

A Business Success Evaluation of Market Entry Mode Types in Myanmar Construction



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การตัดสินใจเลือกรูปแบบที่เหมาะสมและการรู้ถึงปัจจัยต่าง ๆ คือสิ่งสำคัญสำหรับการขยายตลาดสู่สากล อย่างไรก็ตามในปัจจุบันมีงานวิจัยต่าง ๆ ซึ่งมีความเกี่ยวข้องกับทั้งสองหลักการที่กล่าวมา แต่มีเพียงส่วนน้อยที่กล่าวถึงกลุ่มประเทศในเอเชียดั่งเช่นเมียนมา ผู้ลงทุนต้องการทราบถึงปัจจัยซึ่งส่งผลต่อการเลือกรูปแบบการเข้าสู่ตลาดและความสำเร็จทางธุรกิจ ดังนั้นงานวิจัยนี้จึงมีวัตถุประสงค์ ได้แก่ 1) เพื่อระบุปัจจัยต่างที่ส่งผลต่อการเลือกรูปแบบการเข้าสู่ตลาด 2) เพื่อหาปัจจัยหลักในความสำเร็จจากการเลือกรูปแบบการเข้าสู่ตลาด 3) เพื่อหาปัจจัยที่นำบริษัทไปสู่ความสำเร็จ งานวิจัยนี้ได้พัฒนาแบบสอบถามด้วยวิธี five-point Likert scale และทำการเก็บข้อมูลจากบริษัทในเมืองย่างกุ้งของเมียนมา โดยใช้การวิเคราะห์ในเชิงปริมาณและเชิงคุณภาพเพื่อให้ได้มาซึ่งข้อมูลที่สอดคล้องกัน และใช้การวิเคราะห์แบบ Analysis of variance (ANOVA) เพื่อตรวจสอบความแตกต่างของแนวคิดต่อปัจจัยต่าง ๆ ในการเลือกรูปแบบการเข้าสู่ตลาด และใช้วิธี ranking mean เพื่อจัดลำดับความสำคัญของปัจจัยต่าง ๆ ตามความแตกต่างของ การเลือกรูปแบบการเข้าสู่ตลาด ส่วนต่อมา Pearson's correlation และ Linear regression ได้ถูกใช้เพื่อหาความสัมพันธ์ และปัจจัยหลักต่อความสำเร็จของธุรกิจก่อสร้าง งานวิจัยนี้พบว่าปัจจัยต่าง ๆ นั้นสามารถจำแนกได้เป็น ปัจจัยในการเข้าสู่ตลาด และปัจจัยในการเลือกรูปแบบเข้าสู่ตลาด ปัจจัยในการเข้าสู่ตลาดนั้นจะถูกใช้พิจารณาก่อนการเข้าสู่ตลาดและช่วงเวลาของการตัดสินใจว่าจะเข้าสู่ตลาดหรือไม่ ส่วนปัจจัยในการเลือกรูปแบบเข้าสู่ตลาดนั้นมีความสำคัญในการเลือกรูปแบบที่มีความเฉพาะเจาะจง รูปแบบการเข้าสู่ตลาดที่แตกต่างกันให้ผลความสำเร็จเดียวกัน แต่การจัดลำดับความสำคัญที่ถูกต้องสามารถสนับสนุนองค์กรได้ โดยปัจจัยที่มีผลต่อความสำเร็จของธุรกิจ ได้แก่ ปัจจัยด้านการบริหารระดับสูง ปัจจัยด้านองค์กร และปัจจัยด้านธุรกิจ ผลลัพธ์จากงานวิจัยนี้สามารถช่วยให้ผู้ลงทุนยกระดับความรู้ของประเทศหลักในการวางแผนกลยุทธ์การเข้าสู่ตลาดและกลยุทธ์การจัดการเพื่อความสำเร็จของธุรกิจจากการประยุกต์ใช้ที่เหมาะสม



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The optimal entry mode decision and knowing the critical success factors are important for successful international market expansion. However, there are not many studies for developing Asian countries, such as Myanmar. Investors need to know what factors influence entry mode decision and business success. Therefore, the objectives of this study are 1) to identify the factors that influence entry modes decision, 2) to identify the critical success factors of entry modes for business, 3) to identify the significant factors that affect business success. The questionnaire survey using a five-point Likert scale was developed and distributed in Yangon, the commercial city of Myanmar. This study conducted both quantitative and qualitative methods to acquire more cohesive data result. Analysis of variance (ANOVA) was used to examine the different perceptions of factors among entry mode types. The mean ranking method was also used to observe the perceived priority of factors from different entry modes viewpoints. Then, Pearson's correlation and multiple linear regression were conducted to find the correlation and the most significant factors that affect business success. The research found that the factors influencing entry mode decisions can be distinguished as entry factors and entry mode factors. Entry factors are used before making an entrance and during the time of considering whether to make an entrance. The entry mode factors are specifically important to opt for a particular entry mode. However, critical success factors do not perceive different opinions based on entry modes. Nevertheless, the important levels assist firms to keep focusing on the right priority. The factors that affect business success are top management related, organizational related and business management related factors. The result will help investors to improve their knowledge of the host country for strategic entry planning and enhance the management strategy to have a successful implementation.

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CHAPTER 1

INTRODUCTION

1.1 Background

The global business environment has remarkably bloomed over the last decades. Globalization brings not only abundant opportunities by opening new markets, but also inevitable challenges in the form of greater competition. Mr. John Williamson, the Chief of Economist for South Asia Region at the World Bank, stated that the whole world is increasingly behaving as though it were a part of a single market with interdependent production and consuming similar goods. From his statement, it is obvious that globalization integrates national economies through trade, investment, capital flow, labor migration, and technology. Foreign investments are beneficial for developing economies by increasing productivity and worker skills, encouraging technical development, generating better-paying employment and boosting local business [Group \(2017\)](#).

It is also reported that construction works have been increasing both in developing and undeveloped countries over the past few years. We could not deny the fact that the construction industry is an investment-led sector that greatly contributes to the economy of a nation and plays a vital role in the social and economic development of all countries. [Khan \(2008\)](#) stated that the construction sector and its activities are reflected as one of the major sources of economic growth, development and Besides with other sectors ([Tripathi and Jha, 2018](#)). The government, therefore, shows its highest interest in this sector and even incentivize expansions to go international. There are many motives that intrigue firms to go international, for instance, stagnant conditions or recession of the domestic market, or developing new market and diversifying the business. The underlying reasons for those motives are that they want the business to grow bigger, generating more revenue, seeking opportunities, risk-taking on inevitable threats and recruiting new talents. Consequently, it impels engineering and construction companies of all sizes around the world to undertake business outside of their domestic frontier. Therefore, the

construction industry has gradually globalized and construction and infrastructure projects are expanded and not bounded by borders anymore.

When firms first consider international expansion, they commonly face questions to select a location or country, plan the right timing of entry and to adopt an appropriate entry mode to expand into international markets. Among them, the choice of market entry mode is the most critical strategic decision for any firm seeking international expansion. According to [Root \(1994\)](#), entry mode is defined as an institutional arrangement for organizing and conduction international business transaction that makes possible the entry of a company's products, technology, human skills, the management or other resources into a foreign country. Though entering foreign markets can be a rewarding and highly profitable step in the growth of a business, it has always been a risky and needs a strategy and implementation over time. For the fact that international projects involve not only the uncertainties from domestic construction projects but also from the complex risks that are directly from an international transaction, therefore, underestimated the challenges that could find themselves struggling in unknown territory. It is considered essential to find out what factors were central in the modal choices of different companies.

In the wake of globalization, firms are exposed not only to the entry mode decision-making process but also to many other challenges while competing in an ever-changing and expanding market. According to [Arslan and Kivrak \(2008\)](#), the vibrant business environment seems to make it even more necessary to focus on corporate success to be competitive in this environment. It is essential to be aware that having made the right entry mode decision is critical but does not guarantee the firms to be successful post-entrance business activities. Since entry mode decision varies from country to country and firm to firm, there is no entry mode as the best choice, but choosing the most optimal mode of entry has a bearing on the company's success. Most firms, in general, have multiple objectives relating to sustaining and succeeding in their expansion of foreign market endeavors because "success has been the ultimate goal in every business area ([Chan et al., 2002](#)). Like any other business, ensuring success is the objective of the construction organizations and achieving it is highly critical for firms to survive in a competitive market. Critical Success factors could

help the decision-makers to focus their attention on critical processes, understood as those that are capable of defining and guiding the direction and orientation that the management must follow to optimize the decision-making processes (Chen, D. and Karami, 2010). Yet, it is not easy for an organization to focus on all factors of concerned areas and decide how and where the limited resources should be allocated. Thus, it is of importance to identify significant factors that have an impact on the success of the business and given the propensity of favor.

1.2 Research Problem

As entry mode decision-making process is complex and requires considerations of various aspects, such as firm-specific factor (Erramilli and Rao, 1993; Kumar and Subramanian, 1997; Madhok, 1997) and industry and country-specific factor (Anderson and Gatignon, 1986), the investors are facing with choosing among available options which has the optimal return and involve less risk. In the meantime, each entry mode decision comes with its benefits and risks by providing a different degree of control and cost factors (Chang and Rosenzweig, 2001). Besides, once the decision has been made, it is difficult to change the initial entry mode choice for it costs considerable resources, time and money (Root, 1994). More importantly, the impact of such a decision has dreadful consequences and closely associated with the investment's success (Hill et al., 1990; Musso and Francioni, 2014) that investors are hesitating to make a threatening decision without a proper investigation.

The construction industry has unique characteristics that are dynamic, competitive, and challenging. As more and more construction firms enter foreign markets, several questions of interest may arise from both investors and practitioners. Upon prior and post decision making and strategic planning process, they will be questioning about 'How does this entry vary across different types of construction firms and different entry situations?', and 'How to enhance the post-entrance performance and thrive in business?' (Brouthers, Keith D and Bamossy, 2006; Chen, C., 2008). As international work is unusual, firms are fraught with competitiveness, scarce resources, the versatile global economy and specific conditions in the host country. The commonly encountered international expansion difficulties and

problems are related to client communication, understanding a new culture, avoiding local politics and supervising a diverse group of professionals (Kangari and Lucas, 1997). In order to overcome those obstacles and to thrive in the international construction business, however, they also are in lack of a guideline required to evaluate the business success in terms of entry modes to give them direction and improve management orientation.

Although Myanmar's economic growth is projecting and boosting the economy by presenting significant opportunities for the construction sector, it is expected to moderate to 5 percent in 2018/19 compared to 6.1 percent in 2017/18 (World Bank, 2018). It is said Myanmar remains a high-risk location for investment, with ongoing security and business environment risks deterring foreign investors and dampening growth. Unfortunately, besides political instability, other issues that discourage investors are lack of skilled labor and weak in contemporary technology. However, the government's effort to prioritize large-scale infrastructure development and urban planning for the country indicates its willingness to cooperate and welcome foreign investments.

The stated problems and challenges may intimidate enthusiastic firms and refrain them from entering into new markets despite promising opportunities. To survive and grow in the international construction arena, a firm cannot afford poor decisions. It is required to develop a firm's capability to assess the opportunities, analyze the risks, and make informative decisions for the future construction business. An attempt to knowing the important factors and assessment through business success evaluation can help to determine the most suitable strategy to use when entering into the intended country's market.

1.3 Research Objectives

The main objectives of this research were as followed:

1. To identify the factors influencing entry modes decision
2. To identify the critical success factors of entry modes for business
3. To identify the influence factors that affect business success

1.4 Research Method

Both quantitative and qualitative research methods will be used in the form of the survey questionnaire and in-depth interview, respectively. The survey questionnaire was primarily developed from the previous literature and scholars have already found and will be tailored to fit in this country through a pilot study.

The steps followed for this study are summarized below:

- Review of relevant literature to identify entry mode influencing and critical success factors.
- The method of survey data collection will be both in-person and through in-depth interviews.
- Gathering and evaluating data by means of a 5-point Likert Scale survey questionnaire based on agreement and satisfaction.
- Analysis of data was executed based on various statistical analyses such as Analysis of variance (ANOVA), Pearson Correlation Analysis, Multiple linear regression, and ranking.
- Determining the important levels of entry mode influencing factors and critical success factors.
- Evaluation for business success
- Results were analyzed, compared, and discussed. Conclusions and recommendations were made.

1.5 Scope and Limitation of the study

Regarding the time constraint, the research studies on the following:

- Location: Yangon, Myanmar
- Target group: Contractors, Consultants, and Developers (Private sectors)
- Respondents: Corporate executives, general managers, business managers, project managers, and project coordinators

- The knowledge gathered in the study was limited to the respondent's previous work experience and responses to the questionnaires.
- The study interested in the construction industry, branches of engineering such as mechanical, electrical, and oil & gas are excluded, for there might be more factors concerned to make a more robust and accurate assessment for both before and after the decision-making process.

1.6 Expected Benefit

The enthusiastic investors may analyze and evaluate the result to help them improve the knowledge of the Host Country for strategic entry planning in order to have a successful implementation. The expected outcome can be summarized as followed;

1. By identifying the entry mode influencing factors, one will gain insight and understand better how entry mode decisions are made by foreign construction investors in Myanmar.
2. By identifying the critical success factors for specific entry mode types, one will be able to access fundamental factors to enhance competitiveness to secure business success and adjust the management strategy for long-term existence.
3. From the evaluation, one will know what to pay attention to and help individuals to determine their needs.
4. Aid organization in its general planning process.
5. Besides, when the existing firms would like to change investment type or evaluate the company strength, this study would be a great intervention for them as well.

This would consequently be of interest to multinational companies, aspiring to entrench themselves in Myanmar, as well as for those companies that already have a presence to make an evaluation. Moreover, this will lead to more investments of foreign companies in the country and in turn nurture the economics of the country. In addition, providing the host country for employment opportunities, infrastructure, and

technology development. This, in turn, will generate the sustainable development and economic growth that Myanmar has not been able to deliver for decades.

1.7 Thesis Outline

The study is composed of seven chapters, namely; introduction, literature review, methodology, data analysis and discussion, critical success factors of entry modes, business success analysis, and conclusion and recommendation. The introduction presents the background of the study and problem discussion. It also includes the overall purpose, which leads to the specific research questions, objectives and significance of this study. Finally, it clarifies the limitations and outline of the research. The second chapter, literature review, will present the theories connected to the research area and determining factors of entry modes and success. The third chapter, methodology, will thoroughly explain the methods which lead to meet the purpose. The empirical data collections will be displayed, analyzed and discussed in the chapter (4), (5) and (6). In the seventh chapter, drawing conclusions for research objectives and suggesting some practical implications.

1.8 Chapter Summary

Entering a new market is always a risky business, with a vast potential for failure. Despite the opportunities that are welcoming, some threats are inevitable. In order to survive and grow in the international construction arena, a firm cannot afford poor decisions in assigning their resources. Since entry mode decision has a bearing on firm success, investors require to acknowledge the importance of entry mode and success factors at the same time. Although there are many practically effective studies, unfortunately, entry modes and success were studied independently and separately. This study with the intention of filling up the gaps by evaluating the business success and bringing up the best from these investments for the country. A mixed method of qualitative and quantitative will be used to answer the research questions. Entry mode influencing and critical success factors will be determined from the literature review and using a 5-point Likert scale to evaluate the survey questionnaire. Descriptive statistics will be conducted with tools such as Analysis of variance (ANOVA), Pearson Correlation Analysis and rankings.

CHAPTER 2

LITERATURE REVIEW

2.1 Background

A literature review is a very important supporting material for researchers to have comprehensive knowledge. It provides insight into the theoretical background of the study. Reviewing related materials helps the researcher to gather valuable data and ideas that can be a guide for the study. It also prepares the reader for better assimilation and understanding of the concepts of the study. The discussion will start by reviewing Myanmar's construction conditions and followed by the theories and approaches being used for international expansion. The types of entry mode and their influencing factors will be discussed afterward. The critical success factors for business will be extensively explained, and the chapter ends by providing the research gap.

2.2 Myanmar Construction

Myanmar is the second-largest country in Southeast Asia and has a total landmass of 261,228 square miles (676,577 sq. km), with approximately 52.5 million residences. Its neighboring countries are India and Bangladesh in the west, Thailand, and Laos in the east and China in its north and northeast. It is also one of the most rapidly developing countries among developing nations. The construction sector contributed \$3.4bn to GDP in 2015, equivalent to around 6.1% of the total and 17.7% of industrial sector GDP, second only to processing and manufacturing (The Report: Myanmar 2018). Construction is one of the sectors prioritizing area and Myanmar Investment Commission welcomes investors to invest. Myanmar is now open for business and it is the time to consider the enticing opportunities that country offers. According to Directorate of Investment and Company Administration (DICA), the new Myanmar Investment Law (MIL) took effect in 2017 creates a business-friendly environment for foreign and domestic investors by simplifying procedures, the process for investment applications and offers several tax breaks, incentives, guarantees, rights and protections for business ventures. This update to the most

important investment-related legislation helps establish a coherent legal framework for both domestic and foreign investors.

As the country is still developing and lacks technology and techniques and Myanmar's economic growth is projected to sustain its momentum in the future, there is a huge need for large-scale investment in infrastructure projects. The demand for new infrastructure projects in Myanmar is already high and will continue to rise in line with economic growth. Myanmar urgently needs to close its infrastructure gap for further integration with the world economy, and collaboration with neighboring countries. Thus, the Government has indicated its willingness to co-operate with private sector construction companies and is accelerating its implementation of infrastructure projects, particularly on roads, bridges, railways, ports, airports, energy and power, industrial parks and economic zones. Moreover, the Government welcomes investors to invest in infrastructure improvement projects under the Build-Operate-Transfer (BOT) or other Public-Private Partnership (PPP) agreement. According to that, there will be enormous foreign investors who are willing to take the chance and the risk at the same time. Investment, in turn, will generate the sustainable development, jobs and economic growth that Myanmar has not been able to deliver for decades. The types of investment allowed by the Myanmar Investment law (2016) to conduct business in Myanmar are a wholly-owned subsidiary, a joint venture (JV), contract and other investment forms (Table 2-1).

Table 2-1: Investment Type of Myanmar (DICA)

100% Investment	Joint Venture (JV)	Contract	Other investment forms
Foreign investors may invest without any local partners in permitted sectors.	Joint ventures may be created with foreign, local and government entities.	Foreign investors may act under a mutually agreed upon contract.	These include build-operate-transfer (BOT) and build-operate-own (BOO) investments.

2.3 Theories and Approaches to Entry Mode

Firms adopt several theories when making decisions for international expansion. Transactional cost theory, Ownership Location Internalization Paradigm, Resource-based theory, Intuition/cultural theories, and Organization capability have been used despite the fact of imperfections of each approach and overlaps and

complements between these theories. Therefore, [Chen, C. and Messner \(2010\)](#) suggested that a combination of them provides a stronger and more comprehensive theoretical basis decision to explain entry mode selection. In this study, the most used theories were detailed in the next section

2.3.1 Transactional cost theory (TCT)

Transactional cost theory (TCT) considers three constructs such as transaction-specific assets, external uncertainty, internal uncertainty which determine the optimal degree of control. ([Williamson, 1985](#)). The main concept of this theory is that firms can organize their international activities in the most efficient mean by minimizing transaction costs. Firms intend to choose the entry mode that balances the level of control and the cost of resources commitment. When firms possess high asset specificities such as products, technologies, knowledge and experience, they intend to enter into a new market with a high level of ownership and control. Later, it was extended by several researchers such as ([Hill et al., 1990](#)), integrated both environmental and strategic factors into TCT framework, [Brouthers, Keith D. \(2002\)](#) added institutional and cultural factors and [Erramilli and Rao \(1993\)](#) adjusted the framework to suit for service industries.

2.3.2 Eclectic Paradigm (Ownership, Location, Internalization Paradigm)

The eclectic paradigm was introduced by ([Dunning, 1979](#)) that presented foreign market entry mode is influenced by three factors, namely, the ownership advantages of a firm, the locational advantages of a market, and the firm's internalization advantages. [Agarwal and Ramaswami \(1992\)](#) identified the advantages of ownership, location, and internalization (OLI) as factors influencing the decision of entry mode. There is a greater tendency of a firm choosing a high control level of commitment when it possesses more OLI advantage. The shortcoming of the paradigm is that the lack of consideration of strategic factors, characteristics and situational contingency surrounding the decision-maker, and competition ([Zhao et al., 2004](#)), or whether it equally applies to medium-sized companies ([Wong and Merrilees, 2009](#)).

2.3.3 Resource-based theory

“The Resource-Based View argues that companies that have specific capabilities and resources will be able to be distinct from other organizations and exploit them effectively to create value or competitive advantage for a firm which is valuable, rare, inimitable, and non-substitutable” (Barney, 1991). His statement was contributing to the view that resources are important factors in choosing the international entry mode of an organization and it defines how firms generate competitive advantages from the perspective of firm-specific resources and capabilities (Barney, 1991). The resources can be tangible or intangible. The tangible resources are the financial resources, physical, technological and organizational infrastructure. The intangible assets are as follows: human resources, innovation, and reputation (Peng et al., 2009). The resource-based view shows that the choice of entry mode often depends on the company’s existing capabilities as well as the resources it would like to acquire (Meyer et al., 2009). It is because capabilities enable a firm to transform its resources into products or services that are differentiated from its competitors (Sharma and Erramilli, 2004). If a firm lacks resources and capabilities, it may lead to financial burden and time loss for the firms and they will not be able to perform and achieve sustainable competitive advantage (Peng, 2001).

2.4 Entry Modes Types

International market entry literature has been discussing different kinds of entry modes for both production sector and the manufacturing sector. The entry modes that international firms use to enter into new markets can be categorized in three main groups as exporting, contractual and investment namely: exporting, licensing, franchising, strategic alliances, joint ventures, and wholly owned subsidiaries (Tian, 2016). Those modes can be grouped as equity (EQ) and non-equity (NEQ) distinguished based on the resource commitment level (Pan and David, 2000). Export and contractual agreements can be categorized as non-equity modes and wholly owned subsidiary (WOS), equity joint venture (JV), acquisitions and capital participation as equity modes. Since the construction industry is primarily a service industry and different from those other sectors, some entry modes are not applicable.

Sui Pheng and Hongbin (2003) stated the five most used entry modes patterns in Chinese international construction companies as local agent; representative office or liaison office, subsidiaries, joint-venture company, and branch company (solely owned). Later, Chen, C. and Messner (2011) identified more systematic and coherent basic entry modes particularly for international construction such as (1) strategic alliance; (2) local agent;(3) licensing;(4) joint venture company;(5) sole venture company;(6) branch office/company;(7) representative office;(8) joint venture project;(9) sole venture project, and (10) BOT/equity project(

Table 2-2). Each entry mode has its strengths and weakness in general terms. Therefore, organization will be more attracted to a mode depending on its backgrounds, nature of the company, strategic objectives as well as the resources.

Table 2-2: Definitions of entry mode for international construction markets
(Chen, C. and Messner, 2011)

Entry mode	Definition
Strategic alliance	A long-term inter-corporate association without an affiliated organization based on trust and a mutual respect for each participant's business needs, used to further the common interests of the members (including the entrant)
Local agent	A contractual arrangement between the entrant (principle) and a local agent where the agent provides principle information on local market conditions, contacts, and assistant to the entrant
Licensing	A contractual arrangement between parties in different countries on the licensee's use of limited rights or resources like patents, trademarks, trade names, technology, and management skills from the entrant (licensor)
Joint venture company	A permanent joint venture in which the entrant and other legally separate parties form a jointly owned entity in which they invest and engage in various decision-making activities
Sole venture company	A permanent venture in the host country wholly owned by the entrant where profits and responsibilities are assigned exclusively to the entrant
Branch office/company	A form of presence without a legal person status of the entrant in the host country that can carry out either profit-making or non-profit-making business activities
Representative office	An unincorporated formal presence in the host country to carry out noncommercial activities like business communications, product promotion, market research, contract administration, and negotiations on behalf of the entrant's head office
Joint venture project	A project specific joint venture in which profits and other responsibilities are assigned to the entrant and other parties according to a contract
Sole venture project	A wholly owned project specific venture where both profits and responsibilities are assigned exclusively to the entrant
BOT/equity project	A wholly owned project specific venture where both profits and responsibilities are assigned exclusively to the entrant

Each entry mode indicates three fundamental properties such as different control levels (Anderson and Gatignon, 1986; Root, 1994), resource commitment (Vernon and Herring, 1981) and risk dissemination (Hill et al., 1990). Different entry modes represent different types of control exercised by firms in relation to their foreign operations, different levels of resources committed, and different levels of risk. Hence, managers inclined to draw entry mode decision based on contemplations of firm resources which acts as its strengths that would give the firm a competitive advantage in the foreign market. We can acknowledge from the below Figure 2-1 and Table 2-3 that investment types like joint venture and wholly owned subsidiary consume high resource commitment, and control level (Lu, Y. et al., 2011).

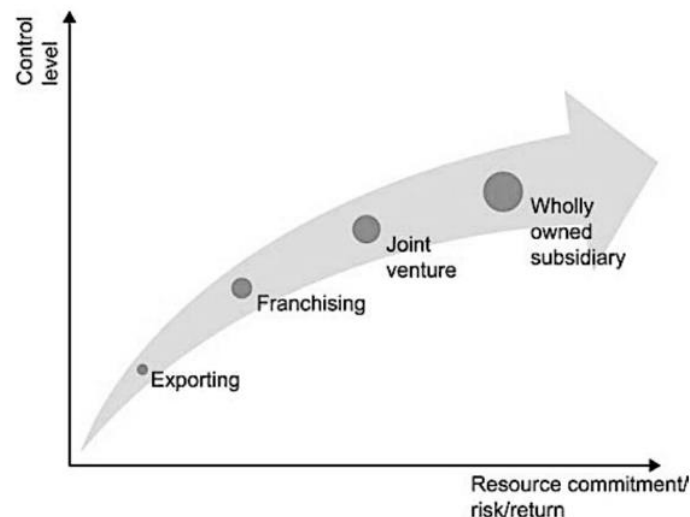


Figure 2-1: Characteristic of entry mode (Lu, Y. et al., 2011)

Table 2-3: Characteristics of different entry mode (Li et al., 2013)

Entry Mode	Properties Degree of Control	Resource commitment	Risk of dissemination
Export entry modes	Low	Low	Low
Contractual entry modes	Low	Moderate	High
Investment entry modes	Moderate-high	High	Moderate-high

2.5 Factors influencing Entry Modes

In order to be able to choose a suitable entry mode, it is necessary to understand the context within which a country's political, economic, and social institutions emerged its history, culture, and demography. Many dedicated scholars worked on international market entry strategies regarding entry mode. They have identified various factors influencing and taken into consideration before making a firm's entry mode decision. According to [Puljeva and Widén \(2007\)](#), entry modes are influenced by the internal (firm) and external factors (market/host country). When selecting for the suitable entry mode for international expansion, [Ozorhon et al. \(2007\)](#) suggested extensive environmental scanning, determination of opportunities and threats and then matching them with the firm strengths. The entry mode factors proposed in this study belong to the previous related studies and adopted theoretical approaches. They can be grouped into two groups, internal factors and external factors. Internal factors are related to the company's internal environment, whereas external factors pertaining to the conditions that are external to the company which is host country and market related factors.

2.6 External Influencing Factors

External factors are influencing the firm's decision upon entry modes directly related to the host country factors such as political, economic, social-culture, competitors and law and regulation. External influences have a lot of impact on the decision for the firm's international expansion. Those factors are unexpected and uncontrollable by firms' means. According to transactional theory, the greater the external uncertainty, the higher the transaction costs. In other word, if there is a higher external exposure of uncertainty, foreign investors may prefer lower commitment entry modes as a joint venture and thus reducing the unnecessary risk by cooperating with local partners. Nevertheless, examining the environment provides a chance to analyze the effect of economic, legal, socio-cultural and political forces on the choice for entry mode into the unfamiliar market. This study intends to focus attention on the

cultural proximity, competitive intensity, economic situation, market attractiveness, and political stability.

2.6.1 Cultural Proximity

Today, culture is seen as a very important factor for international activity. Cultural aspects include language, religion and social organization. Cultural distance is defined as the degree of similarity or difference between two cultures. Hofstede (1980) and Kogut and Singh (1988) defined cultural distance as the measure of the extent to which norms and values in one country differ from the ones in another country. The lack of knowledge about the differences in culture hinders the operational decisions. Therefore, firms are more confident to initiate their international expansion in countries which has a similar condition as their own (Root, 1994). The higher the recognized cultural distance between the home and host countries, the more that firms will tend to adopt a low-control entry mode because a low-control mode is also a more flexible mode for withdrawal when the firm is unable to adapt to the host country.

Moreover, a linguistic distance which is from one aspect of cultural distance may affect communication and management decisions. Since the construction environment involves many participants, especially for international ones who need to deal with people from all around the world from diverse language backgrounds, the struggle in communication is inevitable. The language diversity within a firm might interfere with management style and cause misunderstanding. The different language backgrounds may act as a hindrance to effective communication and reduce productivity. Gollnick and Chinn (1986) stated that language constitutes several ways of communication that transform cultural and personal identity and integrates one into a culture group. Language diversity between members of organizations has always been incorporated in the cultural distance (López-Duarte and Vidal-Suárez, 2010) and not considered as much importance in the decision of entry mode.

Barkema et al. (1996) suggested that local partners' knowledge reduces the risks of entering culturally distant markets. According to his statement, the greater the distance between the home and host country in terms of culture, economic systems,

and business practices, the more likely it is that the firm will be favored to choose a partner with local to reduce risks. When the perceived distance between the home and host country is excessive, firms will favor entry modes that involve relatively low resource commitments and high flexibility (Sanchez-Peinado et al., 2007). This argument is supported by Kogut and Singh (1988) and Erramilli and Rao (1993) who also found that cultural distance is associated with the low commitment or control entry mode. However, the statement contradicts (Ahmad and Kitchen, 2008) findings that contractors are assertive enough for the investment with higher commitment level, for they believe that it enhances their capabilities by getting local status, accumulate local knowledge and establish enduring local networks. His finding has an agreement with Anand and Delios (1997) and Brouthers, Keith D. (2002) as the greater the cultural distance and investment risk, the more firms likely to choose high control and commitment entry modes.

2.6.2 Competitive Intensity

The intensity of competition is measured by the number of competitors activate in the market. The presence of competitors in the intended country market also influences the decision of entry mode type and level of involvement. Erramilli and Rao (1993) inferred that differ from the competitors, and the entry mode choice may also differ. It is suggested not to get involved in where the market is packed with high competitors for such a market is less profitable and does not encourage to go for a high resource commitment(Harrigan, 1985). Hence, the greater the intensity of competition in the host market the more the firm will favor entry modes that involve low resource commitments. According to Hollensen et al. (2011), in markets with a high intensity of competition, firms prefer to choose lower control and resource commitment entry modes. In the study (Chen, C., 2008), the risk-taking investors tend to choose the higher degree of entry mode type for they are aggressive and not afraid of the competition despite the situation or they have some competitive advantages over their competitors.

2.6.3 Economic Situation

Economic growth affects a countries' attitude towards foreign business activity, the demand for goods, and the distribution systems found within the country (Zekiri, 2016). The existing level of economic development allows the firms to estimate the degree of market potential as well as allowing them to prepare for economic shifts and emerging markets. The economic risk may arise due to the volatility of exchange rates of the target market's currency, upheavals in the balance of payments situations that may affect the cost of other inputs for production, and marketing activities in foreign markets. International companies find it difficult to manage their operations in markets wherein the inflation rate is extremely high. Risk is an important component in the assessment of an investment. Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. While making an investment decision, most investors consider countries with less risk are favorable. The lesser the investment risk, the more lucrative the investment. Firms tend to use less investment cost of entry modes when entering high investment risk markets. Pan and David (2000)) and Agarwal and Ramaswami (1992) suggested in countries that have high investment risk, a firm may be better off not entering. In low investment risk markets, firms may be willing to make the financial and managerial commitments necessary to establish a high control and resource commitment type of entry mode because they perceive the risk of losing these investments are low. The factors that ease the economic environment are having a trade link or colonial link which have a trading relationship and similar law and regulations with the host country (Chen, C., 2008).

2.6.4 Market Attractiveness

The demand for products and services which make the market attractive also affects entry mode strategy, likewise the level of competition in the target market (Chen, L. Y. and Mujtaba, 2007). The attractiveness of a host country market and demand can be seen as a prime factor in market selection. Internationalizing firms should not fail to make the assessment of foreign markets and the estimation of international market potential. The size and growth of the host country market are

measured by the market potential (Chen, L. Y. and Mujtaba, 2007). The larger the market size, the greater the potential of growth which makes more promising to commit resources in the foreign market (Alias et al., 2014; Gunhan, SM, 2004). Alternatively, as the market is larger, the greater the potential for growth and the higher the inclination of the firm to commit greater resources. Researchers have found that equity modes of entry are preferred in high growth markets (Kwon and Konopa, 1993; Pan and David, 2000). From the perspective of long-term growth, firms invest more resources in markets with a high potential for growth. It is obvious that firms are attracted to a country with promising opportunities and potentials. However, some firms entered relatively lower potential markets by adopting a high level of commitment despite the unattractiveness market to fulfill their firms' strategic objective of long-term market presence and operate in international markets (Agarwal and Ramaswami, 1992). A similar hypothesis was validated in the study of (Chen, C. and Messner, 2010) that firms tended to choose higher resource commitment entry mode in unattractive host country market.

2.6.5 Political Stability

Ramcharran (2000) states that firms entering new foreign markets may be confronted with unstable political, economic, foreign exchange, and or social environments. Business relationships are dependent on understanding the cultural and political background of the parties involved in the exchange process (Turnbull, 1987). Whether in domestic or international, it is very important to take consideration of the political environment of the country where they intend to operate. Firms should thoroughly study the government structure and political systems of the targeted country. Besides, the legal environment is an important variable to consider in international business due to the impacts from courts of law decisions that may have upon a company's globalization attempts. Just as cultural, political differences pose threats to firms so do the varying legal systems of the world and their effect on business transactions (Cateora and Graham, 1999). Understanding the legal environment of target countries is considered of great importance in terms of market selection due to the detrimental impacts of decisions related to issues such as foreign exchange rates, expropriation and intellectual property rights, jurisdiction pattern, and

bribery etc. It is imperative for the international marketer to understand the various types of legal systems as well as the various threats the company may encounter as it is open to global business (Zekiri, 2016). Therefore, Isa et al. (2016) advocated that political conditions and government policies are critical to the survival and profitability of a firm's operations in that country.

2.7 Internal Influencing Factors

Internal influencing factors define the firm-specific factors within their environment. They represent the strengths and weaknesses of a firm. They bring out the potential opportunities within the firm and yield threats outside the firm and its operation. Isa et al. (2016) found out that firm factors dominantly govern entry mode decisions. They strongly affect the decision-making process and how well a company meets its objectives. Sivakumar and Ekeledo (2004) learned from their study that managers tended to make entry mode decisions based on considerations of firm-specific resources. Unlike the external environment, a firm has its control over these factors and managing the strengths of internal factors is the key to business success. The internal influencing factors considered in this study are experience, resources, size, and control and capability. Each sub-content will be discussed in detailed in the following subheadings.

2.7.1 Experience

One of the firm-specific factors taking into consideration for entry mode choice is the international experience of the firm and managers. Experience refers to the extent to which a firm has been involved in the operation, and it can be gained from operating either in a particular country or in the international environment (Erramilli and Rao, 1993). Based on the Transactional Cost Theory, Chen, L. Y. and Mujtaba (2007) defined international experience as an accumulated local market knowledge to avoid risks in international market transactions. It is also suggested that it is the direct experience with international markets which increases the likelihood of committing extra resources to foreign markets (Chen, L. Y. and Mujtaba, 2007; Sanchez-Peinado et al., 2007). It could also get higher the probability of firms' resource commitment to foreign markets.

During the initial phase of internationalization, some firms choose to export to psychologically close countries first. After accumulating international experience, they extend their reach to physically distant countries (Buckley et al., 1992). The greater the international experience, the more likely it is that the firm will go for a high control entry mode. Therefore, firms' cumulative international experience is positively related to the degree of control it exerts on the foreign business entity. Meanwhile, firms having less international experience prone to encounter higher uncertainty and are likely to wrongly estimate the risks and returns. A large firm that possesses substantial industry experience will, therefore, according to Sivakumar and Ekeledo (2004), favor a full ownership entry mode.

International experience is found to have a great impact on information gathering and business success. As the experience increases, the firm's capability, confidence in project execution skills, and ability to manage foreign operations also increase. It also enhances a firm's understanding, competency and confidence to develop a more accurate perception of risks and returns. It becomes more confident in its ability to manage foreign operations. Consequently, firms can reduce the odds and uncertainties in the market of a host country market by the accumulated knowledge which enables them to adapt to the risky and competitive foreign environment (Lin, 2000) and will be keen to commit greater resources. Because of this expertise in developing processes and systems for managing an international operation that the firm acquired from international experience, firms prefer entry modes with high control and commitment (Anderson and Gatignon, 1986).

2.7.2 Resources

Emerging into international markets needs a substantial amount of resources, and the choice of an entry mode immensely depends upon it. Resources can be defined as financial resources, physical or technological advancement. According to Gollnhofer and Turkina (2015), entry mode strategies can be listed going from relatively low resource commitment (export, licensing, and franchising) to high resource commitment (joint venture and subsidiary). It implies that when the firm's resource availability increases, it increases the chance of higher involvement or

resource commitment in the market (Root, 1994). The more abundant the company's resources in capital, human resources and technical skills, the more numerous its entry mode options. Conversely, a company with limited resources is constrained to use entry modes that call for a small resource commitment.

