

Bank of New Zealand Chair in Business in Asia Annual Report 2014



Introduction

Welcome to the first annual report of the Bank of New Zealand Chair in Business in Asia (the Chair). The production of this report represents a significant milestone for the Bank of New Zealand Chair in Business in Asia. For me, as the inaugural Chair, the year has been an amazing one on various fronts.

When the Chair was inaugurated in November 2013, there was much anticipation at the prospect of having someone to provide further knowledge and facilitation to the New Zealand-Asia relationship. It must be said, however, that while expectation accompanied the appointment, due to the size of Asia, it remained to be seen what could be achieved.

A year on, with the support of the sponsors, advisory board, various stakeholders and colleagues, the Chair has evolved into a position with clearer boundaries and purposes which are well known to many.

Throughout the year, the Chair has engaged in many activities aligned with the objectives of the role, including high-quality research programmes, executive education, applied projects, practitioner-informed graduate teaching programmes and public education programmes.

Many of these activities are extended to the work programme of the Chair in 2015, and will be symbolic of the Chair engagements.

Based on the degree of participation in conversations relating to Asia and the dissemination and absorption of knowledge about the region, 2014 has been a good year. I look forward to seeing similar progress in 2015.



Professor Siah Hwee Ang
BNZ Chair in Business in Asia

Aims and objectives

The Chair was established in 2013 at Victoria University of Wellington with sponsorship from the University, the Bank of New Zealand and three New Zealand government departments (Ministry of Business, Innovation and Employment; Ministry of Foreign Affairs and Trade; and New Zealand Trade and Enterprise). The Chair is located in Victoria Business School within the School of Marketing and International Business, and reports to an advisory board.

The Chair aims to create and share knowledge that promotes and supports effective New Zealand business engagements with Asia. The Chair will also provide insights to enhance government policy in this area. Specifically, the Chair's objectives are:

- to lead rigorous, high-quality research on Asia with a business and policy focus
- to lead executive education to build capability in the corporate and SME business sector, the public sector and the professions
- to increase the ability of New Zealand trade and investment managers to conduct business successfully and profitably in Asia
- to increase New Zealanders' knowledge about business with Asia
- to serve as a critical centre for new knowledge networks, linking business, government and academia
- to bring together organisations committed to improving the ability of New Zealand businesses to engage in Asian markets.

The Chair's website is www.victoria.ac.nz/business-asia

Sponsors

The Chair is the result of an important partnership between Victoria University and our principal sponsor, the Bank of New Zealand, with support from three government agencies: the Ministry of Business, Innovation and Employment; the Ministry of Foreign Affairs and Trade; and New Zealand Trade and Enterprise.

Victoria University values these mutually beneficial relationships. Improving New Zealand's knowledge base on conducting business in Asia will have positive flow-on effects for all participating organisations, as well as other New Zealand entities conducting business in Asia.

Principal Sponsor

Bank of New Zealand



The Bank of New Zealand (BNZ) helps New Zealand businesses operate, grow and prosper so that jobs are created, families and lifestyles are sustained, communities thrive and individual New Zealanders are able to realise their home-ownership, lifestyle, investment and retirement dreams.

The BNZ has a nationwide network of small business specialists to help manage and grow businesses. The BNZ also supports agribusinesses and businesses with a turnover of more than \$1 million by teaming them up with a BNZ Partner to accelerate their success.

The BNZ's New Zealand-based relationship management teams offer large corporates, financial institutions and government entities access to a network of local and international experts who specialise in corporate banking, financial institutions and foreign exchange.

Secondary Sponsors

Victoria University of Wellington



Victoria University is one of New Zealand's oldest and most prestigious tertiary institutions, with a proud tradition of academic excellence.

The University has a commitment to reciprocal, high-quality relationships springing from identifying and understanding the need for New Zealand to achieve sustainable development.

Victoria's historic strength in public policy has been fully demonstrated by substantial contributions to major government projects. Entrepreneurship education is an emerging strength that we intend to build on.

Victoria aims to produce graduates whose learning has been developed experientially, both inside and outside the classroom, and is informed by a global perspective.

Ministry of Business, Innovation and Employment



The Ministry of Business, Innovation and Employment (MBIE) plays a central role in shaping and delivering a strong New Zealand economy. It develops and delivers policy, services, advice and regulation to support business growth and the prosperity and wellbeing of all New Zealanders.

Ministry of Foreign Affairs and Trade



The Ministry of Foreign Affairs and Trade (MFAT) is the Government's leading source of advice on foreign and trade policy, diplomatic and consular issues and international development assistance.

Internationally, the Ministry works to ensure that New Zealand's voice is heard, security and economic interests are advanced and protected, contribution is made to sustainable development in developing countries and citizens abroad have their rights and safety protected.

New Zealand Trade and Enterprise



New Zealand Trade and Enterprise (NZTE) aims to help New Zealand businesses grow bigger, better, and faster in international markets, supporting the Government's Business Growth Agenda by creating conditions that encourage successful businesses to grow globally.

