2 What is your sex? (Please mark "X" where applicable.)  
1 Male  2 Female
- 5.3 Marital status? (Please mark "X" where applicable.)  
1 Single  2 Married
- 5.4 How many times have you changed the country of residence in your work life? (Using the scale below, please circle the number most representative of your response.)  
0 1 2 3 4 5 6 7 8 9 10 or more
- 5.5 What is your current annual total family income in US\$? (Please mark "X" where applicable.)  
1 Under US\$30,000  5 US\$60,000 — under \$80,000   
2 US\$30,000 — under \$40,000  6 US\$80,000 — under \$100,000   
3 US\$40,000 — under \$50,000  7 US\$100,000 & above   
4 US\$50,000 — under \$60,000
- 5.6 What is the highest level of education you have attained? (Please mark "X" where applicable.)  
1 Below school certificate  5 Professional diploma   
2 School certificate  6 Bachelor degree   
3 High school certificate  7 Master degree & above   
4 Polytechnic/trade certificate

### Question 6

- 6.1 What is your country of citizenship? \_\_\_\_\_
- 6.2 What is your country of permanent residence? \_\_\_\_\_
- 6.3 To which ethnic group do you belong? \_\_\_\_\_  
(Please state e.g. Malay, Chinese, Indian, European, etc)
- 6.4 What is your religion? \_\_\_\_\_

## Question 7

7.1 What are the principal areas of your education and training? (Please write 1, 2, 3 in order of intensity of education/training received.)

- |                                 |                          |                                   |                          |
|---------------------------------|--------------------------|-----------------------------------|--------------------------|
| 1. Accounting/Finance/Computing | <input type="checkbox"/> | 7. Law                            | <input type="checkbox"/> |
| 2. Agriculture/Fisheries        | <input type="checkbox"/> | 8. Medicine/Dentistry/Pharmacy    | <input type="checkbox"/> |
| 3. Architecture                 | <input type="checkbox"/> | 9. Public Administration          | <input type="checkbox"/> |
| 4. Business                     | <input type="checkbox"/> | 10. Sciences                      | <input type="checkbox"/> |
| 5. Economics                    | <input type="checkbox"/> | 11. Social Sciences               | <input type="checkbox"/> |
| 6. Engineering                  | <input type="checkbox"/> | 12. Others (Please specify) _____ |                          |

7.2 Please state the title of your present position: \_\_\_\_\_

7.3 Please state the number of levels between your position and the CEO (Chief Executive Officer) of the following: (Please write numerically in each box. Count your own level as one then add on up to the level of the CEO. Write N/A where not applicable.)

- |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| 1. This Operation        | 2. ASEAN Head Office     | 3. Worldwide Head Office |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

7.4 What is your current personal annual income in US\$ from this organisation? (Please "X" where applicable.)

- |                                |                          |                                 |                          |
|--------------------------------|--------------------------|---------------------------------|--------------------------|
| 1. Under US\$30,000            | <input type="checkbox"/> | 5. US\$60,000 — under \$80,000  | <input type="checkbox"/> |
| 2. US\$30,000 — under \$40,000 | <input type="checkbox"/> | 6. US\$80,000 — under \$100,000 | <input type="checkbox"/> |
| 3. US\$40,000 — under \$50,000 | <input type="checkbox"/> | 7. US\$100,000 & above          | <input type="checkbox"/> |
| 4. US\$50,000 — under \$60,000 | <input type="checkbox"/> |                                 |                          |

7.5 How long has it been since your last promotion? \_\_\_\_\_ years

7.6 Please state the number of years you have been working in the following: (Please state numerically in each box.)

- |                      |                          |                              |                          |
|----------------------|--------------------------|------------------------------|--------------------------|
| 1. This Operation    | <input type="checkbox"/> | 3. This Nation               | <input type="checkbox"/> |
| 2. This Organisation | <input type="checkbox"/> | 4. ASEAN outside this Nation | <input type="checkbox"/> |
|                      |                          | 5. Worldwide outside ASEAN   | <input type="checkbox"/> |

7.7 How often have you been promoted in all jobs in the last ten years? (Using the scale below, please circle the number most representative of your response.)