2.7.3 Firm size

Unlike other service industries, construction is a capital intensive one and asset power is necessary for firms to engage and compete in the overseas market (Chen, C. and Messner, 2010). The firm size is one of the most important factors influencing the choice of entry mode and represents the physical asset of the organization. According to resource-based theory, a firm's size is an indicator of its resource availability, such as financial and human resources (Hollensen et al., 2011). Sivakumar and Ekeledo (2004) also agreed that the size of a firm is an indicator of human, technological, or organizational resources. It can be presumably assumed its competitive advantage in financial, physical that smaller firms have limited financial funds and larger firms have substantial financial funding. More risks are exposed to those firms with limited financial as chances of failure for foreign investment. On the other hand, larger firms possess greater resources, market power, knowledge and economies of scale. They have more favorable and secured conditions than smaller firms in terms of bearing the risks associated with foreign market entry.

Firms that possess a high level of specific firm characteristics may prefer entry modes that require more commitment and resources. And it is also proved in their study that the larger the firm size, the more likely the firm choosing the permanent entry mode with high control and commitment significant (Chen, C. and Messner, 2010). Vice versa, firms with limited resources as such small and medium enterprises prefer to choose lower control and resource commitment modes for their international expansion (Root, 1994). In the study of (Nakos and Brouthers, 2002), both firm size and experience, which bring ownership advantage, did not have a significant influence on entry mode choice for small and medium enterprises.

Table 2-4: Summary of Literature Review on Entry Mode Influencing Factors

Title	Researcher's Name	Factors Identified
Entry mode selection for international construction markets: the influence of host country related factors	(Chen, C., 2008)	Trade link, Investment risk, Cultural distance, Colonial link, Language proximity, Competitive intensity, Host market attractiveness, Entry restriction
Factors influencing Malaysian construction firm's entry mode decisions into international markets	(Isa et al., 2016)	Country, market, firm and project related factors
Permanent versus Mobile Entry Decisions in International Construction Markets: Influence of Home Country– and Firm-Related Factors	(Chen, C. and Messner, 2010)	Home market attractiveness, Long-term orientation, Uncertainty avoidance, firm size, multinational experience.
Factors Affecting international construction	(Gunhan, Suat and Arditi, 2005)	Track record, specialist expertise, project management capability, international network, Project management capability , international network, technological advantage, financial strength, equipment material and labor support, threats associated with international construction, loss of key employees , shortage of project owners' financial resources, availability of new service areas, availability of beneficiary international agreements, ability to take advantages of privatization programs in emerging economies, increase chances for technological advancement`
Entry Mode Choice of SMEs in Central and Eastern Europe	(Nakos and Brouthers, 2002)	Firm Size, International experience, ability to differentiate products, market potential, investment risk, contractual risk, legal barriers

2.8 Critical Success Factors

Critical success factors(CSFs) for business success also known as business success factors, in general, have been one of the earliest and most actively researched topics (Lee and Ahn, 2008). Researchers have tried to determine the factors of success for a certain period of time. In traditional economic theory, profit maximization is the main objective goal of the firm pursuit. Therefore, in this study, the term “critical success factors” for business and “business success factors” will be treated on the same ground. It is generally accepted that the major goals in a construction project are budget, schedule, and quality, although there are other more specific objectives, such as safety consideration. Therefore when companies completing projects in a timely manner within a planned budget and having met the required quality are considered successful ones in the past (Abraham, 2003). Rockart (1982) defined critical success factors (CSFs) as those key areas of activity in which favorable results are necessary for a manager to reach his/her goals if they are satisfactory and may assure a successful performance. There are many definitions of success and generally, it is defined as the degree to which goals and expectations are met (Arslan and Kivrak, 2008).

The nature of the construction site comprises of several unique features throughout the project life cycle and where you can see many participants such as contractor, client, architect, design team, surveyors, and engineers. The wide range of participants may have varying perceptions and have his or her view of success (Sanvido et al., 1992). Critical success factors can also be elaborated from different modes of operational, financial, technological and human-related conditions (Cheah et al., 2004). Furthermore, the meaning of success changes from project to project depending on the participants, scope of services, project size, project complexity and a variety of other factors (Tan and Ghazali, 2011). Success is in the eye of the beholder and varies from the perspective of each stakeholder (e.g., owner, designer, contractor) and even within an organization. It is dynamic and the definition of success will always be varying according to the firm’s organizational structure and norms because different people have different criteria of success factors. Technically,

critical success factors are: “those few things that must go well to ensure the success of an organization” (Abraham, 2003; Boynton and Zmud, 1984).

It is important for companies considering entering into a new market to examine strategies applied to uncover what makes them successful and prepare to cope with undesirable situations. In order to survive in an unfamiliar and competitive construction environment, it is relatively essential for the organization to pay attention to the significant factors that leverage the strategies and performance. Therefore, as per problem statement discussion, firms require not only to choose the optimal entry mode type but also prepare for the smooth and success of post-entrance operations. To succeed, an organization must have a statement, a strategy, and a series of programs and goals that focus on the skills and talents of its employees. All of them must be managed with care and guidance so that the organization's mission will be successfully accomplished. Then, one could say that business is a success when they are highly efficient, effective, and growing. In order to make all that certain, an evaluation of the performance of the entire business as a whole is inevitable to conduct. For it determines the overall business operation to reflect on its competence or ability to meet the specific requirement for a task and what changes need to be implemented to meet the firm's objectives. Therefore, the business performance based on the seven main factors that are being explained in the next section will be used to evaluate or measure success.

In this study, critical success factors from the aspect of the business of each entry mode type will be identified and discussed. The factors considered in this study were identified based on the literature review and empirical study on critical success factors. A total of seven factors that have an impact on the construction business success were identified. These main factors are business management-related factors, human-related factors, top management-related factors, project management related factors, organization-related factors, relationship-related factors, and technological related factors. Likewise, the sub-factors of these main factors were determined and explained thoroughly in the following headings.

2.8.1 Business Management Related Factors

In today's competitive globalized modern world, business management is one of the most important parts, and it's a laborious task for one to be ahead of the curve without proper planning, strategy, and marketing. [Arslan and Kivrak \(2008\)](#) found out that contractors in Turkey all agreed that business management was regarded as the most crucial and has become a backbone for a company. However, it comes only with a sound and efficient management, planning, and organizing. Effective business management creates direction for your organization and communicates company vision both internally and externally. Having a managed business involves planning, strategy, goal setting, staffing, and coordinating. This is how it gives an organization a direction to operate efficiently and enriching knowledge to the employees and motivate them to execute on the plans. Financial stability is one core item that business management needs to maintain. It means being able to withstand a temporary problem, such as a decrease in sales, lack of capital or loss of a client or key personnel. Reaching the target and met profit margin does not mean the organization is financially stable. Through analyzing cash flow and a variety of negative scenarios will help you determine whether the firm is financially stable.

Moreover, having a track record of previous projects or works will help the firm in great length. In [Kiyani and Mahmood \(2012\)](#) investigation on exploring the critical success factors in developing countries, the result showed that financial factors ranked up in a front row in developing countries in the context of Pakistan. Meanwhile, in the investigation of Turkish companies, business management also resulted in the first place, followed by financial conditions and owner-manager characteristics.

2.8.2 Human Related Factor

From the study of [Morrison et al. \(2003\)](#), the human factor is considered to be the overwhelming force that determines whether a business will succeed or not. It involves all positive and negative aspects of human nature, including competition, skill, motivation and loyalty ([Pender, 2001](#)). Since the construction industry is also a labor-intensive industry, each project has inputs from a wide variety of disciplines in

an organization and efficient and effective communications are vital. Team members need to convey a message, verbally and nonverbally, to each other in ways that are readily and clearly understood. Feedback also helps to guide team members and to correct misunderstandings. Because successful business thrives on robust communication practices, where teams and team leaders communicate freely to improve results. In order to achieve success, construction organizations must have cooperative team members with enough knowledge and experience among them. The acquisition of relevant skills, knowledge and competencies for the day-to-day management of construction activities in an increasingly competitive environment is an overriding concern for construction practitioners (Egbu, 1999). However, in the previous studies such as (Adnan, H. and Morledge, R., 2003; Arslan and Kivrak, 2008), this factor was not considered to be as critical as other factors.

2.8.3 Top Management Related Factors

The organization is a group of people, and if those people are not doing well, the organization will suffer as a result. Appropriate leadership and organized management style clarify and unite staff behind a common goal and imbues them with a sense of purpose. Leaders who can learn and communicate what they have learned within their organizations and from the organization's external environment and communicate successfully with it, resulting in an ongoing exchange of ideas to the benefit of both the organization and its environment. Managers and top-level leaders are all concerned with developing the competencies they need to become more effective leaders. In fact, having support from top management with full capacity to manage the business is fundamental. Both of the studies of Tripathi and Jha (2018) and Tsiga et al. (2016) discovered that top management factors are thought to be critical in the organization.

2.8.4 Project Management Related factors

Project management has evolved over the past couple of decades as researchers and practitioners attempted to identify the causes of project failure and the various factors that lead to project success. As stated by Porter (1980) that even one single project fails to deliver the product or service; it can be detrimental to business

since projects are capital intensive. Project management is important because it ensures what is being delivered and will deliver real value against the business opportunity. Besides, good project management ensures that the goals of projects closely align with the strategic goals of the business. It is suggested that using management tools, project managers would be able to plan and execute their construction projects to maximize the project's chances of success (Jaselskis and Ashley, 1991). Most of those studies result indicated that project management competency is of most important among other attributes (Isik et al., 2009; Lu, W. et al., 2008; Tsiga et al., 2016).

2.8.5 Organization Related Factors

The organization is a group of two or more people working together to meet a goal or objective within specific boundaries (Hodge et al., 2003). “Companies having a history of strong organization setup are considered to have a competitive edge” (Gunhan, Suat and Arditi, 2005). According to Channon (1973), the organization structure is the “framework within which both competitive strategy and strategic management occur.” In other words, the organization structure is a system that outlines how certain activities are directed to achieve the goals of an organization and how information flows between levels within the company. Successful organizational structures have the ability to define each employee's job and how it fits within the overall system which in turn defining having strong human resource management.

Strategic planning can be considered important for driving firm's success as “precisely formulating visions and strategy, incorporating the elements of internationalization and networking within the vision of the firm, focusing on growth, profit and market, performing analyses of the market and competitions, accurately formulating generic business strategies and achieving company-wide support for strategies can all beneficial for the growth of smaller firms” (Hakan Işık et al., 2011). Organizations must effectively align their strategy and structure with the competitive environment if they are to perform effectively (Rogers et al., 1999). Hence, a clear mission and vision need to be developed carefully for the firm to success.

Organizations with communication deficiencies often have rigid leadership structures that destroy trust. Previous studies, thus, indicated organization structure and strategic planning play crucial roles in driving firm success (Dikmen et al., 2005; Lu, W. et al., 2008) while in those partnering companies relationship factors were being paid more attention more than those factors (Adnan, H. B. and Morledge, R., 2003). Contrary to (Dikmen et al., 2005), organization effectiveness is effected by its capabilities and culture other than organization structure and strategies though they are strongly interrelated. In order for the firm to succeed and grow, the entrepreneur needs to formulate an exact, clear mission and vision for his or her firm.

2.8.6 Relationship Related Factors

A construction project requires collaboration between multiple parties with diverse organizational objectives and culture. A relationship impact between stakeholders and organizations has a positive influence on any successful venture. The importance of relationships between stakeholders has been paid more attention lately. Stakeholders can be defined as “those groups or individuals with whom the organization interacts or has interdependencies on any individual or group who can affect or is affected by the actions, decisions, policies, practices or goals of the organization” (Carroll and Buchholtz, 1996). It is proven that a clash of values and the existence of complex relationships between team members have an impact on project performance (Anvuur and Kumaraswamy, 2007). A harmonious relationship based on trust is found to create advantages in conduction business. (Menkhoff, 1998). Projects and companies emphasizing cordial relationships ae more likely to experience success. Sheppard and Sherman (1998) found out that different relationships entail distinct risk and pointed out that building a strong relationship could mitigate relational risks. Contractors’ public relations skills also help to create a favorable image in communication during the project execution.

According to Adnan, H. and Morledge, R. (2003), competitive advantage requires mutual understanding and trust through friendly personal contact between the leaders of the cooperating organization and reckoned as the most important factors in partnering. Cooperation between members and the commitment of partners, ease the

communication between partners management control and partner experience were considered important for partnering projects. They are a crucial ingredient of management and using good public relations skills, and a firm can ensure effective professional results and improve its public image (Volpe, 1972). Moreover, having a good relationship with the government is important since it is affected by the host government policies and regulations (Isik et al., 2009).

2.8.7 Technological related factor

Technological advancement within the organization that is necessary to undertake specific projects and have a competitive advantage over markets. With a constantly changing environment, technology has moved to the forefront for advancement potential in the construction industry (Chinowsky and Rojas, 2003). Technology is vital for gaining a competitive advantage while competing in international markets and is a major driver of globalization. It helps to improve the communication process inside and outside of the organization by offering new ways of communicating systems. Investors must understand the benefits of embracing new technological advancements as they look to gain an edge on their competition in a new market. El-Mashaleh et al. (2006) reported that the information technology (IT) application is a very important factor for the success of a construction organization in the United States. However, most construction firms are aware of the importance of technology and the training and development of staff. In order to be able to compete in a vibrant market, companies should look to shift toward technology that can be a long-term strategic asset. Having competitiveness due to its organizational strength based on technology, a construction company can survive and protect itself from the changing market conditions and rivals (Abraham, 2003). The adoption of new technology and skills also adds to organization strength. Apart from having a company's website, by adopting advanced technologies like visual reality, augmented reality for presenting their creative ideas with clients, mobile technology and project management software, recent breakthroughs such as building information technology and simulate 3-D models of the projects, planning becomes more efficient and saves the time and effort of every project participant. These technologies are becoming a

more efficient tools for operation in companies and the ones adapt and adopt these practices will be the ones that thrive as the industry evolves.

Table 2-5: Summary of Literature Review on Success Factors of Construction Organizations

Title	Researcher's Name	Factors Identified
Joint venture projects in Malaysian construction industry factors critical to success	(Adnan, H. and Morledge, R., 2003)	Mutual understanding, inter-partner trust, agreement of contract, commitment, cooperation, financial stability, coordination, communication/information, management control, profit, partner's experience, criteria for partner selection, organizational structure, compatibility of objective, equity control, effective human resources management, motivating for forming JV , knowledge transfer, size compatibility of partner's firm, cultural understanding, conflict
Critical Success Factors for the construction industry	(Abraham, 2003)	Structure of industry, competitive strategy, market conditions, political environment, organizational structure, technical applications, employee enhancements and process benchmarking
Determining Success Factors for a construction organization: A structural Equation modeling Approach	(Tripathi and Jha, 2018)	Experience and performance, Top management competence, Project factor, Supply chain and leadership, Availability of resources, Effective cost control measures
Critical factors to Company Success in the construction industry	(Arslan and Kivrak, 2008)	Business management factors, financial conditions, and owner-manager characteristics
Critical Success Factors for the construction industry	(Tsigas et al., 2016)	External Challenge, Client Knowledge and experience, Top management support, Institutional factors, Project Characteristics, Project manager competence, Project Organization, Contractual aspects, Project organization, Contractual aspects, Project team competence, project risk management, requirements management
Impact of Resources and Strategies on Construction company performance	(Isik et al., 2009)	Resources, strategy, project management competence, and relationship with other parties
Critical Success Factors for Malaysian Contractors in International Construction Projects using Analytical	(Tan and Ghazali, 2011)	Contractor's experience, decision-making effectiveness, contractor's cash flow, project manager's experience, overall managerial actions, project team experience, project team monitoring, site management and supervision, project delivery system, and ability to make and carry out decisions
Critical success factors for competitiveness of contractors	(Lu, W. et al., 2008)	Project management, organization structure, organization resources, competitive strategy, relationship, bidding, marketing, technology

Title	Researcher's Name	Factors Identified
Prediction of organizational effectiveness in construction companies.	(Dikmen et al., 2005)	Organization strategies, structure, culture, capabilities/resources

2.9 Research Gap

Entry mode and critical success factors have been studied across different industries for a few decades. Although the study of entry modes is the third most researched field, followed by foreign direct investment and internationalization (Werner, 2002), most of the studies focusing on especially the manufacturing industry. According to Canabal and Iii (2008), the most frequently investigated entry mode research field is multiple manufacturing or service sectors. Within the context of construction entry mode, (Chen, C., 2008; Fisher and Ranasinghe, 2001; Isa et al., 2016; Sui Pheng and Hongbin, 2003) studied entry mode decision between permanent and mobile, sole venture and joint venture and equity and nonequity mode. Those researches investigated how entry mode decisions depend on the contextual host country, and firms related circumstances and international market. Some were studied in a specific entry mode, type, mergers and acquisitions (Carrillo, 2001), build-operate-transfer (BOT) (Wang et al., 2000) and strategic alliance (Sillars and Kangari, 1997). In fact, much of it is focused on the analysis of developed countries or specific cases of emerging Asian economies and have not mentioned about what factors are superiorly influence than another.

Meanwhile, the rate of critical success factors studies dramatically increased as the construction and engineering industry is growing, and the business is becoming a tough competition due to a large number of competitors in the industry. Recent researchers (Arslan and Kivrak, 2008; Lu, W. et al., 2008; Tripathi and Jha, 2018; Tsiga et al., 2016) identified the critical success factors for the construction industry. Since constructions are project-based and the blooming of the company is relatively depended on each project. Therefore, most studies were focusing on project types (Tan and Ghazali, 2011), while a few had been given attention to the business and organization itself. However, the success factors focusing on a particular entry mode

should be studied more conclusively, for example, a joint venture (Adnan, H. and Morledge, R., 2003). Although there are many practically effective studies, unfortunately, entry modes and its associated factors to focus on to be a success were studied independently.

Regardless of substantial researches that have been done over the past fewest decades, there still perplexed and inconclusive topics yet to be explained. While researches have contributed on choosing foreign market entry mode choice, research gaps still exist on how entry mode choice impact the post-entry performance (Brouthers, Keith D and Bamossy, 2006), how to leverage business operation to be successful and what are the factors should be emphasized to aid organization in its general planning process. As construction business is also considered one of the riskiest businesses in the world and again, entry mode decision determines whether they will be successful in the market they have entered, it would be necessary to instantaneously study factors to focus on post-entry business operation and evaluate for planning. Since there are not many studies in this area of concern, the research is aiming to concentrate on assessing business success from entry mode decision influencing factors and its success factors regarding developing countries hereby Myanmar.

2.10 Chapter Summary

This chapter concluded the previously identified entry mode types, their influencing factors, and success factors for a thriving business organization. The most widely used entry mode in the construction industry are representative office or liaison office, subsidiaries, joint-venture company and branch company (solely owned). Firstly, entry modes indicate three characteristics such as commitment level, control level and risk assimilation. Then, factors considered while making entry mode decisions in this study are internal factors that are more related to firm and external factors related to hosting country factors and industry/market factors. The seven factors identified from the literature review are business management-related factors, human-related factors, top management-related factors, project management related factors, organization-related factors, relationship-related factors, and technological

related factors. Finally, it pointed out the gap that still needs to be filled between entry modes and the success of the before and after the entrance decision making strategies and operating regarding that specific type of entry mode.



CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter details the methodology and procedures adopted in the field of study to answer the research questions stated in chapter one to achieve the objectives of the research. A mixed-method approach is used for this research. This approach allows the researchers to combine the results of quantitative research (i.e., questionnaire survey) with qualitative (i.e., one-on-one interviews) to achieve more differentiable findings. The advantage of a mixed-method approach is that it helps to capture potential new findings, control inborn biases in the individual approaches and harmonize strengths (Maxwell and Loomis, 2003). While quantitative research emphasizes numbers and mathematical modeling for the creation of standardized and generalized results, qualitative research is designed to help researchers get a deeper understanding of the social and cultural contexts that people live in (Myers, 2013) and underlying reasons for a certain action.

3.2 Research Methodology

A more elaborate explanation of each segment of the research methodology was compiled in this session.

1. Factors influencing entry mode decisions and critical success factors were identified through the means of extensive literature review. A total of 50 sub-factors were identified and then segregated into ten main factors. The first 3 were associated with entry mode factors, and 7 later ones were related to critical success factors for business success.

Those ten main categories were as follows:

- Home country-related factors
- Market-Related Factors
- Firm Factor
- Business management factor
- Human related factor

- Top management related factor
 - Project management factor
 - Relationship related factor
 - Technological related factor
 - Organizational related factor
2. A statistical computer package for social science (SPSS) was used to analyze the questionnaire response data. An analysis of the means of the various groups participating in the study for entry mode decision influencing factors critical success factors and were determined. From the means Ranking, the important levels affecting entry mode decision and critical success factors were identified.
 3. As assumed, there was a difference between entry mode types, a statistical test, analysis of variance (ANOVA) was performed. Running the analysis on the group data to determine if the mean is statistically different at a specified alpha level to analyze the influencing factors of entry mode decisions and critical success factors.
 4. Business success evaluation was conducted by Person Correlation and multiple linear regression analysis to investigate the directions and strengths of the factors that influence entry mode decisions and critical success factors. The business success sectors being evaluated were composed based on the seven business categories.
 5. The qualitative analysis from the interview immediately followed by the survey will assess the success level. Consequently, based on varying success levels, facts will be extracted why satisfaction not reached and how can it be improved.
 6. Finally, conclusions were deduced from the earlier quantitative and qualitative analysis of the ranked comparison and evaluation. From these conclusions, further recommendations were developed as the base for further research in the context of measuring success in terms of entry modes for international expansion.

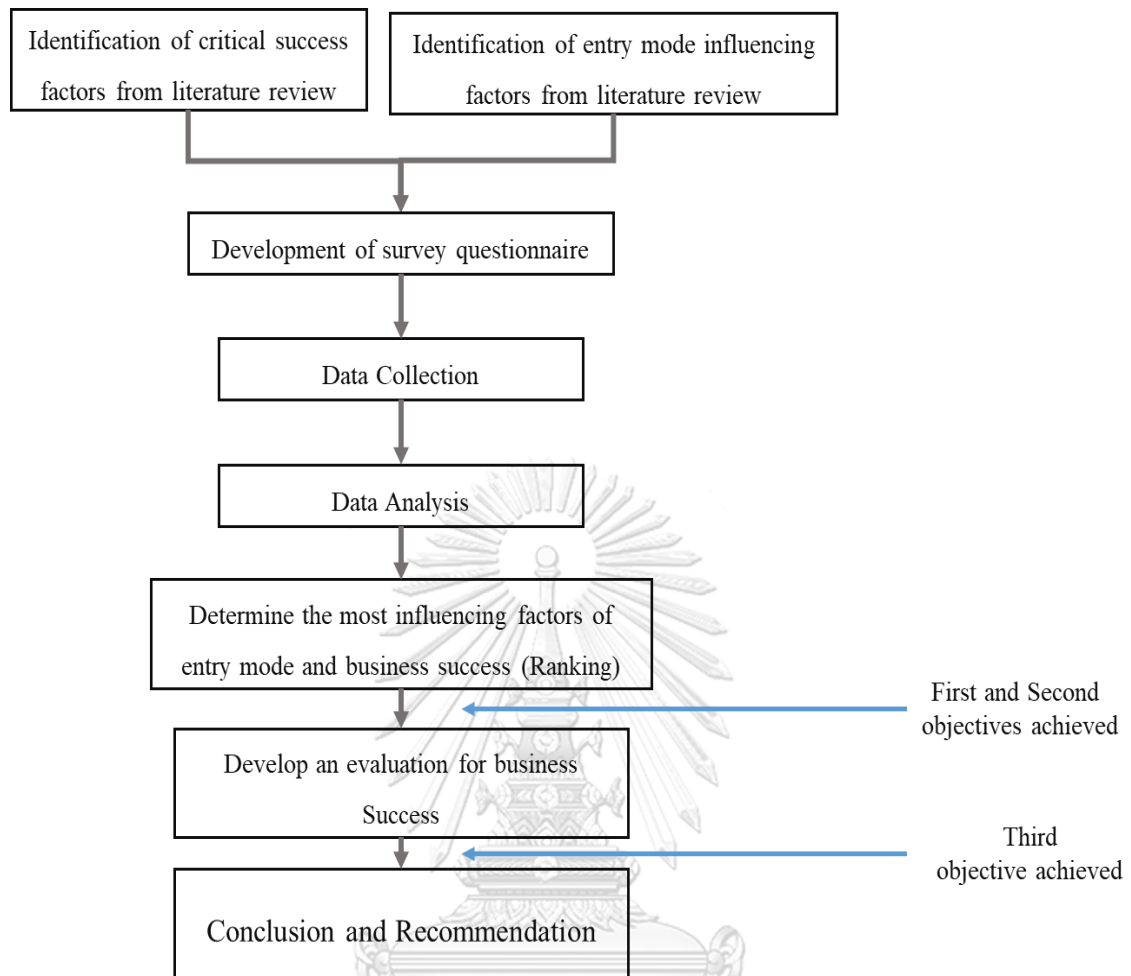


Figure 3-1 Research Methodology Flowchart

3.3 Survey Instrument

3.3.1 Targeted Population

Those international companies registered under the Directorate of Investment and Company Administration (DICA) and met with our industrial type of criterion were considered as a sampling. In order to have different perspectives, several different nations will be targeted as much as possible. The intended industrial types focus in this study were contractors, developers, and consultants from private sectors that have been operating internationally. At least thirty (30) respondents from each entry mode would be required for the interview. The target respondents were corporate executives, general managers, senior managers, project managers, and business managers who have acquired international experience and directly involved in handling overseas construction projects.

3.3.2 Survey Design

In order to gather the necessary data required to conduct data analysis, the survey questionnaire approach was adopted as a means of gathering the required information. The number of factors adopted from the literature reviews will be revised and tailored to be aligned and suitable for the specific country based on discussions with practitioners and experts. The respondents were requested to evaluate the factors that screened out and validated by practitioners and experts based on a 5 point Likert Scale. [Buttle \(1996\)](#) recommended a five-point Likert scale over a seven-point Likert scale because it increases the response rate and response quality by reducing the respondents' frustration level. The fact was supported by [\(Dawes, 2008\)](#) that it is simpler and clarifies the interviewer to read out the complete list of scale. A five-point Likert scale was used to measure how respondents agree on those factors while making entry mode decisions and conducting the post-entry operation.

Table 3-1: Five-point Likert scale description

Likert Scale	1	2	3	4	5
Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	Extremely Unsatisfied	Unsatisfied	Neutral	Satisfied	Extremely satisfied

The questionnaire survey consists of three parts:

Part I: General information – This section sought data on the age or longevity of existence of the firm, a form of organization, type of entry mode, the origin of ownership, a sector of business activity, size of the company and staff strength, respondent's function and year of experience.

Part II: Identifying factors influencing entry modes and critical success factors – The question in this section sought data on what factors were influenced by the time the firm entered and factors important for conduction business in this market. It consists of 10 main factors categories and 50 sub-factors characterizing the main factors. (1=Strongly Disagree, 2=Disagree, 3= Uncertain, 4= Agree, 5=Strongly Agree):

Part III: Evaluation of success level – This section was asked to rate the satisfaction of the business success areas regarding those factors in part II. (1=Extremely Unsatisfied, 2=Unsatisfied, 3=Neutral, 4= Satisfied, 5= Extremely satisfied). In addition to the evaluation of factors, qualitative data collection component is included after Part I and Part II.

3.3.3 Data Collection

For the data collection of this study, direct interviews were conducted with the targeted respondents to evaluate factors identified earlier. A direct interview was chosen in order to avoid any missing data, misunderstanding and if there is any confusion, the respondents can ask at the same time. During the phase of the interview, an introduction letter explaining the objectives of the research was sent to the selected companies belonging to the three groups as stated before through email and phone calls. Locations of interviews were conducted at the respondents' office location or other agreed-upon sites. To encourage more open and thorough responses,

respondents were assured confidentiality with personal information, company name and company objectives and strategies. Proofreading for the validity and suitability of the questionnaire survey for the host country was done to verify the quality and effectiveness of the questionnaire for both specific and general surveys. No changes to the survey questions or format were made as a result of the pilot testing.

3.4 Statistical Analysis

Statistical analysis was performed after data collection finished. According to (Yin, 1994), data analysis is the process of examining, categorizing, tabulating the collected data. The analysis assisted in pointing out the most important factors for both research objectives according to each respondent group. The ranking method will be used to analyze the perceived opinion of the respondents on our constructed questionnaire. The analysis of variance was used to determine any mean differences for investigating the significant criteria for each entry mode. Then, Pearson correlation analysis was conducted to see the influencing relationship between all the factors and business success.

3.4.1 Analysis of variance (ANOVA)

Analysis of variance (ANOVA) is designed to compare multiple groups' means for the possible difference. When statistically significant, group means used in ANOVA with groups can be compared to identify specific differences. One-way ANOVA will tell whether there are significant differences in the mean scores on the dependent variable across the groups. A commonly used cut-off value for the p-value is 0.05. For example, if the calculated p-value of a test statistic is less than 0.05, it is to reject the null hypothesis. The null hypothesis is that whether to check the means of the following hypotheses are equal or not. If there were mean differences among those existed, post hoc would be conducted afterward. ANOVA was used to compare the means of the entry mode factors on each of the entry mode types to learn which factors were influential for the specific group.

3.4.2 Pearson Correlation Analysis

A Pearson correlation coefficient measures the strength and direction of the relationship between two quantitative variables. It ranges from -1 (perfect negative correlation) to +1 (perfect positive correlation). A value of 0 shows that the variables are not linearly related by each other. It is considered a strong correlation if the correlation coefficient is greater than 0.8 and a weak correlation if the correlation coefficient is less than 0.5 (Bolboaca and Jäntschi, 2006). In this study, it was used to measure the strength and direction of the relationship between ratings of entry mode influencing factors/critical success factors and business sectors. In other words, it is to evaluate the business success related to those factors in entry mode types.

3.4.3 Stepwise Multiple Linear Regression

Multiple linear regression (MLR), also known simply as multiple regression, is a statistical technique that uses several explanatory variables to predict the outcome of a response variable. (Neter et al., 1996) A tool used to understand the relationship between or among two or more variables. Moreover, it provides the information to an indication of the relative contribution of each independent variable. In construction management, this method is especially used to predict construction cost estimation and project performance. (Lowe et al., 2006). However, in this study, the intention is not to predict the outcome or develop an equation but to investigate to observe the factors that influence this business success. Linear regression analysis using a stepwise method was applied to quantify the strength of the relationship between the dependent and the independent variables. The variables used were both from entry mode factors and critical success factors. All predictor variables that were significant at 0.15 or less were utilized and considered as influential factors in the final stepwise multiple linear regression model.

3.5 Chapter Summary

This chapter entails the research method, research procedures, research survey questionnaire, data collection, processing, and analysis. It is organized in sections covering the research methodology, population, survey design, data collection, and analysis. The quantitative data analysis in this study consists of preparing the data file, conducting descriptive statistics, applying appropriate statistical techniques to meet the objectives, and, finally, reporting the results of the analysis in the form of discussion and recommendation. Excel was used for data preparation and data transformation. Statistical Package for Social Sciences software (SPSS) was performed to conduct the statistical analysis of the research. The questions were developed with a 5-point Likert scale, and the total number of factors is 50 factors in total. The determination of the differences between each entry mode type and its associated success factors will be analyzed and compared using a statistical tool such as rankings, and analysis of variance (ANOVA) was used across entry mode groups. The developed evaluation mainly used Pearson's correlation analysis and multiple linear regression analysis to identify the factors influence business success.

CHAPTER 4

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

The chapter presents the demographic information about the respondents, the characteristics of the companies, and data analysis. SPSS version 25.0 was used as a software tool to perform the analysis. The objectives of this study were

1. To identify the factors that influence entry mode decision
2. To identify the critical success factors of entry mode types
3. To identify the influence factors that affect business success

However, in this chapter, data description and only the first objective will be presented, and the other two subjects will be presented in the following chapters. This chapter is divided into seven sub-sessions such as introduction, demographic of samplings, respondents' characteristics, companies' characteristics, overall perceptions of entry mode factors, identification of entry mode influencing factor and summary of this chapter. The identification of entry mode influencing factors will be used rank-ordering methods and analysis of variance to analyze the different opinions perceived within entry modes.

4.2 Demographic of samplings

The questionnaire was distributed to the respondents both hard copy and online survey. A total of eight-nine (89) respondents completed the survey form. The main purpose of descriptive analysis is to learn the profile of the respondents. And the characteristics of the companies will explain the underlying reasons behind any decisions regarding our research objectives. Table 4-1 shows a summary of the descriptive analysis about sampling, and there was no missing data. The profile of the respondents was tabulated according to the following: job designation and years of experience. Whereas the company that they are representing based on the type of entry mode, home country, business category, company size, years of international experience, and year of experience in Myanmar. Though not central to the study, the

personal and company data helped contextualize the findings and the conclusion to the appropriate recommendations.

Table 4-1 Descriptive Analysis Summary

Variable	Category	Frequency, N	Percentage
Respondents' Characteristics			
Job Designation	Project Manager	33	37.1%
	General Manager	19	21.3%
	Business Manager	29	32.6%
	Corporate Executive	6	6.7%
	Project Coordinator	2	2.2%
	Total	89	100%
Year of construction working experience	0-10 years	43	48.3%
	11-20 years	25	28.1%
	21-30 years	12	13.5%
	31-40 years	9	10.1%
	Total	89	100%
Companies' Characteristics			
Entry mode type	Branch	34	38%
	Sole venture	30	34%
	Joint venture	25	28%
	Total	89	100%
Business category	Consultant	29	32.6%
	Developer	23	25.8%
	Main contractor	34	38.2%
	Sub-contractor	3	3.4%
	Total	89	100%
Company size	Small	4	4.5%
	Medium	39	43.8%
	Large	46	51.7%
	Total	89	100%
Home country	Australia	1	1.1%
	China	16	18.0%
	France	1	1.1%
	Japan	21	23.6%
	Hong Kong	3	3.4%
	Korea	8	9.0%
	New Zealand	1	1.1%
	Singapore	17	19.1%
	Thailand	17	19.1%
	Vietnam	4	4.5%
	Total	89	100%

Variable	Category	Frequency, N	Percentage
Year of international experience	Less than 25 years	52	58.4%
	25 to 50 years	24	27.0%
	51 to 100 years	11	12.4%
	101 to 150 years	2	2.25%
	Total	89	100%
Years of working in Myanmar	Less than 5 years	29	32.6%
	5 to 10 years	51	57.3%
	11 to 20 years	8	9.0%
	21 to 30 years	1	1.1%
	Total	89	100%

4.3 Respondents' Characteristics

Based on our collected data, the ones who worked as project managers were the highest frequency of 33 with the percentage of 37% while 2 project coordinators (2.2%), 29 business managers (33%), and 19 general managers (21%). Despite being the minority, 6 corporate executives (7%) were indeed the resourceful personal to achieve conclusive findings for our study.

Most of the participants (48%) were within ten years of construction experience who are in their earlier stages in the construction industry and holding project manager position. The nearly 30% of 11 to 20 years of working experience were primarily business managers which proves that they have had enough experience to evaluate the current conditions of their companies. Nonetheless, the least number of respondents having 21 years and above obtained considerable knowledge to engage and deliver an effective response for our study. Therefore, it is reasonable to assume that the participants are eligible to give a reliable response and have certain levels of knowledge of the industry.

4.4 Companies' Characteristics

4.4.1 Entry mode types

As stated in literature review, entry modes being used in construction industry are strategic alliance, local agent, licensing, joint venture company, sole venture company, branch office/company, representative office, joint venture project, sole venture project, and BOT/equity project (Chen, C. and Messner, 2011). Based on our collected data, it disclosed the strategic entry options used in this host country as a branch, sole venture company, and joint venture. The proportion of the entry modes based on the samples is illustrated in Figure 4-1. The proportion of the strategic options is sole venture companies (34%), branch companies (38%) and 28% of the joint venture. Recently, Myanmar legislation has changed and opened opportunities for foreign investors. It is noticed that investors become more aggressive and dare to choose the higher risk of investment modes as the data indicated the larger proportion in branch and sole venture mode. Since each entry mode possesses unique characteristics and entitlement, there was a different preference found in making entry decisions after compromising with the firm's strengths and weaknesses.

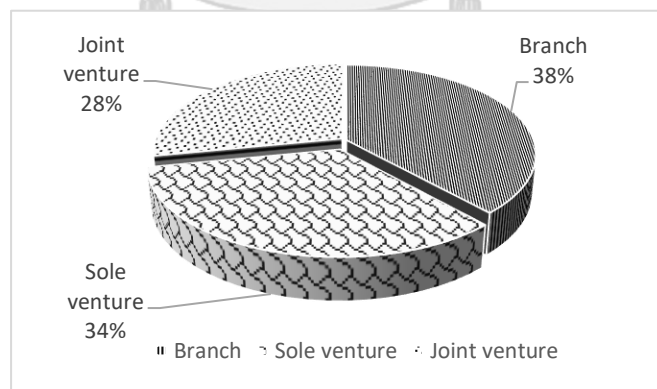


Figure 4-1 Sampling group distribution on per type of entry mode

4.4.2 Business category

Figure 4-2 illustrates the overview of entry modes and business types widely chosen based on the collected data. Besides choosing the appropriate type of entry mode, there were specific business categories that firms undertook as main/subcontractor, consultant, and developer presented in each entry mode type. Referring to Table 4-1, most of the respondents were representing as main contractors (38%). A few numbers of companies that the respondents represent found in consultancy (33%) and developer companies (26%). The least being the sub-contractor companies (3%) which seemed to focus on their construction field of skilled area. Under this explanation, there were 13 consultant companies, eight developers, 12 main contractors and one sub-contractor. For sole venture, the frequency of consultancies and developers were nine each, ten main contractors and two sub-contractors. At last, there were seven consultant companies, six developers and 12 main contracting companies under the joint venture.

