The Role of Corporate Governance to Foreign Direct Investments on Emerging Countries in Southeast Asia

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ABSTRACT

During the ASEAN financial crisis in 1997-1998 and 2008, corporate governance has become an imperative issue with foreign direct investments (FDIs). This topic has been lingering within the research communities and many major investment entities across the globe. Although significant inflow of FDI continues to flow into Asia (FDISTAT, United Nations Conference on Trade and Development 2007-2018), the lack of corporate governance at the macroeconomic level in certain emerging countries has been depriving the inflow of FDI. Developing ASEAN countries continue to fall behind their counterparts in receiving inwards of FDI compared with Singapore, Malaysia, and Thailand. According to UNCTAD's World Investment Report 2020, the total global FDI flows was valued at US$1.54 trillion in 2019, and foreign institutional investors are risk-averse, especially when dealing with countries with weak corporate governance.

Developing stringent regulatory policies on governance in the ASEAN nations can impact these economies at the macroeconomic level. The surplus FDIs often lead to better economic and fiscal policy for emerging nations in the ASEAN.

This research is descriptive exploratory and follows the primary qualitative and secondary sources as quantitative analysis to learn the determinants between corporate governance (CG) and FDI in ASEAN. This research methodology is likewise termed Embedded Mixed Methods design, as interviewing, sharing the respondents' experience, perception, or phenomena of governance can only be qualitative. Secondary data sources on the governances' six indicators fall on Voice and Accountability, Political Stability and Absence of Violence, Regulatory Quality, Rule of Law, Control of Corruption and Government Effectiveness. These indicators are used as independent variables for quantitative analysis to investigate corporate governance and dependent variable FDI at the microeconomic level within the sample countries.

The qualitative analysis from the respondents suggested that corporate-level (C-level) management and board members must actively involve in the corporate practices consisting of learning, training, and management to drive effective CG. The quantitative results have also shown a significant positive and negative relationship between governance indicators and foreign direct investment. Pearson Product Moment Correlation was statistically applied to illustrate these variables' strength, direction, and probability with FDI.

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CHAPTER 1: INTRODUCTION

1.1 Research Background

The foreign direct investment was limited to low and unnoticeable levels in Southeast Asia until 1986. Indonesia was the only country attracting two-third of the total investment in the era, which was not even remarkable. A boom was witnessed from 1986 to 1997 with a massive volume increase in Southeast Asia, which was around 1100 percent if calculated at current prices. The investment at that time may be considered the game-changer for Southeast Asia. A significant fall was observed in the late 90s due to the global information technological crisis, which affected the foreign direct investment in the region. The crisis came to an end in 2003, which increased the foreign direct investment in Southeast Asia till 2007 (Krosnick, 2018).

The global recession started in 2008 affected not only the economies but also a foreign direct investment of these countries and companies in Southeast Asia. After the recession, a gradual increase is in place, pushing the area to the highest level, with peaked over 120 billion US$, which is five times higher than the foreign direct investment (FDI) inflows in 2000 and the highest ever foreign direct investment in Southeast Asia. Foreign direct investment in the region was recorded at 101.98 billion US$ in 2016, which is enormous when a considerable amount of investment in the region (UNCTAD, 2016). The region is considered emerging and is of vital importance for the investors to invest due to low-cost labour, available resources, and high capital returns (Kurtzman, Yago, and Phumiwasana, 2004).

There are free entry and exit market conditions in Southeast Asian countries which allows the convenient entry of the international firm to the businesses of the economy. Complicated and extensive legislative formalities may discourage the entry of the international foreign direct investors to the economy, followed by a

decreased inflow of foreign direct investment. The ASEAN countries are offering convenient and straightforward methods of entry to the economy, which can be considered as the charm of the Southeast Asian countries (Saskia, 2017). Labour laws and labour unions may also resist the operational and decision-making processes of the company, which is not desirable for the owner and higher management. Lack of labour unions and poor implementation of labour laws can be used as the manipulation of the labour to maximize the profits of the company. It allows companies and businesses to react according to their interest and motives (Hristov, and Chirico, 2019). On the other hand, the host will also benefit from skilled labour, employment opportunities, taxes, and business activities. Foreign direct investment may refer to having ten percent of the company's shares or project by the foreign investor. FDI has been a subject of academic study over the past decades, and there are various scientific theoretical and empirical articles on the determinant factors of corporate governance and FDI (Admati, Pfleiderer, and Zechner, (1994).

The principle of ASEAN regulatory and corporate governance practices are to establish the needs of government interventions; the attention must be brought to examine and enable the precise statement, its nature, magnitude, and reasons why it arises. The interventions are based on explicit evidence based on the nature of the issue and mechanisms to address the issue. Regulatory Impact Analysis (RIA) tool assesses the regulatory proposals and underlying policy interventions to achieve the research objectives. ASEAN countries today are looking for greater cross-border collaboration. Pro market policies are essential to enhance innovation to streamline engagement with consumers and financial service providers. Through good regulatory practices at corporate level, ASEAN countries can sustain its economic

growth. Organisations are bound to see the ethical and pre-compliance structure (Chakrabarti, et., al, 2017).

In western developed nations, the regulatory framework has enormous similarities with ASEAN frameworks; however, these are imposed strictly. Western countries have compliance with premium equity laws traded in the stock exchange. The compliance structure is derived from different legislative and regulatory bodies. For example, in the UK the main corporate governance body is the Companies Act 2006 for institutional investors which are issued by the Financial Reporting Council. The companies must follow the investment and product and service guidelines, and any non-compliance are seriously alleged. According to European regulatory, obligations are followed at every aspect of commercial life. The companies must be aware of regulatory frameworks and published guidance. The non-conforming of these laws can affect the business sustainability. The companies who want to expand in the UK have to comply to the regulatory frameworks both in general and sector specific (Masron, 2017).

Accountancy practices are always desirable and appreciable for the investors, whether they are a foreigner or the local. The adoption of the standards will help the investors to feel like their own countries but with more significant returns on the investment. It is convenient for foreign investors to understand the accounting practices in the local market when international standards are applied. On the other hand, the matter will become severe and unacceptable when the foreign investor is not well aware of the accounting practices in the country. It is the common desire of the investor to have transparency and accountability in the organisation. Standard

accountancy practices should be followed and enforced effectively to attract foreign direct investment (Maskus, 2000).

1.2 Important Terms

1.2.1 Foreign Direct Investment

Foreign direct investment refers to the inflow of investment of the foreign company or a country itself in a company, business, or project that maintains the control and ownership of the business. It is a bilaterally beneficial method of investment that provides a high margin of profits for the investor (Adegbite, 2012). On the other hand, the host will also get benefit in the form of skilled labor, employment opportunities, taxes, foreign currency, and business activities. Foreign direct investment may refer to having ten percent of the shares of the company or project by the foreign investor. FDI has been a subject of academic study over the past decades, and there are various scientific theoretical and empirical articles on the determinant factors of FDI and corporate governance (Admati, Pfleiderer, and Zechner, (1994).

The foreign direct investment (FDI) is always desirable and welcomed warmly by the underdeveloped or developing countries. The globalization has played an essential role in the contraction of the distances and converted the local markets to the international markets during the last two decades. A country cannot isolate its behavior in the global business world for the growth and development of the country (Balasubramanyam, Salisu, and Sapsford,1996). According to Aviotuskii (2006), the process of globalization is effectively encouraged by the increasing trend of foreign direct investment (FDI) and portfolio investments. He further argued that these are foreign direct investment (FDI) and portfolio investments, which caused an increase

in globalization and breached the country limits. The foreign direct investment was limited to the well-developed countries as investors, and underdeveloped countries were considered the best options for the investments. Second World War left destroying effects on the south-east Asian countries with many struggling economies.

Most of the countries were not in a condition to re-establish and redevelop the destroyed assets during the world war, so they reached out to the other countries for foreign direct investment for the rehabilitation process of their economies. The increased level of foreign direct investment is the only solution to for these countries. The increased level of foreign direct investment will not only increase the capital flow and economic activity of the country but also increase the skill level of the labour which is highly desirable in the condition of the rehabilitation of a country.

1.2.2 Corporate Governance

The primary requisites imposed by the investor countries are good corporate governance with a firm grip in all the areas of the country to ensure the safety of both the capital and the investor itself physically and economically. The corporate system defines some strategies and way forward to deal with the rights of the shareholders, communication processes, and responsibilities of different members and stakeholders. Corporate governance is also used in a scenario of risk management for investors in the country (Chua, and Taylor, 2008). The international organisation for standardization (ISO) established a set of comprehensive rules and regulations for the risk management for the businesses, and these are published in 2009 under the section "de facto," which is adopted globally and implemented promptly as these are quite comprehensive and applicable (ISO, 31000). It also provides generic guidelines to tackle the technological and business environment changes essential to support the governance process (Cramer, 2016).

The economists judge the performance of the system and structure of the corporation is the two factors Ex-ante and ex-post efficiency. The first refers to the payoff to all the concerned parties and principles. The payoff shows the efficiency and usefulness of the governance system. Ex-post efficiency shows the Pareto efficiency or optimality of the organisation or company. A corporate charter is Pareto efficient if no other charter exists that all parties prefer. Both terms are closely related and show the maximum possible efficiency of the structure, satisfiable and justifiable returns to the investors. Corporate governance incorporates both of these factors effectively hence considered as the best possible structure of governance in the corporations and the companies. Corporate governance policies protect the rights of shareholders and play a significant role in attracting FDI and increasing economic development goals (Masron, 2017).

The investor always seems concerned about the securities, rights, and returns policies that will be offered to the investors, he further argued. Comprehensively, corporate governance always attracts foreign direct investment (FDI) due to the nature of rights and offerings for the investors. Corporate governance is easy to negotiate and to monitor, which is a desirable factor for foreign direct investors rather than collecting the data from the different sub-offices of the company. Comprehensively, from the investor's point of view, corporate governance can be defined as the primary requisite for the attraction of FDI inflow (DiMaggio and Powell, 1983).

1.2.3 Accountancy Practices

Accounting practices also play an essential role in the compelling attraction of foreign direct investment in the country. Accountancy practices are highly discussed and encouraged by foreign investors, as transparency is always desirable and appreciable. The accounting and financial information collected and presented

by the developing countries are not reliable and cannot be trusted as reported and discussed by most investors. The Southeast Asian countries seem to fail to adopt and enforce the international standards of the accounting necessary to attract an adequate amount of foreign direct investment to these developing countries. The countries are struggling to increase the inflow of foreign direct investment but fail to enforce adequate policies and accounting methods to ensure higher foreign direct investment inflow (Ding, Jeanjean, and Stolowy, 2005).

The developing countries face expertise challenges and cannot develop a comprehensive set of their accounting standards, which can be categorized as the standard. The adoption of the standards will help the investors to feel like their own countries but with more substantial returns on the investment. It is convenient for foreign investors to understand the accounting practices in the local market when international standards are applied.

On the other hand, the matter will become severe and unacceptable when the foreign investor is not well aware of the accounting practices in the country. It is the common desire of the investor to have transparency and accountability in the organisation. The decision-making process of foreign investors relies on the international standards of accounting and accountancy practices. They do not believe the information and data generated by the local, conventional, and native methods for the projection of their future investment in the country. Furthermore, the accountancy of the system also defines the credibility and the safety of the system, so the international investor demands an efficient accounting system that can ensure the transparency of the system (Fereidouni, Masron, and Amiri, 2011).

1.2.4 Audit Framework

The audit is an independent process showing unbiased examination and evaluation of companies' annual statements. Comprehensively, auditing is an autonomous, impartial declaration and checking activity intended to enhance worth and advance an organisation's processes. The proper system of auditing helps the company to meet the quality standards in products and services, which is desirable for the customers, shareholders, employees, and the company itself. The audit also helps the management of the company to assess the level of risk and its management. It also includes the testing of the operational instruments and standards, whether they are working as they designed.

Similarly, the audit also checks the documentation and financial instruments to verify the quality and genuineness of the transactions. An audit helps the company to maintain the integrity and reputation of the company and to avoid potential risks and losses in the future. The auditing process should be competent enough to identify the risks to the company. The foreign investors see the firm more attractive, having an effective audit system in the company as the investor wants to secure his investment and wants the transparent system in the company. The proper structure of due diligence reviews, audits, level of assurance should be useful for the inflow of the capital and investments (Ghani, Mohamed, and Muhammad, 2019).

1.2.5 Due Diligence Review

Due diligence is a process of investigation of a product or investment before it takes place. It is a process of finding, analysing, and confirming the facts, such as reviewing the financial statements and other related material to understand the position of a transaction that would take place in the future. Organisations requesting long-term loans from the banks often come under due diligence review; the bank

itself conducts it through a team of experts that investigates all material related to the strength of the organisation to acquire a long-term loan. Meanwhile, the final remarks are provided to the bank that either organisation can acquire a loan or not; if yes, then the demanded amount can be issued or not? In the Investment world, due diligence is considered a valuable tool to analyse the merger and acquisitions by the investors and large investors (Hellman, Jones, and Kaufmann, 2000).