0    1    2    3    4    5    6    7    8    9    10 or more

7.8 How often have you changed employers in the last 10 years? (Please circle the number most representative of your response.)

0    1    2    3    4    5    6    7    8    9    10 or more

7.9 Which of the following best describes your managerial type?

1. I am an international expatriate manager.  
(That is, my nationality is not of a nation which forms part of ASEAN.)
2. I am an ASEAN expatriate manager.  
(That is, my nationality is of a nation which forms part of ASEAN but I am now working in another ASEAN country.)
3. I am a local manager.  
(That is, my nationality is of this ASEAN nation which I am now working in.)



## PART III

# PERSONAL OPINIONS

### Question 8

The items below are a number of social questions. The best answer to each statement is your own personal opinion. Many different points of views are covered; you may find yourself agreeing strongly with some of the statements, disagreeing just as strongly with others, and perhaps uncertain with a few. Whether you agree or disagree with any statements, you can be sure that many other people feel the same way you do. So just state frankly as you feel.

(Using the scale below, please write in each box the number most representative of your response.)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Strongly Disagree</b>			<b>Completely Neutral</b>			<b>Strongly Agree</b>

- 8.1 Even people who appear friendly to you may be unreliable because they are mainly concerned with their own interests.
- 8.2 This Nation ought to cut down foreign economic help because even friends may take advantage of aid.
- 8.3 Some people just simply dislike you and can't wait to get you.
- 8.4 You can't make friends with people who are hostile to you to begin with.
- 8.5 There are some people who can't be trusted at all.
- 8.6 In these troubled times, if we are to be strong and united against our common enemy, we must have more laws and safeguards against the spread of dangerous ideas.
- 8.7 Even nations that appear friendly to us may be unreliable because they are mainly concerned with their own interests.
- 8.8 Most people are not always straightforward and honest when their own interests are involved.
- 8.9 Obedience and respect for authority are the most important virtues children should learn.

**(Using the scale below, please write in each box the number most representative of your response.)**

**1                      2                      3                      4                      5                      6                      7**  
**Strongly Disagree                      Completely Neutral                      Strongly Agree**

- 8.10 A surprising number of people are cruel and spiteful.
- 8.11 Every person should have complete faith in some supernatural power whose decisions one obeys without question.
- 8.12 You are likely to have some personal enemies that you don't even know about.
- 8.13 We should build our national policy much more on trust and confidence in the motives of other countries.
- 8.14 When there is a quarrel with others one should make a special effort to understand the other party's point of view.
- 8.15 One should not have anything to do with hostile people.
- 8.16 The government of this Nation has shown too much patience in negotiating with governments of other ASEAN nations which this nation disagrees with.
- 8.17 Most activities are more fun when you can compare your own abilities with abilities of others.
- 8.18 It is not worthwhile to make compromises and give up one's own preferences in order to make peace with a personal enemy.
- 8.19 You shouldn't be modest if it leads people to under-estimate your abilities.
- 8.20 When one is engaged in a personal dispute, one shouldn't do favours for people who won't take side.
- 8.21 The first principle of a good foreign policy should be to join forces with any country, even if it is not very democratic.
- 8.22 It is extremely upsetting to be more poorly dressed than most of the people you associate with.
- 8.23 A nation should try to get people from other nations to come to visit the country to explain their points of view.
- 8.24 A nation should not trade with other nations whose policies are against the country.
- 8.25 One should not have anything to do with people that one does not approve of.
- 8.26 One should be completely frank in telling other people about one's own shortcomings and mistakes.
- 8.27 No sane, normal, decent person could ever think of hurting a close friend or relative.
- 8.28 When people are uncooperative, the most effective way to get them to do what you want is to use threats.