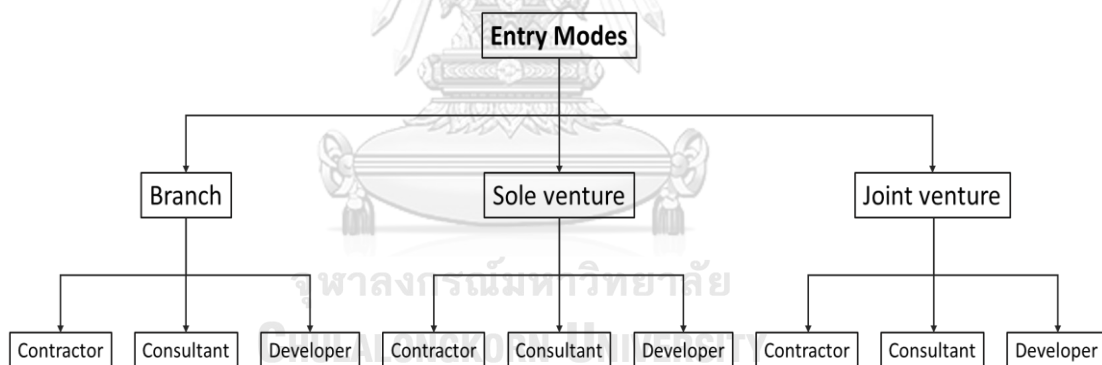


Figure 4-2 Entry strategies found in Myanmar construction Market

4.4.3 Firm size

Judging the company's size by the number of employees, there were 46 large companies (>250 employees), 39 medium-sized companies (between 100 and 250), and four small companies (less than 100 employees). From Table 4-2, we may be informed about the size of companies across entry modes. It is noted that no small companies are venturing as joint. This information will let us know how foreign companies made investment and undertook the preferred business category by each mode in this country based on our collected data.

Table 4-2 Firm sizes based on entry mode types

Description		Firm Size			Total
		Small	Medium	Large	
Entry Mode Type	Branch	2	16	16	34
	Sole venture	2	10	18	30
	Joint venture	0	13	12	25
Total		4	39	46	89

4.4.4 Home country

In Table 4-3, the cross-check between the type of entry mode and the companies' home country let us know about the home country of the current foreign companies in Myanmar. It is being noticed that Japanese companies would like to choose sole venture mode, whereas Singapore companies choose a branch. Thailand, indeed, aiming for joint venture mode since the circumstances are forcing and nurturing to take advantage of this mode. This information helps us to draw the conclusion of each mode's perceived opinion upon the factors.

Table 4-3 Home country of foreign companies

Description		Entry Mode Type			Total
		Branch	Sole venture	Joint venture	
Home Country	Australia	1	0	0	1
	China	5	5	6	16
	France	0	0	1	1
	Japan	6	12	3	21
	Hong Kong	1	2	0	3
	Korea	4	2	2	8
	New Zealand	1	0	0	1
	Singapore	8	4	5	17
	Thailand	6	3	8	17
	Vietnam	2	2	0	4
Total		34	30	25	89

4.4.5 Years of international experience

Figure 4-3 shows the international construction experience of the companies. From this chart, we can recognize that most of the companies have an international construction experience less than 25 years, 58% of entire respondents' companies. The higher the number of years accumulated the lower the companies accounted. However, the rest of the 42% were comparatively experienced in responding to our questionnaire precisely. The 13 percent of 51 to 100 years old eleven companies were mostly branch and joint venture companies. This information is useful in judging their behavior of company experience upon making entry mode decisions that if they were confident about themselves or just risky enough for the potential market of Myanmar.

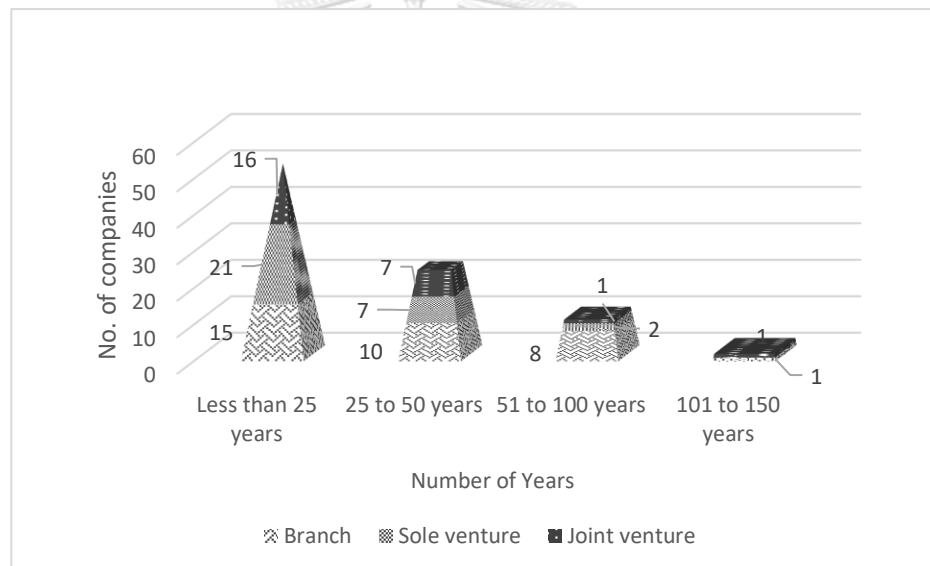


Figure 4-3 International experience acquired by entry modes

4.4.6 Years of experience in Myanmar construction market

Table 4-4 displays the originated country of their parent companies distributed across the periods of residence in Myanmar. This figure informs us which country has the longest construction business in Myanmar and helps us for drawing conclusions. Most companies originated from Japan (23%) and have the longest period of present existence. Companies that recently have invested in the market were from Thailand, Korea, and Singapore. Despite having a long history of trading and construction business, more and more new Japanese companies are proceeding in. The so-called Asian Tiger, China, has a considerable amount of years' presence in this booming

market. Apart from New Zealand, France and Australia, it can be taken that not many westerners are quite interested in investments, and there could be several reasons for that. For instance, it is observed that most developed countries are only keen to go to niche markets where they are familiar and have a certain amount of economic stability. Moreover, when seeing from other aspects, many companies in Myanmar have considerable construction business experience venturing with any mode of entry (Table 4-5). In conclusion, both the participants with a relative amount of international construction knowledge and the characteristics of the company will lead to drawing the most plausible and convincing conclusion or our research objectives.

Table 4-4 Years of construction experience in Myanmar based on the country

Description		Year in Myanmar				Total
		Less than 5 years	5 to 10 years	11 to 20 years	21 to 20 years	
Home Country	Australia	-	1	-	-	1
	China	3	10	3	-	16
	France	1	-	-	-	1
	Hong Kong	-	3	-	-	3
	Japan	8	10	2	1	21
	Korea	5	3	-	-	8
	New Zealand	-	1	-	-	1
	Singapore	4	11	2	-	17
	Thailand	6	10	1	-	17
	Vietnam	2	2	-	-	4
Total		29	51	8	1	89

Table 4-5 Years of construction experiences in Myanmar based on entry modes

Description		Year in Myanmar				Total
		Less than 5 years	5 to 10 years	11 to 20 years	21 to 20 years	
Entry Mode Type	Branch	9	22	2	1	34
	Sole venture	9	18	3	0	30
	Joint venture	11	10	4	0	25
Total		29	50	9	1	89

4.5 Overall perceptions of entry mode influencing factors

One of the objectives of this study is to identify the factors that influence specific entry mode decisions. For this purpose, the 24 preliminary screening factors from the literature review that have in common are extracted and further categorized into host country related factors (HC), market-related factors (MR), and firm related factors (FR). Language and cultural proximity, economic and political stability, trade link, colonial link and Foreign Direct Investment (FDI) incentive relative policy are considered under host country related factors. Market-related factors include market attractiveness, demand, competitive intensity, project types, and sizes. Firm related factors such as experience, resources, size, control and capability will be used for developing a questionnaire survey. The host country and market-related factors can be further comprehended as external factors and firm related to internal factors. Respondents were asked to evaluate how much they agree to the importance of those factors while making the entry mode decision. Their perceptions were measured by using a five-point Likert scale, where 1 represented “strongly disagree” and 5 denoted “strongly agree.”

Descriptive statistics were applied to analyze the individual factors concerning the level of importance of these factors under the decision-making process. For the purpose of interpreting mean scores, the following scoring system was designed. By distributing the scale according to the length of category through applying the category length equation (maximum-minimum) divided by the number of categories: $(5-1)/5=4/5=0.8$. This scale interprets the respondent’s degree of the agreement while assessing the level of importance upon the factors that were perceived from each group of entry mode. The five categories are designed as follow:

- 1.00 -1.80 (Least important)
- 1.81-2.60 (Less important)
- 2.61-3.40 (Moderately important)
- 3.41-4.20 (Important)
- 4.21-5.00 (Extremely important)

A mean value of 3.41 was fixed as the cut-off point, meaning that a factor would be considered “It is important enough to influence the entry mode decision” if it received a mean score of 3.41 or more. Factors that influence entry mode were ranked order based on the mean values to signify the important levels. The higher mean values indicate the higher important level of perception regarding that factor based on entry mode decision and vice versa. For example, factors with first rank correspond to the highest attribute of influence, while the lowest rank of 24th indicates the least significant as perceived by the group of participants. The following sessions will be explaining the perceived opinion upon entry mode influencing factors by each entry mode.

4.5.1 Branch

Table 4-6 illustrates the ranking of factors based on mean scores that perceived by represented branch entry mode companies. It may be noted that half of the factors were considered as “important” since the minimum mean score was higher than 3.41, the cutoff point. The mean scores of importance held by respondents for all factors ranged from 4.38 to 2.50, with an average mean of 3.48. The highest-rated factor was “Market attractiveness/potential growth” with a mean score of 4.38. The lowest rated factors regarded was the colonial link (2.50). For branch, all three main categories; host country, market, and firm related were being paid attention almost equally since their mean scores are quite close, 3.40, 3.53 and 3.52 respectively. This indicated that branch companies were having an equal concern when making this decision. The branch companies seemed to weigh and compare the things that could be controlled and those were unexpected to make a good judgment that would lead to an optimal decision.

This study analyzed only the factors that are above the cutoff points and herein, 14 factors were identified. Among them, two are from market-related, five from host country-related, and seven from firm related factors. The two market-related factors were the Myanmar construction market’s attractiveness and its demand. The host country factors that this group concerned were political and economic stability, trade link, investment risk, and proximity to the host country. In

terms of firms related factors, concerns arose from their own ability to assess market signals, international experience, R&D skill, conclusive knowledge and expertise on law, international business networks, a strong capital intensity, technical advantage and proximity to host country. The market attractiveness, political stability and construction demand perceived as extremely important for choosing branch entry mode. And the rest of the 11 factors were important enough to be considered as their means are ranging between 3.94 and 3.41.

Therefore, this particular entry mode can be regarded as it was chosen because of the intended country's positive market condition. However, political stability could intimidate in a way that whether this mode is suitable for this country. Moreover, this mode appeared to find an advantage from having a trading relationship, for it could be able to help them persistent in case of the economic turmoil. In Table 4-3, Japanese companies were the second-highest number that chose branch entry mode. When one's country possesses an evident that has a long history of trading relationships with the host, it could be a benefit for choosing for choosing branch entry mode. Besides, it is noted that those who chose this mode seem to contribute their technical ability and research and development skill to enhance the intended country construction industry. Overall, branch entry mode might have been chosen not because of the capacity and ability that shields as strength but because of the rising construction market condition. And branch companies intend to contribute and promote the subsequent rising construction industry.

Table 4-6 Overall perceived means of entry mode factors for Branch

Factor Category	Entry Mode Influencing Factors	Mean	Std. Deviation	Rank	Average mean
Host country related factor	Political stability	4.35*	0.65	2	3.40
	Economic stability	3.85*	1.02	7	
	Trade link	3.71*	0.76	8	
	Investment risk	3.56*	0.86	10	
	Proximity to host country	3.41*	0.74	14	
	Foreign Direct Investment (FDI) incentive relative policy	3.35	0.85	15	
	Cultural proximity	2.94	0.89	20	
	Language proximity	2.91	0.97	22	
	Colonial Link	2.50	0.66	24	

Factor Category	Entry Mode Influencing Factors	Mean	Std. Deviation	Rank	Average mean
Market related factor	Market attractiveness/Potential growth	4.38*	0.70	1	3.53
	Construction Market demand	4.24*	0.82	3	
	Contract types or procurement methods	3.32	0.81	16	
	Project type	3.24	0.85	17	
	Project size	3.09	0.75	18	
	Competitive intensity	2.94	0.98	21	
Firm related factor	Firm's ability to assess market signal and opportunities	3.94*	0.69	4	3.52
	International experience	3.91*	0.75	5	
	Technical advantage	3.91*	0.90	5	
	Research and development skill	3.59*	0.86	9	
	A conclusive knowledge and expertise on the law of host country	3.50*	0.93	11	
	An international business network	3.47*	0.79	12	
	A strong capital intensity	3.44*	0.79	13	
	Resource advantage	3.03	1.03	19	
Firm Size	2.85	0.78	23		

N=34; mean 1.00 -1.80 = Least important; mean 1.81-2.60 = Less important; mean 2.61-3.40 = Moderately important; mean 3.41-4.20 = Important; mean 4.21-5.00= Extremely important, *Above cutoff point (3.41)

4.5.2 Sole venture

Referring to Table 4-7, the mean scores of factors that received a perception of a sole venture as entry mode decision were ranged from 4.60 to 2.40, with an average mean of 3.59. Again, the attractiveness of the Myanmar construction market was given the most attention in entry mode decision making, and the cultural proximity was the least. Distinctively, this entry mode was more focusing on the firm related category (3.97) than the market (3.66) and host country (3.19) related categories unlike branch and joint venture modes. There was a total of fifteen factors that were above the cutoff point 3.41, 3 from each host country and market-related factor categories and nine were from firm related factors.

There were seven factors that considered extremely important factors that composed more than the other two modes. They were market attractiveness/potential growth, construction market demand in terms of market-related factors, political and economic stability from host country related factors. In terms of firms related, acquiring conclusive knowledge and expertise on the law of the host country, the accumulated international experience would facilitate when expanding into a new

market. The more concerned factors resulted as important could be the reason of being possessed the highest commitment and riskiest investment type. The important factors consisted mostly of firm related factors and they were international business networks, a strong capital intensity, firm size, its ability to assess market signal, technical advantage and investment risk. It is quite reasonable for the sole venture companies that they have concerns for their capability to be able to leverage and successfully doing business in a new territory. In terms of market-related points of view, unlike the other two entry modes, the size of the projects is considered to have influenced the decision. The results let us aware of the internal factors are far more important than external factors in this entry mode type.

The country that made this entry mode decision was Singapore, and many of them were developers. This does not imply that Singaporean companies should choose sole venture entry mode but seems to have an advantage over this country. To sum up, sole venture type was chosen when firms possess a quite confident level about their strengths and weakness despite the involvement of the highest risk and commitment. Consequently, that self-belief has brought them through whatever the political, economic and investment risks that exist in the intended country. However, it is to be noted that firm related factors were seen to be prioritized in different important levels. This helps to pay attention to the more important factors.

Table 4-7 Overall perceived means of entry mode factors for Sole venture

Factor Category	Entry Mode Influencing Factors	Mean	Std. Deviation	Rank	Average mean
Host country related factor	Political stability	4.37*	0.76	5	3.19
	Economic stability	4.23*	0.86	7	
	Investment risk	4.00*	0.69	10	
	FDI incentive relative policy	3.07	0.87	17	
	Colonial Link	2.90	1.03	19	
	Proximity to host country	2.70	1.02	21	
	Trade link	2.67	0.92	22	
	Cultural proximity	2.40	0.89	24	
	Language proximity	2.40	0.77	23	
Market related factor	Market attractiveness/Potential growth	4.60*	0.56	1	3.66
	Construction Market demand	4.47*	0.63	2	
	Project size	3.50*	1.01	14	
	Competitive intensity	3.43*	0.68	15	
	Project type	3.07	1.11	18	
	Contract types or procurement methods	2.87	0.97	20	

Factor Category	Entry Mode Influencing Factors	Mean	Std. Deviation	Rank	Average mean
Firm related factor	A conclusive knowledge and expertise on law of host country	4.40*	0.86	3	3.97
	International experience	4.37*	0.72	4	
	Resource advantage	4.30*	0.65	6	
	A strong capital intensity	4.10*	0.76	8	
	An international business network	4.07*	0.74	9	
	Firm Size	3.83*	1.02	11	
	Firm's ability to assess market signal and opportunities	3.83*	0.87	12	
	Technical advantage	3.63*	0.72	13	
	Research and development skill	3.17	0.95	16	

N=30; mean 1.00 -1.80 = Least important; mean 1.81-2.60 = Less important; mean 2.61-3.40 = Moderately important; mean 3.41-4.20 = Important; mean 4.21-5.00= Extremely important, *Above cutoff point (3.41)

4.5.3 Joint venture

The mean scores and rankings of the factors perceived by joint venture companies are shown in Table 4-8. Four groups of the scoring system such as less important, moderately important, important and extremely important, can be found in this entry mode. The mean scores ranged between 4.24 and 2.44, with an average mean score of 3.32. The factor achieving the highest mean was the “Construction market demand and the lowest “Colonial link.” This group regarded categories of market-related factors (3.49) that would be far more important than categories related to the host country (3.29) and firm (3.23). There are eleven important factors above the cutoff points. Among them, three factors related to the market, four related each to the firm and host country.

There was only one extremely important factor perceived by this group, and it was the construction market demand (4.24). The important factors' mean values ranged from 4.16 and 3.44 and they were Foreign Direct Investment (FDI) incentive relative policy, political stability, market attractiveness/potential growth, research and development skill, cultural proximity, technical advantage, international experience, language proximity, an international business networks, contract types or procurement methods. Interestingly, joint venture companies are the only group emphasized on foreign direct investment (FDI) incentive policy (4.1) to seek help from the government and getting advantage of it. Culture and language proximity are critical issues to be considered for this entry mode since doing business with some other

company. In terms of firm related factors, this entry mode type focused on having an international business network and experience, technical advantage and research and development skill.

Finally, the perceived opinion upon choosing this mode indicated that other than the intended country offers opportunities and favors in foreign direct investment incentive policy, this particular entry mode was chosen for the two countries being closed geographically and culturally. Here again, the host market favorable condition was probably one of the reasons that encourage firms to go for this country, but the lack of knowledge about the host country could have led them to choose this mode as well. As we can see in Table 4 4, most joint venture companies recently entered and are venturing into this country for less than 5 years. Based on the survey, the country came in as joint venture companies are from Thailand, the closest neighboring country where similar culture and language to be understood are shared (Table 4-3). It is also noticed that foreign companies have concerns for improving the Myanmar construction industry with their technical advantage and R&D skill. Finally, up to this point, it has been discussed the influencing factors for entry modes decision and the next session will further take place to explain the different perceptives among three entry modes.

In conclusion, this overall perception of individual entry mode informs how internal and external factors influence decision making on the ground of an important level. By acknowledging their perception, one could interpret what opportunities and threats existing in the host country. Moreover, we may as well notice what strengths of the firms enabling firms to opt for the very convincing entry mode for international expansion. The extremely important factors must be treated with the greatest attention. Depending on the characteristics of entry modes, the number and the level of importance are varied. In the next session, an analysis of variance was conducted to identify the differences upon the perception of factors that influence entry modes.

Table 4-8 Overall perceived means of entry mode factors for Joint venture

Factor Category	Entry Mode Influencing Factors	Mean	Std. Deviation	Rank	Average mean
Host country related factor	Foreign Direct Investment (FDI) incentive relative policy	4.16*	0.69	2	
	Political stability	4.12*	0.88	3	
	Cultural proximity	3.72*	0.94	6	
	Language proximity	3.52*	0.77	9	
	Trade link	3.24	0.83	13	
	Proximity to host country	3.16	0.90	15	
	Investment risk	2.76	0.93	20	
	Economic stability	2.52	0.82	23	
	Colonial Link	2.44	0.71	24	
Market related factor	Market attractiveness/Potential growth	4.04*	0.73	4	3.49
	Construction Market demand	4.24*	0.60	1	
	Contract types or procurement methods	3.44*	0.99	11	
	Project size	3.28	0.89	12	
	Project type	3.24	1.16	13	
	Competitive intensity	2.68	0.90	21	
Firm related factor	Research and development skill	3.76*	0.78	5	3.23
	Technical advantage	3.72*	0.89	6	
	International experience	3.68*	0.9	8	
	An international business network	3.52*	0.65	9	
	A conclusive knowledge and expertise on law of host country	3.16	0.94	15	
	Firm's ability to assess market signal and opportunities	2.96	0.89	17	
	Resource advantage	2.92	0.81	18	
	A strong capital intensity	2.80	0.71	19	
	Firm Size	2.56	0.87	22	

*N=25; mean 1.00 -1.80 = Least important; mean 1.81-2.60 = Less important; mean 2.61-3.40 = Moderately important; mean 3.41-4.20 = Important; mean 4.21-5.00= Extremely important, *Above cutoff point (3.41)

4.6 Identification of entry mode influencing factors

Table 4-9 showed a summary of the significant and common factors for each entry mode, along with its mean values. The results showed there were seventeen significantly different factors based on entry modes. Most factors considered important and have a significant difference entry mode were from firm related factors. This result reached the same conclusion with studies from (Isa et al., 2016) that firm related factors vindicate and influence firms whether or not they are qualified enough and could handle the competition in new markets. The rest of the seven factors from market and host country related factors were perceived as the shared opinion to make entry decisions. Herein only three factors were considered to be relatively important. Discussion about the factors that influence each entry mode will be explained first and followed by the common factors shared by all entry modes.

4.6.1 Factors perceived different perception

From Table 4-9 (a), the highlighted factors showed the factors being perceived as different perceptions among entry modes. There were seventeen factors that were found statistically different from one another. As shown in the table, not all the significant factors were important because some factors' average mean values were less than 3.41. It is noticeable that sole venture entry mode resulted with more significant factors than the other two modes, for it involves more concerns. The factors that were significant and influence the sole venture were years of international experience (4.367), a conclusive knowledge and expertise on the law of host country (4.400), international business network (4.067), resource advantage (4.300), size of firm (3.833), and competitive intensity (3.433). The factors can be seen as internal factors which are entirely related to and dependent on the firm. Since this particular type of entry mode requires much more resource commitment and involves many risks, the factors that were put up front will justify how well they can manage and survive in the foreign territory and competitive markets. Those companies that chose this mode could be presumed how strong their firm is or being confident about their firms' internal strengths. It is also indicated that the sole venture was chosen because of competitive intensity (3.433) in the host country market. It appears that the higher

the competition, the investment approach with higher resource commitment would be suitable for such market condition which is in line with the study of (Chen, C., 2008).

Under branch entry mode, the significant factors that influenced for choosing this mode were being shared either with the sole or joint venture. It is also observed that there was no shared significant factor between sole and joint ventures. This indicates that there are many distinguishable characteristics and nature between those two entry modes. For example, in terms of resource commitment, sole venture requires higher commitment than joint venture. Therefore, higher investment risk found in sole venture than joint venture. On the contrary, branch entry mode was more or less having similar traits between sole and joint venture entry mode. The factors that shown as significant for not only sole venture but also branch was also from firm related factors such as market attractiveness, firms' ability to assess market signal and opportunities, economic stability, investment risk, and a strong capacity intensity. Market attractiveness was distinctly important (means > 4.20) and giving a location advantage for making the sole venture and branch entry mode decisions. Since the startup investments under branch entry mode are higher than a joint venture, it would not be worth forgoing such a market unless it is attractive with potential demand. For the joint venture, it is acceptable that they care less about this factor because their jointed local partner knows its own market situation. Generally, the means of the shared significant factors between the branch and sole venture were higher in the sole venture. However, it is surprising to know that sole venture perceived this factor "firm's ability to assess market signal and opportunity (3.833)" with lower mean value than branch despite the characteristic. We may notice that apart from this factor sole venture focuses also on factors such as "A conclusive knowledge and expertise on law of host country" (4.40) and "International business network" (4.06) with higher means. Whereas branch entry mode does not see that two factors differently. Therefore, when it is for the firm's ability to assess market signal and opportunities, branch might see this factor with a slightly higher means than sole venture. It could also be the reason that most sole ventures have been venturing in Myanmar for a long period of time that they know precisely about the nature of local

construction markets and they must have built a good connection and business network.

On the other hand, factors that significant for the branch and the joint venture were research and development skills, trade link, and proximity to the host country. The demographic information supported this point that most of the branch companies are from Japan, not because of the geographical closeness but because of the long trade history with the host country. Similarly, Thailand which is a neighboring country has recently entered into this market as a jointed partner with local (Table 4-3). Regarding to the joint venture, the factors that superiorly influenced and different from the branch and joint were foreign direct investment (FDI) incentive policy (4.160), cultural proximity (3.720), and language proximity (3.520). It seemed that jointed companies tend to choose public projects by the fact that this mode is the only one paying attention to FDI incentive policy to alleviate investment risk. Besides, the cultural and language closeness has brought a convenient and easy tryout country with an attractive market for those investors with less construction experience.

In conclusion, a foreign firm must focus on both internal and external factors. From the external factors, firm should concern about the attractiveness and demand of the host country market, the economic stability, and investment risks when choosing either branch or sole venture entry mode. If the economy has a fluctuation and risky, it won't be a very smart decision to choose such entry mode with high investment capital and commitment ones. In terms of internal factors, the branch and sole venture believe having a strong capital intensity and how well firms are good in assessing market signals and opportunities would help them handle the circumstances. However, there were found a few bold and aggressive contractors from this study that despite the lack of international construction experience, foreign companies chose to expand as sole venture because of the attractiveness of the host country market.

On the other hand, joint venture and branch entry decisions were made not because of the attractive market or acquired substantial international experience. They would like to conduct the prevailing research and develop the international experience. This implies those companies seem to extend their research contribution

to enhance the development of host country construction. Though not perceived as essentially important, the competitive intensity was far more important in a sole and branch than a joint venture. It is quite straightforward that the joint venture was not required as much as capital or resource commitment when expanding a firm. Whereas, the sole venture did not consider as influencing enough for making this particular decision. We may confirm from the demographic analysis that most branch companies were expanded from neighboring countries like Singapore and Thailand. At last, although branch and joint mode have divergent natures of work, both groups were thinking ones' research, and development skill, trade link and being close to the host country could bring benefits for them. Referring to Table 4-3, we may notice most companies expanded as a branch and joint venture were came either from technical superiority or the geographical closeness countries.

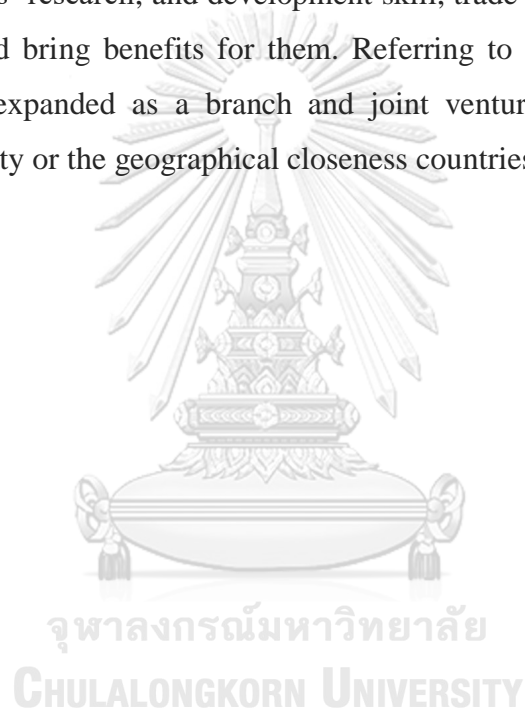


Table 4-9 Factors that influence entry modes

Description	Branch		Sole Venture		Joint venture		Total mean	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Market attractiveness	4.38	0.70	4.60	0.56	4.04	0.74	4.36	0.70
International experience	3.91	0.75	4.37	0.72	3.68	0.90	4.00	0.83
Knowledge and expertise on law	3.50	0.93	4.40	0.86	3.16	0.94	3.71	1.04
Business network	3.47	0.79	4.07	0.74	3.52	0.65	3.69	0.78
Firm's ability to assess market	3.94	0.69	3.83	0.87	2.96	0.89	3.63	0.91
Economic stability	3.85	1.02	4.23	0.86	2.52	0.82	3.61	1.14
Investment risk	3.56	0.86	4.00	0.70	2.76	0.93	3.61	0.96
R&D skill	3.59	0.86	3.17	0.95	3.76	0.78	3.49	0.89
A strong capital intensity	3.44	0.79	4.10	0.76	2.80	0.71	3.48	0.91
FDI incentive policy	3.35	0.85	3.07	0.87	4.16	0.69	3.48	0.92
Resource advantage	3.03	1.03	4.30	0.65	2.92	0.81	3.43	1.05
Trade link	3.71	0.76	2.67	0.92	3.71	0.83	3.23	0.94
Proximity	3.41	0.98	2.70	0.68	3.16	0.90	3.10	0.91
Firm size	2.85	0.78	3.83	1.02	2.56	0.87	3.10	1.03
Competitive intensity	2.94	0.98	3.43	0.68	2.68	0.90	3.03	0.91
Cultural Proximity	2.94	0.89	2.40	0.89	3.72	0.94	2.98	1.03
Language Proximity	2.91	0.97	2.40	0.77	3.52	0.77	2.91	0.95
(b) Common entry factors								
Factors	Branch		Sole Venture		Joint venture		Total mean	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Construction Market demand	4.24	0.82	4.47	0.63	4.24	0.60	4.315*	0.70
Political stability	4.35	0.65	4.37	0.77	4.12	0.88	4.29	0.76
Technical advantage	3.91	0.90	3.63	0.72	3.72	0.89	3.76	0.84
Project size	3.09	0.75	3.50	1.01	3.28	0.89	3.28	0.89
Procurement type	3.32	0.81	2.87	0.97	3.44	1.00	3.20	0.94
Project type	3.24	0.86	3.07	1.11	3.24	1.17	3.18	1.03
Colonial Link	2.50	0.66	2.90	1.03	2.44	0.71	2.62	0.83

Above cutoff point (3.41)

4.6.2 Factors perceived a similar perception

A total of 7 common entry criteria were identified and listed in descending order based on the total means in Table 4-9 (b). They were mostly from external factors related to market such as construction demand, project size, procurement types, and project type. This implies that enthusiastic investors prone to go for the country, which as location advantage and a favorable environmental criterion (Nakos and Brouthers, 2002). In this study, entry mode decision is found to be strongly influenced by and agreed to market demand of a given location which constitutes an indication of its potential growth and attractiveness. It is obvious that investors might have less interest in a new market unless it has not much potential growth.

However, political stability was a major concern for making entry mode decisions. Interviews also confirmed that the Myanmar market has a very high growth potential though it may seem like uncharted water because of political stability. It is observed that despite the demanding construction market, investors are reluctant to make an entrance and reside for a long time. In addition to the market condition supported by the interview, infrastructure criteria such as transportation, power grids, telecommunications, and so on were the complementary factors that favor the country's market condition. However, the less attractiveness of infrastructure facilities tends to diminish the bright features and born hesitant investors. This could be one of the drawbacks that could intimidate investors from entering into this market.

The technical advantage is one of the strengths of firms that would give a confirmation to boldly make entry mode decision. Having a superior technical ability could elevate the firm's to be competitive in the intense market. Project size, procurement type, project type, and colonial link were agreeable factors among entry modes in the way that they were less influential for entry mode decisions. No matter how big or small the project size or type, as long as the host country market demand is attractiveness enough for future development, it would not have much impact on the entry decision. The colonial link was insignificant and scored the least means and by every other entry mode. In fact, this factor enables foreign investors to have more confidence and be willing to commit more resources because of the political and legal proximity and long-term trade relationship between the two countries. This indicated

that the home country has a location advantage over the host country. It is astounding to have known that any of the entry modes had not found beneficial over this factor regardless of its location advantage as in the study of (Chen, 2008).

It is inferred from the common factors that the factors agreed were from the external environment that could not be controlled by firms, yet they justify whether the location is suitable to expand. Therefore, it implied that the factors were concerned for foreign investment in the preliminary stage before choosing a specific type of entry mode. In conclusion, factors that influence entry modes are in fact influenced by the types of entry mode being chosen by foreign investors. Those factors that did not show a statistical difference can be regarded as entry factors before they expand into this market and adopt entry mode type. From another point of view, those factors where statistical differences found were viewed as for entry mode factors because they were influential and essential ones for such a specific entry mode. In both scenarios, there were presences of important factors (means higher than 3.41) and less important factors (means less than 3.41). Thereby the result suggests which factors should be paid much more attention while under the consideration of entry mode types. Moreover, those factors which were significant but not important can be regarded as second graded factors to be under consideration to choose entry mode type.

In conclusion, Figure 4-4 summarized what has been discussed about the entry and its associated factors based on the foreign investors' perception in the Myanmar construction market. We may notice the seven factors that were considered during the state of whether to venture in this country's construction market. That is the reason for obtaining more external factors in this state of entry decision. However, after one has decided to enter this market, three entry modes options have been widely chosen within 20 years period and found from our data collection. Those entry strategy options are the branch, sole venture and joint venture entry mode. The last part of the figure shedding a useful implication about the factors to be specially taken into account when one would like to choose that particular type of entry mode.

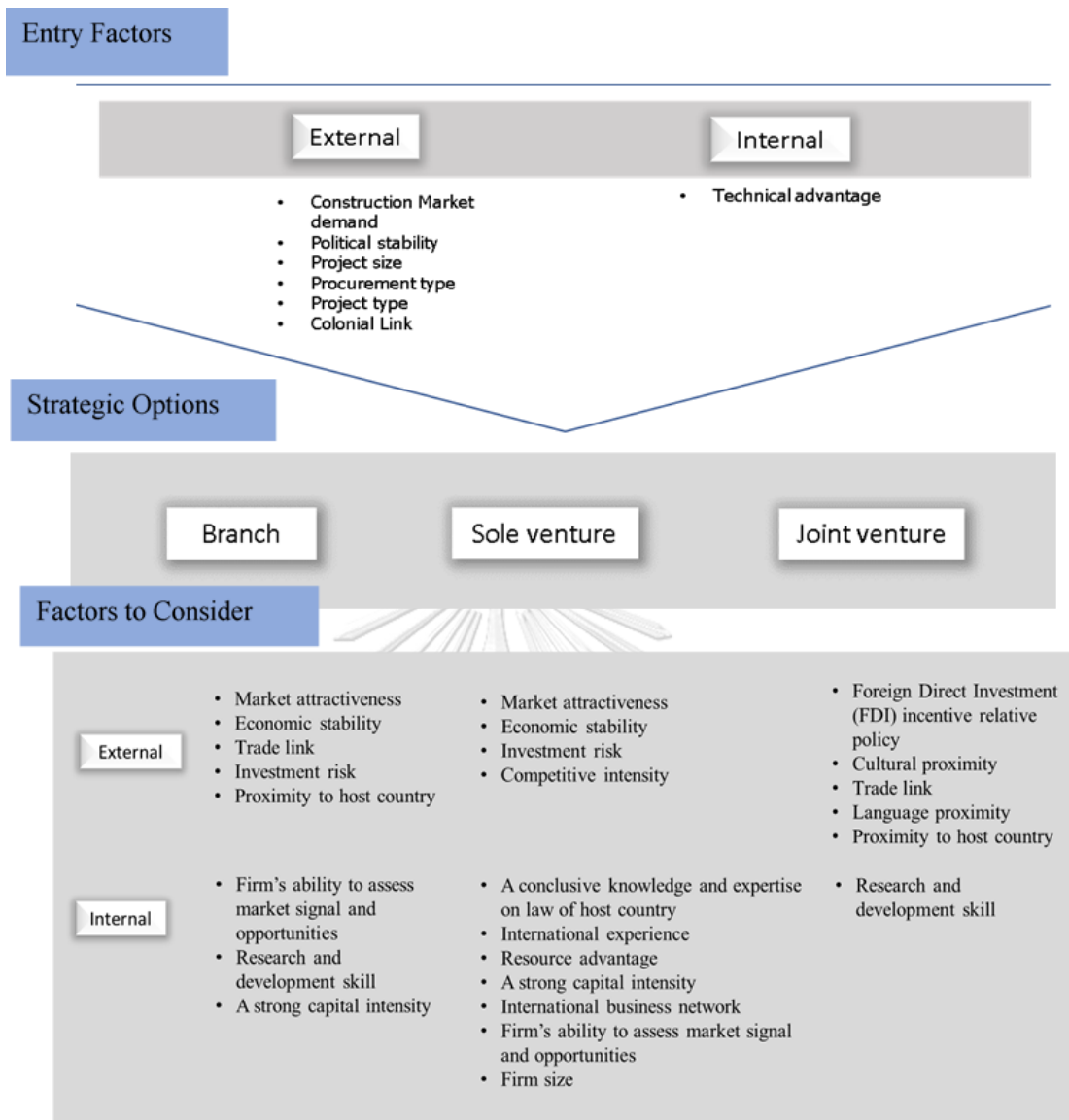


Figure 4-4 Entry Mode Model

4.7 Chapter Summary

In summary, this chapter presented a demographic analysis of the respondents and the representing companies, descriptive analysis of entry mode types, statistical analysis, and comparison analysis. Our first research objective had been answered and drawn a conclusive understanding. There was a total of 89 responses through a questionnaire distributed both in-person and electronic mail. It is noticed that three types of entry modes such as branch, joint venture, and sole venture, are widely adopted and venturing under different business categories. The perception of factors that influence the entry mode decision is different based on entry mode decisions.

