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**INFLUENCES OF CONTEXT AND CULTURE ON
SINGAPOREAN STRATEGIC INVESTMENT DECISION
MAKING PRACTISES**

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PhD

The University of Edinburgh

2014

DECLARATION

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CONFERENCE AND JOURNAL PAPERS

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Soh, C and Carr, C (2013) “ Is finance or culture more important? Uncovering the key influences on strategic investment decision making practises: 30 case studies in Singapore,” 11th Workshop on International Management, October 18-19, 2013, European Institute for Advanced Studies in Management (EIASM), Berlin, Germany.

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Soh, C, Carr, C and Bozos, K (2012) “A Contextual Examination of Strategic Investment Decision Making Practises in Singapore”, AIB Annual Meeting, June 30-July 3, 2012, Academy of International Business (AIB), George Washington University and University of Maryland, Washington, USA.

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ABSTRACT

This thesis investigates the interplay of context with culture on strategic investment decision (SID) making practises in strategic management accounting, strategic management, cross cultural management and global strategic management research in Singapore using three research questions. These research questions commence from an inter-country perspective on SID making and narrow down to the theme of foreign versus domestic investments.

The three research questions are:

Research question 1(RQ1): Do strategic management accounting, strategic management and cultural aspects vary across Singaporean companies in SID making?

Research Question 2 (RQ 2): Can SID differences be explained by using a four way categorisation of firms?

Research Question 3 (RQ3): Do decision making practises for international SIDs differ from domestic SIDs?

The first research question aims to determine country versus context specific SID making practises using Singapore as the research context. Having acknowledged unique country specific influences on SID making practises in the analysis conducted using the first research question, the second research question segments the Singaporean SIDs in conjunction with the international SIDs into four contextual categories using unique contextual differences that are highlighted in the analysis. The third research question aims to ascertain unique aspects of SID research that can be applied to global strategic management research. To address RQ3, the findings from RQ1 and RQ2 are consolidated in tandem with global strategic management research in order to distinguish between foreign direct investments versus domestic investments in SID making.

Drawing on Singapore as the empirical focus for fieldwork, a multi-tiered case analysis system is used. The methods chapter illustrates the pilot study and thirty case studies that are conducted over two years over three stages with representative

companies from the primary, secondary and tertiary sectors. In the detailed case study approach taken by the researcher; web-based research, questionnaire modifications, interviews, field visits, factory observations and financial reports collection are duplicated in Stages one to three to ensure comparability with the previous phases.

In the discussion section, the dominating themes from the results chapters are used as comparison with multi-country research in order to investigate the three research questions in detail. In total, nineteen expectations that are derived from the literature review covering the dimensions of strategic management accounting, strategic management, cross cultural management and global strategic management are extracted and compared with actual SID making practises exhibited in the 30 case studies.

Cultural similarities within the thirty Singaporean SIDs are contrasted with unique cultural features of U.S, U.K, Japanese and German firms using RQ1. Beyond financial variables, culture specific differences are specifically highlighted for the dimensions of intuition, power distance relationships, long term orientation and minimum financial versus strategic emphasis in the Singaporean sample. In RQ1's analysis, it is found that Singaporean firms exhibit the highest degree of future orientated behaviour, power distance relationships in conjunction with lower levels of assertiveness and in-group collectivism when contrasted with U.K, U.S, Japanese and German firms.

However, some contextual differences are apparent within the Singaporean sample which RQ2 seeks to explain. In RQ2's analysis, the thirty firms are structured into Market Creators, Value Creators, Refocusers and Restructurers where marked distinctions in financial flexibility, financial expectations and attitude towards financial targets are found. Further observations found that firms in the tertiary sector favour readiness in SID making, as compared to planned SID making approaches in the secondary and primary sectors. Hence, it is concluded that culture and context both play important roles in different aspects in SID making.

RQ3's analysis aims to show subtle distinctions between overseas and domestic SIDs. It is found that firms investing in overseas SIDs are inclined to be longer-term in their SID making approach than firms who have a higher propensity to invest in domestic SIDs. The approaches for host country selection differ for the 4 contextual categories. The Market Creators tend to be influenced by the availability of close-knitted partners when investing overseas. In contrast, the Refocusers and Restructurers are highly customer-driven whereas the Value Creators are attracted by the host country's market potential.

From the literature summary of the four unique dimensions pertinent to SID making, a pre-conceptual framework is derived. In the discussion section, the pre-conceptual framework is restructured into a post-conceptual framework where themes common to the Singaporean and multi-country SIDs that have been used for comparative analysis are emphasised. This framework concludes the thesis by combining both contextual and cultural themes using research from the eastern and western contexts.

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LIST OF ABBREVIATIONS

Abbreviation	Meaning
Anglo-Saxon	British and American
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chem	Chemical
Cn	China
COO	Chief Operating Officer
CSF	Critical Success Factor
DCF	Discounted Cash Flow
DI	Domestic Investment
Eng.....	Engineering
FDI	Foreign Direct Investment
IRR	Internal Rate of Return
NPV.....	Net Present Value
Pre	Precision
PTE LTD.....	Private Limited
R&D	Research and Development
ROC.....	Return on capital
ROI.....	Return on investment
SID	Strategic Investment Decision
SMA	Strategic Management Accounting
Sg.....	Singapore
SME(s)	Small and Medium-sized Enterprise(s)
U.K.....	United Kingdom
U.S	United States of America

CHAPTER 1: INTRODUCTION

1.1 Aim and Scope of the thesis

The main aim of this research is to strengthen the understanding of context and culture in strategic investment decision (SID) making. This aim is achieved by integrating strategic management accounting (SMA), strategic management, cross-cultural and international business literature through a comprehensive literature review and analysing the results through a four-prong approach. As SID-making literature has been widely covered in most literature streams, an integrative research is important to increase the understanding of SID making practises. From the integrative cross-cultural review, a pre-conceptual framework sets the foundation for the structure of the data collection exercise and discussion that formulates the post-conceptual framework for SID making practises.

Discussion on SID making practises has mainly been centralised in Anglo-Saxon countries and showcased little expansion beyond financial and SMA themes. Thus, this thesis investigates the SID making practises of thirty Singaporean firms in comparison with past field work largely conducted on US, UK (Anglo-Saxon) and European firms using cross-comparative analysis and triangulation of methods. Through a case study approach, previous Anglo-Saxon research on SID making are empirically validated in Asia using Singapore as an eastern representative. Research expectations from prior SID making literature are reconstructed to address existing SID making gaps by linking separate frameworks from strategy formulation and SID making contextual literature to the decision making framework. Current SID research is extended beyond finance and strategic management accounting by developing a

framework that specifies the different contextual and cultural variables in SID making. Past SID propositions are applied to aspects of international business research on foreign direct investments (FDIs) and domestic investments (DIs) for theoretical development in order to enhance the understanding of SIDs for better western and eastern collaboration.

The next sections introduce the background of the research, followed by the research objectives and questions, research motivation and finally the structure of the thesis.

1.2 Background

The ex-British colony of Singapore which emerged from its humble beginnings as a country with a small land area of 680 km, four million population and no natural resources to today's tiny powerhouse (Phang, 2003) is chosen for multiple case study in this research. The small nation state of Singapore is considered to be one of the dominant Asia leaders in its economic achievements (Low and Ang, 2012). Singapore is part of the Association of Southeast Asian Nations (ASEAN) which is created to join nation states together in order to enhance the region's trade developments (Anwar et al., 2009). To build a common identity, Singapore, Malaysia, Vietnam, Laos, Cambodia and Myanmar are united in ASEAN (Anwar et al., 2009). Singapore is perhaps the most economically developed of the ASEAN countries due to its high GDP and government reserves and political stability (Anwar et al., 2009).

Singapore has shown remarkable resilience in crisis. The Asian Financial Crisis of 1997-1998 can be regarded as an event with the most severe financial and economic

consequences in fifty years (Singh and Yip, 2000). The devaluation of Asian currencies against the US dollar has increased the debt pressures of Asian countries like Thailand, Korea, Indonesia and Malaysia (Lim et al., 2009). In comparison to Philippines and Indonesia whose currencies depreciated 35% and 70% respectively, Singapore has shown itself to bounce back from the crisis rapidly due to its low debt ratio and strong reserves. Despite its currency devaluation of 18.3 percent against the US dollar in only six months, there has been an overall appreciation of the Singaporean dollar against regional currencies (Ngiam, 2000). In the aftermath of the financial crisis, Singapore has developed rapidly from its prior status as an emerging economy to its present status as a developed one (Danis et al., 2011).

In 2010, Singapore emerged as the economic tiger of the five ASEAN countries (Political Risk Yearbook., 2011) being ranked third on investments inflows and outflows after Japan and China (UNCTAD, 2010). Whilst China's big story is incoming FDIs, it's surprising when it comes to outward FDIs, Singapore is bigger than China (UNCTAD, 2010) despite its tiny size.

Singapore has often been regarded as culturally different from its Asian counterparts (Petrescu et al., 2011) and is often regarded as foreign by her Chinese neighbours (Dahles, 2007), with its midway status between developed Anglo-Saxon countries and emerging countries (Lim et al., 2009). In the literature review, minimum research is found on comparative SID making practises between Singapore and other countries, thus, Zhang et al (2011)'s research on research acquisition comparing Singaporean and Chinese decision makers is mentioned here. In Zhang et al(2011)'s research, data is collected through surveys and interviews with 128 Singaporean and

250 Beijing high-tech start-ups. Zhang et al (2011)'s research can be regarded similar to some SID making research as their sample group only includes key entrepreneurs and the study is made up of past events. The main difference is that Zhang et al (2011) investigated a series of decisions in the past eight years and not the key SID in the last five years as in most SID research.

Zhang et al (2011) mentioned that Singapore's culture is influenced by the cultural diversity of its population and by western culture due to influences from colonisation by the British. Singaporean companies tend to be more strategic (Goh, 2007) with a higher emphasis on trust¹, relationships and business referrals (Wong and Ho, 2007) than other Asian countries. Her investment outlook emphasises 'new markets, product diversification and low-cost production sites' (Dahles, 2005, pp 55) and is lowly leveraged with the main source of funds being personal cash and government support (Gomez, 1999) in contrast to Chinese firms who are more highly leveraged. Yet, similar to Chinese companies, Singaporeans tend to use financial techniques minimally due to little understanding of financial techniques and a disregard of their importance (Heaney et al., 2011).

The Chinese culture is characterised by "less focus on command and control, more on influencing, steering, nudging, connecting interests and internal marketing" (Cummings and Daellenbach, 2009). Zhang et al (2011) expected that Chinese culture would be distinctively different from Singaporean culture. Though Zhang et al (2011) found that there are significant differences in social network culture

¹ Trust can be defined as the friendship developed based on long term relationships and cultural co-operation in the eastern context versus trust based economic calculations and rationality in the western context (Dahles, 2005, pp 45-46)

between Singapore and China, making globalisation a key converging factor in the CEO's commitment to resources and henceforth suggesting that culture is more significant than context or process in SID making, it must be mentioned that this research is not primarily conducted on SIDs. Thus, Zhang et al (2011)'s conclusions drawn on Asian decision makers may not apply to Singaporean SIDs. Hence, this SID focused research in Singapore adds to the understanding of the role of context and culture in Asian SID making, which contributes significantly for today's research.

1.2.2 The Singaporean setting for comparative Asian SID making research

Current SID making research may have little applicability to Asia, as much of the research is conducted in the Anglo-Saxon or European context. Unlike the examples of Japan and China who have been used to a limited extent for comparative and single study SID making research, Singaporean SID making research tends to be theoretical (Heaney et al., 2011; Wong and Ho, 2007) and does not focus on the SID making literature.

It has been noted that the SID making styles of the ASEAN countries may be similar to Japan in a study conducted by Nakamura (1992). However, Nakamura (1992) has failed to provide empirical evidence proving his study. To address these empirical gaps in SID making research, this research focuses on the literature sources that concentrate on Japan, U.S, U.K, Germany, Singapore and China as the main countries of research to identify common themes and adds on Singapore as a new country to the prior empirical studies. For external validity, the free market economies of U.K versus U.S and the developed, government regulated market

economies of Japan (Carr and Pudelko, 2006) and China act as comparative tools for the Singaporean based empirical studies.

A study of Asian based strategic investment decisions based in Japan, China and Singapore is of interest due to their unique differences. Japan can be regarded as a developed host nation, Singapore as a developing country and China as part of the economics in transition (Petrescu et al., 2011). Singapore and Japan are both ranked in the third and second position on investments inflows and outflows in UNCTAD (2010). Similar to Japan, the two countries benefit from rich influences from western and eastern collaboration due to trade agreements. With these perspectives, Singapore who “represents one of the fastest-growing economies among the Pacific Rim countries, and also attracts substantial investments from US and other multi-national firms, many of which have located their regional headquarters there” (Chen and Ho, 1997, p. 82-83) is picked as the country of choice for SID making research. Using Singapore as a basis for empirical research in comparison to other developed eastern and western countries can help to increase the amount of needed information in cross-cultural SID making research for today’s collaboration between western and eastern decision makers.

1.3 Research Objectives and Questions

Eisenhardt and Zbaracki (1992) mentioned a three criteria framework which this research aims to follow by incorporating three aspects of specificity.

Firstly, through a four-dimensional literature review, differing literature perceptions incorporating culture, strategic management practises, strategic management accounting influences and investment types are used to evaluate SID making

practises. These literature perceptions from Rajagopalan et al (1993)'s SID making process summary, House et al. (2004)'s GLOBE studies, a comprehensive cross-cultural series presented by Carr and Tomkins (1998), Carr and Pudelko (2006), Carr et al. (2010)'s contextual framework and the widely accepted Hickson et al. (2003)'s SID making topics are used to present a newly integrated pre-conceptual framework incorporating these themes.

Secondly, best practises are incorporated where country as a proxy is avoided. In order to relate SID making research to strategy, thirty companies that are representative of high velocity environments in tertiary industries, relatively stable environments in primary industries and limited growth potential in secondary industries in Singapore are used for empirical research.

Thirdly, using a mostly deductive case study approach, the thirty SIDs are analysed using three research questions covering cross-culture, context and investment nature. These research questions helps to build the thesis from a broad multi-country analysis on SID making to a narrower analysis that ascertains the relevance of SID making research to FDIs versus DIs. From the analysis of the three research questions, the pre-conceptual framework is developed through empirical fieldwork into a post-conceptual framework which aims to increase the specificity of SID making research.

1.3.1 Research Questions

This thesis is organised around these three research objectives which addresses the three research questions as follows:

Research question (RQ1): Do strategic management accounting, strategic management and cultural aspects vary across Singaporean companies in SID making?

Research Question 2 (RQ 2): Can SID differences be explained by using a four way categorisation of firms?

Research Question 3 (RQ3): Do decision making practises for international SIDs differ from domestic SIDs?

1.3.2 Research Objectives

RQ1: To answer RQ1, the first research objective aims to determine country specific variables in Singaporean SID making practises using SMA, strategic management and cross-cultural literature. Themes common to the thirty Singaporean SIDs are extracted to determine the convergence in specific SID making characteristics. The thirty Singaporean SIDs are contrasted with Anglo-Saxon, German, Japanese and Chinese SIDs from past empirical research to understand how Asian based SIDs differ from Western based SIDs. Next the Singaporean SIDs are contrasted with Japanese and Chinese SIDs to understand the subtle differences between eastern SIDs. Lastly, SID making techniques unique to Singapore are highlighted.

RQ2: Having identified unique country specific influences on Singapore SID making practises in RQ1, country level differences that cannot be explained using RQ1 are addressed in RQ2. The second research objective aims to determine the convergence in SID making practises across distinct contextual categories from SMA and strategic management literature. These contextual similarities and differences are impounded into Carr et al (2010)'s contextual framework.

RQ3: The third research objective aims to identify unique aspects of SID research that can be applied to foreign direct investments versus domestic investments. As

past SID empirical work does not distinguish between FDIs and DIs, this research uses the previous two sections and the consolidated findings from the Singaporean research to answer RQ3. While this application is limited in a sense, this acts as an important step to validate past SID research that has been rendered outdated for today's investment practises.

These three research objectives are integrated into a consolidated post-conceptual framework that identifies overseas versus domestic SID types with differing contextual, cultural and investment factors that leads to a firm's higher performance.

1.4 Research Motivation and anticipated contributions

The research motivation for this thesis originated in 2011 when I decided to do a PhD in the University of Edinburgh Business School with Professor Chris Carr on the subject of SID making practises after much research on topics that attracted me. From the initial research conducted on the subject of SID making, numerous gaps are uncovered in my literature review which motivated me to conduct a thorough study on the subject of SID making due to three potential contributions.

Firstly, Carr et al (2010)'s SID making framework can be regarded as one of the first frameworks to incorporate multi-country SID analysis using contextual and cultural literature. Japan, U.S and UK are used as comparative tools in the framework which incorporates cross-country, SMA and SID making research. However, Carr et al (2010)'s research may be still overly orientated toward Anglo-Saxon based research from the use of eleven Anglo-Saxon companies and three Japanese companies in the framework. Hence, this intensified my determination to improve the framework by increasing its applicability globally through expanding the sample size that is applied

to the framework. In the sample selected for this research, companies are specifically reviewed to fill Carr et al (2010)'s four contextual categories. In the integrative conceptual framework, Singapore as a country from the ASEAN group can be considered one of the best additions to develop theory due to Singapore's similarity to Japan as both developed Asian countries (Haley and Tan, 1997; Nakamura, 1992). Through these multi-country comparisons, the framework from Carr et al (2010) is updated from its original fourteen SIDs to include forty-four SIDs. These updates have the important contribution of effectively utilising a past framework that has limitations in terms of empirical grounding by applying it to the developed East. By selecting companies to fill in all four contextual categories, this framework can be used to structure SID making practises in most developed Eastern and Western countries which can be an immense empirical contribution for researchers today.

Secondly, it is found in the literature search that literature on SID making often assumes that Asian decision makers are less financially inclined and are more strategic in focus. However, the Singaporean decision makers from the initial 9 cases that are conducted in phase one of the research are firm that profitability was very important to SID making. Surprising, these decision makers did not use any formal financial or SMA techniques in SID making. This unique empirical finding increased my determination to ascertain the relevance of past literature assumptions on the Singaporean context. Throughout the PhD process, new literature is constantly reviewed to identify new gaps and research questions that will be theoretically and practically significant for the thesis. More literature gaps are found in the array of SID making research that led to the suspicion that Carr et al (2010)'s framework

might be insufficient to explain SID making practises in totality. Further, one immense literature gap is the confused and disorganised nature of SID making research (Papadakis et al., 2013). An amalgamation of SID making literature is needed. For instance, in research on decision making routines (Mintzberg et al., 1978), there is still a lack of knowledge on the three routines of diagnosis, design and bargaining, the lack of linkage between these three routines and their interplay with strategy formulation. To date it is relatively unknown which SID process factor contributes more significantly to higher firm performance. Hence, in this research, past SID making research on context, culture, process and content are consolidated after an extensive literature search. The final pre-conceptual framework includes Carr et al (2010)'s framework as part of a model that explains overall SID making. These developments may be highly contributory for today's researchers and readers who may be confused by the differing opinions in SID literature.

Thirdly, towards the middle of my research, I found an upsurge in literature on FDIs versus DIs in international business research. It is also found that SID literature gradually declined after 2010. SID making is also renamed strategic decision making for most of decision making research after 2010. One reason may be the lack of ascertained relevance of SID making research due to its lack of separation between overseas and domestic SIDs. Hence, I developed the third research objective and question; to apply SID making research to international business research. The analysis using empirical research on Singapore is applied to the pre-conceptual framework to formulate the post-conceptual framework that incorporates FDIs and

DIs. By extending SID literature to international business, it is hoped that SID making research maintains its relevance for current researchers and readers.

1.5 Structure of thesis

This thesis is structured into six chapters as follows:

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Research Methods

Chapter 4: Results

Chapter 5: Discussion

Chapter 6: Conclusion

The next sections summarise the contents of each chapter.

Chapter 1: Introduction

Chapter 1 introduces the thesis by presenting the thesis's aim and scope before giving a brief background on globalisation and moving on to the rationale for using Singapore as a research context for new SID making research. Next the research questions and objectives are explained in detail. Lastly, the research motivation and anticipated contributions are elaborated before concluding this chapter by summarising the structure of the thesis.

Chapter 2: Literature Review

Chapter 2 presents SID making and SID related literature by employing a four-dimensional literature review framework covering strategic management accounting, strategic management, cross-cultural management and global strategic management

literature. Through a systematic analysis and evaluation of these literatures in each section, the literature is consolidated to formulate the initial pre-conceptual framework which will be re-evaluated in the discussion chapter to formulate the post-conceptual framework.

Chapter 3: Research Methods

Chapter 3 discusses the methodology, research design and data analysis used in the research. In the methodology section, the research ontology is firstly defined before moving on to elaborate on the use of post-positivism as this thesis's research epistemology. Next, this thesis's case study approach is reviewed followed by the level and unit of analysis used for the case studies. The research design section expands on the timeframe, sampling techniques, sample details and data collection procedures for the thirty case studies. The stages of questionnaire amendments in the pilot study and the 3 stages of data collections are briefly illustrated. The data analysis section describes how the cases are evaluated using individual and multiple case analysis through the development of expectations by combining gap-spotting and path setting. Lastly, the contingency exit route, research limitations, analytical issues and research ethics considered in the thesis are highlighted.

Chapter 4: Results

Chapter 4 describes the results obtained from the thirty case studies using the four-dimensional framework as the key structure. Each section starts off with a table summarising the results and the themes in each section. In the SMA section, the themes of financial versus strategic influence and usage are explored. Next, this

section explores the financial and strategic control orientations of the thirty companies. Intuitive behaviour, firm rationality and contextual influences in SID making are portrayed in the strategic management section. The cross-cultural management segment focuses on the five cultural themes of uncertainty avoidance, future orientation, power distance, in group collectivism and decision making assertiveness and their relation to SID making practises. In the global strategic management section, the importance of partners and the resource seeking, market seeking, efficiency seeking behaviours of firms are described from the firms' SID making perspective. Lastly, emerging themes are explored.

Chapter 5: Discussion

Chapter 5 analyses the thirty SIDs using the results from the thematic descriptions in Chapter 4. The analysis is organised in three sections using the research questions as guiding tools. In RQ1's analysis, the Singaporean results are combined with SIDs from US, UK, Germany and Japan to feature 118 SIDs for multi-country assessment. Inter-country similarities from the SMA, strategic management and cross-cultural dimensions are portrayed in RQ1's evaluation. The companies are evaluated on a broad, inter-country and inter-SID levels using the GLOBE framework, The contextual classifications from Carr et al. (2010) and tables obtained from Carr (2005), Carr and Tomkins (1998) are used for analysis and discussion.

In RQ2's analysis, contextual similarities in the SMA and strategic management dimensions are explored using Carr et al (2010)'s contextual classifications. Contextual similarities from the Market Creator, Value Creator, Restructurer and Refocuser categories are illustrated individually. RQ3's focus specifically targets

perspectives from the four dimensions that are uniquely relevant to overseas and domestic SIDs. Having classified most of the SID themes explored in Chapter 4 into RQ1 and RQ2, it is found that only the SMA aspect of financial control affects overseas and domestic SIDs individually. Next, the unique global strategic management perspectives of partnerships and investment types are discussed. From the conclusions, the post conceptual framework is used to address the differences in FDIs and DIs in SID making across industry and contextual classifications.

Chapter 6: Conclusion

In Chapter 6, the thesis is concluded by summarising the findings from the thirty case studies followed by evaluating Chapter 3's methodology, research design and data analysis used in the study. Next, the theoretical and empirical contributions of the research are elaborated before moving on to this research's implications for theory, readers and practise. Lastly, the limitations in this research are revealed before moving on to the recommendations for future research.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Chapter 2 aims to cover the extensive spectrum of strategic investment decision (SID) making literature by presenting the literature systematically through a four-dimensional framework covering strategic management accounting (SMA), strategic management, cross-cultural management and global strategic management literature. The framework is firstly introduced before describing the history of strategy and its relationship with SID making. SIDs are defined before reviewing theoretical perspectives in decision-making theories in SMA and strategic management literatures. Next the section on cross-cultural management discusses cross-cultural themes and research on SIDs in cross cultural management research. Lastly the section on global strategic management is reviewed from a foreign direct investment (FDI) making and domestic investment (DI) making perspective in order to apply past SID research to emerging research themes. As the global strategic management literature does not discuss SIDs, FDIs and domestic investments are used to represent SIDs as most representative of large irrevocable investments in line with the SID making definition. The last section brings together these literatures to formulate the initial conceptual framework which consolidates the essence of this literature review.

2.2 Four dimensional framework

The literature review is structured into a four-dimensional framework contrived from an extensive literature search that diverts from the traditional parameters through ‘articulating, debating and validating different readings of those documents’ (Freeman and Maybin, 2011, p.163) and separating them into new themes in order to

present an archival review from a different academic perspective. To review the wide library of research on SID making, a systematic search for most highly cited literature published on the area in SID making is adapted. This method is similar to the approach adopted by Chenhall and Smith (2011) where strategic investment decision making themes are identified and critically appraised in their reviews. This method is also adopted in non-strategic based journal research where key words with years and journals are used as limiting factors (Wiles et al., 2005). The firms' industry sector and SID type (Hickson et al., 2003) are used to identify SID making similarities and differences in companies with divergent environmental characteristics. In order to apply past SID making research to new research themes, highly cited journals on foreign direct investments in global strategic management research are reviewed in order to identify inter-relationships. From the literature search, it is found that the research on investment decision making can be divided into 4 major themes; SMA, strategic management, cross cultural management and global strategic management. These four themes are termed the four-dimensional framework in this research. Figure 1 shows the four dimensional framework used to structure the literature review.

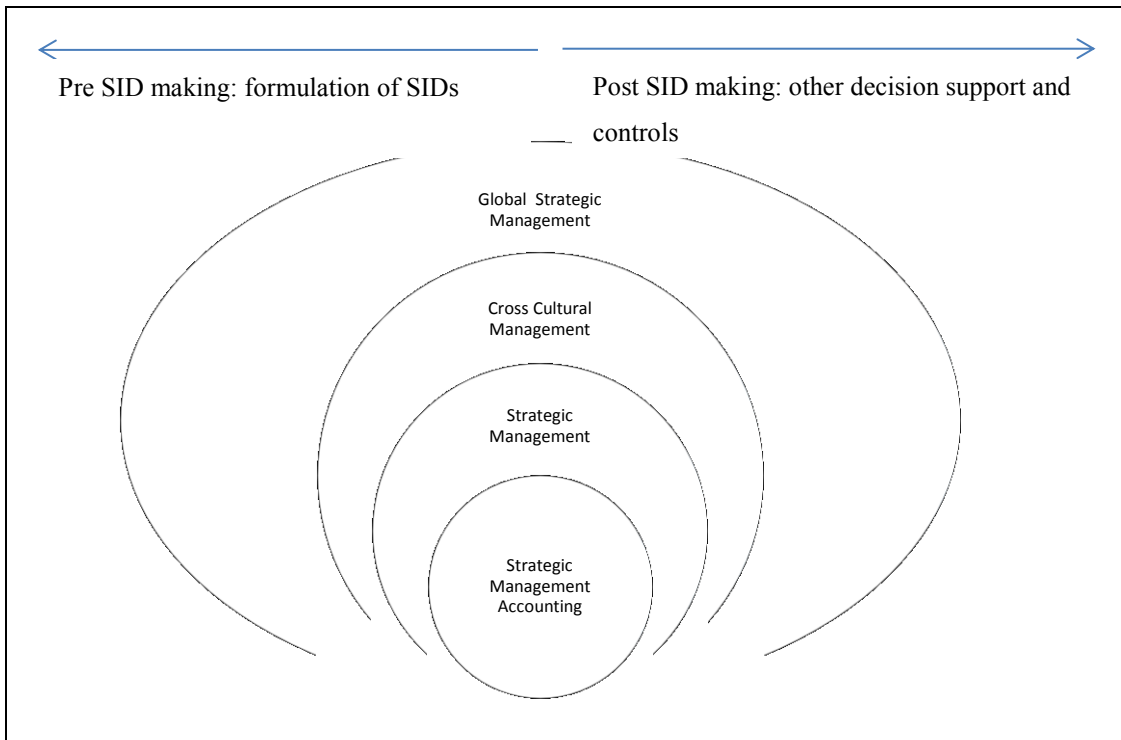


Figure 1: 4 Dimensional Framework
Source: Author

The literature on SIDs is primarily concerned with post and pre SID making practises. These two bodies of literature are separate, as post and pre SID making involves different strategies. Post SID making focuses on decision making, decision alternatives and decision making settings. Pre-SID making involves SID management and support, SID making controls and performance. Strategy formulation relates to the content and processes of strategy and the organisation's performance. Though performance is justifiably at the end of the strategic management cycle, the performance of the firm does influence the SID's formulation and changes to the firm. As this research focuses on pre SID making practises and performance, literature on strategy implementation involving operational planning, resource allocation and controls input is not included in the literature review.

However, as this research concentrates on issues revolving around strategy formulation in pre SID making; the effect of pre-SID making measures and its correlation with performance is reviewed as part of the thesis.

2.2.1 Focus of the 4 major dimensions

The definition of strategy has been divided by Mintzberg (1987) into five main streams namely; the plan, ploy, pattern, position and perspective of strategy. Strategic management can be regarded as the management of strategy from a holistic perspective (Ansoff, 1965). Strategic Management can be further defined as the process, management and implementation of strategic change, the formulation, management or control of strategy (Hussey, 1998) and the knowledge informing strategy (Shank and Govindarajan, 1993). As strategic management is encountered in most disciplines, this subject has been discussed rampantly in economics, engineering, psychology, organisational sociology, political science, business history, accounting and international business literatures. Mintzberg et al (1998) summarised these streams of strategic management discussion into ten schools, namely: design (Andrews, 1971), positioning (Porter 1980; 1985) planning (Ansoff, 1965), entrepreneurial (Schumpeter, 1950), cognitive (March and Simon, 1958), learning (Cyert and March 1963; Quinn 1980), power (Allison, 1971; Pfeffer and Salancik, 1978), culture (Rhenman and Normann, 1960), environment (Hannan and Freeman, 1977) and configuration (Chandler, 1962; Miles et al., 1978). Table 1 shows the key aspects from Mintzberg et al (1998)'s 10 schools that are used to deliberate SID making formulation in line with the four major themes in this review; SMA, strategic management, cross-cultural management and global strategic management.

SMA	Strategic Management	Cross-cultural Management	Global Strategic Management
<p>Planning: Use of capital budgeting techniques</p> <p>Configuration, design and planning: SID planning - use and influence of finance versus strategy</p> <p>Power: Control and SID making</p>	<p>Cognitive: Influences of decision making processes: politics, rationality and intuition on SID making practises</p> <p>Environment: Contextual influences on SID making practises</p> <p>Learning: Contextual types and their differences in SID making strategies</p>	<p>Culture: Application of cultural dimensions to SID making</p>	<p>Entrepreneurial and positioning : Similarities and differences between overseas and local SIDs</p>

Table 1: Strategy Formulation
Source: Author

As shown in Table 1, the four SID themes of SMA, strategic management, cross cultural management and global strategic management accounting are used in this research to organise Mintzberg et al (1978)'s 10 schools systematically in order to determine their effects on SID making practises in the sections to follow. The next section discusses strategy and its relationship with SID making before moving on to discuss the literature gaps in the four dimensions. From the literature review, expectations are extracted for analysis in the discussion chapter.

2.3 Strategy and its interplay with SIDs

Central to strategic management is the SID due to its change inducing and dynamic nature (Eisenhardt and Zbaracki, 1992; Hussey, 1998) In strategic management literature, a decision is specifically defined as “a specific commitment to action (usually a commitment of resources) and a decision process as a set of actions and dynamic factors that begins with the identification of a stimulus for action and ends with the specific commitment to action” (Mintzberg et al., 1976, p. 246).

Due to the size and importance of a SID, the impact of SID making on an organisation is enormously significant (Rajagopalan et al., 1993). In contrast to a simpler decision made by the organisation, a SID defers from the main definition of a decision due to its influences in terms of decision making actions, commitment to resources and goal setting (Mintzberg et al., 1976) that affect the survival of an organisation. In SID making, key executives have to adapt to circumstantial environmental influences which may induce a certain degree of management action and subsequent organisational transformation (Dean and Sharfman, 1996; Hitt and Tyler, 1991; Nutt, 2008). SIDs are often ill-structured (Dean and Sharfman, 1993a, 1993b; Eisenhardt and Zbaracki, 1992; Elbanna, 2006), long term (Emmanuel et al., 2008) and complex (Mintzberg et al., 1976). SID making usually involves capital layout of significant magnitude and substantial resource investment (Dean and Sharfman, 1993b; Eisenhardt and Zbaracki, 1992; Elbanna, 2006; Lu and Heard, 1995). The differences in decision maker characteristics, nature and context of the organisation add to the intricacy of major investment decisions (Hitt and Tyler, 1991; Nutt, 2001), as SID making influences functions and denominations within business units (Hickson et al., 1986).

Discussion on SIDs has typically been covered sporadically in SMA, strategic management and cross cultural management literature. Yet, this current array of information is often fragmented, confused or lack empirical support (Papadakis et al., 1998). Literature on SIDs has dramatically declined after 2010 and discussion on large investments after 2010 often refers to large investments as the strategic decision and not SIDs. Though the concept of large investments is common to the accounting, organisational behaviour and international business fields, researchers

usually term decision making research on investments as FDI entry strategies or FDI motives. As literature on SIDs has lost its popularity, one suspicion is that the literature on SIDs may be deemed to be of little applicability to the theme of global strategic management and overseas versus domestic investment types in today's globalisation. Hence, aspects of global strategic management research will be incorporated in the research in order to determine their relationships with domestic and overseas SIDs.

2.4 Strategic Management Accounting Perspectives

The finance function is typically separated into three functions; namely financial accounting, financial management and management accounting (Ward, 2012). For this thesis, the researcher is primarily interested in the management accounting function which is concerned with the role of management in supporting financial decisions internally within the organisation by evaluating, planning, implementing and controlling funds (Ward, 2012). To evaluate make or buy decisions in traditional management accounting, companies traditionally rely on financial or non-financial analysis (Chen, 2008). The internal rate of return (IRR) and net present value (NPV) are static financial tools which are often referred to as the Discounted Cash Flow (DCF) analysis (Krychowski and Quelin, 2010). In order to implement and control business strategy, management accounting approaches includes activity based costing (ABC) (Spicer 1992), the balanced scorecard (Kaplan and Norton, 2001), strategic cost management (Shank, 1996) and other qualitative performance measurements (Bromwich and Bhimani, 1989).

The benefits of traditional management accounting measures lie in their role in analysing cost breakdowns which in turn helps the organisation to price its products more accurately and assign portfolios in conjunction with variable costs assigned to its' cost centres. Qualitative performance measurements are used to consolidate key information in order to aid the firm's formulation of strategy. The combined use of these financial measures can assist the firm by identifying its key strengths and weaknesses in SID making. However, the focus of traditional management accounting is still narrow and does not take into account external information which may impact the performance of the firm. Hence, the term SMA emerged in the later decades.

SMA can be regarded as a wider subset of management accounting. The distinguishing factor between management accounting and SMA lies in the latter's external focus. In contrast to management accounting's passive role, SMA is the management's active role of supporting, directing and controlling the business for the stakeholders' benefits (Ward, 2012). The term SMA is first coined by Simmonds (1982, 1986) who defines SMA as the provision and analysis of management accounting information to internal and external stakeholders. This role is performed by the management accountant who analyses the financial and market impacts of strategic decisions on the firm and its competitors using SMA techniques. SMA techniques can include qualitative and quantitative methods. Examples include cost/price benchmarking, the analysis of product attributes and barriers to entry, value chain analysis, activity based costing (ABC), target costing, life cycle costing, quality costing, kaizen costing, balanced scorecard, the economic value added method, variance analysis, customer profitability analysis, competitor product

analysis, brand value accounting, the five forces, the PESTEL² framework , SWOT³ and strategic groups.

Simmonds (1982, 1986)'s approach focuses on the firm's pursuit in reducing overall unit cost by increasing market share and production volume in order to enlarge the firm's economies of scale. Bromwich (1990) further extended Simmonds (1982, 1986)'s definition by suggesting that SMA should also include the monitoring of financial ratios and competitors' strategic positions over prolonged periods of time in order to maintain the firm's position, attract new customers and drive away existing and potential competitors.

SMA research surged after 1980s, with researchers linking organisational strategy to their different operating management control systems (Govindarajan, 1988; Govindarajan and Gupta, 1985; Merchant, 1985; Miller and Friesen, 1982; Simons 1987) through strategic typologies explaining business strategies (Miles and Snows 1978; Porter 1980; 1985) and the employment of multiple management control systems (Chenhall and Morris, 1995). Latter research diagnoses management control systems as a part of management processes (Henri 2006; Simons 1990, 1991, 1994; Tuomela 2005) by suggesting that management control systems can influence strategy formulation – the foundation for SMA research on SID making.

2.4.1 SMA research on SID making

SID making can be regarded as the central focus of SMA practises as SID making involves the need for businesses to consider strategic decisions' compatibility with

² PESTEL refers to political, economic, sociological, technological, legal and environmental factors.

³ SWOT refers to strengths, weaknesses, opportunities and threats.

the overall business strategy in pre-decision making (Ward, 2012). Much SMA research on SID making has been centred on the nature of the SID which is dominated by discussions on financial versus strategic technique usage (Alkaraan and Northcott, 2006) and how capital budgeting techniques have been used across contextual settings (Verbeeten, 2006). Yet, SID making does not merely involve the use of financials. Too often, SIDs are made impulsively based on short term financial gains. The lack of employment of SMA techniques may result in long term financial losses to the organisation due to little congruence with the company's strategic goals (Ward, 2012). Due to culture's non-scientific nature (Pudelko et al., 2007), there is still a lack of research discussing the influences of culture on management accounting (Keplinger et al., 2012) and other contextual attributes influencing SID making practises cross-culturally in SMA literature (Carr, 2005; Carr and Harris, 2004; Carr and Tomkins, 1998). One reason for the neglect is the current trend for SMA researchers to concentrate on how and why strategic decisions are implemented. Intercultural research focuses on financial management control (Ver der Stede, 2003), planning, budgeting (Hoffjan et al., 2012), and information supply.

There is an array of multi-country comparative studies (Carr, 2005; Carr et al., 2010; Carr and Harris, 2004; Carr and Pudelko, 2006; Carr and Tomkins, 1998; Guilding et al., 2000; Lu and Heard, 1995; Thomas III and Waring, 1999) which attribute the variances in SID making practises to the difference in country contexts and not the nature of the SID. Macro perspectives views on SID making suggest that SIDs may be uniform in nature due to the effect of global convergence. These researchers construe that Anglo Saxon firms prefer formalised financial and strategic techniques, with higher financial influence in SID making (Carr, 2005; Carr and Tomkins, 1998).

The use and influence of SMA techniques in a foreign context is constantly emphasised. However, these comparative studies are often skewed towards the Anglo-Saxon and European environment (Rajagopalan et al., 1993; Schwenk, 1995), Japan and China. Further, in single country research, much empirical work is still conducted in Anglo-Saxon countries and Europe. Despite the Asian businessmen's awareness of the usefulness of DCF techniques, financial techniques are usually dismissed in favour of tacit knowledge (Dixit and Pindyck, 1994; Trigeorgis, 1996). Due to the lack of comparative Asian based SID making research on the usage and influences of SMA techniques, Anglo-Saxon research on finance versus strategy and SID making dimensions should be applied empirically to other Asian contexts, to ensure transferability of knowledge.

Thus, it can be seen that there is an over-focus on financials in SID making resulting in a lack of integration with SMA and strategic management literature on SID making. Increasingly, strategists recognise the importance of non-SMA dimensions on SID making. Hence, the influences of decision making processes on SID making are covered extensively in the section reviewing strategic management literature. The next section summarises the strategic management literature on process dimensions, content research and strategic typologies in relation to SID making practises.

2.5 Strategic Management Literature

The strategic management literature research streams can be subdivided into decision making processes (Dean and Sharfman, 1996; Eisenhardt and Zbaracki, 1992; Elbanna, 2006; Mintzberg et al., 1976;), decision making content, implementation,

performance (Hickson et al., 2003) and strategic types (Carr et al., 2010; Miles and Snow, 1978) which are reviewed in the next sections.

2.5.1 Process SID making literature

The process of SID making relates to decision making processes which are used by managers to influence the strategic position of the firm (Elbanna, 2006). These decision making processes may refer to decision making steps (Mintzberg et al., 1978), the three process dimensions of rationality, political behaviour and intuition (Elbanna, 2006) and their influences on the firm's performance (Fredrickson, 1985).

Much of the existing literature focuses on content based SIDs despite the importance of process based research that complements and influences content based research (Elbanna, 2006; Mintzberg and Waters, 1985). There is a rekindled interest in the SIDs process due to its irreversible nature (Miller et al., 2004). The inhibition of poorly planned actions may be more essential than the examination of the SID's success (Elbanna, 2006). three recognised dimensions of the SID making process are often referred to as rationality, politics and intuitive behaviour (Elbanna, 2006). These dimensions affect the SID's implementation and performance of the firm (Fredrickson, 1985). The next section reviews these three dimensions and subsequently discusses SID making research that links these dimensions to context and performance.

2.5.1.1 Rational SID making

The first process dimension of SID making often relates to the rationality of decision making. Rational decision making refers to the formalised, systematic and analytical approach in SID making (Dean and Sharfman, 1996; Elbanna, 2007). The

conceptualisation of rational decision making research can be traced back to Simon (1955) who linked traditional decision theory to rational economic choice. His approach has been critiqued by Cyert et al (1956) who argues that the economic model does not account for real life influences. Cyert et al (1956)'s argument is supported by research that suggests that the rationality of decision making depends on the decision's complexity, information availability and outcome uncertainty (Dean and Sharfman, 1993; Fredrickson and Izquinto, 1989; Hickson et al., 1986; Nutt, 2003) and may be unstructured in nature. For instance, research on unstructured decision making shows that decision makers exhibit limited rationality in decision making due to cognitive precincts that restricts their capability to make the best decisions for the organisation (Eisenhardt and Bourgeois, 1988; Elbanna, 2006; Mintzberg et al., 1976).

Mintzberg et al (1976)'s research is highlighted here due to the many controversies surrounding this research. In Mintzberg et al (1976)'s research on unstructured decision making, it is argued that the normative SID making literature on decision making techniques does little to identify the actual decision processes of the firm. Data that is obtained through game situation simulation or laboratory experiments replicating group and organisational decision making in the field are not representative of complex SID processes (Mintzberg et al., 1976). To justify this argument, Mintzberg et al (1976) conducted empirical research investigating twenty-five decision processes in nine service firms, five quasi-government institutions and five government agencies. Subsequently, non-routine decision making is linked to the three systematic steps of identification, development and selection (Mintzberg et al., 1976). Identification refers to the diagnosis and recognition of the decision

process which is guided by the decision control routine (Mintzberg et al., 1976). Development refers to the company's communication routines which provide the necessary information to facilitate decision making (Mintzberg et al., 1976). The evaluation of solutions in hostile or political environments is referred to as selection (Mintzberg et al., 1976). Figure 2 illustrates the three systematic steps.

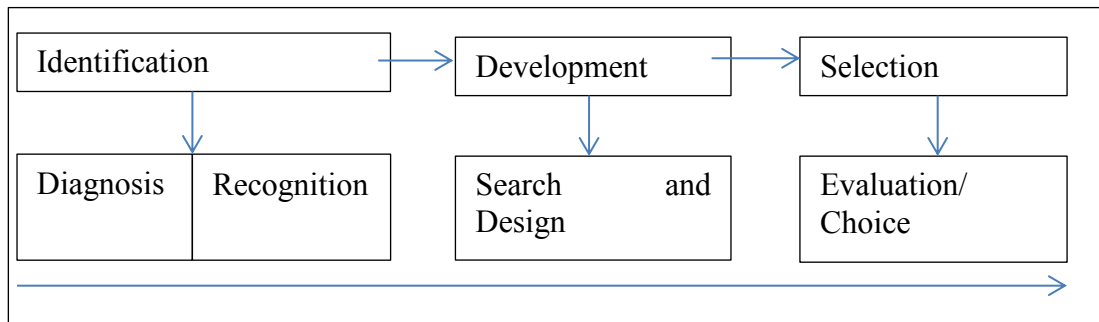


Figure 2: Unstructured Decision Process Model
Source: Mintzberg et al., 1976, p.273

However, there are three weaknesses to Mintzberg et al (1976)'s study. Firstly, the research design may be flawed. In Mintzberg et al (1976)'s study, more than fifty teams of students collected data from structured interviews, archival records and observations on an organisation over three to six months. Hence, the research may lack validity as it is conducted by a variety of researchers in differing time periods.

Secondly, Mintzberg et al (1976)'s research focuses primarily on the steps of SID making and selection. The three routines of diagnosis, design and bargaining and its correlation between decision making over extended periods in the same organisation is still unknown (Mintzberg et al., 1976). The influences of these three routines on strategy formulation are also neglected (Mintzberg et al., 1976). These two gaps in Mintzberg et al (1976)'s model are validated in the 1980s by Ackoff (1981) , Ansoff (1980, 1986), Camillus (1982) and Leontiades (1980). This group of researchers concur with Mintzberg et al (1976) by linking sets of independent SIDs to objective

criteria that guides the businessmen in making the best choice. It is concluded that alternative actions can be considered simultaneously through decision making steps by executives who follow formal planning systems processes for SID making (Leontiades, 1980). However, the third weakness in Mintzberg et al (1976)'s model is currently not validated.

The third weakness relates to the relationship between the systematic steps and their influence on SID making in today's context. Mintzberg et al (1976)'s study lacks direct linkage to SIDs. Mintzberg et al (1976)'s twenty-five decision processes consist of institutional, human resources and small decisions made by a wide sample of manufacturing firms, service firms, semi government agencies and agencies. Some examples of the decisions made are changes in retirement age policies, firing of key personnel and purchases of new equipment and new products. Yet, the larger decisions in Mintzberg et al (1976)'s sample involving corporate headquarters development and the procurement of new airport runways may not be the largest SID occurring in the firm. In addition, Mintzberg et al (1976)'s sequential framework on unstructured decision making process steps may be outdated after the 1990s. In the 2000s, it is mentioned that managers are fairly rational when considering sets of investments (Buckley et al., 2007b). However, when selecting the actual investment, sequential frameworks may not be followed due to random selection processes (Buckley et al., 2007b). The 3 systematic steps may not be followed by today's decision makers who may follow different paths (Elbanna, 2006). In unstructured decision making, the analysis of alternatives is often through standardised operating procedures that the company acclimatises over time (Eisenhardt and Zbaracki, 1992; Mintzberg et al., 1976). Systematic analysis of the best option is not adopted as

social processes can make goals shift and become haphazard (Eisenhardt and Zbaracki, 1992; Mintzberg et al., 1976).

As the first two weaknesses in Mintzberg et al (1976)'s study have been unravelled, this thesis focuses on deciphering the relevance of decision making steps in today's SID making processes. The rationality of decision making in relation to organisational outcomes will be discussed after reviewing the political and intuitive view of decision making in the next sections.

2.5.1.2 Political view of decision making

The second complementary dimension to the rational decision making process relates to the political behaviour among decision makers (Child and Tsai, 2005). Political behaviour can be defined as deliberate attempts to protect individual or group interest (Hickson et al., 1986) through collective bargaining processes among individuals or organisations (Cyert and March, 1963; Mintzberg, 1979; Narayanan and Fahey, 1982; Pfeffer and Salancik, 1974; Tushman, 1977). These collective bargaining processes have the ability to induce specific decision biases in strategic decision-making (Dean and Sharfman, 1993a, 1996; Eisenhardt and Zbaracki, 1992; Elbanna, 2006).

There are two research streams which discuss the political model of decision making in strategic decisions. The first stream concentrates on the role of politics within members in an organisation. Power tactics that involves outcome manipulation and information misappropriation are used by individuals or sub-groups within an organisation (Dean and Sharfman, 1993a, 1996). These members act together to influence specific actions for their self-interest (Butler et al., 1993). The second

stream investigates political actions by organisation units to influence SID processes. These actions can be highly detrimental to the organisation (Pfeffer and Moore, 1980).

Yet, due to its link with the firm's internal commitment (Kandemir and Acur, 2012; Shenkar and Yan, 2002, Walter et al., 2012), latter research streams view political behaviour as helpful to the organisation. Kandemir and Acur (2012) suggest that group politicking demonstrates commitment to the organisation and may prove helpful. Walter et al., (2012, p. 1585) explains:

“Alliance managers have to make sense of ambiguous information, understand interdependencies between both partners' interests, and select the most promising decision alternative. In addition, however, the interplay between cooperative and competitive interests makes careful and balanced political manoeuvring a necessary condition for the continuation and success of the alliance”.

Internal organisation politics that have occurred due to the self-interests of organisational members can produce a beneficial outcome for the organisation (Kandemir and Acur, 2012; Shenkar and Yan, 2002).

To determine the accuracy of these two research streams in relation to the Singaporean context, this research examines the role of politics in influencing and benefitting the organisation in the discussion chapter.

2.5.1.3 Intuition and decision making

Intuition can be regarded as the third dimension of the SID making process. Betsch et al. (2008, p. 4) defines intuition as:

“...a process of thinking. The input to this process is mostly provided by knowledge stored in long-term memory that has been primarily acquired via associative learning. The input is processed automatically and without

conscious awareness. The output of the process is a feeling that can serve as a basis for judgments and decisions”.

Though the individual's hunch, gut instinct, emotional attachment, judgement and experience may guide smooth decision making, intuition is often neglected in today's SID making studies due to the difficulty in defining and quantifying intuition (Salas et al., 2010). Betsch et al. (2008) further argue that it is an inferior form of knowledge in western (rationalist) epistemology.

However, reviews by Dane and Pratt, (2007), Hodgkinson et al., (2008; 2009) Sadler-Smith and Sparrow (2008) show that intuition cannot be dismissed in favour of rational processes as the intuitive process is crucial to decision making in numerous organisational settings. An overestimation of the role of intuition may lead to decision making failure (Salas et al., 2010). Further, intuition has been classified by eastern decision makers as the key to strategic success (Haley, 1997). It is thus important to understand the role of intuition. Thus, in the research, we determine the importance of intuition for Asian decision makers in relation to politics and rational decision-making through looking at Haley (1997)'s research proposition in the results and discussion section.

2.5.1.4 Garbage can and contingency models

There are many alternative approaches which substitute the rational, political and intuitive views of SID making. Two of the approaches relate to the garbage can and contingency models.

The garbage can model is initially derived by Cohen et al (1972) to describe decision making in ambiguous, uncertain and uncertain environments. Due to the

organisation's lack of understanding on the decision's origin, decisions are fuzzy, disorderly and often made haphazardly from anticipated outcomes (Eisenhardt and Zbaracki, 1992). Conclusions on the garbage can model are drawn from computer simulation (Carley, 1986; Cohen et al., 1972) and case studies (Baylon, 1986; Kreiner, 1976; March and Weissinger-Olsen, 1976; Pinfield, 1986; Rommetveit, 1976). The contingency model discusses the degree which decision makers' strategies are determined by funding expectations and the SID's future performance in pre-SID making (Thompson et al., 2009). In contingencies, SID making processes can be fluid, constricted or sporadic (Butler et al., 1991; 1993; Hickson et al., 1986).

The garbage can and contingency model are often mentioned as standalone decision making models. These streams are often not recognised as a component of the three key dimensions of SID process literature due to the lack of quantitative empirical support (Eisenhardt and Zbaracki, 1992).

2.5.2 Process dimensions in relation to context

Context refers to internal and external factors influencing SID making (Nutt, 2008). It is recognised that the context of the SID has substantial effects on the decision processes of SIDs (Hitt and Tyler, 1991) and the market outcome (Porter, 1981) which emerged from the themes of rationality, politics and intuition. These factors involve environmental, decision maker and firm specific factors. However, aspects from these three dimensions of decision making in relation to organisational context and performance suffer from a lack of consensus between researchers (Elbanna, 2006; Goll and Rasheed, 1997). As this thesis focuses on extracting the most

common SID making expectations for further development in the Singaporean context, these three process themes of decision making are used for discussion due to their frequent linkage with contextual literature in the next sections.

2.5.2.1 Environment influences on decision making rationality

The comprehensiveness and rationality of decision making is often linked to environmental stability (Bourgeois, 1985; Fredrickson and Mitchell, 1984) and velocity (Bourgeois and Eisenhardt, 1988; Eisenhardt and Bourgeois, 1988; Eisenhardt, 1989; Hough and White, 2003). It is noted that larger firms that are operating in predictable environments (Papadakis et al., 1998), has limited growth potential and markets highly standardised products (Chen, 2008) with stable lifespans (Garvin and Cheah, 2004) tend to be more rational in decision making.

It is also agreed that the speed of decision making is faster in unpredictable environments and slower in predictable environments (Baum and Wally, 2003; Bourgeois and Eisenhardt, 1988; Eisenhardt, 1989b; Miller and Friesen, 1983). In a research on forty-two European manufacturing companies, representative of predictable environment conditions, 80% of them use conventional capital budgeting techniques with slower decision making speed (Dean and Sharfman, 1996). Judge and Miller (1991) link comprehensive decision making in high velocity firms to higher decision making speed. Higher information collection (Tomkins and Carr, 1996) and procedural rationality (Dean and Sharfman, 1996) are associated with the speedier decisions made in firms operating in highly unpredictable, complex, uncertain and high velocity environments (Carr and Harris, 2004; Papadakis, 1998; Papadakis et al., 1998).

However, there is a current disagreement on the comprehensiveness of decision making in high versus low velocity environments. One group of researchers assert that less comprehensive decision making occurs in high velocity environments (Bourgeois and Eisenhardt, 1988; Eisenhardt, 1989b; Fredrickson, 1984; Fredrickson and Iaquinto, 1989; Miller and Friesen, 1983). The limited use of DCF techniques due to the unpredictability of environmental variables in unstable industries results in lower decision rationality (Chen, 2008). To the contrary, another group of researchers are firm that more comprehensive decision making occurs in unpredictable environments (Chen, 1995; Dean and Sharfman, 1993a; 1993b; Fredrickson, 1984; Ho and Pike, 1998). Thus, to ascertain the agreements and disagreements in literature, Figure 3 condenses the key decision making literature that debates environmental influences on the speed and comprehensiveness of decision making.