**(Using the scale below, please write in each box the number most representative of your response.)**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Strongly Disagree</b>			<b>Completely Neutral</b>			<b>Strongly Agree</b>

- 8.29 It's a good idea to know the problems and worries of people around you, so that you can be helpful.
- 8.30 If people would talk less and work more, everybody would be better off.
- 8.31 A nation should try to show other nations that it does not threaten others in any way.
- 8.32 In spite of occasional lapses, most people are quite trustworthy.
- 8.33 A nation should not carry on trade with a country that is hostile to her.
- 8.34 Some leisure is necessary but it is good, hard work that makes life interesting and worthwhile.
- 8.35 What youth needs most is strict discipline, rugged determination, and the will to work and fight for family and country.
- 8.36 There is hardly anything lower than a person who does not feel a great love, gratitude, and respect for his parents.

**Question 9**

**The following are series of items on some important social events. Each item consists of a pair of statements, one marked "a" and the other "b". Read both statements carefully and select the one statement "a" or "b" (and only one) which you believe more strongly to be the case as far as you are concerned. There are no right or wrong answers. For every item there are large numbers of people who pick "a" and large numbers of people who pick "b". (Please mark "X" in the box at the end of the statement of your choice.)**

- 9.1 a The average citizen can have an influence in government decisions.
- b This world is run by a few people in power, and there is not much the person on the street can do about it.
- 9.2 a If I make an effort, I can get people I like to become my friends.
- b No matter how hard I try, some people just don't like me.
- 9.3 a People's misfortunes usually result from the mistakes they make.
- b Sometimes I feel that I don't have enough control over what happens to me.
- 9.4 a In the long run, people get the respect they deserve.
- b Unfortunately, an individual's worth often passes unrecognized no matter how hard one tries.
- 9.5 a Some people are born to take orders and others are born to give orders.
- b In the long run people with more ability end up giving the orders.









**(Using the scale below, please write in each box the number most representative of your response.)**

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Strongly Disagree</b>			<b>Completely Neutral</b>			<b>Strongly Agree</b>

**D — Involvement in ASEAN Development**

- 12.22 The most important things that I do involve ASEAN development.
- 12.23 The activities which give me the greatest pleasure and personal satisfaction involve ASEAN development.
- 12.24 If I were to accomplish or achieve something, I prefer that it would happen in relation to ASEAN development rather than to any other entity to which I belong.
- 12.25 I used to care about ASEAN development but now other things are more important to me.
- 12.26 I spend a great deal of time outside office hours on matters related to ASEAN development.
- 12.27 How well ASEAN performs is extremely important to me.
- 12.28 I feel badly if ASEAN does not perform well economically.

**Question 13**

**Listed below is a series of statements that represent possible feelings that individuals might have about their commitments to self development, organisational development, national development & ASEAN development. With respect to your own feelings, using the scale below, please write in each box the number most representative of your response.**

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Strongly Disagree</b>			<b>Completely Neutral</b>			<b>Strongly Agree</b>

**A — Commitment to Self Development**

- 13.1 I am willing to put in a great deal of effort beyond that normally expected in order to further my self development.
- 13.2 I would accept almost any type of job assignment in order to progress in my self development.
- 13.3 I find my career path very similar to my value of self development.
- 13.4 I am proud to tell others about my self development.
- 13.5 The thought of my self development really inspires the very best in me.
- 13.6 I am extremely glad that I chose this career for my self development rather than other careers.



**(Using the scale below, please write in each box the number most representative of your response.)**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Strongly Disagree</b>			<b>Completely Neutral</b>			<b>Strongly Agree</b>

- 13.7 There's not too much to be gained in my self development by sticking with this career indefinitely.
- 13.8 I really care about the fate of my self development.
- 13.9 Deciding to pursue this career as the path of my self development was definitely a mistake on my part.

**B — Commitment to Organisational Development**

- 13.10 I am willing to put in a great deal of effort beyond that normally expected in order to help this operation to be successful.
- 13.11 I would accept almost any type of job assignment in order to keep working for this operation.
- 13.12 I find that my values and this operation's values are very similar.
- 13.13 I am proud to tell others that I am part of this operation.
- 13.14 This operation really inspires the very best in me in terms of job performance.
- 13.15 I am extremely glad that I chose to work in this operation rather than other organisations.
- 13.16 There's not too much to be gained by sticking with this operation indefinitely.
- 13.17 I really care about the fate of this operation.
- 13.18 Deciding to work for this operation was definitely a mistake on my part.