Moreover, it is discovered that there were specific factors that were seen before the market investigation and those was particularly important for making different entry decisions. The construction market demand, political stability and technical stability are seen as a preliminary factor that considered before making an entry mode decision. Those factors are known as “Entry Factors.” Branch entry mode is influenced by external factors such as market attractiveness, economic stability, trade link, investment link and proximity to the host country. In terms of internal factors, it is influenced by the firm’s ability to assess market signals and opportunities, research and development skill and strong capital intensity. External factors such as market attractiveness, economic stability, investment risk and competitive intensity influenced sole venture mode. As from external factors, it is influenced by conclusive knowledge and expertise on the law of host country, international business network, firm’s ability to assess market signal and opportunities, resource advantage, international experience, firm size and strong capital intensity. The one internal factor namely research and development skill and external factors such as Foreign Direct Investment (FDI) related incentive policy, trade link, proximity to the host country, cultural proximity and language Proximity, influenced joint venture entry mode. Finally, the factors respective for each entry mode are called “Entry mode influencing factors.”

CHAPTER 5

CRITICAL SUCCESS FACTORS OF ENTRY MODES

5.1 Introduction

This chapter addresses our second research objective, which is to identify the critical success factors for business success after being chosen the respective entry mode. First, this chapter will present about the analysis of whether critical success factors are influenced and have different opinions regarding entry modes and then, the prioritize level of each factor will be explained for all entry modes. The scoring system and methodology for identifying success factors use in this chapter are the same as identifying entry mode influencing factors. Based on the analysis result, the interpretation and discussion were arranged for the explanation. From the literature review, twenty-six factors were extracted and divided into seven groups namely; business management related factors, human-related factors, top management related factors, project management related factors, relationship-related factors, technological related factors, and organizational related factors.

5.2 Identification of critical success factors of entry modes

When running an analysis to test whether there was a statistical significance for critical success factors between entry modes. The result showed there were more no statistically significant difference factors than factors that were significant. Although it was expected that the perceive on business success could be different according to entry modes, the ANOVA result showed that there were only nine factors found to have different insights. This indicates entry mode did not distinguish what specific factors that lead them to business success. The more the shared factors, the less likely the factors that critical for business success may depend on entry modes. Table 5-1 showed the nine factors which were found significant and different in opinions for success based on entry modes. They were “Commitment of established schedules and budget” from business-related factors, “Experience of top management persons” from top management related factors, “Quality Management and Risk Management” from project management related factors, “Strong, healthy relationship

between stakeholders/government departments and Inter-partner trust between partners” from relationship related factors, “Application of latest technology and software and Technological innovation ability” from technological related factors and “An explicit competitive strategy” from operational related factors. The gray highlighted ones are those factors that have significantly different from other modes. Thus, it indicates the factors that the respective entry mode should pay attention for business success. It is shown that an explicit competitive strategy (4.176) and technology innovation ability (3.706) were particularly critical for branch companies to succeed in business. From the previous chapter, a general observation was concluded as branch mode was chosen for the technical contribution to the development of host market construction development. It was still in line with the result from the second part that the branch emphasized technologically innovative ability.

When it comes to sole venture mode, a certain factor from business-related, top management related and project management related categories was critically significant for delivering construction services. For example, the commitment of established schedules and budget (4.467), experience of top management persons (4.233), risk management (4.264), and quality management (4.067). Those factors were highly important for business success in sole venture companies. It becomes clearer to the purpose of deliberately choosing the sole venture entry mode. Those who chose this mode are aggressive investors who seek to do business under any circumstances and have a clear-cut goal to success business by focusing only on the factors that could lead them to be flourished. Confirming to the finding of (Lu, W. et al., 2008), this study found project management area in risk and quality management factor was rated to be critical, particularly for the sole venture. Where the above study did not find this technology factor, “Application of latest technology and software” as a critical success factor; however, our study has shown as it was critical.

Despite the dissimilar characteristics between sole and joint ventures, they shared some factors that critically important for business success, such as the commitment of established scheduled and budgets, quality management, and application of the latest technology. When it comes to bringing success for the

construction business, there could be the same matters of concern even for different entry mode decisions. Lastly, relationship-related factors such as trust issues, a positive and strong kinship between partners were the basic foundation when conjoining with another firm. Our result has shown these factors, especially relationship-related factors, played a significant role and fundamental for business success for the joint venture.

Table 5-2 showed the factors that were found insignificant from the analysis result. Seventeen out of twenty-six factors had the same opinion across the three entry modes with slightly different prioritizing levels (ranks). It is noted that most agreement found between the entry mode types were in project management, human-related, top management related, and organizational related factors. The most contradicting opinion was found in relationship-related factors, technological and business management related factors. Herein 14 factors were regarded as important among the total of seventeen common factors which means were higher than 3.41(Table 5-2). The rest of the three factors were moderately important for business success. Since there were more shared factors perceived from the three entry modes, this study interested to observe the overall perceived mean scores of the main categories of critical success factors. Figure 5-1 shows the average mean scores of the seven main categories of critical success factors. It indicated the business-related factor (3.95) received the highest means while technological related factors received the least means (3.56). Even though there were not many differences, it did have a slight difference in priority and in the following section, it will be explained for each entry mode.

In conclusion, sole venture and branch entry modes have looked at most factors on very different points. In terms of nature and characteristic, that two entry modes are quite similar, but the way they see business success is relatively different. Although sole and joint venture has quite different natures, success factors were mostly seen from similar priority and ranking which is opposite to entry modes influencing factors. It is analyzed the changes in the perception upon the factors that influence entry modes and critical success factors for business by the three entry modes. While branch and sole venture mode were having the same opinion on factors

that influence to choose those two modes, in turn of business success, they have a different opinion. In other words, the different entry characteristics had diverted the sole and joint venture upon entry mode influencing factors yet, these two modes are sharing the same business characteristics and norms for business success.

To sum up, firms that reside in this host country must pay attention to these three main groups, which were agreed by every participant. First, business-related factors that need to be focused on to be a thriving venture. Secondly, top management factors that determine to evolve an appropriate strategy and deploy proper resources to ensure success. Thirdly, organizational related ones must be emphasized for better delivery of projects. This may be seen as general facts which are accepted as important for doing business in any country. From the subjective interview, logistic and supply chain management was practically mentioned since construction delays arose from this insufficient management. However, the mean score of this factor did not perceive as important.

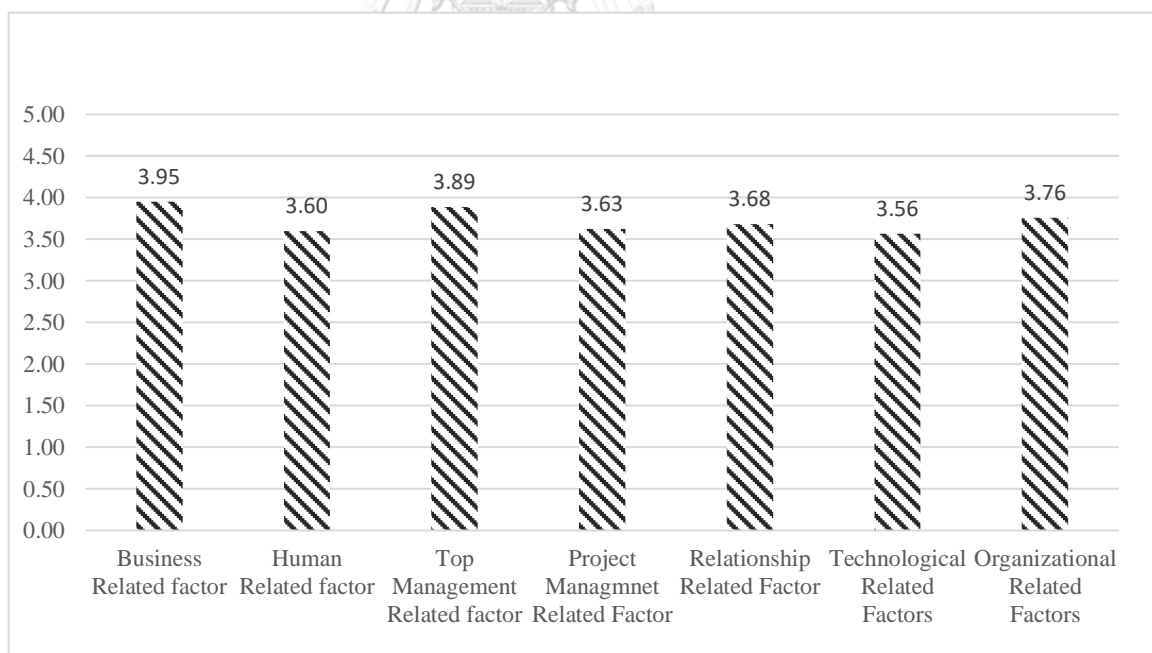


Figure 5-1 Average mean scores of the seven main categories of Critical Success Factors

Table 5-1 Statistically significant difference in critical success factors

No.	Categories	Critical success factors	Branch (34)		Sole Venture (30)		Joint venture (25)		Total mean	
			Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
1	BR1	Commitment of established schedules and budget	4.02	0.67	4.46	0.62	4.32	0.74	4.25	0.69
2	TM4	Experience of top management persons	3.70	0.93	4.23	0.62	3.96	0.67	3.95	0.79
3	PM4	Risk Management	3.79	0.77	4.26	0.69	3.80	0.64	3.95	0.73
4	PM3	Quality Management	3.47	0.78	4.06	0.86	4.04	0.84	3.83	0.86
5	OR1	An explicit competitive strategy	4.17	0.79	3.60	0.72	3.64	0.75	3.83	0.80
6	TR2	Application of latest technology and software	3.47	0.78	4.03	0.71	3.96	0.73	3.79	0.78
7	RR1	Strong healthy relationship between stakeholders/government departments	3.17	1.05	3.60	0.72	4.16	0.68	3.59	0.93
8	RR3	Inter-partner trust between partners	3.05	0.88	3.66	0.99	4.08	0.70	3.55	0.96
9	TR3	Technology Innovative ability	3.70	0.90	3.00	0.74	2.92	0.70	3.24	0.87

Table 5-2 Critical success factors agreed by all entry modes

No.	Category	Critical success factors	Branch (34)		Sole Venture (30)		Joint venture (25)		Total mean	
			Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
1	TM3	Leadership style	4.17	0.90	4.36	0.76	4.48	0.65	4.32*	0.79
2	BR4	Client satisfaction with delivered projects	4.05	0.88	4.13	0.86	4.24	0.77	4.13*	0.84
3	BR3	Having an effective cost control measure	3.79	0.72	4.20	0.80	3.92	0.86	3.96*	0.80
4	TM1	Competency and capability of top management	4.00	0.77	3.96	0.80	3.76	0.77	3.92*	0.78
5	OR3	A strong marketing team	3.91	0.75	4.13	0.77	3.68	0.69	3.92*	0.75
6	HR1	Effective Coordination, communication and collaboration among project participants	3.73	0.82	3.93	0.74	4.08	0.70	3.89*	0.76
7	OR2	Strong human resources and management	4.02	0.71	3.80	0.88	3.80	0.86	3.88*	0.81
8	RR2	Having mutual understanding between partners	3.64	0.73	3.66	0.88	4.08	0.81	3.77*	0.82
9	TR1	Having a website	3.50	0.92	3.76	0.93	3.72	0.93	3.65*	0.93
10	PM1	Bidding strategy	3.52	0.86	3.66	0.84	3.72	0.89	3.62*	0.85
11	HR3	Providing sufficient trainings	3.44	0.92	3.73	1.08	3.72	1.10	3.61*	1.02
12	HR2	Recruiting qualified staffs	3.55	0.86	3.73	0.86	3.44	0.82	3.58*	0.85
13	OR4	Suitability of Organization culture/structure	3.64	0.69	3.30	0.79	3.40	0.76	3.46*	0.75
14	BR2	Availability of product and price information	3.41	0.74	3.53	0.90	3.32	1.10	3.42*	0.90
15	TM2	Feedback culture	3.08	1.08	3.30	0.83	3.64	0.90	3.31	0.97
16	HR4	Motivation and job satisfaction of employee	3.38	0.95	3.50	0.93	2.96	0.97	3.30	0.97
17	PM2	Logistic and supply chain management	3.23	0.85	3.03	1.03	2.88	1.01	3.06	0.96

*Above cutoff point (3.41)

5.2.1 Branch entry mode

From the main categories average means, companies choosing branch entry mode were emphasizing in the organization, business and top management-related factors rather relationship-related factors (Table 5-3). There were twenty-one factors which mean scores were 3.41 and above and meant to be important for business success. The mean scores were ranging from 4.18 to 3.06, with an average mean of 3.64. The highest mean score was “An explicit competitive strategy” from organizational related factor and the least, “Inter-partner trust between partners” from relationship-related factors. There were no extremely important factors regarded for this entry mode.

Under organizational related factors, having an explicit competitive strategy, 1st rank, was quite important since the construction market is compacted with intensive competitors. Supporting by the strong human resource management and marketing team could help firms to follow their competitive strategy. Their rankings were within 1 to 10 except the suitability of organization structure, which ranked 13th. When it comes to top-management related factors, leadership style resulting from the capability and competence of each top management personal which ranks are 2nd and 6th receptively were comparatively important to display his/her leadership skill. Having assigned in charge to lead in a foreign country which has different culture and ethic would be challenging for the top management but a relatively amount of international experience (3.71) could assist in managing to administrate in foreign markets. Being ranked within the top 10, it is noticeable how much effort has made in terms of business-related factors. Following and sticking to the planned schedule and budget could increase the client's satisfaction and the one's reputation. Consequently, leading to being succeeded by attracting future projects. Being engaged in the competitive market, a strong bidding strategy from project management related factors was considered important to win any projects. Besides, risk and quality management were included to be part of the factors that are important for success. Nevertheless, those factors had not been prioritized.

Herein the technological related factors, the innovative ability, application of the latest technology, and having a website were with ranks of 12th, 16th and 18th. It seems branch companies empower the technological skills of the employee by allowing and supporting to use of the latest technology. In their point of view, this approach would help them look superior and advanced than their respected competitors. For human-related perceptive, it is required to recruit qualified staff with the given competitive environment and continue to educate them with training. It is thought that employee motivation and job satisfaction play an important role in this mode. Without a skilled and motivated employee, it would be impossible to compete and could even delay in prosecuting the projects. It is also considered that the coordination, communication and collaboration among project participates should effective for ease and clear understanding while commending and managing the projects. However, the branch did not seem to focus on not only human-related factors but also relationship-related factors, for the ranks were 10th and 20th. In conclusion, the branch entry mode where consultancy and contracting companies mostly occupied has a perceptive of business success in organizational related factors, business-related and top management persons.

From the interview result, branch companies are being controlled by the parent companies, so a few delay problems arise from hierarchical management. It would be difficult for the branch firms to manage work and time-consuming in delivering projects. However, full support from the top management team from the head office helps them to survive and accomplish projects in time. That is the reason the leadership style, experience, competency and capability of the top management level are important for business success. Besides, firms anticipated and expanded into this country for the attractive market and its demand. But the demands are not that promising as expected, and the political issues are quite intimidating. Most firms found that it is challenging to compete with those who had been a longer period of time. They have to establish a relationship and to gain trust from local clients for a certain level. Therefore, understanding of the local culture/local practice is important for a successful business. It is also suggested for the branch that when firms possess a differentiated service such as health care, this would make them be distinguished from

their competitive and archive their business goals. There was a complaint in the interview that employees resign quite often, and labor required more training. Therefore, it is important for the branch to pay tender attention to human-related factors. Finally, although relationship-related factors were perceived quite low ranks, extending the relationship with other stakeholders especially from the government such as YCDC, MOC, DICA, etc. is one of the huge achievements to win projects.

Table 5-3 Critical success factors of Branch entry mode

Category	Critical Success Factor	Mean	Std. Deviation	Rank	Average mean
Business Related factor	Client satisfaction with delivered projects	4.06*	0.89	3	3.82
	A commitment of established schedules and budget	4.03*	0.67	5	
	Having an effective cost control measure	3.79*	0.73	9	
	Availability of product and price information	3.41*	0.74	21	
Human Related factor	Effective Coordination, communication, and collaboration among project participants	3.74*	0.83	10	3.52
	Recruiting qualified staffs	3.56*	0.86	15	
	Providing sufficient training	3.44*	0.93	20	
	Motivation and job satisfaction of the employee	3.38	0.95	22	
Top Management Related factor	Leadership style	4.18*	0.9	2	3.74
	Competency and capability of top management	4.00*	0.78	6	
	Experience of top management persons	3.71*	0.94	11	
	Feedback culture	3.09	1.08	25	
Project Management Related Factor	Risk Management	3.79*	0.77	8	3.50
	Bidding strategy	3.53*	0.86	16	
	Quality Management	3.47*	0.79	18	
	Logistic and supply chain management	3.24	0.85	23	
Relationship Related Factor	Having mutual understanding between partners	3.65*	0.73	14	3.29
	Strong healthy relationship between stakeholders/government departments	3.18	1.06	24	

Category	Critical Success Factor	Mean	Std. Deviation	Rank	Average mean
Technological Related Factors	Inter-partner trust between partners	3.06	0.89	26	3.55
	Technological innovation ability	3.71*	0.91	12	
	Having a website	3.50*	0.93	17	
	Application of the latest technology and software	3.47*	0.79	18	
Organizational Related Factors	An explicit competitive strategy	4.18*	0.8	1	3.94
	Strong human resources and management	4.03*	0.72	4	
	A strong marketing team	3.91*	0.75	7	
	Suitability of Organization culture/structure	3.65*	0.69	13	

N=34; mean 1.00 -1.80 = Least important; mean 1.81-2.60 = Less important; mean 2.61-3.40 = Moderately important; mean 3.41-4.20 = Important; mean 4.21-5.00= Extremely important, *Above cutoff point (3.41)

5.2.2 Sole venture entry mode

For sole venture companies, business, top management, and project management related factor were paid more attention than technology and relationship-related factors. Since this type of entry mode has a characteristic of higher risk, it was not surprising about having more concerns to achieve their goals and success. Although having the same important factors as the other two entry modes, there is a slight difference in paying priority by being received higher means scores. The mean scores were ranged from 4.47 to 3.00 with an average mean of 3.80 which means the highest mean score among the three entry mode groups. While the factor “Commitment to the plan and budget” from business-related factors stood out at first rank, the technologically innovative ability marked the last rank. The first top 4 factors were regarded as highly important factors for business success, such as a commitment of established schedules and budget (4.47), leadership style (4.37), risk management (4.27), and experience of top management (4.23). Factor ranked from 5th to 22nd were perceived as important and the rest of the factors were only moderately important.

All business-related factors, the commitment of established schedules and budget, having an effective cost control measure, client satisfaction with delivering projects, and availability of product and price information are ranked as 1st, 5th, 6th, and 21st respectively. While the last factor about the availability of product and price was not considered as important for branch and JV groups but sole venture considered it to be

important for business success. Though rankings were between 11 and 22, human-related factors were paid more attention in SV groups. It is thought of providing training, motivation and job satisfaction would affect for success business besides having effective coordination, communication and collaboration among project stakeholders. It is noted that despite being the stand-alone companies, relationship-related factors were taken as important but with quite low rank such as 16th, 17th, and 20th.

From project management-related factors, risk management is considered quite important since this type consumes high entry risks and ranked as 3rd with a mean of 4.2. Then, followed by quality management (4.07) and strong bidding strategy (3.67) but their mean scores were dispersed as the ranks ranged from 3rd, 8th, and 18th. In terms of operational management-related factors, strong marketing team, a strong human resource management, and an explicit competitive strategy were presumed to be important for success. Unlike the other two entry mode types, having an explicit competitive possessed lower rank as 19th is noted. For technological related factors, application of the latest technology and having a web site required for one successful company ranking by 9th and 13th.

It was reported that there is a gradual improvement in tax, company law, transaction, insurance, e-government, etc. when comparing to the previous days with its rising (potential) growth in the future. However, it is stated that Myanmar needs to have a well-established law and regulation in order to gain more trust from the investors and feeling secured as solve venture possess higher risks. The understanding of the culture to have a compatible management style, and local engineering knowledge to learn customers' needs to be able to avoid any misunderstanding. Though logistics and supply chain management rank 25th and perceived only moderately important, this is a great amount of deal for this country. To sum up, where main contractors chose to do business with sole venture type the factors this group has priority in success leans on business-related and the capability of top management personals. Firms that intend to choose the sole ventures must pay attention not only to the high perceived means but also from the interview result.

Table 5-4 Critical success factors of sole venture entry mode

Category	Critical Success Factor	Mean	Std. Deviation	Rank	Average mean
Business Related factor	A commitment of established schedules and budget	4.47*	0.63	1	4.08
	Having an effective cost control measure	4.20*	0.81	5	
	Client satisfaction with delivered projects	4.13*	0.86	6	
	Availability of product and price information	3.53*	0.9	21	
Human Related factor	Effective Coordination, communication, and collaboration among project participants	3.93*	0.74	11	3.72
	Recruiting qualified staffs	3.73*	0.87	14	
	Providing sufficient training	3.73*	1.08	15	
	Motivation and job satisfaction of the employee	3.50*	0.94	22	
Top Management Related factor	Leadership style	4.37*	0.76	2	3.96
	Experience of top management persons	4.23*	0.63	4	
	Competency and capability of top management	3.97*	0.81	10	
	Feedback culture	3.3	0.84	23	
Project Management Related Factor	Risk Management	4.27*	0.69	3	3.75
	Quality Management	4.07*	0.87	8	
	Bidding strategy	3.67*	0.84	16	
	Logistic and supply chain management	3.03	1.03	25	
Relationship Related Factor	Having a mutual understanding between partners	3.67*	0.88	16	3.64
	Inter-partner trust between partners	3.67*	0.99	17	
	Strong healthy relationship between stakeholders/government departments	3.60*	0.72	19	
Technological Related Factors	Having a website	3.77*	0.94	13	3.60
	Application of the latest technology and software	4.03*	0.72	9	
	Technological innovation ability	3	0.74	26	
Organizational Related Factors	A strong marketing team	4.13*	0.78	6	3.70
	Strong human resources and management	3.80*	0.89	12	
	An explicit competitive strategy	3.60*	0.72	19	
	Suitability of Organization culture/structure	3.3	0.79	23	

N=30; mean 1.00 -1.80 = Least important; mean 1.81-2.60 = Less important; mean 2.61-3.40 = Moderately important; mean 3.41-4.20 = Important; mean 4.21-5.00= Extremely important, *Above cutoff point (3.41)

5.2.3 Joint venture entry mode

The finding showed that relationships and top management-related factors were more focusing on than human and technological related factors (Table 5-5). There were twenty-one factors that received means higher than 3.41. The mean scores were ranging from 4.48 (Leadership style) to 2.88 (Logistic and supply chain management) with an average mean of 3.76. Among those 21 factors, 4 were from top management-related factors, 3 were from each business related, relationship-related, organization-related, human-related, and project management related factors, 2 factors from technological related factors respectively. There were three highly important factors such as leadership style (4.48), the commitment of established plan and schedule (4.32), and client satisfaction with delivered projects (4.24).

From top management-related factors, leadership style was ranked as extremely important for joint venture companies since working in a foreign land and plus, conjoint with another company, will have put more weigh for leaders to manage between companies and within the company. The other factors considered as important from this group were having less priority. Like the branch and sole venture companies, the supporting factors the competency, capability, and experience of top management persons. Exceptionally, joint ventures considered having a feedback culture between two firms or within-firm as one way that could lead to venture the business successfully. Although having the same important factor from business-related factors, JV has an additional factor which is “cost control measure,” that leads to a successful business venture. Nonetheless, the commitment of plan, schedule and client satisfaction with 2nd and 3rd ranks had a higher level of importance.

When it comes to relationship-related factors, JV has more concern than the other two types of entry modes. Having formed a company with some other ones which have different business and organizational culture, all three of the relationship-related factors were important with higher ranks such as 4th, 5th and 6th out of 26 factors. In terms of project management related factors, apart from having a sound bidding strategy and risk management, quality management was considered more important with a higher mean score of 4.04. Previously, having learned from the interview that

JV performed mostly large projects link landmarks and that could be the reason that quality management expresses a way of gaining success for the company.

Despite having similar organizational related factors as the other two types, JV believed less for those factors with lower means. For example, while branch thought to have an explicit competitive strategy as 1st rank, JV ranked 19th from that same factor. It might be the result of conjoint with local by having the advantage over some operational related factors and seen as less effect to be the success of joint venture companies. Herein the human-related factors, providing sufficient training for employees was regarded as important to be successful besides the factors of having effective coordination, communication and collaboration, and recruiting qualified staff. This particular group has in mind that having a website could lead the firm to succeed since this could draw attention to advertisements and channels for marketing. Overall, like the sole venture mode of entry, the joint venture has a similar perspective towards factors that alleviate business success are top management and concerns in business-related factors. However, the relationship-related factors have considered higher than the other two entry modes for the firm's success.

In this country, it seemed a joint venture was intentionally chosen to work with partners because it is believed that firms can achieve success more easily with JV compared to working as SV. Since there were more restrictions that existed in the law and regulation when it is wholly foreign-owned companies. As the investment capital was not as high as the other two modes and some privileged opportunities being given for partnering with local firms, it has become the optimal entry strategy seen by investors. The explicit competitive strategy especially for construction technique particularly mentioned in the face to face interview to have a through the workflow.

Table 5-5 Critical success factors of joint venture entry mode

Category	Critical Success Factor	Mean	Std. Deviation	Rank	Average mean
Business Related factor	A commitment of established schedules and budget	4.32*	0.75	2	3.95
	Client satisfaction with delivered projects	4.24*	0.78	3	
	An effective cost control measure	3.92*	0.86	11	
	Availability of product and price information	3.32	1.11	23	
Human Related factor	Effective Coordination, communication, and collaboration among project participants	4.08*	0.7	5	3.55
	Providing sufficient training	3.72*	1.1	15	
	Recruiting qualified staffs	3.44*	0.82	21	
	Motivation and job satisfaction of the employee	2.96	0.98	24	
Top Management Related factor	Leadership style	4.48*	0.65	1	3.96
	Experience of top management persons	3.96*	0.68	9	
	Competency and capability of top management	3.76*	0.78	14	
	Feedback culture	3.64*	0.91	19	
Project Management Related Factor	Quality Management	4.04*	0.84	8	3.61
	Risk Management	3.80*	0.65	12	
	Bidding strategy	3.72*	0.89	15	
	Logistic and supply chain management	2.88	1.01	26	
Relationship Related Factor	Strong healthy relationship between stakeholders/government departments	4.16*	0.69	4	4.107
	Inter-partner trust between partners	4.08*	0.7	5	
	Having a mutual understanding between partners	4.08*	0.81	5	
Technological Related Factors	Application of the latest technology and software	3.96*	0.73	9	3.533
	Having a website	3.72*	0.94	15	
	Technological innovation ability	2.92	0.7	25	
Organizational Related Factors	Strong human resources and management	3.80*	0.87	12	3.63
	A strong marketing team	3.68*	0.69	18	
	An explicit competitive strategy	3.64*	0.76	19	
	Suitability of Organization culture/structure	3.4	0.76	22	

N=25; mean 1.00 -1.80 = Least important; mean 1.81-2.60 = Less important; mean 2.61-3.40 = Moderately important; mean 3.41-4.20 = Important; mean 4.21-5.00= Extremely important, *Above cutoff point (3.41)

5.3 Identification of critical success factors of business categories

As stated above, there are different business categories such as contractors, developers and consultants. Although there were no statistical differences between the opinions upon critical success factors, the rankings of the means were varied. In Table 5-6, it shows the important ranking of the three different categories. The top three groups factors that being emphasized were from business related, top management related factors and organizational related factors. It will be discussing more detailed in the immediate section accordingly to the business groups as contractor, developer and consultant.

5.3.1 Contractor

Under the business categories of main contractors, there were 12 companies came in as branch, 10 as sole venture companies, and 12 as joint venture companies. Most companies are from Japan, followed by Thailand, Korea and China. Being the contractor, ones need a lot of resources both tangible and intangible assets such as financial, equipment, and human resources (Barney, 1991). This results as in there is no company present as a small one but medium and large ones.

Among the 26 factors, twenty-three were regarded as important. Therefore, only the top 10 factors will be discussed. Under business categories, the commitment of established schedule and budget (4.22) and client satisfaction with delivered projects (4.19) and having an effective cost control measure (4.11) were ranked as 2nd, 3rd and 5th respectively. Being a contractor, it involves a lot of responsibility and duty to fulfill the client's satisfaction. At the same time, it needs keep up with the profit and loss. Therefore, time and cost are like a tradeoff to deliver the projects successfully and receive client's satisfaction. In addition, this leads to perceived business management related factors as high ranks. From top management related factors, leadership style (4.30), experience of top management (4.14), competency and capability of top management (3.89) perceived as 1st, 4th and 9th ranks respectively. Top management levels especially the expatriates must know the how to engage with the employee and labors. Being a contractor involves Only the "Risk management" (4.03) factor prioritized among the project management factors. As

stated how concern about being a contractor in a foreign market, preparing for the unforeseen risk is the most probably way to yield in the market. From technological related factors, “Having a website” (3.69), “Application of latest technology and software” (3.95) received 9th and 8th ranks respectively. This is the only business group that encouraged the latest technology to adopt within firms to be competitive among rivals. This could be one of the approaches to get to the potential clients by having one’s own website. An explicit competitive strategy (3.95) is important ranked as 7th was the only factor from organizational related factors. It is accounted that the competitive strategy is the one that contracting company should have to compete in the market. It can be concluded that the contractors give the high priority on client satisfaction and project delivery on time and control the budget as the key factors. In addition, the management needs to emphasize to ensure the business success such as leadership style, experience of top management and also risk management. In term of technological aspects, contractors give the focuses on software application that enhance their process. In addition, the website should promote their business reputation. Finally, we found that contractors gave the priority on project management factors on business operation.

5.3.2 Developer

A construction developer is a wealthy individual or organization involved in both the procurement of land and construction of buildings on that land. Since it is considerably relying on having funds available, it is also common that a collective of people conjoined to form a development company to spread the costs and risks among the group. It could say developers are holding the greatest risk at stake even to do business in home country. Therefore, when developer consider expanding the business into new market, its risk is needless to say. There can be found 8 branch, 6 joint venture and 9 sole venture development companies. Developers are originated from mostly China and Singapore.

Twenty-one factors were regarded as important for developer group. Under business categories, only the commitment of established schedule and budget (4.39), having an effective cost control measure (4.04), and availability of product and price

information (3.91) ranked as 2nd, 4th and 10th respectively. It is noticed that developers considered these three business related factors quite a high rank except the last one. The higher rank could be the driving force for the consultant and contractors to finish the projects on time. So that, they would be able to sell their priorities and turn in to the customers on a timely manner. In terms of human related factor, the effective coordination, communication and collaboration among project participants (3.91) ranked as 7th position. Although there were not many parties involved, this group still needs to engage between contractors and consultants for a thorough project planning. This could be the reason that the effective coordination leads to the road of business success. From top management related factors, leadership style (4.43), and competency and capability of top management (4.00) perceived as 1st and 5th ranks respectively. Being developers, it involves a lot of resource requirement in terms of tangible or intangible assets especially revenue. Without a talented management teams, firms would not be able to manage the high resource involvement. “Risk management” (3.9) and “Quality management” (3.91) received the same means among the project management factors. But using the standard deviation, the ranks were 8th and 9th respectively. From organizational related factors, “a strong marketing team” (4.13), and “Strong human resource management” (4.00) received 3rd and 5th ranks respectively. It is reasonable that without the marketing team, it would have been difficult for this group to sell the assets and receive the financial return. These are the factors that have been put in priority for developer group. Relationship and technological related factors were not perceived as much high ranking as the other factors’ categories. A conclusion can be made for developer group that leadership style and commitment of established schedule and budgets are extremely important to be prioritized. In addition, a strong marketing team, having an effective cost control measure regarded as key factors to assess the opportunities for potential projects and successfully manage the operation when it wins the projects. Moreover, competency and capability of the top management and their effective coordination are important, and this will consequently lead to well human resource management system for firms. At the same time quality management and risk management must be prioritized in order to deliver the project with optimal risk.

5.3.3 Consultant

Construction consultants offer the services to clients, making sound preparations for projects and ensuring that contractors complete the project on cost. Technically, they are the heads and neither much risk nor capital needs. Consultancies are those built up with and have advantage with talent persons and technical. There is a total of 29 consultancy companies, 13 of which are branch companies, 9 are solve venture companies and 7 joint venture companies found out from the survey. Most consultancy companies are from Thailand having with a considerate amount of consultancy experience both in Myanmar and internationally. This type of business does not require much assets, therefore, 72% are of medium sized company.

Consultant and developer have similar prioritizing factors. There were also twenty-one factors regarded as important for consultant group. Under business categories, only availability of product and price information (4.24), and the commitment of established schedule and budget (4.21) ranked as 2nd and 3rd respectively. It is noticed that consultancy companies received high rank for committing the established schedules and budget to ensure that contractors complete the project on cost and time. In addition, it is required for them to have the price information in hand to make sound preparations for the client's upcoming project. In terms of human related factor, the effective coordination, communication and collaboration among project participants (4.03) ranked as 7th position. Since consultant companies are a medium between contractors and owner, it is quite important to have an effective coordination among stakeholders.

From top management related factors, leadership style (4.28), and competency and capability of top management (3.90) and experience of top management (3.86) were perceived as 1st and 5th and 8th ranks respectively. In order to operate foreign firms successfully, it is greatly dependent upon the top management team's capability and competency. Otherwise, consulting firms would not be able to initiate a productive teams or operations. Only "Risk management" (3.90) from project management related factors received 6th rank. Although, consultants did not involve investment risks as much as developers or contractors, they still consider the unexpected risk assessment to be prepared. In terms of relationship related factor, the

mutual understanding between partners (3.86) ranked as 10th. As stated before, consultancies highly required the mutual understanding between contractors and owners. From organizational related factors, “a strong marketing team” (3.97), and “Strong human resource management” (3.86) received 5th and 8th ranks respectively. In order to have equipped with a strong marketing team, firm must employ and recruit qualified staffs. And this could not be achieved with a strong human resource management. Hence, consultants consider these two factors are important for business success. These are the top ten important factors that were prioritized by the consultant group. Here again, like developer group, relationship and technological related factors were not perceived as much high ranking as the other factors’ categories. It can be concluded that the consultants give high priority on client satisfaction and project delivery on time and control the budget as the key factors as contractors. Besides, the management needs to emphasize to ensure the business success such as leadership style, experience of top management and, also the competency and capability of top management level. Risk and quality management must be focused to ensure the client’s satisfaction with minimum delay and loss. In term of organizational aspects, consultants give the focuses on strong marketing team and human resource management that enhance their process.

In conclusion, there were no different perceptions of critical success factor upon business success. However, it is worthwhile to study the priority order of factors in terms of both entry modes aspect and different business categories aspects. This will help one to narrow it down to emphasize and just focus on the critical success factors which are the purpose of identifying critical success factors at the beginning (Rockart, 1982).