Advisory board

The Chair is supported by an advisory board that includes senior representatives from the University and sponsors. The role of the advisory board is to advise and support:

- the research work programme
- links with key stakeholders
- communication and dissemination of policy insights and research findings
- teaching and public outreach activities
- the financial underpinning of the Chair.

The advisory board meets three times a year to discuss the aforementioned items and potential initiatives.

In addition, the Chair and the advisory board discuss regularly the research, public and executive education and other matters relevant to its work programme. The Chair also looks for opportunities to enable the sponsors to work collaboratively.

Advisory board members	
Stephen Moir	Director, the Bank of New Zealand (Chair)
Paul Gestro	Head of Asia desk, Institutional Banking, the Bank of New Zealand
Mark Steel	General manager, Trade and International Investment, Ministry of Business, Innovation and Employment
Andrea Smith	Deputy secretary, Americas and Asia Group, Ministry of Foreign Affairs and Trade
Sharon-May McCrostie	Customer director, New Zealand Trade and Enterprise
Professor Bob Buckle	Pro-Vice-Chancellor and Dean, Victoria Business School
Associate Professor Dan Laufer	Head of the School of Marketing and International Business, Victoria Business School
John McKinnon	Executive director, Asia New Zealand Foundation (January–September 2014 ad hoc member)

Research programmes

The Chair is involved in various research programmes and projects. Broadly, these cover the areas of alliances and acquisitions, competition, technology strategy, international business strategy and reputation.

Achievements and research programmes that evolved in 2014, thanks in part to the funding provided in the Chair, include a book, a paper and several projects.

Book

Research Design for Business & Management

(Sole-authored by the Chair)

Background

Research Design for Business & Management (Sage Publications) is a logical, practical book that makes no assumptions about the reader's prior research knowledge. It provides a clear outline of the commonly used methods in business and management research and tackles the fundamental elements of the research process. The book uses conversation boxes to discuss and answer typical research questions and focuses on judgement calls that need to be made in research while demonstrating the circular relationships between research elements to ensure that the material is relatable to real-life research process. Ultimately, it provides key insights into what examiners and journals look for in research to help achieve the best possible grades.

Reflection

The book was published in 2014 and has received some good reviews. A main motivation for the book-writing initiative was the Chair's struggle to find an appropriate textbook to assign throughout years of teaching courses on research design and methods. Books often prescribe the process of research, but researchers understand that in reality the process is never a linear or straightforward one. Given the nature of the topic—research, it is important to have a book that writes from the reader's perspective.

The book decodes and documents the Chair's research experience, including publishing, editorships, reviewing more than 600 paper submissions, teaching research design and methods courses and supervising more than 60 graduate students. To publish with Sage Publications, arguably the top publisher in this field, is in itself gratifying.

The book can act as an important pillar to the Chair's programme. In order to advance our collective understanding of Asia, we must know that beyond understanding generated from experience, rigorous research into Asia is necessary. The book helps build capacity with regards to research skills and deepens understanding.

The book can be accessed from Sage Publications

www.uk.sagepub.com/textbooks/Book232220

Paper

'The interactions of institutions on foreign market entry mode'

(Co-authors: Mirko Benischke, Erasmus University Rotterdam, Netherlands; Jonathan Doh, Villanova University, USA)

This paper was accepted for publication in *Strategic Management Journal* (*SMJ*), the top journal in the field of strategy

Background

The paper examines the interaction effects of institutional differences in the cognitive, normative and regulatory domains on cross-border acquisition and alliance formation. Using a sample of 673 cross-border acquisitions and alliances conducted by multinational corporations (MNCs) from the manufacturing sector of six emerging economies (EEs) over the period 1995–2008, the paper finds significant mimicking (cognitive domain) of local firms' choice of ownership modes by EE firms. It also finds that regulatory distance (regulatory domain) moderates the mimicking of both foreign and local firms and that normative distance does not have any moderating effect. These findings contribute to our understanding of how MNCs in EEs mimic ownership modes in foreign market entry and how the interaction of this mimetic tendency with other institutional pillars affects these decisions.

Reflection

Publishing in the *SMJ* is always an achievement. In 2013, scholars in academic journals cited *SMJ* articles 17,225 times—fifth of 172 places in the Management list and third of 110 places in the Business list. During the same year, more than 2,500 scholars in 66 countries submitted articles to *SMJ*.

Having this paper accepted has made the Chair the only New Zealand-based researcher to have twice published full papers in the journal in its 35-year history. One of the paper's co-authors, Mirko Benischke, then-PhD student at the University of Auckland, got a placement in Erasmus University Rotterdam as a result.

In the context of the Chair programme, the findings in this paper add to our understanding of Asian firms engaging in cross-border activities. In particular, we find that Asian firms tend to localise their strategy when they engage in cross-border acquisitions and alliances. Further, we find that regulatory differences seem to play a bigger role than cultural differences when these Asian firms follow local practices. These findings do not just further our understanding of how Asian firms behave abroad but also our conception of differences in the dynamics of interactions across countries.