It is often conducted by financial research analysts, fund managers, and broker-dealers. Similarly, due diligence meeting is conducted by the underwriter to ensure all material information has been provided to the investors before the initial public offering takes place. The initial public offering is when an organisation goes public by selling equity in the stock exchange. It can be analysed that due diligence also processes in which vast areas are covered, such as legal, information technology, operational, marketing, and financial matters as well. The due diligence of an organisation focuses on the investors' concerns and ensures that every information represents the right and fair value. Sustainable economic earnings, and critical assumptions being used in the management forecast, also key personnel and accounting information system these are essential areas on which organisation is judged and analysed (Hoshi, 2018).

1.3 Corporate Governance Code

Successful businesses provide employment and prosperity to the community because companies never exist in isolation. The directors and businesses have to build successful relations with stakeholders. The company's culture encourages integrity, diversity, and responsiveness to shareholders. The companies listed in the London Stock Exchange (LSE) have to follow the Corporate Governance Code. It

sets out the standards of acceptable practices in alliance to board composition, development, accountability and relations with shareholders.

The **first principle** is the leadership; the businesses are headed by a useful board which contributes to the long-term success of the business. The clear division of responsibilities is between the board and executive responsibility for the business. The chairman is responsible for ensuring the effectiveness of every aspect. Non-executive directors have a role of the unitary board to help develop proposals on strategy (Claessens et al., (2000).

The **second principle** is the effectiveness where committees have a balance of skills, independence, and business knowledge to discharge respective duties and responsibilities. There must be a formal procedure to appoint the new board's directors. The directors must allocate sufficient time to discharge these responsibilities. The directors should receive an induction to update and refresh their skills. The information must be supplied promptly, and quality must be appropriate to enable duties. The board must take a rigorous evaluation of the performance of the board, committees, and directors. The directors should re-elect at regular intervals for satisfactory performance (Dunlavy, 1998).

The third principle is accountability, where boards must present a balanced assessment of the business's position and prospects. The board must determine the nature of principal risks to achieve strategic objectives. The board must be able to maintain "sound risk management and internal control systems." There must be formal and transparent ways to apply corporate reporting and internal control principles to maintain appropriate relationships with business auditors (Shinn, 2001).

The fourth principle is the remuneration, where directors are designed to promote a business's long-term success. These elements must be transparent and

rigorous to develop policies on remuneration for individual directors. The directors must not involve in deciding personal remuneration. **The fifth principle** is the relations with shareholders on a mutual understanding of objectives. The board has a responsibility to ensure good communication with shareholders. For this purpose, general meetings with investors to encourage participation must be encouraged (Oliver Williamson, 1984).

The Code focuses on applying principles and enabling shareholders to evaluate these principles. The investors have to evaluate the governance approach in particular circumstances and how the board must set the business's purpose and achieve objectives. There must be meaningful reporting while discussing the application of principles. High-quality reporting is crucial in the annual report and application of these principles. It will assist investors in evaluating business practices. Explanations in the annual report provide an opportunity to communicate under the UK Stewardship Code. Corporate governance reporting assesses the corporate governance arrangements and the board's contributions. The Code has applicability incorporation in the UK or elsewhere. The board must ensure good cooperation within the group while doing communication with the parent company. The Association of Financial Mutual offers the Code for mutual insurers to use (Shinn, 2001).

1.4 Public Limited Company (PLC) and its Requirements

PLC, limited liability is defined as a legal designation that issue shares to the general public. It is offered to the general public during initial public offerings or in the stock market. These are used in the UK as opposed to "Inc." or "Ltd." PLC serves to inform investors or deal with the company where the company is public and relatively large. PLCs are required to publish the financial profitability/ loss or

financial health to improve the true worth of the stock. PLCs are used to raise capital and enhance business regulation (Roll, 1986).

The significant advantage of PLC is to enhance capital by issuing public shares. It means that anyone from the public can invest in a business where more capital can be collected than a private limited company. It attracts investment from hedge funds and other traders. Another advantage of PLC means that business risks are widely spread out. It provides considerable potential for business growth and expansion to pursue new projects, purchase new equipment, and pay off debt. However, the disadvantage of PLC is that it requires enormous regulations which are usually burdensome on corporations. It requires enormous transparency when it comes to accounting. Due to public offerings, these companies are more vulnerable to takeovers with a higher initial financial contribution (Bolton and Tirole, 2004).

PLC is formed like other businesses where two or more people are required to form it which is filed for articles of association with its purpose, membership, and capital. PLC must be registered as a public company with at least £50,000 share capital. It is an ongoing disclosure of the stock exchange. Leading market companies have the world's respected sets of admission to demonstrate the quality of business to investors. It assists investors to maintain the deepest pool of capital. The regulatory requirements are dependent on the segment of the market:

i.   **Premium**: LSE's admission and disclosure standards

ii.   **Standard**: LSE's admission and disclosure standards

iii. **Specialist Fund Segment**: FCA, LSE's admission and disclosure standards

iv.   **High Growth Segment**: FCA, LSE's admission and disclosure standards (Jadhav, 202)

The UK regulated market must produce top prospects regardless of the segment. It should oversee the admission process to assess the eligibility and to ensure the rules are met. The business has a legal obligation to review and approve the prospectus submitted by key advisers which contains information on the company. The listing companies have to publish inside information through regulatory information service. Inside information is beneficial on price and shares information (Bolton and Tirole, 2004).

Under PLC, the businesses are required to publish financial reports for a relevant period, and for this purpose, the majority of shareholders must disclose the information to the company and the market. A company can increase or decrease the share capital under unique or extraordinary resolution. The premium listed businesses must take approval from shareholders before any acquisition. It is necessary for substantial transactions that are to be notified to the market. The directors must disclose the business's information to shareholders and notify the market (Black and Coffee, 1994).

PLCs have to register themselves according to the laws of Wales, Scotland, and England. They must have a minimum of one director who must not be fraudulent or age above 70 or below 16. These members of public limited companies must agree to enhance business shares when they are registered. Memorandum of Association or MOA must list all the names, and it can offer a variety of shares with different conditions and characteristics. These directors are accountable to a large number of external shareholders, and financial markets are crucial to govern the values of the company through share trading and present the market views of the performance over time (Bolton and Tirole, 2004).

1.5 Incorporation of Legal and Regulatory Requirements into Organisational Policies

A business has a huge impact on statuses, e.g., tax laws and employment laws; the businesses have to retrain firms to handle legal issues. For example, under employment law, employees are protected against offenses and provide work-life balance. Employees must be provided with a fair workplace environment, hiring practices, and employment activities from a logical perspective. When employees are ridicules, the employee has the right to protection from being fired. The employees' range in the UK is from diverse backgrounds; they must be provided with equal opportunities in the practices and policies. Retirement benefits must be preserved for employees because of minimum wage requirements to protect the rights of employees. The employees must be provided with monetary awards when they are on the job or when they are terminated from the job. Employers having a contract with the labor unions must conduct collective bargaining activities (Black and Coffee, 1994).

Another important organisational law is environmental law; the business managers have to increase regulations toward the environment. The Environment Protection Agency (EPA) provides environmental regulations that must be adhered to by businesses. The business managers must follow these laws, e.g., clean water, industry rules and regulations, and carbon dioxide emission laws. The businesses have to manage food and cosmetic operations etc. to meet the guidelines under the Resource Conservation and Recovery Act, 1976 (Adams, 2001).

A contract law manages every commercial endeavour. The businesses must make written agreements that are reviewed by attorneys. For example, most state laws are now contractual. Federal laws are important across state lines during

importing and exporting activities. Property leases and other non-consumer activities are executed under state law. The Uniform Commercial Code is applicable in all business transactions, financial transactions, and securities instruments (Murphy, 1992).

According to the Consumer Protection Law, several activities are governed under federal statutes. For example, product liability laws are related to manufacturers or distributors, and any damage caused by the goods delivered to consumers might create legal actions against them. These laws vary in every region whether the seller is at fault; then, the laws of negligence and breach of warranty could be applicable. The purpose of these laws is to prohibit unfair actions in commerce. Violations of these laws are crucial to monitor any misrepresentation, oversized packaging, or failure to notify consumers. Besides, the consumers have a privacy right; the laws protect protecting personal information since the 1970s. The Privacy Act ensures that the information is not shared without the individual's consent. The reporting standards increase financial records, health information, and internet communications. The businesses in consumer-based industries have to operate under such regulations. Antitrust Law prohibits businesses against price-fixing and conditional sales, which limit the fair competition. It makes competing businesses illegal (Percy, 1995).

Managing human resources under strict regulations is crucial for businesses that are linked to full-time employees. The employees must be protected against discrimination to preserve employee privacy. The working relations are based on contract-for-hire status, which must be following national and local laws. Documentation is necessary to manage workers and their records to establish employees' rights. The company standards must be granted to hire employees. Now, businesses also work online for business advertisements, e.g., LinkedIn. Here the

businesses must manage the potential employees to determine appropriate candidates to pursue (Jones, 2004).

Businesses need to follow legal compliances; they do not want to follow any criminal charges for not adhering to the laws. There are different regulations to handle staff, advertisements, stock, customers, purchasing and selling, negotiation, safety rules etc. (Stapledon, 1998). Proper compliance management allows businesses to stay on the light side of the law. Hence, the businesses must have a compliance department to monitor the compliance guidelines and issues. The businesses have compliance kits to automatically keep track of the information in assistance with audit court cases. Business success is dependent on public image. When a business faces huge court issues, its brand image is adversely impacted, and sales will eventually drop (Arcot, 2010).

Compliance ensures that businesses uphold a positive image in society since customers visit a business frequently when they are satisfied with the business. It assists businesses to build consumer loyalty. It assists a business to be kept with sponsors and government requirements. Internal compliance with compensation and employee protection built a positive environment in the work area (Greenbury, 1995). When employees are fervent to work, they are safe within the business' reach. These compliances ensure that employees are satisfied, and all complaints are handled effectively, which might affect the entire corporation. It has to be made sure that everything is done fairly and safely for the business, its consumers, and competitors. The company can achieve the aforementioned benefits for higher productivity and improve market performance (Rutteman, 1994).

1.6 The Scope of the Research

The study is limited to corporate governance and foreign direct investment in Southeast Asia. It does not include the implication to other countries. It also incorporates the accountancy practices in the region. The research focuses only on corporate governance and the foreign direct investment inflows and accountancy practices in the region. The research study will also determine the effectiveness of the system in the countries of the region to attract foreign direct investments (FDI) to the ASEAN region. The region is ranked as emerging in the previous studies showing the importance of the region for the investors. Family capitalism prevails where most of the companies are owned by some of the wealthiest families in the country. A comprehensive corporate governance framework plays a significant part in producing a favorable investment environment and an operational investment market. The most common type of corporate governance in Southeast Asia is family capitalism (La Porta et al., 1999).

Family capitalism refers to the ownership of the large corporates in the country is retained and maintained by few families of the economy. Family capitalism maintains high market shares and offers only a little legal right to the investors, which is a limiting factor for the inflow of the investments. Family capitalism may also pose obstacles to transparency practices. The investor likes to invest in the companies with more legal rights and securities, he elaborated. The legal investor's protection is different in different emerging countries depending upon the legal framework of the country, and the weak legal framework discourages not only the investments but also the investors themselves (Maug, 1998). The study will further focus on analysing the understanding and implementation of the improvement in the governance system and accountancy practices by using all the

available resources. The studies will also provide a set of conclusions and recommendations by indicating flaws in their systems.

1.7 Problem Statement

The primary purpose of the study is to investigate the correlation between foreign direct investment and corporate investment in Southeast Asia. Simultaneously, corporate governance and its components of corporate governance indicators (CGIs) are also included in the study. The region has a low ratio of foreign direct investment, which means that the countries in the region are not focusing on foreign direct investment, and they do not seem in a hurry to implement the corporate governance in the business models. The developed countries are trying to boost their position in terms of foreign direct investment while some of the countries are even unable to boost or maintain the previous stages (McNulty, Roberts, J., and Stiles, 2005).

Singapore has seemed successful in fetching massive foreign direct investments for an extended period and taking Singapore as a benchmark can unveil the variance and discrepancies of the total FDI inflows. The country is considered a suitable place due to the high corporate governance level as the volume of the foreign direct investment in the country has reached 61.60 billion US$ in 2015. The amount is around 61 percent of the total foreign direct investment in the region, which shows investors' intentions towards the country. The level is decreased from the last year. The values were at 70.71 billion US$ in 2015. Even though the values reduced this year, but Singapore is still maintaining its first position in the Southeast Asia region. The foreign direct investment for Singapore is not limited to Singapore and sometimes flows to the other countries of the region as Singapore is the hub of

the financial activities in the region and even some time back to the country of origin (UNCTAD, 2016).

Vietnam is the second largest receiver of foreign direct investment (FDI) in the region as it collected the 12.6 billion US$ in 2016, which is around 12.46 percent of the total foreign direct investment (FDI) in Southeast Asia (UNCTAD, 2016). The relative importance of FDI also depends on country size. A large country with a large population may not collect the maximum benefits of foreign direct investment as compared to the small and less populated country. An alternate ration of the role of inward FDI is the ratio of the inward stock of FDI to GDP (Nardi, 2018).

Due to differences in their macro- and micro-environments in Southeast Asian countries, the findings generated for developed countries may be unlikely to fit for developing or emerging markets well. There has been extensive literature and existing research studies on the topic of corporate governance and foreign direct investments, however, evidence seen largely circumscribed to developed markets and within the scope of developed markets. Increasingly, corporate governance practice has received increased attention, and institutional investors are important external stakeholders in South East Asia towards emerging markets. An assessment to grasp the relationship and how significant between corporate governance and foreign direct investments in emerging Asia environment becomes essential (Nizam and Hassan, 2018).