Table 5-6 Mean, Standard Deviation and Ranking of business categories upon critical success factors

Category	Critical Success Factor	Contractor (37)					Developer (23)					Consultant (29)			
		Mean	Std. Dev	Rank	Avg mean	Mean	Std. Dev	Rank	Avg mean	Mean	Std. Dev	Rank	Avg mean		
Business Related Factor	Commitment of established schedules and budget	4.22*	0.75	2	4.05	4.39*	0.58	2	3.89	4.21*	0.73	3	3.85		
	Client satisfaction with delivered projects	4.19*	0.78	3		3.22	0.80	24		3.24	0.95	24			
	Having an effective cost control measure	4.11*	0.81	5		4.04*	0.82	4		3.72*	0.75	12			
	Availability of product and price information	3.70*	0.88	16		3.91*	0.95	10		4.24*	0.83	2			
Human Related Factor	Effective Coordination, communication and collaboration among project participants	3.78*	0.79	13	3.53	3.91*	0.73	7	3.67	4.03*	0.78	4	3.63		
	Providing sufficient trainings	3.62*	1.04	20		3.74*	0.86	15		3.45*	0.95	17			
	Recruiting qualified staffs	3.59*	0.76	21		3.61*	1.08	20		3.62*	1.01	14			
	Motivation and job satisfaction of employee	3.14	0.79	26		3.43*	1.20	21		3.41	0.98	21			
Top Management Related Factor	Competency and capability of top management	3.89*	0.88	9	3.95	4.00*	0.67	5	3.90	3.90*	0.77	6	3.77		
	Feedback culture	3.49*	0.93	22		3.39	0.94	22		3.03	1.02	25			
	Leadership style	4.30*	0.88	1		4.43*	0.79	1		4.28*	0.70	1			
	Experience of top management persons	4.14*	0.71	4		3.78*	0.80	14		3.86*	0.88	8			

Category	Critical Success Factor	Contractor (37)				Developer (23)				Consultant (29)			
		Mean	Std. Dev	Rank	Avg mean	Mean	Std. Dev	Rank	Avg mean	Mean	Std. Dev	Rank	Avg mean
Project Management Related Factor	Bidding strategy	3.73*	0.77	15	3.70	3.70*	0.88	17	3.63	3.45*	0.95	19	3.51
	Logistic and supply chain management	3.22	1.11	24		3.00	0.95	26		2.93	0.75	26	
	Quality Management	3.84*	0.93	11		3.91*	0.73	8		3.76*	0.91	11	
	Risk Management	4.03*	0.76	6		3.91*	0.60	8		3.90*	0.82	6	
Relationship Related Factor	Strong healthy relationship between stakeholders	3.68*	0.94	17	3.60	3.70*	0.93	17	3.74	3.41*	0.95	20	3.61
	Having mutual understanding between partners	3.65*	0.82	18		3.87*	0.81	11		3.86*	0.83	10	
	Inter-partner trust between partners	3.49*	1.10	22		3.65*	0.83	19		3.55*	0.91	16	
	Having a website	3.89*	1.05	9		3.74*	0.92	15		3.28	0.65	23	
Technological Related Factors	Application of latest technology and software	3.95*	0.81	8	3.68	3.83*	0.89	13	3.55	3.59*	0.63	15	3.44
	Technological innovation ability	3.19	0.81	25		3.09	0.85	25		3.45*	0.95	17	
	An explicit competitive strategy	3.95*	0.81	7		3.87	0.76	12		3.66*	0.81	13	
Organizational Related Factors	Strong human resources and management	3.84*	0.90	12	3.80	4.00*	0.90	5	3.82	3.86*	0.64	8	3.72
	A strong marketing team	3.76*	0.68	14		4.13*	0.81	3		3.97*	0.78	5	
	Suitability of Organization culture/structure	3.65*	0.72	18		3.26	0.75	23		3.38*	0.78	22	

Mean: 1.00 -1.80 = Least important; mean 1.81-2.60 = Less important; mean 2.61-3.40 = Moderately important; mean 3.41-4.20 = Important; mean 4.21-5.00= Extremely important.

*Above cutoff point (3.41)

5.4 Chapter Summary

This chapter has revealed the factors that are important and should be emphasized for successfully venturing with the respective chosen entry mode types. Generally, factors such as leadership style, the commitment of established schedules and budget, client satisfaction with delivered projects, having an effective cost control measure, risk management are the top 5 success factors that had been agreed by every entry mode. In analyzing for each entry mode type, there may have been the same factors, but the received mean scores and ranked were different. According to the different characterizes and unique nature of each entry mode type, the factors that being prioritized were also varied. It can also be noticed that the perception upon entry modes and critical success factors in the way that, while entry modes factors resulted in a lot of statistical differences, factors that crucial for business success were mostly agreed. That means critical success factors for entry mode were not governed or influenced by the type of entry modes.

CHAPTER 6

BUSINESS SUCCESS ANALYSIS

6.1 Introduction

This chapter entails the evaluation of the business success of the entry modes. Our last objective is to identify the factors that influence business success in terms of different entry modes and business categories. For this reason, the respondents were asked the satisfaction level perceived from doing business with such entry mode in various business sectors by five-point Likert scale showing the satisfaction level from “Least satisfied” being number “1” to “Most satisfied” being number “5”. Based on the main categories of critical success factors, satisfaction in the business performance of finance, administrative and paper works, winning projects continuously, receiving client satisfaction, human resource management, operational management related to organization and projects, and lastly, building relationship with stakeholders will be evaluated (Table 6-1). This study examined how much one has reached a certain satisfaction level in those sectors. Correlation analysis using Bivariate Pearson correlation and Multiple Linear Regression analysis was conducted to evaluate the business success of the sectors mentioned above for each entry mode in two approaches: such as from entry mode aspects and critical success factors.

Table 6-1 Business success sectors

No.	Description
1	Financial
2	Administration works
3	Winning projects
4	Client satisfaction
5	Human resource management
6	Operational management
7	Building a relationship

6.2 Identification of the factors that influence business success

The analysis was conducted in two aspects: one from entry mode types (Branch, Sole venture, and Joint venture), and the other one is from business categories (Contractors, Consultants, and Developers). The factors that being input against the business success sectors were varied based on the analysis. A further detailed explanation will be given in the specific session.

The correlation analysis was performed to identify the respective correlated factors with business success. Afterward, Multiple linear regression using a stepwise method was conducted to analyze which factors influence business success. The directions and strengths of the standardized beta coefficient will let us know whether satisfaction has reached upon the factors that were influential to certain business performance to be a success. In other words, if the significant factor indicates a negative direction, it infers one had not successfully performed and carried out that factor. Therefore, there would be necessary to evaluate and enhance the performance to gain satisfaction in that business sector. When it is satisfied, it could imply one has reached a certain level of success in that business sector. In terms of entry mode factors that influence business success will be presenting based on entry mode types, whereas critical success factors will be explained as a whole sampling.

6.3 Factors influencing the Business success of entry mode types

Before analyzing the factors that influence business success, Pearson correlation analysis is computed to see the correlation from two aspects; entry mode factors and critical success factors. From chapter (4), the ANOVA analysis showed there were many significant factors between entry modes. The variables used for the analysis of entry mode factors are the specific significant factors for each entry mode and the insignificant factors that were agreed by every entry mode. However, since it is concluded that critical success factors did not differ based on entry mode types, the correlation of all 26 critical success factors and business success will be performed for the whole sampling, which is 89 respondents. This bivariate correlation method conducted to find the direction and strength of the correlation between variables with business success performance sectors. Firstly, it will be presenting the correlation

with entry mode factors and then followed by the correlation with critical success factors in the following section.

6.4 Branch Entry mode

The fifteen branch entry mode factors were used as variables. The correlations and impacts that exist between the factors and business success will be explained in this section.

6.4.1 Correlation of entry mode factors with business success

From Table 6-2, the following correlation is investigated.

1. Financial: There is a positive correlation with trade link ($r=0.313$, $p=0.036$), indicating it is being given advantage from the trading history.
2. Administrative works: Trading advantage ($r=-0.343$, $p=0.024$), proximity to host country ($r=-0.318$, $p=0.033$), research and development skill ($r=-0.340$, $p=0.025$), and technical advantage ($r=-0.375$, $p=0.014$) are negatively correlated with this business sector.
3. Winning projects: There is a negative correlation with the factors “firm’s ability to assess market signal and opportunities” ($r=-0.422$, $p=0.007$) and “trade link” ($r=-0.340$, $p=0.024$).
4. Client satisfaction: However, there is a positive correlation with the firm’s ability to assess opportunities ($r=0.293$, $p=0.046$).
5. Human resource management: This is a positive correlation with technical advantage ($r=0.280$, $p=0.048$) and investment risk ($r=0.325$, $p=0.031$). But there is a negative correlation found in political stability ($r=-0.455$, $p=0.289$) and procurement type ($r=-0.306$, $p=0.039$).
6. Operational management: No correlated factors.
7. Building relationship: A negative correlation is found in colonial link ($r=-0.292$, $p=0.047$), however, a positive relationship with project size ($r=0.291$, $p=0.048$).

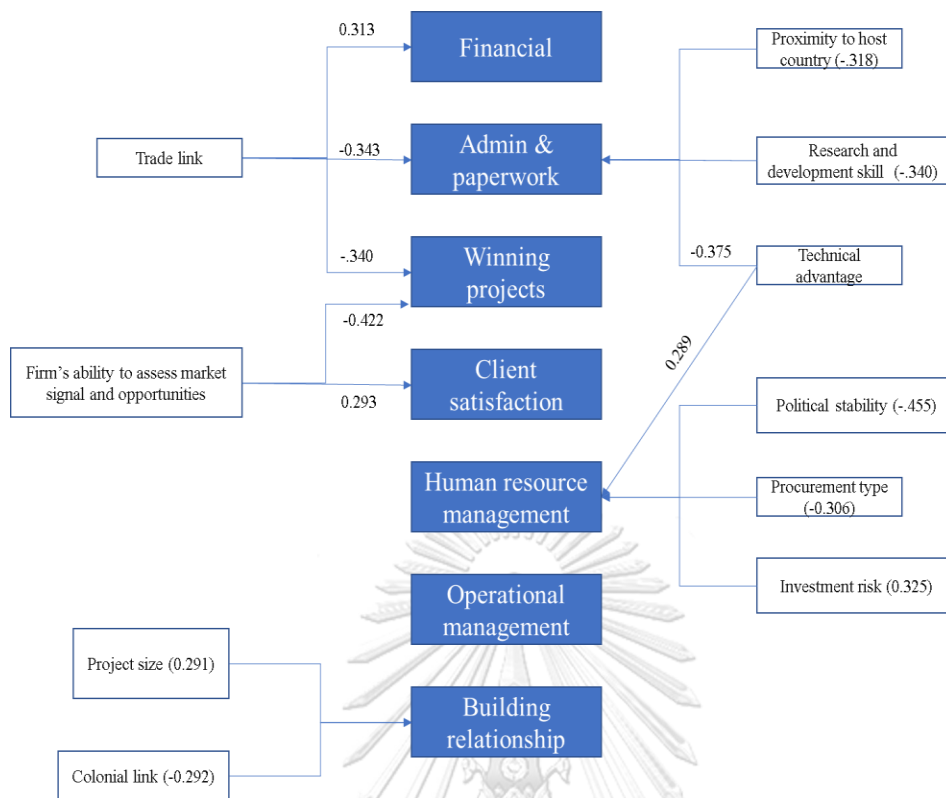


Figure 6-1 Correlation of Branch entry mode factors with Business success

6.4.2 Factors that influence Branch entry mode business success

From Table 6-6, the listed influencing factors can be found.

1. Financial: Trade link ($\beta= 0.313$, $p<0.05$) from host country related factors influenced financial performance.
2. Administration works: It is found that technical advantage ($\beta= -0.375$, $p<0.05$) influences this business sector.
3. Winning projects: “Firm’s ability to assess market signal and opportunities” ($\beta=-0.422$, $p < 0.05$) influences to win projects after projects.
4. Client satisfaction: This business sector is also influenced by the Firm’s ability to assess market signals and opportunities ($\beta=0.293$, $p < 0.05$).
5. Human resource management: There is an influential factor found in host country political stability ($\beta=-0.455$, $p < 0.05$).
6. Operational management: No influence factor.
7. Building relationship: It is influenced by colonial link ($\beta= -0.292$, $p < 0.05$).

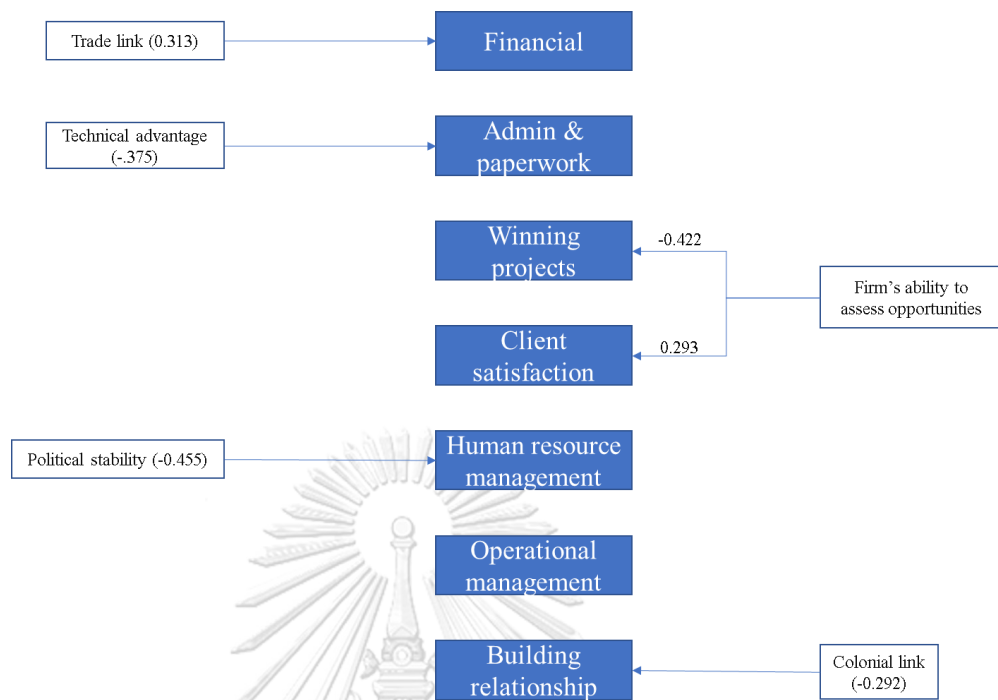


Figure 6-2 Branch entry mode factors that influence business success

In Figure 6-2, it illustrates a summary of the entry mode factors that influence branch companies' business success. There were not many influencing factors to be noticed. Among the factors, the factors, which are significant and have an influence on financial success are having a trade link between two countries. This will help firms to understand the business customs of the host country and what to expect from the unexpected economic situation of the host country. But political stability and the colonial link did not have a positive effect on their associated business success. From the literature review, colonial link means similarity in political or legal institutions. It could have positive support to build a solid relationship from the countries having similar intuitions. However, branch companies are influenced negatively, and it could mean that branch companies have a negative influence from a colonial link between two countries to form a new foundation of the relationship. For example, the political and legal institutions did not support their business success. In terms of the firm related factor, the technical advantage has a negative effect on admin and paperwork work. This means that the host country is not ready to adopt the latest technology for facilitating their works. As it is becoming to have developed by recent years and needs a lot of technically educated support to achieve for this goal. It is noticed that

the firm's ability to assess market signals and opportunities has a positive effect on client satisfaction but negative in winning projects. This could mean the firm has little ability to assess the opportunities to satisfy the client with the delivered projects since the strength is quite low. But in terms of signaling market opportunities, branch companies need to put more effort to seize the attractive host country construction market to obtain and win projects. In conclusion, branch companies need to focus on and enhance the firm's ability to assess market signals and opportunities. So, it would lessen the threats from external factors that influence ones' business success but could not be controlled.

6.5 Sole venture entry mode

There were eighteen entry mode factors run against the seven business success areas for analysis.

6.5.1 Correlation of Sole venture entry mode factors with business success

Referring to Table 6-3, the following correlation can be extracted;

1. Financial: It has a negative correlation with technical advantage ($r=-0.361$, $p=0.025$), market demand ($r=-0.399$, $p=0.014$), economic stability ($r=-0.387$, $p=0.017$) and conclusive knowledge in terms of host country business aspect ($r=-0.458$, $p=0.005$).
2. Administrative works: A positive correlation with the factors such as market demand ($r=0.429$, $p=0.009$), technical advantage ($r=0.347$, $r=0.030$), expertise on law of host country ($r=0.381$, $p=0.019$), international experience ($r=0.325$, $p=0.040$), economic stability ($r=0.333$, $p=0.036$), and having business network ($r=0.332$, $p=0.037$).
3. Winning project: A positively correlated factor of resource advantage on equipment and complementary ($r=0.326$, $p=0.039$) helped a great length to be a success with this sector.
4. Client satisfaction: There is a positive relationship with market demand ($r=0.320$, $p=0.042$) and having a substantial amount of international

experience ($r=0.337$, $p=0.034$) but a negative correlation with investment risk ($r=-0.324$, $p=0.040$).

5. Human resource management: Having a relative amount of construction experience ($r=0.423$, $p=0.010$), and international business networks ($r=0.460$, $p=0.005$) has a positive correlation with this sector. Then again, investment risk has a negative correlation with this sector ($r=-0.347$, $p=0.030$).
6. Operational management: This sector is correlated to the external factors such as the favorable market ($r=0.360$, $p=0.025$) and the stable economic ($r=0.521$, $p=0.002$).
7. Building relationship: No correlated factors.

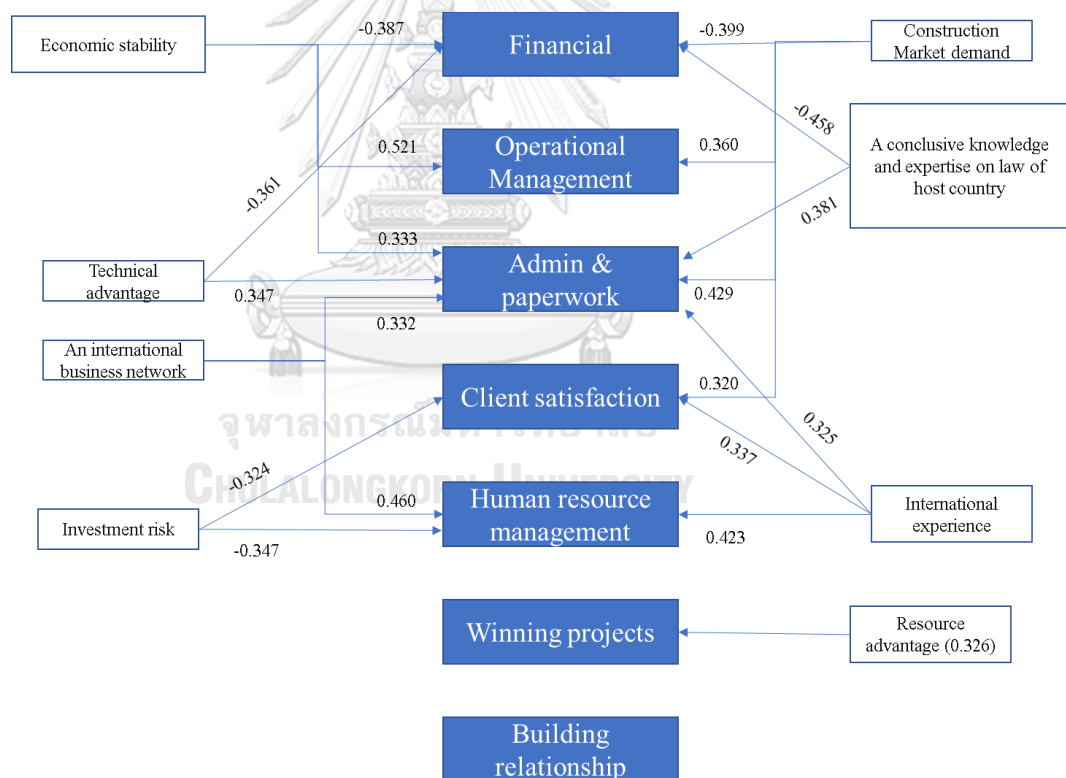


Figure 6-3 Correlation of Sole venture entry mode factors with Business success

6.5.2 Factors that influence Sole venture entry mode business success

The following factors are influencing the sole ventures business success, and they were retrieved from Table 6-7 as below:

1. Financial: A conclusive knowledge and expertise on the law of the host country ($\beta = -0.398$, $p < 0.05$) and economic stability ($\beta = -0.308$, $p < 0.05$) influenced this business sector to succeed.
2. Administration works: It is found that the construction market ($\beta = 0.482$, $p < 0.05$) and investment risk ($\beta = -0.337$, $p < 0.05$) have influence over this business sector.
3. Winning projects: Resource advantage of the equipment, material, and labor ($\beta = 0.326$, $p < 0.05$) has an influence to win projects.
4. Client satisfaction: This business sector is influenced by research and development skill ($\beta = -0.338$, $p < 0.05$), investment risk ($\beta = -0.438$, $p < 0.05$), and construction market demand ($\beta = 0.383$, $p < 0.05$).
5. Human resource management: There is influential factors resulted in having international business network ($\beta = 0.485$, $p < 0.05$) and investment risk from host country related factors ($\beta = -0.379$, $p < 0.05$).
6. Operational management: It is influenced by economic stability of the host country ($\beta = 0.521$, $p < 0.05$).
7. Building relationship: No influenced factors.

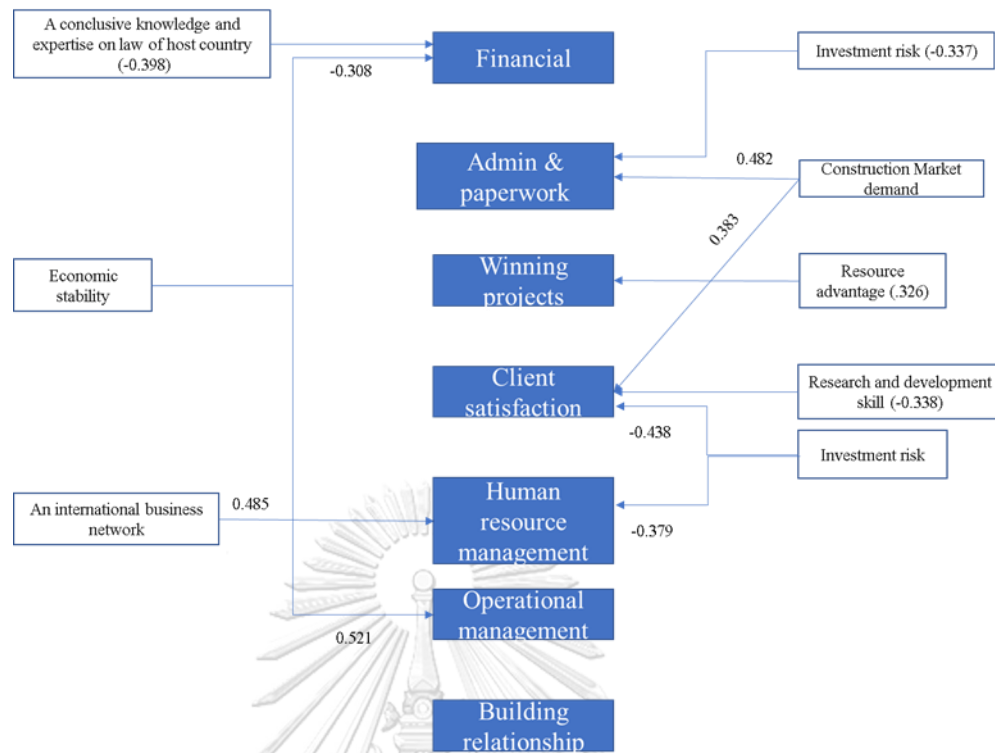


Figure 6-4 Sole venture entry mode factors that influence business success

Figure 6-4 figuratively shows the entry mode factors that influence for sole venture business success. The host country factor that has a positive influence is only the construction market demand that supports administration works and client satisfaction. The rest of the factors such as economic stability, investment risk has negative support for the respective business performance sector to be satisfied. This implies the investment risk is high and the economy in the host country is not stable and would be a massive challenge for sole venture companies to manage the business. However, economic stability has both positive and negative influence on business success. It could mean that it is stable enough for operational management to run the business, but it does not good enough for financial independence. In terms of firm related factors, having a resource advantage is beneficial to win projects. The positive signifies that the sole venture companies have a resource advantage. Besides, sole venture companies' network of international business, assists human resource management. However, foreign companies chosen this entry mode must reevaluate the knowledge and practice law of the host country to apply appropriately for financial success. This could mean most sole venture companies may have expanded

from geologically or culturally distance countries that they did not have much knowledge about the country. Moreover, the result indicates to emphasize research and development (R&D) skills to please the client preferences. Finally, sole venture companies could improve their knowledge of the host country and R&D skills that would benefit their business success in terms of entry mode factors

6.6 Joint venture entry mode

The thirteen entry mode factors, particularly for joint ventures, were input as independent variables to run the analysis.

6.6.1 Correlation of Joint venture entry mode factors with business success

Table 6-4 shows the following correlation concerning the joint venture;

1. Financial: No correlated factors.
2. Administrative works: A negative correlation was found in factors such as proximity to the host country ($r=-0.351$, $p=0.042$) and procurement type ($r=-0.348$, $p=0.044$).
3. Winning projects: There is a positive correlation with technical advantage ($r=0.558$, $p=0.002$).
4. Client satisfaction: No correlated factors.
5. Human resource management: Political stability ($r=0.349$, $p=0.044$) has a positive relationship, and project size ($r=-0.410$, $p=0.021$) has a negative relationship to achieve success in this business sector.
6. Operational management: It has a positive relationship with proximity to the host country. ($r=0.353$, $p=0.042$).
7. Building relationship: There is positive relationship with culture proximity ($r=0.436$, $p=0.015$) and research and development skill ($r=0.389$, $p=0.027$) except project size ($r=-0.397$, $p=0.025$) which has a negative correlation.

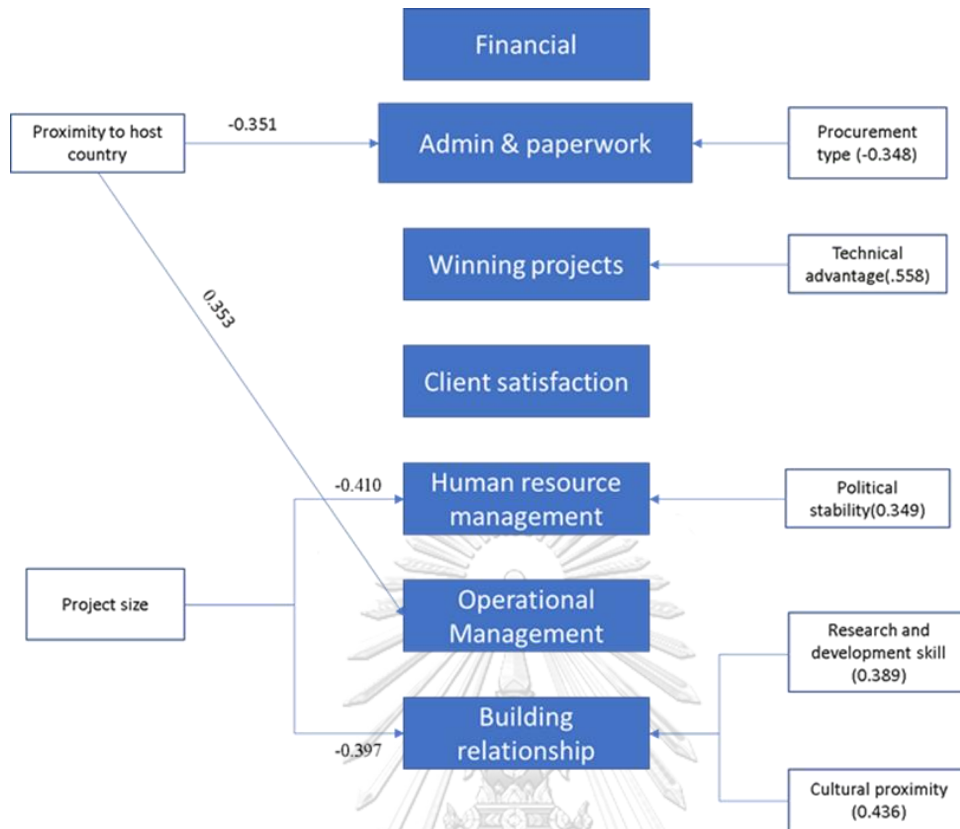


Figure 6-5 Correlation of Joint venture entry mode factors with business success

6.6.2 Factors that influence Joint venture entry mode business success

Table 6-8 represents the following factors that influence joint venture business success.:

1. Financial: No influenced factors.
2. Administration works: It is found that proximity to the host country ($\beta = -0.351, p < 0.05$) has an influence over this business sector.
3. Winning projects: This sector is influenced by technical advantage ($\beta = 0.558, p < 0.05$).
4. Client satisfaction: No influenced factors.
5. Human resource management: There is an influential factor such as the project size ($\beta = -0.410, p < 0.05$) found for this human resource management.
6. Operational management: It is influenced by proximity to host country ($\beta = 0.353, p < 0.05$).
7. Building relationship: The factor cultural proximity ($\beta = 0.436, p < 0.05$) influenced in building relationship with stakeholders.

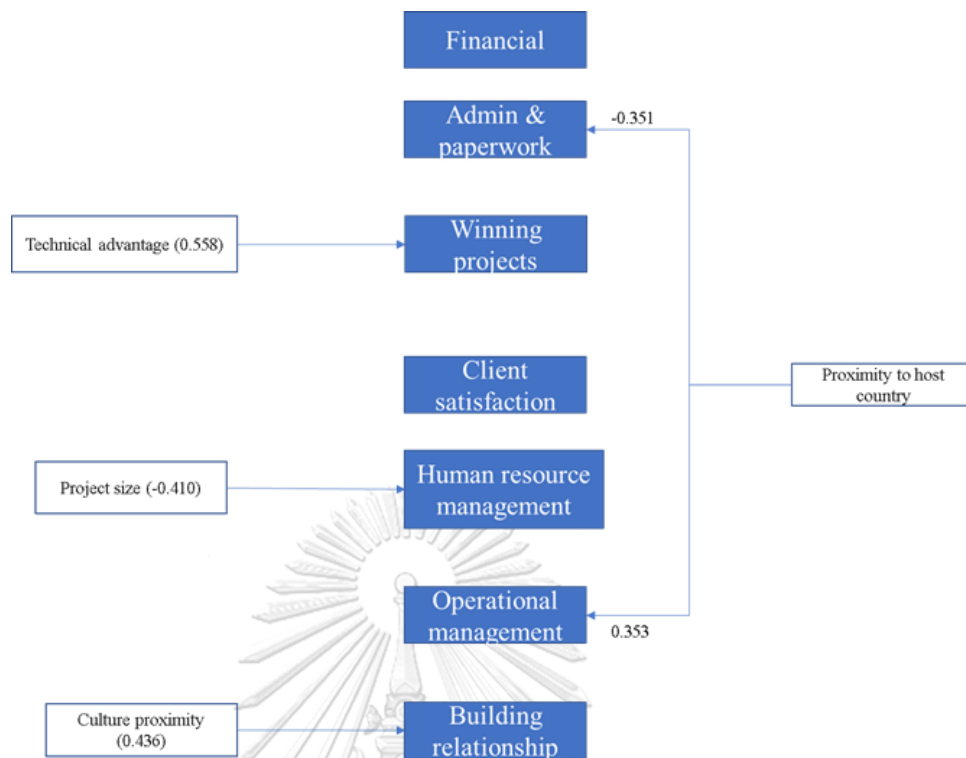


Figure 6-6 Joint venture entry mode factors that influence business success

A summarized modal of entry mode factors that influence joint venture companies' business success can be seen in Figure 6-6. The external factor that has a positive influence on firms' business success is having culture proximity with the host country. This factor makes a way to form a diplomatic relationship by some means. The proximity to the host country may be supportive of operational management, however, it is inversely effective for administrative works. Joint venture companies found the project size is reversely influenced by human resource management. Since it is a jointed company in the short-term period, and it was learned JV companies prefer huge projects. Thus, it has the challenge to employ employees, and labors, and bring the team to be effective management. The only advantageous internal factors that did create satisfaction in the winning project is the technical advantage the firm possesses to thrive in a foreign market. It is confirmed from the interview that "Having a good reputation such as in technical advantage, financial strength, etc. create security and confidence for the partners and born willingness to be partners".

In conclusion, entry mode factors are not only important for deciding on strategic options, but they also affect business success. The three models that were

presented for each entry mode may have different factors that influence business since their characteristics and nature of mode are different from one another. Generally, most external factors that have an influence effect negatively and expose the threats from the host country. The firm related factors such as the ability to assess market signals, opportunities and develop the knowledge about the host country are encouraged for further improvement.

6.7 Critical success factors that influence business success

As critical success factors did not show much statistical significance difference between entry modes, all twenty-six factors were input to run the analysis one time as a whole sampling.

6.7.1 Correlation of critical success factors with business success

Since entry modes do not govern the critical success factor, there will a combined analysis for all entry modes in terms of critical success factors for business. The following correlations can be gleaned from Table 6-5.

1. Financial: No correlated factors.
2. Administrative works: The correlation found for this sector are all negative related and they are having an effective cost control ($r=-0.196$, $p=0.033$), feedback culture ($r=-0.209$, $p=0.025$), having a website ($r=-0.222$, $p=0.018$), and strong human resource management ($r=-0.217$, $p=0.020$).
3. Winning projects: There is a positive correlation with inter-partner trust between partners ($r=0.222$, $p=0.018$). But a negative relationship with two factors such as “Competency and capability of top management, Project manager, specialists and expertise” ($r=-0.347$, $p=0.001$), and “Suitability of Organization culture/structure” ($r=-0.181$, $p=0.045$).
4. Client satisfaction: A negative correlation occurred in logistic and supply chain management ($r=-0.188$, $p=0.039$), and positive correlation in technological innovation ability ($r=0.181$, $p=0.044$) and an explicit

competitive strategy($r=0.229$, $p=0.016$) achieving success in this business sector.

5. Human resource management: “Risk management” is negatively correlated with weak strength ($r=-0.182$, $p=0.044$).
6. Operational management: It has a positive relationship providing sufficient training ($r=0.180$, $p=0.045$), motivation and job satisfaction of employee ($r=0.232$, $p=0.015$), and an explicit competitive strategy ($r=0.187$, $p=0.039$). A weak negative correlation with practicing feedback culture ($r=-0.193$, $p=0.035$).
7. Building relationship: There is a positive relationship with Motivation and job satisfaction of employees ($r=0.247$, $p=0.010$), and negative correlation with competency and capability of top management, Project manager, specialists and expertise ($r=-0.224$, $p=0.017$).

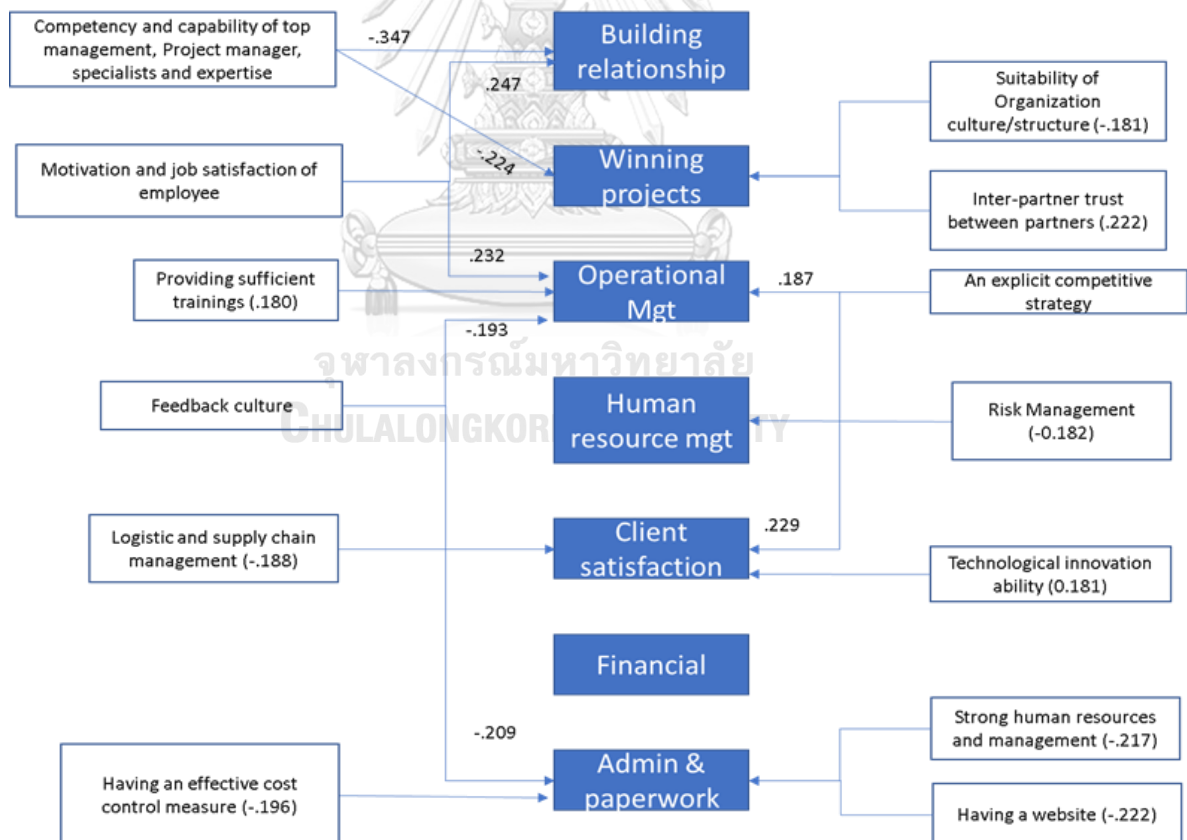


Figure 6-7 Correlation of critical success factors with business success

6.7.2 Critical success factors that influence the business success of entry modes

Based on the result from Table 6-9, it can be explained for the seven business performances as follow.