**C — Commitment to National Development**

- 13.19 I am willing to put in a great deal of effort beyond that normally expected in order to help this Nation to be successful.
- 13.20 I would accept almost any type of job assignment in order to keep working in this Nation.
- 13.21 I find that my values and this Nation's values are very similar.
- 13.22 I am proud to tell others that I am part of this Nation.
- 13.23 This Nation really inspires the very best in me in terms of job performance.
- 13.24 I am extremely glad that I chose to work in this Nation rather than in other countries.
- 13.25 There's not too much to be gained by staying within this Nation indefinitely.
- 13.26 I really care about the fate of this Nation.
- 13.27 Deciding to work in this Nation was a definite mistake on my part.

**(Using the scale below, please write in each box the number most representative of your response.)**

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Strongly Disagree</b>			<b>Completely Neutral</b>			<b>Strongly Agree</b>

**D Commitment to ASEAN Development**

- 13.28 I am willing to put in a great deal of effort in order to help ASEAN to be successful.
- 13.29 I would accept almost any type of job assignment in order to keep working in ASEAN.
- 13.30 I find that my values and ASEAN's values are very similar.
- 13.31 I am proud to tell others that I see myself as part of ASEAN.
- 13.32 ASEAN really inspires the very best in me in terms of job performance.
- 13.33 I am extremely glad that I chose to work in ASEAN region rather than in another region.
- 13.34 There's not too much to be gained by staying within the ASEAN region indefinitely.
- 13.35 I really care about the fate of the ASEAN region.
- 13.36 Deciding to work in the ASEAN region was a definite mistake on my part.

**Question 14**

**The progress of self development, organisational development, national development and ASEAN development may also depend on the various external environmental conditions. The external environmental conditions referred to here are those major less controllable factors within ASEAN that will influence self development, organisational development, national development and ASEAN development.**

This question seeks to measure your feelings on whether the external environmental conditions, over the next 5 years, will very favourably or unfavourably influence the progress of self development, organisational development, national development and ASEAN development.

**(Using the scale below, please write in each box the number most representative of your response.)**

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Very Unfavourable</b>			<b>Maybe</b>			<b>Very Favourable</b>
1 Self Development			<input type="checkbox"/>		3 National Development	<input type="checkbox"/>
2 Organisational Development			<input type="checkbox"/>		4 ASEAN Development	<input type="checkbox"/>

**Question 15**

**The formation of ASEAN may or may not be of any benefit. This question seeks to evaluate your feelings about the benefits of ASEAN.**

15.1 In terms of benefits, to what extent you feel ASEAN over the next 5 years will be beneficial to self development, organisational development, national development and ASEAN development?

**(Using the scale below, please write in each box the number most representative of your response.)**

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Absolutely No Benefit</b>			<b>Maybe</b>	<b>Very Beneficial</b>		
1 Self Development			<input type="checkbox"/>	3 National Development		<input type="checkbox"/>
2 Organisational Development			<input type="checkbox"/>	4 ASEAN Development		<input type="checkbox"/>

15.2 Evaluating the benefits that you perceived above, do you feel that self development, organisational development, national development and ASEAN development will be benefiting equally, or more than, or less than it ought to or deserves?

**(Using the scale below, please write in each box the number most representative of your response.)**

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Very much Less than Deserves</b>			<b>About Right</b>	<b>Very much More than Deserves</b>		
1 Self Development			<input type="checkbox"/>	3 National Development		<input type="checkbox"/>
2 Organisational Development			<input type="checkbox"/>	4 ASEAN Development		<input type="checkbox"/>

**Question 16**

**Just as there may be benefits to be derived from being part of ASEAN, there also may be costs to the individual, this operation, this Nation and ASEAN as a whole, simply because there is an ASEAN. For example, an individual may now have to compete with counterparts in the region. The weaker companies may have to accept competition from other ASEAN nations. This Nation may have to share the cost of funding expensive projects aimed at promoting ASEAN integration. ASEAN as a whole may have to be satisfied with a weaker common policy as it must take into consideration the problems of even the smallest member nation.**

What are your feelings about the cost of being part of ASEAN in relation to your self development, organisational development, national development and ASEAN development?