Study

‘Competitive constraints on diversification strategies and outcomes’

(Co-author: Grigorij Ljubownikow, former PhD student and current teaching fellow at the University of Auckland)

Abstract

This study investigates how the competition that a firm faces constrains its diversification strategies and moderates the outcomes of these strategies. Adopting the ecological perspective of competition as a constraint, the study argues that a firm’s competitive intensity constrains its ability to diversify. Based on the defensive diversification hypothesis, it is further argued that the negative impact of competitive intensity is stronger for related than for unrelated diversification. Consistent with the Penrosian perspective, it is also suggested that competitive intensity concurrently affects diversification behaviours and moderates outcomes from diversification, with the effect being stronger for related than for unrelated diversification. The study’s findings largely support these hypotheses, lending support to the notion of complex relationships between a firm’s competitive position and both its related and unrelated diversification strategies.

Current status

Offered ‘revise and resubmit’ by the *SMJ*. Undertaking revision work until March 2015.

Study

‘Human resource management, social connectedness and health and well-being of older and retired men:

The role of men’s sheds’

(Co-authors: Timothy Bartram, Jillian Cavanagh, Sandra G. Leggat and Nicola McNeil, all from LaTrobe University, Australia)

Abstract

This study analyses human resource management in men’s sheds in Australia. Men’s sheds are volunteer-based, not-for-profit, grassroots community organisations that provide health-related resources and an avenue for largely older and retired men to engage with each other and the community. The research is timely given the escalating numbers of retired men and rising national healthcare costs in Australia. The study used a sample of over 200 men’s sheds throughout Australia and matched 419 member responses to 162 leaders. Based on mediation analysis, it was found that perceived human resource practices support the retention of membership and enhance the social connectedness and health and well-being of men’s shed members. The quality of relationships between leaders and members was also important for membership retention. The study demonstrates the importance of human resource management in grassroots community organisations and its role in supporting the health and well-being of the community.

Current status

Under review at the *International Journal of Human Resource Management*.

Project

‘The interplay of competition and collaboration’

Description

Collaboration allows firms to overcome resource constraints and offset competitive pressures. Nonetheless, most studies of the relationship between competition and collaboration have focused on competition at industry level. There are limited studies on the impact of firm-level competition, in particular on collaboration. Although a firm may engage in collaboration, competitors may at the same time establish similar arrangements that limit its ability to find a suitable partner. Even if a potential partner is still available, the more collaboration that is conducted by competitors can affect outcomes and thus the attractiveness to engage in collaboration. This project seeks to investigate how the competitive intensity that a firm faces and the extent of collaborative activities conducted by competitors affects a firm’s likelihood and extent of collaboration.

Current status

The project has been awarded a Victoria University summer scholarship. This involves some research assistance work conducted by a senior undergraduate student. The paper generated from this project is to be targeted for publication in the special issue of the *Strategic Management Journal* on competition and collaboration scheduled for November 2015.

Project

‘The impact of regulatory distance on cross-border investments’

Description

Neo-institutions represent a set of pressures for organisations to conform to their environments, including multinational corporations seeking to obtain legitimacy and become isomorphic within the host-country environments in which they enter and operate. However, there is often an implicit assumption in this literature (and in practice) that regulatory distance is the easiest of the pressures to comprehend. Regulatory distance refers to the differences between the regulatory settings of two countries. In reality, organisations increasingly experience challenges in dealing with differences in regulatory settings. For example, New Zealand’s regulatory institutions set some expectations of our organisations as they trade but it is likely that such compliances only apply until the goods cross New Zealand borders. By the time the goods reach their destination, another regulatory framework comes into play. This project seeks to investigate how the multifaceted regulatory frameworks in different countries may impact an organisation’s choice to use greenfields, acquisitions and alliances for foreign investments. The focus will be various Asian economies, Australia and New Zealand.

Current status

The project has been awarded a Victoria University summer scholarship. This involves some research assistance work conducted by a postgraduate student. The paper generated from this project is to be targeted for either the *Strategic Management Journal* or the *Journal of International Business Studies*, the top journal in the field of international business.

Project

‘The impacts of managers’ referent group on organisational decisions’

Description

This study examines behaviours involved in management decision-making during acquisitions and alliances. Firms adopt acquisitions and alliances as they offer advantages such as market power gains, economies of scale and scope, synergies from resource recombination, reduction of competition and stimulus of firm growth. Despite their commonalities, few firms in reality treat acquisitions and alliances as substitutes for each other. Nonetheless, there is general consensus that neither strategy is superior—better performance from these strategies depends on the context of the investigation. Furthermore, organisations make decisions under uncertainty and risk and tend to emphasise short-term reactive solutions to problems to avoid uncertainty. Researchers have called for more application of behavioural theoretic strategy (which merges cognitive and social psychology with strategic management theory and practice) in the area of strategic management. This study uses behavioural theory to investigate how managers, as actors within organisations, may experience cognitive biases in their decisions to engage in (international) acquisitions and alliances. Of particular interest is the extent to which reference group categorisation will affect risk preferences, competitive blind spots and overconfidence in assessing acquisition and alliance needs, options and decisions.

Current status

The project has been awarded a Victoria University summer scholarship. This involves some research assistance work conducted by a senior undergraduate student. The paper generated from this project is to be targeted for either the *Strategic Management Journal* or the *Journal of International Business Studies*, the top journal in the field of international business.