1. Financial: No influenced factors.
2. Administration works: The factors “Having a website” ($\beta = -0.298$, $p < 0.05$) has a significant positive influence and “Availability of product and price information of labor, materials, plants and other resources” ($\beta = 0.240$, $p < 0.05$) has a negative influence on administration works.
3. Winning projects: The factors that have positive influence are “Effective Coordination, communication and collaboration among project participants” ($\beta = 0.189$, $p < 0.05$), “Inter-partner trust between partners” ($\beta = 0.188$, $p < 0.05$), and “Competency and capability of top management, Project manager, specialists and expertise” ($\beta = -0.342$, $p < 0.05$).
4. Client satisfaction: This business sector is influenced by factors such as having an explicit competitive strategy ($\beta = 0.231$, $p < 0.05$), logistic and supply chain management ($\beta = -0.258$, $p < 0.05$), and technological innovation ability ($\beta = 0.177$, $p < 0.05$).
5. Human resource management: There is an influential factor that occurred in risk management ($\beta = 0.302$, $p < 0.05$).
6. Operational management: The standardized coefficient of effective Coordination, communication and collaboration among project participants ($\beta = 0.214$, $p < 0.05$), risk management ($\beta = 0.177$, $p < 0.05$), motivation and job satisfaction of employee ($\beta = 0.369$, $p < 0.05$), providing sufficient trainings ($\beta = 0.302$, $p < 0.05$), Experience of top management persons ($\beta = -0.378$, $p < 0.05$), an explicit competitive strategy ($\beta = 0.218$, $p < 0.05$), Having an effective cost control measure

($\beta=0.176$, $p < 0.05$) are significant and influence the success in operational management.

7. Building relationship: It is influenced by competency and capability of top management persons ($\beta= -0.202$, $p < 0.05$), motivation and job satisfaction of employee ($\beta= -0.258$, $p < 0.05$), and experience of top management persons ($\beta= -0.195$, $p < 0.05$).

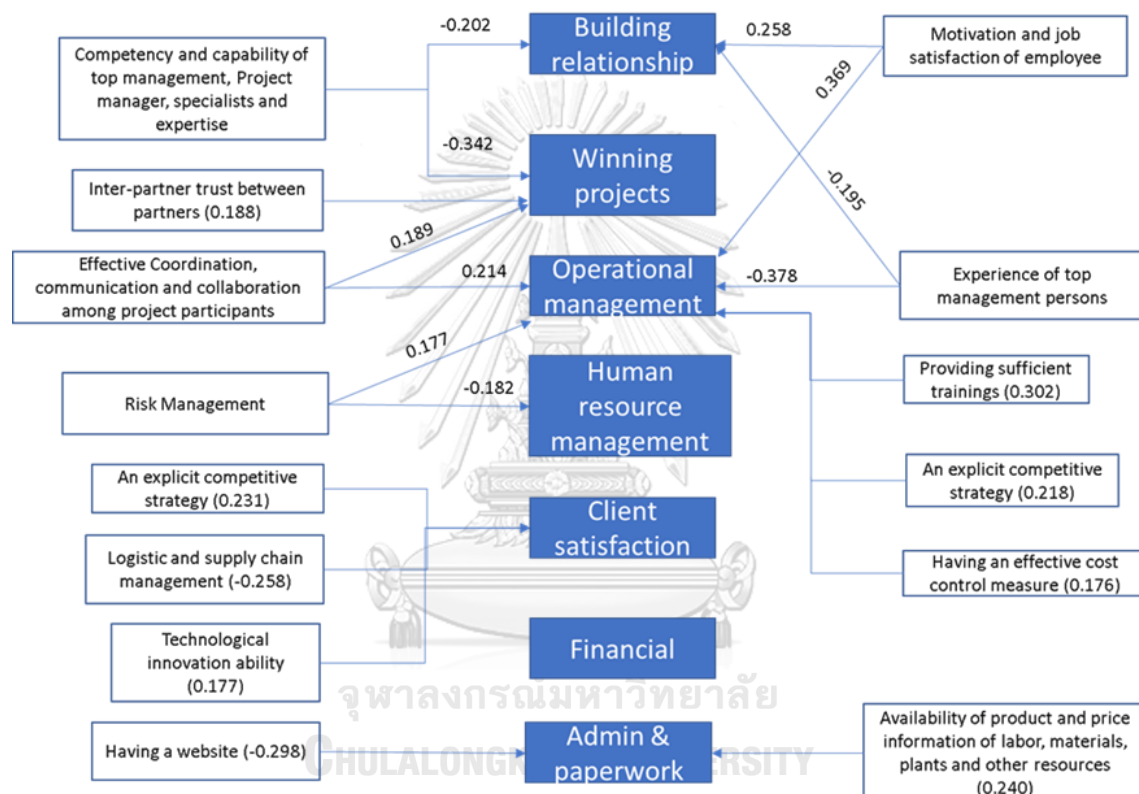


Figure 6-8 Critical success factors that influence business success

The summary of critical success factors that influence business success is shown in Figure 6-8. There were both positive and negative directions found in this modal, but the strength is just moderate since the coefficient values ranging from (0.176 to 0.378). However, there were more positive directions than negative ones, implying that most factors have been executed deliberately that lead to achieving satisfaction in certain sector businesses. This means, companies were aware of the factors that influence business success and they can successfully deliver and perform

the actions to meet their goals. Surprisingly, it is noticed that no factors were having a relationship for financial success since doing business is predominantly dependent upon financial status. However, there were many factors correlated to the other business performance sectors to achieve and consequent leading to financial success.

The competency and capability of a project manager, specialists and expertise influence building relationships and to win projects. This factor is seemed to play a significant role, but the negative direction indicates there is a requirement to reevaluate their capability of the top management persons to win and run the project accordingly. It implies without a proper relationship; it would be difficult to win projects over other competitors. Moreover, the experience of top management persons negatively resulted not only in forming a solid relationship with stakeholders but also in operational management. This may point out that the lower capability resulted from the less experiencing project managers and specialists. Besides, the human resource management needs to have more risk assessment to cope with managing employees and talents. The another negatively influenced factor found in having a company website. This means, in this host country, the personal company webpage may not be as much as effective for the administrative work especially in promoting their brand name. The last negative effect factor on client satisfaction logistics and supply chain management. It indirectly impacts the poor management that was consequently leading to the potential delay and unnecessary overhead cost that deter their clients from meeting their satisfaction.

From the aspect of positively influencing factors, it is quite encouraging since the firm can successfully execute the tasks to fulfill their respective business sectors. In order to win projects; consequently, the main factors are to build trust between partners and the communication and collaboration skills. These factors enable to deliver projects cooperatively. One should be aware of the effect of coordination, communication and collaboration among project participants in order to reduce any delay, dispute or disagreement. The motivation and job satisfaction of the employee plays a significant role in project operation. Without an enthusiastic and motivated employee, there would be a slack and less productively that affect the whole organization. On account of productive and skillful employ, providing suitable

training and development to empower employees, especially technicians and engineers. Besides, one must be careful of cost-control measures and an explicit competitive strategy for successful operational management. The support factor that influences administrative and paper works is the availability of product and price information in hand.

In conclusion, the critical success factors that influence business performance success was showing both positive and negative. It implies negative signified factors need to reevaluate, reform and render to achieve in more goals. Moreover, one must pay not only the perceived factors that are critical for business success but also the selective factors that influence on maintaining the good work that has a positive effect at present.

6.8 Summary for Business success analysis of entry mode types

Based on the evaluation result from critical success factors, firms from all entry modes seemed to have an awareness of what factors are critical and correlated with business success. Besides, it has pointed out whether the correlated factors were effectively and efficiently performed. However, in practice, all firms somehow failed to execute successfully. Therefore, the results indicated dissatisfaction among the business sectors that were evaluated. For branch company apart from reaching to a certain success level in factors impacting on winning the project, client satisfaction and human resource management, there is a lot of reforming works need to be done to have a resonance with the rest of the factors influenced business success. Especially from the aspects of financial and building relationships with stakeholders should reevaluate for a more profound business strategy. In terms of sole venture companies, there is required to have a reflection on financial, to win projects continuously, administrative works, and relationships with stakeholders except for client satisfaction. However, the joint venture had reached business success to some degree of satisfaction levels in many of the evaluated business sectors. Unexpectedly, administrative works and winning projects are the two sectors that found a little less successful for those were the things that had expected to benefit from conjoining two firms. Apparently, this is the only entry mode that has reached its success in a more satisfying way comparing to the other two types. It could be the reason that its

prioritized critical success factors are reflecting on how to bring success in specific sectors of business.



Table 6-2 Correlation of Branch entry mode factors and Business Success

Entry mode factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building a relationships
Political stability	r	-0.094	0.018	-0.200	0.005	-0.455**	0.262	0.009
	p	0.298	0.459	0.128	0.489	0.003	0.067	0.480
Proximity to host country	r	0.217	-.318*	0.149	0.088	-0.100	-0.045	0.226
	p	0.109	0.033	0.200	0.310	0.287	0.399	0.099
Trade link	r	.313*	-.343*	-.340*	0.008	-0.152	-0.089	-0.049
	p	0.036	0.024	0.024	0.482	0.195	0.308	0.392
Economic stability (Exchange rate, inflation)	r	-0.170	0.151	-0.230	0.186	0.040	0.149	0.101
	p	0.168	0.197	0.096	0.147	0.412	0.200	0.286
Investment risk	r	0.023	0.018	0.219	0.042	.325*	-0.059	0.020
	p	0.448	0.460	0.107	0.407	0.031	0.370	0.456
Colonial Link	r	0.170	-0.214	0.000	0.120	0.030	-0.077	-.292*
	p	0.169	0.112	0.500	0.249	0.434	0.334	0.047
Market attractiveness/Potential growth	r	-0.283	0.218	-0.013	0.087	0.075	-0.121	-0.049
	p	0.052	0.108	0.470	0.311	0.337	0.247	0.392
Construction Market demand	r	0.042	0.125	-0.169	0.046	0.257	-0.248	0.083
	p	0.407	0.240	0.169	0.398	0.071	0.079	0.319

Entry mode factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building a relationships
Project size	r	-0.065	0.125	-0.078	0.089	0.020	0.157	.291*
	p	0.358	0.240	0.331	0.308	0.455	0.187	0.048
Project type	r	0.040	-0.212	-0.040	-0.080	0.016	0.079	-0.147
	p	0.411	0.114	0.412	0.326	0.464	0.328	0.204
Procurement type	r	-0.074	0.093	-0.244	0.262	-.306*	-0.063	-0.124
	p	0.339	0.300	0.082	0.067	0.039	0.362	0.243
A strong capital intensity	r	-0.140	0.187	0.027	0.089	0.146	0.065	-0.206
	p	0.215	0.145	0.439	0.307	0.205	0.358	0.121
Research and development skill	r	-0.031	-.340*	-0.190	0.233	0.224	-0.039	-0.196
	p	0.431	0.025	0.140	0.092	0.101	0.412	0.133
Technical advantage	r	0.104	-.375*	-0.284	0.280	.289*	-0.019	-0.082
	p	0.278	0.014	0.052	0.055	0.048	0.458	0.322
Firm's ability to assess market signal and opportunities	r	-0.126	-0.169	-.422**	.293*	0.023	-0.195	-0.164
	p	0.239	0.170	0.007	0.046	0.448	0.135	0.177
*. Correlation is significant at the 0.05 level (1-tailed).								
**. Correlation is significant at the 0.01 level (1-tailed).								

Table 6-3 Correlation of Sole venture entry mode factors and Business success

Entry mode factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
Political stability	r	0.002	0.068	0.207	0.198	-0.075	0.114	-0.065
	s	0.495	0.360	0.136	0.147	0.346	0.275	0.367
Economic stability	r	-.387*	.333*	0.134	0.275	0.123	.521**	0.116
	s	0.017	0.036	0.241	0.071	0.258	0.002	0.271
Investment risk	r	-0.223	-0.261	0.073	-.324*	-.347*	-0.087	0.071
	s	0.118	0.082	0.351	0.040	0.030	0.323	0.354
Colonial Link	r	0.045	-0.094	0.226	-0.223	-0.027	-0.195	0.241
	s	0.406	0.311	0.115	0.118	0.443	0.151	0.100
Market attractiveness/Potential growth	r	-0.128	0.171	-0.054	0.208	-0.057	0.302	-0.176
	s	0.250	0.182	0.389	0.135	0.382	0.053	0.176
Construction Market demand	r	-.399*	.429**	0.123	.320*	0.209	.360*	-0.158
	s	0.014	0.009	0.258	0.042	0.134	0.025	0.202
Project size	r	0.077	0.000	0.050	-0.112	0.139	-0.090	0.000
	s	0.344	0.500	0.396	0.278	0.231	0.318	0.500
Project type (e.g., commercial, residential)	r	0.080	-0.268	0.270	-0.241	-0.200	-0.080	0.089
	s	0.336	0.076	0.075	0.100	0.145	0.337	0.320
Procurement type	r	-0.078	-0.132	0.059	-0.191	-0.039	0.058	0.000
	s	0.342	0.243	0.379	0.155	0.420	0.380	0.500
A strong capital intensity	r	0.075	0.207	0.160	0.125	0.037	0.024	0.065
	s	0.347	0.136	0.199	0.256	0.423	0.450	0.366
Technical advantage	r	-.361*	.347*	-0.009	0.040	0.136	0.132	0.000
	s	0.025	0.030	0.480	0.417	0.237	0.243	0.500

Entry mode factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
Firm's ability to assess market signal and opportunities	r	-0.049	0.161	-0.019	0.249	0.268	0.289	-0.114
	s	0.398	0.198	0.460	0.092	0.076	0.061	0.275
Competitive intensity	r	0.134	-0.184	-0.219	0.095	0.120	0.086	-0.073
	s	0.240	0.166	0.123	0.308	0.263	0.325	0.351
Resource advantage	r	-0.293	0.074	.326*	-0.048	0.006	-0.102	0.076
	s	0.058	0.349	0.039	0.400	0.487	0.295	0.344
International experience	r	-0.213	.325*	0.080	.337*	.423**	0.037	0.138
	s	0.129	0.040	0.337	0.034	0.010	0.424	0.233
Firm Size	r	-0.042	-0.099	0.083	-0.007	0.033	-0.109	0.146
	s	0.413	0.302	0.332	0.485	0.432	0.283	0.221
A conclusive knowledge and expertise on law of host country	r	-0.458**	.381*	-0.024	0.232	0.273	0.014	0.232
	s	0.005	0.019	0.451	0.109	0.073	0.470	0.108
An international business network	r	-0.297	.332*	0.064	0.248	.460**	0.044	0.134
	s	0.055	0.037	0.369	0.093	0.005	0.409	0.240
*. Correlation is significant at the 0.05 level (1-tailed).								
**. Correlation is significant at the 0.01 level (1-tailed).								

Table 6-4 Correlation of Joint venture entry mode factors and Business Success

Entry mode factors	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
Research and development skill	r	-0.192	-0.064	-0.300	-0.299	0.032	.389*
	p	0.179	0.380	0.073	0.073	0.440	0.027
Foreign Direct Investment (FDI) incentive relative policy	r	0.059	-0.052	0.145	0.064	0.013	-0.214
	p	0.390	0.402	0.244	0.381	0.475	0.152
Trade link	r	0.037	-0.107	-0.321	-0.007	0.063	0.164
	p	0.430	0.305	0.059	0.487	0.382	0.217
Proximity to host country	r	-.351*	0.192	-0.260	-0.111	.353*	-0.042
	p	0.042	0.179	0.105	0.299	0.042	0.422
Cultural proximity	r	0.035	0.086	0.125	-0.069	-0.079	.436*
	p	0.433	0.341	0.276	0.371	0.354	0.015
Language proximity	r	-0.003	-0.220	-0.173	0.015	-0.036	0.003
	p	0.494	0.145	0.204	0.472	0.432	0.495
Political stability	r	0.186	-0.208	0.227	.349*	-0.189	0.326
	p	0.187	0.159	0.138	0.044	0.183	0.056
Construction Market demand	r	-0.124	-0.265	-0.167	-0.090	0.216	0.136
	p	0.278	0.403	0.212	0.335	0.149	0.258
Technical advantage	r	0.239	0.237	0.037	-0.019	0.176	0.089
	p	0.125	0.127	0.430	0.463	0.200	0.337
Project size	r	-0.178	-0.037	-0.318	-0.410*	0.083	-.397*
	p	0.198	0.430	0.061	0.021	0.347	0.025
Project type (e.g., commercial, residential)	r	0.030	-0.177	-0.014	0.118	-0.087	-0.024
	p	0.444	0.198	0.473	0.287	0.339	0.454
Procurement type	r	0.154	-.348*	-0.183	-0.130	0.313	-0.007
	p	0.232	0.044	0.191	0.269	0.064	0.488

*. Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

Table 6-5 Correlations of Crucial Success factors and Business Success

Critical success factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
Commitment of established schedules and budget	r	-0.148	-0.079	-0.104	-0.007	0.017	-0.013	-0.117
	p	0.084	0.230	0.166	0.475	0.438	0.452	0.137
Availability of product and price information	r	-0.175	0.147	0.111	-0.009	-0.123	-0.127	0.044
	p	0.051	0.085	0.151	0.468	0.125	0.118	0.340
Having an effective cost control measure	r	-0.033	-.196*	-0.110	0.001	0.107	0.082	-0.129
	p	0.378	0.033	0.152	0.497	0.160	0.224	0.113
Client satisfaction with delivered projects	r	-0.040	0.036	-0.158	0.083	0.082	0.040	-0.038
	p	0.353	0.369	0.070	0.220	0.222	0.354	0.362
Effective Coordination, communication and collaboration among project participants	r	-0.043	0.104	0.171	0.049	0.023	0.140	-0.061
	p	0.343	0.166	0.055	0.323	0.414	0.095	0.286
Recruiting qualified staffs	r	0.005	-0.131	0.080	-0.097	0.029	-0.001	-0.026
	p	0.482	0.110	0.227	0.183	0.392	0.496	0.405
Providing sufficient trainings	r	-0.031	-0.063	0.030	0.129	-0.072	.180*	-0.065
	p	0.387	0.280	0.391	0.113	0.251	0.045	0.271
Motivation and job satisfaction of employee	r	0.087	-0.020	0.115	-0.061	-0.110	.232*	.247**
	p	0.209	0.428	0.141	0.284	0.152	0.015	0.010
Competency and capability of top management	r	0.047	-0.146	-0.347**	0.139	-0.044	-0.063	-0.224*
	p	0.331	0.086	0.000	0.097	0.340	0.279	0.017
Feedback culture	r	-0.006	-.209*	0.009	0.031	0.034	-0.193*	-0.145
	p	0.476	0.025	0.466	0.386	0.377	0.035	0.088

Critical success factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
Leadership style	r	-0.082	0.009	-0.164	0.151	0.000	0.103	-0.029
	p	0.222	0.467	0.063	0.078	0.499	0.168	0.393
Experience of top management persons	r	0.021	-0.165	0.109	-0.067	-0.085	-0.144	-0.132
	p	0.423	0.062	0.156	0.267	0.215	0.088	0.108
Bidding strategy	r	0.059	-0.106	-0.063	-0.055	-0.109	-0.040	-0.077
	p	0.292	0.162	0.277	0.304	0.154	0.356	0.237
Logistic and supply chain management	r	0.105	-0.001	0.034	-0.188*	0.015	-0.029	0.095
	p	0.164	0.497	0.375	0.039	0.444	0.395	0.187
Quality Management	r	-0.010	-0.052	-0.053	0.003	-0.027	0.173	0.032
	p	0.464	0.313	0.311	0.487	0.401	0.053	0.385
Risk Management	r	0.001	-0.135	-0.054	0.001	-0.182*	0.166	0.037
	p	0.496	0.103	0.307	0.496	0.044	0.061	0.366
Strong healthy relationship between stakeholders/gov	r	-0.025	0.021	-0.018	-0.031	0.119	-0.014	0.014
	p	0.408	0.421	0.434	0.388	0.133	0.449	0.450
Having mutual understanding between partners	r	0.120	-0.029	-0.001	-0.039	0.092	-0.141	0.004
	p	0.131	0.393	0.495	0.359	0.197	0.094	0.485
Inter-partner trust between partners	r	-0.072	-0.115	.222*	-0.066	-0.023	-0.071	0.041
	p	0.251	0.141	0.018	0.269	0.415	0.254	0.350
Having a website	r	-0.056	-0.222*	0.012	0.026	0.014	0.033	0.057
	p	0.301	0.018	0.457	0.404	0.448	0.379	0.297
Application of latest technology	r	-0.105	0.083	-0.080	0.096	-0.005	0.143	0.029

Critical success factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
and software	p	0.164	0.219	0.229	0.185	0.481	0.091	0.393
Technological innovation ability	r	-0.015	0.058	0.056	.181*	-0.071	0.003	0.000
	p	0.446	0.296	0.303	0.044	0.255	0.487	0.498
An explicit competitive strategy	r	0.107	-0.096	-0.058	.229*	0.071	.187*	0.055
	p	0.159	0.184	0.296	0.016	0.256	0.039	0.305
Strong human resources and management	r	-0.065	-.217*	-0.067	0.135	0.046	-0.035	-0.039
	p	0.274	0.020	0.266	0.104	0.334	0.374	0.360
A strong marketing team	r	-0.159	-0.089	-0.075	0.097	0.095	0.130	-0.101
	p	0.069	0.203	0.244	0.183	0.189	0.112	0.172
Suitability of Organization culture/structure	r	0.076	-0.013	-.181*	0.108	0.074	-0.121	-0.117
	p	0.238	0.450	0.045	0.156	0.246	0.129	0.138
*. Correlation is significant at the 0.05 level (1-tailed).								
**. Correlation is significant at the 0.01 level (1-tailed).								

Table 6-6 Factors that influence Branch entry mode success

Entry mode factors	Standardized Coefficients							
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships	
Trade link	0.313							
Technical advantage		-0.375						
Firm's ability to assess market signal and opportunities			-0.422	0.293				
Political stability					-0.455			
Colonial Link								-0.292
R	0.313	0.375	0.422	0.293	0.455			0.292
R Square	0.098	0.141	0.178	0.086	0.207			0.085
Adjusted R Square	0.070	0.114	0.152	0.057	0.183			0.057
Std. Error of the Estimate	0.650	0.702	0.533	0.554	0.696			0.608
Sum of Squares	1.471	2.591	1.966	0.920	4.055			1.103
df	1	1	1	1	1			1
Mean Square	1.471	2.591	1.966	0.920	4.055			1.103
F	3.486	5.251	6.920	4.001	8.368			2.983
Sig.	0.041	0.029	0.013	0.053	0.007			0.034

Table 6-7 Factors that influence Sole venture entry mode success

Entry mode factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
A conclusive knowledge and expertise on the law of host country	-0.398					0.353	
Economic stability	-0.308						
Construction Market demand		0.482		0.383			
Investment risk		-0.337		-0.438		-0.379	
Resource advantage			0.326				
Research and development skill				-0.338			
An international business network					0.485		
Economic stability						0.521	
R	0.549	0.542	0.326	0.599	0.596	0.521	
R Square	0.301	0.294	0.106	0.358	0.355	0.271	
Adjusted R Square	0.250	0.242	0.075	0.284	0.307	0.245	
Std. Error of the Estimate	0.57926	0.49742	0.65554	0.64713	0.71455	0.49378	
Sum of Squares	3.907	2.786	1.434	6.078	7.581	2.540	
df	2	2	1.000	3.000	2	1	
Mean Square	1.954	1.393	1.434	2.026	3.790	2.540	
F	5.822	5.630	3.33700	4.83800	7.424	10.417	
Sig.	0.008	0.009	0.078	0.008	0.003	0.003	

Table 6-8 Factors that influence Joint venture entry mode success

Entry mode factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
Proximity to the host country		-0.351				0.353	
Technical advantage			0.558				
Project size					-0.410		
Cultural proximity							0.436
R		0.351	0.558		0.41	0.353	0.436
R Square		0.123	0.312		0.168	0.125	0.190
Adjusted R Square		0.085	0.282		0.132	0.086	0.155
Std. Error of the Estimate		0.67173	0.50851		0.81225	0.51765	0.69811
Sum of Squares		1.462	2.693		3.066	0.877	2.631
df		1	1		1	1	1.000
Mean Square		1.462	2.693		3.066	0.877	2.631
F		3.24	10.412		4.647	3.272	5.39800
Sig.		0.035	0.004		0.042	0.084	0.029

Table 6-9 Critical success factors that influence entry modes success

Critical success factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationships
Availability of product and price information of labor, materials, plants and other resources		0.240					
Having a website		-0.298					
Competency and capability of top management, Project manager, specialists and expertise							-0.202
Effective Coordination, communication, and collaboration among project participants			0.189			0.214	
Inter-partner trust between partners				0.231			
An explicit competitive strategy				-0.258			
Logistic and supply chain management				0.177			
Technological innovation ability							
Risk Management					-0.182	0.177	
Motivation and job satisfaction of the employee						0.369	0.258
Providing sufficient training						0.302	
Experience of top management persons						-0.378	-0.195
An explicit competitive strategy						0.218	
Having an effective cost control measure						0.176	
Effective Coordination, communication, and collaboration among project participants						0.214	
R		0.318	0.439	0.366	0.182	0.556	0.367
R Square		0.101	0	0.134	0.033	0.309	0.135
Adjusted R Square		0.081	0.164	0.103	0.022	0.249	0.104
Std. Error of the Estimate		0.68988	0.575	0.59717	0.84490	0.66441	0.64826

Sum of Squares	4.620	6.709	4.677	2.119	15.996	5.560
df	2	3	3	1	7	3
Mean Square	2.310	2.236	1.559	2.119	2.285	1.853
F	4.854	6.765	4.371	2.969	5.177	4.410
Sig.	0.01	0	0.007	0.088	0	0.006



6.9 Factors influencing the Business success of different business

categories

In this session, the additional analysis was conducted to find the relationship and influence factors for business success within business categories such as contractors, consultants, and developers. The factors taken under consideration were all the 24 factors from entry mode factors and 26 factors from critical success factors. The same analysis tools were being used in both aspects: entry mode factors and critical success factors. The explanation will be, according to contractors, consultants, and developers.

6.10 Contractors group

There were thirty-seven contracting companies from countries such as Australia (1), China (5), France (1), Japan (12), Hong Kong (1), Korea (5), Singapore (4), Thailand (7), Vietnam (1). Most of them are Japanese and Thai companies. In the session 6.10.1, the correlated factors for contractor's group's business success will be presented and the influence factors will be presented in the following session.

6.10.1 Factors that correlate to Business success

From Table 6-12, the correlation analysis from entry mode factors is listed as follow:

1. Financial: Factors such as a conclusive knowledge and expertise on the law of the host country ($r=-0.288$, $p=0.042$) and international business networks ($r=-0.316$, $p=0.029$) resulted in having a negative correlation with financial success.
2. Administrative works: Trade link ($r=-0.343$, $p=0.019$) is negatively correlated with this business sector.
3. Winning projects: No correlated factors.
4. Client satisfaction: There is a negative correlation with factors such as "Proximity to host country" ($r=-0.338$, $p=0.020$) and "Trade link" ($r=-0.313$, $p=0.030$). And positively correlated with "Market attractiveness" ($r=0.417$,

$p=0.005$), and “A strong capital intensity” ($r=0.290$, $p=0.041$) for client satisfaction.

5. Human resource management: There is a positive correlation with factors such as market demand ($r=0.308$, $p=0.032$), international experience ($r=0.324$, $p=0.025$), a conclusive knowledge and expertise of host country ($r=0.395$, $p=0.008$), and business network ($r=0.355$, $p=0.016$). The factors resulted as negative correlation are proximity to host country ($r=-0.310$, $p=0.031$) and cultural proximity ($r=-0.333$, $p=0.022$).
6. Operational management: This success of this business sector has a positive correlation with economic stability ($r=0.342$, $p=0.019$), a strong capital intensity ($r=0.451$, $p=0.003$), and business network ($r=0.388$, $p=0.009$). But there is also a negative correlation found in trade link ($r=-0.456$, $p=0.002$).
7. Building relationship: This sector is positively correlated to the factors such as competitive intensity ($r=0.371$, $p=0.012$), resource advantage ($r=0.318$, $p=0.028$), and a conclusive knowledge on host country ($r=0.337$, $p=0.021$).

The critical success factors that correlate with contractor business success can be retrieved from Table 6-12 as follow.

1. Financial: The financial success has a negative correlation with the availability of product and price information of labor, materials, plants and other resources ($r=-0.352$, $p=0.016$), risk management ($r=-0.291$, $p=0.040$), application of latest technology and software ($r=-0.472$, $p=0.002$), and strong human resource management ($r=-0.279$, $p=0.047$).
2. Administrative works: Having an effective cost control measure ($r=-0.306$, $p=0.033$), bidding strategy ($r=-0.397$, $p=0.007$), inter-partner trust ($r=-0.284$, $p=0.045$), and strong human resource management ($r=-0.302$, $p=0.034$) are negatively correlated with this business sector.
3. Winning projects: The positive correlated factors are effective coordination, communication and collaboration among project participants ($r=0.432$, $p=0.004$), bidding strategy ($r=0.276$, $p=0.049$),

strong healthy relationship between stakeholders ($r=0.289$, $p=0.041$), and inter partner trust ($r=0.259$, $p=0.015$). The negatively correlated factors are client satisfaction with delivered projects ($r=-0.277$, $p=0.049$), competency of top management ($r=-0.346$, $p=0.018$), leadership style ($r=-0.330$, $p=0.023$), and suitability of organization structure ($r=-0.434$, $p=0.004$).

4. Client satisfaction: There is a positive correlation with the factors “Quality management” ($r=0.279$, $p=0.047$) and “An explicit competitive strategy” ($r=0.511$, $p=0.001$) but a negative correlation with inter partner trust ($r=-0.317$, $p=0.028$).
5. Human resource management: However, there is a positive correlation with the suitability of organization culture/structure ($r=0.376$, $p=0.011$).
6. Operational management: This is a positive correlation with motivation and job satisfaction of employees ($r=0.387$, $p=0.009$), application of latest technology ($r=0.357$, $p=0.015$), and an explicit competitive strategy ($r=0.318$, $p=0.0027$). But there is a negative correlation found in having a mutual understanding between partners ($r=-0.287$, $p=0.042$).
7. Building relationships: A positive correlation found in the factor of motivative and job satisfaction of employees ($r=0.297$, $p=0.037$).

6.10.2 Factors that influence the Business success

Referring to Table 6-15, the factors that influence business success from entry mode factors can be seen as below:

1. Financial: No influencing factors.
2. Administration works: It is found that trade link ($\beta= -0.343$, $p<0.05$) has an influence over this business sector.
3. Winning projects: No influencing factors.
4. Client satisfaction: This business sector is influenced by market attractiveness ($\beta=0.389$, $p < 0.05$) and proximity to host country ($\beta=-0.302$, $p < 0.05$).

5. Human resource management: There are influential factors such as a conclusive knowledge and expertise on the law of host country ($\beta=0.438$, $p < 0.05$) and project type ($\beta=-0.327$, $p < 0.05$).
6. Operational management: It is also found that trade link ($\beta= -0.456$, $p<0.05$) has a negative influence over this business sector.
7. Building relationship: It is influenced by competitive intensity ($\beta=0.366$, $p < 0.05$) and resource advantage ($\beta=0.311$, $p < 0.05$).

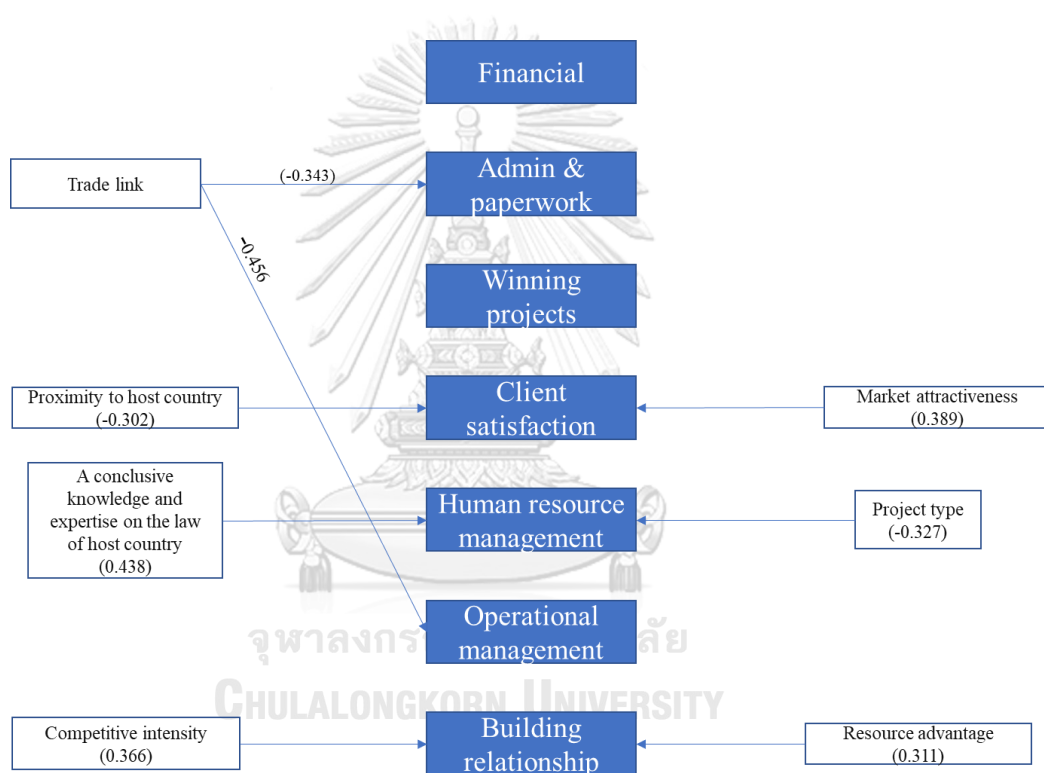


Figure 6-9 Entry mode factors that influence Contractor's Business success
In terms of entry mode factors, it is noticed that there were no factors that influence the success of financial and winning projects consecutively. Firm related factors such as conclusive knowledge and expertise on the law of the host country and resource advantage have a positive effect to manage human resources and build relationships with stakeholders respectively. The better the firms have an understanding of the custom of the host country, the easier it gets to manage and supervise the employee and labors. However, the different types of projects could be challenging for firms to manage human resources as a contractor. External factors

such as trade links and the proximity to the host country have a negative influence. This means the further the geographical distance between the two countries, the more threatening for the firms to achieve the associated business performance success. The geographical closeness does assist in having a more understanding of the local clients' needs, and customs so that being able to deliver the exact "wants" of the clients. After all, the market attractiveness assists in satisfying clients indirectly by offering potential demands and when firms successfully deliver the projects. The competitive intensity of the host country helps firms to broaden the business circle and build a relationship for future business opportunities.

The factors that influence business success from critical success factors can also be seen from Table 6-15 as below:

1. Financial: Factors such as the application of the latest technology and software ($\beta=-0.501$, $p<0.05$), and strong human resource management ($\beta=-0.323$, $p<0.05$) influence financial success.
2. Administration works: Bidding strategy ($\beta= -0.576$, $p<0.05$), technological innovation ability ($\beta= -0.639$, $p<0.05$), having an effective cost control measure ($\beta= -0.368$, $p<0.05$), and an explicit competitive strategy ($\beta= 0.345$, $p<0.05$) have influence on administrative works.
3. Winning projects: Suitability of Organization culture/structure ($\beta= -0.336$, $p<0.05$), inter-partner trust between partners ($\beta=0.421$, $p < 0.05$), and effective Coordination, communication and collaboration among project participants ($\beta=0.345$, $p < 0.05$) have negative influence on winning projects.
4. Client satisfaction: This business sector is influenced by an explicit competitive strategy ($\beta=0.685$, $p < 0.05$), quality management ($\beta=0.441$, $p < 0.05$), and risk management ($\beta=-0.326$, $p < 0.05$).
5. Human resource management: The factors that influence this business sector were the suitability of organization culture/structure ($\beta= 0.506$, $p<0.05$), and competency and capability of top management, Project manager, specialists and expertise ($\beta=-0.342$, $p<0.05$).

6. Operational management: It is also found that motivation and job satisfaction of employee ($\beta = 0.416$, $p < 0.05$) and application of latest technology and software ($\beta = 0.388$, $p < 0.05$) has a positive influence over this business sector.
7. Relationship: No influencing factors.