ASEAN with countries that have unique diverse cultural and background stand out among emerging markets as particularly interesting environments in which to explore the drivers of corporate governance to attract needed foreign direct investments. Emerging markets in ASEAN countries have a steadily developing economy, the increased size of their capital markets has placed corporate governance (CG) and Economic Social Governance (ESG) frameworks in governments, SMEs,

and listed organisations as top priorities to attract foreign direct investments, which is essential to conduct this research study (Nobes, 1998).

Causality of organisation culture, leadership and management styles towards effective regulatory environments, the research study can provide opportunities to compare the influence of corporate governance on foreign direct investment, implementation policies, financial liberalisation and the development level of governance should be. The influence corporate governance on Foreign direct investment could be addressed from many perspectives. After reviewing a large amount of literature, Wang and Li (2007) concluded that these include influences (1) directly on the governance mechanism, such as management compensation, takeover proposals and the board of directors; (2) on corporate strategy and operation, such as corporate innovation, research and development (R&D) expenditure, earnings management and dividend policy; and (3) on financial performance. Wang and Li (2007) added that the influence of foreign investors on corporate strategy and operational decision-making would ultimately reflect in financial performance (Page and Sipara, 2004).

1.8 The Significance of the Study

Foreign Direct Investment has become critical for the growth and development of countries as almost ten percent of the total produced products worldwide and thirty percent of the exports belongs to the foreign direct investment in 2007 (UNCTAD, 2007). Good corporate governance with business-friendly legislation is always desirable for the investors and ultimately attract the foreign direct investment in the business and the economy. It always plays its substitute role for the domestic savings and encourages the spending of the citizens of the country which ultimately pushes the production and economy simultaneously. The countries

seemed interesting and are competing for federal direct investment acquisition. Foreign direct investment can be considered as the most common and important mode of equity flow around the globe after globalisation (Goldstein, 2005).

The empirical regularity is also a concern for economists and businessmen. An empirical regularity is that the portion of FDI in entire overseas equity flows is larger for developing countries than for developed countries (Admati, 1988). Corporate governance is a basic attraction for the investors due to protect nature for the investors which in result provide heavy investment to the country (Masron, 2017). He further argued that it is the protection of the equity and returns which always forces the investor to invest in corporate governed companies. Additionally, the role of MNEs also cannot be ignored due to their role in FDI.

Accountancy and audit practices are highly discussed and encouraged by foreign investors as the transparency is always wanted and considered for an investor. The accounting and financial information collected and presented by the developing countries are not reliable and cannot be trusted as reported and discussed by most of the investors. The Southeast Asian countries seem to fail to adopt and enforce the international standards of accounting which are necessary to attract the adequate amount of foreign direct investment to these developing countries. The countries are struggling to increase the inflow of the foreign direct investment but fails to enforce the adequate policies and accounting methods to ensure the purpose of higher foreign direct investment inflow (Percy, 1995).

There are enlarged unions and achievements, which are thought to be powerful energy for the accelerated the increase flow in foreign direct investment during the last two decades. The companies seemed ready to share the returns with their shareholders and investors. The research will enhance the information to complete the study and determine how companies are making successful efforts to

progress the managerial profitability and speculation by current corporate governance practices (Popli, Ladkani, Rand Gaur, 2017).

1.9 Research Questions

Research question development is always a matter of importance due to the dependence of the research on these questions whatever they may be. The question development for a research study is quite important as the researcher must understand the exact theme of the area of study. The researcher must be aware of what he/ she wants to ask and what may be the outcome of the question. The questions should be simple, realistic, measurable and answerable but critical enough to maintain the interest and importance of the study. The availability of the necessary data must also be considered during the development of the research questions. The questions should be interesting and challenging enough for both the reader and the researcher to produce good quality and outcome of the study. The time factor should also be considered during the development of the research questions as the questions may be answerable in a certain decided period of time. The main focus of the research study is to understand the impact, relationship and evaluate the corporate governance and FDI and the regulatory practices in the Southeast Asian Region. The research question is "What is the corporate governance level in Southeast Asia?" Another research question is "What is the possible relation between corporate governance and foreign direct investment?"

The researcher is interested in knowing "What is the level or extent of dependence between FDI and Corporate Governance in Southeast Asian countries?" The fourth question is "Which are the regulatory practices being used in the research region in Southeast Asian countries?" The last question is "What is the level of contribution of FDI inflow to the research region in Southeast Asia?"

1.10 Research Aim and Objectives

The research aims are considered as the outline for the research study as it accomplishes the dimensions of the research study. In this research study, the main attention is to develop the relationship between corporate governance and FDI.

1.10.1 Research Objectives

The research objectives developed for the study based on research questions are (1) to determine the level of foreign direct investment (FDI) inflow to the research region in Southeast Asian countries, (2) to check the possible relation between corporate governance (CG) and foreign direct investment (FDI), and (3) to determine the level or extent of dependence between Corporate Governance (CG) and foreign direct investment (FDI) to research region in Southeast Asian countries. In addition, the researcher also (4) determines the governance regulatory practices which are being used in Southeast Asian countries.

1.11 Research Methodology and Study region

The methodology of this study will adopt a Primary Qualitative method and Secondary Quantitative method which is also term as Embedded Mixed Methods design of research study as the research will benefit a secondary dataset for this study.

Primary qualitative data that will be collected from respondents in ASEAN region and from their relative field of work, the respondents will be exposed to semi-structured interviews. The selection of the primary population of the suitable respondent should come from the same sector and industry as it will help both the reader and author to effectively analyse and compare the results. The populations

will be cumulative of about 50 respondents in the ASEAN region, of which they will

be contacted for availability and interest in taking part in this research study.

Descriptive Exploratory Analysis (DEA), a qualitative method and content analysis

involves finding and identifying themes and subthemes, analysing the rich data on

how respondents perceive and explain the phenomena by sharing through their lived

experience.

The secondary quantitative data gathering involving statistical and data

analysis, which can address part of the research questions as net Foreign direct

investments and governance indicators are both quantitative and analytical data.

Secondary data will be gathered from international and intergovernmental

organisations, which can benefit the researcher in terms of time and money.

Hypothesis testing will be established to investigate the relationships between

variables of Governance and FDI and to make inferences of all variables of the

research study sample (Southeast Asian region).

1.12 Research Challenges

There may be problematic conditions for collecting the primary data of the

companies due to familiar capitalism which sometimes consider it unfair and risky to

share its accurate data. They either refuse to provide or manipulate it to the

unacceptable level. The government figures and statistics may not be reliable due to

poor governance in the region. The government statistics may be corrupted and

manipulated for political purposes which will affect the quality of the research study.

Implementation of theoretical models may be limited due to the

unavailability of data. The data quality may also limit the implementation of the

theoretical models and may even produce irrational results reducing the quality of

the research work. The quality issue is prevailing as the quality of secondary data is out of range for the author. The data collected by the government officials may be according to their own motives and may not include, partially include or tempered inclusion of the required variables of the study.

Cost of the research may be too high to affect the research as the operations printing and travelling may pose some higher costs resulting in compromise on the quality of the work. Companies or individuals may not be willing to share the findings and the practices of the company to maintain the secrecy and to avoid the possible threat to the reputation of the company.

1.13 Chapter Outline

The research consists of five chapters; **chapter 1** provides the research background, research problem, objectives, important key terms, and synopsis of the research. **Chapter 2** is the literature review and theoretical framework; it provides the viewpoints of other researchers in the context. **Chapter 3** is the research methodology where the research approaches to collect the data are discussed. Besides, research philosophy, data collection methods, ethical implications, and data analysis approaches are highlighted. **Chapter 4** analyses the data collected through respondents in qualitative and secondary data quantitative sections. **Chapter 5** provides the discussion on research questions, summary, discussion on the integration results, data limitation, and direction for future work in detail.

1.14 Summary

FDI has been a subject of academic study over the past decades, and there are various scientific theoretical and empirical articles on the determinant factors of corporate governance and FDI. The globalisation has played an essential role in the

contraction of the distances and converted the local markets to the international markets during the last two decades. Most of the countries were not in a condition to re-establish and redevelop the destroyed assets during the world war, so they reached out to the other countries for foreign direct investment for the rehabilitation process of their economies. Corporate governance is easy to negotiate and to monitor, which is a desirable factor for foreign direct investors rather than collecting the data from the different sub-offices of the company.

The Southeast Asian countries seem to fail to adopt and enforce the international standards of the regulatory or accounting frameworks necessary to attract an adequate amount of foreign direct investment to these developing countries. The economic agenda is productivity-driven and to enhance growth through efficient regulations and acceptable practices. Poor infrastructure and weak governance structure may not be in a position to negotiate and bargain with the international foreign direct investors followed by increased returns and facilities to the investors which is much desirable for the foreign direct investors. The study is limited to corporate governance and foreign direct investment in Southeast Asia. It does not include the implication to other countries. It also incorporates the regulatory and governance practices in the region. Good corporate governance with business-friendly legislation is always desirable for the investors and ultimately attract the foreign direct investment in the business and the economy.

CHAPTER 2: LITERATURE REVIEW AND SUMMARY

2.1 Introduction

The importance of the foreign direct investment has increased during the 1990s which have forced the countries to amend and transform the legislative, regulatory, and organisational framework of the business and the country as well. The foreign direct investment may refer to the use for the investment having ten percent of the shares of the company or project by the foreign investor. The foreign direct investment (FDI) is always desirable and welcomed warmly by the underdeveloped or developing countries.   Nenrantdizis (2014) discussed the benefits and outcomes of the foreign direct investment to the recipient or host country comprehensively. It provides in political and economic stability to the host country which ultimately increases the quality and quality of the production processes and employment of the labour. The emerging countries pose more capital returns on investment as compared to the developed countries due to the availability of the cheap resources. The increase in foreign direct investment will not only provide employment to the citizens of the host country but also improve the skills of the labour, he argued.

A foreign direct investment (FDI) is an investment made by a firm or individual in one country into business interests located in another country. FDI takes place when an investor establishes foreign business operations or acquires foreign business assets in a foreign company. Foreign direct investment (FDI) is an important foreign exchange means for most economies and an effect for creating jobs, developing, and maintaining essential infrastructure, improving productivity, and further developing the national economy and trade (Percy, 1995, Singal, 2012).

The globalisation has played an essential role in the contraction of the distances and converted the local markets to the international markets during the last two decades. Corporate governance and its core components are also discussed comprehensively (Popli, Ladkani, and Gaur, 2017).

According to World Bank publication (1999), and Corporate Governance and Development update (2012), corporate governance and improvements in the companies is a key factor for developing and enhancing the goodwill of the investor to invest in the company. The report also focused on the implicit and explicit rules transformations for the international companies (MNCs) and independent investors providing the incentive for their investments will ultimately result in an increased level of investment. The publication considers corporate governance a necessary and important tool for boosting the FDI in the country.

The economists judge the performance of the system and structure of the corporation be the two factors Ex-ante and ex-post efficiency. The first refers to the payoff to all the concerned parties and principles. The payoff shows the efficiency and usefulness of the governance system. Ex-post efficiency shows the Pareto efficiency of the corporation or company. A corporate charter is Pareto efficient if no other charter exists that all parties prefer. Both of the terms are closely related and shows the maximum possible efficiency of the structure, satisfiable and justifiable returns to the investors. The corporate governance incorporates both of these factors effectively hence considered as the best possible structure of governance in the corporations and the companies (Quazi, 2014).

Accountancy and good corporate governance practices are always desirable and appreciable for the investors whether they are a foreigner or the local. The

adoption of the standards will help the investors to feel like their own countries but with larger returns on the investment. It is obviously convenient for foreign investors to understand the accounting practices in the local market when international standards are applied. On the other hand, the matter will become severe and unacceptable when the foreign investor is not well aware of the accounting or corporate governance practices in the country. It is the common desire of the investor to have transparency and accountability in the organisation (Ramasamy, Yeung, and Laforet, 2012).

2.2 The Foreign Direct Investment Regime in ASEAN region

The trends of FDI inflows in ASEAN countries shows a correlation with general global FDI trends. Referring to Table 2.21, net FDI inflows in ASEAN were increasing as global net FDI inflows were increasing from 2010 to 2017. When global FDI inflows dropped in 2007-2008 as seen from Figure 2.22, it illustrates inflow of FDI has also decreased in the same period into ASEAN.   Some South-East Asia countries received more foreign direct investment in the first half of 2018, as intensifying U.S.-China trade pressures has forced manufacturers to adopt contingency plans to relocate their factories and strategic supply chain away from China.

According to the United Nations Conference on Trade and Development, the inflow of foreign direct investments (FDI) into Southeast Asia has increased to 18% at US$73 billion in the first half of 2018. Compared with global FDI, a total of minus 41% over the same period 2018, as this can only mean that ASEAN remains the top choice for strategic supply chain along with low labour costs and geographical location near significant economies.