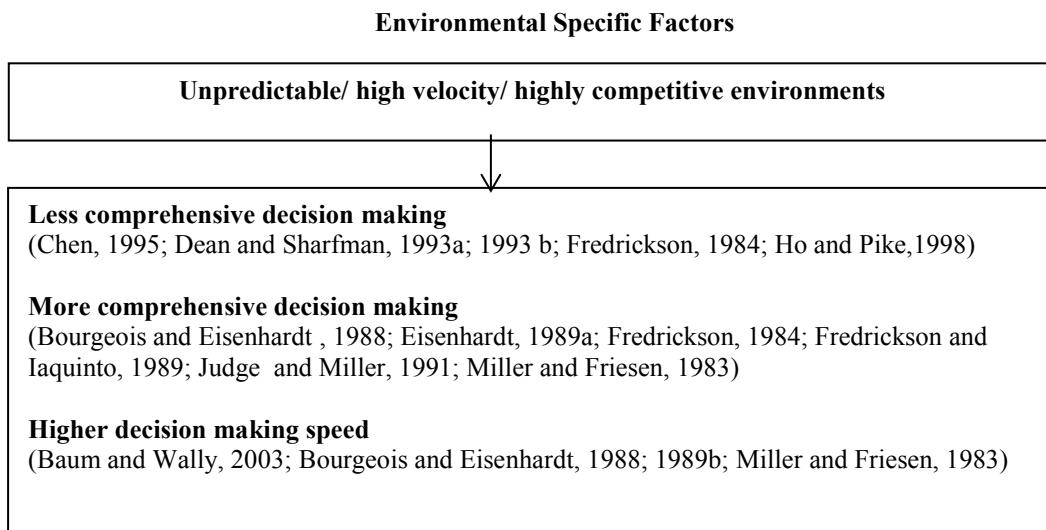


Figure 3: Environmental influences on decision making
Source: Author

In order to summarise the literature on organisational and decision specific influences on rationality or politics, rationality and political behaviour are assumed to be mutually exclusive in the next sections.

2.5.2.2 Decision specific influences on rationality or politics

There is a lack of contradictions on decision specific factors affecting the rationality and politics of decision making. Overall, high decision complexity or uncertainty leads to high politics (Astley et al, 1982; Schilit and Paine, 1987), slower decision making speed (Astley et al, 1982) and less rational decision making (Dean and Sharfman, 1993b). Figure 4 links the rationality, politics and speed of decision making to decision specific factors (Hickson et al., 1986).

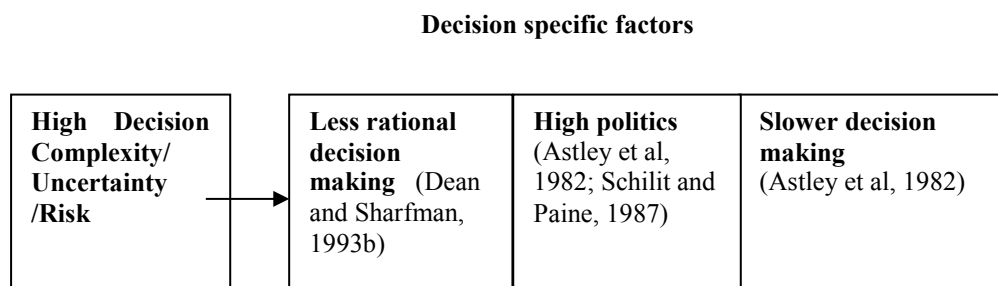


Figure 4: Decision Specific Factors
Source: Author

2.5.2.3 Organisational influences on rationality or politics

Organisational specific factors are defined as the firm's structure (Fredrickson, 1986; Hickson et al., 1986) and managerial characteristics (Papadakis et al., 1998; Papadakis and Barwise, 2002). The rationality or politics of decision making are often linked to organisational (Fredrickson and Iaquinto, 1989) influences that are correlated with the degree of corporate involvement and comprehensiveness of decision making. Literature confirms the positive relationship between highly rational decision making and high leverage conditions (Graham and Harvey, 2001;

Klammer et al., 1991, Van Cauwenbergh et al., 1996; Verbeeten, 2006), large organisation size (Farragher et al., 1999; Graham and Harvey, 2001; Pike, 1996), highly formalised organisational structure and large interdependence between business units (Miller, 1987; Shrivastava and Grant, 1985).

However, there is some degree of dissent on the relationship between political activity and organisation interdependence. Eisenhardt and Bourgeois (1988) assert that large interdependence between business units in the organisation leads to higher political activity. In contrast, other researchers have found that large interdependence between large business units in the organisation leads to lower political activity due to lower corporate involvement (Duhaime and Baird, 1987; Welsh and Slucher, 1986). A summary is shown in Figure 5:

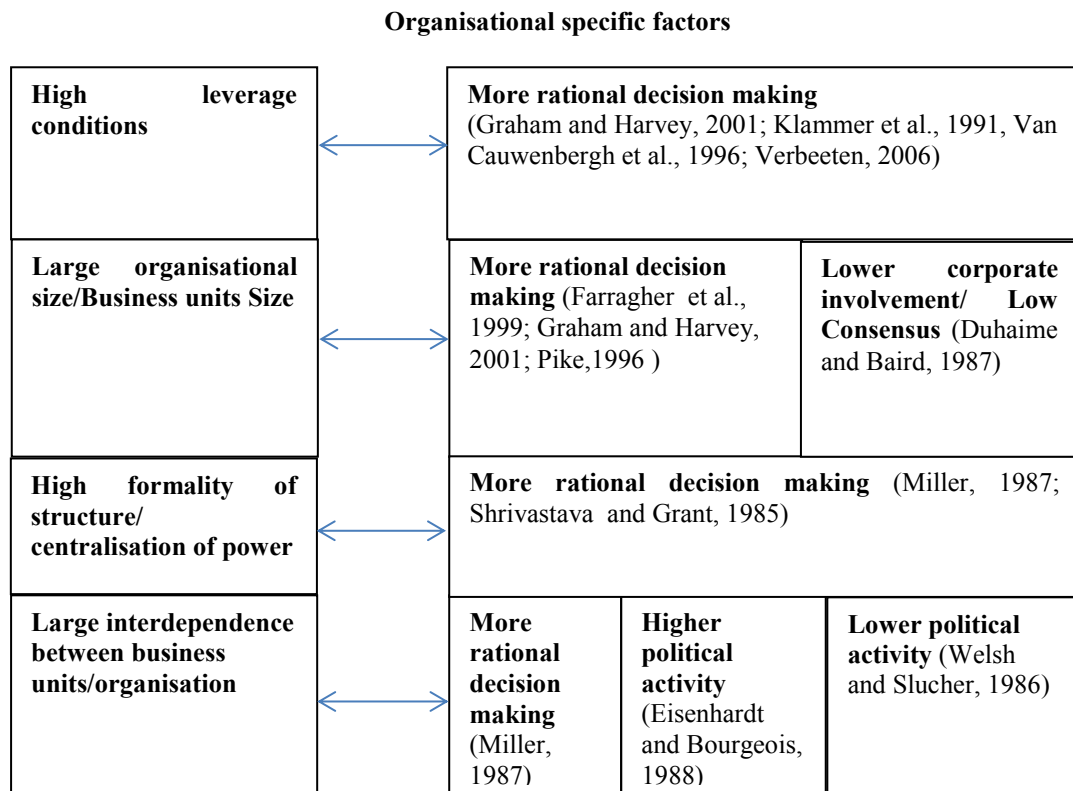


Figure 5: Organisation specific influences
Source: Author

2.5.2.4 Performance and contextual variables

Key SID making literature often links performance with rationality and politics of decision making. Higher performance is linked to comprehensive decision making by Rodrigues and Hickson (1995) who correlate successful decisions with adequate sourcing in private organisations and ample participation in public sectors. However, another group of researchers argue that significant strategic flexibility in less comprehensive decision making leads to higher performance (Ansoff, 1975; Kandemir and Acur, 2012; Sharfman and Dean, 1997). There is overall concurrent agreement that lower political activity (Dean and Sharfman, 1993a; Eisenhardt and Bourgeois, 1988), broader corporate involvement (Bourgeois, 1980, Dess, 1987, Wooldridge and Floyd, 1990) and high decision making speed in high velocity environments (Bourgeois and Eisenhardt, 1988) leads to higher performance. For example, Dean and Sharfman (1996) delineate successful decisions in manufacturing companies as more rational and less political. The dissent over the comprehensiveness of decision making and its linkage with performance in SID making literature is highlighted in Figure 6.

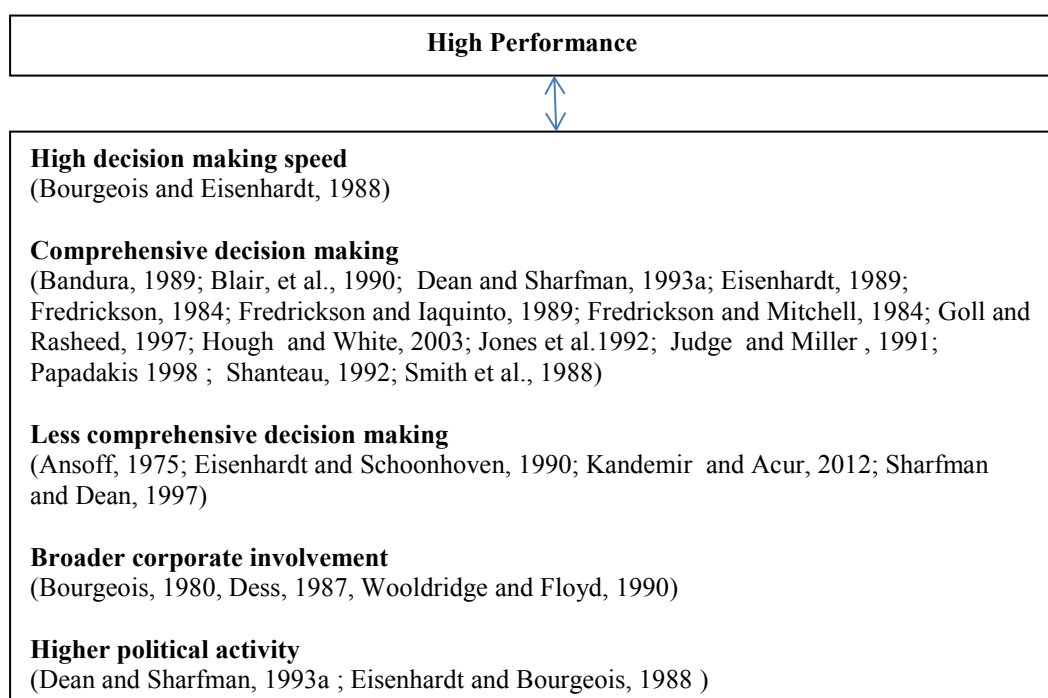


Figure 6: Performance and its influence on rationality and politics
Source: Author

2.5.3 Limitations in process SID literature

Overall, SID making processes has been studied extensively but most of the literature is still standalone and fragmented (Hickson et al., 2003) which does not add much to current knowledge in decision making which needs to be understood as a whole (Papadakis et al., 1998). Though Eisenhardt and Zbaracki (1992) and Rajagopalan et al (1993) have integrated most process characteristics in SID making from 1963-1992 in their comprehensive literature reviews, there is a need to update the literature as other significant contextual discussions occur between 1993-2013 (Elbanna and Child, 2007; Mitchell et al., 2011). However, due to the complexity of the literature, the studies after 1993 often link SID making literature to a single component of the SID process or test the effects of a few variables on the decision making process or outcome. For example, rationality, politics and intuition are often discussed separately (Walter et al., 2012). Yet, they are not mutually exclusive and instead influence all steps in the decision making process (Walter et al., 2012). Process-based SID making literature is still fragmented and does not distinguish the influences of the 3 dimensions on the individual loops of decision making (Walter et al., 2012).

In addition, the conclusions drawn from the literature are often asymmetric and non-integrative (Brouthers et al., 2000; Elbanna and Child, 2007). Another reason for the lack of coherence on the factors influencing SID making (Papadakis, 1998) is the lack of ability to quantify these dimensions of decision making. In 2012, Kandemir and Acur (2012) quantified these 3 process variables by linking them to the resources and finances of the firm. In Kandemir and Acur (2012)'s research, data from 103 European companies are collated to test the hypotheses in the study. Kandemir and

Acur (2012)'s study has found that a firm's strategic planning, internal commitment and long-term orientation propel strategic flexibility which in turn improves the firm's performance outcomes and fit with market demands. Kandemir and Acur (2012) further suggest that the firm's proactive strategic flexibility is linked to the SID making process variables of rationality, political behaviour and intuition (Elbanna, 2006; Elbanna and Child, 2007; Rajagopalan et al., 1993). Yet, similar to most SID making research which is conducted in the western context, Kandemir and Acur (2012)'s research is conducted in Europe which may make the research less applicable to Asian SIDs.

Reasons for these confused and conflicting perspectives may be attributed to the vast array of country, institutional and cultural contexts where fieldwork was conducted. As shown in Figure 6, it is relatively unknown to date how SID processes impact firm performance (Ji and Dimitratos, 2013) due to limited research before Hickson et al (2003) on decision making implementation and success. Though Figure 3 and Figure 5 display the lack of coherence in organisation and environmental specific influences on decision making, yet Figure 4 verifies that current research largely converge on the decision maker influences in SID making. Hence, more empirical fieldwork needs to be conducted in the east to determine the usefulness and applicability of these three process dimensions. Thus, this research concentrates on applying the expectations from Figure 3, Figure 5 and Figure 6 on rational decision making to the thirty Singaporean SIDs in order to seek an updated perspective which reduces the current confusion in process SID making literature. Dean and Sharfman (1993a, 1996), Elbanna (2006) and Kandemir and Acur (2012)s' definitions of rationality, politics and intuition are combined for analysis in Chapter 5 in order to

condense the linkages between the performance of the firm and the three dimensions of decision making. To amalgamate the fragmented literature, the consolidated definitions are incorporated into this thesis's SID making pre-theoretical framework and the Singaporean based empirical research. In order to satisfy the need for more Asian based SID making empirical studies, these research expectations are tested with the thirty Singaporean firms which are selected from low and high velocity contexts.

The next section discusses content research and its impact on SID making.

2.5.4 Content SID making research

Decision making content affects the selection process, decision making steps, process dimensions and outcomes in SID making (Butler, 1991). Content SID making research relates to mergers or acquisitions, firm diversification, firm's corporate strategy (Elbanna, 2006) and other strategic issues encountered in making subjective or objective decisions (Nutt, 2008). Most research on SID making content will not be included in this thesis as this research concentrates on pre-SID making whilst content research focuses on post-SID making practises. However, as a result of globalisation, changes in the business environment, business process and managerial decision making has resulted in difficulty in repeating past SID making performance. As the success of the firm is correlated with pre-SID making, the effects of SID making content on firm performance are included in this thesis. Hickson et al (2003)'s views on planned and prioritised decision making is highlighted in this section due to their link with performance. These views are

incorporated in Chapter 5 of this research. The next section portrays contextual research on SID making practises.

2.5.5 Contextual research on SID making practises

It is recognised that context may have direct influences on SID making due to contextual similarities in SID making that resulted from industry convergence in investment mindsets (Papadakis et al., 1998). Yet other researchers found that SID making varies between firms in different industry sectors due to nonconformities in environmental, decision and firm specific contexts (Elbanna and Child, 2007; Rajagopalan et al., 1993). This divergence in opinions resulted from the difficulty in determining the impact of context on process dimensions from past SID making fieldwork (Nutt, 2008). Nutt (2008) employed his database of 176 decisions for empirical testing in order to understand the context in which a SID is made through decision making steps. Nutt (2008) discovered that the decision making steps of SID making is similar to its context. However, Nutt (2008) did not manage to verify whether context, content or process influences SID making success more significantly. Hence, to date, a gap remains in SID making knowledge revolving on the importance of context versus process and the influences of context on the SID making process.

To address this gap, contextual analysis consolidating SID process and content, company types and performance of the SID emerged subsequently. A group of scholars developed theoretical frameworks which segregate companies into investment types (Carr et al., 2010; Miles et al., 1978; Oldman and Tomkins, 1999) to illustrate the inter-relationship between SIDs. The section below describes the

development of contextual analysis and its subsequent integration with SID making literature.

2.5.6 Development of contextual analysis

Miles et al., (1978) developed contextual analysis in the 1970s (Desarbo et al., 2005). Companies are classified into the four categories of Defenders, Analysers, Prospectors and Reactors using the P-A-D-R framework in the Miles and Snow (1978) typology (Desarbo et al., 2005). Prospectors are market seeking; Analyzers spend more time on strategy options; Defenders prefer to maintain their superior positions in stable market segments and Reactors are highly motivated by short-term environmental changes (Desarbo et al., 2005). These categories are divided according to the companies' reactions through entrepreneurial, administrative and engineering methods to potential investments in different industry sectors (Miles and Snow, 1978; Miles et al., 1978).

Miles and Snow (1978)'s approach is highly popular due to its applicability to firms across industries and countries (Desarbo et al., 2005). Porter (1980, 1985) supports Miles and Snow (1978)'s view that well performing firms are typically longer term and uses subjective performance evaluation. Consequently, the Miles and Snow (1978) framework has been subjected to continuous research attention (Carr et al., 2010; Desarbo et al., 2005). However, Miles and Snow (1978)'s typology do not take into account SMA and strategic management perspectives in SID making which emerged in later years. Thus, Oldman and Tomkins (1999)'s latter development of Miles et al., (1978) framework takes into account SMA and strategic management perspectives by dividing companies into four categories based on their market

orientation and need for turnaround. By taking into account contextual variables, Oldman and Tomkins (1999)'s model suggests that companies with weak market orientation or inadequate financials will be more financially orientated. To the contrary, more strategically orientated companies have high correlation with robust financials or elevated market orientation. These two frameworks take into account strategic management accounting and selected contextual influences on decision making (Carr et al., 2010). However, the frameworks may not explain SID making practises (Carr et al., 2010).

Due to the lack of SID making linkage with Miles and Snows (1978) and Oldman and Tomkins (1999)'s frameworks, Carr et al (2010)'s empirical model emerged which integrates SMA frameworks with SID making contextual variables. Carr et al (2010) applied Oldman and Tomkins (1999)'s framework to fourteen SIDs across U.S, U.K and Japan, thus converging strategic management accounting (SMA), management accounting, strategic management and SID literatures. In Carr et al(2010)'s contextual categorisation, the vertical and horizontal axes of the diagram are modified to integrate Oldman and Tomkins (1999)'s framework with the Miles and Snow (1978) typology (Carr et al., 2010). Companies' generalised approach to SID making are categorised in four contextual categories; Market Creators, Value Creators, Refocusers and Restructurers.

Carr et al (2010) has reshaped SID literature in both SMA and strategic management fields through redefining companies into four strategic groups by computing the companies' 'market orientation' and 'performance in relation to shareholder expectations'. This research further contributes to theory by extending the definitions

of “market orientation” and “performance” beyond SMA and strategic management fields. The term market orientation originated from the definition of strategic orientation which encompasses market orientation, technology orientation, learning orientation and entrepreneurial orientation (Hakala, 2011). In SID literature, Carr et al (2010) defines market orientation as the firm’s strategic orientation (Gupta and Govindarajan, 1985; Miles and Snow, 1978; Porter, 1980), management style (Goold and Campbell, 1987), market dynamism (Cheung, 1993) and market attractiveness (Brownlie, 1985). In marketing literature, market orientation is broadly defined as the firm’s belief in prioritising customers (Deshpande et al., 1993), the ability to utilise proprietary customers’ and competitors’ information (Deng and Dart, 1994; Kohli and Jaworski, 1990), business culture (Deng and Dart, 1994; Narver and Slater, 1990) and the use of resources (Narver and Slater, 1990; Shapiro, 1988) in order to generate customer value. Lafferty and Hult (2001) developed a more specific definition of market orientation by segmenting market orientation into five classifications. These five classifications are defined as decision creation, cultural stimuli, strategic marketing, market intelligence and customer orientation (Lafferty and Hult, 2001). Though decision creation, cultural stimuli and customer orientation affects SIDs, these broad definitions may not apply to SID literature. To increase the relevance of Carr et al (2010)’s framework, decision creation, culture and customer orientation are added to Carr et al (2010)’s definition of market orientation.

The term performance is often referred to as industry performance. Industry performance can be defined by the five forces; customers, suppliers, potential entrants, substitutes and competitors (Porter, 1980). The interactions of these five factors determine the profit potential and attractiveness of an industry (Porter, 1980).

Due to the research's focus on SIDs; a firm level decision, our research concentrates on firm level performance which is explored in detail.

Firm level performance is defined by (Barney, 1991) as the firm's mobility and access to resources. Firm level performance has been further defined as the company's adaptive capacity (Aaker and Mascarenhas, 1984; Nadkarni and Narayanan, 2007), long term orientation (Cooper et al, 2004), degree of strategic planning (Cooper and Kleinschmidt, 1995), internal commitment (Song and Parry, 1997); innovative culture and fit with market demands (Chiesa et al., 1996). In SMA literature, firm level performance is defined as the company's profitability and sales (Oldman and Tomkins, 1999). In SID making literature, Carr et al (2010) further defined performance as relative to a company's shareholders' demands. Unique accounting approaches and strategic focuses are suggested for four distinct categories in Carr et al (2010)'s contextual framework. This research includes the company's long term orientation, strategic planning and fit with market demand in addition to shareholders' expectations, company profitability and sales to the definition of performance to the definition of performance in order to increase the relevance of the revised post-conceptual framework for SID making.

2.5.7 Limitations in Carr et al (2010)'s contextual framework

Carr et al (2010)'s framework can be regarded as a more sophisticated development in recent SID research. Due to its integration of empirical literature incorporating Japan, US and UK, the contextual framework is applied to the developed east and the Anglo-Saxon context. While Carr et al (2010)'s framework is the first SID focused

framework that integrates both SMA and strategic management literature; there are still certain limitations in this framework.

The first weakness is the lack of application to new eastern contexts, thus barely satisfying the fourth element of *Who*, *When* and *Where* in Whetten (1989)'s discussion on theoretical contributory literatures. Though the study is conducted cross-culturally, the 4-figure typology, while integrating the majority of contextual and SMA themes has failed to apply the framework to new Asian countries, with the exception of Japan. There is still a slight imbalance in the framework, with its use of three Japanese companies in contrast to eleven Anglo-Saxon companies. The second limitation is that cultural attributes as an explanatory variable is neglected in this contextual framework (Carr et al., 2010). While cultural and process attributes are both pertinent to strategy formulation, the study does not take into account rationality, politics and intuition in SID making.

It must be mentioned that if context can be used as an explanatory variable for SID making, the country of choice should not make a difference to the SIDs' original contextual classifications. Yet, choosing a representative country for research is crucial to understand to what extent cultural attributes, independent of the four strategic clusters are responsible for the firm's SID making approach. With the objective to further extend the framework by incorporating two Asian examples, the two Anglo-Saxon countries are matched equally by adding Singapore as Japan's closest developed Asian counterpart for a more updated perspective. This research is the first SID focused fieldwork to be conducted in Singapore, using matched industry samples. While Singapore cannot be classified as an eastern representation,

Singapore serves as a developed representative of a country in between eastern and western cultures, similar to Japan. By adding Singapore to Carr et al(2010)'s framework to investigate the subtle differences within matched contextual companies within the same country, this research can meet Yin (2009) 's criteria of validity and Whetten (1989)'s criteria of meaningful theory development

The third limitation in the contextual framework is the failure to take into account the differences between FDIs and domestic investments by suggesting that these investments are the same. In addition, Carr et al (2010)'s framework takes into account several contextual variables such as environmental stability and market attractiveness but underplays the influences of politics, intuition, rationality, steps in decision making with regards to SID processes. Overall the framework focuses on how SIDs are implemented, which might not be adequate for decision makers seeking to find out why a SID should be implemented in a certain manner. These conclusions may be misleading as each type of SID might be inherently different.

The pre-conceptual framework incorporates these theoretical and empirical gaps by consolidating the SID making literature. In the latter discussion on cross-cultural management, key cultural attributes in SID making are discussed. The section after cross cultural management (CCM) will discuss global strategic management and tie in the themes of FDIs and DIs to the pre-conceptual framework.

2.5.8 Limitations in strategic management research on SIDs

The body of SID making research remains huge and varied, as the interdisciplinary nature of its research means that international business, management accounting and strategic management researchers discuss the nature of SID making with differing

degrees of depth. There are limited empirical models summarising SID making work. Though Rajagopalan et al (1993) and Eisenhardt and Zbaracki (1992)'s studies are highly integrative; they are still literature reviews in nature.

Further, current strategic management research has focused on the effects by which the differences in managerial style and structure have on individual, group and organisational behaviours (Reiche et al., 2010). There is little research on what should be done to assist decision makers and lesser literature on political behaviour and intuition in comparison to rational decision making in comparing SID making contexts. The usage of SMA techniques (Guilding et al., 2000; Tomkins and Carr, 1996) and the importance of non-financial measures (Chen, 2008) are much neglected in these studies. The SID making process is highly complex which requires extended amalgamation. Similar to the limitations in SMA research, most strategic management research is conducted in single country contexts and these assertions are not tested in a multi-country environment to date (Dimitratos et al., 2011; Kirkman et al., 2006). The increasing opportunities for international business in Asian economies make the understanding of SID making more vital for international collaboration (Aharoni et al., 2011). Yet, the limited Asian research on SIDs is skewed towards Japan (Delios and Henisz, 2000; Hirota, 1999) and China (Cheng et al., 2010) though the SID impacts all aspects of the business; its business portfolio, performance and strategic expansion (Aharoni et al., 2011).

Research on decision making styles in the East and the West suggests that there are huge differences culturally (Hall et al., 1993; Redding, 1980; Tse et al., 1988). Yet, present contextual understanding of SID making does not involve the culture of the

firm (Dimitratos et al., 2011) despite national culture's⁴ significant impact on SID making (Elbanna, 2006; Haley, 1997; Hayton et al., 2002; Hickson and Pugh, 2003; Hitt et al., 1997; Kogut, 2002; Sawyerr et al., 2003). This is a case for concern as SID making research needs to be prescriptive to assist researchers and practitioners (Schwenk, 1995). The search for literature which resulted in minimum comparative contextual SID making sources shows the need for further cross-cultural SIDS making style research (Carr et al., 2010; Cheng et al., 2010; Lu and Heard, 1995) that excludes Japan, China, U.S (Martinsons, 2001) and U.K. researchers' understanding of SID making practises can be increased by generalising SID conclusions derived in the Anglo-Saxon context (Brouthers et al., 2000; Elbanna and Child, 2007; Ji and Dimitratos, 2013) from more research conducted in new Asia contexts.

2.6 Cross Cultural Research

In contrast, it is observed that cross-cultural research on cultural attributes at the national or societal level has made considerable headway in comparison to strategic management SID making cultural studies, despite the arguments on appropriate cultural validity.

Culture and the management of culture is significant to this literature review due to culture's immense impact on international business (Hofstede, 1994). Cross-cultural management (CCM) refers to the micro-level study of individuals' leadership, motivation, group behaviour and decision making within an organisation (Adler, 1983). CCM excludes the macro-level study of the organisation (Adler, 1983). Much

⁴ The most commonly used 4 cultural dimensions are power distance, individualism versus collectivism, masculinity versus femininity and uncertainty avoidance (Hofstede, 1980, 1983). A fifth cultural dimension was developed subsequently (Hofstede and Bond, 1988): long versus short term orientation. These five dimensions are widely cited in cultural studies (Kirkman et al., 2006; Shenkar, 2001; Tihanyi et al., 2005).

research on cross-cultural management has been classed in cross-cultural research as their definitions are highly similar. Cross-cultural research is defined as the individual's feelings, reactions, thinking and their set of values between cultures (Hofstede, 1980; 2003). Hence, it can be seen that the main difference between the two definitions is the addition of decision making to CCM. As cross-cultural decision making strongly overlaps CCM, this research focuses on the more prominent cross-cultural studies.

Cross-cultural studies by Hofstede (1980), House et al., (2004), Inglehart (1997), Schwartz (1994); Trompenaars and Hampden-Turner (1997) are all popularly cited. Yet, Hofstede (1980)'s study in his book *Culture's Consequences: International Differences in Work-Related Values* (1980) can be considered as the most recognised cross-cultural study with his record of 54,000 citations to his work as at June 2010 in Harzing's "Publish or Perish" citation index (Tung and Verbeke, 2010). Though cross-cultural research did not emerge originally from Hofstede, Hofstede (1980,1984)'s four dimensions which comprises of power distance, individualism/collectivism, masculinity/femininity and uncertainty avoidance are frequently discussed by cross-cultural researchers (Tung and Verbeke, 2010). The fifth dimension of long-term orientation is added by Bond (1991) after applying Hofstede (1980)'s work to twenty-three countries. A sixth dimension of indulgence versus restraint is added by Minkov and Blagoev (2012), Minkov and Hofstede (2011) in their analysis of ninety-three countries. Hofstede (1980)'s study has comprised of hundreds of IBM employees in over forty countries over two time-spans initially. These latter studies have the effect of increasing Hofstede(1980)'s sample diversity, size and validity by applying Hofstede (1980)'s dimensions to

pilots and students in twenty-three countries, managers in fourteen countries, affluent consumers in fifteen countries and influential people in nineteen countries.

In an attempted adaptation of Hofstede (1980)'s study, House et al (2004)'s GLOBE studies emerged which increased Hofstede (1980)'s five cultural dimensions to nine (Hofstede , 2010). Yet, there is an on-going debate between House et al (2004) and Hofstede (1980, 2010). For instance, House et al (2004) critiqued Hofstede (1980)'s approach for his western bias and failure to measure the four dimensions. House et al (2004) argued that his sample is more well represented than Hofstede (1980)'s study as it encompasses 17000 organisations in 62 societies. House et al (2004) further affirmed that the GLOBE studies have no western bias due to the systematic measurement of practises and values of three industries in 62 societies. Hofstede (2006) is highly sceptical of House et al (2004)'s measurements. Hofstede (2006) comments that GLOBE only measures five dimensions and captures cultural data different in conceptualisation from the initial Hofstede (1980)'s work. While the debate between GLOBE and Hofstede is still active (Minkov and Blagoev 2012), there are still basic limitations and assumptions in these studies which are discussed in the next section.

2.6.1 Limitations in CCM studies

Table 2 summarises ten distinct limitations in cross cultural research (Tung and Verbeke, 2010, p. 1262).

Ten common assumptions on cultural distance dimensions and measures in applied IB and management research.	
Type I: Generic limitations	1. Symmetry in scores for distance measures between countries 2. Stability of cultural distance dimensions/scores for distance measures over time.
Type II: Remediable weaknesses in empirical research design	3. Linear relationship between scores for distance measures and selected dependent variables 4. Unambiguous causal linkage between cultural distance dimensions/scores and managerial choice 5. Unambiguous causal linkage between cultural distance dimensions/scores and performance outcomes 6. Equivalence between cultural distance and psychic distance
Type III: Weaknesses requiring re-conceptualization	7. Mask 1. Homogenous impact of cultural distance dimensions/scores irrespective of intra-country spatial variation 8. Mask 2. Systematically negative impact of cultural distance dimensions/scores 9. Mask 3. Homogenous impact of (national) cultural distance dimensions/scores, irrespective of firm characteristics 10. Mask 4. Appropriateness of aggregating individual (cultural) distance dimensions/scores in indices.

Table 2: Limitations in cross cultural research
 Source: Tung and Verbeke (2010, p. 1262)

Three limitations are highlighted from Table 2 due to their relevance to SID making research. The first limitation relates to the fourth and fifth assumptions. The fourth and fifth assumption states that there is no obvious linkage between the firm's economic performance, management choice and cultural distance scores (Tung and Verbeke, 2010). These assumptions are problematic due to the disregard of FDI flows as their occurrence is typically associated with firm-specific advantages and not associated with cultural attributes (Tung and Verbeke, 2010). People that grew up in different environments and cultures will be expected to behave based on their own cultural norms and thus react in divergence ways to information transmitted to them (Keplinger et al., 2012). Management accounting techniques and knowledge that has been developed in one culture is not easily transferrable to another culture (Keplinger et al., 2012). Any misunderstanding due to cultural differences can result

in loss of collaboration opportunities or financial losses. The home country's cultural influences do affect the SID making practises and performance of the firm (Dimitratos et al., 2011) which may not be reflected in studies on cultural dimensions (Tung and Verbeke, 2010).

The second limitation relates to the sixth assumption, which assumes that psychic or cultural distances perceived by decision makers between countries are similar. Due to the closeness in definition, psychic distance may be wrongly classified as cultural distance. Unlike cultural distance which is solely associated with the challenges in working cross-culturally (Dow and Karunaratna, 2006), the definition of psychic distance is broader. Psychic distance is defined as the perceived differences between countries and is unrelated to psychological characteristics of individuals in a firm (Beckerman, 1956; Hakanson and Ambos, 2010). Members from a particular country may prefer to invest in a few chosen or popular countries due to intuitive familiarity with that country, the existence of close partners and close location (Beckerman, 1956; Hakanson and Ambos, 2010). It can be seen that the subjective reasoning of politics and intuition that are often linked to SIDs may be wrongly generalised as cultural distance in CCM studies. Yet, the dimension of psychic distance appears to influence trade behaviours between firms in different countries, performance of strategic decisions and choice of investment location (Tung and Verbeke, 2010).

The third limitation relates to the ninth assumption which assumes the homogenous nature of decision makers within firms. Many highly recognised cultural studies such as Hofstede's (1980), GLOBE's (House et al., 2004), Inglehart and associates'

World Values Survey (Inglehart, 1997), and Schwartz' (1994) values survey argue that executives worldwide should follow similar patterns due to cultural convergence (Tung and Verbeke, 2010). Inter-personal ethnics, age and gender differences, inter-country differences in industry sector and inter-firm hierarchy of decision makers within firms are often dismissed (Tung and Verbeke, 2010). If these assumptions hold true, these cultural dimensions should apply to all SID making studies. However, as shown in the previous sections, SIDs explicit relative complexity due to its size. Hence, differences in SID making practises have been observed in SMA and strategic management studies.

Overall, these research gaps occur primarily due to the use of quantitative and secondary data by researchers (Barkema et al., 1996). Research consisting of case studies or interviews need to be conducted to validate the impact of culture on SID choice and entry mode (Tung and Verbeke, 2010) instead of quantitative datasets. Further, current and past empirical research has focused on cultural themes with little emphasis on their relation to SID making. Culture may influence decision making more significantly today than in the past. Due to the lack of empirical verification, this research contributes to theory by assessing the impact of cultural attributes on firm performance and SID making through applying these cultural dimensions to thirty Singaporean SIDs. Culture and its impact on the SID is incorporated in the theoretical framework to assess its relationship and significance in SID making.

2.7 Global Strategic Management

The term global strategic management is a recent development from the definition of strategic management which has emerged in the 1960s. Strategic management (SM)

evolved from the financial control era of the 1950s and strategic planning in the 1970s. The increasing volatility and unpredictability of the external environment in the 1970s exposed the limitations of planning that took inadequate account of the organisational design and resources needed to adapt quickly to attain strategic goals. Consequently, following a conference in Pittsburgh in 1977, researchers agreed to adopt the term 'strategic management' in order 'to signal a move to a more empirically orientated discipline'(Herrmann, 2005, p.115). *Strategic Management Journal* was established in 1979 to reflect the shift in emphasis from strategic planning to the resource-based view of strategic management.

In the 1960s, globalisation is not deemed to be a widespread occurrence due to the self-sufficiency beliefs of communist China and the former Soviet Union which influenced the global economy before 1970. Similar to the communist countries, other non-communist countries like India and Mexico focused on domestic growth and refused to participate in global trade which the western countries are advocating (Peng , 2008). In the 1970s, the "Four Tigers" of Asia, namely Hongkong, Taiwan, Singapore and South Korea refused to follow the trend of non-participation by eagerly advocating the growth of the global economy (Peng, 2008). By the 1990s, the former non-participating countries like China and India has decided to join in the globalisation trend when they realised they are falling behind these Asian tigers (Peng, 2008). Thus, in contrast to 1980-1990, FDI flows increased five times between 1990-2000 (Lim, 2005) As the economy globalises, a new definition is needed. Hence the term Global Strategic Management is coined by Levitt (1993) which defines how firms compete based on offering standardised products worldwide. However, this definition is found to be non-applicable to firms who are

not MNCs (Peng, 2008). Hence, the latest definition of global strategic management is looser and simply refers to the firm's way of cultivating a global mindset through organisational improvement in order to strategize, transform itself and compete successfully globally (Peng, 2008; Ungson and Wong, 2008).

2.7.1 International Business literature

Under the broad umbrella of global strategic management research lies international business literature (Cantwell, 2009). International business literature has initially concentrated on country or firm level research (Cantwell, 2009). Location in relation to international business is typically discussed in the product cycle model (Vernon, 1966) and the eclectic paradigm using U.S FDI's as the primary focus (Dunning, 1970). Literature on FDI's before 1990s typically discusses a country's balance of trade payments and other macro-level questions, with little emphasis on micro level issues (Cantwell, 2009). The importance of location to the firm is often neglected (Cantwell, 2009). Due to environmental changes, foreign markets can no longer be depicted by uniform centralisation (Bartlett and Ghoshal 1989; Doz, 1986; Hedlund, 1986; Porter, 1986), sequential market entry in the product life cycle model or the internationalisation process model (Johanson and Vahlne, 1977). Firm entry is now more complex and focuses on the use of location in creating competitive advantage which involves integration into international networks (Cantwell and Mudambi, 2005; Nachum and Zaheer, 2005; Nohria and Ghoshal 1997; Porter, 2000).

As investment type influences the entry strategies of international firms, the differences between FDI's and DI's have received a certain degree of research attention, with current researchers exploring the impact of FDI's on the home country.

Dunning's (1998) paper on location and the multi-national enterprise can be regarded as a turning point in international business history (Cantwell, 2009). His paper has sparked off a variety of discussions on the role of location in influencing industry, trade and cross-border operations by firms (Dunning, 2008; 2009). The effects of exporting versus FDIs (Brainard and Riker, 1997, Head and Ries, 2003) , conditional location choices (Coughlin et al., 1999; Guimaraes et al.,2000; Head et al., 1999; Head and Mayer., 2004;), local knowledge spillovers by foreign firms (Blomstrom et al., 2001; Cantwell and Piscitello, 2005; Driffield and Love , 2006, 2007; Liu et al., 2000), the host firm's absorptive capacity (Cohen and Levinthal, 1989), local cluster creation by the foreign firm (Breschi and Malerba, 2001) and integration of MNE networks (Cantwell and Piscitello, 2005) are often debated. These differences in investment types are strengthened in Dunning (2013)'s study where he uncovered that companies act and react differently to local networks in contrast to overseas networks. This argument supports Buckley and Strange (2011)'s study which proposes that capital allocation is largely influenced by differences in investment types can be considered as an focal aspect of capital allocation.

Though the importance of overseas versus domestic investments is recognised in international business literature, however, current SMA and strategic management research have neglected the importance of differentiating between FDIs and Dis in SID making. Yet it is important to apply the vast body of knowledge on SID making to FDIs and DIs. Thus, in this research, FDIs versus DIs are differentiated to ascertain their differences or similarities. The next section explores the distinctions between overseas and domestic investments.

2.7.1.1 Domestic versus foreign investments

Domestic investments are typically resource seeking⁵, market seeking⁶, efficiency seeking⁷ (Dunning, 2009). Companies typically prefer to stay at home rather than venture overseas due to strong local competitive advantage in the production of intermediate goods (Mayer et al., 2010). In Mayer et al. (2010)'s research, it was found that more than eighty percent of investments in France are subject to home bias due to good proximity and access to local suppliers. FDIs are typically characterised as resource seeking, market seeking, efficiency seeking and strategic asset seeking (Dunning, 2009). Earlier literature states that increasing a firm's portfolio reduces risk which motivates international investment (Rugman, 1979). However, latter literature argues that the process of expending localised operations offshore is usually associated with higher risk as it involves high costs and managerial uncertainty (Guler and Guillen, 2002). The main motivation for a firm to invest overseas is to create new value through exploiting new markets for complementary activities (Piscitello, 2004). Thus, firms are typically well-endowed in terms of resources and finances before venturing abroad (Hallen and Eisenhardt, 2012).

Much of the international business literature focuses on social relationships or networks. The selection of a host country is influenced by the availability of trustworthy partners in the host country (Dunning, 2009; Guler and Guillen, 2002). It is argued that relationships are only effective in underdeveloped contexts and reduce firm performance in developed ones (Carney et al., 2011). It is also speculated that

⁵ Exploitation of natural resources and infrastructure (transportation, government incentives, etc) (Dunning, 2009)

⁶ Motivated by wage and material cost in host country. Typical DI, with aggressive FDI to nearby regions (Dunning, 2009)

⁷ Motivated by production cost, trade and investment incentives(Dunning, 2009)

the higher the intensity of close relationships, the lower the level of perceived risk by the firm (Li and Tang, 2010). It is surprising that the firm's capital allocation has received little empirical attention in process or international business literature (Bardolet et al., 2011). There is scarce literature that examines the significance of such relationships to the firm with ample management expertise and plentiful resources in contrast to another with limited management expertise and little resources (Fang et al., 2013)

It has also been argued that outward FDI flows are unique to the recipient country and not the originating country (Dunning, 2009). The further away the host region and the location of the investing firm, the harder it is for the firm to conduct sales overseas (Cantwell, 2009). The higher the market access, common language, supply access and GDP per capita, the more likely the firm will prefer to invest in a certain country (Meyer et al., 2009). If the business is product driven, most of the organisation's future growth will be achieved by either launching similar products to those already produced or improving the performance of the existing products by moving into new markets for both existing and new products (Ward, 2012). Hence, the more the firm exists in a high velocity, rapid changing environment in its home country, the more the firm will venture overseas due to the desire to follow firms within the same industry to an offshore location (Mayer et al., 2010). This research is believable not only for Singapore, where China emerged as the most popular FDI location in 2010 (UNCTAD, 2010), but for U.S, where forty-nine percent of its FDI is directed to Western Europe between 1990-1994(Sethi et al., 2002).

2.8 Integrating the four dimensional literature review

From the four-dimensional discussion, we can see that the current array of SID making research is still impressive despite its limitations which are portrayed in each dimension. Yet, the literature only gave us answers to how and why SIDs are made. Current literature does not give us a concrete answer as to which SID to implement, given a certain strategic condition of the company.

To understand what constitute an important, successful or unsuccessful decision before entering into its unknown domain, the study of the SID is an important one (Papadakis, 1998). Before the firm selects the SID, the decision makers firstly decide to invest overseas or locally. Hence, the motivating factor for investment may be firm specific (Mayer et al., 2010).

As with globalisation, the current trend for new research is to go global and focus on foreign investments and their success. If global strategic management involves investing overseas, this behaviour suggests that large irrevocable decisions are made by the firm, loosely fitting in with the definition of a SID. However, the focus of SID making research is still on one major SID that occurs within the last five years and does not distinguish between FDIs and domestic investments. As FDIs and domestic investments are an emerging trend in global strategic management literature, the literature on SIDs may be considered to be outdated by current researchers, with its lack of segmentation between these types of investments. Hence, this may result in few researchers following up beyond Carr et al (2010) on SID making. This is a pity as research on the SID is relatively difficult to conduct. The sensitive and confidential nature of a SID (Slagmulder et al., 1995) which results in the overall

reluctance of companies to participate in this exercise makes this topic extremely challenging. Hence, SID research should not be written off due to reasons of irrelevance, as knowing how to deal with decision making in complex settings and dealing with large investments is crucial in global strategic management.

While cultural attributes (Hofstede, 1980; House et al., 2004) has been widely researched, it has been scarcely applied to international business literature; particularly foreign versus domestic investments. Except for debates on the importance of relationships and the effects of political risk on the cost of working capital, current international business literature shows little recognition of culture attributes, SID making and its relation to capital investment appraisal approaches. Yet, international business investments are typically conducted to exploit resources in other countries due to the firms' inherent competitive advantage and may not be attributed primarily due to cultural scores. Thus, understanding the contextual and cultural influences on FDI versus DIs will be significant for pre FDI entry success, to deepen FDI recipients' understanding of their investors' entry motivations. Thus, if past SID research can be applied to global strategic management by distinguishing between FDIs and domestic investments, this will be a major research breakthrough.

To take this theme forward, a new cultural element is introduced in this thesis by investigating contextual themes and its influence on the selection of FDIs or DIs in SID making practises. To facilitate better collaboration between the east and west and satisfy the need for SID making research to apply across boundaries, and investment types, aspects of global strategic management literature; particularly

those focusing on FDIs and DI are incorporated into this research for global applicability.

2.9 Pre-conceptual framework

Departing from the concepts of rational decision making, organised information need to be inputted in updated theoretical frameworks for decision makers to make intelligent choices (Dirks et al., 2013). This meant that current decision making models need to be modified to adapt to the rapid speed of change, which is not explored extensively by today's researchers (Dirks et al., 2013). While it is worthwhile in empirical development to criticise existing theories, it will be more meaningful to go forth in theory development by developing existing theories. It must be emphasized that developing a predictive framework may not be possible (Hinterhuber, 2013) as the SID is extremely complex, irrational (Mitchell et al., 2011) and involves major investment risks regarding its final value as the investment evolves (Mattar and Cheah, 2006). In order for effective action, the stakeholder needs to be means driven, knows his threshold for accepting loss and utilise contingencies (Wiltbank et al., 2006). It is therefore important to draw an integrative framework from past experiences that will increase the understanding of process determinants (Hitt and Tyler, 1991). By combining the perspectives of cultural, context, content and process SID making research and inputting the outcomes into a theoretical model based on past SID making research, this study aims to benefit practitioners and researchers from these perspectives.

This thesis's preliminary integrative conceptual framework is shown in Figure 7. The foundation of the initial conceptual framework is based on the consolidation of

frequently cited frameworks selected from the four themes of strategic management accounting, strategic management, cross-cultural management and global strategic management which are reassembled to incorporate the most relevant themes for this thesis's SID discussion and subsequent conceptual framework. Figure 7 separates process similarities, company context, SID making approach and firm performance into more developed SID making themes by drawing out SID making themes from each contextual category. These separate frameworks from the strategy formulation and SID making contextual literature are linked to the decision making framework. The bold arrows in the conceptual framework integrates the existing SID making opinions by linking environmental, organisational and decision-specific factors to SID making practises. The non-shaded arrows portray SID literature which has been discussed exclusively but not interlinked with other aspects of SID making. The suggested connections between each mutually exclusive framework from the literature review are shown by the large shaded arrow behind the framework.

In most aspects of SID making, the integrated conceptual framework can be used to assist new researchers and business collaborators to understand the mechanics of decision processes more thoroughly.

The next chapter describes the research methods used for this thesis.

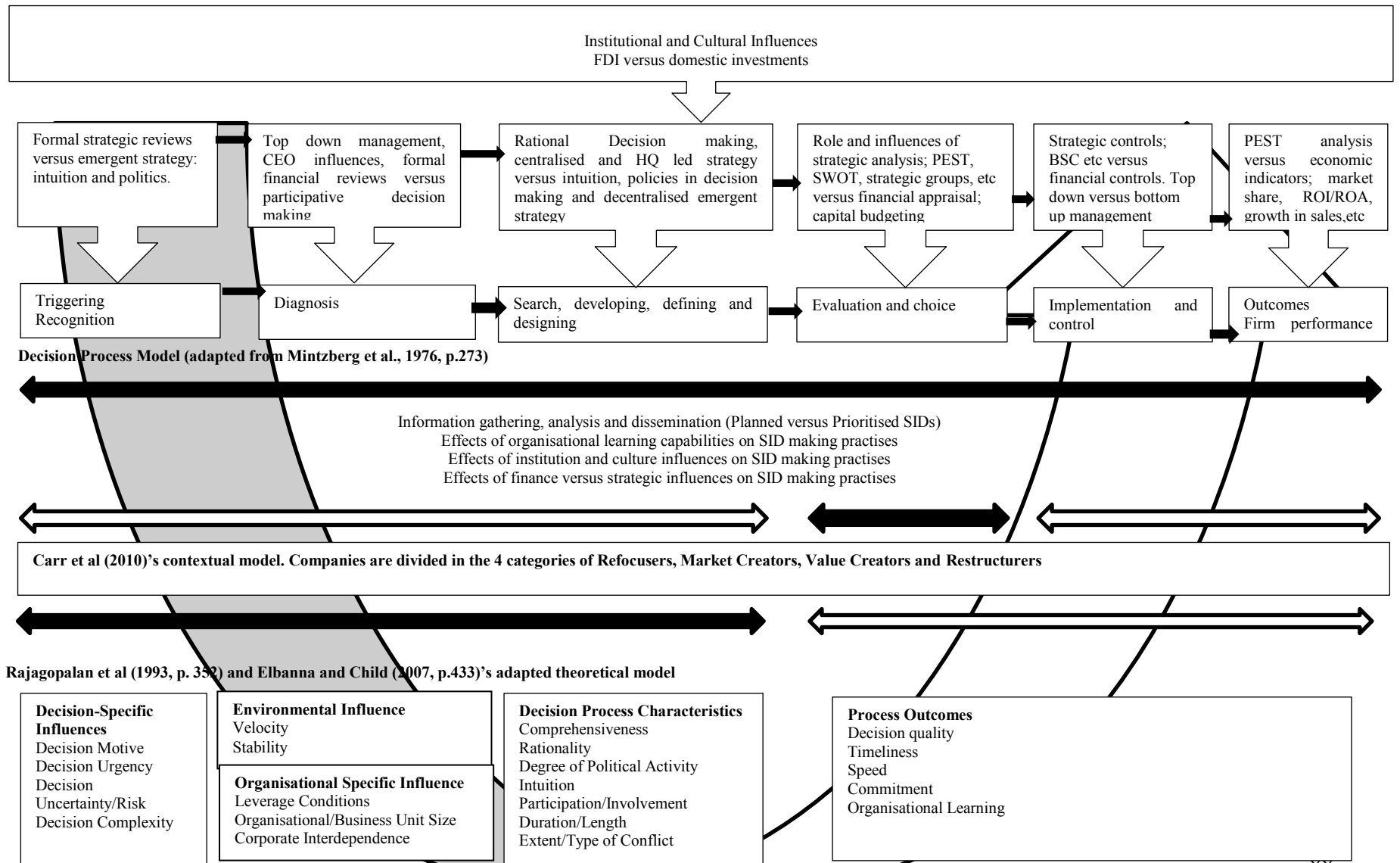


Figure 7: Pre-conceptual framework
Source: Author

CHAPTER 3: RESEARCH METHODS

3.1 Introduction

Chapter 3 details and justifies the research methods used in the research. Research methods refer to the data collection procedures and data analysis techniques alternatively termed as the methodology and research design of the research (Blaikie, 2000) which are presented respectively in sections 3.2 and 3.3.

3.2 Methodology

Research methodology is defined as the way research is or should be carried out (Blaikie, 2000). According to Ryan et al. (2002), the selection of an appropriate research methodology is dependent on the nature of the research (ontology) and the way which knowledge is obtained about the research (epistemology). Hence, a thorough deliberation of the theories tested, the logic used to develop the theories and the criteria used to answer the research questions is essential to select the most appropriate research methodology for the research (Blaikie, 2000). In the next section, six research ontologies are identified followed by this research's ontological perspective of naïve reality. In the epistemology section, four research paradigms are firstly presented, followed by the rationale for the use of post-positivism in this research. Next, the use of case studies as the main strategy of enquiry is illustrated, followed by the level and unit of analysis.

3.2.1 Ontology

Ryan et al (2002, p.36) identified six ontological perceptions of reality which are shown in Table 3.

1. Reality as a concrete structure (naïve realism)
2. Reality as a concrete process (transcendental realism)
3. Reality as a contextual field of information (contextual relativism)
4. Reality as a symbolic discourse (transcendental idealism [Kant])
5. Reality as a social construction (social constructionism [socially mediated idealism])
6. Reality as a projection of human imagination (idealism [Berkeley])

Table 3: Six ontological assumptions
Source: Ryan et al. (2002, p.36)

Typically mainstream accounting and management accounting research are conducted using assumption one's objective perspective of naïve realism (Ryan et al., 2002). The tremendous library of SID making literature largely before 2010 makes it unnecessary for the researcher to view reality as subjective which is featured in the other five ontological perceptions as the main aim of this research is to develop and verify expectations from past and related SID-making research against the practises exhibited by the Singaporean decision-makers seeking to support or dispute these propositions. The researcher's ontological stance is that whilst reality will always be too complex and dynamic to fully portray, actions grounded in socially accepted reality, as Ryan et al. (2002) argue, can be considered as fact and worthy of scientific discourse. Of course, social knowledge is never innocent and this research's epistemological stance seeks to reduce bias by assembling a range of data (qualitative and quantitative) from across academic disciplines: in short, a post-positivist epistemology is adopted in which, like Bryman

(2012) this research's proposition testing takes note of the cultural and social situations of the actor and events that are studied in order to apply past literature assumptions to a new eastern context; Singapore. This post-positivist stance does not sacrifice intellectual rigour; it is simply acknowledged that there is no objective reality outside that which we as researchers construct (Biber and Leavy 2010). This research, however, follows Scapens (1990) and Humphrey and Scapens (1996)'s logic in constructing cases featuring quantitative data that is triangulated against qualitative scenarios to seek out causal linkages.

The next sections illustrate qualitative versus quantitative research followed by the four primary epistemological approaches.

3.2.2 Qualitative versus Quantitative methods

There are various strengths and weaknesses in all experimental, field and survey research resulting in research limitations due to the constricted applicability of these qualitative or quantitative methods (Abernethy et al., 1999; Ferreira and Merchant, 1992). Both qualitative and quantitative methods are important elements of this study which are used to investigate the SID thoroughly in past research.

Qualitative methods have been more popular in SID making research due to the obstacles associated with accessing large populations. As one of the main objectives of this research is to develop and test research expectations generated from prominent SID scholars, a pure qualitative study may lack research validity. The focus on processes and entrenched meanings in qualitative research suffers from lack of intensity and measurable quantity, which makes pure qualitative research more useful for deeper insight, discovery and biased interpretation of results (Denzin

,2010; Denzin and Lincoln, 1994; Noor, 2008). Despite the popularity of the qualitative case study method, important SID making conclusions have been drawn through quantitative research through archival and survey procedures.

For less confidential arenas of strategy, the use of pure quantitative methods is a good way to justify common research expectations pertaining to existing theory. However, this thesis's research nature involves the data gathering of sensitive financial information which is highly confidential. Hence the use of quantitative methods incorporating the use of mail surveys may be problematic due to low response rates. Additionally, there are limited Singaporean firms which are large enough by company and SID size who can qualify for participation in this research which entails the study of large financial decisions. This increases the difficulty of using pure quantitative methods on this research.

To increase the strength of this study, post positivism which utilises both qualitative and quantitative methods is used in this study. The benefits of the post positivism method are elaborated in section 3.2.3 after describing the three alternative research epistemologies.

3.2.3 Research epistemologies

Empirical research typically falls in the four research epistemologies of interpretivism critical realism, positivism or post-positivism (Biber and Leavy, 2010). Interpretivism and critical realism are examples of qualitative approaches while positivism can be termed as a quantitative approach. Post-positivism is a latter methodological development which can incorporate both quantitative and qualitative methods.