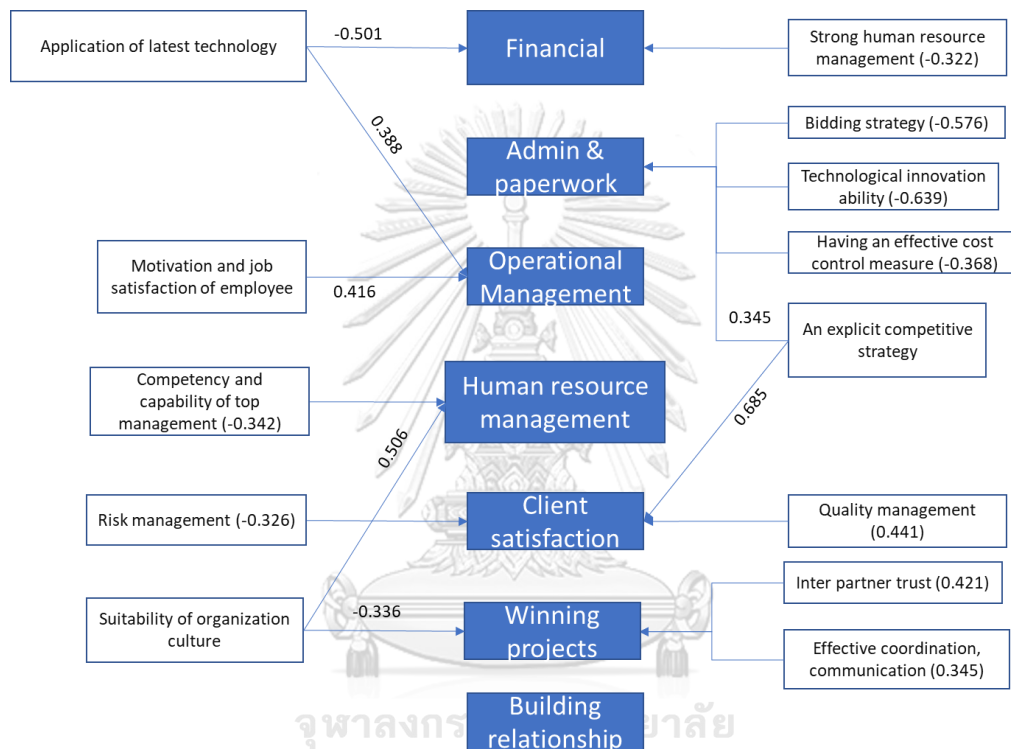


Figure 6-10 Critical success factors that influence the Contractor's Business success

The result suggested for contractor firms to improve the technological related factors such as encouraging employees to improve the technical innovation ability and apply the latest technology and software. So, firms could secure success financially and administrative works. In terms of project management related factors, bidding strategy, quality management, and risk management need to be evaluated to ensure a thorough workflow and receive client satisfaction. Since contracting companies originated from different parts of the world, it is suggested to operate on the most suitable organizational structure and strong human resource management which aligns with the host country. It appeared from the interview that there were some contradictions and confrontations formed within the project participants because of

the rigidity of the organizational culture between the two countries. The result also indicated the inefficiency in competency and capability of the top management level and cost control measure. Therefore, in the end, the capacity of top management persons such as expatriates, project managers, and supervisors determine to ensure overall business success.

6.11 Consultants group

Twenty-nine consultancies companies expanded from China (6), Japan (3), Hong Kong (1), Korea (1), New Zealand (1), Singapore (7), Thailand (9), and Vietnam (1). In the next session, the correlation of business success with entry mode factors and critical success factors were showed. Immediately followed by the interpretation of factors that influence the business success of consultants group.

6.11.1 Factors that correlate to Business success

Correlation between business success and entry mode factors for consultants can be found from Table 6-13 as follows:

1. Financial: It is correlated with proximity to host country ($r=0.502$, $p=0.003$) and trade link ($r=0.361$, $p=0.027$).
2. Administration works: Factors such as proximity to host country
3. ($r= -0.322$, $p=0.044$), investment risk ($r=-0.321$, $p=0.045$) and technical advantage ($r=0.361$, $p=0.027$) have a relationship with this business sector.
4. Winning projects: Factors such as proximity to host country ($r=0.319$, $p=0.046$), construction demand ($r=-0.359$, $p=0.028$), and project type ($r=0.334$, $p=0.038$) have a correlation with winning projects.
5. Client satisfaction: This business sector is negatively correlated with a strong capital intensity ($r=-0.443$, $p=0.008$) and firm size ($r=-0.369$, $p=0.024$).
6. Human resource management: There are correlated factors such as a trade link ($r=-0.420$, $p=0.012$) and technical advantage ($r=0.361$, $p=0.027$).

7. Operational management: It is also found that political stability ($r=0.317$, $p=0.047$), investment risk ($r=0.325$, $p=0.043$), and competitive intensity ($r=0.606$, $p=0.000$) have positive correlation with this business sector.
8. Building relationship: No influencing factors.

Correlation between business success for consultant and critical success factors can be seen as below from Table 6-13:

1. Financial: It is influenced positively by the factor “an explicit competitive strategy” ($\beta=0.386$, $p < 0.05$).
2. Administration works: Feedback culture ($\beta= -0.370$, $p<0.05$), application of latest technology and software ($\beta=0.315$, $p < 0.05$) and an explicit competitive strategy ($\beta=-0.332$, $p < 0.05$) have an influence over this business sector.
3. Winning projects: The competency and capability of top management, Project manager, specialists and expertise ($\beta=-0.473$, $p < 0.05$) influences upon firms winning projects.
4. Client satisfaction: This business sector is influenced by recruiting qualified staffs ($\beta=-0.423$, $p < 0.05$).
5. Human resource management: There is influential factors such as client satisfaction with delivered projects ($\beta=0.537$, $p < 0.05$), leadership style ($\beta=0.375$, $p < 0.05$), bidding strategy ($\beta=-0.426$, $p < 0.05$), inter-partner trust between partners ($\beta=-0.414$, $p < 0.05$), and technical innovation ability ($\beta=-0.426$, $p < 0.05$).
6. Operational management: It is also found that effective Coordination, communication, and collaboration among project participants ($\beta= 0.497$, $p<0.05$) has a positive influence over this business sector.
7. Building relationship: Client satisfaction with delivered projects ($\beta= 0.334$, $p<0.05$) has a positive relationship in building a relationship with stakeholders.

6.11.2 Factors that influence the Business success

In terms of entry mode factors, referring to Table 6-16, the following factors influenced the business success of the consultant group.

1. Financial: It is being influenced by proximity to the host country factor ($\beta = 0.502$, $p < 0.05$).
2. Administration works No influence factors.
3. Winning projects: No influence factors.
4. Client satisfaction: The factor “A strong capital intensity” ($\beta = -0.443$, $p < 0.05$) has a negative significance influence on this business sector.
5. Human resource management: There is an influential factor occurred in trade link ($\beta = -0.414$, $p < 0.05$) and technical advantage ($\beta = 0.355$, $p < 0.05$).
6. Operational management: It is positively influenced with factors such competitive intensity ($\beta = 0.712$, $p < 0.05$), and political stability ($\beta = 0.363$, $p < 0.05$) but a negative direction found in Foreign Direct investment relative policy ($\beta = -0.304$, $p < 0.05$).
7. Building relationships: No influencing factors.

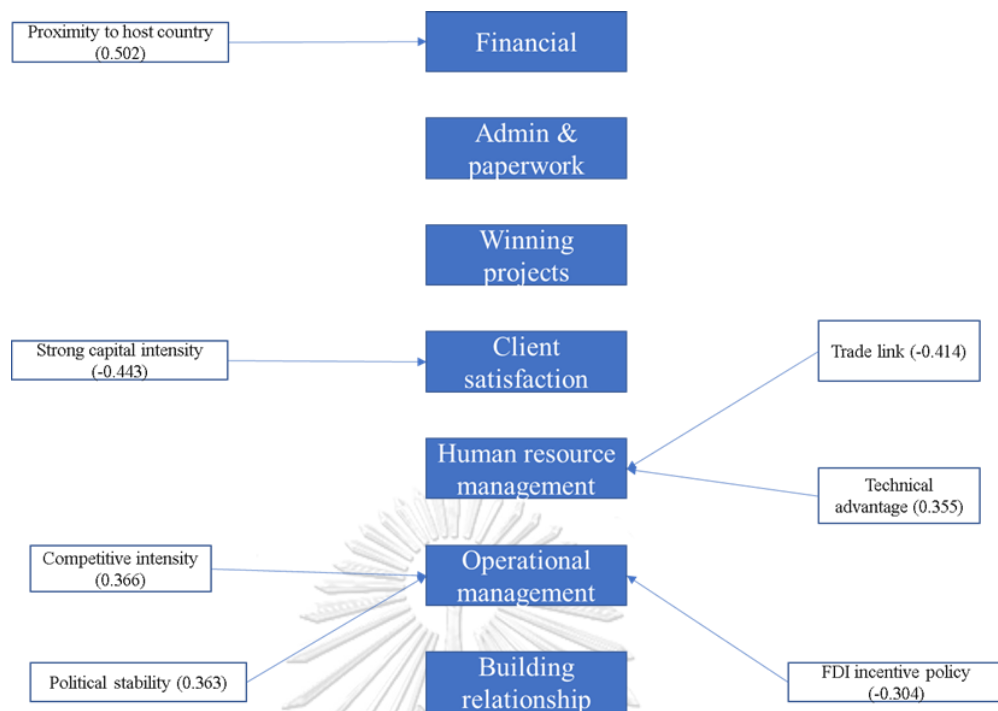


Figure 6-11 Entry mode factors that influence the Business success of Consultants

The external factors such as market attractiveness, competitive intensity and firm's internal strength which are resource advantage and conclusive knowledge about the host country, support the developer group to thrive in business. Neither of the factors such as trade link, proximity to host country, and project type supported business success. As we may notice, the countries that opted to do business as developers were outspread from the nearest country Thailand to the furthest, New Zealand. It is also noticed that though the market is attractiveness enough yet, there are not many various project types where developers' groups might consider a big land development project. That could be the reason why this factor appeared in a negative direction.

In terms of critical success factors, the following factors influenced the business success of the consultant group. Table 6-16

1. Financial: Suitability of organization structure ($\beta = 0.492$, $p < 0.05$), quality management ($\beta = 0.486$, $p < 0.05$), an explicit competitive strategy ($\beta = 0.515$, $p < 0.05$) and competency and capability of top

- management, Project manager, specialists and expertise ($\beta = -0.352, p < 0.05$) influenced this business sector to be success.
2. Administration works: It is found that having a feedback culture ($\beta = -0.455, p < 0.05$) and an explicit competitive strategy ($\beta = -0.423, p < 0.05$) have negative influence over this business sector.
 3. Winning projects: Competency and capability of top management, Project manager, specialists, and expertise ($\beta = -0.473, p < 0.05$) again has a negative influence to win projects.
 4. Client satisfaction: This business sector is influenced negatively by recruiting qualified staffs ($\beta = -0.423, p < 0.05$).
 5. Human resource management: There are influential factors resulted in receiving client satisfaction with delivered projects ($\beta = 0.607, p < 0.05$), inter-partner trust ($\beta = -0.747, p < 0.05$), technical innovation ability ($\beta = -0.550, p < 0.05$), providing sufficient trainings ($\beta = 0.480, p < 0.05$), having a website ($\beta = -0.452, p < 0.05$), recruiting qualified staff ($\beta = 0.243, p < 0.05$), and risk management ($\beta = 0.510, p < 0.05$).
 6. Operational management: It is influenced by effective Coordination, communication and collaboration among project participants ($\beta = 0.545, p < 0.05$) and feedback culture ($\beta = -0.363, p < 0.05$).
 7. Building relationship: No influencing factors.

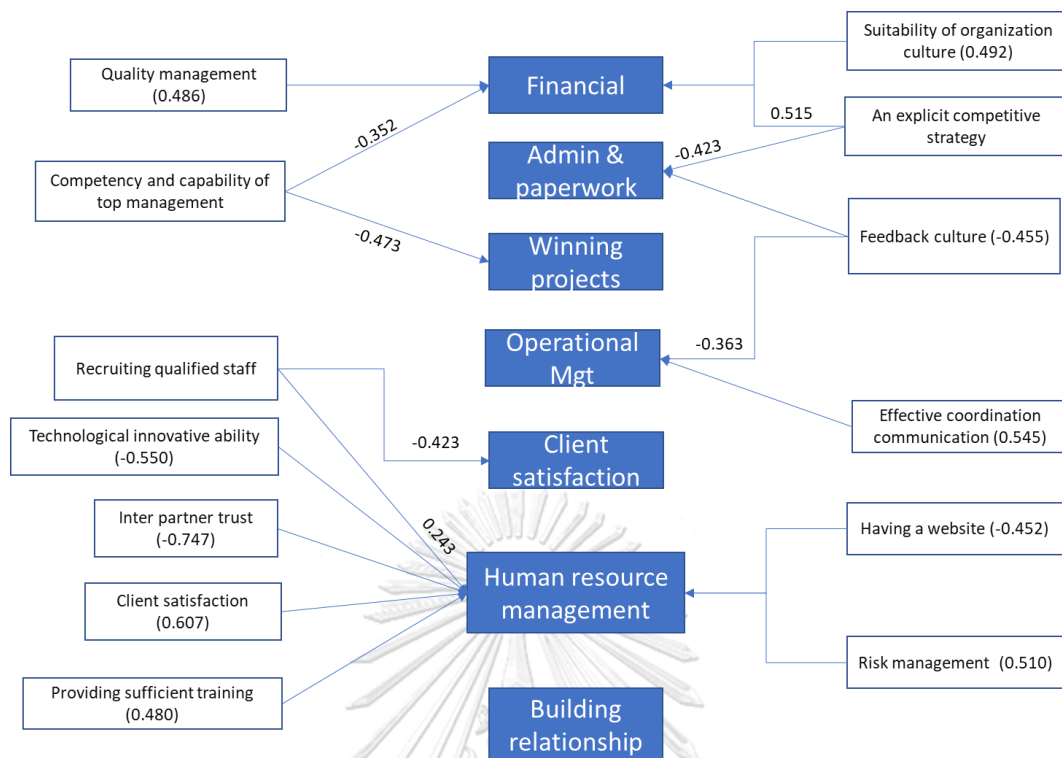


Figure 6-12 Critical success factors that influence the Business success of Consultants

In terms of critical success factors that influence business success, almost half of the factors that indicated were successfully executed to reach satisfaction for the associated business sectors. The factors that need to reflect and evaluate were related to top management, human-related, technological related, and relationship related factors. Among them, the factor that resulted in paying much consideration is the trust issue between partners and stakeholders ($\beta = -0.747$) which needs to under consideration. As consultant companies have to collaborate between the owner and contractor, it is ultimately important for effective coordination and communication. In other words, these factors must be focused by the consultancy companies to be successful market expansion.

6.12 Developers group

Developer groups were the least numbers of samplings(23) from our collected data and the distribution of the countries they expanded from were China (5), Japan (6), Hong Kong (1), Korea (2), Singapore (6), Thailand (1), and Vietnam (2). The explanation was firstly in terms of the correlation between the factors and business success. Then, the interpretations of the influence factors for business was presented.

6.12.1 Factors that correlate to Business success

Correlation factors between entry mode factors and the business success of a developer can be found from Table 6-14 as below:

1. Financial: This business sector is negatively correlated with conclusive knowledge and expertise on the law of the host country ($r = -0.409$, $p = 0.026$).
2. Administration works: Factors such as trade link ($r = 0.358$, $p = 0.047$), and firm size ($r = -0.437$, $p = 0.019$) have a correlation with this business sector.
3. Winning projects: Factors such as cultural proximity ($r = 0.375$, $p = 0.039$), firm size ($\beta = -0.437$, $p = 0.019$), and firm's ability to assess market signal and opportunities ($r = -0.384$, $p = 0.035$) correlate with winning projects.
4. Client satisfaction: This business sector is positively correlated with cultural proximity ($r = 0.401$, $p = 0.029$).
5. Human resource management: No correlated factors.
6. Operational management: It is also found that proximity to the host country ($r = -0.557$, $p = 0.003$), economic stability ($\beta = 0.360$, $p = 0.360$), and international business network ($r = 0.501$, $p = 0.007$) have a correlation over this business sector.
7. Relationship: Firm's ability to assess market signal and opportunities ($r = -0.398$, $p = 0.030$) has a negative correlation with building a relationship

Referring to Table 6-14, correlations between critical success factors and business success of a developer can be found as follow:

1. Financial: Factors such as “Motivation and job satisfaction of employee” ($\beta=0.390$, $p < 0.05$), and “Risk management” ($\beta=0.580$, $p < 0.05$) positively correlated to succeed financially.
2. Administration works: Bidding strategy ($\beta= 0.388$, $p<0.05$) has a relationship with this business sector.
3. Winning projects: Availability of product and price information of labor, materials, plants, and other resources ($\beta=0.362$, $p < 0.05$) has a correlation upon firms winning projects.
4. Client satisfaction: This business sector is correlated with suitability of Organization culture/structure ($\beta=-0.541$, $p < 0.05$).
5. Human resource management: No correlated factors.
6. Operational management: It is also found that effective Coordination, communication, and collaboration among project participants ($\beta=-0.423$, $p<0.05$) and quality management ($\beta= 0.380$, $p<0.05$) correlate with this business sector.
7. Building relationship: Having an effective cost control measure ($\beta=-0.362$, $p<0.05$) has a negative relationship in building a relationship with stakeholders.

6.12.2 Factors that influence developers Business success

The following factors have resulted from entry mode factors that influence the developer’s business success Table 6-17.

1. Financial: No influencing factors.
2. Administration works: It is found that firm size ($\beta= -0.641$, $p<0.05$), project size ($\beta=0.551$, $p < 0.05$), and a conclusive knowledge and expertise on the law of host country ($\beta=0.427$, $p < 0.05$) influence this business sector.

3. Winning projects: This business sector is negatively influenced by firm size ($\beta=-0.437$, $p < 0.05$).
4. Client satisfaction: No influencing factors.
5. Human resource management: No influencing factors.
6. Operational management: It is also found that proximity to the host country ($\beta= -0.557$, $p<0.05$) has a negative influence over this business sector.
7. Building relationship: No influencing factors.



Based on our statistical result, the factors that influence the developer group were not found as much as the other two categories. Since being limited by the number of sampling, it is hardly found to have a relationship or influence on business success. In terms of entry mode factors, the size of a firm is negatively imposed on business success. Though most developer groups resided as a large company, according to our result, the success of winning a project and administering paperwork do not influence by the size of the firm. Moreover, operational management success may not depend on the closeness between the two countries and it is noticed most countries that have chosen this business category were China, Korea, and Singapore.

The following factors have resulted from critical success factors that influence developer group business success. Table 6-17

1. Financial: It is negatively influenced by availability of product and price information of labor, materials, plants, and other resources ($\beta = -0.394$, $p < 0.05$) and positively influenced by risk management ($\beta = 0.493$, $p < 0.05$), and motivation and job satisfaction of employee ($\beta = 0.510$, $p < 0.05$).
2. Administration works: No influencing factors.
3. Winning projects: No influencing factors.
4. Client satisfaction: This business sector is positively influenced by the suitability of organization culture ($\beta = 0.541$, $p < 0.05$).
5. Human resource management: No correlated factors.
6. Operational management: It is also found that effective coordination, communication, and collaboration among project participants ($\beta = -0.494$, $p < 0.05$), and quality management ($\beta = 0.457$, $p < 0.05$) influence this business sector.
7. Relationship: No correlated factors.

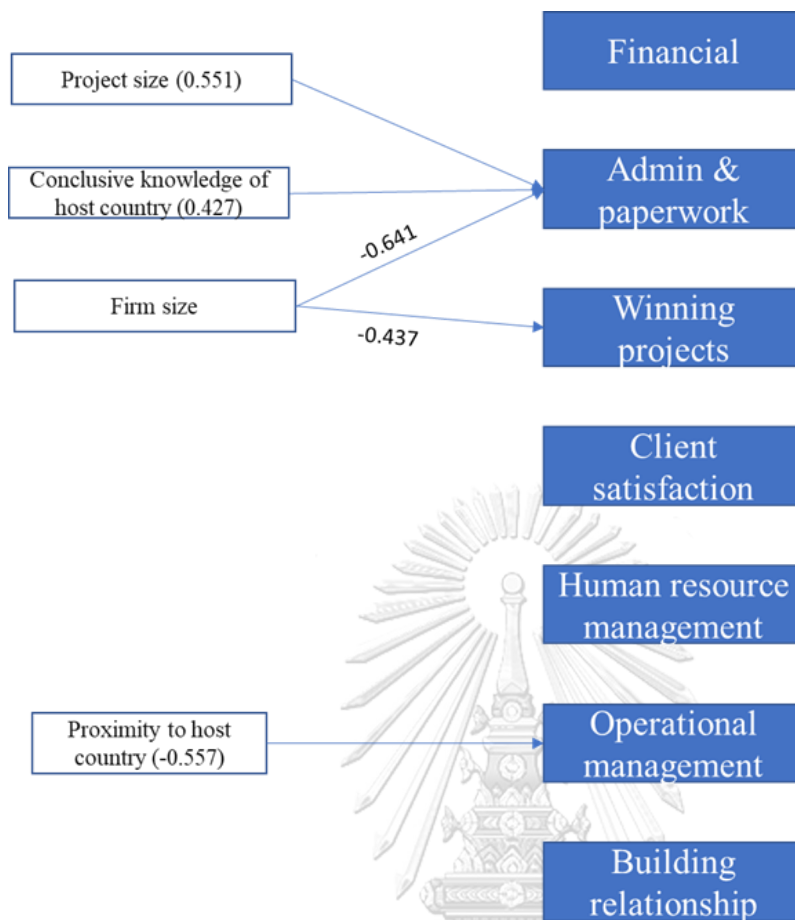


Figure 6-13 Entry mode factors that influence the Business success of Developers
 Among the factors that were found to have an influence upon business success from critical success factors, the negatively resulted factors where firms need to reevaluate were the availability of product and price at hand and the effective coordination, communication, and collaboration among project participants. Other than that, it indicates an efficient performance on the rest of the factors that influence business success.

6.13 Summary for Business success analysis of different business

categories

In conclusion, the business success was also analyzed from the aspect of business categories, see how they are being influenced and the summarized tables are shown in Table 6-10 and Table 6-11. The insights and conditions can be concluded from both entry mode factors and critical success factors for business. Since entry mode factors are mostly concerned with host country related factors, we may notice that many parts of business sectors resulted in having no influence factors, especially in the developer group. Highlighting the positive, market attractiveness, competitive intensity, political stability, competitive intensity, and project size positively influences business success, or they bring opportunities and favorable conditions to the firms. It is, however, noticed that trade proximity to the host country is positively influenced by consultant companies that were negatively influenced by contractors and developers. It is affirmed that most consultancy companies have expanded from Thailand which offers geographical favoritism. It is also confirmed to the theory of the factor “Trade link” that a long trade history between two countries can lead to foster a greater understanding and efficient working relationship (Tse et al., 1997). Without the link, it would not be possible for contractors and consultant groups to have achieved success in administration and paperwork and human resource management. In terms of firms related factors, having conclusive knowledge and expertise on the law of the host country would help firms a great length to manage and accept the worst-case scenario to mitigate loose.

From the critical success factors, it is obviously noticed that there were no influencing factors for building a solid relationship. It can be stated that in terms of relationship, it depends on the entry mode but not based or influenced by business categories. The financial prospect is what brings the most contribution to a successful business. For contractors, there are many areas that need to be improved and evaluated since the analysis resulted mostly in negative direction, especially to those firms intended to opt sole venture entry and work as main contractors. Factors related to top management, project management and organizational management must be

focused when delivering projects and executing the operation. The similar discouraging incidents found for consulting firms.

Nevertheless, they can be noted and improved by transforming the negative effected factors to achieve certain goals. The relationship related factors, top management related, and technological factors must be carefully reconsidered for further firms' enhancement. As the developer has a limitation in terms of sampling, this study fails to contribute an informative interpretation. Despite the limitation, the factors that found to have an influence on business success seen to have efficiently performed and achieved the associated targets.

Table 6-10 Summarized table of entry mode factors that influence different Business categories success

Business sectors	Contractor (37)		Consultant (29)		Developer (23)	
	Factors	Coefficient	Factors	Coefficient	Factors	Coefficient
Financial	No influence		Proximity to host country	0.502	No influence	
Administration works	Trade link	-0.343	No influence		Firm Size	-0.641
					Project size	0.551
					A conclusive knowledge and expertise on the law of host country	0.427
Winning projects	No influence		No influence		Firm Size	-0.437
Client satisfaction	Market attractiveness	0.389	A strong capital intensity	-0.443	No influence	
	Proximity to the host country	-0.302				
Human resource management	A conclusive knowledge and expertise on the law of host country	0.438	Trade link	-0.414	No influence	
	Project type	-0.327	Technical advantage	0.355		
Operational management	Trade link	-0.456	Competitive intensity	0.712	Proximity to host country	-0.557
			Political stability	0.363		

Business sectors	Contractor (37)		Consultant (29)		Developer (23)	
	Factors	Coefficient	Factors	Coefficient	Factors	Coefficient
				Foreign Direct Investment (FDI) incentive relative policy	-0.304	
Building relationship	Competitive intensity	0.366	No influence		No influence	
	Resource advantage	0.311				

Table 6-11 Summarized table of critical success factors that influence different Business categories success

Business sectors	Contractor (37)		Consultant (29)		Developer (23)	
	Factors	Coefficient	Factors	Coefficient	Factors	Coefficient
Financial	Application of the latest technology and software	-0.501	Suitability of Organization culture/structure	0.492	Risk Management	0.493
			Quality Management	0.486	Motivation and job satisfaction of employee	0.510
	Strong human resources and management	-0.323	An explicit competitive strategy	0.515	Availability of product and price information of labor, materials, plants and other resources	-0.394
			Competency and capability of top management, Project manager, specialists and expertise	-0.352		
Administrati on works	Bidding strategy	-0.576	Feedback culture	-0.455	No influence	
	Technological innovation ability	-0.639				
	Having an effective cost control measure	-0.368	An explicit competitive strategy	-0.423		
	An explicit competitive strategy	0.345				
Winning project	Suitability of Organization culture/struct	-0.336	Competency and capability of top	-0.473	No influence	

Business sectors	Contractor (37)		Consultant (29)		Developer (23)	
	Factors	Coefficient	Factors	Coefficient	Factors	Coefficient
	ure		management, Project manager, specialists and expertise			
	Inter-partner trust between partners	0.421				
	Effective Coordination, communication and collaboration among project participants	0.345				
Client satisfaction	An explicit competitive strategy	0.685	Recruiting qualified staffs	-0.423	Suitability of Organization culture/structure	0.541
	Quality Management	0.441				
	Risk Management	-0.326				
Human resource management	Suitability of Organization culture/structure	0.506	Client satisfaction with delivered projects	0.607	No influence	
	Competency and capability of top management, Project manager, specialists and expertise	-0.342	Inter-partner trust between partners	-0.747		
			Technological innovation ability	-0.550		
			Providing sufficient trainings	0.480		
			Having a website	-0.452		
			Risk Management	0.510		
			Recruiting qualified staffs	0.243		
Operational management	Motivation and job satisfaction of employee	0.416	Effective Coordination, communication and collaboration among project participants	0.545	Effective Coordination, communication and collaboration among project participants	-0.494
	Application of latest technology and software	0.388	Feedback culture	-0.363	Quality Management	0.457

Business sectors	Contractor (37)		Consultant (29)		Developer (23)	
	Factors	Coefficient	Factors	Coefficient	Factors	Coefficient
Building relationship	No influence		No influence		No influence	



Table 6-12 Factors correlated with Contractor Business Success

Factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Entry mode factors	r	-0.002	0.183	-0.182	0.245	-0.034	-0.027	0.226
	p	0.494	0.139	0.140	0.072	0.421	0.436	0.089
	r	0.063	-0.206	0.236	-0.338*	-0.310*	-0.028	-0.009
	p	0.355	0.111	0.079	0.020	0.031	0.435	0.478
	r	0.237	-0.343*	-0.210	-0.313*	-0.236	-0.456**	-0.187
	p	0.079	0.019	0.106	0.030	0.080	0.002	0.134
	r	0.039	-0.165	-0.075	0.002	0.176	.342*	0.246
	p	0.409	0.164	0.330	0.496	0.149	0.019	0.071
	r	-0.056	-0.158	0.010	-0.111	0.021	-0.080	0.094
	p	0.370	0.175	0.477	0.256	0.451	0.319	0.289
	r	0.231	0.201	-0.274	0.273	-0.128	-0.179	-0.161
	p	0.084	0.117	0.051	0.051	0.225	0.145	0.170
	r	0.151	0.033	0.130	-0.058	-0.333*	-0.243	-0.142
	p	0.186	0.423	0.221	0.367	0.022	0.074	0.201
	r	0.263	0.000	0.054	0.055	-0.122	0.000	-0.184
	p	0.058	0.500	0.375	0.372	0.235	0.500	0.138
	r	-0.091	-0.143	0.045	-0.072	0.045	-0.106	0.046
	p	0.297	0.199	0.396	0.336	0.396	0.266	0.394
	r	-0.127	0.170	0.075	.417**	0.075	0.096	-0.186
	p	0.227	0.158	0.329	0.005	0.329	0.285	0.135
r	-0.253	0.271	-0.140	0.183	.308*	0.168	0.240	
p	0.065	0.053	0.205	0.139	0.032	0.160	0.076	

Factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Competitive intensity	r	-0.245	0.091	-0.146	-0.068	0.274	-0.145	.371*
	p	0.072	0.295	0.195	0.344	0.050	0.197	0.012
Project size	r	-0.205	-0.141	-0.238	-0.208	-0.145	0.108	0.100
	p	0.112	0.203	0.078	0.109	0.196	0.263	0.279
Project type (e.g., commercial, residential)	r	0.086	-0.238	0.089	0.022	-0.268	-0.152	-0.106
	p	0.307	0.078	0.301	0.448	0.054	0.184	0.266
Procurement type	r	0.128	-0.054	0.125	-0.203	-0.252	-0.145	-0.065
	p	0.224	0.376	0.231	0.114	0.066	0.196	0.352
A strong capital intensity	r	-0.104	-0.015	0.070	.290*	0.255	.451**	0.204
	p	0.270	0.466	0.340	0.041	0.064	0.003	0.113
Resource advantage on equipment, material and labor. (Complementary resource requirement)	r	-0.167	0.010	0.091	-0.243	0.184	0.263	.318*
	p	0.162	0.475	0.296	0.074	0.137	0.058	0.028
International experience	r	-0.034	-0.189	0.017	0.203	.324*	0.119	0.269
	p	0.422	0.132	0.461	0.114	0.025	0.241	0.054
Firm Size	r	-0.043	-0.238	-0.001	0.026	0.064	0.137	0.145
	p	0.400	0.078	0.498	0.440	0.352	0.209	0.197
A conclusive knowledge and expertise on law of host country	r	-.288*	-0.071	-0.109	0.080	.395**	0.099	.337*
	p	0.042	0.339	0.261	0.319	0.008	0.280	0.021
An international business network	r	-.316*	0.207	0.121	0.117	.355*	.388**	0.262
	p	0.029	0.109	0.237	0.244	0.016	0.009	0.059

Factors		Financial	Administration works	Winning projects	Client Satisfaction	Human Resource management	Operational management	Building relationship
Availability of product and price information of labor, materials, plants and other resources	r	-.352*	0.089	0.007	-0.038	-0.106	-0.031	0.024
	p	0.016	0.300	0.483	0.411	0.265	0.428	0.444
Having an effective cost control measure	r	-0.213	-.306*	-0.152	-0.072	-0.093	0.054	-0.074
	p	0.103	0.033	0.185	0.336	0.293	0.375	0.331
Client satisfaction with delivered projects	r	-0.109	-0.092	-.277*	0.174	-0.092	0.139	-0.162
	p	0.261	0.293	0.049	0.152	0.295	0.205	0.169
Effective Coordination, communication and collaboration among project participants	r	0.102	0.221	.432**	-0.071	-0.158	0.206	-0.057
	p	0.273	0.094	0.004	0.338	0.176	0.110	0.369
Motivation and job satisfaction of employee	r	0.026	-0.036	-0.015	0.044	-0.065	.387**	.297*
	p	0.440	0.417	0.466	0.397	0.352	0.009	0.037
Competency and capability of top management, Project manager, specialists and expertise	r	0.197	-0.222	-.346*	0.214	-0.149	-0.122	-0.261
	p	0.122	0.093	0.018	0.102	0.189	0.237	0.059
Leadership style	r	-0.207	0.002	-.330*	0.234	-0.127	0.209	-0.024
	p	0.110	0.494	0.023	0.081	0.226	0.107	0.444
Bidding strategy	r	0.143	-.397**	.276*	0.021	-0.090	-0.021	-0.072
	p	0.199	0.007	0.049	0.451	0.298	0.451	0.335
Quality Management	r	-0.270	0.054	-0.056	.279*	-0.119	0.198	0.142
	p	0.053	0.376	0.370	0.047	0.242	0.120	0.201
Risk Management	r	-.291*	-0.081	-0.102	-0.104	-0.103	0.260	0.115
	p	0.040	0.317	0.274	0.271	0.272	0.060	0.248
Strong healthy relationship	r	-0.092	0.191	.289*	-0.134	0.093	0.026	0.191

Critical Success factors

between stakeholders/government departments	p	0.295	0.129	0.041	0.214	0.292	0.439	0.128
Having mutual understanding between partners	r	0.210	-0.096	0.025	-0.214	-0.047	-.287*	0.112
	p	0.106	0.285	0.442	0.101	0.391	0.042	0.254
Inter-partner trust between partners	r	-0.036	-.284*	.359*	-.317*	0.083	-0.105	0.016
	p	0.416	0.045	0.015	0.028	0.313	0.268	0.462
Application of latest technology and software	r	-.472**	0.053	-0.099	0.036	-0.185	.357*	0.088
	p	0.002	0.377	0.280	0.417	0.136	0.015	0.303
An explicit competitive strategy	r	-0.056	0.004	-0.041	.511**	0.025	.318*	0.037
	p	0.370	0.491	0.405	0.001	0.442	0.027	0.414
Strong human resources and management	r	-.279*	-.302*	-0.269	0.193	-0.008	-0.178	-0.221
	p	0.047	0.034	0.054	0.126	0.481	0.146	0.094
Suitability of Organization culture/structure	r	-0.232	-0.111	-.434**	0.054	.376*	-0.200	-0.159
	p	0.084	0.257	0.004	0.376	0.011	0.118	0.174
*. Correlation is significant at the 0.05 level (1-tailed).								
**. Correlation is significant at the 0.01 level (1-tailed).								

Table 6-13 Factors correlated with Consultant Business success

Factors		Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Political stability	r	-0.150	-0.144	0.141	-0.141	-0.289	.317*	-0.116
	p	0.218	0.228	0.233	0.233	0.064	0.047	0.274
Proximity to host country (Geographical distance)	r	.502**	-.322*	.319*	0.180	-0.125	0.113	0.262
	p	0.003	0.044	0.046	0.175	0.259	0.279	0.085
Trade link	r	.361*	-0.097	0.281	-0.035	-.420*	-0.165	0.284
	p	0.027	0.308	0.070	0.428	0.012	0.197	0.068
Investment risk (Currency fluctuation, tax, interest rate)	r	0.097	-.321*	0.117	-0.160	-0.041	.325*	0.129
	p	0.308	0.045	0.273	0.203	0.417	0.043	0.252
Construction Market demand (e.g. finance, labor, material, transport, etc.)	r	-0.299	0.003	-.359*	0.208	0.015	0.100	-0.247
	p	0.057	0.494	0.028	0.140	0.469	0.303	0.098
Competitive intensity	r	0.037	-0.244	0.077	0.049	-0.215	.606**	-0.213
	p	0.424	0.101	0.345	0.400	0.132	0.000	0.133
Project type (e.g., commercial, residential)	r	0.008	-0.218	.334*	-0.179	0.090	0.050	-0.164
	p	0.485	0.128	0.038	0.176	0.321	0.399	0.198
A strong capital intensity	r	0.095	-0.223	-0.106	-.443**	0.008	0.077	-0.114
	p	0.311	0.122	0.293	0.008	0.484	0.346	0.279
Firm Size	r	0.060	-0.258	0.124	-.369*	0.202	0.279	-0.287
	p	0.379	0.088	0.260	0.024	0.146	0.071	0.066
Technical advantage	r	0.164	.361*	0.222	0.107	.361*	0.131	-0.087
	p	0.198	0.027	0.124	0.290	0.027	0.248	0.327

Entry mode factors

Factors		Financial	Administration Works	Winning Projects	Client Satisfaction	Human Resource Management	Operational Management	Building relationship
Client satisfaction with delivered projects	r	0.105	-0.030	0.096	0.170	.537**	0.126	.334*
	p	0.295	0.440	0.310	0.189	0.001	0.257	0.038
Effective Coordination, communication and collaboration among project participants	r	-0.093	0.004	0.015	0.255	.346*	.497**	0.082
	p	0.315	0.491	0.470	0.091	0.033	0.003	0.337
Recruiting qualified staffs	r	-0.030	-0.155	0.087	-.423*	0.051	-0.056	0.047
	p	0.439	0.211	0.327	0.011	0.397	0.386	0.405
Competency and capability of top management, Project manager, specialists and expertise	r	-0.074	-0.074	-.473**	0.216	0.178	0.022	-0.102
	p	0.352	0.351	0.005	0.130	0.178	0.455	0.299
Feedback culture	r	-0.026	-.370*	0.076	-0.146	-0.058	-0.290	-0.157
	p	0.446	0.024	0.347	0.226	0.382	0.064	0.208
Leadership style	r	0.085	0.105	0.130	0.187	.375*	0.082	0.247
	p	0.330	0.294	0.250	0.166	0.022	0.336	0.098
Bidding strategy	r	0.115	-0.055	-0.193	-0.277	-.426*	0.009	-0.189
	p	0.276	0.388	0.158	0.073	0.011	0.482	0.163
Inter-partner trust between partners	r	-0.220	0.058	0.055	0.136	-.414*	0.059	0.135
	p	0.125	0.383	0.388	0.240	0.013	0.381	0.242
Application of latest technology and software	r	0.221	.315*	-0.007	0.072	-0.041	0.010	0.120
	p	0.124	0.048	0.485	0.355	0.417	0.479	0.268
Technological innovation ability	r	0.018	0.095	0.017	0.088	-.426*	-0.252	-0.071
	p	0.462	0.312	0.465	0.325	0.011	0.093	0.357
An explicit competitive strategy	r	.386*	-.332*	-0.140	0.117	0.226	0.045	-0.095
	p	0.019	0.039	0.234	0.272	0.119	0.409	0.313
*. Correlation is significant at the 0.05 level (1-tailed).								
**. Correlation is significant at the 0.01 level (1-tailed).								