FDI inflows into ASEAN, 1995–2017
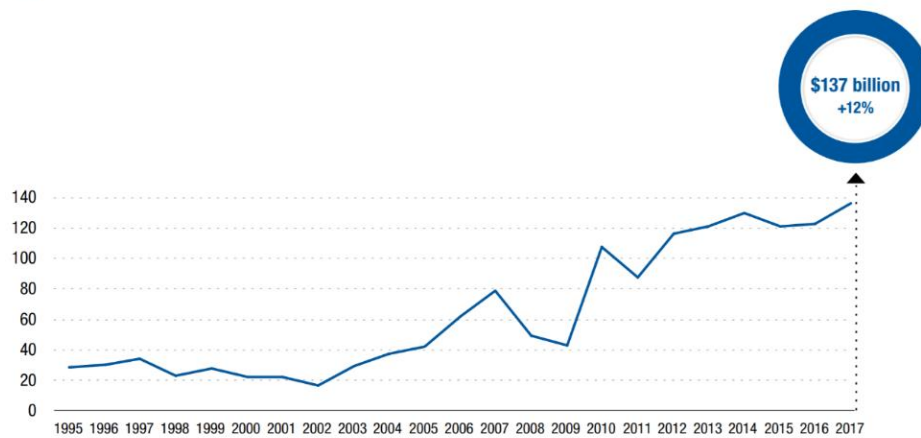
Figure 2.21. FDI inflows in ASEAN, 1995–2017 (Billions of dollars) Source:

ASEAN Secretariat, ASEAN FDI database.

Figure 2.21 shows Foreign direct investment (FDI) flows to ASEAN rose to US$137

billion in 2017, from $123 billion in 2016.

Eight Member States of ASEAN and with a rise in investments in (figure 2.21)

evidently increased in the inflows to Indonesia has increased by five-fold, from

merely US$3.9 billion in 2016 to $23.1 billion; inflows to Thailand tripled, to

US$9.1 billion; and inflows to the Philippines rose by 21 per cent, to US$10 billion.
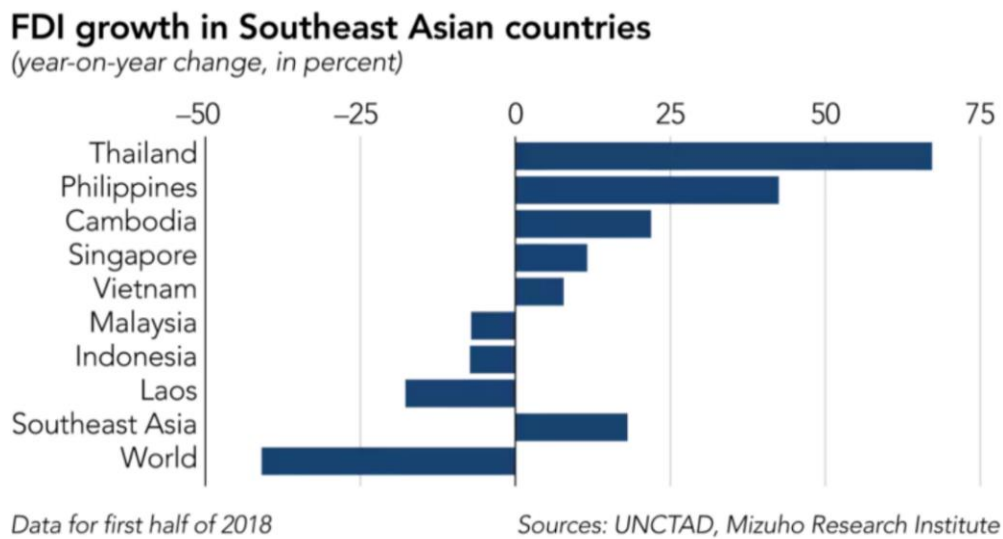
Figure 2.22 FDI growth in percentage in Southeast Asia

According to the ASEAN Investment Report 2018, combined FDI flows to the four CLMV countries (Cambodia, the Lao People's Democratic Republic, Myanmar and Vietnam) reached a record level in 2017, increasing by 21 per cent to US$23 billion – accounting for 17 per cent of total FDI flows in ASEAN. With flows exceeding $14 billion, Vietnam was the third-largest recipient within ASEAN and accounted for over 60 per cent of flows to the CLMV countries. Inflows to Brunei Darussalam increased from -$0.2 billion in 2016 to $0.5 billion. The rise in inflows help pushed up ASEAN's share of global FDI to developing economies from 18 percent in 2016 to 20 per cent in 2017, and from 31 percent in the share of flows to East and South-East Asia in 2016 to 34 per cent last year. From the data, evidently, ASEAN shows comparatively stable and strong growth prospects.

2.3 Corporate structure

Corporate structure describes the managing and decision-making authorities of the companies. La Porta et al. (1999), argued that the collective decision-making system had posed a lot of problem in the recent past and the companies have suffered from heavy losses due to conflicts in the management system and the management

itself. He emphasised that partial ownership and control concentration may be allocated to the large shareholder. He argued that the practice would be helpful for them for effective decision making and conflicts handling among the shareholders and how board members interact with one another to remain transparent and towards its integrity.

Claessens et al. (2000), also endorsed the stance and argued that control concentration in companies is evident from different countries around the globe. He further added that the phenomena are not desirable as the collusion of large investor and management may manipulate the small or minor shareholders. He further added that the collision might also work for reducing the liquidity of secondary markets for the manipulation of minor shareholders and for favouring the large investors. He criticised the favoured method of decision making.

Mead (1928), elaborated the origin of corporate governance which was initially based on the democratic government model to eradicate the manipulation of the minor shareholders as initially the governance system was named as "representative government". The main theme of corporate governance was to provide equal chance and power to each shareholder to cast a single in the decision-making process of the company. The system aimed to establish a system where everyone has an equal contribution to the decision-making process of the company. He also raised the question of representation and the ownership of the company.

According to Dunlavy (1998), it was a matter of concern for the large investors that they have invested more and have deeper concerns about the returns and management of the company, but the "corporate suffrage" made them equal to the minor shareholders in the decision-making process. The concern was on the basis of the importance of the vote and the amount of the investment by an investor. They claimed that the twenty percent shareholder should not be treated equally to the only

one percent shareholder. The matter was resolved by increasing the number of votes depending upon the number of shares (Dunlavy, 1998).

The system was named as "plutocracy" in which every share of the company entitles a vote to the shareholder whosoever he is. The matter is resolved as the major shareholder has more vote to cast as compared to the minor shareholder. The matter of concern is that in this system, the major shareholder can influence the decision-making process singlehandedly. For instance, the 20 percent shareholder is more influencer than 19 shareholders having one share each. The method is further modified to the corporate feudalism which can be witnessed in the United States of America. The system is further divided into two types of companies voting and holding companies (Sahoo, Nataraj, and Dash, 2014).

Berle (1931) argued in favour of the voting system and argued that the voting power given to the trustees are entitled to the shareholder and the stockholder itself. Furthermore, the trustee is playing on behalf of the shareholder, he added. On the other hand, Dodd (1932) disagrees with the stance and argued that the businesses are private only in a qualified sense and the society member can demand the safety to their interest and rights either as employees or the consumers of the company even if the property rights of the owners are condensed. The main theme of the Dodd was the safety and safeguard of interest of the consumers and the employees whatsoever the severity of the case may be.

Berle (1932) disagrees with the capital feudalism on the rounds of accountability of the management to the shareholder due to the separation of ownership and the control of the company. He added that the owner must be involved in the control of the company to make the management more accountable to the shareholders. He further pinned the point that the lessor loose accountability

may decrease the transparency and the credibility of the finances and the financial statements of the company.

Shinn (2001) found that the intervention of government to the corporations and privatisations are not appreciable for the companies and the investors as well. He said that governments are trying to become the public shareholder of the company which is pushing the companies to adopt the corporate governance systems. Concisely, the government role of the public shareholder is a necessary impetus for the adoption of the corporate governance system. The phenomena result in the uplift of the capital and stock market and the concerns of the minor shareholders have increased significantly. He further added that the situation might lead towards the withdrawal of the investments or sale of the shares by the minor investors.

According to the Pagano, Röell and Zechner (2002), the corporate governance system was established and enforced to increase and protect the rights and investment of the foreign investors in the developing countries and the host companies. The corporate governance attracts and encourages foreign investor for the investment in the company, which consequently goes in favour of both the company and the investor itself. They further argued that the companies and the investors from the West also prefer to put their capital investments in the developing markets of Asia and Africa. They further added that the European countries are raising the profits and capitals by cross-listing on multiple exchanges.

The East Asian crisis (1998) has led to the reconsideration of the structures of the companies in the developing countries to secure the interests and rights of the investors in these countries. The reassessment of the models of organisational financial structures and institutional structures revealed that the weak and diversified organisational structures are no more useful to protect the interests and rights of the international investors and demanded that the corporate governance should be

enforced to maintain and enhance the safeguard to the foreign investors. The crisis further showed that the control and policies at the macro-level or economy level are not capable of protecting the investors and of avoiding the financial crisis. Most of the significant financial institutes like World Bank, OCED, international monetary fund etc. demanded the implementation of the corporate governance system in the Asian countries to enjoy the foreign direct investments to the countries.

According to Bernheim and Whinston (1985, 1986a, b), the corporate governance is the relationship between the agent (CEO) and the principles which may be shareholders, employees, creditors, and clients. They further added that the corporate governance framework is a problem resolving attached to the agent and the principle commonly and supposed to be resolved collectively.

The economists judge the performance of the system and structure of the corporation be the two factors Ex-ante and ex-post efficiency. The first refers to the payoff to all the concerned parties and principles. The payoff shows the efficiency and usefulness of the governance system. Ex-post efficiency shows the Pareto efficiency of the corporation or company. A corporate charter is Pareto efficient if no other charter exists that all parties prefer. Both of the terms are closely related and shows the maximum possible efficiency of the structure, satisfiable and justifiable returns to the investors. The corporate governance incorporates both of these factors adequately hence considered as the best possible structure of governance in the corporations and the companies (Schwandt, 2000).

Jensen and Meckling (1976) demonstrated that the after the completion of the contractual responsibilities of the company, the residual amount belongs to the shareholders and consequently governance policies should be formulated in such a way to provide the maximum possible residual returns to the investors. They further argued that the corporate governance system is the best and efficient organisational

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structure which is featured with this feature. Myers (1977) disagrees with the Jensen and Meckling (1976) and added that the CEO's pay for the shareholders might result in the other way. He pointed out that there may be enormous and unnecessary risk-taking policies for the maximisation of the residual amount and the profits of the shareholders which may result in the debt overhang and consequently underinvestment. He argued that the optimised and justified practices should be incorporated to avoid the risk factors which can compromise and hurt the company in the long run.

Oliver Williamson (1984, 1985b) added that the investors are the relatively least protected parties as compared to the other parties. The employees can leave the company in a recession or low returns. Similarly, the creditors may have pledged or mortgaged the property of the company to minimise the risk and to enhance the protection of the capital which is not available to the investors. The creditor can liquify the assets of the company and can recover its capital, or in some cases, the creditor may shorten the time of maturity to ensure the credit in the given period. On the other hand, the investor is helpless due to the open-ended contract with the company. The investors need protection the most of all the parties so he recommended that the investor protection rules and regulations should be incorporated effectively in the corporate governance structure of the company.

Hansmann (1996) discussed the cost of the decision-making process and managerial processes. He added that the inclusion of single constituency might reduce both types of cost-effectively. Although he argued for the single constituency but allowed the inclusion of more constituencies depending upon the need and type of the company. He further added that the customer co-operative might have to include the customer as a principle and constituency, but the matter of the importance is that the primary and main constituency which is shareholders of the

company should not be neglected or minimised. His emphasis was on the importance and contribution of the shareholder in the decision-making process of the company.

The debate of the investors and shareholders led towards writing the debt agreements with the creditors. The stance was advocated and stressed by Jensen (1986, 1989). He argued that the best possible protection should be provided to the investors who are possible only in case of excess finances of the company. He added that the purpose could be availed and achieved by the signing a debt contract and availing the finances. He was heavily criticized for signing the unnecessary debt contracts as it may lead to direct bankruptcy and or indirect costs in the form of debt overhang. They further argued that the company should partially rely on equity financing to balance the protection of the investors and debt overhang.

The debate of the efficient allocation of resources and cost minimisation is arguably crucial for the principles of the company and the batter managerial processes. The increased quality of products can be produced at some relatively lower prices which can work for the reputation building of the company. The positive and effective reputation of the company can be helpful to treat the creditors and investors effectively as pointed by the Diamond (1989). The reputation stance of the Diamond (1989) is strongly endorsed by the Kreps (1990) who further added that mandatory interventions became unnecessary and irrelevant in the presence of effective reputation building process. Reputation building is under-emphasised in the previous corporate literature, but it is understandable that timely and instant payment of dividends may not only build the reputation of the company but also protect the interest of the investors, he added.

Dispersed ownership of the company is also a matter of concern in the corporate governance system. The dispersed ownership caused most of the problem in the management of the companies. The small investments may be neglected in the

presence of large investments. Secondly, a shareholder at a larger stake may want to increase the risk to earn more profits by investing relatively less. Similarly, the liquidity issue also prevails in the market as the large stake may not be easily sold in the secondary market. The government legislative protections to the minor shareholders may also work for increasing the dispersion in the ownership of the company. The dispersed ownership cannot be resolved by simply (Black, 1990).