Interpretivism and critical realism

Interpretivism is a research paradigm that takes into account the interviewee's perspectives of the environment and the interviewer's assessment of these perceptions (Bryman, 2012). Interpretative research typically comprises the heavy use of case study research which enables method triangulation between theories and broad discussions on research paradigms (Vaivio and Siren, 2010). One key benefit of interpretative research is the researcher's ability to use theoretical reflection in order to induce the researcher's own conclusions from the results. This research performs the contrary where active measures are taken to prevent the researcher from drawing his own conclusions (with the exception of notes taken during the interviews for analytical purposes). Kakkuri-Knuutila et al (2008a) argues that interpretative research has the ability to incorporate both subjectivist and objectivist paradigms instead of these two paradigms being strictly standalone. However, while being able to incorporate both inductive and deductive paradigms, interpretative research is still largely inductive in nature (Byman, 2012).

Critical realism is a methodological paradigm where the researcher adapts a sceptical viewpoint of the research findings and makes inferences based on his understanding (Bryman, 2012). In critical realism, results are collected and questions are asked by the researcher with the objective to reproduce the series of incidents that happened before the events. Similar to interpretative methodology, this research is not suitable for the practise of critical realism as the case studies are adapted to match the research questions in this research. Both interpretivism and critical realism are

inductive and mainly qualitative in nature which may not be the most appropriate research epistemology for this research.

Positivism and post positivism

Positivism refers to bias free, objective research that uses theory to generate hypotheses and takes into account phenomenal events to confirm knowledge (Bryman, 2012). Positivism is rooted in ontology which asserts that there is a known and objective reality outside the research tools and projects of engagement (Biber and Leavy, 2010). As a result of recent agreement that positivism can be adapted in case study research (Ahrens and Chapman, 2006; Humphrey and Scapens, 1996; Otley and Berry, 1994; Scapens, 1990), the term post-positivism emerged which refers to the application of the same methods used in positivism to case studies (Biber and Leavy, 2010).

Most quantitative research is rooted in positivism and is mainly quantitative (Biber and Leavy, 2010). One key benefit of the post-positivism method lies in its ability to include key qualitative and quantitative themes in past SID making research which can complement and challenge each other (Vaivio and Siren, 2010). Both positivism and post-positivism are deductive in nature (Yin, 2009). Deductive research can be regarded similar to laboratory experiments where procedures are followed in sequence (Yin, 2009). This view is supported by researchers that case-studies rooted in positivism are largely used to develop theory (Otley and Berry, 1994), test hypotheses (Humphrey and Scapens, 1996), develop hypotheses, construct models and provide limited empirical tests (Scapens, 1990). The main difference between

positivism and post-positivism is the recognition that the researcher's knowledge may not be absolutely true in the latter (Biber and Leavy, 2010; Creswell, 2008).

Post-positivism is adopted as this research's epistemology framework where the research's aim is not to prove or disprove theory, but to build evidence using the Singaporean cases to support and develop theory using deductive techniques (Biber and Leavy, 2010). One of the aims of this research to present the most objective and bias-free perspective of SID making using the Singaporean SIDs as direct comparison to prior research conducted in the Anglo-Saxon and European context. This aspect of the research is imperative as this research can be considered the first SID making research in Singapore. In this respect, the opinions drawn may be representative of the Singapore nation. The achievement of this aim entails the deductive development of research expectations from the literature. Research expectations that are established from the 3 research questions are extracted from the literature for further development. From the research expectations, research practises based on the thirty case studies are generalised to infer truth towards a larger population.

The iterative method adopted in analytical research is followed closely in this research where the steps of data gathering, pattern detection, observation gathering and theory generation are conducted in an unstructured and repetitive manner to establish theory (Biber and Leavy, 2010). The iterative process is where the researcher constantly collects further data until saturation point (Bryman, 2012). The method in which past data is collected is reiterated where possible in the Singaporean context to present the most objective view of Singaporean SID practises. Active

measures are taken in this research to achieve higher external validity by reaching a larger sample from the manufacturing industry. Data collection is repeated over three phrases until data saturation is reached.

Deductive techniques are carried out to keep closely with the definition of post-positivism, by using replication logic, pattern matching and longitudinal analysis for valid and accurate case analysis (Yin, 2009). Through a repetitive case study approach, data is collected until a certain saturation point where the theory is verified through data (Popper, 1992). To actively prevent researcher's bias, a consistent number of stakeholders from Singaporean firms are interviewed across industries in order to generalise the research findings across Asian organisations (Vaivio and Siren, 2010). Industry sector, decision maker nature and the data collection procedures are kept similar to past research. Counterchecks with data and theory are carried out frequently to ensure consistency, accuracy and reliability of data.

The post-positivism method of using case studies in large numbers is used in this research to ensure that the case studies are explanatory of SID making practises when applied to the east. The next section describes the case study approach used to achieve these aims.

3.2.4 Case study approach

In this research, the case study method is used to define the cases (Gerring, 2004). Due to its ability to combine multiple sources of evidence (Yin, 1989), the case study method is regarded as the most appropriate research design as this research combines four literature streams. To set up a new conceptual model, a vigorous and detailed

case-based approach based on past SID making research (Eisenhardt, 1989; Eisenhardt and Graebner, 2007) is used to tailor the Anglo-Saxon approach across to the East to enable a higher degree of accuracy, theme identification, depth, objectivity and theory building.

Post-positive research favours abduction above either induction or deduction alone. An explanatory case method is chosen for this reason, considering that induction from exploratory cases as a less suitable way of testing the literature propositions outlined, since as Bryman (2012) and Eisenhardt (1989a) argue their primary purpose is to generate new theory. In explanatory case studies, a bigger case sample is used to conduct deductive data enquiry until data saturation is reached. In exploratory case studies, smaller case samples are used for inductive research where the researcher analyses the findings in order to derive his own conclusions for the study (Bryman, 2012). Eisenhardt (1989) uses inductive research in exploratory case studies to provoke new theory and deduce propositions for testing in exploratory case studies through the post-positivism method. Yet, Eisenhardt (1989)'s study is often critiqued for its qualitative approach, small sample size, preliminary nature, generalisation and lack of contextual inference (Welch et al., 2010) which makes it mandatory for large amount of future research work in order to confirm the hypotheses generated (Ryan et al., 2002). Explanatory case studies have been said to be an improved research method which overrides exploratory case studies due to its specificity which enables the researcher to generate convincing theories that explains current practises using specific cases (Ryan et al., 2002). Noting Welch *et al's* (2010) criticism of Eisenhardt 's (1989b) method as overly qualitative and small in sample size reinforced the researcher's view that a larger sample and multi-method approach

is appropriate. A single country (Singapore) is chosen to avoid a further criticism of Welch *et al* (2010) of Eisenhardt (1989) that the cases are insufficiently contextualised: confining the research's dataset to Singapore allows a single context reference point from which to generate theory. Whilst further research in this area is planned, choosing explanatory over exploratory case method, places less conditionality on this thesis's findings, a point made by Ryan *et al* (2002).

The case study method incorporates multiple levels of analysis within the firm. The case study's role in capturing changing organisational activity in high velocity environments (Noor, 2008) enables the researcher to understand the dynamics of the SID within a single company. In addition, multiple levels of analysis in case study research are used to address social issues that cannot be analysed using quantitative studies (Eisenhardt and Graebner, 2007). One example of a social issue is the difference in perceptions of the definition of a SID. Misinterpretations may result in errors in a quantitative study which is prevented in a multi-case analysis. As suggested by Butler *et al* (1991), an in depth approach has the added advantage of addressing social issues of ambiguity when the directors of the firms are briefed on the definition of a SID in the interview process. Butler *et al* (1991) remarked that through the use of in-depth case research, he addressed the social issue of decision handling technique by observing that high consensus between managers is linked to high decision effectiveness.

Data triangulation

Triangulated research is carried out by using theoretical triangulation; where at least two different theoretical perspectives are used to study the same problem or

investigator triangulation where two different investigators study the same problem or data triangulation where different data sources are used to study the same research question (Biber and Leavy, 2011). The case study method has been widely used by academics through data triangulation due to the poor response rates of quantitative methods, (Carr et al., 2010; Eisenhardt, 1989; Elbanna, 2006; Hitt and Tyler, 1991) in strategic management studies. Triangulated research in case study research encompasses a close weaving of both case study, cross-sectional field studies and survey methods in multiple iterations which can address a broad range of external and internal validity issues (Modell, 2005) by using both quantitative and qualitative methods (Biber and Leavy, 2010; Greene, 2007). Due to the concerns of hypocrisy and idealism in triangulated management accounting research, field interviews relating to the application of triangulated management accounting research has been applied in practise by eight acclaimed Finnish management accounting researchers with strong publication records and vast research experience (Vaivio and Siren, 2010) . The consensus is that triangulated research can help achieve a multifaceted picture of the study by combining elements of objective measurement and comprehensive understanding through multiple levels of analysis.

The aim of the research is to advance understanding, rather than claim truth-hood by testing the theoretical predictions of SID-making in an Asian (Singaporean) context: contrasting the results with those of other contexts and by triangulating between datasets to make sense (validity) of the results in the light of a cumulated body of knowledge. Triangulated research is carried out in three ways to increase the validity of the results. Firstly, theoretical triangulation is used to study three research questions. The empirical data is presented as a subset of the three themes of strategic

management accounting, strategic management and cross-cultural management and the fourth theme of global strategic management. Secondly, data triangulation is used where data is collected over three phases to increase data validity. Thirdly, investigator triangulation is used. As shown in the literature review, the SID's contextual and cultural relationships are not well-defined. Hence, the literature is reviewed again in order to identify, develop, generate and test the most frequently cited strategic decision making expectations and pattern match them to the case studies' practises (Bourgeois and Eisenhardt, 1988; Eisenhardt, 1989b; Eisenhardt and Graebner, 2007). The expectations from literature and practises from the thirty cases are combined to study the same research questions by consolidating divergence concepts from the four schools of thought for theory development through synergisation of SID making themes. These new relationships are used to develop the pre-conceptual framework and extend SID theory to cover the themes of strategic management accounting, strategic management, cross-cultural management and global strategic management (Figure 1, p.18) in the literature review.

3.2.5 Level and Unit of analysis

3.2.5.1 Organisational versus decision level analysis

In SID making literature, discussions typically takes place at the decision-level or organisation level (Bell et al., 1998). Organisation level discussions link all traceable decisions to a particular organisation for analysis (Bell et al., 1998; Fredrickson and Mitchell, 1984; Hickson et al., 1986; 2003). The organisation level of SID analysis focuses on the organisation (Hough and White, 2003). SIDs within the organisation are used as aggregate data to relate SID processes to the organisation's performance (Glick et al., 1993; Goll and Rasheed, 1997; Priem et al., 1995). There are

advantages in organisational level analysis due to the ease of execution (Bell et al., 1998). The research findings can be easily generalised through secondary data access using financial and archival records from the volume of SIDs studied (Bell et al., 1998). However, organisation level analysis has been said to be problematic as the variation of SID making practises across different decisions is ignored (Hickson et al., 1986).

Decision level discussions use one SID in each organisation to target the process, context and content of SID making (Dean and Sharfman 1993a; Elbanna and Child, 2007; Papadakis et al., 1998; Papadakis and Barwise 2002; Rodrigues and Hickson, 1995). The focus on one core strategic decision made by the company at the decision level of analysis eliminates the problem of aggregating SID data by provoking a more direct relationship between the SID and its outcome. Decision level SID-making analysis typically uses static data for analysis which reduces influences from external forces and distinguishes between different processes among diverse decisions (Hough and White, 2003). These advantages of decision level analysis over organisation level analysis suggest that decision level analysis may be a more superior approach when investigating specific SID characteristics in the firm (Bell et al., 1998) and the SID's influence on organisational performance (Elbanna and Child, 2007).

In this thesis, efforts are made to replicate past SID making literature in the unique Singaporean context. As searching for decision specific themes using organisational level analysis might provoke ambiguity within the research (Bell et al., 1998), decision level discussions have been adapted by most researchers in the SID making

field (Dean and Sharfman, 1993; Elbanna and Child, 2007; Papadakis and Barwise, 2002; Papadakis et al., 1998; Rodrigues and Hickson, 1995). Similar to the approach by Butler et al (1991), Eisenhardt (1989), Carr et al. (2010) and to ensure comparability of data with Carr (2005), Carr et al (2010), the decision level of analysis is adapted. Decision-specific studies are harder to implement, due to the difficulty of accessing key decision makers. Despite these difficulties of access, the systematic and even erratic nature of SID making (Mitchell et al., 2011) makes decision level analysis the best impetus for a deeper understanding of the companies' contextual situations and corporate complexities (Carr and Pudelko, 2006).

3.2.5.2 Unit of analysis

The preference for decision level analysis relates to its flexibility where the SID is used as a single unit for analysis where conclusions can be drawn. Thus, decision-level analysis is supported more frequently in later literature (Carr et al., 2010; Eisenhardt and Graeber, 2007; Mitchell et al., 2011). In contrast to using the firm or its performance for sampling, using the SID gives room for higher levels of data triangulation between datasets. Thus, sampling from a single country (Singapore) avoids ambiguity in this research, providing clear context and generalisation and offering comparability with earlier studies such as Bingham and Eisenhardt (2011), Bourgeois and Eisenhardt (1988); Eisenhardt (1989b) and Butler *et al.* (1991).

The validity of case-based research is entirely dependent on the typicality and size of the sample (Kinder 2002). Bennett and Elman (2006) emphasise the importance of case choice especially where propositions are being tested, as in this case. According to Gerring (2004), the most successful research method will focus on each individual

case where a single unit is studied in detail to replicate features of larger units that are similar in function. Therefore, a purposeful sampling technique is used to select the thirty cases, noting Eisenhardt's (1989)'s point that an overly narrow range of cases also introduces bias.

In this study, formal units of single country variable and matching industries are used to prevent ambiguity (Gerring, 2004) and over generalisation (Flyvbjerg, 2006). Similar to past SID research that uses single country variables (Bourgeois and Eisenhardt, 1988; Butler et al., 1991; Eisenhardt, 1989a; Garvin and Cheah, 2004; Hitt and Tyler, 1991; Papadakis, 1998), Singapore as the main single country variable is used. Keeping the context of the research within the boundaries of Singapore has the benefit of increasing the case study numbers until data saturation is reached for representative results. Thirty Singaporean SIDs are selected from the primary, secondary and tertiary sectors which are used as sectorial divisions in order to replicate decisions in similar industries.

The informal units (Gerring, 2004) of Anglo-Saxon counterparts are used for comparative purposes, in order to explore the significance in value differences and mean scores in the four-dimensional analysis (Schaffer and Riordan, 2003). To select the informal units, the prior database consisting 256 SDs from 26 countries from Carr (2005), Carr et al., (2010), Carr and Harris (2004) and Carr and Tomkins (1998) are reviewed to select four countries with adequate prior research and quality comparative data for use in this thesis. UK, US, Germany and Japan are selected which are representative of developed countries worldwide for adequate comparison between the east and the west. Subdivisions are set up where broad strategic

management accounting, strategic management, cross-cultural and global strategic management themes are tested hypothetically.

The SIDs are kept similar to ensure comparability of data. To facilitate international comparability and higher robustness of research (Rajagopalan et al., 1993), the latest and largest SID within the last five years is used. Ensuring that the SID took place within the last five years induces an objective view of the unique circumstances in SID making which prevents the research from developing a possible unpersuasive effect subject to critical judgements (Bennett and Elman, 2006) due to the SID being too outdated. Due to large capital investments, the focus on the largest SID ensures that both financial versus strategic considerations are deliberated before investment. Thus, the SID's investment value is kept strictly to S\$1,000, 000 or above and should have contributed to a change in strategy or corporate direction for the company.

The details of each company's SID are shown in Table 4 to Table 8.

No	Company Pseudonym	SID details	Year of Investment	Investment location	Investment amount Approximated m(\$\$)
1	SSteelSg	Competitor takeover (gradual acquisition) of a steel manufacturer in Singapore. After the takeover, the steel manufacturers are reduced from 6 in Singapore to 5. This is the company's only investment in the last 5 years.	2007	Sg	10
2	SPlasticsSg	Integration: Acquisition of drum manufacturing supplier to lower transport costs.	2008	Sg	5
3	SPVCSg	Investment in new production facilities to produce materials in smaller quantities to meet the specific demands of customers and maintain profitability of the factory.	2012	Sg	1
4	SChemSg	Invested in new factory and warehouse next to existing headquarters in Singapore to expand their operations and continue their focus in Asia despite their worldwide presence.	2012	Sg	50
5	SMetalSg	Invested in property development project by supplying products and construction services for an equity stake.	2011	Sg	1
6	SChemCn	Investment in Chinese factory to secure sole agrochemical supply source in China for sale in China and other countries.	2007	Cn	5
7	SMetalCn	Investment in Chinese property market by rendering full construction services to a development in China. Their purpose is to vertically integrate by focusing on developing niche markets in China.	2009	Cn	1,000
8	SOilCn	Invested in new fleet in China to secure new markets in the highly lucrative oil industries. This is the largest investment in a list of 8 investments over the period of 2008 to 2012.	2008	Cn	11000

Table 4: SID Details: Primary Sector (Value Creators)
Source: Author

No	Company Pseudonym	SID details	Year of Investment	Investment location	Investment amount Approximated m(SS)
17	SMachcompCn	Investment in Chinese factory at U.S customer's request with the promise of continuous businesses and referrals from that customer. The company has a fixed group of customers but it need to constantly reduce costs to satisfy their customers.	2007	Cn	1
18	SPreengCn1	Related diversification: Investment in a new Chinese factory to collaborate with Chinese partner at the request of an old customer. Continued business is guaranteed from the customer but does not cover the investment amount in the facility. Overall company hopes to reach more clients as well.	2012	Cn	5
19	SPreengCn2	Expansion: Investment in new Chinese factory to further penetrate Chinese market.	2011	Cn	2
20	SCircuitboardCn	Unrelated diversification: Investment in restaurant in Chongqing, China.	2010	Cn	2

Table 5: SID Details: Secondary Sector (Refocusers)
Source Author

No	Company Pseudonym	SID details	Year of Investment	Investment location	Investment amount Approximated m(\$\$)
9	SPremixSg	Expansion: New factory in Singapore to serve Singapore and Japanese customers. Company believes in continuing investing in Singapore due to safety and tax subsidies in Singapore despite escalating costs of living and labour in Singapore.	2009	Sg	10
10	SPreengSg1	Investment in new production facility to cope with demands for new products which only specific machinery can manufacture.	2011	Sg	1
11	SPreengSg2	Investment in a new production facility, new machines for production of varied precision engineering parts.	2008	Sg	1
12	SPreengSg3	Investment in a new production facility to lower overall cost of production and keep customers satisfied with fair prices.	2011	Sg	1
13	SEngcompSg	Expansion of factory by buying a 42000 square foot factory in the sub-urban part of Singapore (Jurong).	2008	Sg	2.5
14	SPreengSg4	Investment in new factory units. Opportunity arose when neighbour wanted to sell units and company took over the units for sale.	2008	Sg	1
15	SPreengSg5	Expansion of factory from 2 units to 4 units. Heavy use of external consultants to produce financial reports and proposals to Spring Singapore. However costs are reimbursed by Spring Singapore. Emphasised that they knew an influential person in Spring Singapore.	2010	Sg	2
16	SPlatingSg	Expansion: New cleaning system in the line of machines to attract new customers that needs this clean room equipment for their products.	2011	Sg	1

Table 6: SID Details: Secondary Sector (Restructurers)
Source: Author

No	Company Pseudonym	SID details	Year of Investment	Investment location	Investment amount Approximated m(\$)
21	SPackagingSg	Investment in a new wholesale outlet to cover higher geographical area in Singapore.	2011	Sg	3
22	SAudioSg	Related Diversification: Investment in an KTV outlet to tap on retail market and property appreciation opportunities.	2012	Sg	3
23	SCosmeticsSg	New retail store to capture more new customers.	2012	Sg	5

Table 7: SID Details: Tertiary Sector (Market Creators -DI)
Source: Author

No	Company Pseudonym	SID details	Year of Investment	Investment location	Investment amount Approximated m(\$)
24	SFoodCn	Unrelated diversification: Investment in China's lottery card business through vending machines retailing lottery cards in China. However, they are cheated by their Chinese partner, hence business did not take off.	2007	Cn	1.7
25	SFoodVietnam	Investment in a new production facility in Vietnam.	2011	Cn	1
26	SContainersVietnam	New factory in Ho Chi Minh City, Vietnam for export of premium plastic food containers to nearby Asian markets due to low tax rates for Vietnamese exported products.	2009	Vietnam	1.5
27	SClothesVietnam1	Expansion: took over 2 Vietnamese subsidies and further upgraded performance sportswear facility in Hanoi, Vietnam.	2010	Vietnam	5
28	SClothesVietnam2	Expansion: factory in Vietnam, Ho Chi Minh City, to take advantage of cheaper skilled Vietnamese labour, tax advantages and less currency risk for export of products to U.S market.	2009	Vietnam	4
29	SClothesMalaysia	Addition of new production facility in Malaysian plant in lieu of cheaper labour costs in Malaysia to serve customers in Singapore, Malaysia and Taiwan.	2010	Malaysia	1
30	SClothesCambodia	Expansion: factory in Cambodia to take advantage of cheaper labour market in Cambodia.	2010	Cambodia	2

Table 8: SID Details: Tertiary Sector (Market Creators -FDI)
Source: Author

3.3 Research design

The framework for data collection and analysis refers to the research design of the thesis. The seven elements of a reliable, replicable and valid research design are: well-defined rationales for research, distinct research strategy, clear reasons for sample selection, detailed sample description, consistent data collection strategy, specified stages of research and through data analysis procedures (Blaikie, 2000).

The research design of this thesis is carefully crafted to address the seven main elements that are pertinent for reliable, replicable and valid research (Blaikie (2000). With reliability, results are consistent and repeatable when multiple studies are conducted (Bryman, 2012). Replication refers to the ability to apply the same research framework to an alternative context (Bryman, 2012). Lastly, validity refers to the ability to prevent overly generalised results by utilising useful, believable, honest and persuasive stories (Bryman, 2012). Following Blaikie (2000), this thesis's research design aims to be honest, reliable, replicable and valid. Using thirty multiple cases avoid the bias that typicality belong to a single case study. The multi-tiered case study method is used where the research is divided in three stages over the course of 3 years. The research is ceased when data collection has been repeated till data saturation is reached. To avoid single-source bias, case material was gathered from multiple sources. This method is more demanding than the single case study method (Bourgeois and Eisenhardt, 1988). However, it enables longitudinal combination of the results for more reliable analysis.

Figure 8 illustrates the case study time frame:

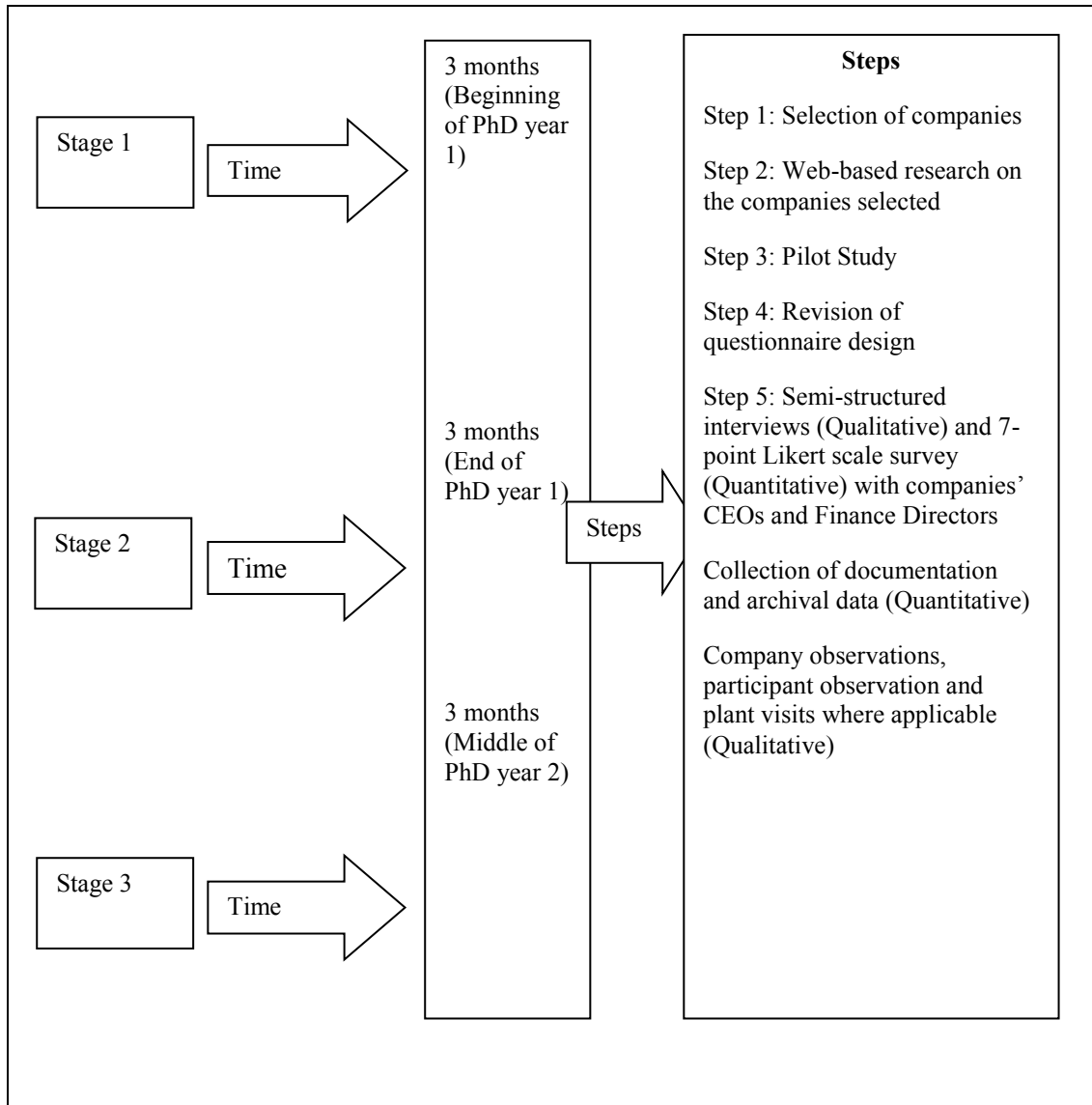


Figure 8: Case study timeframe
Source: Author

The next section describes the sampling techniques used in this research.

3.3.1 Sampling techniques

Two methods of sampling are often used in theoretical research. Probabilistic sampling is used where a wide population is used for statistical representation. Non-

probabilistic sampling is a purposeful sampling technique where a population is used to specifically understand certain phenomenon.

In case study sampling, cases are selected where themes are observable and likely to duplicate existing theory (Eisenhardt, 1989a). For instance, in Eisenhardt's (1989b) study, eight microchip firms are deliberately selected from fast moving environments to observe the themes of rational decision making. One of the inherent problems in case study research is the incidence of choosing an overly small sample that may be badly selected (Bennett and Elman, 2006). Therefore, to prevent sample bias and overgeneralisation from selecting a small number of cases (Bennett and Elman, 2006), purposive or judgment sampling is used where the companies are selected based on the research questions and expectations explored (Biber and Leavy, 2010).

3.3.2 Sector selection

Sector selection is one of the crucial aspects of this research as the sample used in this research is drawn from the initial population selection. To determine the initial population used for study, it is important to define the theoretical population used for comparison with the prior SID data from Carr (2005) and Carr et al (2010). Limiting the choice of population helps to reduce generations and extent variations from the research (Eisenhardt, 1989). For this reason, the sampling for SID research has often been confined to a fixed population. Table 9 shows the population that had been used for past SID making research.

Author	Method	Sample	Description	Conclusions
Bourgeois and Eisenhardt, 1988	Case studies	4 microcomputer firms	Decision making in high velocity, unpredictable environments	Rational decision making in high velocity environments
Eisenhardt, 1989	Case studies	8 microcomputer firms	Decision making in high velocity, unpredictable environments	Tactical and rational decision making in high velocity environments
Elbanna et al., 2011	36 semi-structured interviews	21 interviews in private sector companies, 15 in public sector companies	Conflict in decision making	Environment does not influence conflict and decision effectiveness. Decision process and setting affects conflict in decision making
Nutt, 1984	Case studies	78 health service firms	Variations in decision process	Normative decision making process not typically followed by managers

Table 9: Population used for past SID making research
Source: Author

The study population on SID making in past literature involves a varied array of public and private organisations. For instance, public organisations are often divided into health, non-for profit, teaching and public services. Private organisations may be divided into varied segments like manufacturing, services and trading. To avoid researcher biases resulting in threats to external validity, the cases in this thesis are selected to replicate previous cases from Carr et al., (2010) in order to fill the four contextual categories and extend theory to the four themes discussed in the literature review.

To ensure reliability and validity in this research, care is taken to ensure consistency of organisations. Practically, “the most commonly used classification systems are the Standard Industrial Classification (SIC) system, the Standard International Trade Classification (SITC) system, and the Classification of Foreign Trade Commodities in the Customs Cooperation Council Nomenclature (CCCN) system. Among these three systems, SITC and CCCN are used only for external trading. Therefore, the SIC is the most commonly used classification of domestic activities” (Cho and Lee, 1998, p.198). Similar to Cho and Lee (1998)’s use of the most common classifications, Table 10 is extracted from SGX and SESDAQ which are the most commonly used classification of Singaporean firms to determine the theoretical population. Table 10 shows the industry breakdown of Singaporean firms based on 10 industries listed on the Main Trading Board of Singapore (SGX) and eight industries in the Dealing and Automated Quotation system (SESDAQ).

Industry Counts	Counts on SGX	Counts on SESDAQ	Total counts	Percentage
Commerce	35	7	42	17.14%
Construction	14	3	17	6.94%
Engineering	2	0	2	0.82%
Hotels/restaurants	12	1	13	5.33%
Investment holding/trading	2	1	3	1.23%
Information technology	1	0	1	0.41%
Manufacturing	79	22	101	41.22%
Multi	14	0	14	5.71%
Properties	19	0	19	7.76%
Services	11	2	13	5.33%
Transport/storage/communications	0	19	19	7.76%
Others	1	0	1	0.41%
Total	185	60	245	100%

Table 10: Industry breakdown
Source: Lim et al (2009, p. 583)

The decision making boundaries of a firm are determined by its sector categorisation. There are various methods of separating the companies into sectors. Menger (1981)'s classification system separates industries into those focusing on raw materials, intermediate products and consumer goods (Cho and Lee, 1998). Another system by Baumol (1962) classifies industries based on the economic principle of substitution elasticity and cross elasticity. The sector which a firm falls in may influence SID making, as the environment, decision type and firm differs in various sectors (Mintzberg et al., 2010). To ensure that the results generalize across industries (Lim et al., 2009), the theoretical population used for the case studies are Singaporean privatised manufacturing organisations. As they are the largest group of firms in the table above, the opinions given by the stakeholders for SIDs will be more representative of privatised Singaporean companies as a whole.

The manufacturing companies in this thesis are sub-divided across primary, secondary and tertiary industries to provide matching cases to contrast fast moving, high velocity, intermediate and relatively stable industries from earlier SID focused field research conducted between 1988-2002 in US, UK, Germany and Japan by (Butler et al., 1993; Carr, 2005; Carr et al., 2010; Eisenhardt, 1989) to identify potential differences in SIDs making practises (Dean and Sharfman, 1993a, 1993b, 1996; Eisenhardt 1989a; Nutt, 2008). Within the manufacturing sector, the division between primary, secondary and tertiary sectors is not easily defined as firms may manufacture both semi-finished components and finished components. Firms in the primary sector may also extract raw materials and subsequently process the raw materials for sale as semi-finished goods to the secondary sector. To streamline the

sectors clearly, Menger (1981)'s classification system is used, where manufacturing firms are classified into primary, secondary and tertiary sectors based on their main product focus. Replication logic is used within the manufacturing sectors to increase confidence in the research results (Noor, 2008).

3.3.3 Sample details

Having determined the theoretical population as Singaporean manufacturing firms, a database of 10 000 largest manufacturing companies is collated from the Singapore Ministry of Manpower's website. The database is deemed to be the most reliable as all companies in Singapore are required to be registered with the Ministry of Manpower. Next, a systematic procedure is followed where 200 companies are selected from the database of 10 000 companies. In order to keep variables constant with the exception of SID and company context, organisations are matched as closely as possible by their main product focus, nature of decision makers, ownership structure and company size to ensure comparability.

To further narrow down the population for study, the database is reviewed again to determine the company populations which are suitable for comparison with the privatised telecommunication and vehicle component companies used in Carr et al (2010)'s sample. It is found that the sector cannot be matched exactly with Carr et al (2010)'s sample from the lack of access and limited numbers of telecommunication and vehicle component companies in Singapore. These vehicle components companies are very reluctant to accept the researcher's request for interviews perhaps due to the sensitive and confidential nature of a SID. With the next alternative, best match is used. The precision engineering and engineering components manufacturers

are used to match the vehicle component sample due to industry and SID similarity. While this instance is not ideal, they provide a case of best match in the view of research limitations. In total, a larger sample from the precision engineering component manufacturing sector is selected to match Carr et al(2010)'s vehicle component sample. For the telecommunication companies, there are only three telecommunication companies in Singapore. The researcher is unable to secure access despite repeated email and calls. Thus, the next best match is used; where large manufacturers of widely consumed finished goods are used to match the telecommunication sector. Representative companies from the raw material sector are selected for the new primary sector to complete the analysis.

After the selection of these 200 companies, a web-based research is conducted on the companies' annual reports and websites to document their company size, industry and current investment decisions undertaken to determine the companies for the thesis's case study research. This three-stage research strategy has led to the identification of two additional themes in the third phrase of research which differentiates the SIDs into overseas versus domestic types. Hence, the third criterion is that a minimum of ten new firms must have overseas SIDs in order to differentiate between overseas versus domestic investments for our analysis in the third phrase of research.

To fulfil this criterion, 200 new firms with overseas investments are added to the initial sample of 200 firms. The 200 firms are sent emails where thirty replied with interview dates. From the replies, nine companies with FDIs in China are selected. The twenty-one other companies consist of investments in Vietnam, Malaysia and

Cambodia. To match the domestic SIDs, six companies from the database of twenty-one remaining companies are selected. In total, fifteen matched manufacturing companies are categorised with nine in each category of FDIs and DIs. However, one company dropped out of the interview in the third phase of research. As no alternative company with large overseas SIDs can be found, a company with a sizable local SID was used as replacement. In total, there are sixteen companies with local SIDs and fourteen companies with overseas SIDs.

In the three stages, the companies are emailed to ascertain their willingness and availability to be interviewed. After receiving their emails, the key executives are contacted by phone to ensure that they are willing to discuss sensitive issues pertaining to the investment, after promises of confidentiality. On the week in Singapore, the companies' directors and finance directors are called again to confirm their availability for interview. Upon confirmation, the interviews took place in their headquarters in Singapore. The final details of the companies are shown in Table 11 to Table 14.

No	Company Pseudonym	Year founded/ Approximate no of employees/ company type	Sector/Product manufactured or sold/ Environmental velocity Company Background
1	SSteelSg	1984/300 / Pte Ltd (Listed*)	Primary/Raw materials/Mature The company specialises in metal recycling. The company collects and procure scrap metal for processing and repackaging. Ferrous scrap like steel and non-ferrous scrap like copper, aluminium and stainless steel are sold to steel brokers and international trading companies. 3 warehouses and head office in Singapore. No interest in overseas operations or expansion.
2	SPlasticsSg	1974/100 /Pte Ltd*	Primary/Raw materials/Mature Company manufactures Fibreglass Reinforced Plastics and Unsaturated Polyester Resin for engineering materials usage and raw materials for other types of products in the building, construction and chemical industries.
3	SPVCSg	1967/100 / Pte Ltd	Primary/Manufacture of PVC compound/Mature Formulates PVC (plastic) compound for cable, pipes, footwear and bottle manufacturers.
4	SChemSg	1988/3500/ Pte Ltd (Listed)	Primary/Raw materials(chemical)/Mature Manufactures chemicals through liquid and solid blending, raw chemical materials and repackaging blended or raw chemicals for oil and gas industry, biotech industries and composites for component manufacturers.
5	SMetalSg	1996/200/ Pte Ltd	Primary/Raw materials/Mature Metal Scaffolding company. Manufactures and rents scaffolding products, construction services and consultancy services.
6	SChemCn	1974/4000/ Pte Ltd	Primary/Raw materials/Mature Procures and manufactures chemicals, agrochemicals and fertilisers for the farming industry. Sells finished products or raw chemicals to distributors and manufacturers in Australia, China, Indonesia, Thailand and Vietnam.
7	SMetalCn	1959/1000 employees/ Pte Ltd	Primary/Raw materials/Mature Manufacture pre-cast mold for construction works, fabricate and install metal, steel, aluminium works. Manage construction and civil engineering projects in Singapore and China.
8	SOilCn	1983/100000 /Pte Ltd (Listed)	Primary/Raw materials/Mature Engage in oilfield activities, oil trading, gas trading, ship management, coal mining, processing and trading. Operations in Southeast Asia, India, China, Australia, Mexico and the Middle East.

Table 11: Company Background: Primary Sector (Value Creators)

Source: Author

No	Company Pseudonym	Year founded/ Approximate no of employees/ company type	Sector/Product manufactured or sold/ Environmental velocity Company Background
9	SPremixSg	1971/2000/ Pte Ltd ⁸	Secondary- premix manufacturing/ Semi-mature- stable due to niche market production Manufactures premium chocolate, sugar-dairy, butter and confectionery premix by formulating, batching and mixing sugar, milk powder, cocoa butter, oil, flavour, dextrin etc for the beverage, dairy and confectionery industry. Headquartered in Singapore and Japan.
10	SPreEngSg1	1979/300/ Pte Ltd	Secondary/Precision Engineering components/ Semi-mature Manufacture precision engineering parts using CNC milling and turning. Assemble parts using sheet metal fabrication, welding and spray painting facilities.
11	SPreEngSg2	1996/100/ Pte Ltd	Secondary/Precision Engineering components/ Semi-mature Manufactures and process precision engineering components.
12	SPreEngSg3	1979/100/ Pte Ltd	Secondary /Precision Engineering components/Semi-mature Caters to specialised group of customers who requires mixed and low volume precision engineering jobs; CNC and Cylindrical grinding, polishing and buffing services.
13	SEngCompSg	2002/100/ Pte Ltd	Secondary/Engineering components/ Mature Manufactures and pumps, industrial systems, separators and blowers for the chemical, paper and mining industries. Caters to niche market of dealers and manufacturers. Customers are located in Singapore, North U.S.A, Europe, Australia and Asia Pacific.
14	SPreEngSg4	1989/100/ Pte Ltd	Secondary/Precision Engineering components/ Semi-mature/Fast moving Provides precision engineering solution, consultancy and manufacture of nozzles, needles, parts and moulds.
15	SPreEngSg5	1996/100/ Pte Ltd	Secondary/Precision Engineering components/ Semi-mature due to stable customer base Manufacture of precision engineering components like jigs, tweezers and toolkits.
16	SPlatingSg	1995/100/ Pte Ltd	Secondary/Electro plating/Semi-mature Electroplating and polishing stainless steel, nickel for the precision engineering, metal stamping and automation industries.

Table 12: Company Background: Secondary Sector (Restructurers)

Source: Author

⁸ **Listed** refers to the company's listing on the Singapore Stock Exchange. **Pte Ltd** (Private Limited) means that the company is incepted as a private limited company.

No	Company Pseudonym	Year founded/ Approximate no of employees/ company type	Sector/Product manufactured or sold/ Environmental velocity Company Background
17	SMachcompCn	1980/100/ Pte Ltd	Secondary/Power transmission and machine components/ Semi-mature Manufactures and distributes power transmission components, agriculture equipment, conveyor componens, security systems and car cameras.
18	SPreEngCn1	1996/100/ Pte Ltd	Secondary/Precision Engineering components/Semi-mature Manufactures precision engineering parts, blocks, gears and components.
19	SPreEngCn2	1994/300/ Pte Ltd	Secondary/Precision Engineering components/ Semi-mature, highly competitive and fast moving Provides mold design, engineering and fabrication services. Headquartered in Singapore with manufacturing facilities in Singapore and China.
20	SCircuitboardCn	1981/200/Pte Ltd (Listed)	Secondary/semi-finished goods-circuit boards/Mature Manufactures and finishes PCBs and circuit boards for the computer, telecommunication, electronics and automobile industries in Singapore, U.S.A, Germany, Japan, Australia and SEA.

Table 13: Company Background: Secondary Sector (Refocusers)

Source: Author

No	Company Pseudonym	Year founded/ Approximate no of employees/ company type	Sector/Product manufactured or sold/ Environmental velocity Company Background
21	SPackagingSg	1965/100/ Pte Ltd	Tertiary/Dried food/Fast moving Manufacturing of packaging material for marine products, storage of finished goods, exporting, importing and logistics arrangement for marine products.
22	SAudioSg	1989/150/ Pte Ltd	Tertiary/Sound and media equipment/ Fast moving Manufacture audio equipment and sound systems: ie home entertainment and professional KTV equipment.
23	SCosmeticsSg	1996/130/ Pte Ltd	Tertiary/cosmetic products manufacturing/ Fast moving Manufacturers, exports ,imports and retails toiletries and cosmetic products to Singapore and worldwide.
24	SFoodCn	1987/300/ Pte Ltd (Listed)	Tertiary/Canned food/ Fast moving Manufacture and sell wholesale canned fruits and vegetables to Singapore and world wide.
25	SFoodVietnam	1965/100/ Pte Ltd (Listed)	Tertiary/Dried food/ Fast moving Repackaging and processing dried seafood products, exporting, wholesale and retail of repackaged seafood products.
26	SContainersVietnam	1979/200/ Pte Ltd	Tertiary/Kitchenware and household goods manufacturer/Fast moving Manufacturer and distributor of a premium plastic food containers, premium household products and Japanese porcelain wares.
27	SClothesVietnam1	2006/1000/ Pte Ltd	Tertiary/ clothes manufacturing/Fast moving Manufacturers knitwear, sportswear and casual wear for premium retail brands and department stores.
28	SClothesVietnam2	1984/2600/ Pte Ltd	Tertiary/Clothes manufacturing/ Fast moving Manufacture, export and retail of fitness garments for its own renowned brand.
29	SClothesMalaysia	1988/500/ Pte Ltd	Tertiary/Clothes manufacturer/Fast moving Manufacture of Knitwear and sportswear.
30	SClothesCambodia	1951/4500/ Pte Ltd (Listed)	Tertiary/Clothes manufacturing/Fast moving Manufactures and exports branded sportswear, fashion labels, high end children apparel and personalised department stores' branded apparel. Global company with 13 manufacturing in Singapore, Bangladesh, Sri Lanka, Vietnam, China, Cambodia and Malaysia.

Table 14: Company Background: Secondary Sector (Market Creators)
Source: Author

3.3.4 Questionnaire Design

One of the key advantages of using a case study analysis is the ability to use a flexible data collection process where adjustments are made to the cases when new themes are detected in each stage (Eisenhardt, 1989a). Thus, at the initial stage, it is important to have a firm understanding of the research tools (Blumer, 1969) by reviewing the questionnaires from past SID making research if they are available. The initial semi-structured questionnaire design on SID making comprising open ended questions and single choice questions is obtained from Carr et al (2010). In addition, Lu and Heard (1995)'s semi-structured questionnaire research on strategic investment decisions comparing Chinese and British companies and Carr, (2005) and Carr et al.(1991) 'Strategic Investment Decisions Questionnaire' are assessed.

From the assessment of past SID making questionnaires, an initial questionnaire guide is constructed which comprises semi-structured, structured, open ended questions and the use of a seven-point Likert scale. However the adoption of these questionnaire templates may suffer from lack of applicability to the Singaporean decision makers due to lack of testability. Hence, it is necessary to apply these questions to the Singaporean managers to uncover updated practises with relation to the expectations from the four literature streams. Amending the questionnaire for both eastern and western applicability is an important part of this thesis to enable the questionnaire to be used for later research. In order to improve the validity of the questionnaire (Teijlingen and Hundley, 2001) and assess if an exit route is required, the questionnaire is administered in an initial pilot study and over three stages. The

questionnaire is amended repeatedly to arrive at the final questionnaire design (in the Appendix). The pilot study is described below:

3.3.4.1 Pilot Study

An initial pilot study is conducted to clarify problematic wording of the questionnaire, identify questionnaire redundancies and detect errors (Noor, 2008). The pilot study might uncover issues comparable to the actual interview (Yin, 2009), by using Asian managers to replace Western managers in the new interview template. Initially, two Singaporean managers are emailed with the raw questionnaire from Carr et al (2010), but they exhibited no understanding of the questionnaire format due to the phrasing of some SMA terms. After initial amendments, three more Singaporean managers are interviewed to assess if the terms are understandable. With their comments and feedback, additional key words are added for better understanding after feedback. Following the pilot study, Hickson et al (2003)'s eight criteria for SID success are incorporated in the seven-point Likert scale in the questionnaire to determine how SID topic, organisation learning, information processing and SID implementation leads to higher SID performance. The revised questionnaire was sent to the managers for their feedback after amendments. Upon final approval after amendments, the case studies are conducted in three stages. The three phrases of amendments in the qualitative and quantitative components of the questionnaire are described below.

3.3.4.2 3 phrases of amendments

In the first phrase of research, the directors are asked on their steps used in decision making, their roles as decision makers and the use of intuition in decision making.

The companies' directors and finance directors are asked to provide the details and investment amounts of the SID. Next, to cover the SMA themes in the literature review, aspects of control, management and finance are explored. The decision makers are asked to describe their post decision making measures, the use of external consultants, monitoring of the SID and the management of the SID after implementation. Questions on the uses and influences of financial and strategic tools are queried. After the first stage of the interviews, complex financial terms were taken out of the questionnaire due to lack of understanding by the respondents. After further suggestions, additional questions on financial expectations, strategic and financial considerations are included in the questionnaire. In the questions addressing the theme of cross cultural management, the decision makers are asked to comment on their style of investing in comparison to other Asian and Western counterparts. Detailed responses are obtained for this theme. Thus, questions on intuition, politics and nature of the decision maker are repeated in the seven-point Likert scale to obtain a quantitative score for these aspects of decision making after the themes appeared repeatedly in the qualitative aspects of the questionnaire.

In the second phase of the interviews, interviewees are asked to comment on interesting themes for the questionnaires. Three of the directors commented that there are no distinctions between FDIs and DIs in our questionnaire guide. Thus, the theme of global strategic management is added to the literature review and the questionnaire in the second phase of research. Due to escalating popularity of the themes of FDIs and DIs, the addition of these themes can add increased significance to SID making research. Thus, three questions are added where the directors are

questioned on the reasons for investing domestically versus overseas, the differences between their overseas versus domestic investments and the role of partnerships in SID making. These three questions explore the view by Ketchen (2003) that collaborative arrangements, including partnerships, are the way forward and that the Analyser orientation is probably no longer feasible in a more complex, dynamic, 21st century environment. Unique cross-cultural questions are incorporated in the seven-point Likert scale where the CEOs are queried if they are close to the staff and if their staff are assertive. These questions are added after further suggestions by the CEOs of SChemCn and SOilCn.

In the third phase of the interviews, the directors are asked on their information sources used for SID making. This missing aspect of the questionnaire is highlighted by the CEO of SPreEngCn1 who commented that financial information is not the main source of information for SID making in his case. He suggested that the questionnaire should incorporate the use of other sources of information for SID making and reach clear conclusions on the importance of such sources. Questions on differentiation versus cost-leadership, SID diversification, risk of decision making and the presence of sub-groups in decision making are added after further suggestions by the decision makers.

In each of the three stages, the questionnaire is modified to fit the discoveries from the previous stage and improved after feedback from the managers. In the final stage, the questionnaire consists of sixteen semi-structured questions in the qualitative component. Additional probes are included below the questions if the details were not covered by the directors. The quantitative components consist of twenty-one

questions where the answers consist of percentages from 14% to 100% assigned to individual points in a seven-point Likert scale. The background of the company is covered in the first six questions where the directors are asked to give their opinions on the velocity of the environment, performance of the company, industry sector and goals of the company. Additional questions covered the risk orientation of the CEO and the company's prospector versus defender characteristics.

3.3.5 Data collection

This research follows the case study structure for data collection in accordance to Yin (2009) where documentation, archival records, interviews, direct observations and participant observation are integrated for an extensive case study research. As each source has their strengths and weaknesses, using these data sources will enable the researcher to provide explicit evidence and triangulate interview data for more data accuracy (Bingham and Eisenhardt, 2011) leading to a more integrative and comprehensive analysis of the cases (Yin, 2003). A detailed description of the five sources of information used for the thirty cases is described below:

3.3.5.1 Interviews

The nature of this study involves the heavy use of replication in cases. Extra care is taken with the internal and external validity of the cases as Whitemore *et al.* (2001) suggest. To support replication in numbers, the same questionnaire is used in semi-structured interviews with a minimum of two decision-makers occupying the same function in each of the companies. For comparability with past SID research (Carr *et al.*, 2010; Eisenhardt, 1989; Elbanna, 2006) where the CEO or finance director are solely interviewed, the researcher only considers companies where these respective

key stakeholders are willing to be interviewed. In tandem with the majority of SID making research, the CEO of the company is selected for interview as the CEO is representative of the most knowledgeable person who possesses the highest decision-making authority within the company. The next person chosen for interview is normally the finance director as major monetary transactions are normally handled by the finance director who then privy to most confidential issues revolving around the SID. In the event that the finance director is not available for interview, the next most knowledgeable person on the SID is nominated by the CEO of the firm for interview.

In total, sixty semi-structured interviews with the CEO and finance director (or manager) are taken into account for this thesis's analysis. These semi-structured interviews lasted one to one and a half hour with thirty companies were conducted with the CEO and finance director or the next most knowledgeable person over 2010-2013, in the companies' headquarters in Singapore over three stages. The first stage of interviews with nine companies took place in May 2011. Stage two of the interviews is conducted with a further twelve companies in January 2012. In the third stage, nine new companies are interviewed from April to May 2013. Repeat interviews with thirty of the decision makers are conducted in stage three of the research. In addition, twenty interviews with operations managers, human resources managers and factory managers are conducted over the three stages. However, the official interview numbers for this thesis is recorded as sixty instead of 110 as these interviews are follow-up interviews that ranges between thirty to sixty minutes with the same decision makers to clarify details uncovered during phase two and three of the research. Further, the interviews with other managers are not consistent with

prior literature that focuses on key decision makers (the CEO and finance director). As these additional interviews did not result in new data for the research, they are not transcribed. Thus, these fifty interviews are also not taken into account for this thesis's analysis⁹.

In Stages one to three, the modification of the survey, company tours, observations and collection of financial reports are duplicated to ensure comparability with the previous phases. These steps help to provide detailed insights in the company's SID, which are not documented.

Case-based interviews focus on the breadth and subject of focus (Rubin and Rubin, 2011). The interview methodology for elaborated case studies is undertaken where the scope of the interviews is broadly focused and concentrates on the events and processes (Rubin and Rubin, 2011). Due to the sensitive nature of a SID and the disclosure of confidential information involved, this interview method allows for greater depth and understanding of the strategic issue. The stakeholders are interviewed in tandem with the three components of successful qualitative interviews (Dilley, 2004). The 1st two components of understanding and relationship building between the interviewer and interviewee are incorporated in the interviews (Dilley, 2004) by being non-threatening, affirming confidentiality (Dean and Sharfman, 1993a, 1993b, 1996), and incorporating the more sensitive questions in the middle of the interviews to increase the likelihood of accurate disclosure (Dean and Sharfman, 1993a; Nutt, 2008). The first half-hour of the interview was free-flow. Both the

⁹ One of the major constraints of this research is the limits of time. Though 50 additional interviews were conducted, there was insufficient time to write up, analyse, clarify and evaluate all the interviews. Hence, only the significant points from the 60 interviews were transcribed. Further research can include stakeholders from the company's employees, suppliers, alliance partners, the immediate community, wider society and special interest groups, such as environmentalists, regulatory bodies for a more holistic view using the Processualist perspective of strategy; ie Simons (1994)'s levers of control.

stakeholders are gently guided on the discussion (Rubin and Rubin, 2011) to identify potential differences in SIDs making practises. They are invited to recall their rationales, strategic and financial techniques used in the largest strategic decision that occurred in the last five years. In the next one to one and a half hour, the managing director and the finance manager from each company are interviewed separately in order to obtain two independent opinions within the same area of research which can prevent the respondents' lack of recollection and interviewer's bias due to familiarity with some of the respondents (Noor, 2008). This is to evoke the third component of ethical, quality, complete and interesting reasoning for accurate write up (Dilley, 2004) which can minimise the effects of potential bias of single respondents and allow participants to share information without the fear of peer pressure.

The interviews are recorded on a Samsung voice recorder when possible. Notes are taken on the questionnaire during and within twenty-four hours after the interviews that include personal impressions which are separated from the interview data collected (Bourgeois and Eisenhardt, 1988). Subsequently, the interviews are transcribed for further analysis. The seven-point Likert scale questionnaire responses are used to group companies into strategic and investment types.

After the interviews, the respective key decision makers were contacted by email with the interview transcripts, to check the accuracy of the inputs. A schedule is set up where the decision makers are re-contacted with the questionnaire results. Agreements for re-interviews if needed are established in order to fulfil multiple research points revealed in the systematic strategic decision making process when all

evidence may not be collected or synthesised on the first research visit (Eisenhardt, 1989a).

3.3.5.2 Archival Records

The study of SIDs involves looking into the past to prevent SID making errors in the future. Thus, an initial web-based research is conducted on the firms. It is found that information on most of the SIDs is not recorded in internet research sites and web-based news reports. Next, archival, financial and investment reports on the companies and their SIDs are requested from the companies, as the selection of a SID by a company typically depends on static financial data based on discounted cash flow (DCF) techniques like IRR and NPV (Krychowski and Quelin, 2010). In total, financial and investment reports are produced by thirteen of the thirty firms. Five of the companies produced news clippings on the SID which helped to further examine the background of the company with respect to the SID. In the case where financial reports are not produced, the CEOs and Finance Directors are asked to give rough estimates of Payback, ROI and other financial measures used in SID making.

3.3.5.3 Documentation

Documentation may refer to notes, emails and letters pertaining to the SIDs or minutes of meetings with investors from the CEOs and their personal assistants (Yin, 2009, p.102). The strength of using documentation lead to more revelations of the SID beyond the questionnaire(Yin, 2009) and cross validate information from interviews as information may be withheld from the researcher or may be inaccurate in nature (Noor, 2008). However, this method is highly obstructive. Fifteen of the thirty cases are unwilling to reveal private information. Even though the companies

phoned beforehand to arrange the reports for collection, with confidentiality assured, most are unwilling to provide these documentation. In six of the thirty cases, secretaries could not locate the documents as they are not retrievable. In nine of the cases, access is withheld. The CEO is willing to let the researcher to look at the documents, but copies are not allowed to be taken out of the office. However, copious note-taking during the interview process helped to record important information needed for this thesis's study.¹⁰

3.3.5.4 Direct Observations

Company observations are noted in the headquarters and field visits are taken in the factory and guided by middle-level managers. It must be noted that the effects and processes of the SID are not observable directly as the majority of the SIDs are not on-site. However, the informal chats with the plant managers and observations increased the researcher's knowledge of the company's operations. More information is gathered on the firms' operating activities which can increase the accuracy of this thesis's analysis.