**(Using the scale below, please write in each box the number most representative of your response.)**

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<b>Very Low Cost</b>			<b>Reasonable Cost</b>	<b>Very High Cost</b>		
1 Self Development			<input type="checkbox"/>	3 National Development		<input type="checkbox"/>
2 Organisational Development			<input type="checkbox"/>	4 ASEAN Development		<input type="checkbox"/>

**PART V**

**OTHERS**

**Question 17**

Please indicate the extent of your association with ASEAN.  
**(Please mark "X" where applicable.)**

- 1 I am not at all familiar with ASEAN. ....
- 2 I am a little familiar with ASEAN. ....
- 3 I am quite familiar with ASEAN. ....
- 4 I am very familiar with ASEAN. ....
- 5 I am active in an ASEAN agency. ....
- 6 I am a member of an ASEAN agency. ....
- 7 I am an official of an ASEAN agency. ....

**Question 18**

Have you any additional comments on your feelings for ASEAN?

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**Finally please check that you have answered all questions. (For example, you may have inadvertently skipped a page.)**

**THANK YOU VERY MUCH FOR COMPLETING THIS QUESTIONNAIRE.**

**Date:** \_\_\_\_\_

## Summary Of Variables

No.	Variable	Title/Brief Description of Measure	Question No.	Instrument Ref.
1.	Involvement	At four levels of Self, Organisation, Nation and ASEAN	12	Saleh & Hosek (1976), with minor modifications
2.	Commitment	At four levels of Self, Organisation, Nation and ASEAN	13	Mowday, Steers & Porters (1970), with minor modifications
3.	Benefits	Likert seven point scale	15	Specially developed but guided by Nye (1971)
4.	Cogency	Likert seven point scale	14	Specially developed but guided by Nye (1971)
5.	Costs	Likert seven point scale	16	Specially developed but guided by Nye (1971)
6.	Managerial Demographics	Age, education, status in organisation and financial position	5	Hambrick & Mason (1984)
7.	Managerial Personality	Authoritarian, conciliation and suspiciouness	8	Shure & Meeker (1976)
		Manifested needs	10	Steers & Braunstein (1976)
		Locus of control	9	Rotter (1966)
		Cosmopolitans and locals	11	Dye (1966)

## Summary of Variables

No.	Variable	Title/Brief Description of Measure	Question No.	Instrument Ref.
8.	Cultural Factors	Ethnicity, religion and nationality	6	Specially Developed but guided by Cox (1970) and Duetsch (1970)
9.	Organisations' Demographics	Industry type, location, market share, growth rate, sales, profitability, number of employees and number of managers	1	Specially developed
		Duration in operation, capital in immovable assets, ownerships, market coverage and production origins	1	Egelhoff (1980) Herbert (1984)
		Intercompany relationship, locus of authority and communication	1	Specially developed
		Hierarchy	7	Specially developed
10.	Organisations' Choices, Objectives and Strategic Postures	Generic choice: Build, hold, pull-back	2	Burke (1984)
		Generic objectives: Volume expansion, resource acquisition, reciprocity and integration objectives	3	Herbert (1981)
		Strategic postures: Financial, integration, market development, market penetration, product extension, production efficiency, goal emphasis and mergers	4	Jauch, Osborn & Glueck, (1980)

SUMMARY OF HYPOTHESES

Hypothesis H1: The perception of the "Involvement" and "Commitment" of MNCs' senior managers to themselves, their organisations, the nation they work in and ASEAN will be distinct.