2.4 Social and Cultural Environment in ASEAN Region

Southeast Asian countries are full of cultural diversity followed by distorted and weak cultural affiliations. The power systems of these countries are not stable followed by poor democratic institutions and legislative measures. The political instability may be considered as a possible threat to the economic activities and businesses followed by a decreased level of inflow of foreign direct investment due to increased risk to the capitals and the businesses. Interrupted political activities may create a change in the legislative changes followed by the changing business environment (Shah, and Afridi, 2015).

The countries of the regions are featured with a low level of per-capita income followed by low affordability and poverty. The joint family system is prevailing in the region where the people seemed to be much influenced by the landlords and feudal. Similarly, the social linkages among the family members are also strong enough to behave like a unit or team. Low level of income is followed by the poor standards or below the standard living patterns in the area. The scenario can play on both sides of the consideration as the low affordability may force the company or investor to decrease the prices of the products to penetrate the system effectively which may not be somehow desirable for the company due to decreased profit margins. On the other hand, poverty in the region may also encourage the

investor to manipulate the financial and social aspects of the labour as more can be produced by offering a relatively low set of costs (Simionescu, and Naroş, 2019).

Southeast Asian countries are full of cultural diversity and influenced by local norms and traditions. The cultural aspect may not be neglected as the natives may neglect or pay a little attention to the products and services which are contradictory to their social and cultural norms and traditions. Similarly, labour generally uses the native language and seemed less interested in international languages like English. There may be some communication gap between the labour and management which may not only hurt the pace of the processes but also the interest of the company. The labour in the area may also be untrained due to less exposure to the economic and business activities followed by the increased level of costs of training which may work for decreasing profit margins initially (Stent, Bradbury, and Hooks, 2017).

2.5 Corporate Social Responsibilities in ASEAN Region

Companies, businesses, and investors seemed much keen about the private profits and losses by neglecting the impacts on the society and environment which is much focused in the past few decades due to increase in the greenhouse gasses followed by global warming. Increase in the temperature of the global environment depicts the poor corporate social responsibility of the businesses. The company may have to focus on the local culture and its norms as any contradiction to these may create a severe reaction against the business. The element of social responsibility should be fulfilled by the internal and external management laws of the stakeholders (Talamo, 2011).

The companies should not manipulate the interest of the employees of the company. The company must address the ethical aspects of the stakeholders by

including appropriate and subsequent management laws to its policy. Southeast Asian countries may pose some of the managerial and ethical issues which may be followed by discrimination, sexual harassment and manipulation of economic profits of the internal and external stakeholders. such complaints should be dealt with adequately and promptly. The company should not use malpractices to manipulate the customers by violating the ethical aspects (Walker, 2018).

Freedom and self-respect of the internal and external customers of the company should be maintained as a benchmark. Similarly, the companies also seemed a bit confused in the effective implementation of communication processes as every employee of the company has equal right to express his ideas about his expertise. The employees may not be forced to do work which is contradictory to their job description which was signed at the time of joining. The company is not liable to force the employee for the irrelevant task or to continue his job if he doesn't want to stay. The company should also use fair financial reporting system as fake or manipulation of reports is unethical and may subject to the court of the law. Furthermore, the companies are lacking the fair trail system which is the basic human right as biased behaviours may result in the loss of reputation followed by economic losses (Stent, Bradbury, and Hooks, 2017). The ethical aspects should be adequately incorporated into the internal management laws of the company which may work for the company and its reputation. The countries may be full of discrimination and may pose some of the hurdles to the proper functioning of the business processes (Sucher, P. and Bychkova, 2001).

2.6 Methods of Corporate Governance

The choice of methods to use for corporate governance have remained a matter of concern and discussion for a long period of time. The basic theme of these

governance methods to use pointed to the ownership issues of the company. It was discussed earlier that the shareholders demand protection and control over the company. These methods are developed and practiced in different countries to tackle the collusions and ownership issues in the company (Tanna, Topaiboul, and Li, 2017).

2.6.1 Takeover Method

It is one of the most simple but expensive methods to adopt as the one who obtains more than fifty percent of the shares of the company will get the majority at director's board and will be able to appoint the Chief executive officer of the company according to his desires and may be in a position to take over the company. The method resembles the simple political democratic process as any shareholder having more than fifty percent of the shares (Figure 2.6.1) of the company or gain the favour of the more than fifty percent voting shareholders may be able to take over the company and can decide solely the chief executive officer of the company.
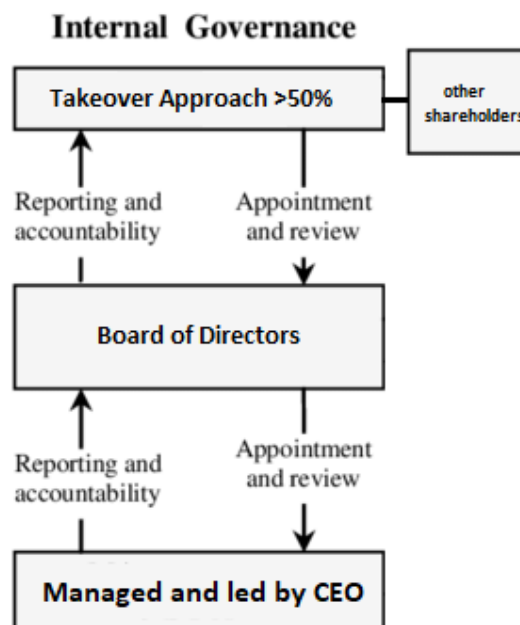
Figure 2.6.1 Takeover model approach Source; Author's own work

The method is too costly to adopt even for the well-developed countries like the United States of America and The United Kingdom. The takeover method is heavily emphasised, analysed and discussed in the literature (Tian, Corlett, and Murray, 2017).

Grossman and Hart (1980) found the way to resolve the hostile takeover issues and suggested that the dilution of the minority shareholders rights may be a smart move to make the takeover methods more applicable and acceptable. They further argued that the majority of the benefits and profits goes to the major shareholder, or the takeover party and the minor shareholders are neglected due to the concept of a free ride. Jensen and Ruback (1983) also endorsed the statement of the Grossman and Hart (1980) and argued that it is likely that on an average all the benefits and profits in hostile takeover goes to the target shareholders. He focused the patterns of biding and equilibrium bids in the takeover methods of the company. The other explanations have been suggested, such as (potential) competition by multiple bidders, or raiders' hubris leading to over-eagerness to close the deal (Roll, 1986).

Seligman (1986) indicated that the amendments in the legislative systems had forced companies to issue only one share with the specific number and the next number for the next shares. The same number of different shares may hurt the reputation and transparency processes of the company. Furthermore he added that it is a one-share-one-vote system which is incorporated in the hostile takeover method is to protect the minor shareholders. Harris and Raviv (1988a, b) appraised the inclusion of the one-share-one-vote system to the hostile takeover method as they argued that the inefficient raider might have to pay maximum possible price and compensation to the minor shareholders. The protection of minor shareholder became possible in the hostile takeover, they added.

Harris and Raviv (1988a), Zingales (1995) and Gromb (1993) argued that there is a need to issue two types of shares voting and nonvoting shares. In this type of takeover method, the raider has to buy only voting shares and the benefits and profits earned will go the nonvoting shareholders as well. They argued that the nonvoting shareholder might feel secure and protected without any concern for the change in the takeovers. Nonvoting shareholders will enjoy the free ride and collect the profits according to the amount of the shares they have. Hart (1988) argued that the deviation from one-share-one-vote is beneficial for both the company and the exchange as the company also don't want to hurt the minority shareholders and the reputation of the company itself.

Bergstrom, Hogfeldt and Molin (1997) added that the increased demand for the takeover of the company would abruptly increase the price of the voting share which will not be optimal for the efficient person and consequently voting shares against such a high cost may be purchased by the inefficient raider. They further added that the efficiency could be easily judged during the bidding processes. The optimal goal of the system is to resolve the management and ownership issues by getting the services of an efficient raider, they added. Shleifer and Summers (1988) added that the change in takeover might result in the breach of the trust between the management and the employees of the company which may ultimately result in the loss of the valuable human resources or reluctance of the human resources. They recommended that some anti-takeover measures and limitations, regarding human resources, should be contracted and imposed during the takeover process of the company.

2.6.2 Block holder methods

Block holder methods are the alternative approach to eradicate the issues of the collective decision-making process or the entity or person with at least 5% shares

and is able to influence the direction of a company with voting rights. In figure 2.6.2 illustrates the approach that must be a large shareholder who should also be interested in the managerial processes of the company. He will be allowed to act as an owner of the company, and he has to run the managerial decision-making processes.

Internal Governance
Blockholder Approach

Voting Rights

Reporting and accountability

Appointment and review

Board of Directors

Reporting and accountability

Appointment and review

Managed and led by CEO
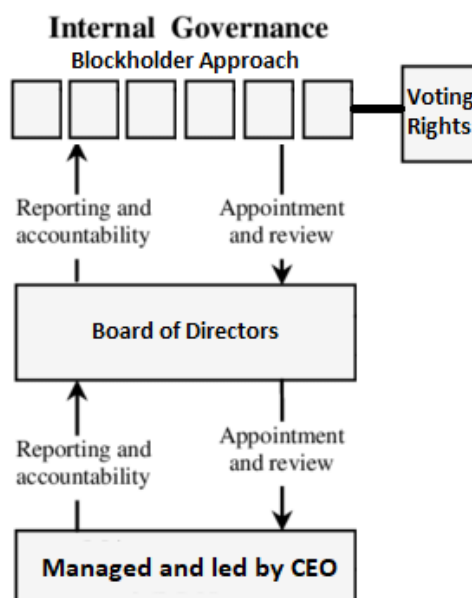
Figure 2.6.2 Block holder model approach Source; Author's own work

The minor shareholders are supposed to enjoy the free rides. Leland and Pyle (1977) argued that the private company which is going to be public should keep the maximum possible share as a symbol of quality and maintain the smoothness of the operations of the company effectively. The management process will not be disturbed during the conversion of the company from private to a public company.

Admati, Pfleiderer, and Zechner (1994) pointed out that the low returns for monitoring the company may not be attractive for a large risk-averse shareholder. He may sell his shares gradually to the secondary market which may also result in the instability of the ownership of the company. They argued that the larger monitoring incentives might be a useful tool to tackle the situation effectively. It is also advised

that the large block holder should be subsidized to retain the larger blocks. They further argued that in the larger secondary liquid markets it difficult to provide incentives to large shareholders to monitor management.

Kahn and Winton (1998) analysed the liquidity of blocks in the secondary markets and found that it is difficult to provide an incentive for monitoring to the larger block holder due to an increased level of liquidity of the shares in the secondary markets. They added that the incentives to speculate might be small for blue-chip companies, where the large shareholder is not likely to take a significant informational advantage over other market participants, the vital point is that it is also endorsed by them Maug (1998). Maug (1998) further added that the block formation in the secondary markets has become quite easy so most of the investors create a block and sell not only to earn the profits due to differences in the purchase and sale prices but also to gather the information of different companies and corporations. He further elaborated that it is much difficult to retain the block holder as the administrator and monitor for a longer period of time due to increase liquidity of secondary markets.

Bolton and Tirole (2004) discussed the pricing process of the share by the company and argued that the fair and accurate pricing of the shares might reduce the liquidity chances of the block holder due to the understanding of the added value to the actual share price in the market for the monitoring of the company. They further added that the companies should not use unfair practices to uplift the share prices of the company as it will result in the liquidity of the shares by the block holder as he will find it more profitable to sell the shares at some relatively higher price in the secondary market.

On the other hand, Aghion and Tirole (1997) pointed out that the over monitoring may not be desirable for both the private companies and the managers.

The decisions or upholding of the managers may discourage him from working closely for the company. Privately owned companies are not used to the over monitoring and may result in the conspiracies among the managers and the monitor. Pagano and Röell (1998) argue that one important motive for going public is that the manager may want to free himself from an overbearing owner or venture capitalist.

2.6.3 Delegated Monitoring and Large Creditors

The system is based on the monitoring of the company by the institutes due to the increased part of official stockholder involvement by pension funds and other financial mediators. Figure 2.6.3 describe other institutions tend to buy and sell the shares to earn and maximize the profits rather than enjoying the low margins of monitoring and they show the passive behaviour for monitoring of the companies (Black and Coffee, 1994). Involvement of large financial institutions may benefit the fund managers to focus on the management process rather than self-engagements.
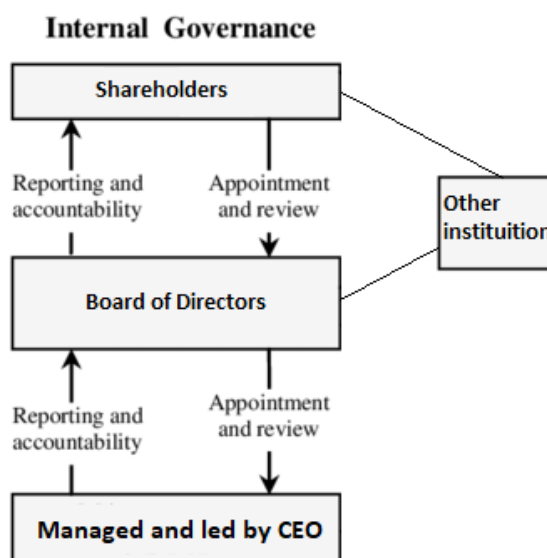
Figure 2.6.3 Delegated monitoring by other institution Source: Author's own work

The funds may be provided as a credit by the financial institutions.   Diamond (1984) analysed the monitoring process of a company specifically by a bank and found that

the monitoring of a company by a banker or bank official is more efficient as compared to the small investors. He further argued that the increased level of the expertise of the bank may also guarantee the fixed returns on investment to the investors which is always desirable for the investors. Similarly, the fixed returns will also eradicate the need for the monitoring of the investors and shareholders as they are supposed to acquire the fixed returns according to their worth of the shares. Conclusively, he found the institutional monitoring more effective.