3.3.5.5 Participant Observations

Field notes are taken down to record down the observations, facial expressions and feelings that occurred when conducting the interviews.¹¹

¹⁰ To prevent information lost from note-taking which may deter and distract the interviewee, the interviews were recorded where permitted.

¹¹ Though the questionnaire was sent to the interviewees for their consideration prior to the meeting, most of them have not read the questionnaire due to time constraints. Thus, these notes are useful to amend the questionnaire, especially in occasions when the interviewee looked puzzled. In observations that have not been recorded in the questionnaire, additional themes are included over the questionnaire revisions.

3.3.6 Data collection summary

Tables 15 – 19 show the details and data collected from the thirty cases.

No	Company Pseudonym	Details of case studies: Data and sources of data	Dates of plant/factory/headquarter visits	Formal Interviews with	Date of Interview	Average Interview lengths/ Average transcript length
1	SSteelSing	Formal interviews, informal discussions with factory manager and HR manager, observations in the factory headquarters, SID investment reports, confidential minutes of SID, website and annual reports.	29 th April 2011 6 th May 2013	CEO, CFO	29 th Apr 2011	1 hour 30 mins/1500
2	SPlasticsSing	Formal interviews, informal discussion with HR manager, inputs from finance manager on SID investment computation and confidential financial reports.	11 th Jan 2012 7 th May 2013	Managing Director, Finance Director.	11 th Jan 2012	1 hour 10 mins/1071
3	SPVCSing	Formal interviews, observations in the plant and informal discussion with the factory manager and accountant.	31 st Apr 2011 8 th May 2013	CEO, Finance Manager	31 st Apr 2011	1 hour 10 mins/1190
4	SChemicalSing	Formal interviews, observations in the plant and informal discussion with the factory manager and accountant.	2nd Feb 2012 9 th May 2013	Managing Director, Finance Manager.	2nd Feb 2012	1 hour 30 mins /1545
5	SMetalSing	Formal interviews and observations in the plant.	12 th May 2013	Managing Director, Finance Manager.	12 th May 2013	1 hour 10 mins/1150
6	SChemicalsChina	Formal interviews, informal discussions with factory manager and accountant, observations in the factory headquarters, website, confidential minutes of SIDs and financial reports.	30 th Apr 2011 10 th May 2013	CEO, Finance Director	30 th Apr 2011	1 hour 05 mins/1100
7	SMetalChina	Formal interviews, informal discussions with factory manager and accountant, observations in the factory headquarters, website and annual reports.	27 th May 2013	CEO, CFO	27 th May 2013	1 hour 15 mins/1427
8	SOilChina	Formal interviews, informal discussions with factory manager and accountant, participation in company's meeting on the SID, website and annual reports.	12 th Jan 2012 13 th May 2013	CEO, finance director,	12 th Jan 2012	1 hour 30 mins/1825

Table 15: Details of case studies (Primary Sector-Value Creators)

Source: Author

No	Company Pseudonym	Details of case studies: Data and sources of data	Dates of plant/factory/headquarter visits	Formal Interviews with	Date of Interview	Average Interview lengths/ Average transcript length
9	SPremixSg	Informal discussion with production and finance manager, plant visit and annual reports.	16 th Jan 2012 14 th May 2013	Managing Director, Finance Director,	16 th Jan 2012	1 hour 15 mins/951
10	SPrecisionengSg1	Formal interviews, observations in the plant and informal discussion with the factory manager	01 st May 2011 15 th May 2013	CEO, Finance Director	01 st May 2011	1 hour 05 mins/1071
11	SPrecisionengSg2	Formal interviews, observations in the factory and informal calculation of SID financial data with the accountant.	04 th May 2011 15 th May 2013	CEO, Finance Director	04 th May 2011	1 hour 10 mins /1150
12	SPrecisionengSg3	Formal interviews, observations in the factory and informal calculation of SID financial data with the accountant.	23 rd Jan 2012 16 th May 2013	Managing Director, Finance Manager.	23 rd Jan 2012	1 hour 10 mins/1057
13	SEngcompSg	Informal discussions with HR and finance manager, plant visit and annual reports.	24 rd Jan 2012 14 th May 2013	Managing Director, Finance Director.	24 rd Jan 2012	1 hour 30 mins /1632
14	SPrecisionengSg4	Informal discussions with production and finance manager, plant visit and informal calculation of SID financial data with the accountant.	25 rd Jan 2012 24 th May 2013	Managing Director, Finance Manager.	25 rd Jan 2012	1 hour 10 mins/1200
15	SPrecisionengSg5	Informal discussions with factory manager and plant visit.	26 th April 2013	Managing Director, Finance Director.	26 th April 2013	1 hour 30 mins/1500
16	SPlatingSg	Formal interviews, informal discussions with factory manager and accountant, observations in the factory headquarters, and SID reports.	6 th April 2013	CEO, Finance Manager	6 th April 2013	1 hour 10 mins/1321

Table 16: Details of case studies (Secondary Sector-Restructurers)
Source: Author

No	Company Pseudonym	Details of case studies: Data and sources of data	Dates of plant/factory/headquarter visits	Formal Interviews with	Date of Interview	Average Interview lengths/ Average transcript length
17	SMachcompChina	Formal interviews, observations in the factory and informal calculation of SID financial data with the accountant.	03th May 2011 22 nd April 2013	CEO, Finance Director	03th May 2011	1 hour 10 mins/1162
18	SPrecisionengChina1	Formal interviews, informal lunch with the Managing Director, visit to the plant, discussion with the production manager and informal calculation of SID financial data with the accountant.	16 th Jan 2012 22 nd April 2013	Managing Director, Finance Director	16 th Jan 2012	1 hour 15 mins/951
19	SPrecisionengChina2	Formal interviews, informal lunch with the Finance and HR Director and visit to the plant.	17 th Jan 2012 25 th April 2013	Managing Director, Finance Director.	17 th Jan 2012	1 hour 30 mins /1846
20	SCircuitboardChina	Formal interviews and informal discussion with outlet managers and accountant.	16 th April 2013	Managing Director, Finance Director.	16 th April 2013	1 hour 30 mins/ 1500

Table 17: Details of case studies (Secondary Sector-Refocusers)
Source: Author

No	Company Pseudonym	Details of case studies: Data and sources of data	Dates of plant/factory/ headquarter visits	Formal Interviews with	Date of Interview	Average Interview lengths/ Average transcript length
21	SPackagingSingapore	Formal interviews, informal discussions with factory manager and accountant, participation in company's meeting on the SID, website and SID making reports.	05 th May 2011 29 th April 2013	CEO, Finance Manager	05 th May 2011	1 hour 15 mins/1200
22	SAudioSingapore	Formal interviews and informal discussion with outlet managers and accountant.	17 th April 2013	Managing Director, Finance Director.	17 th April 2013	1hour 20 mins/1316
23	SCosmeticsSingapore	Formal interviews, informal discussion with outlet managers and staff, annual reports, website details and SID reports.	31st Jan 2012 21 st May 2013	Managing Director, Finance Manager.	31st Jan 2012	1 hour 05 mins/985

Table 18: Details of case studies (Tertiary Sector-Market Creators-DI)
Source: Author

No	Company Pseudonym	Details of case studies: Data and sources of data	Dates of plant/factory/headquarter visits	Formal Interviews with	Date of Interview	Average Interview lengths/ Average transcript length
24	SFoodChina	Formal interviews, informal discussions with marketing manager, factory manager and HR manager, observations in the factory headquarters, SID investment reports, confidential minutes of SID , website and annual reports.	02th May 2011 30 th May 2013	CEO, Finance Manager	02th May 2011	1hour 20 mins/1504
25	SFoodVietnam	Formal interviews, informal discussions with factory manager and accountant and observations in the factory headquarters.	05 th May 2011 26 th April 2013	CEO, Finance Manager	05 th May 2011	1 hour 15 mins/1200
26	SContainersVietnam	Formal interviews and observations in the factory headquarters.	14 th May 2013	Managing Director, Finance Manager.	14 th May 2013	1 hour 10 mins/1190
27	SClothesVietnam1	Formal interviews, informal discussions with HR manager, observations in the factory headquarters, SID investment reports, confidential minutes of SID, website and annual reports.	25 th May 2013	Managing Director, Finance Director.	25 th May 2013	1 hour 10 mins /1162
28	SClothesVietnam2	Formal interviews, informal discussions with factory manager and HR manager, observations in the factory headquarters, SID investment reports, confidential minutes of SID, website and annual reports.	23 th May 2013	CEO, HR manager, finance director,	23 th May 2013	1hour 20 mins/1476
29	SClothesMalaysia	Formal interviews, Factory visit, informal chat with marketing manager.	29 th April 2013	CEO, Finance Director,	29 th April 2013	1 hour 20 mins/1692
30	SClothesCambodia	Formal interviews, plant observations, informal chat with production and plant manager.	20th Jan 2012 21 st May 2013	Managing Director, Finance Director.	20th Jan 2012	1 hour 10 mins/1955

Table 19: Details of case studies (Tertiary Sector-Market Creators-FDI)
Source: Author

3.4 Data analysis

3.4.1 Combining gap-spotting and path-setting

Most existing studies revolve around gap-spotting, where gaps are identified between existing literature in order to develop theories and formulate research question (Alvesson and Sandberg, 2013a). Gap-spotting is conducted in two ways. First, it can involve questioning existing literature (Locke and Golden-Biddle, 1997) . Second, different bodies of literature are brought together creatively (Sandberg and Alvesson, 2011). For example, gaps between strategic management and SMA literatures, and between SMA and the substantive CCM literature are brought together for close examination. Gap-spotting can help to moderate or reinforce existing theories but rarely challenge prominent theories (Sandberg and Alvesson, 2011). To challenge prominent theories, assumptions behind the gaps need to be re-examined, to produce ground-breaking research (Cornelissen and Durand, 2012). Though the conclusions from SID research are numerous, one cannot argue that the verdicts are ground-breaking in nature. This habit of gap-spotting is repeated in many SID scholars, which may have merits. However, the ability to challenge existing SID assumptions and deliver new theory is underpinned in this method. Thus, existing SID conclusions are mostly modifications of existing theories, and not conceptually new in general.

In this research, path setting and gap-spotting is used. Gap spotting is used for the first 3 themes of the literature review. However, for the fourth theme of overseas versus domestic investment types, path setting is used. Path setting research revolves around the desire to question current research positions, current recent assumptions, culture and identity (Alvesson and Sandberg, 2013b). Thus, empirical material is

used to create and solve mysteries by integrating FDI/DI literature with SID literature.

3.4.2 Individual Case analysis

The purpose of individual case analysis is to enable the researcher to be familiar with each case, in order to identify duplicated themes for cross-case analysis (Eisenhardt, 1989a). For each of the thirty cases, detailed notes are taken at the interview location, factory visits. Archival data, transcripts and findings from internet websites are recorded in individual case folders. Similar to prior multiple case researches (Bingham and Eisenhardt, 2011; Eisenhardt, 1989a), a systematic data base is created where the data from each case is organised individually.

3.4.3 Multiple-case analysis

The weaknesses in case study research revolve around the theme of researcher bias which can result in statistical inaccuracy due to ignorance of basic statistical properties and poor information processing (Eisenhardt, 1989a). Discriminating evidence can be overlooked in lieu of more influential respondents and colourful data resulting in misleading conclusions (Miles and Huberman, 1984) and inconclusive statements based on inaccurate or limited data (Kahneman and Tversky, 1973). One way to avoid inaccurate information processing is to look for inter-group similarities and differences within the case studies (Eisenhardt, 1989a).

To fulfil this objective of accurate inter-group comparison, the thirty SIDs are re-evaluated individually after the individual case write up in order to classify replicated themes across contextual categories. In order to draw out the differences and similarities between the firms, the financial performance of the firm derived from the

annual reports of the firms and financial data given by the accountants is used to score companies according to their performance in Tables 20-23. As market orientation cannot be quantified by the financial figures, the market orientation scores of the firm is derived from the results from the seven-point Likert scale on the questionnaire, comments from the formal interviews and inputs from the informal discussion in Tables 24-26. The scoring of financial data from the financial reports and quantitative data from the 7-point Likert scale forms the quantitative aspect of the case studies. Figure 9 (following Table 26) groups the companies into four contextual categories from the scores that are obtained.

No	Company Pseudonym	Overall Performance Score	CEO and financial directors' assessed performance score on the Likert scale	Long term financial Performance 5 years average sales growth% Y2012 (Y2008-Y2012)	5 years average sales growth % Y2007 (Y2003-2007)	5 years average sales growth% Y2002 (Y1998-2002)	5 years average ROCE% Y2012 (Y2008-Y2012)	5 years average ROCE% Y2007 (Y2003-2007)	5 years average ROCE% Y2002 (Y1998-2002)	Short term financial performance Revenue/ Net profit (S\$m) 2012	Revenue /Net profit (S\$m) 2011
1	SSteelSg	6	7	-7.4%	-2.5%	5.1%	14.3%	27.9%	35.3%	41.4/1.2	34.3/0.9
2	SPlasticsSg	5	6	-1.0%	-4.0%	8.1%	30.5%	16.5%	20.5%	20.2/1.1	18.5/1.0
3	SPVCSg	2	3	-10.3%	-5.4%	20.5%	-20.4%	-10.9%	10.8%	10/-0.3	8/0.1
4	SChemicalSg	6	6	10.4%	6.3%	30.9%	50.4%	45.3%	30.5%	107/5.1	95/4.8
5	SMetalSg	6	7	-7.9%	1.5%	9.1%	11.3%	19.9%	39.5%	20.4/0.9	15.3/0.5
6	SChemicalsCn	7	7	3.9%	5.5%	20.8%	30.3%	11.5%	45.3%	50.5/25	40.9/20
7	SMetalCn	9	9	51.0%	43.8%	25.6%	2.4%	1.6%	1.9%	414.5/27.2	252.3/28.8
8	SOilCn	9	9	148.5%	110.5%	58.6%	8.4%	3.5%	6.9%	94/10	80/6

Table 20: Financial Performance (Primary-Value Creators)

Source: Author

No	Company Pseudonym	Overall Performance Score	CEO and financial directors' assessed performance score on the Likert scale	Long term financial Performance 5 years average sales growth% Y2012 (Y2008-Y2012)	5 years average sales growth% Y2007 (Y2003-2007)	5 years average sales growth% Y2002 (Y1998-2002)	5 years average ROCE% Y2012 (Y2008-Y2012)	5 years average ROCE% Y2007 (Y2003-2007)	5 years average ROCE% Y2002 (Y1998-2002)	Short term financial performance Revenue/ Net profit (S\$m) 2012	Revenue /Net profit (S\$m) 2011
9	SPremix Singapore	5	5	60.4%	39.3%	15.4%	15.4%	11.3%	12.5%	100/40	80/35
10	SPrecisioneng Singapore1	4.9	4.9	4.5%	9.4%	20.5%	2.5%	5.9%	15.1%	10/0.5	13/1
11	SPrecisioneng Singapore2	4.5	4.5	40.8%	5.5%	1.1%	20.4%	35.9%	40.3%	5/2	7/2
12	SPrecisioneng Singapore3	4.1	4.1	1.8%	1.5%	6.1%	10.6%	16.6%	12.3%	4/1	3.3/0.8
13	SEngcomp Singapore	4.9	4.9	3.3%	2.4%	6.9%	15.4%	25.9%	6.8%	10/1	8/0.8
14	SPrecisioneng Singapore4	2	2.5	-5.2%	3.3%	10.4%	12.4%	19.3%	30.5%	5/(0.3)	3(0.5)
15	SPrecisioneng Singapore5	4.9	4.9	10.5%	3.4%	15.1%	11.5%	15.3%	25.9%	5/0.5	3/0.2
16	SPlating Singapore	4.7	4.7	15.4%	8.5%	29.7%	12.3%	23.9%	26.3%	8/0.7	9/1.5

Table 21: Financial Performance (Secondary-Restructurers)
Source: Author

No	Company Pseudonym	Overall Performance Score	CEO and financial directors' assessed performance score on the likert scale	Long term financial Performance 5 years average sales growth% Y2012 (Y2008-Y2012)	5 years average sales growth % Y2007 (Y2003-2007)	5 years average sales growth % Y2002 (Y1998-2002)	5 years average ROCE % Y2012 (Y2008-Y2012)	5 years average ROCE% Y2007 (Y2003-2007)	5 years average ROCE% Y2002 (Y1998-2002)	Short term financial performance Revenue/ Net profit (S\$m) 2012	Revenue /Net profit (S\$m) 2011
21	SPackaging Sg	8	8	22.4%	15.5%	35.1%	3.3%	7.9%	4.3%	15/1	10/0.5
22	SAudioSg	8	8	45.7%	22.0%	14.1%	12.5%	11.5%	23.5%	30/5	35/7
23	SCosmetics Sg	8	8	60.3%	45.4%	53.5%	8.4%	9.9%	6.8%	130/13	100/10
24	SFoodCn	7.5	7.5	14.4%	14.3%	13.9%	25.4%	27.3%	23.5%	100/30.5	85/25
25	SFood Vietnam	6	6	21.5%	13.4%	38.1%	6.5%	7.3%	15.9%	25/3	27/2.5
26	SContainers Vietnam	5.1	5.1	-10.4%	-6.5%	20.1%	30.3%	35.9%	28.3%	50/10	45/8
27	SClothes Vietnam1	7	6	-5.0%	5.0%	15.4%	5.5%	9.5%	6.7%	100/45	80/30
28	SClothes Vietnam2	7	6	-7.3%	16.4%	20.5%	1.4%	4.9%	15.8%	40/4	31/6
29	SClothes Malaysia	6	6	2.4%	11.3%	18.9%	13.4%	19.3%	15.5%	20/6	24/7
30	SClothes Cambodia	6	6	-4.5%	16.4%	23.1%	5.5%	9.3%	13.9%	100/10	80/8

Table 23: Financial Performance (Tertiary-Market Creators)

Source: Author

No	Company Pseudonym	Market Context		Average market context score	Strategic Orientation				Average strategic orientation score	Average market orientation score
		Stability of environment 1 for extremely stable 9 for extremely dynamic	Market Attractiveness 1 for extremely low 9 for extremely high		1 for strong financial orientation 9 for strong market orientation	1 for pure cost leadership 9 for pure differentiation	1 for extreme defender 9 for extreme prospector	1 for extreme financial control 9 for extreme strategic planning		
1	SSteelSing	1	9	5	1	5	1	1	2	3.5
2	SPlasticsSing	4	2	3	8	2	2	7	4.8	3.9
3	SPVCSing	6	2	4	1	2	2	2	1.8	2.9
4	SChemicalSing	2	7	4.5	6	6	2	3	4.3	4.4
5	SMetalSing	4	6	5	4	6	6	3	4.8	4.9
6	SChemicalsChina	1	9	5	1	5	2	2	2.5	3.8
7	SMetalChina	2	6	4	4	6	6	3	4.8	4.4
8	SOilChina	1	7	4	1	7	6	1	3.8	3.9

Table 24: Market Orientation (Primary-Value Creators)

Source: Author

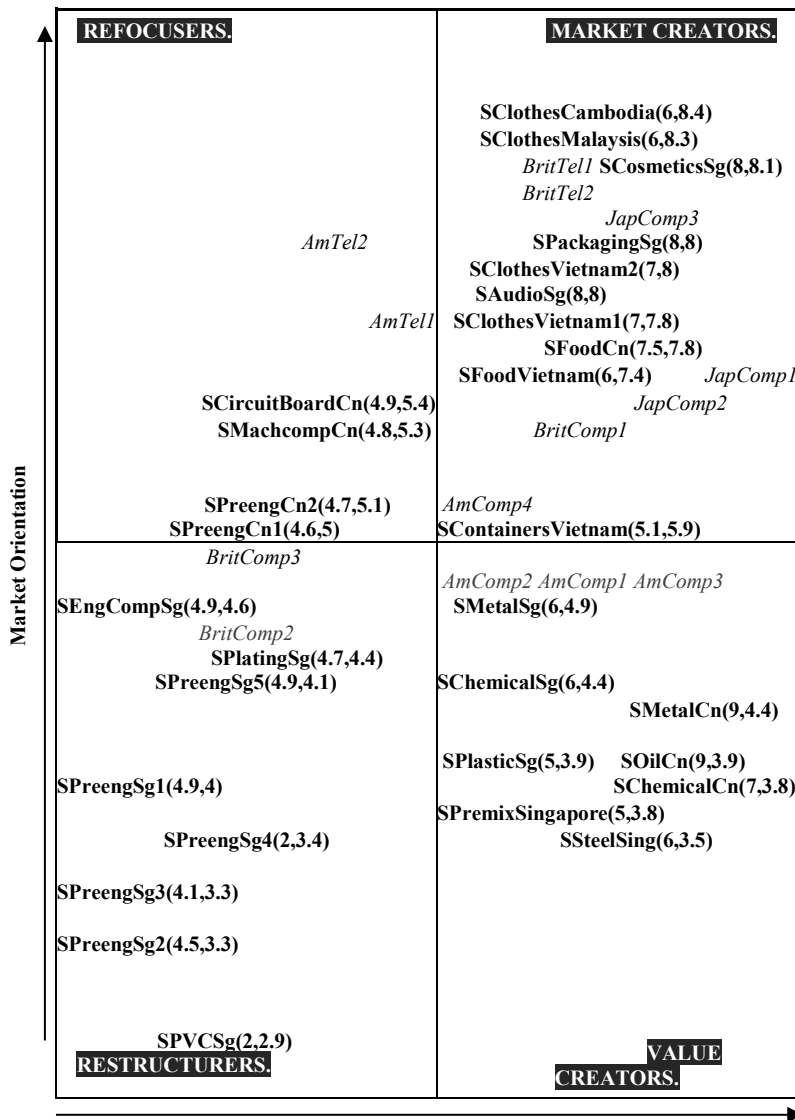
No	Company Pseudonym	Market Context	Average market context score	Strategic Orientation					Average strategic orientation score	Average market orientation score
				1 for extremely low 9 for extremely high	1 for strong financial orientation 9 for strong market orientation	1 for pure cost leadership 9 for pure differentiation	1 for extreme defender 9 for extreme prospector	1 for extreme financial control 9 for extreme strategic planning		
		Stability of environment 1 for extremely stable 9 for extremely dynamic	Market Attractiveness 1 for extremely low 9 for extremely high	1 for extremely low 9 for extremely high	1 for strong financial orientation 9 for strong market orientation	1 for pure cost leadership 9 for pure differentiation	1 for extreme defender 9 for extreme prospector	1 for extreme financial control 9 for extreme strategic planning	1 for extremely low 9 for extremely high	1 for extremely low 9 for extremely high
9	SPremixSg	2	6	4	2	6	2	2	3.5	3.8
10	SPrecisionengSg1	8	2	5	2	5	3	2	3	4.0
11	SPrecisionengSg2	8	2	5	1	2	1	2	1.5	3.3
12	SPrecisionengSg3	8	2	5	1	2	2	2	1.8	3.3
13	SEngcompSg	6	4	5	4	5	4	4	4.3	4.6
14	SPrecisionengSg4	8	1	4.5	1	2	3	3	2.3	3.4
15	SPrecisionengSg5	8	2	5	3	4	3	3	3.3	4.1
16	SPlatingSg	4	7	5	4	4	4	3	3.8	4.4
17	SMachcompCn	8	2	5	6	5	6	5	5.5	5.3
18	SPrecisionengCn1	8	2	5	6	2	6	6	5	5
19	SPrecisionengCn2	8	2	5	8	4	2	7	5.3	5.1
20	SCircuitboardCn	6	7	6.5	3	3	5	6	4.3	5.4

Table 25: Market Orientation (Secondary-Restructurers and Refocusers)

Source: Author

No	Company Pseudonym	Market Context	Average market context score	Strategic Orientation					Average strategic orientation score	Average market orientation score
				1 for extremely low 9 for extremely high	1 for strong financial orientation 9 for strong market orientation	1 for pure cost leadership 9 for pure differentiation	1 for extreme defender 9 for extreme prospector	1 for extreme financial control 9 for extreme strategic planning		
21	SPackagingSg	7	9	8	8	9	8	7	8	8
22	SAudioSg	8	9	8.5	7	8	8	7	7.5	8
23	SCosmeticsSg	9	9	9	8	5	8	8	7.3	8.1
24	SFoodCn	7	9	8	8	8	7	7	7.5	7.8
25	SFoodVietnam	7	8	7.5	8	6	6	9	7.3	7.4
26	SContainers Vietnam	6	9	7.5	2	8	6	1	5.9	4.8
27	SClothes Vietnam1	8	9	8.5	7	7	8	6	7	7.8
28	SClothes Vietnam2	8	9	8.5	7	8	7	8	7.5	8
29	SClothesMalaysia	8	9	8.5	8	9	8	7	8	8.3
30	SClothes Cambodia	8	9	8.5	7	7	7	7	7	8.4

Table 26: Market Orientation (Tertiary-Market Creators)
Source: Author



Performance in Relation to Shareholder Expectations

Figure 9: 4 contextual categories

Source: Author adapted from Carr et al (2010)

3.4.4 Data presentation and analysis

3.4.4.1 Development of Expectations

Deductive techniques are used in this research by structuring the data to test expectations and structure the practises from the 30 SIDs. The idea of developing and testing expectations derived from the literature review is more challenging in case study research as statistics cannot be used to infer the accuracy of most conclusions in comparison to quantitative research. Safeguards were taken to reduce the risk of structuring data to support expectations or de-emphasising data that is inconsistent with expectations that may be a kind of cognitive dissonance. For instance, to establish reliability, a procedure is followed where each case is examined individually to evaluate predicted expectations identified in the literature review and synergise research practises for inputs. A verification process is followed where the expectations are matched within each case, to confirm or disconfirm relationships between the expectations and the statements by the interviewees. If no clear relationship is found between specific research expectations and the transcripts, this shows that the initial questionnaire might not be sufficient to encompass the relevant theme. Thus, the questionnaire is revised to take into account the expectations reviewed in the literature review. If clear relationships are identified in a theme not discussed in the literature review, new expectations are identified and the literature review reshaped accordingly. This systematic procedure has the effect of delivering greater insight from the research. Both literature with similar or conflicting results are used to integrate theoretical findings and new findings into a theory with stronger validity and general applicability (Eisenhardt, 1989a).

After the classification of the thirty cases, the case studies are described in the results sections and analysed in the discussion section. The quantitative results from the seven-point Likert scale and archival records are presented in tables in the results and discussion sections. For the qualitative results, the interview transcripts are examined and coded meticulously in NVIVO, based on specific words or phrases that fit the SIDs making themes identified. In addition to the themes identified, the most commonly occurring words in the transcripts are noted in each NVIVO analysis for the identification of additional themes. New themes are added to the literature review, and the research question and objectives are modified to adjust to these changes in each phase of data collection. This tactic has the ability to enable the researcher to deliver unbiased results due to structured dissecting of the data (Eisenhardt, 1989a).

From this procedure, original themes of sector classification are identified to shape the expectations in this research. In addition, it is discovered in the verification procedure that FDI and DI themes can be shaped. Hence the literature review is revised accordingly with international business literature. Thus the 4-dimensional literature synopsis and pre-conceptual framework in the literature review is the result of an on-going process of refining after each round of interviews in the 3-stage case-study process.

3.4.4.2 Presentation of cases

Results and analysis

Similar to Carr and Harris (2004)'s study on SIDs, this study seeks to refine existing research propositions (Eisenhardt, 1989) using broad generalisation techniques to

bring about theoretical developments (Yin, 2009). Thus, the presentation structure from Carr and Harris (2004) is adopted where the results are segmented in themes and presented in tables at the start of each section in the results chapter. From the extensive amount of research propositions on SID making identified in the four-dimensional literature review, nineteen closely matched propositions are chosen for comparison with the Singaporean cases for equivalency.

Each section in the results chapter starts off with a table summarising the major themes identified in the literature review and the additional themes found in the transcripts, seven-point Likert scale, yes/no questions and financial results within each dimension. Similarities and differences within cases are grouped into contextual categories, industry sector or investment types to trace the alignments with the pre-conceptual framework. The tables illustrate the degree of agreement with each theme for every firm.

In the results section, the themes in each table are discussed by classifying the quotations from the transcripts into summarised boxes. In themes where there are differences between the firms' categories, quotations, quantitative results or financial data obtained from the companies' archival and investment reports are organised into tables. Where possible, the quotations are divided in contextual classifications to illustrate the subtle distinctions within the industry sectors and investment types. If the companies displays than differences more similarities within a concurrent theme, selected quotations are highlighted within the section where possible. If differences

in themes are not divisible into contextual classifications, FDIs versus DIs are used to test for differences.

In the analysis chapter, the results are used for evaluation with academic literature that is segmented using the three research questions as a guide. The systematic segregation of research expectations from the results chapter enable a clear facilitation of the analysis chapter where the results are narrowed down systematically based on the three research questions. Charts and tables from past literature are used to discuss the results and develop the expectations in the discussion chapter.

3.5 Exit Route

The flexibility of the case study method makes it feasible to design an exit route. This is due to the sensitivity and confidentiality of the topic nature which may result in a lower participant rate. For precautionary purposes, the willingness of participants to take part in the research is tested. Ideally the research timeframe in the three year PhD period gives room for sixty interviews in thirty companies. However, in the event that there are inadequate responses to my research, an exit route is planned. Firstly, 100 companies will be emailed to ascertain the possible participation rate. Two weeks later, follow ups will be done using phone calls to secure their participation. If the response rate is low, a possible exit route is to use scenario analysis targeting Asian volunteers in the University of Edinburgh. If the response is poor towards the call for interviews, more participants per company can be interviewed, incorporating fewer cases but a highly detailed methodology. Hence, lesser companies can be targeted with more responses. For instance, five interviews

can be conducted in six companies, increasing the numbers of decision makers to include CEOs, finance directors, human resource managers, operational managers and production managers which is a valid method under the case study approach (Eisenhardt, 1989a). Through successful completion of the interviews, the exit route though contemplated, is not used.

3.6 Limitations

The decision makers are from a majority group of Chinese speaking SME decision makers which may cause analytical issues due to inaccurate translation. The majority of the interviews were conducted in Chinese to increase the comfort level of the participants when answering the interview questions. The interviews are subsequently translated into English for NVIVO analysis and coding. However, the accuracy of the interview results may be reduced due to translation from Chinese to English. To minimise this problem, a larger sample size of sixty decision-makers is included in the thesis to limit the issues of external and internal validity. The recordings were listened to twice to diminish such errors and the transcripts and recordings were subsequently verified by two independent Chinese speaking parties. Lastly, the interview transcripts are sent to the companies' CEOs and finance directors for the assessment of accuracy.

Additionally, the decision makers also did not understand the terms of IRR, NPV, payback, cash flow and Porter's five forces. Much time is spent explaining the mechanism of the tools to them in stage one of the interviews. In the second stage, detailed printouts are brought to the company's location. In the third stage, the definitions of payback and ROI are included in the questionnaire. IRR and NPV are

eliminated as twenty-one interviews in the first and second stage had shown that the decision makers have no comprehension of the terms.

3.7 Research Ethics

3.7.1 Ethical issues in literature review search

By focusing on the content analysis of the journals, this research method is less intrusive than researching on active internet data like forums or social networking sites. Hence, ethical issues are not expected except for due diligence in the reviewer's critic of the articles. Thus, extra caution needs to be taken in order to summarise and cite the journals appropriately. While an informed opinion can be made in the review, care must be taken in order to provide the reader with the appropriate information (Wiles et al., 2005).

Another consideration noted is the exclusion of journals that are not in the journals mentioned. In ethical research, it will be appropriate to summarise all journals that have a link to the strategic investment decision making process to reduce the tendency of bias by the researcher which is a weakness of this researcher method. However, due to the extensive array of literature, a full review of all the journals will be non-exhaustive. While impressive studies have been conducted by Elbanna et al (2011), Nutt (2001), Papadakis (1998) and Slagmulder et al (1995), etc. that are published in other journals, these studies have been left out of the review which reflects the limits of the research paradigm and not the journal contents.

The strengths of this method must be acknowledged as there is still no review of SID making literature for the period 1993-2011. Hence, a focused search and literature review that summarises the process literature including established process themes

before 1993 and new/emerging process themes after 1993 will benefit the academic community immensely.

3.7.2 Ethical issues in case study research

Due to the sensitive and confidential nature of a SID, the anonymous position of the company and chief decision makers will be protected by using pseudonyms for the companies. Confidentiality of information will be further communicated and emphasised to the respondents. Additionally, an email copy of the published journal articles and the final thesis will be forwarded to them as follow up if requested.

CHAPTER FOUR: RESULTS

4.1 Introduction

The results in Chapter 4 are based on the data presentation structure of the cases which are described in detail in the methods chapter. The results are organised systematically based on the literature review categories of strategic management accounting (SMA), strategic management (SM), cross-cultural management (CCM) and global strategic management (GSM) in the sections that follow.

4.2 Comparing SMA perspectives

Section 4.2 describes and categorises the results obtained for the first SMA dimension derived from the literature review. In Table 27, the five SMA categories from the literature review are compared with the results from the thirty firms in order to explore which SMA perspective provide greater insights on SMA practises. The responses for the 5 themes are derived from the interview responses from the CEOs and Finance Directors. In addition, theme three on financial expectations combines both financial results and interview responses from the Finance Director and CEO for detailed analysis. As this section describes the interview responses for the five themes, the quantitative responses for theme three will be further elaborated in the discussion section.

Firm Sector :P-Primary, Sn-Secondary, T-Tertiary.	P	P	P	P	P	P	P	P	S	S	S	S	S	S	S	S	S	S	S	S	T	T	T	T	T	T	T	T	T	T	T	T	T	T	8P/12S/10T	
4 contextual categories Refocusers-RF, Market Creators – MC, Restructurers-RS, Value Creators-VC	V	V	V	V	V	V	V	V	R	R	R	R	R	R	R	R	R	R	R	R	R	M	M	M	M	M	M	M	M	M	M	M	M	M	M	8VC/8RS/4RF/10MC
Investment type:FDI -F , DI- D	D	D	D	D	D	F	F	F	D	D	D	D	D	D	D	D	F	F	F	F	D	D	D	F	F	F	F	F	F	F	F	F	F	F	F	14F/16D
Company number SMA Themes	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total					
1) Importance of financial and strategic tools to the firm (H-high, M-Medium, L-low)	L	L	L	L	M	L	L	L	M	L	L	L	L	L	L	M	M	L	L	L	L	L	L	M	L	L	L	L	L	L	L	L	L	L	25(L) 5(M)	
2) Usage of SMA or financial tools (H for high, M for medium, L for low or 0 for no usage)	M	0	0	L	0	L	M	M	M	0	0	M	M	0	M	0	0	L	L	L	0	M	0	0	L	M	0	M	M	0	0	0	0	0	13(0)/6L/11M	
3) Financial expectations of the SID to perform well (H for high, M for medium, L for low)	L	L	L	H	H	L	L	H	L	M	L	M	L	L	M	L	L	H	H	L	L	H	H	L	H	L	H	M	L	H	H	H	H	16L/4M/10H		
3i) Payback target(capped at maximum 6 years)	5	5	6	6	4	5	6	1	6	2	5	5	3	5	3	5	2	5	5	3	2	2	2	6	5	5	6	5	5	5	5	5	5	Average: 4.3		
3ii) ROC target(capped at 30%)	10	10	10	30	30	10	10	30	10	20	10	20	10	10	20	50	10	30	30	50	10	30	30	10	20	10	30	20	10	30	20	10	30	Average/17.3		
3iii) Time horizon for SID to achieve Payback and ROI target(capped at maximum 6 years)	6	6	6	6	6	6	6	2	6	5	5	5	3	5	3	5	5	3	6	5	5	4	3	6	5	3	3	6	6	6	6	6	6	Average: 4.76		
4) Financial Monitoring (H for high, M for medium, L for low)	L	L	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	L	L	L	H	H	H	H	H	H	H	H	5L/25 H	
5) Strategic control orientation- A (H for Active control, M for medium, L for hands-off control)	H	H	H	H	H	H	H	H	H	H	H	H	H	H	M	M	M	M	M	M	L	L	L	L	H	H	H	H	L	H	H	H	H	5L/5M/20H		
5i) Strategic control orientation-Formality of strategic reviews: (H for high, M for medium, L for low, 0 for no strategic reviews)	0	0	0	0	0	L	L	L	0	0	0	H	0	0	H	0	0	0	0	L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24(0)/4L/2H	
5ii) Strategic control orientation-Reliance on external consultants (H for high, M for medium, L for low, 0 for no use of external consultants)	0	0	0	0	0	0	0	0	0	L	0	L	L	0	L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26(0)/4L	

Table 27: Strategic management accounting themes

Source: Author

4.2.1 Theme 1: Influence of financial and strategic tools

The most distinct Singaporean country characteristic found in the SMA section was the limited value placed on using financial and strategic tools from the CEOs' and Finance managers' responses. The influences in SID making was investigated from the companies' usage of financial and strategic tools in post and pre decision making for the SID investigated. The importance of financial and strategic techniques seemed to be deliberately disregarded in twenty-five out of thirty firms. For example, the CEO of SFoodCn commented:

“I don't believe in these fancy figures. I will look at the real reports after investing and if I made some money, I am happy.”

Overall, the Singaporean companies were aware of simple strategic principles and their usefulness in making financial decisions though some CEOs claimed that they were not reliant on financial tools due to non-belief. The CEO of SPreEngSg1 explained:

“I don't believe in accounting terms even though I know what is IRR and NPV.”

The CEOs had been highly reliant on specific and practical knowledge in decision-making. The CEO of SSteelSg commented:

“The figures are not real. They are extrapolated. We want to see tangible things. There is no need for fanciful calculations.”

This research found that 17 out of thirty companies applied some SMA techniques on their largest SID in pre-SID making, though overall there was limited influence from SMA analysis on their SID making strategy in post-SID making. Most of the finance

directors questioned the validity of the SMA tools in predicting future results. The Finance Director of SMachCompCn commented:

“I find no meaning nor significance in making financial calculations that forecast the future. Actual financial results are more important.”

4.2.2 Theme 2: Usage of financial and strategic tools

Theme one highlighted the low influences from financial and strategic tools in the Singaporean sample. Thus, theme two followed up from theme one by investigating if the usage of SMA tools corresponded with the low influence from finance and strategic analysis as shown in theme one.

Non-usage of SMA analysis: thirteen firms

Most firms did not see the need for using SMA tools as shown below:

Firm 27: CEO of SClothesVietnam1, “There is no need for calculation.”

Firm 14: CEO of SPreEngSg4, “I like this illustration of the five forces that you showed me. It looks fancy. I think this customer power thing is our driving force. But no, we do not use these diagrams in investment making.”

Certain CEOs claimed that they made no use of SMA techniques as they did not know how to use them. Two illustrative quotations are shown below:

CEO of SPVCSg, “We didn’t learn all the tools hence we don’t use them. But it may be integral in us.”

CEO of SMachCompCn, “I will not say we used any financial analysis as we do not know how to use complex analytical tools for our SIDs choice.”

In the interview process, there were some initial difficulties in getting the companies to identify with the usage of SMA tools in the interview phrase. Despite the laborious explanations, it was found that thirteen firms do not use financial and strategic tools

at all due to the need for speed in making SIDs as reflected by the quotations that follows:

CEO of SPreEngSg1, “We did not make any technical calculations in making investment decisions. If we need the machinery, we buy it.”

Firm 30: CEO of SClothesCambodia, “We hardly forecast, nothing is stagnant.”

Some CEOs commented that they feel no need to use SMA tools in their companies as they rely on their knowledge of the industry.

CEO of SCosmeticsSing: “I read the reports on American and UK companies, seriously they are very different. But it may not be sensible for us to try and use financial analysis like them as our industry is changing all the time and we do not want to rely on past data or imagine the future. As again, maybe we understand our industry so well that we do not need tools to help us.”

Firm 5: CEO of SMetalSg, “We know each competitor, customer thoroughly. In fact, we are all very close. We do not need to use tools. It’s all experience and common sense.”

Usage of SMA tools: 17 firms

Despite the dismissal of the financial and strategic tools by thirteen of the thirty firms, there had been some usage of financial and strategic tools by seventeen of the thirty companies. It must be noted that initially only ten out of thirty firms claimed that they used SMA tools. To determine the accuracy of their claims, the rationale for using IRR, Payback, ROC and ROE were explained to these decision makers painstakingly in the interview process. When seven CEOs showed limited intuitive usage of SMA techniques in SID making after detailed explanations, seven additional firms were added to the initial sample of ten firms that used financial and strategic tools. For the seventeen firms that used financial tools, it must be noted that

some of the financial figures and strategic analysis were obtained by gross approximations provided by the firms as reflected by the quotations that follows:

Firm 2: CEO of SPlasticSg, “No measurement is used in this case, this ROI and Payback figure is provided to you from my own estimation, we do not go too much into technical details.”

Firm 16: CEO of SPlatingSg, “These figures require input from the accounts. We do not find it necessary to do useless number crunching. Hence, a rough estimate for your research is adequate.”

Five out of eight Value Creators, four out of eight Restructurers, three out of four Refocusers and five out of ten Market Creators used financial tools to some degree (marked by low and medium in the seven- point scale). Overall, out of the three industry sectors, five out of ten were from the tertiary sectors, five out of eight were from the primary sector and seven out of twelve were from the secondary sector. The reasons for the use of financial measurements appeared to differ between the seventeen firms in the four contextual categories. The Value Creators and Refocusers used SMA tools mainly to account to their shareholders and as rough financial guidelines in pre and post SID making. Illustrative quotations are shown below:

Value Creators

CFO of SSteelSg, “Its mainly to account to our shareholders. For show, I will say. Yet, don’t forget, most of the shareholders are our relatives or my own brothers”

Finance Director of SMetalCn, “We use financial and strategic forecasts. However, all financial forecasts only serve to account to the shareholders and to act as a guideline.

Refocusers

SPreEngCn1: “We use financial tools and strategic analysis just to present to the shareholders, which are really the majority of our own people you know.”

The extent of SMA/financial analysis may be closely linked to the firms' dependence on external funding for SIDs. Venture capitalists, institutional shareholders and other external groups are likely to require business plans with detailed financial estimates of cash flows, costs, contributions, sales volumes, etc. In contrast to the Refocusers and Value Creators who are cash-rich and has relatively little need to obtain external investors, the Restructurers and Market Creators have the tendency to use more SMA/financial tools for external accountability. As seen below, the Restructurers typically used the financial tools to seek government or external funding. If funding was not required, typically SMA techniques were not used. Three illustrative quotations are shown:

CEO of SPreEngSg5, "Financial tools are used in our firm for the sole purposes of applying for the relevant grants."

Finance Manager of SPreEngSg3, "We did the usual business plan that we submit to Spring. All the proposal writing is mainly to satisfy external requirements. We have to prepare presentations to present to the investors to ask for funds. Without the funds, we cannot invest at all. We have generated a lot of funds from SPRING Singapore from our proposals."

Finance Director of SEngCompSg, "We did the financial schedules, and the mandatory calculations required by the governments. Calculations are very important as the small and medium enterprises (SME) loans from the government have declined in the last few years. SME loans supported by Spring Singapore fell to \$1.4 billion approximately last year. That was a substantive decrease from \$6 billion in 2009 and \$2.7 billion in the previous year. I know this as I attend Spring Singapore "year in review briefing" every year without fail. Here are their reports which you can take a look. These calculations are also necessary for financing by the banks. Recently it is easier to take loans from the local banks like DBS and OCBC."

In contrast, the Market Creators commented that SMA tools were used as part of business planning to account to their SIDs and evaluate the profitability of SIDs.

Finance Director of SClothesVietnam2, “We do the appropriate business planning to show our shareholders as we are a public listed company after all and to the public who are interested in purchasing our shares.”

Finance Director of SClothesCambodia “We use mainly market forecasts, observations and analysis to determine the profitability of the investment. However, most of the time, the decision is made before doing the relevant business planning. Much of the time, business planning is for recording purposes.”

Finance Director of SContainerVietnam, “I don’t need accounting schedules. Let me tell you what is profitability. Profitability is a function of Volume of stock plus JIT (correct and optimum level of stock), + lower cost of goods. You must purchase low, sell high, have minimum late payments, pay slow and collect fast. You understand? If my goods are stuck in the warehouse, I am wasting space and money storing them. If I have to buy at higher price, that is not optimum. Key is Optimum inventory. An impressive proposal with all the correct figures (IRR, NPV, Payback), SWOT, and five forces will not impress me. I look through the façade and see the investment itself for what it is.”

For the seventeen firms that were affirmative about the use of SMA and financial tools, some use was made of simpler financial measurements such as payback and ROI in pre and post decision making. Overall, the use of ROI and payback appeared to be an afterthought of the decision makers involved in post SID making. The financial inputs of ROI and payback were usually calculated after the SID decision was made. Only five out of thirty firms made some use of more sophisticated financial tools such as IRR and NPV. More complex SMA techniques such as balanced score card and PESTLE analysis were not used by twenty-seven out of the thirty firms. Some CEOs claimed that they found more complicated SMA techniques irrelevant to their needs though they were aware of the existence of such techniques.

CEO's age

The extent of usage appeared to be negatively correlated with the CEOs' age. Firms with older CEOs in the primary, secondary and tertiary sector tend to make minimum use of DCF methods in contrast to younger CEOs who tend to use SMA analysis to apply for government grants or funding from venture capitalists. This could be the lack of formal education for older CEOs which may restrict their usage of financial and strategic techniques due to little understanding of their usage.

FDIs versus DIs

In ten out of fourteen overseas SIDs and seven out of sixteen domestic SIDs, SMA analysis was used. Companies had a higher tendency to use SMA techniques for overseas SIDs due to the need to account to shareholders. For domestic investments, analytical tools were mainly disregarded. If SMA techniques were used, they were mostly used as financial guidelines or to apply for grants.

4.2.3 Theme 3: Financial expectations

This research had classified the minimum use of financial and SMA techniques as a unique cultural variable common to all thirty cases. Strategic and financial forecasting techniques were not prioritised in the thirty firms' approach as indicated by the section above. However, the lack of SMA technique usage might not be correlated to the firms' financial expectations. High financial returns were expected by one-third of the sample. Four of the firms had medium financial expectations and sixteen of the firms had low financial expectations. Illustrative quotations are shown in Table 28 – 31.

Value Creators/Primary industry	Restructurers/Secondary industry	Refocusers/ Secondary industry	Market Creators/ Tertiary Industry
<p>Firm 1: CEO of SSteelSg, “I expect to break even within the next 5 years and make some profit after that, but I will be happy if we do not make loss every month. Having said that, I still monitor the investment closely to make sure our funds turn around as fast as they can. We expect positive return on our investment after 5 years”</p>	<p>Firm 11: Finance Director of SPreEngSg2, “More production means more business .For instance, we do not expect to profit out of our machinery purchases as we bought the machinery to satisfy our existing customers and keep their business. Machinery is depreciated over a 5 years period. We do not expect to profit out of machinery, unless we sell at fair market value after 5 years. Percentage return, I cannot tell you again, we don’t know because machinery cost is depreciated over 5 years in accounting terms. Also, our production has ups and downs due to shifts in customer orders.”</p>	<p>Firm 17: Finance Director of SMachCompCn, “0 loss is expected, we invest in something we don’t expect losses.”</p>	<p>Firm 26: CEO of SContainersVietnam, “we have to ensure that our company benefits somehow from the money put in. But of course we invest with no intention of making loss though sometimes losses cannot be avoided.”</p> <p>Firm 24: CEO of SFoodCn, “There is no pressure to produce ROI, I will be happy if we do not make loss every month. Honestly we allow for fluctuations as long as we know that customers are still stable and still making orders. Definitely we have no lack of customers to support our orders.”</p>

Table 28: Break even financial expectations
Source: Author

Value Creators/Primary industry	Restructurers/Secondary industry	Refocusers/ Secondary industry	Market Creators/ Tertiary Industry
<p>Firm 2: CEO of SPlasticSg, “A 10% loss will cause some alert. However, as production profits shift month to month, this figure remains flexible as long as we are making some profit every month.”</p> <p>Firm 3: CEO of SPVCSg, “Zero loss is expected. When we invest in something we don’t expect losses.”</p> <p>Firm 6: CEO of SChemCn: “We are lucky if the business can survive. Especially the China one, don’t talk about profit for that one. Doesn’t exist. The other acquisitions they are making good profit.</p> <p>Firm 7: CEO of SMetalCn, “Of course, we have not broke even in the short term, but I expect to break even within the next 5 years and make profit after that.”</p>	<p>Firm 9: Finance Director of SPremixSg, “Success can be defined by an increase in profitability of 10% after five years.”</p> <p>Firm 16: Finance Manager of SPLatingSg, “We have expectations that profit will be between 5-10%. 0 loss is anticipated. If not, we will not invest in the first place!”</p>	<p>Firm 20: Finance Director of SCircuitBoardCn, “if you want an absolute number, after deducing all the costs, a 5% return will be very good.</p>	<p>Firm 29: CEO of SClothesMalaysia, “But if they did not produce ROI of say 10% , we will not invest more, but rather look at other interesting investments.”</p>

Table 29: Financial expectations of less than 10% anticipated profit
Source: Author

Restructurers/Secondary industry	Refocusers/ Secondary industry	Market Creators/ Tertiary Industry
<p>Firm 14: Finance Director of SPreEngSg4, “Yes, we have to submit to Spring a report at the end of the year as they are our equity investor. Hence, we are pressured to perform in order to account to our big investor. If we do not make money by the end of the year, the government will not invest any more in us.”</p> <p>Firm 10: Finance Director of SPreEngSg1, “For gross revenue, without calculating for cost, the purchase of the machinery added an estimated 0.6 million per year. That means a net payback of 2 years.”</p> <p>Firm 12: Finance Director of SPreEngSg3: “We hope for (but not require) 20% return per year after the first 5 years of investment.” “At least company must break even (excluding our investment cost) in the first two years. The investment cannot be continuing to make loss year after year.”</p> <p>Firm 15: Finance Director of SPreEngSg5, “In manufacturing, there are a lot of AR and stock costs, which cannot be accounted for in cash. Also, it is easy to massage the figures by inputting a higher or lower depreciation figure. You can never dispute the increase in volume of goods sold and total revenue though, which is how we account to our investors in our meetings, networking events and annual reports. The investment is and will be definitely successful. Success equals more money. We know that the investment will pay back within a year and we expect a return of 20% every year.”</p>	<p>Firm 18: CEO of SPreEngCn1, “Of course, we want maximum return of 100%, but that is not realistic. I will say, full payback of our initial investment in 5 years, including appreciation of our property purchase and ROI of the restaurant of 20-30%we have confidence in the business. We are expecting a ROI of 20-30% and a payback of 5 years.”</p> <p>Firm 19: Finance Director of SPreEngCn2, “Normally we look for a 25% potential profit margin. Anything below that is cause for re-examination.”</p>	<p>Firm 27: CEO of SClothesVietnam1, “As long as we break even we are fine. But still, we require at least 30% return on capital employed before any investment decision is made”</p> <p>Firm 28: CEO of SClothesVietnam2, “Of course, it must meet our minimum profitability criteria of 20%.”</p>

Table 30: Financial expectations: 20% to 30% anticipated profit

Source: Author

Value Creators/Primary industry	Market Creators/ Tertiary Industry
<p>50% to 200% anticipated profit Firm 4: CEO of SChemSg, “If I have optimum inventory, we make money, and of course, I want to make as much as possible. Anything from 20% to 100%. Makes sense.”</p> <p>Firm 8: CEO of SOilCn, “We have plans to accelerate the growth in our revenue base quickly in 5 years’ time by setting up a resources division to tap into the fast growing thermal coal sector...our capital expenditure is expected to be 15% or more in 2012 to meet our required annual revenue growth of 50%.”</p>	<p>50% to 200% anticipated profit Firm 22: CEO of SAudioSing, “The success is not seen yet, but we project a 50% growth in revenue. We have enough customers to support our projected 50% in revenue. ”</p> <p>Firm 23: CEO of SCosmeticsSing, “Overall, we are financially orientated in whatever investments, kind of businesses we do. We expect profitability after a year, in the range of 100%-200%.”</p>

Table 31: Financial expectations of 50% to 200% anticipated profit
Source: Author

Tables 28-31 showed that the financial expectations of the Market Creators were the highest followed by the Value Creators, Refocusers and the Restructurers. The Restructurers had the lowest financial expectations among the four categories. The Refocusers had slightly higher financial expectations than the Restructurers. These results showed that CEOs and finance directors in the secondary sectors expected lower financial returns from domestic SIDs in contrast to overseas SIDs. As the other categories did not show this segmentation, it is suspected that this result may be unique to the poor performing firms in the secondary sector, which had been marked by high competitive forces and cost pressures. The high performing Value Creators and Market Creators had higher financial expectations than the Restructurers and Refocusers though the Value Creators had overall lower financial expectations than the Market Creators. These results showed that performance and market orientation may be directly correlated with financial expectations.

Varied financial expectations were found between the overseas and domestic SIDs. Hence, the investment type of the SID did not appear to influence the financial expectations of the firm.

4.2.4 Theme 4: Financial control-financial monitoring

High financial monitoring policies could be related to high financial control on the SID. Due to strict financial monitoring policies, strong financial control was seen from the quotations in Table 33 in contrast to Table 32 which highlighted loose financial monitoring.

Value Creators/Primary	Market Creators/Tertiary
<p>Loose financial monitoring Firm 1: SSteelSg, “the accounting schedules are incorporated into our entire accounting report. There is no separation and the investment is managed as a whole. We do not monitor loss or profit of the investment, rather as long as our company is in a financially viable position, we are fine.”</p> <p>Firm 2: SPlasticsSg, “We are not too concerned about financial targets or financial monitoring.”</p>	<p>Loose financial monitoring¹² Firm 25: CEO of SFoodVietnam, “I trust my financial director to do the financial calculations and submit the accounts to the relevant government bodies. I don’t look at them as I feel that it is not necessary. I rather spend my time acquiring new businesses or meeting new clients.” Firm 24: CEO of SFoodCn: “In two years, if we do not make a reasonable profit from this investment, we will not invest more. Other than that, we do not monitor the investment closely as we have too many investments to keep track off.” Firm 26: CEO of SContainerVietnam, “My finance director takes care of that. Every month the accounting schedules are reported to him.”</p>

Table 32: Loose financial monitoring
Source: Author

¹² The Singaporean Market Creators’ response of ‘loose financial monitoring’ apparently seemed inconsistent with the description of Market Creators as firms at the high end of performance in relation to shareholder expectations (Carr et al., 2010). According to Carr et al (2010), managing a large portfolio of decisions in order to meet shareholder performance expectations invariably requires careful analysis and monitoring of scenarios, synergies, real options, sensitivities, risks and returns. However, high performance is required by these Singaporean Market Creators, but accountability and monitoring is seldom used due to over-diversification of investments. To address these apparent contradictions between Carr et al (2010)’s sample and the group of Singaporean Market Creators, performance in relation to shareholders is simply renamed as ‘performance’ in the discussion chapter, which suits both groups of Market Creators.