This distinction will enable the study to categorise the managers. Those who are strongly involved with and committed to themselves may be labelled as the "Self" managers; those who are strongly involved with and committed to their organisations may be labelled as the "Organisational" managers; those who are strongly involved with and committed to the Nation they work in may be labelled as the "Nationalistic" managers; and finally those who are strongly involved with and committed to ASEAN may be labelled as the "Aseanese" managers.

Hypothesis H2a: "Self" and "Aseanese" managers will be correlated positively to "Benefits" but "Organisational" and "Nationalistic" managers will be correlated negatively to "Benefits".

H2b: "Self" and "Aseanese" managers will be correlated positively to "Cogency" but "Organisational" and "Nationalistic" managers will be correlated negatively to "Cogency".

H2c: "Self" and "Aseanese" managers will be correlated negatively to "Costs" but "Organisational" and "Nationalistic" managers will be correlated positively to "Costs".

Hypothesis H3a: "Self" and "Nationalistic" managers will be correlated negatively to older "Age" but "Organisational" and "Aseanese" managers will be correlated positively to older "Age".

H3b: "Self" and "Aseanese" managers will be correlated positively to high "Education" level but "Organisational" and "Nationalistic" managers will be correlated negatively to high "Education" level.

H3c: "Self" and "Nationalistic" managers will be correlated negatively to high "Organisational Status" but "Organisational" and "Aseanese" managers will be correlated positively to high "Organisational Status".

H3d: "Self" and "Nationalistic" managers will be correlated negatively to strong "Financial Position" but "Organisational" and "Aseanese" managers will be correlated positively to strong "Financial Position".

H3e: "Self" and "Aseanese" managers will be correlated positively to high "Mobility" but "Organisational" and "Nationalistic" managers will be correlated negatively to high "Mobility".

Hypothesis H4: "Self" and "Organisational" managers will be correlated positively to international expatriate managers. "Nationalistic" managers will be correlated positively to local managers and "Aseanese" managers will be correlated positively to regional expatriate managers.

Hypothesis H5a: "Self" managers will be correlated negatively to "Conciliation", "Suspiciousness" and "Need for Affiliation". They will be however correlated positively to "Authoritarianism", "Need for Achievement", "Need for Dominance" and "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be positively correlated positively to "Cosmopolitans"



- H5b: "Organisational" managers will be correlated positively with "Conciliation", "Authoritarianism", "Suspiciousness" and "Need for Achievement". They will be however correlated negatively to "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be correlated positively to "Cosmopolitans".
- H5c: "Nationalistic" managers will be correlated negatively to "Conciliation", "Need for Achievement", "Need for Affiliation" and "Need for Dominance". They will be however correlated positively to "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Externals" and they will be correlated positively to "Locals".
- H5d: "Aseanese" manager will be correlated positively to "Conciliation", "Need for Achievement" and "Need for Affiliation". They will be however correlated negatively to "Authoritarianism", "Suspiciousness", "Need for Dominance" and "Need for Autonomy". Their "Locus of Control" will be correlated positively to "Internals" and they will be correlated positively to "Cosmopolitans".
- Hypothesis H6a: "Self" and "Organisation" managers will be correlated positively to Western ethnic group whereas "Nationalistic" and "Aseanese" managers will be correlated positively to Asian ethnic group.
- H6b: "Self" and "Organisational" manager will be correlated positively to Western nationalities. "Nationalistic" managers will be correlated positively to Singapore nationality and "Aseanese" managers will be correlated positively to ASEAN nationality other than that of Singapore.
- H6c: "Self" and "Organisational" managers will be correlated positively to Protestants and Catholics, "Nationalistic" managers will be correlated positively to Buddhists and "Aseanese" managers will be correlated positively to those without any religious affiliation.

Hypothesis H7a:

"SIZE" -

Organisations of "Self" and "Nationalistic" will be correlated negatively to high "Sales" but organisations of "Organisational" and "Aseanese" managers will be correlated positively to high "Sales".

Organisations of "Self" and "Nationalistic" will be correlated negatively to large "Employee Number" but organisations of "Organisational" and "Aseanese" managers will be correlated positively to large "Employee Number".