The effectiveness of bank monitoring depends upon the incentive of monitoring to the banker. Gorton and Winton (1998) argued that the banking crisis might also lead to the bankruptcy of the company. He further added that the bank crisis might also create the causalities for the institutes. He further suggested that the contracts of monitoring should be done and maintained in the healthy banking sector. Comprehensively, the effectiveness of bank monitoring can vary with the aggregate state of the banking industry.

2.6.4 Board Methods

Board methods involve the election of the board of directors who vote for the selection of the chief executive officer of the company. The selected Chief Executive Officer (CEO) of the company or organisation is supposed to not only monitor the company but also to protect the investors and the shareholders. Weisbach (1988) found the board methods more effective to resolve the issue of the collective decision. He further added that the selected CEO would be supposed to perform according to the needs and desires of both the company and the shareholders. He further added that the board of directors should be powerful enough to account the chief executive officer of the company to ensure the protection of the shareholders and the investors. The poor or below the standard performance of the chief executive officer may lead towards the termination of the monitoring role. Adams (2001)

found that the board method may result in the confliction between the advisory and monitoring function of the board of directors. He argued that the monitoring function might restrict the directors to extract the information and data necessary for the advisory function. He found that the role of the board of directors is not as efficient and applicable as assumed by most of the organisations.

2.6.5 Executive compensation method

The compensation approach is designed to align the objectives of the CEO with the objectives of the shareholders. The increased profits and returns for the investors will also result in an increased bonus level of the chief executive officer. The incentives may be at different times as sometimes it may be as a contributor to the shares, pensions and etc. Minow (2000) described the phenomena as the chief executive officer will try to boost the prices of the shares to be enriched which will ultimately help the shareholders to earn more profit and to feel the more protection. Murphy (1992) analysed the implicit and explicit factors for the performance of the chief executive officer of the company. He further added that the implicit factors remained low for the CEO working in the same organisation for a longer period. He also found that the external incentives may be higher due to increased age, experience, and level of expertise. He considers the compensation is a better option for the implementation.

2.7 Principles of Corporate Governance

Principles of Corporate Governance are adopted by organisations with slight changes and modification with standard principles. Talking about US organisations corporate governance, they are perceived as practising best corporate governance because their financial reporting and stock exchange system have flexibility and adaptability which makes U.S organisation have best corporate governance (Jones,

2004). Different authors have agreed to follow guiding principles of corporate governance:

i. Corporate strategies are approved by a corporate board that has long term benefit for the organisation. Corporate board has the authority to select CEO and senior management as well as capital budgeting and allocation decisions in the best interest of the organisation (Keasey, 2005).

ii. Corporate strategies are developed and implemented by management as per the direction of the corporate board in the best interest of the organisation. Management is supposed to work for long term benefit of the organisation under the supervision of corporate board (Keasey, 2005).

iii. Financial statements are issued by the management that represents the true picture of the organisation's financial activity and is approved by the audit committee of a corporate board. Timely disclosure of a company's financial information is compulsory for the management for shareholders and other stakeholders of the organisation (Charkham, 1998).

iv. Corporate board's audit committee is responsible for communicating the financial statements with outside audit firms, conducting the external audit and developing internal controls (Charkham, 1998).

v. The leadership role is played by the corporate governance committee that makes long term planning and direction for the organisation. corporate board is comprised of diversified people working together for the betterment of the organisation and to achieve sustainable development (Page, 2004).

vi. Value of shareholders is very important in the corporate governance structure. It is advisable that organisations engage themselves with long

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term shareholders for long term decision making and value creation (McNulty, 2005).

vii. The corporate board considers the organisation's vision and constitution while making decisions. All stakeholders should also be considered like customer, employers, suppliers and surrounding communities when making long term decisions (Keasey, 2005).

In corporate governance literature, **Cadbury Report** is an important review of corporate governance which was issued by The Committee on Financial Aspect of Corporate Governance. Cadbury Report was published in 1992 (Jones, 2004). Committee chaired by Adrian Cadbury, and it focused on arrangements of corporate boards and accounting systems conclusions to minimize failures and risks in corporate governance. Salient features and highlights of Cadbury Reports are:

i. Committee proposals should be supported by all committee members and a whole decision should be taken rather than the individualistic approach of proposals. Committee proposals are as per practice standards and some of the committee proposals need some law enforcement as well (Jones, 2004).

ii. It is important to mention that incompetence and fraudulent activities in corporate governance cannot be completely wiped out. However, propose is to reduce the fraud and incompetency in corporate governance to as low as possible. It can be done by having an effective internal control system which will be done by independent financial functions and operational functions so that no one can interfere unduly in operations of the organisations (Percy, 1995).

iii. There is an overall need to maintain higher standards of corporate governance so that sustainable governance culture is built in all organisations to increase shareholders value and stakeholders' interest (Percy, 1995).

iv.   Best way to move forward in a positive direction is to assign specific duties and responsibilities so that organisational objectives are achieved effectively and timely through proper corporate governance. As time changes, people's expectations are increasing where all the stakeholders of the organisations are looking forward to positive governance (Jones, 2004).

v.   Positive governance creates a sense of responsibility for everyone responsible for corporate affairs. Corporate directors are responsible for their affairs so does shareholders. Directors, management and shareholders have mutual interests in the organisation, so they work together to improve the value of the organisations (Percy, 1995).

According to The National Computing Centre, 2010: "Financial Aspects of Corporate Governance – Division of top responsibilities: – No one individual has powers of the decision – Majority of independent non-executive directors – At least three non-executives on the audit committee (oversee accounting/financial reporting) – Majority of non-executives on the remuneration committee – non-executives to be selected by the whole board." (Arcot, 2010)

Rutteman Guidance Report on corporate governance was presented in 1994 with the title of "Internal Control and Financial Reporting: Guidance for Directors of Listed Companies Registered in the UK". The core purpose of Rutteman Guidance was to address internal control clause of the Cadbury Report. Framework for internal financial control is highlighted in Rutteman Guidance which was missing in the Cadbury Report (Rutteman 1994). Some important points in Rutteman Reports are:

i.   Corporate directors, management and employees should be competent and make sure that they are showing full commitment to the organisation.

Similarly, ethical values are crucial for employees and management so that working practices be done under an ethical framework (Rutteman, 1994).

ii. The organisational structure should be facilitating the organisation's operations like planning, execution, controlling and monitoring so that organisational objectives be achieved. The organisational authority should come up with accountability as well in order to avoid misuse and malpractices (Rutteman, 1994).

iii. It is important to realize risks at earlier stages and evaluation of risk outcomes should be done to minimize or control the risk. Priorities in resource allocation are also important in order to get more value from the organisational operations (Jones, 2004).

iv. Organisations should make sure that accounting practices are as per standards and complete and accuracy is maintained in financial data. Similarly, data processing should be reliable and timely to get an accurate picture of statements (Jones, 2004).

v. It is also advised that surprised and routine visits be made in operational and financial data to get more internal control over the business activities. Internal control authorities should also make sure that organisational operations are according to rules and regulation in order to avoid any legal dispute (Rutteman, 1994).

Greenbury Report released in 1995 under supervision of Confederation of British Industry (CBI) and termed as an enhanced version of Cadbury Report on corporate governance. Greenbury Report based on Cadbury Report and also addresses the issue of directors' remuneration which was increasing concern for stakeholders of the organisation and missed in the Cadbury Report (Greenbury,

1995). It released under the supervision of Richard Greenbury and entirely focused on the healthy practice of setting director's remuneration. It is a trend of UK policy making authorities to assign the task of developing strategies and regulations on corporate governance to committees who analyse and make proposals on different points. It was noticed in the 1990s that directors are paid too much against their services and also their gain is considerably high which raised the eyebrows of shareholders and other stakeholders. Greenbury Report emphasis on fair remuneration for directors so that stakeholders concern be addressed in a legitimate way. (Greenbury, 1995)

Major actions and recommendations of Greenbury Report state that all companies should publish Statement of Compliance in their annual reports including a list of directors and remuneration so that all shareholders and stakeholders know about it. London Stock Exchange should abide by all companies to follow the rules and regulations. Investor bodies should make sure that organisations are implementing standard practices to the full extent. For this purpose, investors can use their power and influence (Hughes, 1996). It is proposed that private companies who are newly listed, share option grants not available for six months, it is preferred if they do not it for one year. it is recommended for the government they fully implement the clause of directors' pension should be available publicly as long as this proposal does not get its legitimate implementation. The corporate board should make a clear policy of directors' remunerations while taking into consideration stakeholders concerns. The main focus of corporate board should be settling the issue of executive directors' remuneration first (Greenbury, 1995).

Hampel Report is another corporate governance guideline which developed in 1998. It was developed to revisit the corporate governance structure in the United Kingdom. Main purpose of the Hamel Report is code review of the Cadbury Report

and to analyse whether all the proposals are achieved, or some points need review (Stapledon, 1998). Hampel Report served the purpose of combining, clarifying and bringing together Cadbury and Greenbury Reports. The important question is answered in this report that who should be the main beneficiary of an organisation's operation in a simplified way: "The single overriding objective shared by all listed companies, whatever their size or type of business is the preservation and the greatest practical enhancement over time of their shareholders' investment" (Stapledon, 1998). It is important to mention that the Hampel Report on corporate governance is basically focused on a commonsense approach to be applied in various ways rather than staying box-ticking approach of the Cadbury Report.

Corporate strategies are developed and implemented by management as per the direction of the corporate board in the best interest of the organisation. Management is supposed to work for long term benefit of the organisation under the supervision of corporate board (Charkham, 1998). Financial statements are issued by the management that represents the true picture of the organisation's financial activity and is approved by the audit committee of the corporate board. Timely disclosure of a company's financial information is compulsory for the management for shareholders and other stakeholders of the organisation. Positive governance creates a sense of responsibility for everyone responsible for corporate affairs (Charkham, 1998). Corporate directors are responsible for their affairs so does shareholders. Directors, management and shareholders have mutual interests in the organisation, so they work together to improve the value of the organisations. So it can be said that the Hampel Report on corporate governance is better in many factors than Cadbury Report and Greenbury Report (Stapledon, 1998).

Higgs Review or Review of the Role and Effectiveness of Non-Executive Directors was a report published under the supervision of UK Government and

headed by Derek Higgs. Agenda of the report was basically on corporate governance and it was published in 2003 (McNutty, 2005). The main focus of the report, as the name suggests, was the role of non-executive directors and their effectiveness to improve and further strengthening of current compliance codes. The report also highlights the effectiveness and role of the audit committee to improve internal control in the organisation. Corporate board's audit committee is responsible for communicating the financial statements with outside audit firms, conducting the external audit and developing internal controls (McNutty, 2005). The leadership role is played by the corporate governance committee that makes long term planning and direction for the organisation. The audit committee is comprised of diversified people working together for the betterment of the organisation and to achieve sustainable development (Jones, 2004).

Some corporate governance scandals took place in the US which frustrated the stakeholders of organisations and there was a demand in more sophisticated rules and regulations on corporate governance. Higgs was in favour of a selection of directors on strict criteria and composition of corporate board and directors through rigid approach so that only capable and passionate people can be places in the corporate board (Jones, 2004). Higgs reviewed Cadbury Report and advocate those codes should not have been the part of Cadbury Report as it is confusing, and many organisations are avoiding implementing them. Value of shareholders is very important in the corporate governance structure. It is advisable that organisations engage themselves with long term shareholders for long term decision making and value creation (McNutty, 2005). The corporate board considers the organisation's vision and constitution while making decisions. All stakeholders should also be considered like customer, employers, suppliers and surrounding communities when making long term decisions.