Restructurers/Secondary	Refocusers/Secondary	Market Creators/Tertiary
<p>Tight financial monitoring Firm 11: CEO of SPreEngSg2, “I monitor the investment closely to make sure our funds turn around as fast as they can.. We need to account to the shareholders, so we have very close financial monitoring policies.”</p> <p>Firm 13: Finance Director of SEngCompSg, “Accounting schedules are reported every month. I will then investigate the reports to see if our investments are making money”</p> <p>Firm 15: CEO of SPreEngSg5, “We are not fully automatic. Hence, manufacturing, production and accounting schedules are churned out once a month. Anything once a week is a waste of resources as we need people to key in the numbers. But having said that, I monitor the investment closely to make sure our funds turn around as fast as they can.”</p>	<p>Tight financial monitoring Firm 20: Finance Director of SCircuitBoardCn, “So far the restaurant is doing ok, every month, the general manager in the restaurant will report a basic cost and revenue statement, with the net profit each month. Our CEO visits China once a month for a few days to monitor the operations and revise the strategy if the restaurant is making loss or even if it is breaking even in the month. So all investments are monitored to the dollars and cents they earn.”</p>	<p>Tight financial monitoring Firm 30: CEO of SClothesCambodia, “After investing in anything, we monitor the accounting schedules closely to see if we make money.” Accounting schedules are sent monthly to my finance manager. I then look through them, monitor the trends and take actions to prevent any problems immediately. If any shortfall in profit in a month occurs, I will talk to the managers and nip the problem in the bud. If there is a sudden loss of maybe 10%, I will make a trip to Cambodia personally and revise the planning if required.”</p>

Table 33: Tight financial monitoring
Source: Author

These results suggested that SID implementation could be characterised by constant financial evaluation and the intuitive use of capital budgeting techniques. There might be no relationship between the influences from SMA analysis and financial expectations in pre-SID making. The contradictory results showing 0% influence from capital budgeting techniques earlier could be attributed to the decision makers' lack of formal accounting knowledge rather than the lack of recognition that these techniques were not useful. From their low financial expectations in Table 33, we would expect the Restructurers to be least stringent in financial monitoring. However, twenty-five out of the thirty firms had relatively tight financial monitoring policies. As seen in Table 32, out of the five firms with loose financial monitoring policies, four of them had low financial expectations on the SID. In contrast, strategic control techniques were downplayed with many respondents' agreement that financial profits were the key reasons in SID making.

4.2.5 Theme 5: Strategic control orientation

The theme of strategic control orientation¹³ could be divided into three sub-sections; hands off versus active control, the formality of strategic reviews and the company's reliance on external consultants.

4.2.5.1 Hands off versus active control

The results for strategic control orientation showed distinct differences between the four categories. The company's degree of control had been classified into active control, moderate control and low control categories. Active control had often been linked to staff employment in the subsidiaries. Moderate control implied regular

¹³ Definition of 'Strategic Control Orientation' obtained from Goold and Campbell, 1987.

reporting activities. Low control referred to hands off policies. Overall environmental velocity seemed positively correlated with the company's preferred degree of control. The results showed that companies operating in high velocity environments with differentiated goods appeared to be highly orientated towards hands-off control policies. Eight out of ten Market Creators had hands-off control policies. All of the firms with domestic SIDs showed hands-off control characteristics, while five out of seven firms with FDI displayed hands-off control policies. The two firms who implemented active control had previously practised hands-off control in overseas SIDs. Due to failure in partnerships, they lost trust in foreign partners and changed to an active control stand in future dealings. As the Market Creators had the financial capabilities to diversify vastly by investing in many domestic and overseas SIDs, they had difficulty in implementing active control policies.

For companies in high velocity environment manufacturing highly similar intermediate products, active control was practised on domestic SIDs and moderate control for overseas SIDs. Seven out of Eight Restructurers exhibited active control characteristics due to low profit conditions. Any loss might cause them to exit the market. All of the Refocusers exhibited moderate control behaviour. This could be attributed to the reason that they had to maintain high control of their companies in Singapore. Yet, they did not have the financial capability to station staff overseas. Hence, very regular communication had been maintained with their business partners overseas. Table 35 displays illustrative quotations for moderate and low control.

Companies in low velocity environments manufacturing primary goods had a preference for highly active control policies. Eight out of eight Value Creators showed active control characteristics. The Value Creators' high profitability had enabled them to station staff in subsidiaries to manage the SID. Typically, SIDs had been thoroughly considered in pre decision making. By insisting on active parental care on the SIDs, this group could be considered as the most conservative of the four categories. Table 34 illustrates quotations for active control.

Value Creators/Primary	Restructurers/ Secondary	Tertiary/Market Creators
<p>Active control (Staff in each subsidiary to manage the company) Firm 6: CEO of SChemCn, “My three sons are in charge of various components of the business. The eldest son is in charge of the subsidiary in Malaysia and Australia. The second son is in charge of the subsidiary in Thailand and Indonesia. The third son manages the company’s subsidiary in China, and the export network covering Taiwan, Middle East, Africa, Central U.S.A, etc. My third son works very hard. He often goes home at 1 to 2 am. My eldest is the goalkeeper, my middle son the guards and the third son, the striker.”</p> <p>Firm 8: CEO of SOilCn, “I can say I manage the FDI both actively and remotely. Even though I hold meetings with individual country managers now and then, to directly manage the business myself will be too much. We have more than 100,000 employees in each fleet. It is sometimes hard to keep track of all the businesses. To counteract this inability to participate on my part, I work hard and also employ good people to run my subsidiaries. In every country, our management and engineering teams comprised industry veterans who have worked for more than 25 years servicing the oil companies throughout the region.”</p>	<p>Active control (Subsidiary as part of their total firm) Firm 15: CEO of SPreEngSg5, “We practise direct control. Our new investment is only next door. Our new premises and machinery is an additional wing to the entire company.”</p>	<p>Active control (Practise active control due to lack of trust in foreign partners from past business deals failure) Firm 26: CEO of SContainersVietnam, “We use a direct management policy. We do not trust our partners completely as afterall they are not our own people. We have a Singaporean parked there to manage the operations. He is the general manager.”</p> <p>Firm 28: CEO of SClothesVietnam2, “We are wary of potential partners due to losses in previous deals that were made carelessly, and through blind trust. Any step now is taken with great caution. If we invest in something overseas, I will delegate two trusted Singaporean managers over to manage the investment. Financial reports are sent bimonthly. I will also visit the plant regularly to monitor its progress.”</p>

Table 34: Quotations illustrating active control
Source: Author

Refocusers/Secondary	Tertiary/Market Creators
<p>Moderate control (Regular communication with business partners) Firm 17: CEO of SMachCompCn, “Throughout the investment’s relationship, regular Skype meetings and monthly progress schedules are sent to us.”</p> <p>Firm 18: CEO of SPreEngCn1, “For our new Chinese subsidiary, we manage the factory very tightly. We communicate with our staff in China every week using the email or via phone calls. To check the firm’s production, the financial schedules are sent to me twice a month. We also take turns to visit the China office every month.”</p> <p>Firm 20: Finance Director of SCircuitBoardCn, “We monitor our China subsidiary very actively. Our CEO visits China once a month for a few days to monitor the operations. We also revise the strategy if the restaurant is making loss or breaking even in the month as poor results is not acceptable to our company.”</p>	<p>Hands-off control (Practise hands-off control due to trust in partners and attitude that they can pick new investments if the initial investment did not work out) Firm 24: CEO of SFoodCn, “We talk to our Chinese partners on skype sometimes, but other than that, we do not monitor the investment closely.</p> <p>Firm 29:CEO of SClothesMalaysia, “We give our partners a free hand as we do not have time to monitor each investment. We look at the figures at the end. If they match up, we invest more in the existing investment or any new investments this partner has”</p>

Table 35: Quotations illustrating moderate and hands-off control
Source: Author

4.2.5.2 Formality of strategic reviews

Responses to the formality of strategic reviews were low. The illustrative quotation below showed that most of them had conducted little or no strategic analysis on their SID making practises:

Finance Manager of SPreEngSg4, “I studied in USA for my undergraduate engineering degree. I do think in decision making they use more financial tools and the SWOT you shown me just now. This may be because they have a more uncertain environment to which they invest, or a larger country. Singapore is small. We know each competitor, customer thoroughly. In fact, we are all very close. We do not need to use strategic tools. It’s all experience and common sense.”

Only six of the thirty firms had conducted strategic reviews and four of them were loosely formal. Three of them were Value Creators, two of them were Restructurers and one of them was a Refocuser. As there were no obvious differences between the contextual categories from the six positive responses, the positive responses were differentiated by the nature of the SID. Table 36 classifies the positive responses into FDIs or DIs.

FDIs	DIs
Firm 20: Finance Director of SCircuitBoardCn, “We did some informal benchmarking against other restaurants in China, but that only serves as a guide to make sure we picked the right location and did not pay excess rent. Other than that, the investment was decided before doing any benchmarking.”	Firm 12: Finance Manager of SPreEngSg3 . We have a very formal strategic review process annually. Our government investors will come down and have a review with us, more funding will or will not be awarded according to how well the company do.
Firm 6: CEO of SChemCn, “We use SWOT. It is simple and very effective. However, its not a formal procedure.”	Firm 15: CEO of SPreEngSg5, “I am the main decision maker even though we employ external consultants to submit the grant proposals to our government body. These grant proposals consist of formal strategic analysis like SWOT and PESTLE. In some ways, they are in a better position to structure the proposal in accordance to the needs of the government. Of course, our expenditure can be accounted for when the grant is awarded.”
Firm 7: CEO of SMetalCn, “I don’t use your western accounting bullshit. If you want something, I can say I used SWOT for my own analysis, and that’s only because I got some western education. SWOT is good, its basic, straight forward and covers all grounds.”	

Table 36: Formality of strategic reviews
Source: Author

This section concludes that Singaporean firms tend to disregard the use of strategic reviews. In cases where strategic reviews were conducted, higher formality was observed for domestic SIDs in comparison to overseas SIDs. Despite the positive responses' small sample, the table above displayed some distinct differences. Strategic reports for overseas SIDs were used mainly to account to shareholders who required less formality in reporting. Hence, the strategic reviews' formality was low across overseas SIDs. The structure of generous Singaporean government incentives typically encompassed Singaporean based investments solely in most industries. Hence, the strategic reviews' formality was high across domestic SIDs due to the need to account to the government bodies.

4.2.5.3 Reliance on external consultants

The firm's approach to communication by employing external consultants could be regarded as an internal firm factor that may influence the firm's control orientation. However, twenty-six out of thirty firms were firm on not using external consultants. Only four out of eight Restructurers used consultants to a limited extent as shown by the illustrative quotations below:

Firm 9: CEO of SPremixSg, "We use external consultants to look at current funding schemes and put in the appropriate application for them. It is very important to seek their advice. Further, all these expenditures is claimable from the government grants once we have them approved. These requirements are mainly mandatory by the government.

Firm 15: CEO of SPreEngSg5, "External consultants are very important as I am so busy with the daily business that I do not have the time to apply for funding /grants. Further they work on an ad-hoc basis, so its periodic expenditure which later can be deducted from the government funds. You cannot fully depend on yourself."

With the exception of the four Restructurers, the remaining twenty-six firms in the three contextual categories expressed that they did not use external consultants.

Illustrative quotations are shown in Table 37.

Value Creators/ Primary	Restructurers/ Secondary	Refocusers/ Secondary	Market Creator/ Tertiary
Firm 1: CEO of SSteelSg, “No. it’s a simple operation. I can decide on my own.”	Firm 12: CEO of SPreEngSg3, “Our products are similar. We do not need consultants.”	Firm 17: CEO of SMachCompCn, “No. it takes too long and is too much cost. We can ask our staff to draft a plan if its needed.”	Firm 25: CEO of SFoodVietnam, “I decide on something and I do it. I don’t need all these fancy things.”

Table 37: Use of external consultants

Source: Author

The firm’s approach to communication appeared to have no effect on the firm’s pre-SID making strategy. The four Restructurers commented that they typically used consultants to apply for generous government from Spring Singapore to aid competitive industries and small firms. As such, these cost-pressured firms in the Restructurers categories took advantage of such grants. Once the grant had been approved, the salaries of the external consultants could be deduced as expenses. Other firms that were not reliant on government funding usually did not use consultants. Hence, it could be seen that firms were unwilling to spend money on consultants as they regarded the consultants’ salaries as expense items on the income statement which provided no tangible financial profit.

4.2.6 Conclusion

It was found in this section that firms downplay the importance of SMA tools though companies used them to varying extents. The firms’ high financial monitoring and low reliance on financial consultants supported the high financial control orientation of the Singaporean sample. However, differences were found in the firms’ payback

targets, ROC expectations, time horizons and overall financial expectations. These differences between the 4 contextual categories are further explored in the discussion section in tandem with quantitative figures obtained from SMA literatures.

4.3 Comparing strategic management perspectives

This section divides the process dimensions of rationality, political behaviour and intuition into three themes and the contextual perspectives of the thirty firms into two themes. Themes 1-4 are derived from the seven-point Likert scale as one of the gaps in strategic management literature is the lack of quantification in SID process variables. Theme 4 on planned versus prioritised decision making in SID making content literature is incorporated based on Hickson et al(2003)'s questionnaire. Interview responses are obtained in addition to the quantitative component for the themes of intuition and speed of decision making. In the contextual section, companies are placed in contextual categories based on their overall investment mindsets. Quotations are extracted to reflect these mindsets.

The next section summarises the quotations obtained from themes 1, 3i and 5 where qualitative results have been obtained. The discussion section analyses the overall perspectives of the five themes using both qualitative and quantitative results. Table 38 summarises the five themes.

Firm Sector :P-Primary, Sn-Secondary, T-Tertiary.	P	P	P	P	P	P	P	P	P	S	S	S	S	S	S	S	S	S	S	S	T	T	T	T	T	T	T	T	T	T	T	T	8P/12S/10T
4 contextual categories Refocusers-RF, Market Creators –MC, Restructurers-RS, Value Creators-VC	V	V	V	V	V	V	V	V	R	R	R	R	R	R	R	R	R	R	R	R	M	M	M	M	M	M	M	M	M	M	M	M	8VC/8RS/4RF/10MC
Investment type:FDI -F , DI- D	D	D	D	D	D	F	F	F	D	D	D	D	D	D	D	F	F	F	F	D	D	D	F	F	F	F	F	F	F	F	F	F	14F/16D
Company number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total		
1)Process dimension: Importance of intuition in decision making (H-high, M-medium, L-low)	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	30H
2)Process dimension: Influence of Politics in decision making	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	30L
3)Process dimension: Rational Decision Making: Decision making speed for the SID(H*-2 years and below. H-2-5years)	H	H	H	H	H	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	9H/21H*
3i)Process dimension: Rational Decision Making: Systematic Steps (Y=yes, N-no)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	30N
4)Content dimension: Planned versus Prioritised decision(Pl-planned, Pr-prioritised)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	21 PI/9PR
5)Contextual classification (Df-defender, Re-Reactor, Pp-Prospector)	D	D	D	D	D	D	D	D	R	R	R	R	R	R	R	R	R	R	R	R	P	P	P	P	P	P	P	P	P	P	P	P	8 Df/12 Pp/12 Re

Table 38: Strategic management themes
Source Author

4.3.1 Theme 1: Intuition

Theme 1 in this section displays the companies' overall value placed on intuition. The cross-cultural section portrays the practical usage of intuition in SID making. Out of the 5 strategic management themes, intuition stands out as the most striking theme. It is found that 92.5% is given to the value of intuition in decision making in the seven-point Likert scale. Supportive quotations are reflected by Table 39 that follows. Hence, intuition may be a cultural specific characteristic and may not be linked to the overall rationality and speed of decision making. Due to the significance of the theme of intuition, intuition is further explored in the cross cultural section which discusses the influence of uncertainty avoidance on intuition.

Value Creators/Primary	Restructurers/Secondary	Refocusers/Secondary	Tertiary/Market Creators
<p>Firm 1: CEO of SSteelSg, “A lot of our investments are made based on hindsight and experience, we do not venture in the unfamiliar.”</p> <p>Firm 3: CEO of SPVCSg, “as long as I feel on hindsight that the SID is a good opportunity for the company and fits in with the company’s requirements, we will put some money in it especially if we have enough budget in this year’s reserves for investment.”</p> <p>Firm 6: CEO of SChemCn, “No financial measurements are used. Just gut feeling and hindsight. Of course, forex is a big risk.”</p>	<p>Firm 9: CEO of SPremixSg, “Intuition is very important as you need the foresight to predict the economic growth of the country in lieu of the viability of the new business, the definite and potential customer demand and growth in requirements for our technological products in the future.”</p> <p>Firm 13: CEO of SEngCompSg, “We bought the factory intuitively and I was right. The company made a 33% profit in the first year from the factory purchase.”</p> <p>Firm 14: CEO of SPreEngSg4, “As long as our gut feeling about the investment is right, we will proceed with investment opportunities that are presented to us.”</p>	<p>Firm 18: CEO of SPreEngCn1, “My previous experience, hindsight, and the fact that I have a ready customer in China is more important for my decision.”</p> <p>Firm 19: CEO of SPreEngCn1, “As long as I feel intuitively that the SID feels right, and I have enough budget, we will invest in it.”</p>	<p>Firm 26: CEO of SContainersVietnam, “Based on my previous experience in foreign investments and hindsight that this new proposition in Vietnam will make money, I invested.”</p> <p>Firm 21: CEO of SPkgSg, “My hindsight is never wrong, I foresaw the economic downturn for our industry a few years ago and we manage to escape the crisis by switching our product offerings. I foresee that the market will pick up in 2012, and therefore I am investing more by buying a new outlet to cover the central part of Singapore.”</p>

Table 39: Intuition in decision making

Source: Author

4.3.2 Theme 3i: Rationality - Decision making speed

As illustrated in the literature review, the rationality of decision making was often negatively correlated to the speed of decision making where high decision making speed would be defined as 1-5 years. As low to medium speed of decision making was not reflected in this research, 1-2 years was defined as highest speed of decision making and 2-5 years was denoted as high speed of decision making to differentiate between the speeds of decision making for the Singaporean decision makers. 75% was assigned to the speed of 1-2 years in the 7 point Likert scale. 25% was assigned to the speed of 2-5 years in the 7-point Likert scale.¹⁴ Evidence from the 7-point Likert scale was supported by the transcripts which showed that twenty-one of the thirty firms had higher decision making speed and nine of the thirty firms had high decision making speed.

One reason for the high tendency to engage in high speed of decision making was the assertion by the decision makers who mentioned that they did not take time to think systematically as they had the tendency of making decisions speedily. The Finance Director of SPreEngSg2 expressed that the lack of planning seemed to be a particular characteristic of Asian businessmen as shown in the quotation below:

Finance Director of SPreEngSg2 “Though I can say there is some thought in what we are investing, we overall plunge in fast and exit fast probably as well. This can be due to the lack of planning and consideration.”

¹⁴ A main difference between the definition of decision making speed in the literature review and this section will be the inclusion of informal time and formal time used to make the decision for the Singaporean decision makers. Decision making speed in literature typically refers to formal decision making speed (Eisenhardt, 1989b). Thus, 1-2 years of decision evaluation suggests very low evaluation in contrast to Anglo-Saxon decision makers, when informal and formal decision making time is taken into account.

Another reason for the highest decision speed of 1-2 years could be attributed to the high speed of changes in Singaporean's environment which influenced the decision makers. Examples are reflected in the quotations below.

CEO of SMetalCn, "When Singaporeans do business, we do not spend too much time planning and analysing. The environment moves very fast. Look at the Japanese restaurant over there, it just closed down. we invest without much thought and worry about the consequences later."

CEO of SOilCn, "I think Asians are sometimes too impulsive, make decisions too rashly. Me too, I make decisions with a click of my fingers whenever I see an opportunity. But probably, that's because of a dynamic environment. I admire the Americans. They planned systematically and take care of every step. As such they are superior technologically and have lesser chance for failure in their investments. I like to do business with Americans, they are very fast and do what they say. However, I think for the Dutch, their payment of attention to detail may cause them to lose some deals. When financing my fleet, I seek deals from 3 banks. First, I asked a Chinese Bank, a Singaporean Bank and a dutch bank. Guess who came back to me first? It's the dutch bank! They came back to me first, and I responded thinking they have approved my loan. No, they came down and asked me for more information. The Singaporean bank came back later. I think their way of handling things may be similar to the Singaporean bank. They too asked me for tons of information.. The Chinese bank came back to me the last, but it came with instant loan approval with no more other information required. So, I took the loan from the Chinese bank. They know my company, they know our creditability.

Firm 22: CEO of SAudioSg, "Things move fast. Why make use of things that happen in the past?"

Firm 24: CEO of SFoodCn, "Despite having a corporate and business strategy in our annual report, that only serves as a rough guide. We still have to change our strategy rapidly if the situation changes. The external environment moves too fast for us to plan anything in detail or be overly ambitious. It's best to live one day at a time."

Firm 10: Finance Director of SPreEngSg1, ". The economy is always moving, if we plan too much, we lose out."

A high speed of decision making of 2-5 years was found in five of the Value Creators and 4 of the Refocusers. The reason for a lower decision making speed

could be due to the lower risk tolerance for the five Value Creators who typically have a higher propensity for domestic investments. The Finance Manager of SPVCSg expressed that he will take a longer time to buy machinery if it is not immediately needed in the company. He explains:

“My brother comes to me, and ask me if it is financially viable to buy the machinery. I will go to my brother and say to him please don’t go and buy a new machinery that is too specific in nature, like it can only produce one part. What if the part is obsolete? If it is a good price and we need it, I will say fine. If the machinery is very expensive, I will only buy the machinery after considering for a time span of two years. For an expensive investment, the machinery needs to be more versatile. Like it can produce three parts, three sizes. So, we can multi-use the machinery.”

For the Refocusers, risk tolerance was lower due to higher environmental stability in the domestic context. Thus, investments overseas were highly considered. Yet, decision making speed was still within two-three years. The CEO of SMachCompCn explained:

“For this investment, 2-3 years ago, with the advice of our major shareholder, we went to China to survey the environment and pick a good site. Then we have a business plan to serve as a guideline and present to the shareholders, then later we went ahead with the investment. Western companies take longer time to invest, but that’s probably the MNCs. I admire their detailed approach, and seldom things can go wrong with the tremendous amount of analysis and attention to every small little detail. Singaporeans do things very fast, maybe we are trained to be very efficient. But sometimes we are too efficient, businesses open and close very fast here. No detailed thought and planning. We embark on very fast decision making. Unlike the Japanese, they take a lot of time to plan every little detail. Look at their customer service, it is so good. I was in Japan for a holiday recently, and I asked for an extra pillow, the Singaporean will just call and ask a person from a nearby associated hotel to take the pillow here. The Japanese will run by foot to the nearest hotel and bring the pillow over, even in the -40 weather. Our weather is so good here! I think the Japanese are very good, that’s why they are so successful.”

4.3.3 Theme 5: Contextual classifications

To test the applicability of various contextual classifications¹⁵, the four contextual categories were reclassified into three categories based on the degree of customer orientation, differentiation and low cost characteristics found in the transcripts.

The Restructurers and Refocusers were classified as Reactors from their low propensity to venture overseas in Table 40. In Table 42, the Market Creators were classified as Prospectors from their aggressive attitude towards client acquisition, six of the eight Value Creators were classified as Defenders from their preference to stay in Singapore due to their strong domestic advantage, two of the Value Creators were classified as both Defenders and Prospectors from their mixed responses towards differentiation and customer orientation.

The Restructurers and Refocusers consisted of semi-finished components manufacturers. As shown in Table 41, the Restructurers and Refocusers were highly reactive to the demands of their customers due to the low-cost focus of their products. Due to the weak position of the Restructurers, they had difficulty expanding overseas and maintained their market position by fulfilling their customers' demands locally. The more established Refocusers in the secondary industry had the financial capability to venture overseas due to their customers' requirements and to acquire more customers for increased profitability. Judging from the behaviour of the Refocusers, the Refocusers' customers might yield higher

¹⁵ The four contextual categories defined by Carr et al., (2010), based on 'market orientation' and 'performance in relation to shareholder expectations' (p.171) seemed to be tenuously linked to the strategic orientation taxonomy of Miles and Snows, 1978. The Restructurers seemed similar to the 'Reactors of Miles and Snows (1978), who can survive only by moving towards the Refocusers' category. One difference from Miles and Snows (1978)'s taxonomy and Carr et al(2010)'s taxonomy will be that the Refocusers do not appear to be at high risk from sustainability. This can be due to the mixed nature of the Refocusers who possess Prospector or Analyser categories.

margins than the Restructurers' customers. It could be anticipated that the Restructurers may move towards behavioural characteristics similar to the Refocusers once they stabilised their local foothold.

As shown in Table 43, the Market Creators were highly focused on producing differentiated products (i.e various types of canned goods, clothes, etc) to satisfy their customers. Many of the firms had stated that high labour costs and the lack of natural resources in Singapore were forcing them to look at investments to differentiate or lower costs in order to prevent early exit out of the market. As the Market Creators had been manufacturing differentiated goods in nature, it came as no surprise that they were naturally prospective by constantly looking out for interesting investments.

As the Value Creators comprised of firms in strong monopolistic positions, they exhibited strong defender characteristics. It must be noted that the Value Creators in this sample were a specialised group of companies, with very high barriers to entry in the industry. These barriers to entry are mainly due to the size of the firms and the large financial investments to get into the industry. Thus, there are only four or five of such firms in Singapore in each industry (I.e. Singapore only has 4 large steel manufacturers). Hence, Table 43 showed that they were low on customer orientation.

Restructurers/Secondary	Refocusers/Secondary
<p>Reactors (Weak position so no desire to venture overseas) Firm 10: CEO of SPreEngSg1, “We have to spend our funds very wisely and strengthen our market position. If we are not careful, the friendly neighbour next door will eat us up. In fact, we buy the machinery to suit our customers requirements. In the short term, we may not make money, but as long overall, our business is sustainable, we are fine. We look at the big picture.”</p> <p>Firm 15: CEO of SPreEngSg5, “Basically, our production cannot cope with the demands from the customers. So we invested in two more units. With the new investment in 2 units, we aim to step up our productivity, and use the latest machines, so that we can pursue innovation and continue to grow amid a slower economy, especially for the precision engineering industry. The economic position is not favourable for us. Hence, we will exercise a concerted effort to upgrade our position in the industry and restructure by differentiating and adding value to our products, moving up the value chain.”</p> <p>Firm 16: CEO of SPlatingSg: “Our customers are buying engineering components in lower quantities but in higher frequency. Our existing machine produces these components at a fixed load, thus resulting into high wastage. We are selling the components to them, but at minimum profit. Hence, we are investing in a new production line, to service the demands of these customers and increase our potential margin.”</p>	<p>Reactors (Venture overseas due to need, rather than desire to expand internationally) Firm 17: CEO of SMachCompCn, “We invest in the Chinese factory for strategic reasons. The market is getting saturated in Singapore and we rely on a few customers. Even though our important customer asked me to invest in it, I hope to get more customers in the China market.”</p> <p>Firm 19: CEO of SPreEngCn1, “Our customer asked us to set up a factory in China for them. As they are one of five major customers, we had no choice but to listen to them. We are happy though. They have given us more business.”</p>

Table 40: Restructurers' and Refocusers' contextual classifications
Source: Author

Restructurers/Secondary	Refocusers/Secondary
<p data-bbox="297 325 965 352">Reactor-highly reactive to the demands of their customers.</p> <p data-bbox="297 379 1167 595">Firm 13: CEO of SEngCompSg, “You see, it’s a competitive business. If we cannot produce what the customer wants, we have to outsource the business. And if we outsource the customers’ order, its definitely at higher cost to us, no doubt. Its fine if we do not lose the customer. But we may incur more trouble at our end. Nowadays, we have no choice, but to make little or no profit for some customers to maintain the relationship with them for future business. If we don’t do that business, other people will do. It is extremely competitive.”</p> <p data-bbox="297 624 1167 735">Firm 14: CEO of SPreEngSg4: “Our profit margin is squeezed to the point of break even, hence, we need to invest in the plant to fulfill our customers’ requirements for a certain specific machine component and hopefully maintain the profitability of our company by not losing that customer.”</p>	<p data-bbox="1184 325 1852 352">Reactor-highly reactive to the demands of their customers.</p> <p data-bbox="1184 379 1986 563">Firm 19: CEO of SPreEngCn2, “The bargaining power of customers is very important to us, from your diagram. Our products in the precision engineering industry are similar. Hence, customers have many suppliers to choose from. We need to stay competitive, to respond to the customer as fast as possible and even take orders when we make a loss to prevent the loss of the customer.</p> <p data-bbox="1184 592 1986 683">Firm 17: CEO of SMachCompCn, “We have guaranteed customer orders from the main customer in China and basically customer loyalty is secured with our investment in China.”</p>

Table 41: Customer orientation - Restructurers and Refocusers
Source: Author

Value Creators/Primary	Market Creator/Tertiary
<p>Defender (Strong local advantage, hence, do not like to venture overseas) Firm 1: CEO of SSteelSg, “Rivalry is the primary consideration. If possible, we want to be the steel monopoly. We maintain our top position in the industry by buying over rivals if an opportunity arrives. The investment is definitely related to my company’s business. We only consider investments in steel and things we know well. The company that we bought over is in the same business .By buying them out, we rid the market of our supplier, making us bigger and stronger. We have to prevent more rivals from coming into our industry. It’s purely war tactics. While there is pressure to spend money in order to increase our presence and deter new entrants., we do not panic unnecessarily if we make losses in the short run as this is part of our excess funds. Firm 3: CEO of SPVCSg “A more open and aggressive mindset can help the country advance more.I am open to investing in unrelated businesses, but it must be connected to my core business.” Firm 5: CEO of SMetalSg, “I have so much money. A little less or more doesn’t matter. Why bother to look for investments? In fact I do not look for investments. They appear on my doorstep.”</p> <p>Prospector Firm 8: CEO of SOilCn, “We have two new ships that we have constructed in Vietnam. This investment is the start of a new fleet of vessals. It is so successful! Immediately after the fleet is built, an investor offered to buy it from me for 1.75 billion! I invested 1.35 billion in each ship, so I made immediate profit. Of course, I can’t sell it to them , we need those ships. No, they want ready ships. You see, that’s how profitable our business is, the profit is reaped immediately.”</p>	<p>Prospector/Differentiator (strong local position, but venture overseas to strengthen position by diversification) Firm 22: CEO of SAudioSg, “Being different is more important compared to cost. Singapore, you cannot compete on cost. You cannot compare to Vietnam, Malaysia, Cambodia and Thailand for instance In Singapore, very hard to emphasis cost leadership. If we compete on cost, we lose as customers can go to Vietnam or Cambodia”. Firm 23: CEO of SCosmeticsSg, “Differentiation is the key. There’s no cost leadership really. If the product sells well now, we cannot rest, but we have to look at new and more interesting products to keep the market aroused” Firm 24: CEO of SFoodCn, “Strategic reasons are more important. We want to have many types of investments to reduce the risk that our core business may make less money.</p>

Table 42: Value Creators’ and Market Creators contextual classifications
Source: Author

Value Creators/Primary	Market Creators/Tertiary
<p>Defender-low customer orientation</p> <p>Firm 1: CEO of SChemCn, “We are a key supplier so buyers have little say over our price. But we want to lower the buying power of customers by buying over key resource providers.”</p> <p>Firm 1: CEO of SSteelSg, “Our business is simple. The customers are fixed. If we take over our rival, the customers have one less supplier and we can charge higher.. There are only 5 major players in the industry. We want every cent of our money spent in making us bigger and stronger. None of our money should be spent unnecessarily in unrelated industries that we do not understand nor is interested in.”</p>	<p>Prospector-on the lookout for more customers</p> <p>Firm 26: CEO of SContainerVietnam , “we need to diversify our product offering to increase our market share in Singapore and worldwide. We also need to invest in unrelated businesses to account to our shareholder that we are always expanding into different groups of customers.”</p> <p>Firm 21: CEO of SPkgSg, “We are making good money but we do not mind making more. Money is never enough for anyone. But strategic reasons are more important. We need to have new and more products frequently. You need to keep the customers happy, and surprise them accordingly.”</p>

Table 43: Customer orientation - Value Creators and Market Creators
Source: Author

4.3.4 Conclusion

This section found that there were some country similarities for the firms in terms of the importance of intuition placed on decision making and the low influence of politics on decision making. However, while decision making speed was high, the companies differ in the years taken to make the decision in the four contextual categories. It was found that the Value Creators with domestic investments can be reclassified as Defenders. However, the Value Creators with foreign direct investments have both Defender and Prospector characteristics. The Restructurers and Refocusers were classified as Reactors though they possess different reactive characteristics. Similarly, the Market Creators were classified as Prospectors though they have different market seeking behaviours. Thus the Defender, Prospector and Reactor classifications may not be sufficient to classify the companies adequately. The discussion section re-evaluates the feasibility of these three contextual categories and the 4 contextual categories in line with strategic management literature.

4.4 Comparing cross-cultural management dimensions

The literature review pinpoints nine cultural themes that are often used to differentiate cross-country differences. The transcripts are thus coded using NVIVO according to these nine themes to identify the reoccurring themes among the Singaporean decision makers. From the NVIVO analysis of the transcripts, the five cross-cultural themes of uncertainty avoidance, future orientation, power distance, assertiveness and in group collectivism are the highest reoccurring themes among the interview results as classified in Table 44. The uncertainty avoidance dimension is influenced by four sub-themes. The four sub-themes are investment familiarity, risk

perceptions, the CEOs' age, and the use of cash. Responses for these cross-cultural themes are obtained jointly from the interview questions and seven-point Likert scale. Two process dimensions overlap this section. Uncertainty avoidance is also influenced by intuition and long term orientation is also influenced by the rationality of decision making. There are dispelling similarities in the five themes despite the existence of sub-themes in the uncertainty avoidance and long term orientation dimensions. Due to the complexity and inter-linkage of these dimensions, quotations are mainly drawn out for illustration in the results section. As these five cultural themes are more significantly mentioned in the transcripts than the other four cultural themes, the discussion section focuses on these five themes and analyses them in detail.

Firm Sector :P-Primary, Sn-Secondary, T-Tertiary.	P	P	P	P	P	P	P	P	S	S	S	S	S	S	S	S	S	S	S	S	T	T	T	T	T	T	T	T	T	T	T	8P/12S/10 T	
4 contextual categories Refocusers-RF, Market Creators –MC, Restructurers-RS, Value Creators-VC	V	V	V	V	V	V	V	V	R	R	R	R	R	R	R	R	R	R	R	R	M	M	M	M	M	M	M	M	M	M	M	M	8VC/8RS/4RF/10MC
Investment type:FDI -F , DI- D	D	D	D	D	D	F	F	F	D	D	D	D	D	D	D	F	F	F	F	D	D	D	F	F	F	F	F	F	F	F	F	F	14F/16D
Company number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total		
Cross-cultural management themes																																	
1i) Uncertainty Avoidance: Risk tolerance of the firm due to environmental influences(H-high, M-medium, L-low).	L	L	L	L	L	L	M	M	L	M	M	L	L	L	L	M	M	L	L	M	M	M	M	M	H	M	H	M	H	H	H	13L/12M/5 H	
1ii)Uncertainty Avoidance: Preference to invest in familiar investments (H-high, M-medium, L-low)	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	L	L	L	L	L	L	L	L	L	L	L	10L/20H	
1iii)Uncertainty Avoidance: Age of the CEO (H-50 and above, M-40-49, L:39 and below)	H	H	H	H	H	H	M	M	L	L	M	L	L	M	L	L	M	M	M	L	H	M	H	H	H	H	H	H	H	H	H	7L/8M/14 H	
1iv)Uncertainty Avoidance: 100% use of cash (Y=yes, N-no)	Y	Y	Y	N	Y	N	N	N	N	N	Y	Y	N	N	N	Y	Y	N	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	17Y/13N	
2) Future Orientation (H* for highest, H for high, M for medium, L for Low)	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	10 H*/20 H	
3)Power distance(H for high, M for medium, L for Low)	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	30H	
4)In group-collectivism –presence of subgroups within the company(H for high, M for medium, L for Low, L* for lowest)	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	9L/21 L*	
5) Assertiveness (H for high, M for medium, L for Low L* for Lowest)	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	11 L*/ 19 L	

Table 44: Cross-cultural management themes

Source: Author

4.4.1 Theme 1: Uncertainty avoidance

Uncertainty avoidance is affected by the firms' and CEOs' risk tolerance, the CEOs' propensity to invest in familiar investments, the age of the CEO and the use of cash for the investment. Each factor is described in the sub-sections below.

4.4.1.1 Firm's risk tolerance

Risk adverse characteristics were exhibited in different degrees for the four contextual categories due to internal and external environmental factors.

Internal environment influences

Value Creators were the lowest in risk tolerance as they benefit from low environmental velocity due to very stable environment internal environment forces.

The CEO of SChemCn explained:

“We are all conservative and risk averse due to the stability of our industry. The companies in other countries may act differently. Any venture out of our comfort zone will spell danger for us. So, we will not invest unless it is totally beneficial to the firm and it means an expansion into our current industry.”

The market orientation of the firm seemed to influence the firms' receptivity towards risk in similar high velocity conditions. The Restructurers showed low risk tolerance due to the firm's instability in a competitive environment. Illustrative quotations are shown below:

CEO of SPrecisioneng1, “We have to take the risk in buying additional machinery though we may not need them in the future due to labour constraints in operating our machinery. Labour costs may be a problem as it is very difficult to employ workers. Singaporean labour is too high cost, and even if we pay the price, the attrition rate is too high. If it continues this way, we might consider moving out of Singapore into a country with lower wage costs.”

CEO of SPlatingSg, “No pain. no gain. No risk, no gain. If we do not take risks, we take a bigger risk of being displaced in the market. We look at any risk of business as growth opportunities in the midst of uncertainties in the engineering components industry. Constantly investing in new business will help us continues to provide a spectrum of top quality services to our customers who we value greatly.”

The Refocusers showed medium overall risk tolerance due to higher firm stability in the competitive environment as illustrated below:

CEO of SPreEngCn1, “In everything, everything there is risk. But if we don’t take the risk, we cannot survive in this harsh climate.”

CEO of SCircuitBoardCn , “basically our company is stable financially, so in this competitive climate, we have to diversify, to go into a slightly higher risk venture.”

The Market Creators were the least risk averse due to highest firm stability despite the high velocity in their existing industries. They exhibited medium to high overall risk tolerance as shown in the quotations below:

CEO of SAudioSg, “I manufacture audio equipment, export them, invest small amounts of money in various industries and now I am investing in a KTV outlet. Though many of my businesses are related, retail and manufacturing are still different arenas of business. ”

CEO of SPkgSg: “We are risk adverse so even though we look like we are taking risks, we are actually diversifying to reduce risk. For instance, other than packaging, we manufacture all types of consumer goods. Recently, we are looking into the plastic container business in furniture and retail.”

CEO of SContainerVietnam, “We want to have many types of investments to diversify and reduce the risk that our core business may make less money.”

External environment influences

However, external environmental forces seemed to influence the CEO more. Overall, the thirty CEOs were risk averse due to their common identity as Singaporean Chinese businessmen as shown by the illustrative quotations below.

CEO of SPlasticSg “Singaporeans tend to do things conservatively. Not only for my industry but as a whole. We like to save for rainy days though the rainy day may never come.”

Firm 18: CEO of SPreEngCn1 “You may say that Singapore is influenced by the west, but that’s really more on a superficial level; like clothes, music and tastes in food. I believe that inwardly, we are traditionally conservative as we are still Chinese businessmen inherently.”

As these sets of behaviours had rendered success to the firms, many CEOs expressed firm reluctance to change their conservative mindsets as portrayed by the CEO of SFoodVietnam:

CEO of SFoodVietnam “We are sensible, rational and all conservative. Call me set in my ways, but there is no reason to change when these ways had made me the success I am today.”

The CEO of SPreEngSg3 and SSteelSg commented that their risk averse behaviour may be due to government propaganda that subconsciously influenced their behaviour as shown below:

CEO of SPreEngSg3, “The government have taught us how to save and be conservative. We listen to the government so much that investing is inherent to the way we are taught. A more open mindset can help the country advance more. Yet, I am not ready to change and invest a lot more due to fear for no reason, if you get what I mean.”

CEO of SSteelSg, “My friends in the steel industry invest like me. But this is perhaps due to the differences in the country. The country is small. And government policy is in the mindset of us. Perhaps that is why I think we do things alike.”

4.4.1.2 Preference to invest in familiar investments

The risk tolerance of a firm could be influenced by the CEO's expected familiarity with the investment. Table 45 showed that the three categories of Value Creators, Restructurers and Refocusers expected highly familiar investments whilst the Market Creators did not mind diversified investments.

4.4.1.3 Age of the CEO and risk tolerance

The age of the CEO appeared to be positively correlated with the CEO's degree of risk aversion across the four contextual categories. The Value Creators and Market Creators seemed to be more risk adverse due to older CEOs. The Restructurers and Refocusers appeared to be less risk averse due to younger CEO ages. Illustrative quotations are shown in Table 46.

Primary/Value Creators	Restructurers/Secondary	Refocusers/Secondary	Market Creators/Tertiary
<p>High familiarity with the investment is expected Firm 3: CEO of SPVCSg, “Experience is the key in selecting the right investment. I set up the business, definitely I am very familiar with the market conditions and therefore, the potential of the new investment.” Firm 6: CEO of SChemCn, “We invest at arms length. What do I mean? I am open to investing in unrelated businesses, but it must be somehow connected to my core business and I must know the intimate details about the new business. For instance, if I invest in a restaurant, I will die, surely die. Because I do not know anything about restaurant business as the source of my knowledge origins from the chemical industry.” Firm 7: CEO of SMetalCn, “I consider this investment of minimum risk as the operation of the machinery is very familiarity to us.</p>	<p>High familiarity with the investment is expected Firm 15: CEO of SPreEngSg5, “I don’t think there is any risk in buying this new equipment as we have used it before. With this purchase, we are sure of the customers’ orders and the increase in equipment helped us increase our productivity.” Firm 9: CEO of SPremixSg, “no matter what, there must be something related to my core business Hence, I never did venture far from my industry of origin.”</p>	<p>High familiarity with the investment is expected Firm 18: CEO of SPreEngCn1, “We minimise risk by making sure that we leave no corners untouched when investing in a company. I am familiar with the China market, hence I am investing in it.” Firm 19: CEO of SPreEngCn1: “We set the factory up with 80% certainty that it will not make losses as this new Chinese factory is a subsection of what we do here in Singapore.” Firm 20: CEO of SCircuitBoardCn, “To invest in any business, it is essential that we have knowledge in it. This case is very exceptional as one of the shareholders is very familiar with the restaurant business and is very keen for us to invest in a new restaurant in China. I will say he is an old hand in the restaurant business. Hence, even though our business is not in the restaurant line, our company is not new to the business.”</p>	<p>Low familiarity with the investment is expected Firm 24: CEO of SFoodCn, “We can invest in anything that makes money. It doesn’t matter what class of investment it falls under.” Firm 25: CEO of SFoodVietnam, “Investments may be anything that interest us, I don’t mind new ideas at any time in the day.” Firm 29: CEO of SClottesMalaysia, “We are investing with the mindset of the young. We are always sourcing for new investments in order to strengthen our position in the market.”</p>

Table 45: Expected familiarity with the investment
Source: Author

Primary/Value Creators	Restructurers/Secondary	Refocusers/Secondary	Market Creators/Tertiary
<p>Low risk tolerance due to higher age Firm 1: CEO of SSteelSg, “Overall, I can still say that our company is very conservative. We are one of the older businesses in Singapore, and with my age, I do not like to take risks. Hence, my choices affect the direction of the company as I am the third generation of successors to this company.”</p>	<p>Low-medium risk tolerance of the CEO due to low-medium age CEO of SPreEngSg4, “Chinese investors tend to invest more, and as a group. I tend to invest less, but I still invest if I see a good opportunity.”</p>	<p>Low-medium risk tolerance of the CEO due to low-medium age. Firm 17: CEO of SMachCompCn:“I think that Singaporeans are more conservative than their Asian counterparts I may be a hybrid of both since I have spent a lot of time in China.” Firm 18: CEO of SPreEngCn1, “We are very conservative as I think its inbuilt due to government propaganda from a young age in my era.”</p>	<p>Low risk tolerance due to higher age Firm 24: CEO of SFoodCn, “The younger generation may be more adventurous but don’t forget, I am old, so I am definitely very conservative. Due to people like me, the market here is saturated and not moving.”</p>

Table 46: Uncertainty Avoidance-age of the CEO and risk tolerance
Source: Author

4.4.1.4 Use of cash for the investment

The amount of cash and leverage used to invest in the SID could be regarded as a key financial indicator to measure the risk tolerance of the firm. seventeen of the firms invested 100% cash in their SID. There were large differences found between the four contextual categories. Though the Value Creators were the most risk averse from the results in themes 1-1iii, they appeared to be the most open towards using loans for overseas SIDs due to their core business' stability. However, the Value Creators used cash primarily for domestic SIDs to maintain the company's domestic strength. The Restructurers and Refocusers exhibited a preference for leverage due to low cash reserves. Higher cash surpluses were preferred to using their cash reserves for SIDs. Though loans were taken on the SIDs, some of the loans taken were due to risk aversion. The Market Creators appeared to be the most conservative on the use of cash. Cash was used for all their overseas SIDs as the proportion of funds used for overseas SIDs was considered minimum as their funds was spread across diversified SIDs. Rather, loans were taken on domestic SIDs due to perceptions that the investments were low risk property investments. To reflect the importance of this financial characteristic, quotations and figures were extracted from all of the thirty firms and displayed in Tables 47-50.

No	Company Pseudonym	Percentage cash/loan on the SID	Illustrative Quotations
1	SSteelSg	100% cash over a period of 5 years. Stated that cash is less than 10% of their cash reserves.	“Cash is used to finance all our new businesses, we are very conservative and stick to the conventional cash strategy. We have contemplated investing in a worthwhile venture for 2 years before 2007, and were looking for opportunities. My finance director saw the opportunity and alerted the board to it. Of course we have set aside a cash budget of less than 10%, of our after tax profits but we can look at increasing it later, which happened in 2010.”
2	SPlasticsSg	100% cash	“We have set aside a cash budget of less than 10%,of our after tax profits”
3	SPVCSg	100% cash	“We factor it in our budget to see if we can buy the facility without causing liquidity problems between 1-2 years in our existing business.”
4	SChemSg	10%/90% refinancing	“I refinance my existing business, I don’t need to account to anybody. As long as my existing businesses are running, they are happy.”
5	SMetalSg	100% cash	“Without cash, I will not invest.”
6	SChemCn	15% cash 85% refinancing loan	“I will say we pay cash first on the core business. Later on when the core business stabilises, we can use the first business to take on other businesses by leveraging on our initial cash investment.”
7	SMetalCn	20% cash	“We will not want to put too much cash directly into the business and instead loan as much as we can, to keep the cash “live” for other purposes if needed.”
8	SOilCn	10% cash/90% loan. CEO believes in high amount of leverage to secure more opportunities for investments	“You need to learn from me, how to use a little bit cash and then set up a lot of profitable ventures. So, if you have invested S\$1 million business for example, You can use your cash to enable you to be running a 10 million business. You must let your cash multiply for you. Successful businesspeople are heavily in debt. And we are no exception.”

Table 47: Use of cash for the investment (Value Creators)

Source: Author

No	Company Pseudonym	Percentage cash/loan on the SID	Illustrative Quotations
9	SPremixSg	10% cash 90 % loan	“There is no need to pay up the money in full though we have it. That’s silly behaviour.”
10	SPreEngSg1	0% cash. 100 hire purchase agreement	“Why pay cash when you can loan?”
11	SPreEngSg2	100% cash. Invested 0.5 million in 2008, 0.5 million in 2009	“I rather pay cash. I want to be able to sleep at night.”
12	SPreEngSg3	100% cash	“As long as I feel on hindsight that the SID feels right, and I have enough budget, we will invest in it. The budget is out of our total savings from investing in our current business. Normally we set it at 7-10%.”
13	SEngcompSg	20% cash, 80% loan	“We expanded our factory for \$2.5 million in 2008. However, our existing factory is fully paid up. We took a loan on the expansion. The maximum loan we can take was 80% and we paid 20% cash. Probably the older generation likes to pay all cash for their investments. We are younger and we are firm on leverage, as you need cash to generate more cash for you. We take more risks, maybe.”
14	SPreEngSg4	10% cash /90% loan	“Basically, we have some savings over the years and we decided to invest in new shops when the shops next door decided to close. However, we did not use all our cash. We kept as much as possible and loaned the rest as we want to be cautious about keeping the cash ready for emergencies”
15	SPreEngSg5	0.5 million grant from Spring Singapore and 1.5 million in loan	“The government gives us money and we use it to obtain additional leverage.”
16	SPlatingSg	100% cash. 0.5 in 2011, 0.5 in 2012	“We factor it in our budget to see if we can buy the facility within causing liquidity problems between 1-2 years in our existing business.”

Table 48: Use of cash for the investment (Restructurers)
Source Author

No	Company Pseudonym	Percentage cash/loan on the SID	Illustrative Quotations
17	SMachCompCn	100% cash	“The company is conservative and have lots of excess cash. Loans are seldom taken by our company. Look at the machinery in our factory, it is all paid by cash.”
18	SPreEngCn1	10% cash.90% loan	“Yes, we loan from the banks as much as possible as leverage is very important. If there are any possible sources of loan, we will look into them.”
19	SPreEngCn2	50% cash and 50% grant from Spring Singapore (Govt funding)	“We have tons of cash. We pay in full.”
20	SCircuitboardCn	100% cash	“Basically we must make sure our core business is self-running with enough liquidity before any investment.”

Table 49: Use of cash for the investment (Refocusers)

Source: Author

No	Company Pseudonym	Percentage cash/loan on the SID	Illustrative Quotations
21	SPkgSg	30% cash, 70% loan	“I don’t need to pay cash for a property investment.”
22	SAudioSg	20% cash. 80% loan	“My business is very capital intensive. Hence, I use one business to leverage another.”
23	SCosmeticsSg	10% cash, 90% refinancing	“We use our existing shops to obtain more leverage.”
24	SFoodCn	100% cash	“From our profits over the last few years, we have lots of cash reserves. Hence, when my friend popped over from China, I decided to invest some money in his new business venture.”
25	SFoodVietnam	100% cash	“As a business, cash is king.”
26	SContainersVietnam	100% cash	“We have a fixed amount of money. With the set amount of money, we look for suitable investments to put our money to good use.”
27	SClothesVietnam1	100% cash. 40% cash in 2006, 60% cash in 2010	“If we are going overseas, we have no choice but to invest full cash.”
28	SClothesVietnam2	100% cash. 2 million in 2006, 1 million in 2007, 1 million in 2009	“This is our extra funds to play around with. We are fine with making a loss if it turns out that way. It just means that we will not invest more.”
29	SClothesMalaysia	100% cash	“Before we buy the production facility, we set aside a budget. That’s all. And that is 20% of the cash reserves we have in the bank.”
30	SClothesCambodia	100% cash. 1 million in 2006, 0.3 million in 2008, 0.7 million in 2010	“We invest in cash, cautiously.”

Table 50: Use of cash for the investment (Market Creators)
Source: Author

4.4.2 Theme 2: Future orientation

While the theme of long termism appeared to predominate in the sample, the reasons for the long term perspectives differ between the Value Creators and the three other contextual categories. The Value Creators felt that long term sustainability and firm profitability in the long run were more important than short term gains, as their firms are making profits with or without the SIDs. These views are reflected in the quotations below:

CEO of SSteelSg, “Our investments are for the long term. I will say that people in my same industry invest the same way.”

CEO of SPlasticSg “In the short term, we may not make money from this investment, but as long overall, our business is sustainable and profitable as a whole, we are fine. We look at the big picture.”

CEO of SChemSg, “My investment is for the long term, for my descendants. We need the supply source.”

In contrast, the Restructurers exhibited long-termism characteristics due to the need to keep their customers. The CEO of SPlatingSg expressed:

"We cannot look at profit so fast. Investments require time to turn around, giving the large amount of new machinery needed. We may make losses in the short run. But for that short term loss, you get future businesses that are profitable and referrals which are very important for the business.”

The Refocusers were slightly different in their customer focused approaches. The purpose of SID making was to strengthen the existing relationships with their big clients. The CEO of SMachCompCn explained:

“Of course we are long term in outlook. In the long term, we want to stabilise and strengthen our customer base. This is very important as once you acquired a customer and serve him well, the customer will stay with you and make money for you in the next 20-30 years.”

The Market Creators with domestic investments expressed that investments overall also represents publicity for their business on top of customer relationships. This view is expressed as follows:

CEO of SCosmeticsSg, “This is a long term investment. Sometimes we have to do loss making deals because it’s the long term relationships, the publicity from each store forged over time and we do not want to lose that connection. Not every store will make money of course.

In contrast, the Market Creators with FDIs were similar to the Value Creators, with the view that overseas investments meant a longer company life span as shown below:

CEO of SFoodCn, “We are here for many years and we have more to come. Our investments are here to stay with us.”

CEO of SContainersVietnam. “We are all in the business to make money. But definitely the investment is long term.”

Though long termism was reflective of similarities among all thirty Singaporean firms, even across all four distinctly different contextual categories of Market Creators, Value Creators, Refocusers and Restructurers, the reasons for long-termism were subtly different. To further investigate these differences, Themes 3-5 investigates power distance, in group collectiveness and assertiveness in the firms’ behaviour.

4.4.3 Theme 3 - 5: Power distance, in group collectivism and assertiveness

Table 51 illustrated that the thirty Singaporean firms exhibited high power-distance relationships and low in-group collectiveness, preferring top-down, autocratic managerial approaches.