Book

International Business Strategy: The New Age of Globalisation and the Rise of Asia

Description

This forthcoming book on conducting business internationally considers the new age of globalisation and the rise of Asia in the international scene. The book will focus on Asia as well as on doing businesses with Asian organisations and aims to expose readers to the holistic thinking required when doing business internationally. The emphasis will be on macro-level trends and environments, as well as the strategies that best serve or alternatively, disadvantage, organisations when they conduct business internationally.

Current status

The book proposal will be submitted to Routledge for consideration in early 2015.

Study

‘The role of director interlocks on a firm’s choice of foreign market entry mode’

Description

This study investigates the role of director interlocks and how it can have an influence on a firm’s choice of foreign market entry mode. Director interlocks occur when directors of a firm serve as board members of other firms and have been recognised as a facilitating mechanism for learning and transfer of experiences between firms. A review of foreign market entry mode literature has indicated a lack of research from the perspective of decision-makers in a firm, particularly the board of directors. Although literature recognises the influence of directors on strategic decisions of a firm, the influence of director interlocks on a firm’s choice of entry mode has been relatively unexamined.

Current status

The paper will be submitted to either the *Strategic Management Journal* or the *Journal of International Business Studies* for consideration in the first half of 2015.

Executive education, projects and enabling activities

To ensure that research and knowledge is disseminated from the Chair, it is essential that messages are conveyed to people involved with Asia. One avenue is executive education, such as seminars and short courses. Involving executives in practitioner/research projects is another avenue to help transfer knowledge. The Chair's participation in various activities that involve both specific and broader conversations around Asia business is a further mechanism useful for this purpose.

Executive short course

Strategic Thinking and Analysis for Analysts and Managers (4–5 August 2014)

Description

Strategic thinking and analysis are key tools for public and private sector managers and analysts to deal with business and organisational challenges. This interactive, two-day course introduced the language and discipline of strategic thinking, as well as the critical aspects of organisation, business-level and international strategy analysis. It examined the logic and processes of opportunity recognition, analysing competition and competitive strategy formation and implementation for public and private sector managers and analysts. Contemporary analytical thinking and tools were also covered. The course rounded out with the latest thinking and best practices around strategizing. This course was for managers and analysts from any sector wishing to use strategic thinking and analysis more effectively in their professional roles.

Outcome

The course was very well received. This led to the course being offered twice during 2015.

Customised executive short module for the Earthquake Commission

Strategic Thinking for Government: Level 1 (17 June 2014)

Description

This introductory course on strategic thinking introduced public and private sector analysts to vocabulary, concepts and tools essential in strategy formulation and implementation. Using examples that were mainly public sector oriented, this course and its companion course, level two strategic thinking, served entry- to mid-level level strategic analysts and policy advisors as well as public service managers seeking insights into the perspective that strategic thinking and strategic analysis are considered increasingly essential to an outcome perspective, particularly at government level.

Outcome

The course was relatively well received.

Summer research scholarship project with the Ministry of Business, Innovation and Employment

‘Comparative analysis of Singapore, Hong Kong and New Zealand regulatory environments’

Description

New Zealand is a small country that is distant from markets. This puts it at a disadvantage relative to other countries at a similar stage of development. One compensating factor is the ease with which firms, both foreign and domestic, can do business here. Singapore and Hong Kong (both small countries but closer to markets) share this reputation. This makes them good benchmarks for New Zealand as they seek to maintain their reputations through continuous improvement of their regulatory environments. This project seeks to develop an understanding of the literature on country competitiveness and the contribution of a supportive regulatory environment (for both domestic and foreign businesses). Using this backdrop to identify all relevant empirical indices of the quality of the regulatory environment (including the World Bank ease of doing business indicators and the Organisation for Cooperation and Development’s product market indicators) it will then compare and contrast the ratings of Singapore, Hong Kong and New Zealand, and exercise judgement, supported by available evidence, on what the relative strengths of each country are in relation to their regulatory environment from an ease-of-doing-business perspective.

Summer research scholarship project with the Ministry of Foreign Affairs and Trade

‘Disaggregating New Zealand China markets’

Description

Broadly speaking, China consists of 22 provinces and 656 cities and it is now widely accepted that China contains multiple markets. This project seeks to examine China’s consumption patterns at the regional level, and how regional consumption has been changing with expanding incomes. The data will be mapped with data on what New Zealand trades with each region to provide an idea of how consumption and Chinese demand for New Zealand exports might change over time.

Advisory group member

Economic Committee of the Asia-Pacific Economic Cooperation forum

Description

In 2014, Rory McLeod of the Ministry of Business, Innovation and Employment was appointed Chair of the Economic Committee of the Asia-Pacific Economic Cooperation (APEC) forum. This was a Government appointment and one which the 21 members of APEC endorsed. The Economic Committee promotes domestic policies such as regulation and corporate governance that help facilitate trade in the region.

The advisory group meets four to five times a year, normally before and after APEC meetings, to discuss work plans and issues that are raised at those meetings.

Seminars

As part of executive and public education, the Chair conducts seminars to disseminate some of the research findings and knowledge.