Turnbull Report, another report on corporate governance, published in 1999 is also known as "Internal Control: Guidance for Directors on the Combined Code". This report highlights the missing part in previous reports where the emphasis is made on check and balance on directors, and it was published for public listed companies in the London Stock Exchange (Carey, 2001). This report was published by the committee which was headed by Nigel Turnbull. The organisational structure should be facilitating the organisation's operations like planning, execution, controlling and monitoring so that organisational objectives be achieved. The organisational authority should come up with accountability as well in order to avoid misuse and malpractices (Carey, 2001). Financial Reporting Council issued an updated version of Turbull Report in 2005, stating "In relation to Code Provision C.2.1, the board should summarize the process it (where applicable, through its committees) has applied in reviewing the effectiveness of the system of internal control and confirm that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from that review. It should also disclose the process it has applied to deal with material internal control aspects of any significant problems disclosed in the annual report and accounts." (Page, 2005)

UK Code of governance has five important dimensions:

1. *"Board Leadership and Company Purpose. The Principles focus on the board and its relationship with shareholders and the workforce and how this contributes to a company's long-term, sustainable success.*

2. *Division of Responsibilities. The Principles reflect well understood concepts regarding independence and clear division of responsibilities to ensure that the board remains effective and encourages open and constructive discussion.*

3. *Composition, Succession and Evaluation. The Principles require formal, rigorous and transparent procedures, focusing on composition, gender, social and ethnic diversity, length of service and a mix of skills and experience. This applies to the composition of the board, as well as senior management.*

4. *Audit, Risk and Internal Control. The Principles reiterate the importance of formal and transparent policies and procedures, independence and effectiveness of internal and external audit functions to preserve the integrity of financial statements and risk strategy.*

5. *Remuneration. The principles zfocus on the importance of remuneration policies and practices which support the company's strategy and promote long-term, sustainable success." (icaew.com, 2019).*

OECD-ASEAN GRP Regulatory Reform in Southeast Asia are not very strict. Divergent accountancy practices may also be considered as the limiting or push factor for foreign direct investment as the investor may not be familiar with the native practices even at times, it may consider to be irrelevant or below the standard. The divergence in the accountancy practices has remained a matter of concern for the investors for a prolonged period of time and this development which leads in the formation of international standards of accountancy practices. The accountancy practices are still not enforced in the Southeast Asian countries which may work as a limiting factor for the investment inflow. Southeast Asian countries do not seem much successful in the implementation of the international standards of accountancy practices though they are struggling still the destination is far away (oecd.org).

2.8 Critics Foreign Direct Investment

Talamo (2011), discussed the increasing trend of foreign direct investment to the emerging countries comprehensively. He argued that the transitional process for socialism to capitalism is an important factor of the increase as capitalism ensures the legal protection of the investor with high capital returns. The emerging countries pose more capital returns on investment as compared to the developed countries due to the availability of low-cost resources. He further found that the investors also seemed concerned to explore such emerging economies as well for investment.

The important factors which can increase the inflow of the capital to the country are foreign direct investments and the portfolio investments (Singal, 2012). He emphasised the importance of capital inflows for the company. A strong set of corporate governance and legal protection to the investors encourages the investors to invest and to increase the level of investment even higher, he argued. According to him capital flow to the economy is essential and foremost important to increase the economic activities in the economy.

Nenrantdizis (2014) discussed the benefits and outcomes of the foreign direct investment to the recipient or host country comprehensively. It provides in political and economic stability to the host country which ultimately increases the quality and quality of the production processes and employment of the labour. The emerging countries pose more capital returns on investment as compared to the developed countries due to the availability of cheap resources. The increase in foreign direct investment will not only provide employment to the citizens of the host country but also improve the skills of the labour, he argued.

Capital markets consultative group (2003) analysed the trend in foreign direct investment in the world and concluded that Southeast Asia is the most attractive

region for the foreign direct investment by the investors due to its large markets of food and goods which are even growing rapidly. The emerging countries pose more capital returns on investment as compared to the developed countries due to the availability of cheap resources. They further argued that some of the incentive policies by the countries might also be helpful to fetch even a higher level of foreign direct investments.

The production and operational costs are always considered vital in the production process as it defines the total extent of total profits. The availability of cheap resources is still desired by investors. After the collapse of USSR, the Southeast Asian region is entirely open for the investors and the region is equipped with economical labour and cheap resources making it an optimal choice for the investors to invest (Adegbite, 2012). He further argued that a strong strategy for attracting investors might paint the picture effectively.

Government policies and candidness (truth & robust) correspondingly play a significant part to raise the association between the hosts and investor economies to bring FDI in the country. Any change in these real exchanges might influence FDI negatively and the market size is not adequate to the response against ambiguous effect toward FDI inflows (Aviotuskii, 2016). He argued that the change in the government policies might not only discourage but also force the investors to withdraw their investments which will ultimately result in unemployed labour and capital outflow.

Sauvant (2005) opposed the linear flow of the foreign direct investment in the underdeveloped countries due to lack of quality features in the goods produced in the region. He further argued that it is the quality of the product which is demanded in the modern world rather than quantity. He proposed that the developing countries have to follow the concept of quality products to attract and get foreign direct

investment in their companies and the economy itself. The emerging countries pose more capital returns on investment as compared to the developed countries due to the availability of cheap resources. He argued that multinational enterprises tend to investment under the motive of quality production using cheap resources of the underdeveloped countries.

China is an emerging country and seems successful to maintain its high pace of economic growth. China is now looking for foreign destinations for further production processes and is interested in the Southeast Asian countries due to its large consumer markets and low-cost labour and natural resources. According to Fazio (2008), the low cost of resources for the production processes is an attractive feature of the region for the investors to invest in the region. Still, there are challenges and risks as the businesses might have to face the perils of democratic uncertainty, deficient government sustenance, poor legal laws, unfavourable legislation and high level of corruption in the region, which should be addressed promptly and resolved to minimize the concerns of the foreign investors (Goldstein, 2010).

According to Cornelius and Kogut (2003), the management system of the company and the governance system of the country are two different concepts which should not merge with each other. He further argued that the governance system of the country might be attractive for the investors to invest in the public project which can provide social returns while good corporate governance in companies will numerically push the economic activity and ultimately the economy of the company as well. He stressed that in the past studies, the researchers somehow tried to discuss the corporate governance issue collectively which did not end with fruitful conclusions.

Wei and Shleifer (2000) consider the quality of the governance the major issue and barrier for the foreign direct investment. The corruption in a country discouraged the investors from avoiding investment in a society with a high level of corruption. Bribery also discourages the investors and Multinational enterprises and limits the level of capital inflow and the investment as it is never likely to pay and bear a non-operational cost with zero returns. He further argued that the governance system of the country might be attractive for the investors to invest in the public project which can provide social returns while good corporate governance in companies will numerically push the economic activity and ultimately the economy of the company as well. The developing countries are struggling and try to overcome such social evils to portray a soft image of the governance system of the country, he argued.

Busse (2003) endorsed the Shleifer (2000) in his research analysis on his stance of the fair governance system in the country. He further added that it is the type of governance which is highly considered by the investors and multinational enterprises. He used the foreign direct investment data of different countries and tried to establish a trend between the system of the governance and foreign direct investment. He found that the countries with stable and continued democratic system fetched more foreign direct investment than the dictatorship governance or discontinued democratic system. The continued democratic system is desirable and appreciable for the foreign investors to invest in the country, he emphasised.

Tsamenvie (2008) identified the necessary actions for the transformation process in the governance system of a country. According to him the emerging countries are also striving for maximization of the foreign direct investment and seem willing to modify the governance aspects for the investors. The countries are trying to control the undesirable factors which may be a matter of concern for the

foreign investors and multinational enterprises. The factors of violence, corruption, and bribery are seriously considered by the emerging countries and serious efforts are needed abruptly to create an incentive for the investors. The developing countries are seemed determined to make positive changes as observed by the author.

Maskus (2000) found the issue of the intellectual property right the most important component of the governance which is always a desirable and attractive tool for fetching the foreign direct investment in the country. It is the intellectual property protection which may provide investment and ownership protection to the investors and multinational enterprises. Investors seem concerned with intellectual property rights protections. He further discussed that there should be a comprehensive set of intellectual property protection laws and their effective enforcement in the country to motivate the foreign investors for the foreign direct investment in the country.

Kauffman et al. (1999) found that numerous fundamentals of efficient corporate governance at a state level are thoroughly connected to each other so as long as the major indicators of efficient macro-level corporate governance are considered in the method to be specified in the methodology it should provide an accurate reflection of the governance environment in the observed countries. Kurtzman et al. (2004) also endorsed the point and argued that the methodology should be appropriate enough to depict the true reflections inconclusive remarks. He further added that the conclusions should be comprehensive and applicable to the determinations and interpretable for developing relations among the variables of the study.

Hanson (2001), argued that it is mostly considered that the foreign direct investments create positive effects on the host economy, but in the real world, the situation is not effective to the extent as deemed. He further argued that the impact of

the investment depends upon the nature of the investment. Gorg and Greenwood (2002) endorsed the stance of the Hanson (2001) as they also considered the extent of the benefits to the host economy. They concluded that the impacts of foreign direct investment (FDI) on host economies are negative rather than the positive. They developed the conclusion after a comprehensive analysis of the microeconomic indicators of the host countries.

Lipsey (2002), contradicted with Hanson (2002) and presented a relatively favourable view by reviewing the macro and micro indicators and literature as well. he concluded that there is evidence of positive impacts of foreign direct investment on the economy. Although the data of foreign direct investment (FDI) and gross domestic product of the economy are not correlated to each other effectively in this study, conclusions are rational and acceptable. He recommended including more indicators to address the issue more comprehensively for future researchers.

The area or sector selection for the foreign direct investment has remained a matter of concern for the researcher for a long period of time. Hirschman (1958), highlighted that all sectors do not have a similar ability to captivate overseas expertise or to generate associations with the rest of the economy. According to him, linkages are weak in agriculture and mining while are high in textile and beverages. In the absence of the linkages to the rest of the economy, the foreign direct investment may not be able to put up a positive factor in the growth of the economy. he further argued that the identification of the high potential and investment in these sectors might lead to a positive impact on the overall economy of the country (Tsamenvie, and Udden, (2008).

Markusen and Venables (1999), analysed the impact of foreign companies on the development of domestic companies. He found that the foreign companies increase the demand for the local intermediate goods which ultimately encourages

the domestic companies to produce more which ultimately results in the more or higher level of production of the company. The scenario will play in favour of the economy at the macroeconomic level. Balasubramanyam et al. (1996) argued that in developing countries pursuing outward-oriented trade policies, FDI flows were associated with faster growth than in those developing countries that pursued inward-oriented trade policies. The countries which are producing more are more favourable for the investors.

2.9 Push Factors

The businesses are interested in the fair local practices which may work as a pull factor for foreign direct investment. Increased level of transparency and fair practices may encourage the investor to invest in the country and vice versa. Corruption or manipulation role of local authorities may not be desired by the investors and may be followed by the decreased inflow of capital investment to the country. It is often rational that the bribery or corruption may be considered as an additional cost followed by decreased profit margins which are neither appreciable nor desirable so the investor may be discouraged due to these types of practices (Bergstrom, Hogfeldt and Molin, 1997).

The poor infrastructure may be considered as one of the limitings or push factor of the FDI as it may be charming for the investor to invest in an alternative country which is full of infrastructure and may offer a better startup set up to the company. Locomotion pathways and roads may be considered as the basic infrastructure for the effective distribution of products and services. Lacking infrastructure may discourage foreign direct investors. Infrastructure is considered as the necessity for the business as the business cannot remain isolated. Southeast Asian

countries are not still up to the mark due to the low level of infrastructure (Chakrabarti et al., 2017).

Coordination of departments may also be considered as an important factor for the investors. Lack of coordination among the government departments may also be considered as the flaw in the political structure of the country followed by an increased level of dissatisfaction of investor. Government writ is also a matter of concern for the investors as they will never invest in the area with a low level of government writ or challenged (Kaur and Jain, 2017). Southeast Asian countries are lacking coordination among their departments which is really not desirable for investors.

Divergent accountancy practices may also be considered as the limiting or push factor for foreign direct investment as the investor may not be familiar with the native practices even at times, it may consider to be irrelevant or below the standard. The divergence in the accountancy practices has remained a matter of concern for the investors for a prolonged period and this development which leads in the formation of international standards of accountancy practices. The accountancy practices are still not enforced in the Southeast Asian countries which may work as a limiting factor for the investment inflow. Southeast Asian countries do not seem much successful in the implementation of the international standards of accountancy practices though they are struggling still the destination is far away (Bäumer et al., 2003).

Government policies for the investment are also a matter of concern for investor and may also be considered as the limiting or pushing factor of FDI. More complicated and lengthy processes may discourage the investor from investing in the country followed by their movement to the alternative host country (Kaur and Jain, 2017). Investment friendly government policies may include the facilitation of

investors followed by one window operations to provide efficient and prompt facilitation. The government may also facilitate the investors by decreasing the taxes, tariffs and duties on the production, imports and exports of the company under the motive of increased labour deployment and economic activity in the country (Kaur and Jain, 2017). Singapore is offering a better set of legislative measures to increase investment inflow in the country.

2.10 Patterns of FDI in the ASEAN Region

China is one of the largest investors in the Southeast Asian region. A decreasing trend in the foreign direct investment in the past few years is witnessed which is backed by the exploration of new African markets and global recession which impacted the financial powers of the global adversely still Singapore is the largest recipient of the foreign direct investment in the region followed by Vietnam, Indonesia, Malaysia and Thailand. It is somehow alarming to compare the region with South Asia which is showing an increasing trend in the FDI inflows in the same era (Tanna et al., 2017).

Singapore has seemed successful to fetch massive foreign direct investments for a long period of time. The country is considered a suitable place due to the corporate governance as the volume of the foreign direct investment in the country has reached to 61.60 billion USS in 2015. The amount is around 61 percent of the total foreign direct investment in the region which shows the intentions of the investors towards the country. The level is decreased from 2015, where the values were at 70.71 billion US$. Even though the values were reduced, but Singapore is still maintaining its first position in the Southeast Asia region (Belgibayeva, and Plekhanov, 2019).