Value Creators/Primary	Restructurers/Secondary	Refocusers/Secondary	Market Creator/Tertiary
<p>Firm 1: CEO of SSteelSg, “the CEO decides everything. Decisions made by the CEO and passed through the board. Still, the board consists a lot of our own people, you know. Singaporean companies are like that.”</p> <p>Firm 6: CEO of SChemCn, “I make the decisions myself. And I leave my three sons to run the company”</p>	<p>Firm 10: CEO of SPreEngSg1, “I am the main decision maker, but I firstly consult my finance manager, who is my sister.”</p> <p>Firm 9: CEO of SPreMixSg, “Decisions are made by me. We just need ready shareholders on the board to agree with my decisions. Most of the time, they are quite agreeable.”</p>	<p>Firm 20: CEO of SCircuitBoardSg, “This decision is made with the advice and decision authority of the major shareholder who owns a famous chain of restaurants in China.”</p>	<p>Firm 26: CEO of SContainersVietnam, “I make the decisions, tell them to the board and they agree with whatever I say.”</p> <p>Firm 27: CEO of SClothesVietnam, “I want people to agree with me. To be cautious, I try to recruit people that agree with me in the board.”</p>

Table 51: High power distance
Source: Author

These quotations displayed that the key decision maker preferred to evaluate the SIDs on his own and subsequently implemented the SID based on his self-interest. These findings are contrary to the high collectivism characteristics typically ascribed to Singapore which are further elaborated in the discussion chapter. Parallel to high power distance and low in-group collectivism, eleven firms seemed predisposed to employ staff members that were low in assertiveness. This show of low assertiveness may be due to the company’s habit of employing low-level staff as reflected in the quotations that follows:

Firm 25: CEO of SFoodVietnam, "We tell our staff what to do and they do it without question."

CEO of SPreEngSg3, “My supervisor is my trusty advisor. Purchases of machinery are decided after my supervisor suggests some inputs due to lack of machinery from the production side. I seldom receive feedback from the rest of the staff.”

CEO of SChemSg, “This company is mine. Why will I care about what the rest of the staff thinks? I do not have time to ask for their feedback, not that they say anything in the first place.”

19 firms preferred to maintain formal top-down relationships with most of their staff members. The preference of senior management for top-down relationships with most of their staff members effectively prevents the possibility of meaningful participation by employees in the SID-making process. The staff’s low assertiveness may be due to the CEO’s preference for maintaining a distance between the staff and themselves as illustrated in the two quotations that was selected:

CEO of SPlasticSg "We maintain a distance between the staff and myself to retain our seniority.”

CEO of SMachCompCn, “I make the decisions, instruct the staff and check on them once in a while. If I bother too much about everything else in the company, how will I find the time to play golf? As long as I make money, that is the priority.”

Thus, low assertiveness and a top-down management system might be a cultural trait of Singaporeans.

4.4.4 Conclusion

The cross-country management section found that some country similarities were portrayed for the themes of high uncertainty avoidance and high future orientation. These themes are concurrent with the show of high power distance in line with the preference for employing low level staff that are less assertive. Themes 1-5 will be further analysed in the discussion chapter in tandem with literature on cross-cultural dimensions.

4.5 Comparing unique global strategic management perspectives

This section concludes the four-dimensional study. As global strategic management overlaps the 3 dimensions above, we will only discuss two recurring themes unique to global strategic management. The transcripts are reviewed again using NVIVO for quotations revealing common FDI and DI themes. As reflected in Table 52, it is found that the importance of partners and investment nature in SID making stands out clearly. The investment nature of the SID is divided into segments based on market seeking, resource seeking and efficiency seeking behavioural traits found in the transcripts. No evidence of asset seeking behavioural patterns is found.

The next section will summarise the quotations obtained from these two themes relating to the importance of partners and the SID's investment nature. The discussion section will analyse the overall similarities and differences between overseas and domestic SIDs using the combined evidence extracted from the four dimensions.

Firm Sector :P-Primary, Sn-Secondary, T-Tertiary.	P	P	P	P	P	P	P	P	S	S	S	S	S	S	S	S	S	S	S	T	T	T	T	T	T	T	T	T	T	T	8P/12S/10T
4 contextual categories Refocusers-RF, Market Creators Restructurers-RS, Value Creators-VC	V	V	V	V	V	V	V	V	R	R	R	R	R	R	R	R	R	R	R	M	M	M	M	M	M	M	M	M	M	M	8VC/8RS/4RF/10MC
Investment type:FDI -F , DI-D	D	D	D	D	D	F	F	F	D	D	D	D	D	D	D	F	F	F	F	D	D	D	F	F	F	F	F	F	F	F	14F/16D
Company number Global strategic management themes	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
1) Importance of Partners (H-high, M-medium, L-low)	L	L	L	L	L	M	M	M	M	L	L	L	L	L	L	M	M	M	M	H	M	M	H	H	H	H	H	H	H	H	12L/10M/8H
2) Nature of investment: resource seeking/market seeking/efficiency seeking : R-resource seeking, M-market seeking, E-efficiency seeking	R	R	R	R	R	R	R	R	E	E	E	E	E	E	E	E	E	E	E	M	M	M	M	M	M	M	M	M	M	M	15R/14M//12E

Table 52: Global strategic management themes
Source: Author

4.5.1 Theme 1: Importance of partners

The importance of partnership relationships varied largely among the four contextual categories. The Market Creators valued partnership relationships most, followed by the Refocusers, Value Creators than Restructurers. The Market Creators relied highly on partners to manage their FDIs. For the Refocusers, partners tend to be existing customers. The Value Creators with overseas investments typically employ trusted staff to manage their investments. For the Value Creators, the reliance on partners for overseas SIDs could be regarded as medium as investments were made when opportunities occur, and not typically due to the pressures from partners. Partners were typically their staff and family members. The Value Creators' reliance on partners for domestic SIDs was typically low as decisions were made by the key decision makers. This decision making characteristic was reflected earlier in the cross-cultural management section. Similar to the Value Creators, the Restructurers typically rely on themselves to make domestic decisions. Overall, the importance of partnership was higher for overseas SIDs in contrast to domestic SIDs. Illustrative quotations portraying these unique behavioural characteristics are shown in Table 53.

4.5.2 Theme 2: Nature of investment

Theme two is separated into three sub-themes. The next sections discuss the nature of the investment from the three resource seeking, market seeking and efficiency seeking perspectives.

Value Creators/Primary	Restructurers/Secondary	Refocusers/Secondary	Market Creator/Tertiary
<p>Firm 6: CEO of SChemCn, “I am the founder, I started the company up in 1970 to survive. I make the decisions myself for the main company and I leave my three sons to run the company. On decisions, I seek the consult of my sons. I do not rely on partners. I have three sons, born in 1971, 1972 and 1974. . I sent them to good schools. My first and third son is from Imperial College in England. The second son is from MIT in America.The first son worked for GIC, the second son for NTUC and the third son for the govt. They graduated from Imperial College, very easy for them to find good jobs. I had to remove my first son from GIC. If they pay him too much, eventually I cannot afford to pay him. So, he’s working now for me.”</p> <p>Firm 8: CEO of SOilCn, “We have a good team of people. I interviewed most of them myself to make sure I hire the best people. Through careful hiring,, the company has acquired an extensive network of business associates and employees that helps me look for good deals through our good reputation in the oil and gas industry.”</p>	<p>CEO of SPreEngSg4, “Honestly, we need to learn from the Chinese. I am familiar with Chinese business partners and their investment behaviour though I tend to rely on myself and not on friends no matter how close we are. If you want, you can interview my friend from China in the next factory nearby..”</p> <p>Firm 13: CEO of SEngCompSg, “In my decision making about the new factory investment, my initial feelings about the location, surroundings and amenities of the factory are very important. Through these feelings, I make the decision to buy or not buy the factory on my own.”</p>	<p>Firm 18: CEO of SPreEngCn1, “We select our partners carefully. Most of our partners are actually existing customers that we have to listen to”</p> <p>Firm 17: CEO of SMachCompCn, “if we need the machinery, we buy it. If we want to invest in China, we go. We do not need to seek advice from people.”</p>	<p>Firm 24: CEO of SFoodCn, “Basically, our Chinese partners asked us for S\$2 million at the start and other amounts to be paid gradually. I will not say I used any calculation, but we can afford S\$2 million and we decided to loan it to them.”</p> <p>Firm 29:CEO of SClothesMalaysia, “ If our partners do not make money for us, we exit from our collaboration and look for better and more reliable partners. Of course, it may not be their fault if the investment do not make money. But we will rather look for partners that will help us to make money.”</p>

Table 53: Differences in the value of partnerships
Source: Author

4.5.2.1 Resource seeking behaviour

Typically, firms from the FDI and DI categories were both resource seeking¹⁶ in nature. However, only firms from the Value Creator, Restructurer and Refocuser categories had shown resource seeking tendencies. As shown in Table 54, most of the 10 Market Creators did not exhibit resource seeking tendencies.

4.5.2.2 Market seeking behaviour

The Value Creators with overseas SIDs, Refocusers and Market Creators exhibited market seeking¹⁷ tendencies. However, the Restructurers did not seem to have any market seeking behaviour. Hence, market seeking behaviours may be unique only to domestic SIDs from the Market Creators and overseas SIDs from the Value Creators, Refocusers and Market Creators as shown from the illustrative quotations in Table 55.

4.5.2.3 Efficiency seeking behaviour

Only firms from the secondary industry displayed efficiency seeking characteristics. The Restructurers and Refocusers were both efficiency seeking¹⁸, showing that efficiency seeking characteristics may not be unique to FDIs or DIs. Illustrative quotations are shown in Table 56.

¹⁶ Resource seeking- motivated by the natural resources and infrastructure (lower transportation, government incentives in the host country).

¹⁷ Market seeking- motivated by lower wages and lower material cost in the host country, access to foreign market

¹⁸ Efficiency seeking- need to lower production cost and take advantage of trade and investment incentives.

Value Creators/Primary	Restructurers/Secondary	Refocusers/Secondary
<p>Firm 1: CEO of SChemCn, “For this investment in China, It is the main source of agrochemicals! We can say there is no other choice. We started the acquisition because it’s the only supply.”</p>	<p>Firm 16: CEO of SPlatingSg, “In the supply chain, we vertically integrate. The main reason is cost savings in transportation by investing in the system. We have been buying the drums from our suppliers for many years, resulting in hefty transport and supply costs. Therefore we decided to manufacture the drums ourselves. The cost of transport is crucial. If we transport the drums from the suppliers, transport cost is heavy.”</p>	<p>Firm 18: CEO of SPreEngCn1, “We invest to seek lower cost of transport: The investment is driven by our desire to lower transportation costs due to the relocation of one of our major customers. Our customer wants to relocate to China and the cost of transport to him will be very high from Singapore. In order to fulfil his needs, we need to lower our cost of transportation to make our products still economically attractive to him. He saw a site in China, told me about it and I decided to invest in it after visiting the country. To understand a country, you need to go there and stay a month to see what it is like, not just one-two days.”</p>

Table 54: Resource seeking behaviour
Source: Author

Value Creators/Primary	Refocusers/Secondary	Market Creator/Tertiary
<p>Firm 1: Finance Director of SOilCn, “In 2012, our capital expenditure is expected to be 15% or more from net revenue. Growth from national oil companies and integrated oil companies would contribute 97% of the capital expenditure growth in 2012. Due to a positive economic demand outlook in 2012, we are increasing as much capital expenditure as we can offshore in our own industry to expand our market share locally and overseas.”</p> <p>Firm 1: CEO of SMetalCn, “We are so busy with our core business that we have to turn away certain customers with less profitable orders due to the lack of manpower needed to fulfil their orders. There is no need to invest in other businesses but rather strengthening our position constantly by investing in Singapore and other interesting projects that give me access to customers and staff overseas.”</p>	<p>Firm 17: CEO of SMachCompCn “We do not wish to lose our core customers and end up making a loss on our existing plant. This expansion might increase our customer base in the long run due to expansion overseas and decrease our overall cost, so we can make a better margin.”</p> <p>Firm 19: CEO of SPreEngCn2, “The main challenge is not securing funding or finding customers to support our business. It’s the lack of manpower, which will severely constrict our growth. The manpower regulations are severely strict. Last time we can employ 1 foreign worker to 1 Singaporean worker, now we can employ 1 to 3. We are classified under manufacturing, service sector is 1: 10. It is even worst. If we do not have enough labour to execute all the orders, we cannot take in all the orders that are coming in. Since we can’t employ workers in Singapore, we go overseas.”</p>	<p>Firm 26: CEO of SContainerVietnam, “We are a big business. Many proposals come on my table all the time. Its my job to select the correct one. It’s the ability to invest as there is huge demand for our products overseas.”</p> <p>Firm 29: CEO of SClothesMalaysia “We expand to strength our market share locally and worldwide. We diversify because you never know what is going to happen in this business climate.”</p> <p>Firm 25: CEO of SFoodVietnam “We are setting up a new factory in Vietnam to serve our current and overseas customers. We are in a niche market and very few can copy our products, though I say there are many substitutes. So, it is basically how fast we set up the factories.”</p>

Table 55: Market seeking behaviour
Source: Author

Restructurers and Refocusers/Secondary
<p>Restructurers (DIs)</p> <p>Firm 11: CEO of SPreEngSg2, “The immediate solution is to automate more of our operations, which we are in the process of execution in our new plant. We invest in the machinery to lower our selling and production cost. Cost savings and cost leadership is important in the competitive environment. All components look the same. We compete on cost on our components.”</p> <p>Firm 12: CEO of SPreEngSg3, “We need to lower our costs and survive in this economic situation. we will work in partnership with the trade associations and SPRING Singapore to lower our costs.”</p> <p>Firm 13: CEO of SEngCompSg, “As long as the customer base is stable, we can get machinery that fits their requirement to lower our production costs. Basically, our customers require the products which certain machinery can produce. So, we have to buy the machinery. If we outsource, we cannot guarantee that the goods arrive in a timely manner. If the goods arrive last minute, and there are any quality issues, we have to respray the whole component and maybe recut it. If its very last minute, we have to pay our workers overtime, which is 1.5 times their basic wages. Payment issues are very important. If we outsource, we pay first, and we have to wait for the customer to pay us, so money comes out of our accounts first. What if there are uncollectable debts? Then, we will make a loss.”</p> <p>Firm 9: CEO of SPremixSg, “The purchase of this factory is primarily to save rent. We used to rent a space in Jurong enterprise park, it is 12000 square feet, and the rental charge is \$16000 per mth. We did some basic calculations on our cost savings per year by investing in this new factory. However, this is not the main reason for our investment. If we own our own property, it acts as good collateral for banks, OD and for hedge funds. Investors will be more willing to invest in us since we have our own premises.”</p> <p>Refocusers (FDIs)</p> <p>Firm 19: CEO of SPreEngCn1, “Honestly this business is very hard to do as our margins are squeezed. We have separate subsidiaries in Vietnam and Malaysia, we will continue to run the Singapore outfit as long as we are breaking even. But in the later years, we will be expanding more offshore to lower our costs.”</p>

Table 56: Efficiency seeking behaviour
Source: Author

4.6 Conclusion

This section concludes the results section. A summary of the results from the four themes are discussed below.

It was found in the SMA section that the results for the Singaporean sample ran contrary to common expectations pertaining to Asian SID making practises. It was found that some of the Singaporean firms used simple financial measures like Payback and ROI which differed subtly from expectations that eastern managers

hardly use any financial tools in SID making. Similar to literature expectations, little emphasis was placed on the usefulness of financial and strategic analysis in the Singaporean sample. In contrary to expectations on Asian decision making practises, Singaporean decision makers were highly influenced by cost and less influenced by customer relationships for certain contextual categories. High financial control was shown which diverged from expectations that Asian firms tend to shown looser financial control in SID making.

In the strategic management and cross-cultural section, institutional similarities were found where high emphasis was placed on the use of intuition, the avoidance of uncertainty and future orientation. Low emphasis was placed on the importance of assertiveness, in-group collectivism and political behaviour in SID making. No evidence was found for the use of systematic steps in decision making which ran contrary to process SID making literature. Yet, it must be noted that the thought process in SID making often take several years. Though the CEOs/CFOs could not articulate nor identify with the systematic use of steps, much is unknown about the use of steps in the informal process to reduce uncertainty, assess potential risks and profitability as high emphasis is placed on intuition for these CEOs/CFOs. Thus, further research can explore these decision making steps in informal decision making.

In the fourth section on global strategic management, it was found that there was little evidence to support the expectations from literature that firms were typically more well-endowed before venturing overseas. In addition, while high financial expectations for overseas investments ran in line with literature on FDIs, however,

the Singaporean SIDs were lower in control and were longer term for overseas investments. The selection for a host country to invest in also appeared to be unique to each contextual categories and not institutional specific.

Despite institutional similarities, there were subtle differences behind the reasons for such behaviour. These subtle differences in emphasis were reflected in the four contextual categories. These differences are further discussed with expectations from literature in the discussion section. The discussion section summarises the literature expectations pertaining to each section and evaluates the general practises shown by the Singaporean sample and the unique practises exhibited by the four contextual categories.

CHAPTER 5: DISCUSSION AND ANALYSIS

5.1 Introduction

This chapter narrows down the role of SID making in strategic management accounting, strategic management, cross cultural management and global strategic management research using three research questions.

The first research question examines common themes from each of the four dimensions (SMA, SM, CCM and GSM) to determine the convergence in SID making practises. The second research question divides the similarities and differences across the thirty SIDs into four contextual categories (Carr et al., 2010) for issues where no commonalities are observed. The third research question consolidates the findings from the first three themes (SMA, SM and CCM) and unique GSM themes in order to distinguish between overseas and local SIDs.

Within each research question, SID making expectations from the literature review are analysed and compared with the actual practises shown in the thirty case studies. From the analysis, the pre-conceptual framework in the literature review is reformulated into the post-conceptual framework.

5.2 RQ1: International Approaches to SID making

In today's globalisation, companies may develop similarities across contextual categories due to individual country influences (Carr and Pudelko, 2006). Despite globalisation's converging impact, SID making practises varies across countries due to influences from finance and strategy (Carr, 2005; Carr and Pudelko, 2006; Guilding et al., 2000; Lu and Heard, 1995; Thomas III and Waring, 1999). These differences are reflected in Figure 10 which portrays the SID decision process

emphasis in seven countries¹⁹. Six countries are originally scored in Carr (2005). Singapore is added to this figure for cross-country comparison.

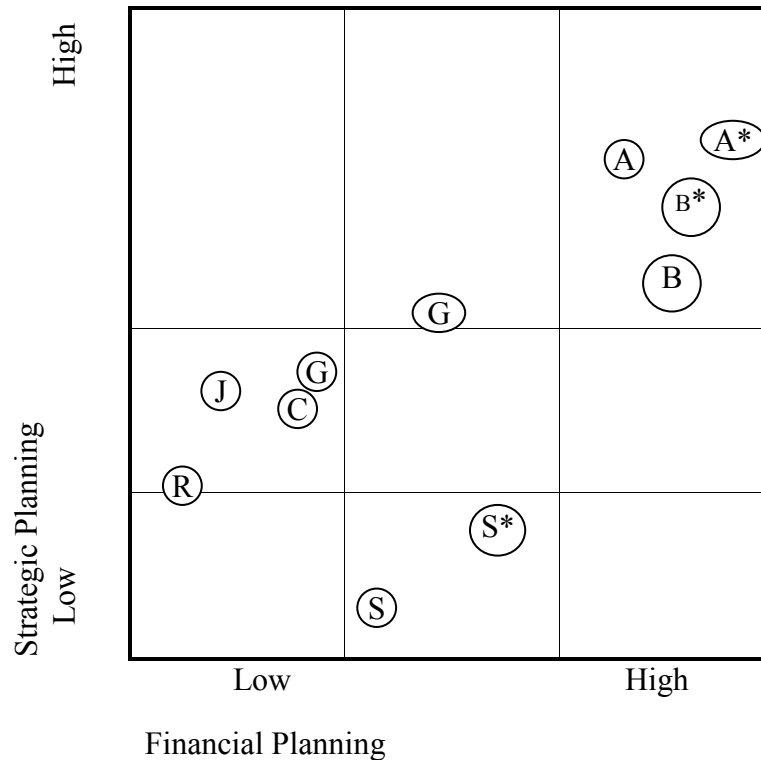


Figure 10: SID decision process emphases in 7 countries
Source: Author adapted from Carr, 2005

However, as depicted in the literature review, the issue of convergence versus divergence in SID making practises is still unresolved by today’s researchers. Thus, Research Question 1 (RQ1) addresses the role of convergence versus divergence of SID making practises in today’s globalisation as shown below:

Research question (RQ1): Do strategic management accounting, strategic management and cultural aspects vary across Singaporean companies in SID making?

¹⁹ America-A, Germany-G, Britain-B, Japan-J, Russia-R, China-C, Singapore DI-S, Singapore FDI-S*

The literature review is revisited in order to extract thirteen expectations on worldwide SID making practises in relation to RQ1. A summary of the expectations based on the literature review is shown in the first two columns of Table 57-59. The practises that are exhibited by the thirty Singaporean firms and the degree of concurrence with the expectations are shown in the next columns. The next section analyses the expectations and practises in detail. This sequence is repeated in the analysis to RQ2 and RQ3.

Reference	Expectation	Practise	Agreement ²⁰
Lu and Heard, 1995	Expectation 1: Eastern managers hardly use any financial planning tools for their SIDs	Practise 1: Singaporean managers use simple financial measures for pre-SID planning.	***
Carr, 2005; Carr et al., 2010; Carr and Tomkins, 1998; Ji and Dimitratos, 2013	Expectation 2: In SID making, Asian firms places little emphasis on the usefulness of financial and strategic analysis in comparison to Anglo-Saxon firms.	Practise 2: Singaporean firms dismiss the usefulness of formal financial and strategic analysis. Formal financial calculus has 0% influence on their SID making practises. Yet, financial over strategic reasons prevails for most SID investments, showing that the Singaporean firms are more financially than strategically orientated, despite the lack of influences from the usage of formal SMA techniques. These differences may occur due to variances in information processing between the east and the west (Haley, 1997)	*****
Lu and Heard, 1995	Expectation 3: Customer relationships are prioritised in Asia.	Practise 3: Customer relationships are prioritised in some parts of Asia, for instance Japan and China. However, customer relationships and the desire to increase competitive advantage seem to be almost on par for the Singaporean sample.	***
Carr and Pudelko, 2006	Expectation 4: Asian decision making styles are less influenced by cost, in contrast to the Western decision making style.	Practise 4: The 30 Singaporean firms are highly cost-influenced. Hence, their investment style may be more similar to European and Anglo-Saxon firms due to heightened western influences in comparison to other Asian countries.	*
Carr and Tomkins, 1998; Cheng et al., 2010	Expectation 5: Asian firms exhibit less financial control, low division of large groups and practise highly active control over their SIDs.	Practise 5: Singaporean firms exhibit high financial control, low hands-off control, low division of large groups due to strong city pressures. While low hands-off control and low division of large groups are expected from the behaviours of Asian firms (Carr and Tomkins, 1998; Cheng et al., 2010), high financial control is not expected to correlate with these variables. Hence, we suspect that high financial control is linked to strong perceived city pressures.	***

Table 57: SMA Perspectives: Expectations and practises (RQ1)

Source: Author

²⁰ * for no agreement *****for full agreement.

Reference	Expectation	Practise	Agreement ²¹
Cheng et al., 2010; Ji and Dimitratos, 2013	Expectation 6: Asian decision makers are less rational than the western decision makers.	Practise 6: The rationality of decision making remains inconclusive as most of the firms have high decision making speed, do not use systematic steps in decision making and yet they are long term in perspective.	*
Mintzberg et al., 1976	Expectation 6.1: The SID making process goes through a 4 stage analytical process by the firms with a different focus on each step due to influences from finance and strategy.	Practise 6.1: Systematic steps does not influence rational decision making.	*
Eisenhardt, 1989	Expectation 6.2: The rationality of decision making is negatively correlated to environmental factors which denote that the higher the velocity of the environment, the higher the SID making speed.	Practise 6.2: The speed of decision making ranges from the high ranges of 1-5 years in the Singaporean sample. Thus, the speed of decision making may be culture specific, with little influences on the rationality of decision making.	*
Kandemir and Acur, 2012	Expectation 6.3: The rationality of decision making is positively correlated to the firm's future orientation.	Practise 6.3: The decision makers in the sample exhibit overall long-termism characteristics. Hence, rationality is not correlated to long termism.	*
Salas et al., 2010	Expectation 7: The use and effectiveness of intuition is influenced by the decision maker, decision task and decision environment.	Practise 7: While the 30 firms are intuitive to varying degrees, all of the Singaporean firms support the use of intuition as a decision making tool, which suggest that the use of intuition is common among East Asian businessmen.	*
Kandemir and Acur, 2012; Shenkar and Yan, 2002; Walter et al., 2012	Expectation 8: Political behaviour can be helpful to the organisation by accelerating the performance of the firm	Practise 8: Political behaviour does not influence decision making and firm performance.	*

Table 58: Strategic Management Perspectives: Expectations and practises (RQ1)
Source: Author

²¹ * for no agreement *****for full agreement.

Reference	Expectation	Practise	Agreement ²²
House et al., 2004	Expectation 9: Singaporean decision makers are high on uncertainty avoidance with a score of 5.31.	Practise 9: Uncertainty avoidance can be regarded as a cultural characteristic as it does not seem to be specific to contextual categories or investment type, Overall, we find House et al (2004, p. 304)'s scoring highly accurate. However, as this research pertains to SID making, a higher score is attributed for uncertainty avoidance.	*****
House et al., 2004	Expectation 10: Singaporean firms are highly future orientated in perspective.	Practise 10: This high future orientation and long term strategic outlook suggests a high degree of accuracy with House et al.(2004, p 304's) findings which ranked Singapore highest among 62 societies for their future orientation perspective.	*****
House et al., 2004	Expectation 11: Singapore scores lower in power distance compared to Japan, U.K. and U.S.	Practise 11: From the transcripts, evidence shows that there may be higher power distance than the score assigned by House et al (2004, p.304) for Japan. Hence, Singapore's score for power distance on a SID basic is higher. Thus, House et al (2004, p.304) scores may be slightly lower for non-SIDs and higher for SID making.	****
House et al., 2004	Expectation 12: Singaporean decision makers score higher than Japanese decision makers in terms of assertiveness.	Practise 12: There is a high discrepancy between House et al(2004, p304) scores for assertiveness. We found that Singaporean decision makers score lower than Japanese decision makers in terms of assertiveness. However, as the GLOBE scores apply to decision making on a daily life basis, this higher score may be unique to SID making.	**
House et al., 2004	Expectation 13: In-group collectivism is higher for Singaporean decision makers in comparison to Japan and just slightly lower than China.	Practise 13: In-group collectivism is much lower in Singapore in comparison to Japan and China	*

Table 59: Cross Cultural Perspectives: Expectations and practises (RQ1)
Source: Author

²² * for no agreement *****for full agreement.

5.2.1 Strategic Management Accounting Perspectives

5.2.1.1 Expectation versus Practise 1: Usage of financial tools

The first expectation below is derived from Lu and Heard (1995) who suggest that eastern SIDs may be similar.

Expectation 1: Eastern managers hardly use any financial planning tools for their SIDs (Lu and Heard, 1995).

Use of financial measures

These differences in expectations versus practises are highlighted in Table 60 (Carr, 2005) which is used to determine the use of financial measures in Singaporean against Anglo-Saxon, German and Japanese SIDs. Table 60 is originally obtained from Carr (2005, p.1166) and updated with results from Carr et al (2010) and the thirty Singaporean SIDs. It must be noted that the tabulation of these financial results can be regarded as the main difference between Carr (2005, p.1166) and the Singaporean research findings. Carr (2005, p.1166)'s results are actual financial figures obtained from the investment reports of the firms. For most of the firms in the sample, intuitive figures are obtained from the finance directors or financial managers. In addition, twenty-four out of thirty directors did not identify with ROE and IRR, which are left out in this analysis, though it will be insightful to compare the Singaporean results with Japan, U.S, U.K and Germany.

	No of companies interviewed	No of SIDs discussed	% using DCF as key target	% using payback as key target	% using return on capital as key target	% using other fin measure(s) as key target (ie: cashflow)
UK 1989-2002	28	31	19.7	64.3	16.0	0
Germany 1989-98	35	37	18.9	51.4	16.2	13.5
USA 1994- 2003	14	17	48	11.5	23	17.5
Japan 1995-2002	13	15	0	80.1	6.9	13
Singapore 2011-13	30	30	0	63.3	31.2	5.8
Total	120	130	-	-	-	-
Segmentation of cases						
Singaporean Value Creators (Primary)	8	8	0	90	0	10
Singaporean Restructurers (Secondary)	8	8	0	50	40	10
Refocusers (Secondary)	4	4	0	20	80	0
Total Secondary (Singaporean Restructurers and Singaporean Refocusers)	12	12	0	40	53.4	6.6
Market Creators (Tertiary)	10	10	0	70	30	0
Singaporean FDIs	14	14	0	50.7	45.8	3.5
Singaporean DIs	16	16	0	75.4	16.5	8.1

Table 60: Use of financial measures
Source: Author adapted from Carr, 2005

Table 60 reflects that both Japan and Singapore do not use DCF targets as a pre-decision measure. These two countries appear to prefer the usage of payback and the return on capital (ROC) method for financial forecasting. In contrast, U.K, U.S and Germany use a combination of Discounted Cash Flow (DCF), payback, ROC and other financial measures to forecast a SID's potential return. The second most popular financial calculus approach is DCF after payback for U.K, U.S and Germany. While payback is the most popular financial measure for both Singapore and Japan, Singapore obtains the highest rank among the five countries for the use of ROC. It is noted that U.K has a higher score than Singapore for the use of payback as

a key target. Unlike the Japanese and German firms who are more responsive to the use of internal cash flow calculations as a post decision making measure (Thomas III and Waring, 1999), the use of cash flow as a financial indicator is not evident in 27 of the thirty firms in post decision making. This may be due to the Singaporean firms' propensity to use cash surpluses as a leverage calculator and usage of cash flow calculations to determine the leverage required for the SID (Hirota, 1999).

This analysis shows that the use of payback and cash flow may not be a sole eastern preference. In addition, there are large differences between the Confucian Asia example of Japan and the British influenced example of Singapore which is clustered with Hongkong, Taiwan, Thailand and Philippines by Hofstede (1980, 1983). However, eastern managers seem to be predisposed to use simpler financial methods as shown in Practise 1 below.

Practise 1: Singaporean managers use simple financial measures for pre-SID planning.

5.2.1.2 Expectation versus Practise 2: Financial and strategic influences

Expectation 2 concentrates on the influences from the usage of SMA tools as shown below:

Expectation 2: In SID making, Asian firms places little emphasis on the usefulness of financial and strategic analysis in comparison to Anglo-Saxon firms (Carr, 2005; Carr and Tomkins, 1998; Carr et al., 2010; Ji and Dimitratos, 2013).

Role of financial and strategic analysis

In line with the argument that Asian firms use little financial and strategic analysis in SID making in comparison to Anglo-Saxon firms, inter-country differences are

explored by comparing the research findings with Carr and Tomkins (1998, p. 224-226)'s results²³.

Table 61 shows the influence of financial calculations in SIDs making versus the alignment of customer value chain relationships and strategic considerations. Strategic considerations are subdivided into four components: the influence of customer value chain relationships, the desire to decrease cost, increase competitive advantage and the influence of other factors. The Singaporean firms' strategic considerations in SID making are scored based on percentages from 0% -100% according to the responses from the transcripts. The average performance score is derived from the results in the seven-point Likert Questionnaire where -5 to + 5 are assigned based on the average scores obtained from the CEOs and Finance Directors responses and tabulations from the companies' financial reports.

²³ Carr and Tomkins (1998)'s system of scoring is based on an elaborated structure derived from Shank (1996).

	No of companies interviewed	No of SIDs discussed	Influence of financial calculus %	Influence of value chain relationship %	Desire to decrease cost (influence)%	Desire to increase competitive advantage (Influence)%	Influence of other factors %	Average Performance score
UK 1989-2002	28	31	45.2	22.1	5.8	20.2	6.7	-1.6
Germany 1989-98	35	37	15	39.1	8.1	34.2	3.6	1.90
USA 1994- 2003	14	17	48.3	10.1	3	38.6	0	2.70
Japan 1995-2002	13	15	13.6	50.2	9.3	26.9	0	2.10
Singapore 2011-12	30	30	0	38.6	17.3	33.3	10.6	3.6
Total	120	130	-	-	-	-		
Segmentation of cases								
Singaporean Value Creators (Primary)	8	8	0	0.00	0.00	75.0	25.0	4.6
Singaporean Restructurers (Secondary)	8	8	0	30.0	60.0	0.00	10.0	2.12
Refocusers (Secondary)	4	4	0	80.0	10.0	0.00	10.0	3.5
Total Secondary (Singaporean Restructurers and Singaporean Refocusers)	12	12	0	46.6	43.3	0.00	10.0	2.58
Market Creators (Tertiary)	10	10	0	60.0	0.00	40.0	0.00	4.1
Singaporean FDIs	14	14	0	68.4	7.14	28.6	7.4	4.3
Singaporean DIs	16	16	0	12.5	26.2	37.4	13.6	3.0

Table 61- Country Comparison: Influence of Financial calculations versus strategic influences.
Source: Author adapted from Carr and Tomkins (1998, p. 224-226).

Table 61 shows that the Anglo-Saxon and European decision making styles tend to be more financially orientated and less strategic in comparison to their eastern counterparts (Ji and Dimitratos, 2013). Anglo-Saxon companies appear to use a structured approach to SID making and incorporate the heavy use of capital budgeting tools. For instance, U.S SIDs rank highest at 48% and U.K SIDs at 45% for the influence of financial techniques (Carr and Tomkins, 1998).

The empirical examples of China (Lu and Heard, 1995) and Japan (Carr et al., 2010; Carr and Pudelko, 2006) portray limited financial influences in Asia. Discussions documents that firms in Japan and China are more strategic and less rational in nature. Firms in China and Japan are perceived to be long termism, relationship orientated and influenced heavily by institutional conditions. Discussions on decision making in China are usually centred on the emphasis on the relationships, institutional influences and executives' long-term perspectives (Lu and Heard 1995). China's strategic focal tends to be market seeking (Buckley et al., 2007a), long term (Lu and Heard, 1995), group influenced (Guest and Sutherland, 2010) and concentrates on the holistic big picture, guanxi²⁴ and political associations (Cheng et al., 2010). They are overall less influenced by finances and prefer more team-orientated decision making (Ji and Dimitratos, 2013). Japanese companies show a higher strategic tendency and a downplayed financial outlook (Carr and Pudelko, 2006; Carr et al., 2010). Research studies accentuate the higher weightage placed on the strategic objectives of asset seeking (Delios and Henisz, 2000), long term

²⁴ Relationships between business partners, customers, suppliers and governmental bodies.

planning (Carr and Tomkins, 1998) and market share increase in Japan (Thomas III and Waring, 1999).

This literature is supported by the Singapore firms' score of 0%, Japanese firms' low score of 13.6% and German firms' low score of 15% for the influence of financial calculus (Carr and Tomkins, 1998). However, while the influences of finance calculus is 0%, the Singaporean firms are largely profit driven. To further examine how SID making differs across the East and the West, we look at the SIDs' hurdle rates in the next table. Table 62 is originally obtained from Carr and Pudelko (2006, p.80) and updated with SIDs from Carr et al (2010) and the new Singaporean SIDs.

	No of companies interviewed	No of SIDs discussed	Internal rate of return target %	Av payback target yrs (max 6 cap)	% of these flexible on targets	Av return on capital target when sought %
UK 1989-2002	28	31	25.7	3.4	76.5	21
Germany 1989-98	35	37	15	5.1	90.5	14.9
USA 1994- 2003	14	17	20	3.29	41.2	20
Japan 1995-2002	13	15	N/A	5.5	100	11
Singapore 2011-13	30	30	N/A	4.3	84	17.3
Total	120	130	-	-	-	-
Segmentation of cases						
Singaporean Value Creators (Primary)	8	8	N/A	4.75	100%	17.5
Singaporean Restructurers (Secondary)	8	8	N/A	4.25	50%	13.1
Refocusers (Secondary)	4	4	N/A	3.75	80%	18.8
Total Secondary (Singaporean Restructurers and Singaporean Refocusers)	12	12	N/A	4.08	60%	15.0
Market Creators (Tertiary)	10	10	N/A	4.3	100%	20.0
Singaporean FDIs	14	14	N/A	4.57	94%	18.2
Singaporean DIs	16	16	N/A	4.13	75%	16.6

Table 62: SIDs' hurdle rates

Source: Author adapted from Carr and Pudelko, 2006, p.80

The Singaporean sample appears to exhibit similar characteristics to the Japanese and German firms. However, we argue that the Singaporean sample may be more similar to the German sample. In Table 62, we see that the thirty Singaporean companies have an expected return on capital of 17.3%, which is closer to Germany than the rest of the countries. Japan's expected return on capital is 11%, which shows that the Japanese may be slightly more long termism in contrast to Singaporean companies. Similarities between the Japanese and German companies are reflected in the long term view "in terms of profit orientation" (Carr and Tomkins, 1998, p. 220) and flexibility in Japanese and German payback targets (Carr and Tomkins, 1998, p. 220; Carr and Pudelko, 2006, p. 80). Yet, the Germans are more financially than strategically orientated than the Japanese. The results section espouses the financial orientation of the Singaporean sample by reflecting that four firms expect the SID to perform at twenty percent or above and ten firms expect the SID to perform at thirty percent or above. As the average performance of the Singaporean firms rank the highest among these countries, it can be deduced that financial emphases on cost and profitability versus strategy dominates in successful SIDs. Formal financial analysis may play little part in firm performance as profit-driven CEOs/CFOs may use many informal financial heuristics in order to have a good understanding of likely future cash flows, costs, margins, options and risks, based on experience and on-going, informal, related inquiries and discussions.

This result reinforces Haley (1997)'s argument that differences in decision making between the east and the west occurs due to variances in information processing, where Asian executives tend to prefer the use of internal analysis and subjective data

from their friends and partners for judgement in comparison to Western executives who prefer objective quantitative data for decision making. Overall the researcher agrees with Expectation 2. For the majority of the firms, the lack of SMA usage may be due to differences in information processing as depicted in practise 2:

Practise 2: Singaporean firms dismiss the usefulness of formal financial and strategic analysis. Formal financial calculus has 0% influence on their SID making practises. Yet, financial over strategic reasons prevails for most SID investments, showing that the Singaporean firms are more financially than strategically orientated, despite the lack of influences from the usage of formal SMA techniques. These differences may occur due to variances in information processing between the east and the west (Haley, 1997)

Therefore, some facades of strategic decision making behaviour, like hurdle rates and attitudes towards financial versus strategic analysis may be more important than known contextual variables.

5.2.1.3 Expectation versus Practise 3: Customer relationships

Expectation 3 suggests that Asian companies prioritise customer relationships and external customer involvement in SID making (Lu and Heard, 1995).

Expectation 3: Customer relationships are prioritised in Asia (Lu and Heard, 1995).

However, differences are found in Singaporean practises which are elaborated in the section below:

Customer value chain relationships

In Table 62, Japan scores highest for customer value chain relationships at 50.2%, followed by Germany at 39.1%, U.S at 22.1% and U.K at 10.1%. These results confirm the claim that Japanese decisions are dominated by customer relationships to a much greater degree than Germany (Carr and Tomkins, 1998). The strategic

emphasis varies significantly between the Singaporean and Japanese firms with Japanese companies prioritising customer value chain relationships at 50.2% over increasing their competitive edge at 26.9%. However, while the Singaporean firms value customer value relationships as well at 38.6%, their desire to increase competitive advantage stands at 33.3%. The difference in value between these two variables is just slightly lower at 5.3% for the Singaporean firms in contrast to the Japanese firms who differ in value of 23.3%. Singapore's scores bear surprising similarity to the scores of 34.2% for German and 38.6% for US. Similar to US who is highly financially orientated, but "put more emphasis on analysing competitive advantage than any other country" (Carr and Tomkins, 1998, p. 225), the Singaporean firms place more value on competitive advantage. Hence, this result affirms that Singaporean companies may be more financial and less strategic in comparison to Japan.

Practise 3: Customer relationships are prioritised in some parts of Asia, for instance Japan and China. However, customer relationships and the desire to increase competitive advantage seem to be almost on par for the Singaporean sample.

However, these results may be misleading across contextual categories as we have found that the Refocusers, Restructurers and Market Creators are more highly customer led than the Value Creators. These results will be further explored in RQ2's section on contextual types.

5.2.1.4 Expectation versus Practise 4: Cost perspectives

Expectation 4 below on cost influences has been highly debated in SID making literature.

Expectation 4: Asian decision making styles are less influenced by cost (Carr and Pudelko, 2006), in contrast to the Western decision making style.

Expectation 4 is analysed by looking at the firm's desire to increase cost driver influence through the percentage scores assigned by the Singaporean decision makers for the influences of financial calculus in the seven-point Likert scale. However, the 0% given for financial calculus for the Singaporean sample may be deceptive when combined with the results from cost influences. Singapore scores highest at 17.3% for cost driver influence in contrast to U.S, U.K, Germany and Japanese who score below 10%. This behaviour is similar to the Anglo-Saxon firms though they differ by the extent of vigour used in formal strategic and financial planning. In addition, these results are analogous to the Anglo-Saxon companies who perhaps exhibit superiority in creative accounting techniques (Carr and Tomkins, 1998). From the quotations in the results section, it can be seen that the Singaporean decisions are made at the initial stage of decision making which is comparable to US where decisions are made early and latter stages of decision making are mere rubberstamping activities (Carr and Tomkins, 1998).

These results may be unanticipated when the majority of the Singaporean firms claim that they place little or no value on the usefulness of financial tools. Yet, one important objective of the case study approach is to determine the extent of financial versus strategic influence in the firm's most significant SID, in contrast to the firm's degree of SMA technique usage (Carr and Pudelko, 2006). The high score of 17.3 for cost influences is further reinforced in the results section where strong financial reasons influencing pre and post decision evaluation are reflected. Overall, informal financial influences do affect Singaporean SID making practises which updates the

assumption that Asian firms are highly influenced by strategic concerns in the Singaporean context.

The differences are reflected in practise 4 as shown below:

Practise 4: The thirty Singaporean firms are highly cost-influenced. Hence, their investment style may be more similar to European and Anglo-Saxon firms due to heightened western influences in comparison to other Asian countries.

5.2.1.5 Expectation versus Practise 5: Control Styles

There are a few assumptions about Asian firms' characteristics as reflected in expectation 5:

Expectation 5: Asian firms exhibit less financial control, low division of large groups and practise highly active control over their SIDs (Carr and Tomkins, 1998; Cheng et al., 2010).

To investigate expectation 5, the firms' control features are computed in Table 63 which shows the control features of Singaporean firms versus UK, USA, Japan and German firms using figures from Carr and Tomkins (1998, p.226) for cross-country comparison.

	Financial Control Style(%)	Hands off style by parent(%)	Division of large groups(%)	Perceived city pressure (%)
Japan	0	0	10	0
Germany	23	10	32	5
USA	54	54	82	30
UK	68	73	100	100
Singapore	58	18	15	65
Segmentation of cases				
Singaporean Value Creators (Primary)	30	10	5	5
Singaporean Restructurers (Secondary)	60	5	10	100
Refocusers (Secondary)	40	20	5	70
Total Secondary (Singaporean Restructurers and Singaporean Refocusers)	40	28	13	30
Market Creators (Tertiary)	40	30	20	20
Singaporean FDIs	40	24	15	30
Singaporean DIs	50	10	8	60

Table 63: Control Features

Source: Author adapted from Carr and Tomkins (1998, p.226)

Financial control styles

Table 63 shows that the Singaporean SID is highly influenced by financial control styles²⁵ of 58% similar to U.K (68%) and U.S (54%) as compared to Germany (23%) and Japan (0%). Similar to the Anglo-Saxon firms who exert high financial control due to pressures for financial results (Carr and Tomkins, 1998), twenty out of thirty Singaporean companies exert active control and five exert medium control over their SIDs due to pressures for exceptional financial results.

Financial expectations for Singaporean SID making are expected to be lower than Anglo-Saxon countries due to the similarity of Singapore and Japan as Asian based

²⁵ Financial controls influence refers to “stretching budgets, or applying pressures such that these budgets are met.”(Carr and Tomkins, 1998, p. 226)

countries as supported by Thomas III and Waring (1999)'s comment that companies in Japan are highly influenced by network relationships and have lower financial control styles. Further, strong financial control influence is not expected from the Singaporean sample as twenty-five out of the thirty firms are family owned, as evidenced by Carr and Tomkins (1998)'s comment that family firms are less financially orientated across the German and Japanese context. These findings imply that the history and ownership of an organisation has a significant, probably dominant influence on its culture and management practices. However, a 50% score is assigned to the Singaporean firms for financial control influence. These results are parallel to the Singaporean governmental approach evidenced by Koh (2007)'s comment that the Singaporean government exhibits a high level of control in all aspects of the Singaporean lifestyle which hints at top-down micromanagement. Hence, the firms' high level of financial control may be a unique Singaporean contextual feature.

It must be noted that Carr and Tomkins (1998) and Thomas III and Waring (1999)'s research were conducted more than ten years ago. These updated findings concur with Gupta and Govindarajan (2004, p. 11)'s pronouncement that "the economic map of the world" and the "composition of the world's five hundred to one thousand largest corporations will be radically different" over time, which infers that the updated Singaporean findings might be more accurate in today's context.

Hands-off control and division of large groups

Similar to the Chinese context, low hands-off control and minimum division of large groups is seen. Five firms practise hands-off control and twenty-five firms exert high financial control. The social-political path of decision making expresses:

“The focus on the collective effort and the organization’s interest in a Chinese company tends to align decision team members towards a common goal that reduces dysfunctional political behavior. Group orientation is underpinned by values such as putting the group’s interest before individuals and maintaining good guanxi among members. This is different from the Western value system (such as the United States) that focuses on individualism where the relationship between employers and employees is mostly contractual (Hofstede 1994). The results from this empirical study confirmed that collective behavior, the inner social network, and this network of relationships are significant social political forces among Chinese managers seeking higher organizational performance.” (Cheng et al., 2010, p. 1389).

The five firms that practise hands-off control still monitor the financial performance of their SIDs very actively. These practises reflect South East Asia decision makers’ authoritative style in decision making (Haley, 1997). In contrast, Anglo Saxon companies who practise high financial control styles are still hands off. Similar to Japan, there are low division of large groups among most of the thirty Singaporean companies, which may make the firms likely to intervene actively in their SIDs. Singapore’s city pressured behaviour can be attributed to Singapore’s unique lack of natural resources, which contributed to its high dependence on unpredictable international trade, resulting into lesser permanent relations in comparison to Japan and resource rich China. These perceived city pressures may result in them adapting stricter financial policies. From these perspectives, the lack of hands-off control and high financial control may be specific to Singapore. These distinct differences are reflected in Practise 5:

Practise 5: Singaporean firms exhibit high financial control, low hands-off control, low division of large groups due to strong city pressures. While low hands-off control and low division of large groups was expected from the behaviours of Asian firms (Carr and Tomkins , 1998; Cheng et al., 2010), high financial control was not expected. Hence, we suspect that high financial control is linked to strong perceived city pressures.

5.2.2 Strategic Management Perspectives

The process dimensions of politics, intuition, rationality and steps in decision making in influencing SID making practises are analysed in expectation versus practise 6.

5.2.2.1 Expectation versus Practise 6: Rationality in decision making

The sixth expectation is reflected below:

Expectation 6: Asian decision makers are less rational than the western decision makers.

Expectation 6 is explored by revisiting the definition of decision making rationality. Rationality in decision making can also be defined as the speed of decision making (Eisenhardt, 1989b), decision making steps (Mintzberg et al., 1976) and degree of future orientation (Kandemir and Acur, 2012). Hence, this definition leads to three sub-expectations pertaining to the rationality in decision making which will be used to justify our conclusion for the 6th practise.

An analysis of the sub expectations and practises is shown next.

Steps of decision making

The literature review reflects that decision makers go through systematic steps in decision making as shown in expectation 6.1:

Expectation 6.1: The SID making process goes through a 4 stage analytical process by the firms with a different focus on each step due to influences from finance and strategy.

Little evidence is found to support the importance of decision-making steps in SID making in the Singaporean sample. In the seven-point Likert scale, 15% is assigned to the importance of decision making steps in decision making. Thus, this score reveals that that the steps of decision making model may be irrelevant to today's decision making as globalisation may have eliminated the need for these systematic steps in the East Asia context. Haley, (1997, p.589) mentions:

“In an informational void, conventional analytical problem solving that stresses sequential, systematic, and step-by-step approaches to decision making often prove unworkable.”

Further, quotations from the decision makers convey little recognition of the importance of systematic steps in decision-making. The CEO of SCosmeticsSg reflected, “Time is crucial in making decisions. The use of many different steps in decision-making will hinder the progress of the decision-making. Speed is critical.”

Practise 6.1 is summarised as follows:

Practise 6.1: Systematic steps does not influence rational decision making

These results are supported by the previous section that has found that decisions are mainly made at the early stages of SID making and not through systematic steps.

Decision making speed

Expectation 6.2 on decision making speed is shown below:

Expectation 6.2: The rationality of decision making is negatively correlated to environmental factors which denote that the higher the velocity of the environment, the higher the SID making speed.

As the results section mentions, 1-5 years will be defined as high decision making speed in SID making literature. The Singaporean companies have taken 1-5 years in

SID making, reflecting overall high decision making speed. Overall, the research evidence supports the claim that decision making speed is faster in unpredictable environments and slower in predictable environments (Baum and Wally, 2003, Eisenhardt, 1989a; Bourgeois and Eisenhardt, 1988; Miller and Friesen, 1983), with nine companies in lower velocity environments having high decision making speed, and 21 companies from the higher velocity environments with higher decision making speed. Thus, the stance taken by later SID making literature is substantiated by this research's empirical results that conclude with faster decision-making speed in unpredictable environments and slower in predictable environments. However, the speed of decision-making is higher overall in the Singaporean sample (one to four years) in comparison to their Anglo-Saxon counterparts (one - ten years). Shorter decision making timespans may be a cultural specific characteristic as different nations may view certain issues as less urgent in contrast to other nations (Schneider and De Meyer, 1991). Thus, the speed of decision-making may do little to influence the rationality of decision-making as summarised in practise 6.2:

Practise 6.2: The speed of decision making ranges from the high ranges of 1-5 years in the Singaporean sample. Thus, the speed of decision making may be culture specific, with little influences on the rationality of decision making.

The speed of decision making can be also related to intuitive behaviour. The results on decision making speed supports the evidence that Singaporean decision making is highly intuitive and may be less rational in nature. However, the analysis on long termism does not support the low rationality of decision making in the Singaporean context as shown below.

Long term orientation

Rationality is also defined by the long term orientation of the firm as shown in Expectation 6.3.

Expectation 6.3: The rationality of decision making is positively correlated to the firm's future orientation.

Due to the tremendous amount of risk and opportunity cost of embarking on a long term decision, long termism is correlated with decision making rationality (Souder and Myles Shaver., 2010; Kandemir and Acur, 2012). This is due to the reason that a longer term investment requires a longer time period for higher returns to set in (Souder and Myles Shaver ,2010). Thus, firms are expected to be in a favourable cash flow position and be in a good position for self-capital generation before embarking on long term SIDs (Souder and Myles Shaver, 2010). In tandem with the literature that suggests that decision makers are long termism when making larger SIDs (Souder and Myles Shaver, 2010), the Singaporean empirical results suggest that long termism is frequently associated with the SID-making process which in turn increase the rationality of decision making (Kandemir and Acur, 2012) in the Singaporean context. The theme of future orientation appear to predominate in the sample with 88% percent assigned to long termism in the seven-point Likert scale. These views are reinforced by the quotations in the results chapter which support Wang and Bansal. (2012)'s claim that firms who are long term in perspective often engage in intermediary activities such as R & D and develop strategic resources with no explicit financial value in order to draw value from stakeholder relationships and obtain future competitive advantage.

Practise 6.3 is reflected as follows.

Practise 6.3: The decision makers in the sample exhibit overall long-termism characteristics. Hence, rationality is not correlated to long termism.

Practise 6

In summary, the non-usage of systematic steps, and high decision-making speed reflects low rationality of decision-making. These results are contradictory to long-term orientation of the firm that suggests higher decision-making rationality. Though this research has defined systematic steps, decision making speed and long term orientation as sub-influences of rational decision making, a satisfactory conclusion to outline the rationality of Asian decision making is not found when the three variables are analysed in isolation. Thus, it is suggested that the rationality of Asian decision making in comparison to Western decision making remains inconclusive with respect to Practise 6:

Practise 6: The rationality of decision making remains inconclusive as most of the firms have high decision making speed, do not use systematic steps in decision making and yet they are long term in perspective.

5.2.2.2 Expectation versus Practise 7: Intuition in decision making

The literature review proposes that the use and effectiveness of intuition is influenced by the decision maker, decision task and decision environment (Salas et al., 2010). This proposition is reflected in Expectation 7:

Expectation 7: The use and effectiveness of intuition is influenced by the decision maker, decision task and decision environment (Salas et al., 2010).

Further evidence is given in the section below:

Intuition in decision making

The literature suggests that the use and effectiveness of intuition is more highly regarded in the Asian context. In examining the role of intuition in decision-making, 92.5 percent is assigned to the value of intuition in decision making in the seven-point Likert scale. This behaviour is concurrent with the East Asian mode of decision making where “managers take a general approach to problems, define parameters intuitively, and explore solutions holistically.” (Haley, 1997, p.589)

These intuitive inclinations may be the result of national culture affecting SID making behaviour (Keplinger *et al.*, 2012). As explained by Schneider and De Meyer (1991), the sociocultural context of an organisation may be a greater influence on intuitive decision making than the influences of group dynamics and organisational context. Due to the differences in interpretation and responses to environmental and strategic issues (Schneider and De Meyer, 1991), Asian decision makers may prefer to rely more on intuition when making crucial decisions. Thus, intuition is reflected as a cultural trait in the Singaporean empirical results which is contradictory to Salas *et al* (2010)’s proposition as shown in Practise 7 below:

Practise 7: While the thirty firms are intuitive to varying degrees, all of the Singaporean firms support the use of intuition as a decision making tool, which suggest that the use of intuition is common among East Asian businessmen.

This section analyses the perceived value placed on intuition. However, intuition is also defined by the uncertainty avoidance levels in the firm which is one of the five cross-cultural dimensions. Thus, in the cross-cultural section, the degree to which the firm use intuition in practise is discussed by analysing risk avoidance characteristics. From the cross-cultural results, it is found that the firms are all risk avoidance in general. However, the Value Creators exhibit highest risk avoidance characteristics,

followed by the Restructurers, Refocusers and lastly the Market Creators. Thus, it can be concluded that even though high value is placed on intuition for all the firms, the Market Creators are the most intuitive, followed by the Refocusers, Restructurers and Value Creators. These results will be further analysed in RQ2's section.

5.2.2.3 Expectation versus Practise 8: Politics in decision making

When reviewing the role of politics in the organisation, the view of latter literature that interprets political behaviour as helpful to the organisation is reflected in expectation 8 as follows:

Expectation 8: Political behaviour can be helpful to the organisation by accelerating the performance of the firm (Dean and Sharfman, 1993a ; Eisenhardt and Bourgeois, 1988; Kandemir and Acur, 2012; Shenkar and Yan, 2002; Walter et al., 2012).