Date	Seminar title and location
23 May	'Estimating future Asian demand', presented with Peter Bailey and Sophie Pettit at the Ministry of Foreign Affairs and Trade
27 August	'China policy shifts: Its effect on global trade and investment' At BNZ Wellington
22-24 September	At BNZ Auckland (three sessions)
4 November	At New Zealand Security Intelligence Service, Wellington
27 August	'Trends in Asia and New Zealand's strategy in Asia' At Asia New Zealand Foundation
24 September	At New Zealand Trade and Enterprise, Auckland
27 August	'Understanding China without being there: A first step to doing business in China'. Keynote address at New Zealand China Trade Association event: How to Communicate with the Local Chinese in New Zealand
3 October	'Let's meet halfway: The roles of Asian leaders in New Zealand organisations' at the first New Zealand Asian Leaders Conference

Workshops and roundtables

Beyond seminars, the Chair also acted as a panellist and participant in workshops and roundtables involving exchanges and conversations about Asia.

Date	Event
22 May	New Zealand Pacific Economic Cooperation Council workshop: 'Internationalisation of New Zealand businesses through integration into global value chains'
29 July	Asia New Zealand Foundation lunch meeting with Shanghai director of the <i>Economist</i>
25 August	Participant in New Zealand China Contemporary Research Centre roundtable discussion with visitors from Chinese Academy of Social Sciences
2 September	Ministry of Foreign Affairs and Trade/academic community roundtable discussion
9 October	Victoria University of Wellington 'Leading people' programme session on diversity (panellist)
18 December	Ministry of Foreign Affairs Risks to New Zealand Trade roundtable discussion

Local community engagements

The Chair also engaged in other roles and events in 2014.

Roles	Events attended
Chair of the Research Committee of School of Marketing and International Business	Asia New Zealand Foundation twentieth-anniversary gala dinner, Auckland
Victoria Business School Faculty Research Committee member	2014 Wellington Conference on Contemporary China, Wellington
Executive committee member School of Marketing and International Business	NZ Asian Leaders Inaugural Conference, Auckland
Member of the Victoria Business School MBA Board of Studies	Rotary Club of Wellington 9940 District Conference, Wellington
Member of the Postgraduate Board of Studies at the School of Management	
Acting head of the school of Marketing and International Business	
Committee member of the School of Marketing and International Business Recruitment and Staffing Committee	
Member of Executive and Research groups of EQUIS Peer Review Panel visit	
Host Asian Studies Group at Victoria University of Wellington	

Practitioner-informed graduate teaching programmes

MMBA 558 International Business

Description

The course examined the international business environment in which firms operate. It provided an overview of the strategies available to firms operating internationally, and an understanding of how these firms can be managed in order to leverage international opportunities. Students who successfully completed the course demonstrated an ability to:

- understand frameworks and concepts relevant to international business
- use such frameworks to critically evaluate information and develop appropriate strategies for international business
- appreciate various constraints managers face in their internationalisation process and international operations
- demonstrate knowledge of advanced and latest thinking in the international business field.

Outcome

The course was very well received and led to an invitation to teach it for a second time.

MGMT 418 Current Topics in Strategic Management

Description

This course examined current management challenges affecting the strategic direction of an enterprise over the short and long term. The course highlighted recent developments in strategic management theory and practice. Students who successfully completed the course demonstrated an ability to:

- understand key business and corporate strategies and their applications
- appreciate the importance of competitive dynamics
- conduct strategic analysis using key techniques
- appreciate various constraints managers face in their strategising process
- demonstrate knowledge of current and advanced topics in the strategy field.

Outcome

The course was very well received.

Study tour

Description

Every year, the Master of Business Administration (MBA) programme organises a study tour to sharpen the MBA students' internationalisation knowledge. In 2014, the Chair travelled with the students from Hong Kong to Guangzhou, investigating New Zealand's place with respect to trade, culture, connectedness and foreign opportunities along the Pearl River delta, in one of China's special economic zones.

Outcome

Throughout the trip, groups of the students compiled a travel log to document their learning. Some of the logs can be accessed through the Victoria University website www.victoria.ac.nz/mba-tour

Public education programmes

For New Zealand to engage further with Asia, it is essential that our understanding and appreciation of Asia is not restricted to a small group of executives and managers that already have contact with Asia. To build critical mass in knowledge dissemination, there are public domains that the Chair uses to disseminate knowledge to and enable a wider group of individuals and organisations to engage with an informed perspective.

‘Understanding China’ column

Description

David Chaston, owner of [interest.co.nz](http://www.interest.co.nz), signed the Chair to run a regular column on Understanding China on his site. When the column launched in May 2014, it was to be a fortnightly column in which business aspects of China were discussed from a Kiwi perspective. Due to strong and widening readership, the column became weekly from July 2014.

The column is at www.interest.co.nz/understanding-china

In total, the column published 28 articles and interviews from May through December. These were contributed by the Chair unless otherwise stated.