Table 6-14 Factors correlated with Developer Business success

Factors	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Proximity to host country	r	-0.104	-0.039	-0.131	-0.248	-5.57**	-0.087
	p	0.318	0.429	0.276	0.127	0.003	0.346
Trade link	r	.358*	-0.031	-0.119	-0.027	-0.232	-0.098
	p	0.047	0.443	0.294	0.451	0.143	0.329
Economic stability (Exchange rate, inflation)	r	0.049	-0.246	-0.026	-0.122	.360*	-0.183
	p	0.413	0.129	0.453	0.290	0.046	0.202
Cultural proximity	r	0.092	.375*	.401*	0.322	-0.073	0.216
	p	0.338	0.039	0.029	0.067	0.370	0.161
Firm Size	r	-.437*	-.437*	-0.008	0.115	0.020	-0.325
	p	0.019	0.019	0.486	0.300	0.464	0.065
A conclusive knowledge and expertise on law of host country	r	0.154	-0.206	0.128	-0.061	0.103	-0.180
	p	0.242	0.173	0.280	0.391	0.321	0.206
An international business network	r	0.151	-0.121	0.149	0.009	.501**	0.021
	p	0.246	0.291	0.249	0.484	0.007	0.462
Firm's ability to assess market signal and opportunities	r	-0.132	-.384*	-0.102	-0.184	-0.196	-.398*
	p	0.275	0.035	0.322	0.200	0.185	0.030

Entry mode factors

Factors	Financial	Administration Works	Winning Projects	Client Satisfaction	Human Resource management	Operational management	Building relationship
Availability of product and price information of labor, materials, plants and other resources	r	0.274	.362*	-0.054	-0.077	-0.054	0.282
	p	0.103	0.045	0.404	0.363	0.404	0.096
Having an effective cost control measure	r	-0.130	-0.113	0.228	0.210	0.069	-.362*
	p	0.277	0.303	0.148	0.168	0.377	0.045
Effective Coordination, communication and collaboration among project participants	r	-0.081	-0.062	-0.066	-0.175	-.423*	-0.235
	p	0.356	0.389	0.382	0.213	0.022	0.140
Motivation and job satisfaction of employee	r	-0.095	0.093	-0.344	-0.194	0.093	0.225
	p	0.334	0.337	0.054	0.188	0.337	0.151
Bidding strategy	r	.388*	-0.248	0.143	0.298	-0.156	0.021
	p	0.034	0.127	0.258	0.084	0.239	0.463
Quality Management	r	0.012	-0.220	-0.245	-0.175	.380*	-0.074
	p	0.478	0.156	0.130	0.213	0.037	0.369
Risk Management	r	-0.215	-0.174	-0.081	-0.123	0.138	-0.091
	p	0.162	0.214	0.356	0.288	0.264	0.340
Suitability of Organization culture/structure	r	0.329	0.181	.541**	0.293	0.280	0.137
	p	0.062	0.204	0.004	0.087	0.098	0.267

*. Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

Critical success factors

Table 6-15 Factors influenced the Contractor Business success

Factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Market attractiveness/Potential growth				0.389			
Proximity to host country				-0.302			
A conclusive knowledge and expertise on law of host country				0.438			
Project type (e.g., commercial, residential)				-0.327			
Trade link		-0.343				-0.456	
Competitive intensity							0.366
Resource advantage							0.311
R		0.343		0.514	0.511	0.456	0.484
R Square		0.118		0	0.261	0.208	0.234
Adjusted R Square		0.092		0.221	0.217	0.185	0.189
Std. Error of the Estimate		0.766		0.542	0.738	0.512	0.666
Sum of Squares		2.738		3.584	6.541	2.403	4.612
df		1		2	2	1	2
Mean Square		2.738		1.792	3.271	2.403	2.306
F		4.661		6.104	5.998	9.178	5.20600
Sig.		0.038		0.005	0.006	0.005	0.011
Entry mode factors							

Factors	Standardized Coefficients							
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship	
Application of latest technology	-0.323					0.388		
Strong human resources and management	-0.323							
Bidding strategy		-0.576						
Technological innovation ability		-0.639						
Having an effective cost control measure		-0.368						
An explicit competitive strategy		0.345		0.685				
Suitability of Organization			-0.336		0.506			
Inter-partner trust between partners			0.421					
Coordination, communication, and collaboration among project participants			0.345					
Quality Management				0.441				
Risk Management				-0.326				
Competency and capability of top management					-0.342			
Motivation and job satisfaction						0.416		
R	0.572	0.703	0.712	0.491	0.547	0.547		
R Square	0.327	0.494	0.507	0.241	0.300	0.300		
Adjusted R Square	0.287	0.431	0.462	0.197	0.258	0.258		
Std. Error of the Estimate	0.622	0.521	0.474	0.728	0.765	0.765		
Sum of Squares	6.396	8.494	7.613	5.729	8.5180	8.518		
df	2	4	3	2	2	2		
Mean Square	3.198	2.124	2.538	2.865	4.2590	4.259		
F	8.256	7.815	11.294	5.411	7.272	7.272		
Sig.	0.001	0	0	0.009	0.0020	0.002		

Critical success factors

*. Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

Table 6-16 Factors influenced the Consultant Business success

Factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Proximity to host country	0.502						
A strong capital intensity				-0.443			
Trade link					-0.414		
Technical advantage					0.355		
Competitive intensity						0.712	
Political stability						0.363	
Foreign Direct Investment (FDI) incentive relative policy						-0.304	
R	0.502			0.443	0.55	0.738	
R Square	0.252			0.196	0.302	0.545	
Adjusted R Square	0.225			0.166	0.248	0.490	
Std. Error of the Estimate	0.635			0.471	0.706	0.641	
Sum of Squares	3.672			1.459	5.606	12.282	
df	1			1	2.000	3	
Mean Square	3.672			1.459	2.803	4.094	
F	9.112			6.578	5.62900	9.966	
Sig.	0.005			0.016	0.009	0.000	
Entry mode factors							

Factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Suitability of Organization culture/structure	0.492						
Quality Management	0.486						
An explicit competitive strategy	0.515	-0.423					
Competency and capability of top management, Project manager, specialists and expertise	-0.352		-0.473				
Feedback culture		-0.455				-0.363	
Recruiting qualified staffs				-0.423	0.243		
Client satisfaction with delivered projects					0.607		
Inter-partner trust between partners					-0.747		
Technological innovation ability					-0.550		
Providing sufficient trainings					0.480		
Having a website					-0.452		
Risk Management					0.510		
Effective Coordination, communication and collaboration among project participants						0.545	
R	0.789	0.556	0.473	0.423	0.911	0.613	
R Square	0.622	0.309	0.224	0.179	0.829	0.376	
Adjusted R Square	0.559	0.255	0.195	0.149	0.772	0.328	
Std. Error of the Estimate	0.518	0.649	0.484	0.476	0.415	0.473	
Sum of Squares	10.596	4.896	1.824	1.333	17.557	3.499	
df	4	2	1	1	7.000	2	
Mean Square	2.649	2.448	1.824	1.333	2.508	1.749	
F	9.876	5.804	7.799	5.887	14.57000	7.827	
Sig.	0	0.008	0.009	0.022	0.00	0.002	

Critical success factors

Table 6-17 Factors influenced Developer Business success

Factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Firm Size		-0.641	-0.437				
Project size		0.551					
A conclusive knowledge and expertise on law of host country		0.427					
Political stability						-0.557	
R		0.733	0.437			0.557	
R Square		0.538	0.191			0.310	
Adjusted R Square		0.465	0.152			0.277	
Std. Error of the Estimate		0.522	0.657			0.739	
Sum of Squares		6.030	0.437			5.154	
df		3	0			1	
Mean Square		2.010	0.152			5.154	
F		7.363	0.657			9.448	
Sig.		0.002	0.037			0.006	
Entry mode Factors							

Factors	Standardized Coefficients						
	Financial	Administration works	Winning projects	Client satisfaction	Human resource management	Operational management	Building relationship
Risk Management	0.493						
Motivation and job satisfaction of employee	0.510						
Availability of product and price information of labor, materials, plants and other resources	-0.394						
Suitability of Organization culture/structure				0.541			
Effective Coordination, communication and collaboration among project participants						-0.494	
Quality Management						0.457	
R	0.771			0.541		0.619	
R Square	0.594			0.293		0.383	
Adjusted R Square	0.53			0.259		0.321	
Std. Error of the Estimate	0.411			0.598		0.572	
Sum of Squares	4.701			3.109		4.058	
df	3			1		2	
Mean Square	1.567			3.109		2.029	
F	9.27			8.704		6.196	
Sig.	0.001			0.008		0.008	

Critical success factors

CHAPTER 7

CONCLUSION AND RECOMMENDATION

In this chapter, the summary of the whole thesis is discussed in the following sessions such as important conclusions derived from each objective, research contribution, and recommendations for future studies. The main objectives of this research were to determine the factors that influence entry mode decisions and critical success factors for each entry type based on accumulative knowledge and judgment of experts (consultant, contractor, and developer) in the Myanmar construction industry and also to evaluate the business success of entry modes. The research encircled those participants belonging to three major groups i.e. developer, consultant and contractor who had acquired a minimum of ten years of international construction experience.

The companies which those respondents representing were experienced in industrial, commercial, and residential projects, belonging to the most private sector, some semi-government sectors. First, the whole concentration of research was on acquiring knowledge through extensive literature review about entry mode influencing factors and critical success factors from researchers and project participants throughout the world. A list of fifty factors was developed from the literature search. These factors were grouped as three main factors from entry mode factors such as host country related, market-related, firm related and seven main factors for critical success factors such as business-related, human-related, top management related, project management related, relationship related, technological related, organizational related depending upon their characteristics. Ranking methods, analysis of variance, Pearson correlation and multiple linear regression analysis were conducted to reach our respective research purposes. The conclusion will be made according to the research objectives.

7.1 Research Conclusions

Since this study had developed three main objectives, the results will be reported following research objectives.

7.1.1 Factors influencing entry mode decisions

The information gathered from data analysis, and interview were used to identify the factors that influence entry mode decisions for a developing country, Myanmar. Behind the improvement in the new Companies Law, the jurisdiction provides several free economic zones, where investors can set up companies incorporated as 100% foreign-owned companies. With Myanmar's recent relaxation of foreign investment restrictions and economic liberalization, it has become an attractive destination and made the market more accessible to foreign investors. Foreign construction firms were observed to have deliberately chosen the entry mode type for the specific advantages and dare to take the threats that it holds.

Table 7-1 summarized the factors that influence for individual entry mode decisions. This study has discovered that those factors having similar mean averages (factors with no statistical difference) can be regarded as general findings that support observation with the international business environment and called "Entry Factors". Those seven entry factors that investors have considered to make a decision on the market. In addition, the rest of the factors showing statistical differences can be considered as "Entry Mode Factors" because they are particularly important for each entry mode. Between the three entry mods, the perception of factors that influence for branch and sole venture is quite distinct from the joint venture because of the characteristics of the nature of entry modes. The difference between "Entry Factors" and "Entry Mode Factors" is that those specific entry factors are taken into account before firms interested to go for one country and after they have made up their mind to go for it. These significant entry factors are mostly related to the host country and firm itself. Therefore, it is suggested to choose the entry mode with a high return rate when the given construction market and political environments are favorable.

Table 7-1 Summary of the factors that influence entry mode decisions

	Branch	Sole venture	Joint venture
Entry factors	Construction Market demand		
	Political stability		
	Technical advantage		
	Project size		
	Procurement type		
	Project type		
	Colonial Link		
Entry mode factors	Market attractiveness	Market attractiveness	Foreign Direct Investment (FDI) incentive relative policy
	Economic stability	Economic stability	Cultural proximity
	Investment risk	Investment risk	Language proximity
	Proximity to the host country	Competitive intensity	Proximity to host country
	Trade link	International experience	Trade link
	Firm's ability to assess market signal and opportunities	A conclusive knowledge and expertise on law	Research and development skill
	Research and development skill	Resource advantage	
	A strong capital intensity	A strong capital intensity	
		International business network	
	Firm's ability to assess market signal and opportunities		
	Firm size		

The different situations between the entry modes based on our findings from the ranking analysis can be concluded as in this section. Within the Myanmar context, business structure as the branch is most likely chosen legal entity. The branch office has an advantage for being given the relatively simple registration procedure and incorporation costs compared to the sole venture. In case of a good reputation from the parent company, branch companies get easier to gain trust and become competitive in the industry. The branch was chosen because of the advantages of the technical and research skills for the purpose of contributing their technical advantage to promote the host country's construction industry. Therefore, it is encouraged for the investors whose intention is to promote one country's development to opt for this entry strategy.

The functional advantage of the sole venture is that it is easier to set up than other business entities, that the owner maintains 100% control and ownership of the business. Wholly-owned companies have complete control and decision-making power. From this, one has maximum privacy in establishing and operating a business. At the same time, there is a higher profit return and a higher risk of being responsible for all business transactions. The higher the risk, the more concerned factors that governed over entry mode decision. It is recommended to choose this entry mode that if firms' internal strengths outweighing the external threats while the given favorable market condition.

The joint venture (JV) with local is a plausible solution for those lacking resources, capital, and market knowledge. The reasons for choosing JV is to gain new insights, sharing risks and costs, especially for non-stable political condition country. It is, however, admitted that forming a company with local partners despite their capabilities to be a standalone company because it is believed to win the projects more easily and be given more opportunities. There is a culture in this country that local clients tend to do business with someone they have already known or through referral. Therefore, the credibility of winning projects with this entry mode is also inclined to improve since conjoined with the renowned company among local clients.

Table 7-2 summarized the important factors resulted from the ranking analysis which indicates the concerns and advantages for each mode. The current situation of this country is its market attractiveness/potential growth, and construction demand act as an opportunity for enthusiastic investors. However, investment risk, political, and economic stability are threatening to retrieve their investment steps. The latter two concerns are nevertheless not many concerns for joint ventures since they share risk and return with conjoined partners. In particular, the size of the project is a concern for sole ventures and the procurement method is for joint ventures.

The branch receives an advantage from having a trade history and being close to the host country, whereas joint venture benefits from culture and language proximity. However, the sole venture does not seek any advantage in terms of the host country. They are pure aggressive and bold investors to take the step up and venture into a foreign market. The internal strengths that one must possess can be learned

from the same table. Firms can make sure that whether they are ready for oversea market expansion and can handle doing business with the preferable entry mode.

Table 7-2 A summary of important factors for entry modes

Categories		Branch	Sole venture	Joint venture
Advantage/strength	Host country	Trade link	-	Foreign Direct Investment (FDI) incentive relative policy
		Proximity to host country		Cultural proximity
				Language proximity
	Market related	Potential growth	Potential growth	Potential growth
		Market demand	Market demand	Market demand
	Firm related	Firm's ability to assess market signal and opportunities	Firm's ability to assess market signal and opportunities	
		International experience	International experience	International experience
		A conclusive knowledge and expertise on law of host country	A conclusive knowledge and expertise on law of host country	
		A strong capital intensity	A strong capital intensity	
		An international business network	An international business network	An international business network
		Technical advantage	Technical advantage	Technical advantage
		Research and development skill		Research and development skill
			Firm Size	
			Resource advantage	
Concern	Host country	Political stability	Political stability	Political stability
		Economic stability	Economic stability	
		Investment risk	Investment risk	
	Market related		Project size	Procurement methods

Therefore, the first reach objective of this study explained the advantages, disadvantages, benefits, and areas of concerns while making entry mode decisions. Moreover, it has also suggested under which conditions what type of entry mode is the optimal and appropriate one to choose while making entry mode decisions.

7.1.2 Critical success factors of entry mode for business

The changing behavior of the entry mode characteristics is noticed during the second analysis. Previously, we have learned that a similar entry characteristic caused branch and sole venture to perceive the similar entry mode influencing factors upon making entry mode decisions. Nevertheless, it was found most shared factors between sole and joint ventures within the different perceptions on nine critical success factors for business success. For example, the joint venture may have fewer influential factors. However, its business convictions for business success are as high as the sole venture during delivering services. Therefore, it needs to be aware that there were found different natures and conformity while making entry mode decisions and doing business after the decision has done.

In Table 7-3, it showed the factors that are critical for each entry mode. The nine factors that have different perceptions that arose between the entry modes must be paid attention by the respective entry mode type. The analysis has revealed that there are some general consistencies in the top CSFs. Those factors belonged to business management, top management, and operational management groups were considered to be important for every entry mode choice. The similar results also shown from business categories analysis. While doing business, every mode has the same goal which is to run a profitable operation and increasing revenue for the sake of business growth. Therefore, the critical success factor did not influence much by the type of entry modes. No matter what type of entry mode firms had chosen, all entry modes will be tending to focus on the same destination to the success or growth of the business. But firms need to be taken care of the slightly different prioritizing levels of the critical success factors that peculiar for each entry mode as explained in section 5.2.1 to 5.2.3.

Table 7-3 A summary of critical success factors for entry modes

Critical success factors	Branch	Sole venture	Joint venture
	An explicit competitive strategy	Commitment of established schedules and budget	Commitment of established schedules and budget
	Technology Innovative ability	Quality Management	Quality Management
		Application of the latest technology and software	Application of the latest technology and software
		Experience of top management persons	Strong healthy relationship between stakeholders/government departments
		Risk Management	Inter-partner trust between partners
Availability of product and price information of labor, materials, plants and other resources			
Having an effective cost control measure			
Inter-partner trust between partners			
Effective Coordination, communication and collaboration among project participants			
Competency and capability of top management			
Experience of top management persons			
Risk Management			
An explicit competitive strategy			
Logistic and supply chain management			
Technological innovation ability			
Having a website			
Motivation and job satisfaction of employee			
Providing sufficient trainings			

Table 7-4 Ranking of main critical success factor categories

Main critical success factors	Branch	Sole venture	Joint venture
Business Related factor	2	1	3
Human Related factor	5	4	6
Top Management Related factor	3	2	2
Project Management Related Factor	6	3	5
Relationship Related Factor	7	6	1
Technological Related Factors	4	7	7
Organizational Related Factors	1	5	4

In Table 7-4, it summarized table of rankings showing the seven main critical success factors to understand the overview of how the perceptions of different entry modes towards CSFs. Branch companies must focus on organizational, business-related and top management related factors. Whereas business-related, top management and project management related factors are especially important for sole venture business success. After all, for the joint venture, as its name applies itself, relationship, top management and business-related factors must follow with priority.

While running analysis for business categories, no difference opinions were found again. However, we may conclude from the rankings of factors as shown in Table 7-5. The table shows the top 10 critical success factors perceived by contractor, developers, and consultants. Most of the factors are from top management related, business related and organizational related factors. We may notice that leadership style is agreed to be extremely important and to be under a careful consideration for every group. So, it indicates this country has a challenging management customs and practices to manage one's firm. Among the three categories, contractors is the only group that focuses on technological related factors such as application of latest technology and software, and having a company website.

Lastly, critical success factors are governed neither by the entry mode types nor business categories. But the ranking priority can be studied for the individual mode or category to acquire a better understanding of how foreign investors pay attention to augment the company's performance for business success.

Table 7-5 Top 10 critical success factors of business categories

Rank	Contractors	Developers	Consultants
1	Leadership style	Leadership style	Leadership style
2	Commitment of established schedules and budget	Commitment of established schedules and budget	Client satisfaction with delivered projects
3	Client satisfaction with delivered projects	A strong marketing team	Commitment of established schedules and budget
4	Experience of top management persons	Having an effective cost control measure	Effective Coordination, communication and collaboration among project participants
5	Having an effective cost control measure	Competency and capability of top management	A strong marketing team
6	Risk Management	Strong human resources and management	Competency and capability of top management
7	An explicit competitive strategy	Effective Coordination, communication and collaboration among project participants	Risk Management
8	Application of latest technology and software	Quality Management	Experience of top management persons
9	Competency and capability of top management	Risk Management	Strong human resources and management
10	Having a website	Client satisfaction with delivered projects	Having mutual understanding between partners

7.1.3 Influential factors affect business success

Business success is evaluated in seven sectors which were based on seven business categories of critical success factors. The evaluation of business success was conducted with entry mode influencing factors and critical success factors. The aspects that were analyzed were from different entry mode types and business categories. The factors that influence entry mode decisions, which mostly consist of external factors, did not show much correlation or influence on business success. Hence, it can be concluded that business success is uniquely related to internal factors which act as strength and yield the unexpected external circumstances. From the critical success factors approach, since it is mainly composed of internal factors, indicating more revealing explanation to understand and achieve business success.

Based on the evaluation result from critical success factors, firms from all entry modes seemed to have an awareness of what factors are critical and correlated with business success. Besides, it has pointed out whether the correlated factors were effectively and efficiently performed. However, in practice, all firms somehow fail to execute successfully and thus, the results indicated dissatisfaction among the business sectors that being evaluated. And, the factors that influence business success were mainly from top management related and human-related factors such as the competency and capability of top management levels and motivation of the employee.

In terms of factors that influence business success under different business categories, the summarized results table for entry mode factors can be seen in Table 6-10 and critical success factors in Table 6-11. Since there is a limited number of sampling for developers, it would be hard to draw conclusion for the factors that influence this group business success. From internal entry mode factors, resource advantage influences contractor group while a strong capital intensity influences consultant's business success. For developers, acquiring a conclusive knowledge about the host country is influenced to the success of administration works. In terms of critical success factors that influence business success, we notice there were no influencing factors for the success of building relationships with stakeholder/government offices. From the summarized table, it can be studied what particular factors influence the respective business success sector. Especially, it is

required to focus on the negatively resulted factors which needs to make an improvement.

To sum up, this study has revealed the relationship and influence between the factors and business sectors to accommodate the investors to have a successful business expansion. It can be studied in terms of entry mode types or different business categories. The main reason where most negative signifies in business success is that the critical success factors do not reflect the business sectors. Not only having known the factors but also effectively perform while executing tasks would definitely deliver to the appointed goals and destination.

7.2 Research Contribution

The identification of factors influences choosing entry mode, and business success can furnish a top management team with an indicator to attain success in implementing business in an unfamiliar market or delivering a project. Moreover, the information provides a focus on what they should be aware of to ensure success. It is anticipated that the present study will contribute to the field by integrating the knowledge of not only entry mode influencing factors, but also what is known about critical success factors. To the best of our knowledge, this study is among the first to investigate how various aspects of entry modes decisions by entry mode types drawn from the aspects of main contractors, developers, and consultants. From our 24-entry mode influencing factors extracted from the literature review, seven of them are used as “Entry factors,” and the rest are influenced for entry mode specifically. It has extended the entry mode studies by distinguishing the factors between the preliminary investigation for the market lookout and choosing a specific entry mode decision. The important factors and influencing factors for making entry mode decisions can be useful for a better understanding of the country. This knowledge would assist in developing the optimal entry strategies and leading to make an informative entry mode decision.

Though entry mode types did not influence critical success factors, important levels from ranking contribute to adjust, reform and replace the prioritizing order to be reflective of the factors correlated with business success. Using the critical success

factors would help to preserve the competitiveness, adjust the management strategy, and secure business success for long-term existence. The correlation and influence factors upon business success are evaluated. Not only from entry mode aspects but also the aspect of different business categories was conducted. So, firms can be further study to observe what are the factors that influence business success either from entry modes or business categories. Being known to the factors that influence business success, one must reflect whether those factors were being executed efficiently and effectively within their firm. Thereby shedding light for further progressive improvements and reevaluation in areas that need to be augmented.

Moreover, from this study, one can proceed to an informative entry mode decision and enable it to avoid the unprecedented or lessen the unexpected problems embedded in foreign market expansion. Although this study presented here was based in Myanmar, it is hoped that these results would be applicable, especially for developing countries that have a similar circumstance. Conclusively, this study has broadened an applicable contribution to the foreign investment of international construction firms as mentioned above.

7.4 Research Recommendation

The work presented in this study can be improved further as follows:

- This research explored the factors that influence entry modes externally and internally environments which are majorly chosen that affect the entry mode choices in their effort to expand, especially in developing countries. Since this study focused only on entry mode type, it is needed to see whether the entry timing and entry location affect the successful investment.
- There is still a need to explore the entry mode factors and critical success factors for the business that influence on the minority group of entry modes such as representative office and joint venture projects.
- It will be worthwhile to conduct a comparative study of the most influential entry mode factors affecting the construction industry between developing countries and developed countries.
- Conducting more interviews or face-to-face interviews with more respondents.

- A theoretical framework can be developed to study the relationships among these factors, and such relationships may be analyzed by using structural equation modeling (SEM) to obtain further insights.



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APPENDIX A-1: INFORMATION LETTER

Protocol Title

A Business Success Evaluation of Market Entry Mode Types in Myanmar

Dear Sir/Madam,

My name is Naw Ruth Po Gay, a graduate student of Chulalongkorn University. I am conducting a research about “A Business Success Evaluation of Market Entry Mode Types in Myanmar”, which I had chosen as a topic to research on it for my master's project.

We kindly invite you to be a part of this research and request you to assist us in completing the brief questionnaire. We would kindly request your participation, and cooperation of your construction personnel and project managers in providing the required information in the questionnaire, as well as thank you for your valuable time and efforts in advance. We do very appreciate of the time you have taken to assist in our study.

Purpose of this research study:

The aim of the research is to study the significant important levels of factors for entry mode decision and its associated critical success factors for post entrance activities regards to the construction business environment. While the construction industry in Myanmar continues to grow with many promising opportunities, construction sector growth is expected to moderate to 5 percent in 2018/19 compared to 6.1 percent in 2017/18. Moreover, international construction firms are fraught with various challenges such as competitiveness, versatile global economy and specific conditions in the host country. Therefore, it becomes increasingly necessary to understand the influencing factors and critical success factors that investors are facing during the process of entry mode decision and post-entry strategic planning.

In this study, the influencing factors and critical success factors of entry modes are discussed. The contribution from the findings of this study will help investors to improve the knowledge of the Host Country for strategic entry planning in order to have a successful implementation. Moreover, the significant factors will guide as the key consideration to enhance competitiveness, secure business success and adjust the management strategy for long-term existence

The time required:

The survey will take about 30-45 minutes, depends on your responses.

Target Respondents:

Corporate executives, general managers, senior managers, project managers, project planners, contract managers and project coordinators

Confidentiality:

The information provided will only be used for research on an academic platform. Your responses will be held in complete confidentiality. Your responses will be anonymous, and the researchers will not leak any of your personal information. If you would like to receive a summary of the findings, please indicate your choice to the survey form or send an email to the address listed below.

Yours Sincerely,

Name: Naw Ruth Po Gay

Phone: (+66) 907 000 69, (+95) 979 616 3379

Email: 6070495121@student.chula.ac.th



จุฬาลงกรณ์มหาวิทยาลัย
CHULALONGKORN UNIVERSITY

PPENDIX A-2: QUESTIONNAIRE SURVEY

Part I: General Information

Please mark ✓ in the answer box that corresponds to the fact.

PERSONAL INFORMATION

1. Name: _____
2. Gender: Male Female
3. What is your current position?

<input type="checkbox"/> Owner	<input type="checkbox"/> Corporate executives	<input type="checkbox"/> General Manager
<input type="checkbox"/> Business manager	<input type="checkbox"/> Project Manager	<input type="checkbox"/> Project Coordinator
<input type="checkbox"/> Other please specify: _____		
4. Email address (*required):

5. Work experience (Year): (since you work in the construction industry)

<input type="checkbox"/> 5-10 years	<input type="checkbox"/> 11-15 years	<input type="checkbox"/> 16-20 years
<input type="checkbox"/> 21-25 years	<input type="checkbox"/> 25-30 years	<input type="checkbox"/> More than 30
<input type="checkbox"/> Other please specify: _____		

COMPANY INFORMATION

6. Category of your company:

<input type="checkbox"/> Main Contractor	<input type="checkbox"/> Consultant	<input type="checkbox"/> Developer
<input type="checkbox"/> Other: _____		

7. What is the home country?

- | | | |
|------------------------------------|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> China | <input type="checkbox"/> Japan | <input type="checkbox"/> USA |
| <input type="checkbox"/> Korea | <input type="checkbox"/> Thailand | <input type="checkbox"/> New Zealand |
| <input type="checkbox"/> Singapore | <input type="checkbox"/> Other: _____ | |

8. How many employees does the company have in overall?

- Small (less than 50 employees)
- Medium (Employees 50 - 250 people)
- Large (over 250 employees)

9. What is the company core business?

10. How many years has the company been venturing in international construction business?

- | | | |
|--|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> 5-10 years | <input type="checkbox"/> 11-15 years | <input type="checkbox"/> 16-20 years |
| <input type="checkbox"/> 21-25 years | <input type="checkbox"/> 25-30 years | <input type="checkbox"/> More than 30 |
| <input type="checkbox"/> Other please specify: _____ | | |

11. How many years has the company been venturing in Myanmar construction business?

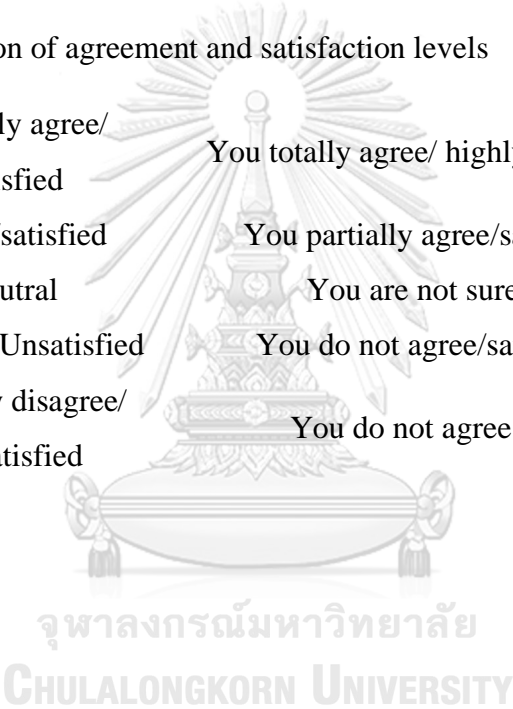
- | | | |
|--|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> 5-10 years | <input type="checkbox"/> 11-15 years | <input type="checkbox"/> 16-20 years |
| <input type="checkbox"/> 21-25 years | <input type="checkbox"/> 25-30 years | <input type="checkbox"/> More than 30 |
| <input type="checkbox"/> Other please specify: _____ | | |

Instruction for questionnaire Part II and III

Respondents will be asked to evaluate the factors in the following next two parts. Kindly review the detailed interpretation of agreement levels shown in the table in order to avoid the miss assessment on survey data.

Likert Scale	1	2	3	4	5
Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	Extremely Unsatisfied	Unsatisfied	Neutral	Satisfied	Extremely satisfied

Interpretation of agreement and satisfaction levels

- 
- 5 Strongly agree/satisfied You totally agree/ highly satisfy with the statement.
- 4 Agree/satisfied You partially agree/satisfy with the statement.
- 3 Neutral You are not sure about the message.
- 2 Disagree/Unsatisfied You do not agree/satisfy with the statement.
- 1 Strongly disagree/Unsatisfied You do not agree with all of that at all.

Part II:

Entry Identifying factors influencing entry modes and critical success factors

(2.1) Entry Mode Influencing factors

Entering new international construction markets may take place through various entry modes. Entry mode is an institutional arrangement for organization and conducting international business transaction, i.e., wholly owned subsidiary, joint venture, and Branch office. Please select the entry mode(s) undertaken by your firm in order to secure and deliver work here in Myanmar construction market.

- Sole venture Strategic alliance Local agent
 Joint venture Licensing BOT/equity project
 Joint venture project Sole venture project
 Branch office/company
 Representative office Other: _____

To select the optimal entry mode from feasible options to enter a specific foreign market, some factors must be taken into consideration. Please evaluate the following entry mode decision influencing factors upon a five-point scale shown as below.

Likert Scale	1	2	3	4	5
Description	Strongly disagree	Disagree	Neutral	Agree	Strongly agree

How much would you agree that those factors are important for making entry mode decision.						
Host Country Related Factor						
1	Political stability	1	2	3	4	5
2	Proximity to host country (Geographical distance)	1	2	3	4	5
3	Trade link	1	2	3	4	5
4	Economic stability (Exchange rate, inflation)	1	2	3	4	5
5	Investment risk (Currency fluctuation, tax, interest rate)	1	2	3	4	5
6	Foreign Direct Investment (FDI) incentive relative policy	1	2	3	4	5
7	Cultural proximity	1	2	3	4	5

8	Language proximity	1	2	3	4	5
9	Colonial Link (similarity in political or legal institutions)	1	2	3	4	5
Market Related Factor						
10	Market attractiveness/Potential growth	1	2	3	4	5
11	Construction Market demand (e.g. finance, labor, material, transport, etc.)	1	2	3	4	5
12	Competitive intensity	1	2	3	4	5
13	Project size	1	2	3	4	5
14	Project type (e.g., commercial, residential)	1	2	3	4	5
15	Contract types or procurement methods					
Firm Related Factor						
16	A strong capital intensity	1	2	3	4	5
17	Resource advantage on equipment, material and labor. (Complementary resource requirement)	1	2	3	4	5
18	International experience	1	2	3	4	5
19	Firm Size	1	2	3	4	5
20	A conclusive knowledge and expertise on law of host country	1	2	3	4	5
21	An international business network	1	2	3	4	5
22	Research and development skill	1	2	3	4	5
23	Technical advantage	1	2	3	4	5
24	Firm's ability to assess market signal and opportunities	1	2	3	4	5

- Would you name the five most entry mode influencing factors based on your entry mode decision?
 (You may list the number from above table or please describe if not listed in above table.)

.....

.....

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.....

(2.2) Critical Success Factors

Listed below are factors important for executing and delivering works for construction business successfully. How much would you agree that those factors are important for your coming after making the specific entry mode decision (1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree)

Business management related factors		1	2	3	4	5
1	Commitment of established schedules and budget	1	2	3	4	5
2	Availability of product and price information of labor, materials, plants and other resources	1	2	3	4	5
3	Having an effective cost control measure	1	2	3	4	5
4	Client satisfaction with delivered projects	1	2	3	4	5
Human related factor		1	2	3	4	5
1	Effective Coordination, communication and collaboration among project participants	1	2	3	4	5
2	Recruiting qualified staffs	1	2	3	4	5
3	Providing sufficient trainings	1	2	3	4	5
4	Motivation and job satisfaction of employee	1	2	3	4	5
Top management related factors		1	2	3	4	5
1	Competency and capability of top management, Project manager, specialists and expertise	1	2	3	4	5
2	Feedback culture	1	2	3	4	5
3	Leadership style	1	2	3	4	5
4	Experience of top management persons	1	2	3	4	5
Project management related factor		1	2	3	4	5
1	Bidding strategy	1	2	3	4	5
2	Logistic and supply chain management	1	2	3	4	5
3	Quality Management	1	2	3	4	5
4	Risk Management	1	2	3	4	5
Relationship related factor		1	2	3	4	5
1	Strong healthy relationship between stakeholders/government departments	1	2	3	4	5
2	Having mutual understanding between partners	1	2	3	4	5
3	Inter-partner trust between partners	1	2	3	4	5
Technological related factor		1	2	3	4	5
1	Having a website	1	2	3	4	5
2	Application of latest technology and software	1	2	3	4	5
3	Technological innovation ability	1	2	3	4	5

Organizational related factor						
1	An explicit competitive strategy	1	2	3	4	5
2	Strong human resources and management	1	2	3	4	5
3	A strong marketing team	1	2	3	4	5
4	Suitability of Organization culture/structure	1	2	3	4	5

➤ From your opinion, would you name five most success factors?

(You may list the number from above table or please describe if not listed in above table.)

.....

.....

.....

.....

.....

Part III:
Evaluation of Business Success Level

How much satisfaction does the decided entry mode type bring upon the following areas?

	Description	Extremely Unsatisfied	Unsatisfied	Neutral	Satisfied	Extremely satisfied
1	Financial	1	2	3	4	5
2	Winning projects	1	2	3	4	5
3	Building a strong relationship with stakeholder and government	1	2	3	4	5
4	Client and customer satisfaction (Reputation)	1	2	3	4	5
5	Operational management	1	2	3	4	5
6	Administration and paperwork	1	2	3	4	5
7	Human Resource Management	1	2	3	4	5

- In overall, how would you express your company success level on scale of 1 to 5?
- In what other area you have achieved/satisfied doing business with this entry mode?
- Are there any other factors that you consider to be inevitably important for business success that not exhibit in the table?
- Discuss the conditions of that scale of that success level.

Relationship related factor													
39	Strong healthy relationship between stakeholders												
40	Relationship with government departments												
41	Having mutual understanding between partners												
42	Having an inter-partner trust between partners												
Technological related factor													
43	Having a website												
44	Application of latest technology and software												
45	Technological innovation ability												
Organizational related factor													
46	An explicit competitive strategy												
47	Strong human resources and management												
48	Strong Marketing team												
49	Suitability of Organization culture/structure												
50	Efficacy of organizing and planning												

VITA

NAME Naw Ruth Po Gay

DATE OF BIRTH 26 November 1993

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CHULALONGKORN UNIVERSITY

Background



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REFERENCES

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