Pettigrew (1992) explains the importance of future research examining the effectiveness or dysfunctionality of politics in decision-making. In this thesis's literature search, it is found that politics plays an important role in strategic decision making in other Asian contexts. 10% is assigned in the seven-point Likert scale to the importance of politics when influencing decision making and the performance of the firm. Illustrative quotations are reflected in the results section where top down decision making and intuition prevails in decision making. These results indicates that Singaporean SIDs are based less on politics, relationships and guanxi in contrast to China decisions who are highly political (Cheng et al., 2010). No literature has been found on politics in SID making practises in the Singaporean context as yet. These preliminary empirical results show that politics have very little influence on decision-making and on the performance of the Singaporean firm. Thus, it is suggested that political behaviour has very limited effect on decision-making in the Singaporean

context. As again, politics is classed as a cultural trait that does not influence differences in SID making practises directly as shown in practise 8.

Practise 8: Political behaviour does not influence decision making and firm performance.

5.2.3 Cross cultural research

To examine the influences of cultural dimensions on SID making practises, the results are analysed on a broad level by using the evidence from this research against the cultural scores assigned by House et al. (2004) in his study of 62 countries and the Singaporean transcripts. House et al (2004) has mentioned nine cultural attributes. The nine cultural attributes are future orientation, gender egalitarianism, assertiveness, humane orientation, in-group collectivism, institutional collectivism, performance orientation, power concentration versus decentralism (House et al., 2004, p. 3). The transcripts are reviewed again for recurring themes. It is found that power distance, future orientation, assertiveness, in group collectivism and uncertainty avoidance are the five most commonly recurring themes in the transcripts. Hence, gender egalitarianism, humane orientation, institutional collectivism and power decentralism are omitted in order to include only the most relevant cultural dimensions applicable to this study.

The scores for the five dimensions are assigned based on detailed procedures. To investigate the cultural impact on the SIDMP, House et al (2004)'s scores for U.S, U.K, Japan and Singapore are checked and validated against the expectations from the Singaporean empirical results. The scores from the transcripts are assigned based on the weightings of the suggestions from the CEOs and Finance Directors indicating a relationship between the five cultural dimensions scored for Singapore and the

character of the nine companies studied. Collaboration with the Singaporean executives are found from the NVIVO analysis of the transcripts. The scores from the transcripts are assigned based on the weightings of the suggestions from the CEOs and Finance Directors indicating a relationship between the five cultural dimensions scored for Singapore and the character of the nine companies studied. In addition, the scores from the seven point Likert scale pertaining to questions relating to these five cultural dimensions are assigned weights. Statistical significance of below 0%-20% is assigned to +, 21%-40% to ++, 41-60% to +++, 61%-80% to ++++ and 81%-100% to +++++ to the statistical and qualitative evidence as shown in Table X. The five expectations pertaining to these dimensions are summarised in Table 64. The next section will elaborate on the practises shown by the Singaporean decision makers versus these cultural expectations.

Dimensions: Expectations	US/UK Average	Jap an	Sg	30 SIDs	Co-relation²⁶	Rationale for scores given
Expectation 9: Uncertainty Avoidance	4.40	4.07	5.31	5.59	+++++	<ol style="list-style-type: none"> 1) 17 out of 30 firms prefer to use all cash for their investments. For the remaining firms, some use low interest leverage as investment is in factory premises 2) 25 firms out of 30 has high financial monitoring and exert active control 3) Overall low reliance on external consultants 4) Low hands off control of 18% and strong financial control style of 58% 5) Strong defender and reactor characteristics in 20 out of 30 firms 6) However, overall high speed of decision making 7) Low overall risk tolerance 8) 20 out of 30 firms prefer to invest in familiar investments 9) Only 7 out of 30 decision makers are 39 years old and below
Expectation 10: Future Orientation	4.22	4.29	5.07	5.10	+++++	<ol style="list-style-type: none"> 1) High scores given in the 7-point Likert scale for future orientation. 30 out of 30 firms agree that they are future orientated. 2) Overall long payback years, average ROIs and high degree of flexibility in financial expectations.
Expectation 11: Power Distance	5.02	5.11	4.99	5.24	++++	<ol style="list-style-type: none"> 1) Very high power distance relationships shown from the 7-point Likert scale and transcripts.
Expectation 12: Assertiveness	4.35	3.59	4.17	3.65	++	<ol style="list-style-type: none"> 1) There are low levels of assertiveness shown in 26 out of 30 companies, with investment opportunities being proposed to them instead of active searching. 2) From the transcripts, staff in the companies is mostly non-assertive and decision making is authoritative.
Expectation 13: In-Group Collectivism	4.17	4.63	5.64	3.98	+	<ol style="list-style-type: none"> 1) Overall low in-group collectivism found from the transcripts. SIDs are made due to customers' requirements, diversification or value creation. 2) Low division of large groups overall and low level of politics. 3) Little need found in the transcripts to develop relationships for FDIs or DIS or the need to maintain "guanxi". 4) Overall prevalence of self-interest over group-interest and top-down decision making.

²⁶ Co-relation of results for Singapore with GLOBE's research and the case studies from this thesis: +++++ for very high co-relation, + for very low

Table 64: Globe Scores in comparison with scores from 30 SIDs
Source: Author modified from Carr and Pudelko (2006, p. 84-88).

5.2.3.1 Expectation versus Practise 9: Uncertainty Avoidance

House et al (2004)'s score of 5.31 for uncertainty avoidance leads to expectation 9:

Expectation 9: Singaporean decision makers are high on uncertainty avoidance with a score of 5.31 (House et al., 2004).

Overall risk tolerance

High overall evidence of uncertainty avoidance characteristics that are prevalent in the thirty firms in terms of decision making speed, preference for familiar investments, use of cash and overall risk tolerance of the CEO are found from the results from the transcripts and the seven-point Likert scale. Hence, the thirty Singaporean firms are scored 5.59 for uncertainty avoidance which is in tandem with House et al (2004)'s results of 5.31. The tendency to avoid risk and uncertainty may elevate for societies with stronger government structures and higher technological structure. This research's empirical results show that the increase in score of +0. 28 from 2004 (House et al., 2004) to 2011 is an accurate predictor of Singapore's advancement in economic and technological structure due to globalisation. Based on economic development, the results for UK, US, Japan and China may be higher than the GLOBE's score for uncertainty avoidance which was collected in 2004.

This risk avoidance behaviour may be unique to Singapore. Singapore's capital structure is characterized by a high level of national savings with the lower bound limit for government investments approximated at fourteen percent of total GDP for 1965-1999 close to a benchmark ratio of Asia's successful countries (Hopf, 2009). There is evidence that the government keeps seventy percent public sector savings in contrast to thirty percent outward investment in the mid-1980s. The thirty percent investment ironically comes from private individuals and foreigners (Hopf, 2009).

High conservatism may be cultural specific, or limited only to Singaporean firms due to the high amount of government education, involvement and propaganda on prudence in investments (Hopf, 2009).

This conservative behavior may be the result of migration of the native Chinese from China in the early 1930s to 40s and the recent proliferation of Chinese due to the ease of immigration rules which makes Singapore unique from other Asian countries due to its rich Western and Eastern fusion (Hopf, 2009). However, commentaries which stresses the strategic considerations of the Asian powerhouses but conservative financing approach unique to Singapore may be limited by their focus on secondary sources and survey administration to Singaporean-based managers (Perry et al., 1998). Hopf (2009)'s research is further supported by this set of empirical data which suggests that this risk adverse and conservative Singaporean behaviour mentioned extends to the behavior of the privatized companies researched. This result is also supported by the section on intuition where all thirty companies expressed that they value the role of intuition in guiding their decision making strategies. These results lead to practise 9 as follows:

Practise 9: Uncertainty avoidance can be regarded as a cultural characteristic as it does not seem to be specific to contextual categories or investment type, Overall, we find House et al (2004, p. 304)'s scoring highly accurate. However, as this research pertains to SID making, a higher score is attributed for uncertainty avoidance.

However, there are very subtle differences in the levels of risk aversion. Uncertainty avoidance is characterised by the decision maker's preference for familiar investments due to the age of the CEO, the use of cash for the investment and the lower perceived risk of the investment. The next sections appraise these components.

Age of the CEO and other factors

Salas et al (2010) mentions that older CEOs are more risk averse in comparison to younger CEOs. This research explores Salas et al (2010)'s claim by linking the firms' degree of risk aversion with the age of the CEO. It is found that although the firms are risk averse generally, there are differing degrees of risk aversion which may be due to the age of the CEO. However, the thesis's empirical results finds that the age of the CEO does not totally account for risk avoidance behaviours. 9 out of 10 Market Creators' CEOs are 50 years and above as the firms are mostly are well established and with a long history. Though the Market Creators' CEOs are older, the researcher has found that their attitudes are less conservative in comparison to the 3 other contextual categories. This higher propensity towards risk is matched by the low risk avoidance characteristics of highly intuitive behaviour and high financial expectations which are highlighted in the results section. Despite lower CEO ages for the Restructurers and Refocusers categories, extremely active financial monitoring from the results section hint at risk avoidance tendencies just slightly lower than the Value Creators category. Thus, risk aversion does not seem to be entirely influenced by age. The other factors that influences risk aversion of the thirty cases are highlighted in the next sections.

Use of cash for high risk investments

The use of cash for high risk investments is an uncertainty avoidance factor. We evaluate firm specific characteristics and the firm's decision to undertake a SID based on the amount of cash reserves it has in the bank. It is found that 17 companies set a percentage of their cash reserves below 10% for their SID choices. Cash

reserves/surplus budgeting appears to be used as the primary financial tool for pre-decision evaluation with average budgeted SID figures from their total reserve cash allowances of 2.5-3% for the primary industries, 8-10% for secondary industries and 5-7% for tertiary industries. The 17 Singaporean firms have financed their SID out of their surplus cash reserves, with no loan taken.

It is noted that the Market Creators investing in overseas SIDs use 100% cash as they perceived these investments as high risk. For the Market Creators investing in domestic investments, they use leverage due to lower perceived risk. These domestic SIDs are largely property investments which have the advantage of low-interest leverage. Hence the decision makers feel that they do not need to use cash in the property ventures and perceive risk as lowest due to a high-yield property market in Singapore. For the Market Creators, the size and percentage of total profits and cash surplus involved in financing decisions are kept remarkably conservative which shows an uncanny similarity to the behaviours of the government and public firms of setting aside excessive reserve funds (Hopf, 2009). The Market Creators can be regarded as similar to Singapore Airline whose approach “has also no debt, and except for its initial capitalisation, funded growth through retained earnings” (Heracleous and Wirtz, 2010, p. 2), as they financed their overseas SID out of their surplus cash reserves, with no loan taken.

Though not all investments are financed with cash, the Value Creators took leverage though they have cash surpluses to finance the SIDs as they are risk averse to the extent that they will rather keep their cash surpluses if there are leverage

opportunities, rather than invest their cash surplus. As the age of the CEOs and the firm are younger for the Restructurers and Refocusers, the full use of cash reserves may be harder for these cost-pressured categories. However, leverage is used with precise caution.

Despite the approximated figures used for this section, the extent of priority placed on financial profitability and “safety” of the investment are higher than any strategic reasons for the 4 strategic types. This implies that the size and percentage of total profits and cash surplus involved in financing decisions are kept remarkably conservative and more has to be invested for better corporate performance.

Familiarity with investment

Though the thirty firms show risk averse characteristics, there are differing degrees of risk aversion. We look at decision specific factors, which is the perceived risk of the decision itself. The perceived risk can be identified by the familiarity of the CEO with the proposed new SID and the extent to which the decision is related to the firms’ industries.

The Value Creators show high evidence of conservatism in pre and post decision evaluation, with decision makers refusing to consider unrelated investments. They highly prefer to invest in related investments and express that they are risk intolerant. The Restructurers and Refocusers overall prefer to invest in familiar investments and go for low to medium risk investments.

From the results section, it can be seen that the Market Creators category are the only group of firms who do not mind going for diversified investments in contrast to the Value Creators, Restructurers and Refocusers who are more pre-disposed to go for familiar investments that are related to their industry. Market Creators have the necessary performance and need for market creation by expanding their offerings beyond familiar grounds. Further, they survive in a high velocity environment typical of companies in the tertiary sector, hence, they may be more receptive to changes. However, the Market Creators are still classed as highly risk avoidant from the observations in the transcripts that they diversify to reduce the risk from losses in their existing portfolios.

Despite overall risk averse behaviour, it can be concluded that the Value Creators are the most risk averse, followed by the Refocusers, Restructurers and lastly the Market Creators. An important theoretical contribution of this thesis is its focus on adding more similarities in each contextual category. This research finding contributes to theory by adding risk aversion to the original four contextual classifications by Carr et al (2010). In the summary that follows at the end of this chapter, the additions to each contextual category are listed in detail.

5.2.3.2 Expectation versus Practise 10: Future Orientation

From House et al (2004, p.507)'s score of 5.07 for future orientation, expectation 10 is derived as follows:

Expectation 10: Singaporean firms are highly future orientated in perspective.

Other than the quotations from the transcripts, the 60 respondents are asked to rank the extent to which their SID making practises are future orientated on the 7-point

Likert scale. The thirty firms have scored high (80% and above) for their future orientation outlook. Hence, the mean score for the research's empirical sample is 5.10, with a slight variation of +0.03 from House et al (2004, p.507)'s score of 5.07. Hence, it can be seen that the firms' future orientated behaviour is similar to Japanese behaviour where they "do not get caught up in DCF number games but take a long-term perspective focused on building market share, and that their approach has clearly paid off." (Slagmulder et al., 1995, p. 127). In contrast, a lower degree of future orientated behaviour is seen in U.S where "actors have little long-term relationship with the firm"(Thomas and Waring, 1999, p.735).

Overall, a high degree of accuracy for future orientation is shown from the Singaporean based results when compared to House et al (2004)'s results.

Hence, this analysis leads to practise 10 as shown:

Practise 10: The high score for future orientation and long term strategic outlook suggests a high degree of accuracy with House et al.(2004, p 304's) findings which ranked Singapore highest among 62 societies for their future orientation perspective.

Though it has been mentioned that firms are shorter term if they make decisions faster in the strategic management section, the speed of decision making does not seem to affect the firm's long termism behaviour. However, though the thirty firms are long termism in perspective, there are differences in terms of cost influences, payback criteria and time expectation for payback targets to be achieved in the 4-contextual categories which is also a subtle future orientation indicator. These differences are reflected in the discussion on contextual categories.

5.2.3.3 Expectation versus Practise 11: Power distance

From House et al (2004, p.507)'s score of 4.99 for power distance, expectation 11 is derived as follows:

Expectation 11: Singapore scores lower in power distance compared to Japan, U.K. and U.S.

The 60 respondents are asked to rank the companies' level of power distance in the seven-point Likert scale. Points are also assigned to quotations in the transcripts that show evidence of power distance relationships. In addition, four short-termism control features variables are used which tend to be indicative of the degree of power distance (Carr and Tomkins, 1998) that are exhibited in the thirty Singaporean firms. The financial control style, division of large groups, perceived city pressures and hands off parenting style are scored against U.S, U.K and Japan. The low in-group collectivism score in tandem with the 15% score for divisions of large groups and the 18% scores for hands-off parenting point to the thirty firms' top-down management approach. In total, the score is 85% for power distance which gives the thirty firms an aggregate score of 5.24.

The Singaporean sample's mean score of 5.24 from the transcripts places the thirty Singaporean firms in the high B band. Perhaps, this score differ from House et al (2004)'s score of 4.99 by +0.25 due to higher income inequality (House et al., 2004, p. 537) in Singapore from 2011-2013 in comparison to 2004, which increased the score for power distance. This leads to practise 11 as follows:

Practise 11: From the transcripts, evidence shows that there may be higher power distance than the score assigned by House et al (2004, p.304) for Japan. Hence, Singapore's score for power distance on a SID basic is scored higher. Thus, House et al (2004, p.304) scores may be slightly lower for non-SIDs and higher for SID making.

Individual differences in the short-termism variables affecting the 4 contextual categories are analysed in the contextual section.

5.2.3.4 Expectation versus Practise 12: Assertiveness

From House et al (2004)'s 4.17 score for assertiveness; expectation 12 is derived as follows:

Expectation 12: Singaporean decision makers score higher than Japanese decision makers in terms of assertiveness.

The thirty Singaporean firms are scored 3.65 in this research's analysis, placing Singapore in the B Band for their level of assertiveness. This score is obtained from the 60 responses to the 7-point Likert scale and the quotations from the interviews.

The following factors may account for the differentiation in scores by 0.52 between the Singaporean SIDs and House et al (2004, pp. 410)'s 4.17 score. Firstly, House et al (2004)'s research is conducted on individuals while this research is applied to key decision makers in corporate environments. Hence there may be less need for assertiveness in company contexts in comparison to individual contexts. Secondly, Singapore operates in a stable and safe environment, with unique strong governmental long termism strategic approach (House et al., 2004). This political and environmental stability have improved from 2004-2013 which may decrease overall assertiveness due to lesser need for individuals to stand up for themselves.

In addition, House et al (2004) results portray the Chinese as less assertive than Singaporeans. However, in latter years, Chinese behaviour have trended to be more aggressive and risk seeking (Buckley et al., 2007a) due to expansionistic desires from the Chinese government (Liang and Lauderdale, 2006). Time differences might

result in more discrepancies found among the other 60 societies in House et al (2004)'s research. There is a need to update China's and Singapore's assertiveness score as shown in the update of Singapore's score in this research as shown in practise 12 below:

Practise 12: There is a high discrepancy between House et al(2004, p304) scores for assertiveness. We found that Singaporean decision makers score lower than Japanese decision makers in terms of assertiveness. However, as the GLOBE scores apply to decision making on a daily life basis, this higher score may be unique to SID making.

A 9 year gap between House et al. (2004)'s findings and this research's divergence in findings gives room for more empirical work in other country contexts to update these scores.

5.2.3.5 Expectation versus Practise 13: In group collectivism

Expectation 13 is derived from House et al (2004)'s score of 5.64 for in-group collectivism as follows:

Expectation 13: In-group collectivism is higher for Singaporean decision makers in comparison to Japan and just slightly lower than China.

This analysis differed from House et al (2004)'s results which places Singapore in the high A band closer to its neighbouring countries of Thailand, Indonesia, China and Taiwan. In this research, the Singaporean SIDs are scored 3.98 (Band C) for in-group collectivism. This score is derived from the responses for low in-group collectivism in tandem with Table 64's percentage of 18 for divisions of large groups. Hence, in-group collectivism seems to be lower in Singapore in comparison to Japan and China. Practise 13 is derived as follows:

Practise 13: In-group collectivism is much lower in Singapore in comparison to Japan and China

Overall, the Japanese exhibits higher group orientation. House et al(2004)'s score of 4.63 for Japan is supported by Hirota (1999)'s research which portrays the constant presence of institutional and external influences on SID making practises in Japan. In addition to the score of 82% for division of large groups in Table 63, the substantial influence of in-group collectivism on Japanese SID making can be seen from Carr and Tomkins (1998, p. 227) comment that the Japanese' strong networks were "reinforced by equity cross-holdings, common bank and trading company linkages, very high sales dependency ratios, personnel exchanges, as well as just-in-time and synchronous supply logistical linkages, with plants sometimes no more than 10 minutes away. Quasi-vertical integration with up-stream car assemblers frequently relegated strategic planning to the level of technical and operational planning."

The Chinese have scored 5.8 for in-group collectivism (House et al., 2004, p. 469). This score is substantiated by research that shows evidence of elevated importance placed on personal and group relationships (Cheng et al., 2010; Guest and Sutherland, 2010), external and politicised influence (Buckley et al., 2007a; Cheng et al., 2010; Lu and Heard, 1995) on decision making in China which further suggests that House et al (2004)'s research can be applied to China beyond the 21st century.

However, the accuracy score is the lowest for this category towards the Singaporean SIDs which shows that Singaporean behaviour towards decision making departs from the overall collective country behaviour and values researched by House et al (2004, p.304). However, this research does not claim that the analysis is entirely

indicative of Singapore's level of assertiveness as these results may differ due to the sample population. In the research, the key decision makers in the firms are queried which differed from House et al. (2004) who have investigated individual employees. Despite sample population differences, the Singaporean results differ from House et al(2004)'s score of 5.64 by a significant variance of 1.66. This variance suggests that an updated study conducted on corporate individuals might give Singapore a lower score than Japan's 4.63 and place her closer to U.K's 4.08. As such, this lack in research knowledge gives room for future cross-cultural research work.

5.3 RQ2: Contextual categories in SID making

Differences between the GLOBE scores and the Singaporean results indicate that cultural attributes scored for societal practises and values cannot be generalised across company and SID making contexts. Overall, the three process dimensions of rationality, intuition and politics and the five culture dimensions may have a higher impact on how the firms in individual countries approach SID making. The similarities shown in the aspects of the three themes explored in RQ1 exhibit some country similarities. This analysis shows that the SID making strategy of the firm is dependent on the conditions in its home country.

While these findings show broad evidences of inter-country similarities, specificity is included in this research to determine the extent of inter-country versus industry differences that influences SID making behaviour. This thesis's findings shows that there are large contextual differences within the strategic management accounting themes in the four contextual categories of Restructurers, Market Creators,

Refocusers and Value Creators. RQ 2 below explores these contextual divergences that are not explained by cross-country similarities.

Research Question 2 (RQ 2): Can SID differences be explained by using a four way categorisation of firms?

Contextual classifications

Carr et al (2010)'s research suggests that the four contextual categories of Refocusers, Market Creators, Restructurers and Value Creators can address SID making practises. To investigate RQ2, these companies are firstly classified alongside Carr et al(2010,p 174)'s contextual categories according to their level of market orientation and firm performance for comparative purposes as shown in Figure 9: 4 contextual categories in the methodology section.

Figure 9 shows that companies from a specific sector are clustered in one category, which is similar to Carr et al (2010, p174)'s results. In Carr et al(2010)'s framework, 2 American telecommunication companies are placed in the Refocusers category, 2 British component companies in the Restructurers sector, 3 American component companies are placed in the Value Creators category, 2 British telecommunication companies and 3 Japanese component companies in the Market Creators category. From the Singaporean SIDs, 8 companies from the primary industry are classified as Value Creators, 8 from the secondary industry as Restructurers, 4 from the secondary industry as Refocusers and 8 from the tertiary industry as Market Creators. As companies from individual sectors are clustered into individual categories, we find that this framework may be superior to primary, secondary and tertiary

classifications (Cho and Lee, 1998). The contextual classifications portray some differences between overseas and local SIDs. On close observation, overseas SIDs from the Market Creator category are clustered to the left. In the Value Creator category, overseas SIDs are clustered to the right. The overseas SIDs in the secondary sector are classed as Refocusers. The Restructurers comprise of domestic SIDs from the secondary component companies. These differences between overseas and domestic SIDs will be further explored in RQ3's section.

A summary of the expectations versus practises pertaining to RQ2 is shown in Table 65.

Reference	Expectation	Practise	Agreement ²⁷
Carr et al., 2010	Expectation 14: The Restructurers are the shortest term in perception with the highest financial targets and tightest control. In contrast, the Market Creators are the longest term in perception with the lowest financial targets and loosest control, followed by the Value Creators and Refocusers.	Practise 14: The Restructurers are the shortest term in perception followed by the Refocusers, Market Creators and finally the Value Creators. The financial expectations of the Market Creators are the highest followed by the Value Creators, Refocusers and the Restructurers. Most of the firms exhibit active control, however the Market Creators show least tendencies to control their activities actively.	***
Carr et al., 2010	Expectation 15: The Value Creators exhibit Defender characteristics, the Restructurers and Refocusers exhibit Reactor characteristics and the Market Creators exhibit Prospector characteristics.	Practise 15.0: Defensive characteristics entrepreneurially are only reflected in Value Creators who invest in domestic SIDs. However, Value Creators who invest overseas are highly prospective and aggressive in nature. Practise 15.1: Singaporean Market Creators are still highly prospective in nature. However, unlike typical Prospectors, the Singaporean Market Creators are highly protective of their cash reserves in making risky SIDs, preferring to invest only a small component of their cash reserves in many types of diversified SIDs. Change is not preferable to familiarity. Practise 15.2: The firms in the secondary industry exhibit Reactor characteristics to a limited extent. Poor performance is reflective of industry competitiveness and not due to management inertia.	****
Hickson et al., 2003	Expectation 16: Planned SID making may generate higher performance for the Value Creators, Restructurers and Refocusers. Prioritised SID making may generate higher performance for the Market Creators.	Practise 16.0: Planned SID making seemed to generate higher performance for the Value Creators. Practise 16.1: Prioritised SIDs generate higher performance for the Singaporean Market Creators. Practise 16.2: As most of the Restructurers and Refocusers lack the resources to assess their aims, it is advised that the firms in this category combine planned and prioritised decision making approaches. Any opportunities to harness resources and gather information should be taken before investing.	***

Table 65: Expectations and practises (RQ2)

Source: Author

²⁷ * for no agreement ****for full agreement

In the next sections, the expectations from Carr et al(2010) and Hickson et al(2003) for the 4 contextual categories versus the actual practises of the Singaporean SIDs are investigated.

5.3.1 Strategic Management Accounting Perspectives

5.3.1.1 Expectation versus Practise 14: Finance influencing control

Expectation 14 analyses the differing levels in long term perspectives as reflected below:

Expectation 14: The Restructurers are the shortest term in perception with the highest financial targets and tightest control. In contrast, the Market Creators are the longest term in perception with the lowest financial targets and loosest control, followed by the Value Creators and Refocusers (Carr et al., 2010).

To investigate expectation 14, the results for payback and time horizon are tabulated in Table 66 across categories.

Categories	Payback target, years (capped at 6 years)	Time horizon, years (capped at 6 years)
Market Creators(Carr et al., 2010, p.175)	5	6
Singaporean Market Creators	4.7	4.8
Value Creators (Carr et al., 2010, p.175)	4	6
Singaporean Value Creators	4.8	5.5
Refocusers (Carr et al., 2010, p.175)	5+	6
Singaporean Refocusers	3.8	4.8
Restructurers(Carr et al., 2010, p.175)	2	3
Singaporean Restructurers	4.3	4.6
Singaporean FDI Investors	4.9	5.4
Singaporean DI Investors	4.1	4.6

Table 66: Long Termism

Source: Author modified with figures extracted from Carr et al., (2010, p.175)

Table 66 shows that the Restructurers are the shortest term in financial perceptions, followed by the Refocusers, Market Creators and finally the Value Creators. To

further illustrate the differences in financial expectations, the quantitative results from Table 31 in page 165 are reorganised in Table 67.

Companies	Low financial expectations	Medium financial expectations	High financial expectations	Total no of companies
Singaporean Value Creators	5	0	3	8
Singaporean Restructurers	4	3	0	8
Singaporean Refocusers	2	0	2	4
Singaporean Market Creators	3	1	6	10
Singaporean FDI Investors	7	1	6	14
Singaporean DI Investors	9	3	4	16

Table 67: Financial expectations
Source: Author

The table shows that the financial expectations of the Market Creators are the highest followed by the Value Creators, Refocusers and the Restructurers. These results show some differences between Carr et al.(2010)'s expectations and the practises of the thirty Singaporean firms. The section below will discuss the financial and long-term perspectives of the Market Creators, Value Creators, Refocusers and the Restructurers in turn. From these financial perspectives and indicative quotations from the results sections, the firms' levels of control are summarised.

Market Creators

Financial perspectives

Market Creators emerge as a highly profitable category, with the highest performance score of 8 for SCosmeticsSg and SpackagingSg. Higher value creation due to higher product diversification distinctly increases the sales performance of the Tertiary companies. As the three Market Creators are selling consumer products,

their environmental conditions can be considered the most turbulent and unpredictable among the three categories. Thus, high financial expectations are expected as the Market Creators are ambitious and expect to be always making constant investment to keep up with the changes in the market place. Typically, the Market Creators are shorter term with diminished time horizons of 4.8 years for their payback targets to be achieved.

Control

Market Creators show the highest flexibility in control, with 3 of the Market Creators having low financial monitoring. This result is significant as the Singaporean companies prefer to monitor their investments actively overall. Hence, only 5 out of thirty companies prefer to be more hands-off in control. Due to strong financial fundamentals, CEOs and finance directors of this category tend to be willing risk takers. As such, their strategic orientation is high on differentiation in order to keep up with changing customer demands.

The 8 Market Creators are also highest on market orientation in comparison with the 3 other categories. Though the Market Creators have the same stringent financial targets as other categories, they are highly opportunistic and thus they may be more hand-off due to shorter term perspectives and higher market orientation, similar to the views of the 7 Market Creators from diverse countries classed in Carr et al (2010)'s research. The Market Creators have an open prospecting strategy, welcoming unrelated investments and incoming synergistic proposals as long as the investments meet their minimum payback criteria of typically 4.7 years or time horizon of 4.8 years. This result can be co-related to Carr et al (2010)'s Market

Creators category with “strong emphasis on strategic considerations”, flexibility “in their use of financial targets” and freedom from “short term financial constraints” (Carr et al., 2010, p. 171).

Value Creators

The Value Creator category has the highest performance score of 9 for SMetalCn and SOilCn. In contrast to the other categories, the Value Creators have the longest payback and time horizons, and too monitor their SIDs strictly. However, as Value Creators are marked by conservatism, these results are not surprising.

The Value Creator category appears similar to AmComp 1-3 where they have longer paybacks and time horizons due to strong financial fundamentals. Yet, the Singaporean Value Creators appear to be less thorough in strategic and financial analysis in contrast to the American Value Creators as shown below:

“Vice President of financial administration at AmComp1 explained this approach: “I think AmComp1 culture is, we want to make every analysis as accurate as possible, and then react and use the data to make decisions. Reflecting the intention to conduct profound analysis, Value Creators are often not content with using only standard strategic techniques, and have developed other, complementary techniques to assist strategic evaluation.” (Carr et al., 2010, p. 175)

Control

As low financial emphasis appears to be a country specific trait for the Singaporean Value Creators, the differences in financial control variables between the American Value Creators and Singaporean Value Creators are investigated. Despite the Singapore companies’ overall exceptional financial performance, they are selective towards investments, and are highly defensive towards their existing market positions, maintaining a bid and wait policy to determine if their competitors decide

to exit the market. Cash reserves are highest in this category as profits do not tend to be reinvested.

As the Singapore Value Creators are manufacturing primary or raw materials like steel components, their competitors are few. In contrast to the American companies, the Singaporean companies may benefit from more stable environmental circumstances, higher barriers to entry and stronger local advantage. This monopolistic position gave these firms escalated market powers due to high barriers of entry as the initial start-up cost of entering the industry is high. They exert active control over their partners due to risk aversion which induces a defensive stance. The CEOs and finance directors of this category are very conservative and cautious towards new investments as staying “status quo” will still yield high profits.

However, 2 of the companies who exert loose financial monitoring fall in this category. Though these 2 companies are more strategic in general, having the most flexible financial targets and loose financial monitoring, they are highly reluctant to invest in new investments unless it directly benefits the company, though they are willing to invest with longer payback periods and time horizons in mind. This difference is consistent with the co-existence of financial and strategic criteria in the American Value Creators as depicted by Carr et al., (2010, p. 176)’s quotation which exemplified the complementarity and relationship between strategic criteria and financial requirements.

“Value Creators tend to take a rather open attitude towards synergies when evaluating their strategic investments. The Director responsible for acquisitions, divestitures and joint ventures at AmComp3 commented: “We look at all the kind of cost and sales based synergies, technology, product, you name it; we look at it fairly broadly and rigorously, speculating of

potential synergies, probably putting more weight on cost base because that's more in our control. . .”

Refocusers

Financial perceptions

The Singaporean Refocusers are the most different when compared to the Refocusers in Carr et al (2010)'s contextual categories. Though they are still long term in perspective, they have the shortest payback period among the 4 categories with higher ROCs expectations. This is consistent with the argument that companies in high velocity environments tend to be more cost pressured and financially orientated (Carr et al., 2010).

Due to high perceived city pressures, the Singaporean Refocusers tend to be highly pressured by their customers and shareholders into making investments overseas. Synergies are not prioritised; rather they invest due to the need to survive. Thus, contemplations are not placed on the investment's attractiveness but on the implications of non-investment. This behaviour differs from the American Refocusers as explained by Carr et al., (2010, p. 176):

“The corporate development director at AmTell explained their approach: “Yes, strategy is important and it has to fit. . .otherwise we won't do it, but that is only the first cut and the first threshold decision criteria. It is always in the end going to come down to, ‘Is it financially attractive for us to do?’”

Control

The Refocusers exert active control, perhaps due to their poor financial performance which results in constant pressure to reduce costs. Similar to the American companies, they are highly pressured by shareholders (Carr et al., 2010). However,

customers' demands appear to be their primary driver. In comparison, shareholder pressures seem to be the primary driver for the American companies. Yet, it might be unfair to compare 2 American telecommunication companies with 4 Singaporean component companies. Further research work can be conducted to determine if country or contextual differences drive these diverging results.

Restructurers

Financial perspectives

Greater similarity is found for the Singaporean Restructurers when compared to Carr et al. (2010)'s British Restructurers. Though payback targets and expectations remain long termism, the Restructurers have the shortest time horizons among the 4 contextual categories. It is observed that the Restructurers prefer to use ROC as a key financial measure in contrast to the payback method in SID making.

The lower ROC expectations of 10%-30% and shorter payback periods at 3.8 years for the Singaporean Restructurers can be compared to the premium over cost of capital at which is just at 8% for the British Restructurers (Carr et al., 2010, p. 175). These lower financial expectations may be due to similarities in barriers of entry for component companies, in UK and Singapore. The contextual characteristics of these Singaporean and British companies may be analogous due to Singapore's prior status as a British colony. Therefore, it may not be surprising that both countries have matching sectorial companies in the Restructurers category. The Singaporean and UK companies may both operate in fast moving, high velocity market conditions. However, it must be noted that only 2 British component companies are placed in

this category. Thus more research work is needed to score more British companies in Carr et al (2010)'s contextual categories.

Control

The Restructurers are persistent in exerting active control over their business as any misguided move might drive them out of the market. Engineering and semi components in the secondary sector tend to be low cost defenders. The Restructurers suffer from high financial constraints as portrayed by their tight financial targets, stringent financial monitoring and low financial expectations with relation to their SIDs. Due to similarities in their products manufactured and low barriers of entry, these firms often resort to drastic cost-cutting measures as reflected in the results. This can be explained by their poor financial performance, which may make them more inclined to monitor their SIDs aggressively.

These results are expected with reference to Carr et al., (2010, p. 170)'s statement that they will expect "weak performing companies to be highly constrained by tough financial targets, as compared to strong-performers." Hence, the characteristics of a Restructurer are shown with measures of "radical re-structuring and cost-cutting due to strong short-term pressures to perform" (Carr et al., 2010, p. 171).

From this analysis, practise 14 is derived as follows:

Practise 14: The Restructurers are the shortest term in perception followed by the Refocusers, Market Creators and finally the Value Creators. The financial expectations of the Market Creators are the highest followed by the Value Creators, Refocusers and the Restructurers. Most of the firms exhibit active control, however the Market Creators show least tendencies to control their activities actively.

5.3.2 Strategic Management Perspectives

5.3.2.1 Expectation versus Practise 15: Contextual classifications

Carr et al. (2010)'s contextual categories are a further extension from Miles et al (1978). To determine if the thirty firms fit in Miles et al. (1978) contextual categories, the Value Creators are reclassified as Defenders, the Restructurers and Refocusers as Reactors and the Market Creators as Prospectors in the results section.

These reclassifications are shown in Expectation 15:

Expectation 15: The Value Creators exhibit Defender characteristics, the Restructurers and Refocusers exhibit Reactor characteristics and the Market Creators exhibit Prospector characteristics.

5.3.2.2 Expectation versus Practise 16: Planned versus Prioritised

In addition, the degree to which planned versus prioritised SID making (Hickson et al., 2003) generate higher performance for the 4 contextual categories are analysed as shown in Expectation 16:

Expectation 16: Planned SID making may generate higher performance for the Value Creators, Restructurers and Refocusers. Prioritised SID making may generate higher performance for the Market Creators.

It is found that overseas SIDs tend to be prioritised for the Market Creator category, both planned and prioritised for the Refocusers category and planned for the Value Creator category. Domestic SIDs tend to be planned for the Restructurers and Value Creator categories, and prioritised for the Market Creator category. The distinct contextual characteristics reflected in these 3 categories are shown in the sections below:

Value Creators

Strategic versus cost influences

For 6 out of 8 Value Creators, it is found that customer value chain relationships have no direct influence on SID making. Instead, customer value chain relationships are the least prioritised, with the desire to increase competitive advantage being the highest among the five strategic factors influencing SID making practises. The Value Creators show the strongest desire to increase their competitive advantage, due to their strong market and financial position. Hence, when staying status quo or buying over rivals will increase their market position, they will invest with little hesitation.

The Value Creators with domestic SIDs are highly similar to the Defenders entrepreneurially. Miles et al (1978) have explained that the Value Creators are concerned with limiting the market entry threats of competitors. As shown in the quotation by the CEO of SSteelSg in Table 46, the focus for SSteelSg is to defend its business by buying over immediate rivals. However, the researcher does not agree fully with Miles et al (1978, p.550-551) comment that:

“Defenders also tend to ignore developments and trends outside of their domains, choosing instead to grow through market penetration and perhaps some limited product development.”

This comment may be only true for Value Creators that prefer to prune their growth domestically. For 2 of the 3 Value Creators who invest overseas, they both exhibit prospector characteristics entrepreneurially. SChemCn is primarily concerned with

expanding its business in its niche market overseas to reach a larger group of customers. SOiCn is concerned with expanding as quickly as possible to reach more customers due to its business's high profitability. Hence, their focus is not competitor deterrence but rather, on rapid expansion.

Planned versus Prioritised decision making

In addition to pure defender classifications, the firm's decision type (Hickson et al., 2003) and performance is taken into account in this research's contextual classifications. The Market Creators and Value Creators are the higher performing categories. The Value Creators prefer to be experienced in their approaches, going for related and planned decision type. However, while Miles et al. (1978)'s definition of the defender is highly cost-orientated, intensive and hierarchical, a semi-formal strategic approach is preferred for the Singaporean Value Creators. The Singaporean Value Creators have the added advantage of assessing the SID clearly, allocating resources and control implementation (Hickson et al., 2003) in a low velocity industry. Higher performance is associated with more detailed planning as shown by the superior performance of the Singaporean Value Creators who invest overseas. It can be proposed that companies in the primary sector can be more successful, when implementing planned decisions that move towards higher formality.

Thus, practise 15.0 and 16.0 is derived as follows:

Practise 15.0: Defensive characteristics entrepreneurially are only reflected in Value Creators who invest in domestic SIDs. However, Value Creators who invest overseas are highly prospective and aggressive in nature.

Practise 16.0: Planned SID making seemed to generate higher performance for the Value Creators.

Market Creators

Strategic versus cost influences

In comparison to the Value Creators, the Market Creators' desire to increase competitive advantage stands at 40%. Higher performing firms that invest in domestic SIDs have a stronger desire to increase competitive advantage. Firms that prefer to invest overseas are typically constrained locally. Hence they prefer to diversify into more lucrative foreign markets. As again, these results support Mayer et al(2010)'s claim that well performing local firms usually enjoy strong competitive advantage and prefer to stay at home.

The value assigned to customer value chain relationships is 60%. Hence, it can be seen that while Market Creators value customer value chain relationships, however, their focus is to expand their current range of customers and strengthen their position in the supply chain. This focus is similar to Miles et al (1978)'s claim that the Prospector is primarily concerned with market expansion due to the fluidity and range of its products.

Planned versus Prioritised decision making

7 out of 10 companies in the Market Creator category prefer prioritised decisions. In contrast the companies who prefer planned decision making suffer from lower performance. Due to the non-assertive and conservative Singaporean nature, most decision makers prefer to let opportunities come to them and are highly reluctant to accept changes unless they can finance the SID out of a small proportion out of their total cash reserves. This behaviour is unlike Miles et al.(1978) claim prospectors are

change creators. Due to the conservative use of cash reserves to finance risky SIDs, the results from this research do not support the statement that “this type of organization runs the primary risk of low profitability and overextension of resources.”(Miles et al.,1978, p.553). Thus, the empirical results supports the view that Singaporean decision makers should allow more changes in order to secure higher profitability in the industry.

While Hickson et al(2003)’s theory propose that management has two options in implementing SIDs, planned or prioritised, the empirical findings suggest that companies in the Market Creator category are more suitable to prioritise SIDs due to their requirement for diversification. The high velocity environment in the tertiary sector necessitates the firms’ readiness and ability to deal with advantageous investments as they arrive. This is in line with Miles et al.(1978, p.552-553)’s recommendation:

“To locate new areas of opportunity, the Prospector must develop and maintain the capacity to survey a wide range of environmental conditions, trends, and events. This type of organization invests heavily in individuals and groups who scan the environment for potential opportunities.”

As such, Practise 15.1 and 16.1 is derived as follows:

Practise 15.1: Singaporean Market Creators are highly prospective in nature. However, unlike typical Prospectors, the Singaporean Market Creators are highly protective of their cash reserves in making risky SIDs, preferring to invest only a small component of their cash reserves in many types of diversified SIDs. Change is not preferred to familiarity.

Practise 16.1: Prioritised SIDs generate higher performance for the Singaporean Market Creators.

Overall, the Singaporean Market Creators with domestic SIDs are overall more successful than the ones with overseas SIDs. Hence, it is recommended that the Market Creators' organisational strategy sets SID making as their priority by investing more in locating investments that are out of their comfort zone.

Restructurers and Refocusers.

Strategic versus cost influences

The Restructurers and Refocusers are analysed together in this section as they are both classed as Reactors. Miles et al. (1978, p.557) defines the Reactor as follows:

“A fourth type of organization, the Reactor, exhibits a pattern of adjustment to its environment that is both inconsistent and unstable; this type lacks a set of response mechanisms which it can consistently put into effect when faced with a changing environment. As a consequence, Reactors exist in a state of almost perpetual instability. The Reactor's "adaptive" cycle usually consists of responding inappropriately to environmental change and uncertainty, performing poorly as a result, and then being reluctant to act aggressively in the future. Thus, the Reactor is a "residual" strategy, arising when one of the other three strategies is improperly pursued.”

The Restructurers and Refocusers are probably the most dissimilar to Miles et al. (1978)'s Reactor definition. Miles et al. (1978, p.557-558) identified 3 reasons why companies become Reactors. The 3 reasons are as follows:

“First, top management may not have clearly articulated the organization's strategy...A second and perhaps more common cause of organizational instability is that management does not fully shape the organization's structure and processes to fit a chosen strategy. The third cause of instability - and perhaps ultimate failure - is a tendency for management to maintain the organization's current strategy-structure relationship despite overwhelming changes in environmental conditions.”

The 8 Restructurers and 4 Refocusers can be considered the weaker performers among the 4 contextual categories. The Restructurers show the highest desire to decrease cost with a 60% influence score. While the Restructurers place some importance on customer value chain relationships, cost considerations are more important to them due to their weak market position. In contrast, the Refocusers invest in SIDs overseas due to customers' requirements, making them highly reactive to customers' demands in SIDs. Thus, the Refocusers have a stronger desire to augment competitive advantage by increase customer loyalty or decreasing cost. The first two reasons state that the Reactor's poor performance is due to poor management skills (Miles et al., 1978). However, for the Refocusers and Restructurers, weak performance can be attributed to the competitiveness of the secondary sector.

Due to strong industry competitiveness, the firms are highly willing to adapt their strategy to suit their customers. Environmental conditions are taken into account when the firm changes its strategy to maintain its profitability. Hence Miles et al(1978)'s third claim might not be true. Practise 15.2 is derived as follows:

Practise 15.2: The firms in the secondary industry exhibit Reactor characteristics to a limited extent. Poor performance is reflective of industry competitiveness and not due to management inertia.

Planned versus Prioritised decision making

8 out of 8 Restructurers prefer to be planned in decision making. However, this category is the least successful among the 4 categories, though they exert active control over their SIDs. One of the criteria for success in the planned approach is the

ability to assess resources, goals and performance (Hickson et al., 2003). The Restructurers' profitability is lower as they lack the ability to assess goals and aims due to inadequate resources.

2 of the Refocusers prefer to be planned and another two prefer to be prioritised. This group of secondary component companies with overseas SIDs are overall more successful than the Restructurers category. If the local environment is highly competitive and fast moving, investments overseas might yield higher performance. It is suggested that this category combines the planned and prioritised approach used by the Refocusers category for more success. The decision makers will need to ensure that decisions are clear of organisation and structural obstacles for effective prioritisation (Hickson et al., 2003) in combination with the planned approach of clear information gathering towards resources and aims (Hickson et al., 2003) before jumping into a SID. This approach is clear in SPreEngSg5 where consultants are used readily to obtain government grants in order to clear more obstacles in a fiercely competitive industry.

Practise 16.2 is suggested as shown below:

Practise 16.2: As most of the Restructurers and Refocusers lack the resources to assess their aims, it is advised that the firms in this category combine planned and prioritised decision making approaches. Any opportunities to harness resources and gather information should be taken before investing.

5.4 RQ3: Overseas versus domestic SIDs

This section narrows down the results to focus on the unique research perspectives pertaining to overseas versus domestic SIDs. In addition, unique FDI/DI themes are discussed in this section. These perspectives are consolidated in order to answer research question 3 as shown below:

Research Question 3(RQ3): Do decision making practises for international SIDs differ from domestic SIDs?

The expectations versus practises relating to RQ 3 are summarised in Table 68.

Reference	Expectation	Practise	Agreement ²⁸
Guler and Guillen, 2010	Expectation 17.0: Higher financial returns are expected for overseas investments due to higher perceived risk. Hence higher control and short termism are expected for overseas SIDs.	Practise 17.0: Higher financial returns are expected for overseas SIDs in contrast to domestic SIDs. However, lower control and long termism are shown for overseas SIDs in comparison to local SIDs.	***
Hallen and Eisenhardt, 2012	Expectation 17.1: Firms are typically well-endowed before venturing overseas.	Practise 17.1: There is no evidence to show that overseas investors have more expansive resources in comparison to domestic investors.	*
Carney et al., 2011; Dunning, 2009; Guillen, 2002; Mayer et al., 2010; Piscitello, 2004	Expectation 18.0: Companies prefer to stay at home if they are producing intermediate goods and have good proximity to local suppliers. Expectation 18.1: Relationships deter performance in highly successful firms. Expectation 18.2: Due to lower perceived investment risk (Li and Tang, 2010), the selection of a host country is affected by the availability of close-kitted partners. Expectation 18.3: The main motivation for a firm to invest overseas is to exploit new markets Expectation 18.4: The firm's desire to invest overseas to follow similar industry behaviours (Head et al., 1995; Mayer et al., 2010) is intensified by higher environmental velocity.	Practise 18: For the Market Creators, the selection of a host country is affected by the availability of close-kitted partners (Dunning, 2009; Guillen, 2002). For the Refocusers, investments overseas tend to be customer-driven. For the Value Creators, their main motivation for a firm to invest overseas is to exploit new markets (Piscitello, 2004)	***
Dunning, 2009	Expectation 19.0: Domestic SIDs are typically resource seeking, market seeking or efficiency seeking. Expectation 19.1: Overseas SIDs are typically resource seeking, market seeking, efficiency seeking or strategic asset seeking.	Practise 19: DIs are mainly resource seeking or efficiency seeking, and FDIs are mainly efficiency seeking or market seeking.	**

Table 68: Expectations and practises (RQ3)

Source: Author

²⁸ * for no agreement *****for full agreement

5.4.1 Strategic Management Accounting Perspectives

5.4.1.1 Expectation versus Practise 17: Finance influencing control

From the literature review, expectation 17.0 and 17.1 are derived as follows:

Expectation 17.0: Higher financial returns are expected for overseas investments due to higher perceived risk (Guler and Guillen, 2010). Hence higher control and short termism are expected for overseas SIDs.

Expectation 17.1: Firms are typically well-endowed before venturing overseas (Hallen and Eisenhardt, 2012).

Financial and control perspectives

Profitability goals tend to be higher for the overseas SIDs than the domestic SIDs with average ROI goals of 18.2% in comparison to the domestic investor who expects 16.6% average ROI. This difference may be very subtle as profitability is important for both overseas and local SIDs. The researcher has found no evidence that firms who prefer to venture overseas are more successful as high performers fall in both categories.

The cross-cultural section has concluded that all the firms are still long-termism in nature. However, overseas SIDs appear to be slightly longer-termism than the local SIDs. From the tabulations in the SMA section, overseas investors tend to seek higher returns, with longer payback years, extended time horizons and higher flexibility on targets in contrast to domestic investors.

The section on control styles illustrates active control styles for 25 out of thirty firms. The overseas investors are perceptibly more hands-off than the domestic investors with overall higher division of large groups in their companies. This is shown by their 24% score for hands-off control in contrast to the domestic investors who

scored 10% for hands-off control. In comparison to the overseas investors, the domestic investors may have lesser propensities to allocate control to smaller or large groups and instead prefer to take an active control stance due to higher perceived city pressures. Hence, Practise 17.0 and Practise 17.1 are derived as follows:

Practise 17.0: Higher financial returns are expected for overseas SIDs in contrast to domestic SIDs. However, lower control and long termism are shown for overseas SIDs in comparison to local SIDs.

Practise 17.1: There is no evidence to show that overseas investors have more expansive resources in comparison to domestic investors.

5.4.2 Unique Global Strategic Management Perspectives

In this section, unique global strategic management perspectives are extracted from the literature on FDIs. These perspectives have not been extended to current SID making literature. Hence, these initial integrations have the potential to be highly contributory to both SID making and international business literature by developing new avenues for future research.

The expectations versus practises in this section are analysed in the section below:

5.4.2.1 Expectation versus Practise 18: Partnerships

The frequently recurring theme of partnerships in international business literature (Dunning, 2009; Guillen, 2002; Li and Tang, 2010) is explored in Expectation 18.0-18.4 below:

Expectation 18.0: Companies prefer to stay at home if they are producing intermediate goods and have good proximity to local suppliers (Mayer et al., 2010).

Expectation 18.1: Relationships deter performance in highly successful firms (Carney et al., 2011).

Expectation 18.2: Due to lower perceived investment risk (Li and Tang, 2010), the selection of a host country is affected by the availability of close-kitted partners (Dunning, 2009; Guillen, 2002).

Expectation 18.3: The main motivation for a firm's overseas investment is to exploit new markets (Piscitello, 2004)

Expectation 18.4: The firm's desire to invest overseas to follow similar industry behaviours (Head et al., 1995; Mayer et al., 2010) is intensified by higher environmental velocity.

5.4.2.2 Expectation versus Practise 19: Investment types

Dunning (2009) has mentioned that DIs are typically resource seeking, market seeking or efficiency seeking and FDIs are typically resource seeking, market seeking, efficiency seeking or strategic asset seeking. As such, expectation 19 is derived by combining SID making and international business perspectives:

Expectation 19.0: Domestic SIDs are typically resource seeking, market seeking or efficiency seeking.

Expectation 19.1: Overseas SIDs are typically resource seeking, market seeking, efficiency seeking or strategic asset seeking.

The differences between the contextual categories are discussed in sequence:

Market Creators

Offshore investments are typically used to increase the firm's portfolio for value creation which acts as a risk reduction tool (Guler and Guillen, 2010; Rugman, 1979). We argue that this statement can only apply to the Market Creators, who subsist in market orientated, high performing and high velocity conditions. The resources based view of a firm (Barney, 1991; Wernerfelt, 1984) states that a firm's competitiveness is attributed to its strategic flexibility in adapting to new market conditions by changing its products and offerings. In consistency with the literature, Market Creators tend to look for overseas or domestic investments that are market

seeking. They are typically more adventurous in their investment mentalities, with a higher tendency to invest overseas in unrelated prioritised SIDs.

Overall competitive gain and strong knowledge of the foreign market is of primary significance to the Market Creators embarking on FDIs. To lower their investment risk, relationships are viewed as critical for Market Creators that invest overseas. On the whole, the researcher agree with Li and Tang (2010) that firms with close foreign partners are more likely to invest overseas for the Market Creators category. Market Creators' FDIs tend to be largely focused on gearing towards acquisition of knowledge and foreign partners in the country they are interested in to increase their competitive awareness. Thus, the firm's dynamic capability is shaped through the firm's managerial position, processes and learning path (Nelson and Winter, 1982; Teece et al., 1997).

Value Creators

Value Creators tend to look for resource seeking overseas and domestic investments in general. The Value Creators typically embark on sole decisions made by the key decision maker, with some or limited help from his finance director. For the Value Creators, relationships are not viewed as important for deciding on a FDI. Instead, they tend to focus on increasing their overall competitive advantage and market strength. Yet, more Value Creators prefer to stay at home due to home bias (Mayer et al., 2010) due to stable domestic competitive advantage and not venture overseas even with the benefit of strong relationships. Value Creators that invest overseas tend to be superior performers with higher ROC and sales growth figures. Hence, the

researcher does not agree that relationships propel performance in undeveloped contexts and diminish performance in developed contexts (Carney et al., 2010).

Refocusers and Restructurers

The Refocusers and Restructurers in the secondary sector are grouped together in this section. For these two categories, partnerships are not viewed as crucial in comparison to the Market Creator categories. Instead, customer value chain relationships are viewed as high critical. Typically Refocusers prioritised or planned the development of sturdy competitive advantage in the country where they are interested in through pursuing market seeking or efficiency seeking overseas SIDs. For Refocusers, customer value chain relationships are highly prioritised at 68.4%. In contrast, the Restructurers scored 12.5% for customer value chain relationships. The Refocusers embark on overseas investments, primarily due to customer desires. Restructurers diverge by looking for efficiency seeking domestic SIDs in order to maintain their market share in the local context.

Practises 18 and 19

No evidence was found to support Expectation 18.0, 18.1 and 18.4. There seem to be no correlation between relationships and performance. Similarly, there is no correlation between environmental velocity and the firm's desire to invest overseas. Contextual distinctions are found for Expectations 18.2 and 18.3. As such, Practise 18 is derived as follows:

Practise 18: For the Market Creators, the selection of a host country is affected by the availability of close-kitted partners (Dunning, 2009; Guillen, 2002). For the Refocusers, investments overseas tend to be customer-driven. For the Value

Creators, their main motivation for a firm to invest overseas is to exploit new markets (Piscitello, 2004).

Practise 19 sums up overseas versus domestic SIDs' characteristics among the 4 contextual categories. Domestic investments tend to be cost or profit driven while overseas investments tend to be customer or partnership driven. Hence, it is found that DIs are mainly resource seeking or efficiency seeking, and FDIs are mainly efficiency seeking or market seeking.

In Practise 19 below, Dunning (2009)'s research is updated in this research context using the Singaporean SID:

Practise 19: DIs are mainly resource seeking or efficiency seeking, and FDIs are mainly efficiency seeking or market seeking.