Date	Column
19 May	Key questions for New Zealand as China enters the world stage and our sphere
3 June	China’s unique decade of growth and what it means for New Zealand
16 June	Review of new aggressive goals for New Zealand’s relationship with China in the new NZ Inc China Strategy
26 June	How the Chinese are internationalising their currency, the timeframes involved and how it will impact New Zealand (Stephen Toplis and Raiko Shareef)
7 July	Far quicker than anticipated, China is becoming a major net international investor just as foreign investment into New Zealand has seen a sizable drop
11 July	Interview: Chinese investors want to invest in New Zealand, not take the country over
14 July	Chinese urban youth culture and why they have embraced conspicuous consumption (Yiyang Wang)
21 July	To get the full advantage of marketing in China, we need to adapt our brands for use there—and not ignore the growing number of Chinese visiting here
28 July	The Chinese outbound travel market for New Zealand—big opportunities, along with challenges and choices (Adam Weaver)
5 August	The scandal raises major questions about the true quality of foreign brands, ethics, and the premiums consumers are willing to pay
10 August	Capital flows from China into New Zealand are still only a trickle. The relaxation of capital controls in China and arrival of Chinese banks may turn this into a flood (Bernard Hickey)
12 August	We should channel Chinese investment into areas that benefit local development (Jason Young)
19 August	Wal-Mart’s Chinese dilemmas show how the pitfalls can dull the opportunities even when you get it right in China
26 August	Deconstructing the half-empty glass of the challenges in building successful international trade and looking for the half-full glass when interests are aligned (Arthur Chin)
2 September	How China’s urbanisation process is creating an easier path for New Zealand companies to focus their marketing energies, avoiding being swallowed up in the mega-cities

9 September	China’s campaign against anti-competitive behaviour and whether foreign firms are being targeted
16 September	China’s move to a more transparent, rule-of-law business environment is driving the anti-corruption, anti-monopoly campaigns. The process is not smooth but should yield better business opportunities
23 September	There is an urgent need for New Zealand companies to upgrade their GVCs to avoid becoming little more than Chinese cost centres (Christina Stringer)
30 September	A call for a more nuanced approach to our international trade, seeing exporting as only a first step. Being involved in the value chain is a crucial next level
7 October	Exporting is only a first step. The real international growth comes when our companies embed themselves in host markets, getting into their value chains
14 October	China is flexing its financial muscles, and it is making some allies on the way. Will its money hold them together?
21 October	New Zealand needs to tread carefully because many aspects of Australia’s Plan B with China will run into New Zealand’s Plan A. How we can still benefit
4 November	New Zealand universities should chase the Chinese tertiary education market in a joint effort
11 November	The ASEAN Economic Community may provide China with a useful opportunity to help sustain its economic growth
18 November	Interview: Expecting the Chinese economy to grow 7 percent annually is like asking Walmart to grow by 7 percent a year
26 November	The important points for New Zealand in both the Australia-China and New Zealand-Korea Free Trade Agreements signed in Brisbane (with Yuri Seo)
4 December	The benefits and pitfalls of foreign direct investment by Chinese companies in New Zealand and by New Zealand firms in China
17 December	What’s in store for China in 2015 and how 2014 and 2015 will impact New Zealand businesses

‘Eye on Asia’ series

Description

In October and November 2014, the Chair published a six-part series on doing business in and with Asia in the *New Zealand Herald*. This series, titled Eye on Asia, was published both in hard copy (in the Business section on Fridays) and online.

Date	Column
3 October	Watch and learn market lesson
10 October	First, get to know your market
24 October	Cultural fit not black and white
31 October	Where the going gets tougher
7 November	Learning the rules of the game
14 November	Differences here to stay

Other commentaries

The Chair also made other commentaries upon invitation.

Date	Commentary
25 July	‘Doing Business in China’ special issue, <i>National Business Review</i>
October/ November 2014	‘Ethnic Diversity’ special issue, Institute of Directors magazine, <i>Boardroom</i>

International engagements and recognition

As the Chair's role involves engaging with Asia, it is essential that its activities include those dealing with both Asian and international markets and institutions. These engagements can come in the form of editorships, visiting professorships, hosting international visitors and participating in international events.

Appointment as senior editor

September 2014–September 2017

The *Journal of World Business (JWB)* is a premier journal in the field of international business with a history dating from 1965 with its founding as the *Columbia Journal of World Business*. The *JWB* publishes cutting-edge research that reflects important developments in the global business environment and advances new theoretical directions and ways of thinking about global phenomena. The *JWB* especially encourages submissions that break new ground or demonstrate novel or counterintuitive findings in relation to established theories or assumptions. It welcomes a variety of conceptual and theoretical traditions, including those drawn from allied social and behavioural sciences. Although the *JWB's* primary readers are scholars and researchers, it values contributions that explore and explicate implications for global enterprises and their managers, as well as consequences for public policy and the broader role of business in society. The Chair assumes the senior editor role that covers the broad areas of strategy, institutions and research design. The senior editor is assigned about 50 paper submissions a year by the *JWB* to oversee the process of considering these for publication. This includes an initial screening of the papers, rejecting papers that are not suitable with a letter to authors, sending out appropriate papers to 2–3 reviewers identified through a search process and overseeing the 2–3 rounds of review with the authors and reviewers.