H7b:

"PERFORMANCE" -

Organisations of "Self" and "Aseanese" managers will be correlated positively to high "Market Share" but organisations of "Organisational" and "Nationalistic" manager will be correlated negatively to high "Market Share".

Organisations of "Self" and "Aseanese" manager will be correlated positively to "Growth" but organisations of "Organisational" and "Nationalistic" managers will be correlated negatively to "Growth".

Organisations of "Self" and "Aseanese" managers will be correlated positively to high "Net Profits" but organisations of "Organisational" and "Nationalistic" managers will be correlated negatively to high "Net Profits".

H7c:

"PARTICIPATION" -

Organisations of "Self" and "Organisational" managers will be correlated positively to long "Years in Business" but organisations of "Nationalistic" and "Aseanese" managers will be correlated negatively to long "Years in Business".

Organisations of "Self" and "Organisational" managers will be correlated negatively to high "Percentage Assets" but organisations of "Nationalistic" and "Aseanese" managers

will be correlated positively to high "Percentage Assets".

Organisations of "Self" and "Organisational" managers will be correlated negatively to large "Local Shareholdings" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to large "Local Shareholdings".

H7d: "CENTRALISATION" -

Organisations of "Self" and "Organisational" managers will be correlated negatively to immense "Authority" but organisations of "Nationalistic" and "Aseanese" managers will be correlated positively to immense "Authority".

Organisations of "Self" and "Organisational" managers will be correlated positively to strong "Communication" but organisations of "Nationalistic" and "Aseanese" managers will be correlated negatively to strong "Communication".

Hypothesis H8a:

Organisations of "Self" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8b: Organisations of "Organisational" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8c: Organisations of "Nationalistic" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8d: Organisations of "Aseanese" managers will be correlated positively to a generic "Build" strategy for the past five years in the Nation.

H8e: Organisations of "Self" managers will be correlated positively to a generic "Pull-Back" strategy for the past five years in ASEAN.

H8f: Organisations of "Organisational" managers

will be correlated positively to a generic "Build" strategy for the past five years in ASEAN.

H8g: Organisations of "Nationalistic" managers will be correlated positively to a generic "Pull-Back" strategy for the past five years in ASEAN.

H8h: Organisations of "Aseanese" managers will be correlated positively to a generic "Build" strategy for the past five years in ASEAN.

Hypothesis H9a: Organisations of "Self" managers will be correlated negatively to "Integration", "Reciprocity" and "Resource Acquisition" objectives but will be correlated positively to "Volume Expansion" objective.

H9b: Organisations of "Organisational" managers will be correlated negatively to "Integration" objective but will be correlated positively to "Volume Expansion", "Reciprocity" and "Resource Acquisition" objectives.

H9c: Organisations of "Nationalistic" managers will be correlated negatively to "Integration" and "Reciprocity" objectives but will be correlated positively to "Volume Expansion" and "Resource Acquisition" objectives.

H9d: Organisations of "Aseanese" managers will be correlated positively to all generic objectives viz "Integration", "Volume Expansion", "Reciprocity" and "Resource Acquisition" objectives.

Hypothesis H10a: The past and the recommended future strategic posture of the organisations of the four types of managers will be correlated positively.

H10b: Organisations of "Self" managers will be correlated positively to a "Growth" posture in the past five years.

H10c: Organisations of "Organisational" managers will be correlated positively to a "Retrenchment" posture in the past five

years.

- H10d: Organisations of "Nationalistic" managers will be correlated positively to a "Retrenchment" posture in the past five years.
- H10e: Organisations of "Aseanese" managers will be correlated positively to a "Growth" posture in the past five years.
- H10f: "Self" managers will be correlated positively to a recommended "Growth" posture for the next five years.
- H10g: "Organisational" managers will be correlated positively to a recommended "Retrenchment" posture for the next five years.
- H10h: "Nationalistic" manager will be correlated positively to a recommended "Retrenchment" posture for the next five years.
- H10i: "Aseanese" managers will be correlated positively to a recommended "Growth" posture for next five years.

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