5.5 Post Conceptual Framework

Theory development should consist of four elements (Whetten, 1989). The *What* element refers to the inclusion of all relevant factors and exclusion of variables that add little value to the research in the theoretical framework (Whetten, 1989). The *How* element involves the linkage of the set of factors identified in the earlier process in order to add order to the conceptual foundation (Whetten, 1989). As these two elements are the subject of the theoretical foundation, graphical diagrams are useful to aid the author and the reader (Whetten, 1989). The *Why* element refers to the underlying assumptions and logic that ties the model together (Whetten, 1989). The fourth element refers to Who, Where and When (Whetten, 1989). These factors place constraints on theoretical generalisation by ensuring that research hold true in different time periods and contextual settings (Whetten, 1989).

Meaningful work will involve applying the pre-theoretical framework in different settings with the objective to discover new elements of the existing theory and identify the new contextual changes that will influence the existing relationships between the factors tying the original framework together (Whetten, 1989) in order to develop a post-theoretical framework.

The pre-conceptual framework in the literature review is analysed in detail after the results and discussion sections have been concluded. It is found that the steps of decision making do not influence decision making across the thirty SIDs. Hence, certain aspects of the conceptual framework are extracted. Concurrent SMA, process and cultural themes across the majority of the thirty Singaporean SIDs are reflected in Practises 6 to 13. Clear differences in financial targets, control perspectives, contextual classifications (Miles et al., 1978), decision types (Hickson et al., 2003) and investment types (Dunning, 2009) are found in practises 14-19.1. Similarities reflecting cultural and country specific influences on SID making and differences portraying contextual differences across the thirty SIDs are added to the contextual framework. The pre-conceptual framework in the literature review is redrawn based on the results and discussion. Figure 11 shows the post conceptual framework.

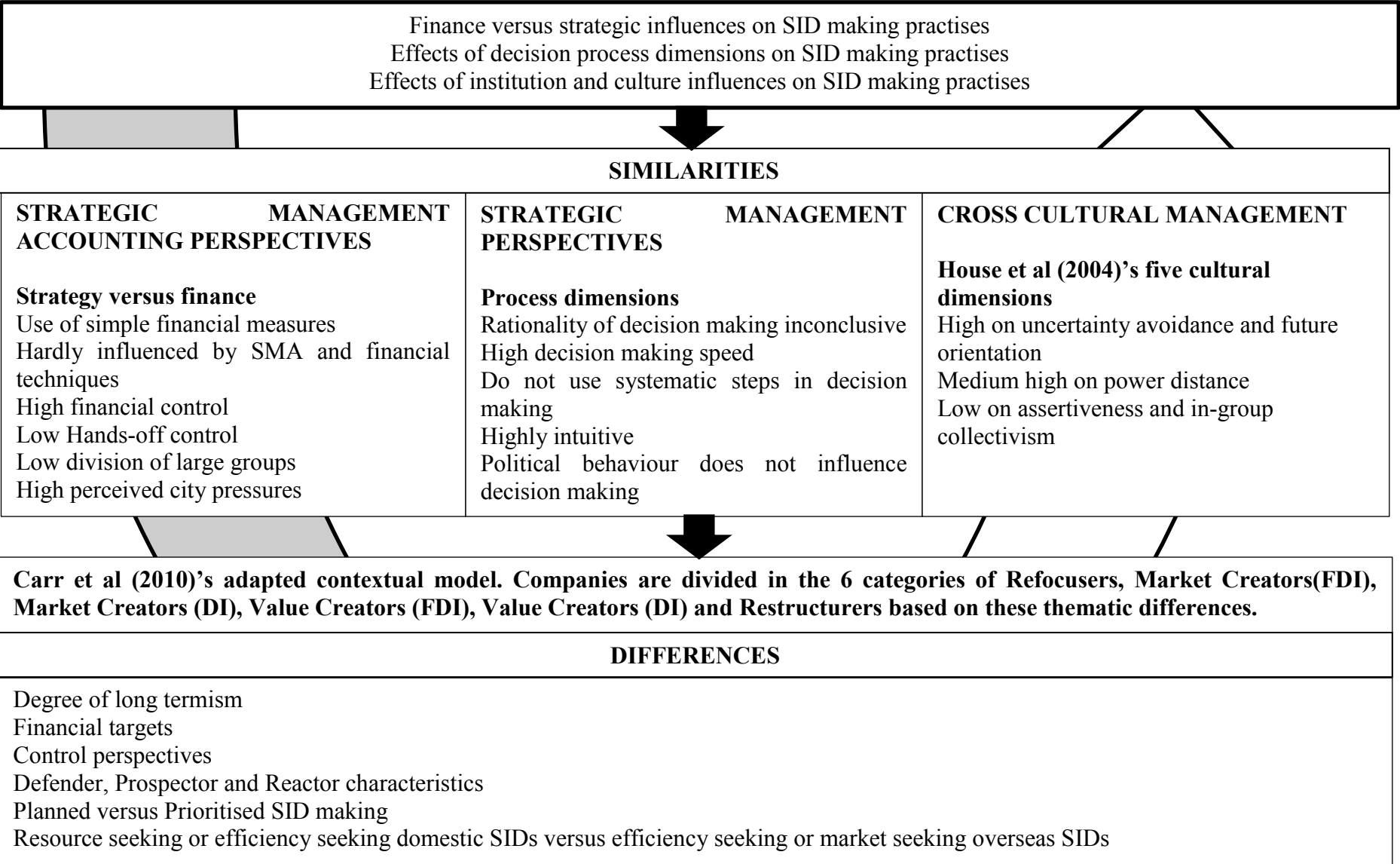


Figure 11:SID making practises- Post conceptual framework
 Source: Author

5.6 Conclusions

From the analysis in this chapter, 5 important contributions are found. Firstly, the research found that process dimensions (rational, political and intuitive decision making) do not influence SID making practises contextually, which has been reinforced in Miles and Snows (1978) and Oldman and Tomkin (1999)'s findings. Secondly, in addition to Kandemir and Acur (2012)'s research, it is also found that there are no distinctions between FDIs and DIs for political behaviour and the rationality of decision making.

Thirdly, in Dunning (2013)'s research on foreign direct investments versus domestic investments, no distinctions have been mentioned between overseas and domestic SIDs. Thus, this research contributes to theory by noting subtle differences in SID making speed between overseas and domestic SIDs which contributes to Dunning (2013)'s findings. Additionally, the research has found that although the speed of decision making is high across all categories, the speed of decision making for the overseas SIDs is slightly lower than the domestic SIDs. Overall, the domestic SIDs might seem to be slighter more intuitive than the overseas SIDs due to its influence from higher speed of decision making. Domestic investments are typically made to decrease cost, satisfy customer's requirements and normally require a shorter decision making period due to lower perceived risk by the firms embarking on the investments. However as the speed of decision making is high for all Singaporean firms in general, this research concludes that process dimensions do not affect decision making between FDIs and DI though the speed of decision making differs marginally.

Fourth, contrary to House et al(2004)'s claims, differences have been found for the cultural attributes; power distance, assertiveness and in-group collectivism. However, similarities are found in this research and House et al (2004)'s scores for the cultural attributes of long termism and risk aversion. Thus, this research partially agree with House et al(2004)'s claim that culturally, some countries are similar. Rather, the Singaporean results show that process dimensions affect the SID making strategy on a cultural basis which may make SIDs differ from country to country.

Lastly, instead of the original 4 contextual classifications by Carr et al(2010), in the analysis, it is found that the Market Creators and Value Creators can be divided into FDIs versus DIs clearly in a 6 category contextual classification where the Market Creators and Value Creators are divided into groups distinguishing between overseas and domestic SIDs. These 6 contextual categories are shown in Figure 12.

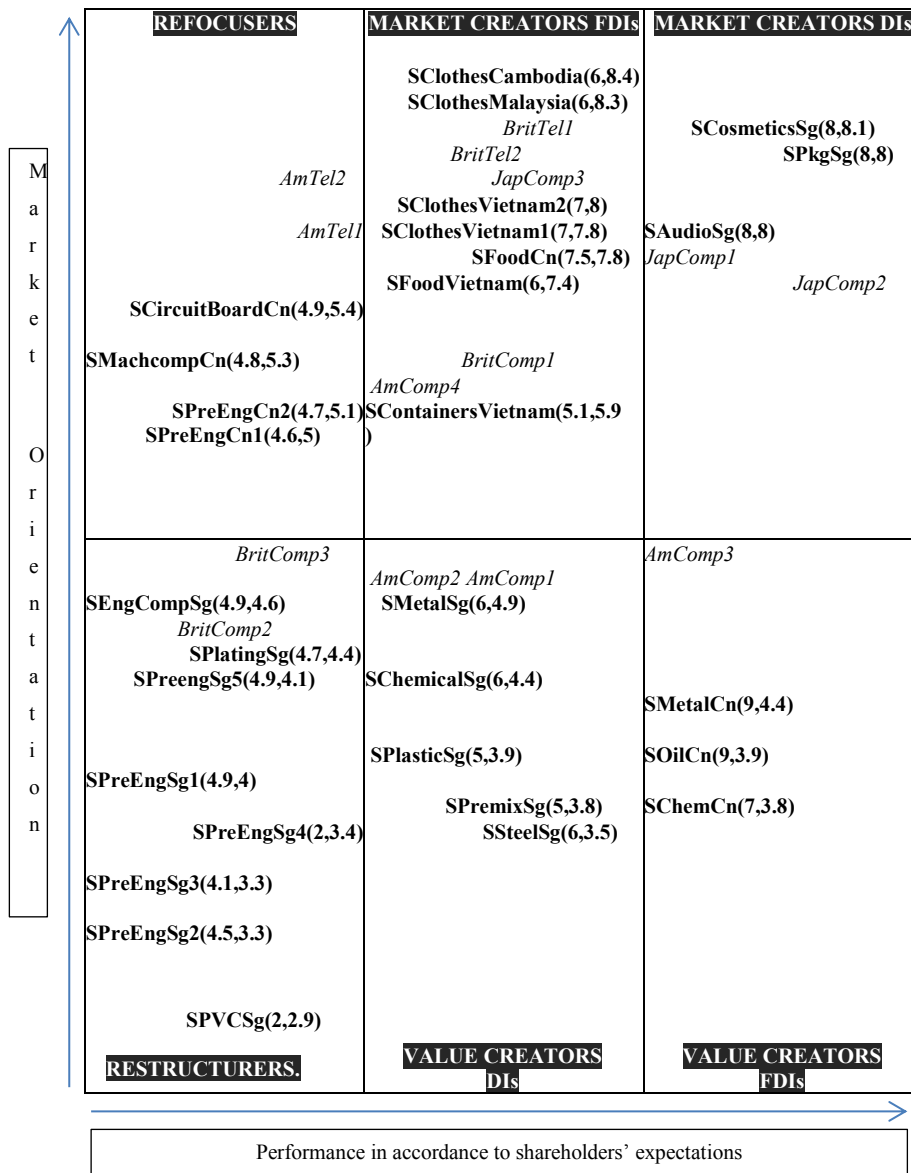


Figure 12: 6 contextual categories
Source: Author adapted from Carr et al (2010)

Summary

This chapter is concluded by summarising the similarities and differences found between the FDI and DI contextual categories from RQ 1 to RQ 3 in Tables 69-71.

Market Creators (FDIs)	Market Creators (DIs)
<p>Strategy versus Finance Priority placed on strategic concerns Bold attitude towards type of investments considered, with high propensity to enter into investments unrelated to their industry. Highest flexibility in financial targets Prospector characteristics Medium usage of SMA tools Highest financial expectations 30% using payback as a key financial measure for FDIs. 70% use ROC as a key financial measure. Payback targets, 5.5 years, Time horizon 5.8 years Most highly influenced by customer value chain relationships</p> <p>Control Highest flexibility in control</p> <p>Other themes Medium risk aversion Short term in perspective Conservative: Use of 100% cash for all FDI investments Low barriers to entry Diversified Low Cash Reserves Planned and Prioritised SID making</p> <p>Environmental characteristics Often produce fast moving consumer goods with medium market share. However, financially stable. High velocity environment, unstable local environment</p> <p>Unique GSM themes Highest importance placed on partnership relations Strong foreign relationships Market seeking</p>	<p>Strategy versus Finance Priority placed on strategic concerns Bold attitude towards type of investments considered, but prefer related investments in Singapore Highest flexibility in financial targets Prospector characteristics Medium usage of SMA tools High financial expectations Most highly influenced by desire to increase competitive advantage 100% using payback as a key financial measure 0% use ROC as a key financial measure Payback targets, 4 years, Time horizon 3.8 years</p> <p>Control High flexibility in control</p> <p>Other themes Medium risk aversion Short term in perspective Conservative: Use of 100% cash for risky investments. Leverage is only used for property investments. Prioritised SID making</p> <p>Environmental characteristics High velocity environment, stable local environment</p> <p>Unique GSM themes High importance placed on partnership relations Market seeking</p>

Table 69: Differences between Market Creators (FDI) and Market Creators (DI)
Source Author

<i>Refocusers (FDIs)</i>	<i>Restructurers (DIs)</i>
<p>Strategy versus Finance More financially orientated than strategic Pressured to lower costs to meet expectations of customers Low financial expectations High flexibility in financial targets Lowest usage of SMA tools Lowest formality of strategic reviews Medium ROCE, Low Sales Growth Ratios 20% using payback as a key financial measure, 80% using ROC as a key financial measure. Shortest Payback Periods of 3.8, Time Horizon of 4.8, high expected ROIs Most highly influenced by customer value chain relationships</p> <p>Control Lowest flexibility in control</p> <p>Other themes Medium risk aversion Extremely short term Reactor characteristics All use 100% cash for FDI except for one company Planned and Prioritised SID making</p> <p>Environmental characteristics Often produce secondary products who are identical to other competitors Low barriers to entry Stable domestic environment with need to pursue lower cost resources overseas.</p> <p>Unique GSM themes Medium importance placed on partnership relations. Mainly efficiency seeking, with some market seeking and resource seeking characteristics.</p>	<p>Strategy versus Finance 50% using payback as a key financial measure, 40% using ROC as a key financial measure. 10% using others. Most highly influenced by cost. Payback targets: 4.3 years, Time horizon: 4.6 years Lowest financial expectations Low usage of SMA tools Some reliance on external consultants Medium formality of strategic reviews Medium flexibility in financial targets Low ROCE, High Sales Growth Ratios Short Payback Periods, high expected ROIs and IRRs Most financially orientated</p> <p>Control Lowest flexibility in control</p> <p>Other themes High risk aversion Extremely short term Low Cash Reserves, highly leveraged or dependent on government grants Reactor characteristics Planned SID making</p> <p>Environmental characteristics Often produce fast moving goods with low market share (ie technological, retail, component) smaller, conservative Lowest barriers to entry High velocity, unstable environment Good access to government funding</p> <p>Unique GSM themes Mainly efficiency seeking, or both efficiency seeking and resource seeking. Low importance placed on partnership relations</p>

Table 70: Differences between Refocusers (FDI) and Restructurers (DI)
 Source: Author

Value Creators (DIs)	Value Creators (FDIs)
<p>Strategy versus Finance Strategic consideration is a priority with slightly lesser emphasis on financial analysis Most financially stable Most strategically orientated 100% using payback as a key financial measure. Most highly influenced by desire to increase competitive advantage Payback targets: 5.5 years, Time horizon 6 years Medium financial expectations Lowest usage of SMA and financial tools Lowest formality of strategic reviews Highest flexibility in financial targets High cash reserves and prefer to use cash to invest. Only one company prefers to use leverage. Low ROCE, Low Sales Growth Ratios Lowest ROI and Payback Periods</p> <p>Control Lowest flexibility in control</p> <p>Other themes Defender characteristics Planned SID making Financially conservative Highest Cash Reserves, most financially stable</p> <p>Environmental characteristics High barriers to entry High customer loyalty as suppliers are few</p> <p>Unique GSM themes Resource seeking Low importance placed on partnership relations Only invest in local related SID to strengthen foothold</p>	<p>Strategy versus Finance 66% using other financial measures. 34% use payback as a key financial measure. Most highly influenced by desire to increase competitive advantage Payback targets: 4.3 years, Time horizon 4 years Highest financial expectations Medium usage of SMA and financial tools Medium formality of strategic reviews Highest flexibility in financial targets High Cash Reserves, most financially stable. However, use leverage to keep cash reserves in hand High ROCE, High Sales Growth Ratios Lowest expected ROI/IRR and highest Payback Periods Highly strategically orientated</p> <p>Control High flexibility in control</p> <p>Other themes Planned SID making High risk aversion Highly long term Defender and Prospector characteristics</p> <p>Environmental characteristics Stable-Medium local environment High barriers to entry</p> <p>Unique GSM themes Mostly invest internationally to obtain resources not available in home country Medium importance placed on partnership relations Resource seeking, with 2 firms that are both market seeking and resource seeking.</p>

Table 71: Differences between Value Creators (DI) and Value Creators (FDIs)
Source Author

CHAPTER SIX: CONCLUSIONS

6.1 Introduction

Chapter 6 concludes the thesis by firstly summarising the study and the findings from the empirical research. Secondly, the research design, methodology and analysis conducted in the study are evaluated. Thirdly, the main contributions of this thesis are highlighted by outlining the theoretical contributions, practical significance of the findings for practitioners, policy makers, fund managers and other stakeholders. Next, the implications and limitations of the research are illustrated before suggesting avenues for future SID making research.

6.2 Summary

6.2.1 Summary of study

The main objective of this research is to intricately understand the role of context and culture in Singapore. This study introduces the SIDs making style of thirty Singaporean companies using matched case studies from the Primary, Secondary and Tertiary sectors. This research brings together fieldwork conducted in prior years on Anglo-Saxon context and Germany, with Singapore as an Asian representative brought in for comparison with Japan as a developed eastern counterpart. By using Singapore as a basis for empirical research in comparison with past empirical research conducted mainly in the Anglo-Saxon and European contexts, cross-cultural SID making practises are updated. In the literature review, SMA, strategic management, cross cultural and international business literature are summarised and critiqued in order to draw out expectations from the literature for analysis in the

discussion chapter. These research expectations are further summarised in the pre-conceptual framework. The discussion chapter lists out and analysed the expectations in detail.

The cultural similarities and contextual differences are distinguished using 3 research questions; the first question highlights the cultural similarities across the thirty firms, the second question highlights the contextual differences and the third question highlights the relevant aspects of SID making research to overseas and domestic SIDs. To answer the research questions, the study sample, research design and methodology is structured to follow past research protocols in order to make effective cross-cultural comparisons. In the latter chapters, the research expectations based on prior literature are compared against the actual practises by the thirty Singaporean firms to affirm their applicability.

From the evaluation of the research expectations through verifying them with actual Singaporean SID making practises from the case studies, the pre-conceptual framework that is structured in the literature review is redrawn into a post-conceptual framework which is one of the main empirical and theoretical contributions of this thesis.

6.2.2 Summary of Findings

The results from the empirical research are examined on 3 levels from the study of thirty companies that are matched across the Primary, Secondary and Tertiary industries using 3 research questions.

13 expectations are used to study Research question 1(RQ1) as shown:

RQ 1: Do strategic management accounting, strategic management and cultural aspects vary across Singaporean companies in SID making?

A broad perspective is used to examine RQ 1. 5 SMA expectations, 3 strategic management expectations and 5 cross-cultural expectations are compared to the actual practises of the thirty Singaporean SIDs.

RQ 1 focuses on the similarities found within the thirty cases. It is found that culture prevails over context for some contextual factors. Higher financial influences that are found from the Singaporean transcripts signify that results conducted in other Asian contexts may not be applicable to all Asian countries in general. Carr and Tomkins (1998) have found cross-cultural differences in Japanese and German decision making compared to the Anglo-Saxon context where the Japanese and German use less formal DCF techniques in comparison to companies from U.S and U.K. Overall, the Singaporean firms resemble the Japanese as a comparative Asian representation, uses no DCF tactics in SID making and set longer payback targets (6 years) similar to Japanese's results of 15% for financial calculus influence and payback targets (5.6 years) in Carr and Tomkins (1998)'s findings. However, this lack of formal DCF techniques usage is controverted by evidence of conservatism where the Singaporean firms exhibit little willingness to invest in unrelated or unfamiliar investments. Financial concerns are prioritised though informal accounting techniques have been used. Thus, it is deducted that informal financial influences dominate Singaporean SID making which may controvert Lu and Heard (1995)'s notion that Asian firms are highly influenced by strategic concerns.

Despite international disparities in corporate goals and management attitudes, similarities due to industrial trade distinctions arising from globalisation pressures (Carr and Harris, 2004) are identified as shown in RQ 1. Carr and Harris (2004) has identified cross-cultural effects, by selecting one case from the above 4 countries. As portrayed in Chapter 5, the similarities that are found between financial expectations, the 3 process dimensions of rationality, intuition and politics and the culture dimensions by House et al (2004) may have larger influences on SID making behaviours in individual country contexts.

However, there are some differences that cannot be explained using culture as noted in RQ 1's analysis. This research has found some asymmetry between House et al (2004)'s scores and the Singaporean empirical results for risk avoidance and assertiveness. However, there are some differences in scores for the aspects of assertiveness, power distance relationships and in-group collectivism in comparison with House et al(2004)'s scores which shows that cross-cultural conducted based on Singaporean individuals may not be insightful adequately to gauge the behaviours of key decision makers in Singapore. While behaviours of conservatism, top down management, low in-group collectivism and non-assertive behaviour are noteworthy cross-cultural similarities, the averaging of results for the cross-cultural conclusion possibly bequeaths injustice to the sectorial differences that are found in RQ 2's analysis.

Another key difference in this thesis's approach compared to past SID making literature (Butler et al., 1991; Carr et al., 2010; Eisenhardt., 1989; Elbanna, 2006: Hickson et al., 2003) will be the breakdown of the SIDs into specific strategic and

investment types where specific differences are found. Hence, the main objective of the differentiation between investment types is to avoid generalisation and to incorporate most, if not all areas of the SID making process in this framework as reflected by Research Question 2 (RQ 2) as shown:

RQ 2: Can SID differences be explained by using a four way categorisation of firms?

To identify the extent of contextual influences on SIDs making, RQ 2 further narrows down the results by classifying the Singaporean sample into Carr et al (2010)'s 4 contextual categories consisting of Value Creators, Market Creators, Restructurers and Refocusers using the scores obtained from their level of market orientation and the performance of the firms. It is found that some of the contextual variables used in the original 4 contextual categories differ in the Singaporean sample. It is thus concluded that the original 4-contextual categories have limited applicability to the Singaporean sample, and it is modified in the discussion chapter to take in those differences. However, some differences between investment types cannot be explained using RQ 2's 4 contextual classifications, even with the modifications to the categories. Thus, Research Question 3 (RQ 3) is used to narrow down the comparative study to investigate the differences between investment types.

RQ 3 is reflected as follows:

Research Question 3 (RQ3): Do decision making practises for international SIDs differ from domestic SIDs?

3 expectations are used to examine RQ 3. It is found that decision making practises for international and domestic SIDs do not vary significantly though there are some differences. Similar to literature (Guler and Guillen, 2010), the Singaporean decision makers expect higher financial returns for investments overseas. However, contrary

to literature expectations (Hallen and Eisenhardt, 2012), the market performance data indicates that the resources of the Singaporean sample that firms who venture overseas are similar to those who invest domestically. Further, unlike Li and Tang (2010)'s claim, the selection of a host country is not solely affected by the availability of close-kitted partners as shown in the discussion chapter. Rather the selection of host countries can be affected by the companies' contextual classifications. One major theoretical contribution of this research is the addition of partnership relations and the expectation of financial returns between FDI and DI categories. For instance, the Market Creators, they tend to be highly influenced by partnerships (Guillen, 2002; Li and Tang, 2010). However, for the Refocusers, investments overseas are influenced by their customers' motives. The Value Creators have a tendency to invest overseas in order to exploit new markets (Piscitello, 2004). Further contextual differences are found where overseas investments tend to be longer term and more strategically orientated than domestic investments which are shorter term and more financially orientated. Thus, in the conclusion to the discussion chapter, these differences are summarised into 6 contextual categories, which portrays the key theoretical and empirical contributions in this thesis.

6.3 Study Evaluation

6.3.1 Research Design and Methodology

This research aims to generalise the findings of the sample to Singaporean firms in the primary, secondary and tertiary sectors on a cross-comparative basis to past research conducted on SID making practises. To answer the three research questions, the research is conducted in line with past research conducted on SID making for

comparative analysis. As past SID expectations are tested from past SID making research, interpretivism and critical realism are not used as the generation of new propositions or hypotheses are not required in SID making research. Instead, it is required to justify propositions or hypotheses from past research in SID making literature. Hence, post-positivism is used to verify and develop the expectations from previous research based on actual SID making practises from the thirty Singaporean companies.

A multi-case based analysis using quantitative and qualitative triangulation is used to probe an in depth analysis of the Singaporean SID. The research design follows the case study method used by Artero et al. (2011), Bourgeois and Eisenhardt (1988b), Butler et al. (1991), Carr and Tomkins (1996), Carr et al. (2010), Eisenhardt (1989b), Lu and Heard (1995). This research's sampling frame initially explored using actual samples from U.K, U.S, Japan and China together with the Singapore firms for comparative analysis due to the importance of extending SID making research beyond the Anglo-Saxon context (Bower, 1997; Brouthers et al., 2000; Papadakis and Barwise, 1997; Rajagopalan et al., 1993, Schwenk, 1995) . However, the timeline of 9 months for the data collection exercise in the 3 years PhD period renders this method extremely risky, time-consuming and costly. As the vast majority of research is US (Bourgeois and Eisenhardt, 1988a, Dean and Sharfman, 1996a, Dean and Sharfman, 1993a, Eisenhardt, 1989b, Fredrickson and Mitchell, 1984a, Mintzberg et al., 1976b, Nutt, 2005, Nutt, 2000) and UK (Butler et al., 1993a, Hickson et al., 1986b, Hickson et al., 2003a, Miller, 1997, Miller et al., 2004, Rodrigues and Hickson, 1995a) centred, the use of research expectations generated

from their research can sufficiently be adapted to Singaporean based practises by vigorously practising post positivism in line with past SID fieldwork.

As mentioned by Schaffer and Riordan (2003), if single country research is vigorous, the research can still be comparative. Additional research need not be conducted in the Anglo-Saxon context as shown by the highly cited research conducted in non-Anglo-Saxon contexts(Brouthers et al., 2000a, Elbanna and Child, 2007ab, Elbanna and Child, 2007ba, Papadakis et al., 1998). Thus, the research is solely conducted on Singaporean decision makers. In a 9 month case study period, the Singaporean case based research is conducted by using representative samples from 3 industries over 3 phrases to ensure that data can be triangulated cross-culturally.

To ensure quality comparative research, the interview framework is adapted from two confidential survey questionnaire guides used in Carr and Tomkins (1998), Carr and Pudelko (2006) and Carr et al. (2010) and questionnaire guides available in Lu and Heard (1995) and Hickson et al (2003). A pilot study is firstly conducted to ensure that the questionnaire can be successfully modified to adapt to the Singaporean decision makers. In the pilot study, many terms taken out as they are not understood by the Singaporean managers. Through three rounds of editing, this thesis's questionnaire can be regarded as fully adaptable to Singaporean and perhaps Asian decision makers.

The research's final sample consists of thirty matched companies. Their sector divisions are shown in Figure 13. Through careful selection, firms are segmented into the cases as shown for triangulated comparison of the firms in line with the 19 expectations from the literature review.

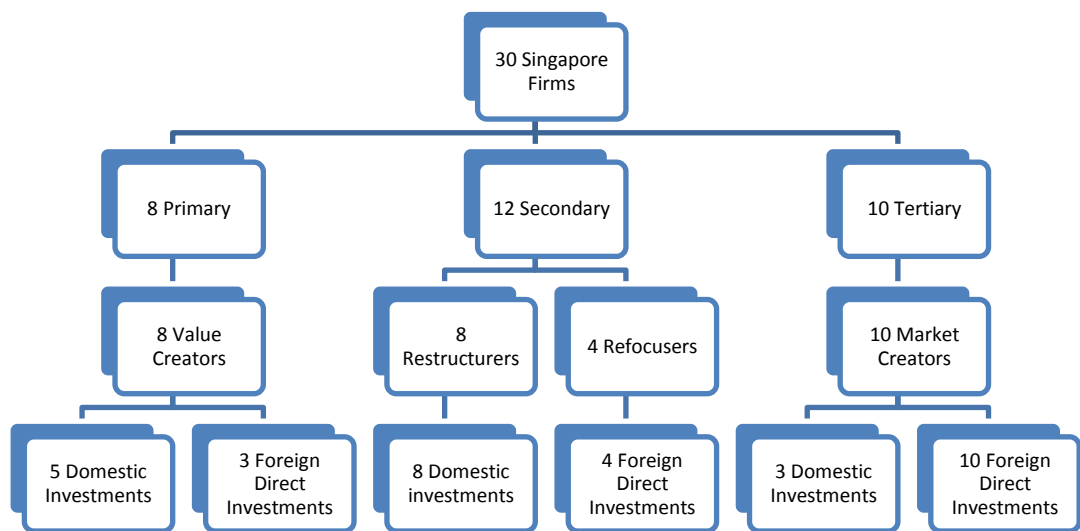


Figure 13: Segmentation of cases
Source: Author

6.2.2 Data analysis

Data and method triangulation is observed actively to ensure that the research is valid and reliable (Shenton, 2004). Data triangulation is practised by interviewing at least 2 respondents per company and using a wide range of data sources to ensure that the data was verified accurately. Measures are taken to ensure that the transcripts are credible, confirmable, transferable and dependable, thus making the data valid and

reliable (Bryman, 2012). Most of the interviews are conducted in Chinese or Hokkien which the participants feel more comfortable in. Each interview is 1.5- 2 hour long. However, much of the conversations are spent making the respondents comfortable by talking about miscellaneous items like politics, food and their family. Additional time is spent explaining key terms and the rationale for conducting these interviews. The interview recordings are carefully transcribed to reflect the key points that transpired during the interviews. Hence, these conversational topics are not transcribed due to irrelevancy. To ensure that most SID making themes are covered, 14 interview transcripts used in Carr et al (2010) are coded individually using NVIVO to observe key SID making themes in the Anglo-Saxon and Japanese contexts. The 60 Singaporean transcripts are coded in NVIVO subsequently using these same themes. In sections where the interview responses are not clear or missing, the respondents are contacted again by phone to clarify and add on to these sections. These transcripts are sent to the interview respondents for accuracy checks as most of them are translated from Chinese to English. The final transcripts lengths of 1000-1500 words consist of the main aspects of the interviews that relate to SID making.

Method triangulation is practised by using both qualitative and quantitative data from various literature sources for comparison against the Singaporean data. The detailed data gathering and empirical analysis exercise aids to ensure the validity of this research (Trochim, 2006).

6.4 Contributions

The contributions from this study are elaborated in the sections that follow:

6.4.1 Theoretical contributions

6.4.1.1 Consolidation of past research studies

From the researcher's observations in the literature, many gaps in the literature prevail despite the extensive amount of studies in SID making. Current cross-cultural SID discussion is often standalone, fragmented and confused (Papadakis et al., 1998). There is a shortage in SID making literature that draws together the contextual and cultural dimensions of SID making practises empirically as few studies have integrated multiple perspectives together (Child et al., 2003). To consolidate these debates, key themes that are pertinent in SID making are summarised from 4 bodies of literature; SMA, strategic management, cross cultural management and international business. In the SMA analysis, the presence of significant financial influences despite limited financial analysis in the Singaporean firms and the streamlining of common SID making expectations are specific guidelines for further specificity of SID making research. In the contextual assessment, the updated findings show strong sectorial similarities between the UK and Singaporean sample in the Restructurers category. These updates hint at the significance of these updated contextual categories in application to multi-country contexts. By integrating past research through an extensive literature summary, this research makes a specific step in SID making research by forming theoretical guidelines from empirical studies and synthesising existing SID making studies into a pre-conceptual framework.

6.4.1.2 Adding applicability to past SID making research

It must be noted that past SID fieldwork focuses on 1 major SID in the last 5 years and does not distinguish between FDIs and DIs. This non differentiation has resulted

in the decline of SID making research after 2010. Research on SID making has been rendered outdated and replaced by research work focusing on foreign direct investments versus domestic investments. Yet, rendering past SID invalid can be detrimental for today's researchers as mistakes made in SID making may cause tremendous losses to a firm due to loss and rather, not the lack of information. To increase the depth of the 4 contextual categories and add on its relevance to the eastern context, it is integrated with domestic and foreign investment types by developing the 6 contextual categories. The significance of this framework is to incorporate cultural and contextual SID themes from a FDI and DI perspective. From the differences found within the categories, a new contextual framework is derived. Currently, SMA, strategic management and cross-cultural literature lack evidence differentiating FDI and DI between strategic types. Hence, this thesis's research contribution is the derivation of a new contextual framework that can apply to strategic types in other countries. New research can score the differentiated SID into the 6 new contextual categories, for a deeper understanding of SID differences, for global collaborative understanding. Thus, this research adds to the body of SID making knowledge by incorporating the themes of overseas versus domestic SIDs to SIDs. Through this research, past SID research can be effectively applied to new SID making research, using a firmer theoretical foundation and still retaining its relevance to today's SID making.

6.4.2 Empirical contributions

6.4.2.1 New cross-cultural SID making research

There is an overall need for more cross-cultural SID making research. Haley and Tan (1996) had commented that the information void on SID making is remarkably

significant in Southeast Asia. It is surprising that extremely limited empirical research has been conducted on Singaporean SID making and especially so on comparative Asian decision making, despite the acknowledgement over a decade ago, that comparative empirical research is important for today's SID making. Perhaps, the difficulty of access to Asian decision makers make this problem an unsolved gap in today's research. In this research, existing research expectations that discuss the influences of strategy versus finance in western SID making practises are compared to actual practises by Singaporean decision makers as a representative of under-researched eastern contexts. Through drawing out contextual similarities and cultural differences across western and eastern SIDs by comparing past empirical research with current empirical research, the SID is defined more consistently through a post-conceptual framework that helps to resolve many of the research contradictions that prevails till today in SID making. Thus, one of the main contribution of this research is the new prescriptive approach in SID making which increases the specificity lacking in current research on Asian process based SIDs.

6.4.2.2 Use of replication techniques in case study research

This research's inquiry into commonly used SID making process propositions has demonstrated the usefulness of replication studies. Overall, the empirical results shows that SID-makers in Singapore vary in SID sense-making in contrast to the past decision making literature based upon research conducted in the Anglo-Saxon or European context. The first proposition that Asian decision-makers are less rational than western decision-makers has been examined by studying two sub-propositions on the speed of decision-making, future orientation and decision-making steps taken by Singaporean decision-makers. Though it has been found that the environmental

velocity of the firm is directly correlated to decision-making speed in relation to the Singapore context, however, decision-making speed is high overall. This result is contradictory to the finding that the decision makers are long termism in orientation. No evidence is found for the use of decision-making steps. This finding supports recent literature that decision-making steps are irrelevant to decision making in today's globalisation. As the overall conclusions from proposition 1(a) and proposition 1(b) are contradictory to the definition of decision-making rationality, the rationality of Asian decision-makers remains inconclusive with respect to proposition 1. However, the research's supplementary findings on long termism, decision making speed and decision making steps confirmed the literature conducted on Asian decision makers in developing Asian contexts on a developed Asian context; Singapore which helped to fulfil three of the unanswered research questions in today's SID making literature. On the theme of intuition and decision making, there is an inherent void in SID making literature due to the difficulty of testing and quantifying intuition. The research's repetitive studies confirm the importance placed on intuition for Asian decision makers that fulfil an important gap in international business and strategic management literature. Politics are underplayed in the Singaporean context which contradicts literature on the importance of politics in other Asian contexts; i.e China. Thus, this finding shows that research conducted on developing Asian contexts cannot be applied to developed Asian contexts directly. This clear inconsistency gives room for future research examining the role of politics between diverse Asian contexts.

From the repetitive case research, it is also found that culture may be a bigger influence on the process dimensions of intuition, politics and rationality than other

contextual factors. This finding confirms many of the literature speculations by a school of researchers; i.e Carr *et al.* (2010), Schneider and De Meyer (1991), etc and disconfirms the assertions by another body of researchers; i.e, Bingham and Eisenhardt (2011); Eisenhardt (1989b), etc on the influences of organisational and environmental context on the three process dimensions. This important finding clears up many of the inconsistencies in SID making literature surrounding these three dimensions of decision making.

6.5 Implications

Due to the relevance of this research to today's decision makers from both eastern and western cultures, practitioners and academics alike can benefit from deeper understanding of the decision making logics adopted by key decision makers. Thus, there are significant implications in this research for theory, readers and practise which are described in the next sections.

6.5.1 Implications for theory

The researcher believes that this research leads to a number of significant implications for theory by increasing the specificity and applicability of SID making research. Though the study is derived from well-researched literature in 4 distinct fields of SMA, strategic management, cross cultural management and international business, there are still noteworthy gaps in these 4 areas which need drawing together which are explored in 19 expectations from these literature that are detailed in the discussion chapter. The consolidation of past SID making literature (Butler *et al.*, 1993, Eisenhardt, 1989; Elbanna and Child, 2007) literature through a pre-conceptual framework in the literature review chapter can be highly contributory for

today's researchers as this research illustrated how the integration of different research streams helps solve complex research issues in SID making, cross cultural management and international business literature.

This research also validates past literature expectations through a post-conceptual framework. For instance, it is uncovered that the literature featuring decision making steps (Miles et al., 1978) may bear little relevance to contemporary SID making practices in Singapore. Carr et al (2010)'s original 4 category contextual classifications does not take into account FDIs and Dis in SID making which may make this research less relevant to international business. Thus, through segmenting SIDs into overseas and domestic SIDs in a post-conceptual framework in the discussion chapter, past SID making research can regain its relevance to today's international business environment. Thus, researchers can apply this research to FDIs and DIs, thus increasing the understanding of FDI and DI practises in a SID making context which have not been tested out sufficiently in our research to generate acceptability. Thus, existing researchers can use the pre-conceptual framework derived in the discussion chapter for further empirical testing in the eastern context, to fully develop a SID making framework that is applicable to both eastern and western contexts that will significantly impact academics and their understanding of SID making practises.

6.5.2 Implications for readers

Readers of SID making literature might be confused by the array of opinions presented by different bodies of scholars. Strategy process studies are often dominated by debates on global divergence versus convergence in today's

globalisation (Carr, 2005). In addition, strategic management studies are too often been divided into generalised views debating why and how firms decide to invest (Sminia, 2009). Further, strategic management accounting studies often over emphasise financial variables and neglect other contextual variables in their discussion on SID making practises (Carr and Tomkins, 1998). Thus, the consolidation of studies beyond Elbanna (2006) in the pre-conceptual framework will help readers gain an overall perspective of SID making and its relevance to strategy. This research's consolidation of literature helps to avoid confusion and time wastage in searching through differing literature for new researchers which is a significant implication for readers.

6.5.3 Implications for practise

Overall, guidance for strategy formation is still premature in development for empirical and theory formation (Sminia, 2009). Thus, practitioners looking for guidelines to follow for SID making may plan too extensively for their investments which may lead to neglect of environment conditions and result in corresponding decreased performance (Fredrickson and Mitchell, 1984) due to the wide array of SID making literature (Elbanna, 2006). Overall, practitioners looking at big investments still need to use an effective pre-planning framework to pivot themselves to all means of plausible success, especially when cultural attributes differ significantly for western and eastern collaboration. If pre-planning using past successful pre-planning frameworks is not carried out, adaptation theory (Schoemaker, 1993) may be a step forward from planning theory. Yet, understanding the intangible concept of scenario planning and portfolio analysis might be problematic for today's strategy makers. This research's pre conceptual framework

helps eastern and western collaborators in pre-and post-planning by enabling them to apply relevant aspects of the framework to their SID making practises. Further, western investors might be misguided by the numerous SID making expectations generated by researchers carrying out SID field in varied country settings. The comparison of SID making expectations to actual Singaporean SID making practises helps to generate valuable knowledge for western collaborators in the Eastern context, especially with regards to the Singaporean context.

Through identifying SID variables common to FDIs and DIs, this research aims to revalidate SID making and aid future international collaborators to work together more effectively. The lack of pre and post contractual understanding due to cultural and cognitive differentiations is a major cause of FDI failure (Mahnke et al., 2008), which may deter potential investors. Understanding the contextual and cultural influences on FDI versus DIs will be significant for pre FDI entry success, to deepen FDI recipients' understanding of their investors' entry motivations. This analysis is not only useful for Asian investors, but helps to stand as a guideline for western investment criteria inflows into China and Singapore. Further, it helps recipients of FDIs to prepare for expectations from both eastern and western investors. This research in the Asian example of Singapore will be useful for institutional leaders, for policy adoption and cross-border learning, for academics in cross-cultural SID making research and practitioners for cross-border collaboration.

6.6 Limitations

The data collection exercise has taken 9 months to complete over 3 stages. As in every data collection exercise, there are 4 restrictions noted despite the researcher's efforts to increase the comprehensiveness of the case studies.

Firstly, there are some difficulties due to lack of time and cultural gaps in the interview process. It is noted that 60 interviews might take too long to complete full transcription. Hence, only key points pertaining to the SID are transcribed from the interviews. Hence, there might be loss of meanings due to selective transcription. Hence, the transcripts are double checked by the companies' directors or secretaries to ensure full translation of meanings. Due to the fact that the questionnaires are accepted frameworks tested in China, U.K, U.S, Germany and Japan, the interview questionnaires are brought to Singapore after an initial pilot study for administration with prior assumptions that they can be used. However, even with changes, it is found that the Singapore decision makers do not comprehend the terms used in the questionnaires. At least half of the initial interviews are spent on explaining terms to the decision makers in order for them to answer the interview questions. In the second and third phases, efforts are made to include diagrams and explanations in the interview guide, however, due to simplification of the initial questionnaire guide and non-understanding by the Singaporean key decision makers, some SID themes that are covered in the Anglo-Saxon context are not carried over to the Singaporean context. In addition, the original questionnaire incorporating US, UK and Japan are not designed to factor in cultural differences. Hence, while the modified

questionnaire applied to Singapore has taken in cultural and contextual differences, the differences in questionnaire design may lead to divergence in results.

Secondly, to decrease the research limitations, the environment which the firm operates in is controlled and the sample was kept consistent in size, manufacturing context and operating conditions. Hence, the context of the research is limited to Singapore. As this research can be regarded as the first SID targeted research in Singapore, limited literature can be used to verify the conclusions reached by this study. Further, the SID making opinions are restricted to that of the Finance Directors and Managing Directors to ensure comparative results. Hence, it must be noted that these indicative results may not be representative of the SID making styles of the whole Chinese or Singaporean communities. In this research, the Value Creators are divided into FDI and DI categories. However, the differences between the determinants of market entry and their influences on the market entry choices of green-field entry, acquisition, joint venture or equity ownership are not tested, which might have a significant influence on the SID made (Meyer et al., 2008).

In the classification of companies in the 6-category contextual classifications, it was found that similar to Carr et al (2010)'s sample, the Restructurers, followed by the Refocusers are the shortest term in perspective and are reactors in nature. Similar to Carr et al (2010), the Value Creators (DI) exhibit defensive characteristics. To the contrary, Value Creators who invest overseas are highly prospective and aggressive. While the Market Creators in Carr et al(2010)'s sample had the lowest financial targets, the financial expectations of the Market Creators are the highest in the 4 contextual categories. Both Carr et al. (2010)'s and this study have used the multi-

case study approach to classify the companies. However differences in approaches in SID making are apparent between the two samples. The divergence in Carr et al (2010)'s sample selection of 14 matched telecommunication and vehicle component companies across countries versus this study's multi-industry, single country approach may result in potential sampling biases. However, both studies lack a larger sample size, which implies that more vigorous statistic testing is needed, to render higher acceptability of Carr et al. (2010)'s model across Eastern and Western contexts.

Thirdly, the nature of this research use static data for analysis and focus on one core strategic decision made by the company. A close examination of the transcripts shows that Singaporeans are profit-driven, pragmatic decision-makers rather than abstract theorists. Hence, this method may not be the best methodology for SID making research as the limited recapturing of past memories may diminish the accuracy of static analysis.

Lastly, the examination of the propositions is based on an ideal sample of similar Singaporean companies with the exception of industry classification resulting in additional research restrictions which confines the pool of companies for field research. While all the companies are registered in Singapore, making them appropriately classified as Singaporean, there are difficulties in finding pure Singaporean based companies' key decision makers who are willing to be interviewed. Hence, it must be mentioned that SOilCn is owned by a Chinese Director who has obtained his Singaporean citizenship and SPremixSg has part

Japanese ownership which might add external country influences to the research. However, despite these limitations, this study is the start of the first forays into the secrets of successful Chinese businesses in Singapore.

6.7 Recommendations

In view of the limitations of the research, recommendations are made for future directions in SID making research to test the new theoretical developments. The first recommendation is for further testing of the pre and post conceptual framework, the 6-figure contextual classifications and the updated questionnaire design. As the 4-dimensional literature review is the first consolidation in SID literature, future researchers can use the pre and post conceptual framework as a guide to enhance SID literature, by reducing the confusion in SID making literature. Further research can also explore the classic Primary, Secondary and Tertiary sectors, the 4-category contextual categories and the new 6-category typology, to find out which of the 3 contextual classifications are more relevant in explaining SID making practises. Future fieldwork can also include companies from more diverse sectors in multi-country settings to test the new questionnaire design which is originally obtained from Carr et al(2010)'s research and modified to take in Hickson et al(2003) and Lu and Heard (1995)'s research.

Secondly, it is suggested that future SID making research should increase the specificity of the fieldwork. As a follow up from the findings in RQ 3, researchers can further segment their research into FDI or DI specific investments, to increase the relevance of SID making research to international business. Targeted research

can be conducted on companies in individual contextual categories with a bigger empirical sample to develop the specificity of the contextual categories. In the examination of RQ 2, only 4 companies are placed in the Refocusers category in this research. Thus, future research work can be targetted towards the Refocusers category to develop this category further or increase its relevance. Large sample research of a quantitative nature can be done on the individual sectors to further define the convergence in a single industry and derive further statistics. For instance, the fashion, wholesale, food manufacturing and food chain businesses within the Tertiary industries can be evaluated on a separate basis. As RQ 3 has explored initial conclusions on the differences between foreign versus domestic SIDs, new researchers can focus on more sectors that can be explored using the 6 category contextual categories, to ascertain the relevance of the categories; in particular towards FDIs and DIs. In another study, it will be useful to take advantage of the global hub identity that belongs to Singapore and study the different MNCs' SID making practises.

Thirdly, it is proposed that industry or firm context can be kept constant in new research settings. For example, one specific industry can be studied in a cross-cultural context to test the relevance of this framework in classifying contextual categories in multi-country settings. The 4-figure contextual framework has been initially used to score Anglo-Saxon and Japanese firms in different time periods. However, as RQ 2 and RQ 3 has uncovered, this contextual framework may be insufficient to explain SID making practises. Subsequently, the 6-category contextual framework has been developed to answer RQ 2 and RQ 3. However, this development emerges from Singaporean based research, which is still premature in

SID making research. Hence, the impact of globalisation might have influenced the relevance of certain contextual categories. Future contextual SID making research should aim to provide a longitudinal and updated empirical view with other Asian representatives brought in for meaningful comparison with Anglo-Saxon companies.

As RQ 1 has uncovered that culture may predominate over certain SID making variables over context, future research on SID making can focus on large sample country specific settings and not context specific settings. As the inconsistencies may occur from differences in culture, future research needs to be multi-country in focus to clear up debates on these three dimensions. Even so, multi country research still suffers from deficiencies in sample size due to the difficulty of studying a SID, a highly secretive project of most companies. Thus, a larger sample single-country setting in a different country context might be more useful in understanding the three dimensions further if a researcher faces this inherent limitation when studying the SID.

As this study focuses on past decisions, it will be useful for new research to add a longitudinal perspective which studies how the SID making process changes over time (Cheng et al., 2010). In a further study, induction reasoning methods like scenario analysis or policy capturing can be useful to enable the decision makers to recall their cognitive, intuitive and political thought processes when making SIDs. Inductive reasoning methods like scenario analysis serves to increase the understanding of cognitive behaviours and heuristics as the method helps to capture actual human behaviour in uncertain and complex circumstances (Schoemaker, 1991). The heuristics or bounded rationality behaviours of groupthink that may occur

in a group setting rather than individual settings resulting in the occurrence of SIDs with poor performance might be an interesting area of research to pursue in the Asian context. Further, similar case studies using interviews to explore the strategic decision making picture from a group perspective can be undertaken (Cheng et al., 2010).

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APPENDIX

Final Questionnaire Guide

SID details

1. Kindly recall the details of one strategic investment decision made. The strategic investment decision refers to a key financial decision that you invested the most in absolute value or consider the most successful in the last five years.
 - a) When did you invest in the SID?
 - b) Where is the investment located?
 - c) What is the key reason for investment?
2. How much did you invest in the SID?
 - a. Are you planning to invest more? Why?
 - a) Did you use cash or leverage? What are the percentages?

Control and Management

3. Can you describe the post decision measures that your company took?
 - a) Is there a separate division to plan for the SID? Who does it report to?
 - b) Did you employ external consultants to help you with the SID?
4. Can you describe how your company manages the SID after implementation?
 - a) Do you manage it directly or employ someone else to manage it for you?
 - b) Do you manage the SID's finances actively or loosely?
 - c) How often are accounting schedules reported to you?
 - d) What level of percentage loss or return will induce you to revise the overall strategy for the SID (examples are re-planning, management structure, accounting procedures)? Why?
 - e) Is the SID subject to a formal annual strategy/financial review process?
5. How do you monitor the performance of the SID?
 - a. Do you station staff in each subsidiary to manage the company?
 - b. Is the subsidiary incorporated as part of your firm?
 - c. Do you maintain regular communication with your business partners?

Influence and usage of financial and strategic tools

6. Are financial calculations or SMA tools used in post-SID and pre-SID making?
How important are these tools or techniques in SID making?
 - a. Can you describe the role of accounting in your company's SID practises?
 - b. Are payback²⁹, ROI³⁰, IRR³¹, NPV³² calculations used in decision making?
 - c. What are your payback, ROI, IRR, NPV expectations? What is the degree of influence of these financial calculations on making the SID?
 - d. Is financial forecasting merely "ticks on paper"?
 - e. Are required return rates specific after or before tax?
 - f. Did you use any strategic concepts (Balanced Scorecard, Boston Consulting Group, Activity Based Costing, Target Costing, Market forecasting, external benchmarking, SWOT analysis and other strategic/SMA tools) when making the SID? What is their degree of influence?

Financial Expectations

7. Do you expect the investment to be cash generating by the end of the first year?
 - a. Is there pressure to produce high financial returns (I.E: high ROI) within the first 2 years of investment?
8. With the onset of this SID, how do you define investment success?
 - a. Do you expect to double revenue within the next five years?
 - b. What about the actual payback period and ROI generated?
 - c. Do you use any other measures to judge financial success?
9. Are there any differences in financial expectations if you invest overseas compared to investing locally (Ie: higher ROI/lower payback period)?

²⁹ Payback: period of time required for the return on an investment to pay back the sum of the original investments

³⁰ ROI: net profit/ total assets

Or : Gains-investment costs/Investment costs

³¹ IRR : discount rate at which the net present value of costs equals net present value of benefits of the investment

³² NPV: indicate how much value an investment adds to the company. It is defined as the sum of cash flows from year 1 to year X, taking into account expected return rate is computed.

10. Do you make use of post investment audits (i.e. financial position of investment or similar projects) when making your decision? Will the use of them be appropriate for your case?

Strategic versus financial considerations

11. Do strategic concerns or financial concerns take a more important role in the decision making process? Why?
- a. What is the key strategic concern for your decision? Is this factor more important or financial considerations?
 - b. Please elaborate the reasons, benefits, pitfalls or lessons associated with the application of financial/strategic techniques?

Information sources

12. What are the sources of information used to decide if you want to invest in the SID? How important are these sources of information?
- a) Are accounting figures the main source of information for the SID? If not, what is the main source of information?

Strategic Management and cross cultural management themes

Decision making

13. Can you describe how the company decides to invest in the SID?
- a) Are you the main decision maker or there are other stakeholders involved?
 - b) How old are you?
14. What is the financial director/accountant's role in the strategy process?
15. Are systematic steps used in the decision making process? (Examples of systematic steps are SID selection, communication, implementation, control and assessment of strategy)
16. Is intuition used in the decision making process?
17. Do you consider the decision making intuitive or systematic? Which aspects play a more important role?
18. How long did you take before deciding to invest in the SID? (1-5 years)
19. Are sub-groups present in the company? To what extent the presence of sub-groups affect decision making?
20. Does the SID need to be in the current industry you are operating in? Are you open to diversified investments in other industries you are unfamiliar with?

21. Is cost leadership more important or differentiation for the selection of the SD?

Cross-cultural management

Cultural Differences

22. How do you think your style of investing compare to your Asian (i.e. in China, Hongkong, Malaysia and Indonesia) or Western counterparts?

- a. To what extent is your style similar or different?
- b. Are there any general observations that you will like to add with reference to your investment style in comparison to other Singaporean companies in similar or different industries?








Global Strategic Management









23. Why did you decide to invest locally/overseas?






24. What are the differences between your overseas versus domestic investments?

25. What is the role of partnerships in SID making?

Part 2: Quantitative survey guide (7-Point Likert Scale)

Questions	Scale
Does your company exist in a high or a low technology situation?	Low High 
Do you consider your industry fast moving or stable?	Fast Stable 
Do you consider your industry as emergent, mature or declining?	Emergent Declining 
Are you classified as a services or manufacturing company?	Services Manufacturing 
Do you consider your company to be in a high or poor performance situation?	Poor Performance High Performance 
Do you place more emphasis on short term (less than 5 years) or long term goals (more than 5 years)?	Short term Long term 
Is intuition an important factor affecting your SID investment plans?	Not important Very important 

Does the interplay of politics affect your SID investment plans significantly?	<p>Not significant Very significant</p> 
Are you more conservative or entrepreneurial?	<p>Conservative Entrepreneurial</p> 
Are you always prospecting for new business opportunities) or defending your current business?	<p>Defender Prospector</p> 
Is your company financially led or market led?	<p>Financially Led Market Led</p> 
Do you consider SID investing your priority or it is part of your plan for the organisation?	<p>Priority Planned</p> 
Must the SID be assessable to you (i.e. Location)?	<p>Not important Very important</p> 
Do you consider your organisation a ready one that can adapt to the changes involved in implementing a SID?	<p>Not ready Ready</p> 
To what degree are you risk adverse?	<p>Low High</p> 

<p>How familiar are you with the environment and industry of the SID considered?</p>	<p>Not familiar Very familiar</p> 
<p>Is experience an important factor for your SID investment plans?</p>	<p>Not important Very important</p> 
<p>Do you consider yourself future orientated?</p>	<p>Low High</p> 
<p>Do you monitor the SID actively or loosely?</p>	<p>Active Loose</p> 
<p>Are you close to your staff?</p>	<p>Low High</p> 
<p>Are your staff assertive?</p>	<p>Low High</p> 