Editorial boards

The Chair also sits on the editorial boards of various international journals and in this capacity reviews a few papers each year.

Duration as editorial board member	Journal
2006–present	<i>International Journal of Chinese Culture and Management</i>
2008–present	<i>International Journal of Asian Business and Information Management</i>
2008–present	<i>Long Range Planning</i>
2010–present	<i>Journal of Management & Organization</i>
2012–present*	<i>De Gruyter Open journals**</i>
2013–present	<i>Asia-Pacific Journal of Human Resources</i>
2013–present	<i>International Journal of Management–Theory and Application</i>

*Editorial advisory board

**In the fields of management, business and finance

Visiting Professor at Lanzhou University, China

March 2014

Lanzhou University is a major research university in Lanzhou, Gansu province, China. Founded in 1909, it is one of the key universities under China's Ministry of Education (Project 985 and Project 211) and enrolment is approximately 20,000. The university houses six national bases for the training of researching and teaching personnel for fundamental disciplines and operates an additional 35 institutes. Lanzhou University is one of the top ten universities in China in terms of contributions to academic publications in international journals and is often labelled as the best university in the West of China. The Chair's role at Lanzhou University includes giving seminars and classes to academic staff and postgraduate students at the School of Management and also providing academic advice to the institution and academic staff members.

Appointment as external assessor for promotion process at University of Malaya

November 2014–November 2017

In 2013, the Chair was a visiting professor at the University of Malaya. The visit involved giving seminars and academic advice on publications to staff. In 2014, the University formally appointed the Chair to be an external assessor for its promotion process for three years. This will involve assessing the credentials of candidates who are applying for promotion to associate professor and professor.

University delegate at China Scholarship Council 2014 International Graduate Scholarship Fair

October 2014

Every year, the China Scholarship Council (CSC) organises an International Graduate Scholarship Fair (IGSF). Its aims are to facilitate the implementation of the Postgraduate Study Abroad Program of the CSC; to foster face-to-face communication between overseas institutions and excellent Chinese students interested in pursuing graduate studies with the sponsorship of the CSC and overseas institutions; and to promote cooperation and exchanges between China and overseas institutions. In 2014, the Chair was part of the Victoria University delegation to participate in the IGSF (at its three locations: Beijing, Xi'an and Shanghai) and recruit postgraduate students to study at Victoria.

Co-hosting the visit of Madame Hu Xiaolian

February 2014

Madame Hu Xiaolian is the Prime Minister's China Fellow for 2014, and is one of six deputy governors of the People's Bank of China (PBOC), with particular responsibility for monetary policy. She received a Master of Arts in Economics from the Graduate School of the PBOC in 1984, one of 18 students in the inaugural class during a period in which China was undergoing major economic reform. In 2004, Hu became assistant to the governor of PBOC and a PBOC party committee member. In 2005, she was promoted to administrator of China's State Administration of Foreign Exchange. She became a PBOC deputy governor in 2009 and was elected an alternate member of the Central Committee of the Communist Party of China at the eighteenth National Party Congress in November 2012. (To put this in context, it places her amongst the leading 380 or so people in the communist party, out of a total membership of 85 million.)

Hosting international visitors

The Chair is involved in hosting visiting scholar Associate Professor Junru Hu, from Shanghai Dianji University, China (November 2014–October 2015). Associate Professor Hu specialises in international trade. She will engage in a couple of research projects pertaining to New Zealand-China trade and investments in China during her time here.

International community engagements

The Chair also undertook the following international community engagements during 2014:

- attendance at the Australia and New Zealand School of Government's China Advanced Leadership Program dinner
- attendance at the China-New Zealand Showcase lunch, honouring the visit of His Excellency President Xi Jinping of the People's Republic of China
- external adviser to School of Management of Lanzhou University, China on AMBA accreditation
- external examiner for PhD dissertation for University of Malaya
- external referee for Hong Kong Polytechnic University's academic promotion process
- external reviewer for University of Macau's academic promotion process
- representative with New Zealand Contemporary China Research Centre hosting delegations from Shanghai Academy of Social Sciences, China
- representative with Victoria Business School hosting an academic delegation from Shanghai University of Finance and Economics, China
- Victoria University visit to Shanghai Business School, China.

Research team



Omar Safaa Aldine Alsarrage

Omar has a Bachelor of Biomedical Science and Pharmacology in Genetics and Pathology and a Bachelor of Business in International Business. He is currently studying towards a Bachelor of Business with Honours. Omar's Honours dissertation is a comparison of domestic cross-border acquisitions into China from Australasia. This study is based around the hi-tech manufacturing industry and assesses firm performance based on share price fluctuation after acquisition has occurred.



Camille Cochrane

Camille is in her second year of her Bachelor of Commerce degree at Victoria, majoring in International Business and Marketing. She is currently researching managerial understanding of collaboration and collaborative dynamics as well as collaboration in the supply chain, with special focus on logistics and freight.



Katelynn Fuller

Katelynn is in her final year of a conjoint bachelor's degree, majoring in Marketing and Psychology at Victoria. Her Summer Research Scholarship examines how managers, as factors of organisations, may experience cognitive biases in their decision to engage in acquisitions and alliances. Her research focuses, in particular, on the extent to which reference group categorisation will affect risk preference, competitive blind spots and overconfidence in assessing acquisition and alliance needs, options and decisions.



Rui Huang

Rui is currently a Master of Professional Accounting student at Victoria. Her Summer Research Scholarship project focuses on how regulatory distance affects cross-border investments.



Naghmeh Kargozar

Naghmeh has a Bachelor of Science in Chemical Engineering and a Master of Science in International Business Management from Sharif University of Technology, Iran. She is currently enrolled in the Victoria PhD programme, majoring in International Business. Her current research primarily examines the entry modes of multinational enterprises in the face of institutional pressures in home and host countries.



Olivia Nelson

Olivia has a Bachelor of Commerce in International Business, Marketing and Commercial Law and a Bachelor of Commerce with Honours in International Business. Olivia's research interests include international business strategy, intellectual property protection and branding strategy. She is currently involved in a research project that examines how to create and sustain niche branding in large Asian markets.



Cassandra Ong

Cassandra recently completed a Bachelor of Commerce in Marketing and Management. In 2015, she will be studying towards a Bachelor of Commerce with Honours in Management. Her research interests are in business strategy, critical management studies and organisational ethics. Her Summer Research Scholarship project focuses on the interplay between competition and collaboration.



Sophie Pettit

Sophie has a Bachelor of Arts in Political Science and History and a Bachelor of Commerce in Commercial Law and International Business. She recently completed her Bachelor of Commerce with Honours in International Business. Her dissertation focuses on the impact of regulatory pressures on alliances. Sophie is currently working on a New Zealand exporting project.



Jesse Taylor

Jesse is completing a Bachelor of Commerce at Victoria, majoring in International Business and Spanish. Her Summer Research Scholarship project examines how consumption and income varies by region in China, and what this means for demand at the regional level for New Zealand exported goods and services. Previous research on the Chinese market has focused on country averages but this report aims to disaggregate New Zealand-China markets in the hope to indicate regions in China where future demand for New Zealand exported goods and services will be strong.



Nicholas Tee

Nicholas holds a Bachelor of Commerce in International Business and Management and recently completed a Bachelor of Commerce with Honours in International Business. His research interests primarily reflect areas of international strategy. Specifically, Nicholas is interested in the study of knowledge management and entry modes. The topic of his dissertation is the relationship between ownership changes and performance within domestic and international collaborative business arrangements.



Sodany Tong

Sodany has a Master of Commerce, majoring in Economics, from Victoria. Her Summer Research Scholarship project makes a comparative analysis of New Zealand, Singapore and Hong Kong regulatory environments, with a specific focus on the features of each country's regulatory environment that enhances its reputation as one of the easiest places in the world to do business.



Jin Wu

Jin has a Master's in Business Studies from Mälardalen University, Sweden and a Bachelor of Arts with Honours in Business Administration from University of Hertfordshire, England. Most recently, she was lecturer in management at Nanfang College of Sun Yat-Sen University, China. Jin is currently enrolled in Victoria's PhD programme, majoring in International Business. Her research topic addresses the determinants of entry strategies for engineering software enterprises in the Chinese petrochemical industry.



Honghong Zhang

Honghong has a Bachelor of Commerce in Marketing and a Master of Commerce in Marketing. She is now a PhD candidate in Marketing at Victoria. Her current research examines doing business in Asia and how firms from developed countries enter Asian markets.

Looking ahead to 2015

Looking ahead, beyond ongoing ventures such as the research projects, the Understanding China column, MBA education, services to both the academic communities and the University and connections to both businesses and government agencies, there are some planned activities for 2015 already in place at the time of generating this annual report.

Executive education, projects and enabling activities

Three executive modules will be introduced throughout the year. Each of them will be offered twice in 2015.

Date	Module
7 May and 5 October	The Art and Science of Going International (one-day programme)
8 May and 6 October	Conducting Business in Asia or with Asian Businesses (one-day programme)
19–20 May and 7–8 September	Strategic Thinking and Analysis for Analysts and Managers (two-day programme)

Hosting international visitors

Some international visitors to be hosted by the Chair in 2015 are confirmed.

Date	Visitor
February	Distinguished Professor Jonathan Doh, Herbert G. Rammrath Endowed Chair in International Business from Villanova University, USA
March	Distinguished Professor Masaaki (Mike) Kotabe, Washburn Chair Professor of International Business and Marketing from Temple University, USA

Seminars

Seminars in 2015 will include the following.

Date	Seminar
February	'China policy shifts: Its effect on global trade and Investment, and New Zealand' at the Victoria Intercultural Leadership Summer Course*
March	'The impact of a slowing China on New Zealand' in Ministry of Foreign Affairs and Trade Annual Economics for Non-economists course

*This course involves 50 students from Victoria's partner universities in China.

Local community engagements

Locally, the Chair will be a panel member for the Faculty of Commerce in the Performance-Based Research Fund interim research assessment round (April–June 2015).



TE WHARE WĀNANGA O TE ŪPOKO O TE IKA A MĀUI

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