The foreign direct investment for Singapore is not limited to Singapore and sometimes flows to the other countries of the region as Singapore is the hub of the financial activities in the region and even some time back to the country of origin (UNCTAD, 2016). Vietnam is the second-largest receiver of the foreign direct investment (FDI) in the region as it collected the 12.6 billion US$ in 2016 which is around 12.46 percent of the total foreign direct investment (FDI) in Southeast Asia (UNCTAD, 2016). The relative importance of FDI also depends on country size. A large country with a large population may not collect the maximum benefits of foreign direct investment as compared to the small and less populated country. An alternate ration of the role of inward FDI is the ratio of the inward stock of FDI to GDP.

2.11 Accounting practices

Accounting practices also play an important role in the effective attraction of foreign direct investment in the country. Accountancy practices are highly discussed and encouraged by foreign investors as transparency is always desirable and appreciable for an investor. Organisations requesting long-term loans from the banks often come under the process of due diligence review that is conducted by the bank itself through a team of experts that investigates all material related to the strength of the organisation to acquire a long-term loan. Meanwhile, the final remarks are provided to the bank that either organisation is a position to acquire a loan or not, if yes then demanded amount can be issued or not? In the Investment world, due diligence is considered an important tool to analyse the merger and acquisitions by the investors and large investors (Black, and Coffee 1994).

It is often conducted by financial research analysts, fund managers, and broker-dealers. Similarly, due diligence meeting is conducted by the underwriter to

ensure all material information has been provided to the investors before the initial public offering takes place. The accounting and financial information collected and presented by the developing countries are not reliable and cannot be trusted Richter Quinn (2004).

The countries seem to fail to adopt and enforce the international standards of accounting which are necessary to attract the adequate amount of the foreign direct investment to these developing countries. The countries are struggling for increasing the inflow of the foreign direct investment but fails to enforce the adequate policies and accounting methods to ensure the purpose, he added. He recommended that the developing countries should adopt the international accounting standards which are established by the international accounting standard board (IASB). On the other hand, some of the researchers found that the adaptation of international standards of accounting is not much important if they are not compatible with the local conditions of the developing country (Borin, and Mancini, 2016).

Wolk, Francis, and Tearney (1989) argued that the developing countries are facing the issues of the expertise and are unable to develop a comprehensive set of accounting standards which can be categorised as the standard. They added that the international accounting standards are a well-designed set of the standards which are based on international standards. Furthermore, they continued with the argument and elaborated that the developing countries should adopt these standards to increase the reliability of the accounting practices in the countries as foreign direct is strictly based on the reliability of the accounting practices in a country. The false or misleading reporting methods discourage international investor who is not a good sign for the developing countries.

Taylor, Evans and Joy (1986), considers the adaptation of the accounting practices as an important factor for smoothing the globalization process. He further

argued that the adoption of the standards would help the investors to feel like their own countries but with larger returns on the investment. It is obviously convenient for foreign investors to understand the accounting practices in the local market when international standards are applied. On the other hand, the matter will become severe and unacceptable when the foreign investor is not well aware of the accounting practices in the country. Conclusively, they found that the international standards are quite helpful to understand and follow for the international or foreign investors, so they are necessary for increasing the inflow of the capital and foreign direct investment.

According to Peavy and Webster (1990), the confidence, competitiveness, and integration in the financial markets of the country. The credibility of the financial market of a country is much important for the inflow of the capital and foreign direct investment (FDI) in a country. They further argued that efficient accounting methods and accountancy practices are important factors to maintain and increase the credibility and competitiveness of the financial market. Furthermore, they added that the adoption of the international standards of accounting is important for increasing the opportunity of foreign direct investment inflow into the country.

Ball (2006) argued that it is the need of time to adopt the same accounting practices which are equally understandable, comparable and analysable for all of the experts and professionals in the world. He elaborated that it is the common desire of the investor to have transparency and accountability in the organisation. The decision-making process of foreign investors relies on the international standards of accounting and accountancy practices. They do not believe the information and data generated by the local, conventional, and native methods for the projection of their future investment in the country. Ball recommended the adaptation and

implementation of international standards of account not only to maintain the transparency but also to attract the foreign investor for foreign direct investments.

Zeghal and Mhedbi (2006), endorsed the statement of Ball (2006) and added that transparency is the foremost important prerequisite for the success of a business and the economy. Furthermore, the accountancy of the system also defines the credibility and the safety of the system so the international investor demands an efficient accounting system which can ensure the transparency of the system, they added. It is much important and needed that the system incorporated must be reliable and understandable. The international investor may not be familiar with the local system of the accounting and accountancy practice which may discourage the investor from investing in the country. According to Zeghal and Mhedbi (2006), the international standards of accounting are common and reliable which can maintain transparency and attract international investors. Furthermore, the efficient financial and accountancy practices are desirable and appreciable, they added.

Ding et al. (2005) pointed that the local companies are forced to adopt the international standards of accounting to ensure the transparency which is a desirable and attractive feature for the investors and the businesses themselves. They further added that international investors are well familiar with the international standards of accounting and accountancy practices, so they prefer the companies using the internationally standardized and adopted methods. The companies using local accounting standards seem to fail to attract the much-needed foreign direct investment to the country. The international standards of accounting must be adopted to increase the inflow of the capital to the company and the economy. Conclusively, Ding et al. (2005) elaborated the scenario as "domestic listed firms are forced to play the accounting game by global rules"

2.12 Reporting Issues/ Practices

Management practices and accountancy practices are the most important issues in corporations. Effective reporting practices should be fair enough to trust. Some of the companies are seemed to sue the malpractices to manipulate the reports of the company to use it as a propaganda tool to manipulate the stakeholders. Lack of standardisation is a major issue in the Southeast Asian region which may increase the dissatisfaction among the stakeholders. An international investor looks for some standard formats of reporting to fetch the required and desired information from the reports which may not be fulfilled by the current native reporting practices of these countries (Carey, 2001).

High level of intervention in the business processes is not desirable phenomena whosoever the interrupter is. The companies in the Southeast Asian countries lack the proper channels of information flow followed by the increased interruption and decreased the quality of data. Unfair reporting is also a matter of concern for international investors as it is unethical and manipulation of the investors. The companies transform their data according to their own needs by compromising the quality and reliability of the data provided. Companies are lacking the roadmap for the flow of information with their proper indications. The flaws in internal management policies may increase the reporting gap. The roles and responsibilities should be distinguished and assigned to increase the reliability of the reporting and the data in reports. International laws seemed mismatched with the ground realities of the developing countries like Southeast Asian countries which may result in a decreased level of implication and enforcement. Government departments should modify the practices for the effective implementation by providing an appropriate interpretation of processes (Carmona, and Trombetta, 2008).

2.13 Regulatory Framework

The international standards are providing sufficient regulatory framework for the company which may be enforced in the accountancy practices of the company to make it more authentic and reliable. It also provides definitions and limitations for Materiality and Immateriality of the work which should be followed adequately (Berger, 2018). It provides standards for the Business entity concept which can be helpful for the legal authenticity of the business. Similarly, it also enables the going concern of the company to provide an insight to survival or curability of business which may be helpful for the company to understand and identify the nature and financial position of the company (Berger, 2018). It also provides the standards for accrual base accounting practices which are the major part of the company and will indicate the total payable of the company followed by indication to the financial position of the company. The standards emphasised on the Prudence concept which states that profits should not be overstated, and all the anticipated losses should be recognised and reported in the financial statement of the firm (Florou, et al., 2017).

2.14 Critics of International Standards of Accounting

The other school of thought believes that the local conditions and environmental factors of the country should be focused on when developing the national policy of accounting. They believe that the international standards may or may not be incorporated in the national policy depending upon the compatibility of the international standards with local standards. They believe that the incompatibility will lead towards the misunderstandings and loose implication of the standards which will even worsen the situation. Talaga and Ndubizu (1986), pointed out that the incompatibility of the international standards with local environmental structure will create flaws in the system and will affect the implementation of the international

standards of accounting. They further added that the local environmental conditions are the basic platform to develop and implement the standards for accounting. The accounting standards and accountancy practices are heavily based on these factors which means that the accounting standards vary from country to country. The development process should also include the ground realities and business environmental factor to make them well-matched and applicable.

Perera (1989a), pointed out that the international information collection and accounting approaches are not compatible with the local decision-making of the developing countries. He further added that the international standards are well designed and comprehensive, but they are not compatible with the native systems of the decision making which are used in the developing countries. He emphasised that the decision-making of the developing countries should be updated to the international methods prior to the implementation of the international standards of the accounting practices. He strongly rejected the implementation of the international standards of accounting in the presence of current and traditional decision-making approaches.

Hove (1986) elaborated that the international standards are developed by using the economic, financial, legislative and business environment in the developed countries while all of these factors vary significantly in the developing countries of the world. He further added that international standards lack appropriateness for the developing countries and can create flaws and misinterpretations by using conventional local decision-making approaches and international accounting practices simultaneously. The international standards are applicable only in the developed countries where the proper system of reporting is prevailing, and the standards are able to extract the values and data appropriately which is equally applicable to the decision-making tools. On the other hand, the decision-making

approaches and systems in developing countries are not compatible with the international standards of accounting systems. Conclusively, he rejected the implementation of international standards of accounting in developing countries like Southeast Asian countries.

Samuels and Oliga (1982), believed that the accounting methods and accountancy practices should be strictly based on the differences in sociocultural, economic systems and institutional settings of the country. They argued that the international standards for accounting are designed only on the basis of the social cultures, economic systems and institutional settings of the developed countries which may not be applicable and beneficial for the developing countries. They pointed out that there must be some enormous changes in the economic, cultural, and institutional processes of the developing countries for the adoption and implementation of the international standards for accounting effectively. Conclusively, they do not seem to agree with the implementation of the international standards of accounting in the underdeveloped countries due to differences in sociocultural, financial and institutional systems of these countries.

Tyrrall et al. (2007), analysed the impacts of cultural and institutes on the accounting and accountancy practices in the developing countries of the world. They argued that the institutional and cultural setup of a country might influence the accounting performance and the adoption process of the international standards of accounting. They further added that the international standards are rigid in nature and developed on the basis of the developed countries which cannot be modified for the underdeveloped or developing countries. The international standards cannot be implemented in the developing countries effectively due to differences in the cultural and institutional factors prevailing in these countries.

Dahawy and Samaha (2010), also endorsed the stance of the Tyrrell et al. (2007) by considering the institutional and cultural factors important and necessary for the successful adoption and implementation of the international standards of accounting. They also considered that the foreign direct investment depends upon the accuracy of the accounting and transparency of the system rather than the method of calculations. They added that the developing countries should develop their own standards of accounting according to the need and ground realities of the economy.

Ashraf and Ghani (2005) argued that the accounting standards are developed depending upon the economic growth stage, corporate structure, education, financial structure and the legislation of the country. The accounting standards and accountancy practices are heavily based on these factors which means that the accounting standards vary from country to country. The international standards are developed using the conditions of the developed country cannot be equally applicable to the underdeveloped or developing countries. They remarked that the international standards of accounting practices are not compatible with the internal situations of all the countries, especially in developing countries.

Bailey (1995) elaborated that the world was using "the uniform book-keeping" as an administrative tool in the Soviet Union but after the collapse of the Soviet Union, the countries went towards the convergence of the markets to capitalist which resulted in the change in economic systems of the countries. The accounting standards and accountancy practices are heavily based on these factors which means that the accounting standards vary from country to country. The scenario demanded new techniques and tools for accounting and accountancy practices. The needs resulted in the international standards of accounting. The formulated standards of accounting can be well incorporated into the system of the

developed countries and somehow may not incorporate in developing countries more effectively due to incompatibility with the economic system of these countries.

Whittington (2008) criticised the development process of the international world standards of accounting. He added that the methods used to develop the standards are not adequate as these are not sufficient to cover the soul of the accounting. He further added that the standards are designed to calculate, estimate and understand the current scenario of a company. The standards also provide future predictions which is a part of the accounting but cannot be considered as the accounting itself. Furthermore, the accounting standards are not compatible with the economic, financial, and institutional framework of the developing economies. He further added that the international standards of accounting lack "Stewardship Conceptual Framework" which is desirable and appreciable for the local companies. The owners of the local companies track the previous decisions, impacts of these decisions, selling, buying, and holding records of the company which cannot be provided by the international standard of accounting. The incorporation of stewardship conceptual framework will be a better decision or local standards should be developed according to the needs and times of the economy.

Similarly, Coy et al. (2001) wrote that the decision pattern, which presently governs accounting theory, does not enable management to simultaneously discharge its primary stewardship responsibility to society and its secondary stewardship responsibility to shareholders. He said that the management ability to discharge the primary stewardship should be focused and resolved. The international standards of accounting should be formulated in a way to be incorporable to the developing economies as well.

The international standards of accounting lack the basic and primary user of the financial statements which should be considered and included. Young (2006),

argued that the identification of the primary users of the financial statements is the first step in the effective accounting process followed by the detection of the possible needs and demands of these users. It will be helpful to eradicate the concerns of the primary users of the financial statements and to develop a set of standards of accounting for the companies operating in the developing countries. He further added that the international standards of accounting are not compatible with the needs and demands of the primary users of the financial statements, so these are not applicable in the developing countries. The international standards developed are tied to specific conditions and have no flexibility to alter or modify in certain different situations. He rejected the adoption of international standards of accounting and suggested that the accounting methods and standards should be developed on a national level, he added (Carpenter, and Feroz, 2001).

According to Perera (1989), the differences in cultures and lack of consensus are some of the major obstacles in the universal adoption of the international standards of accounting. The cultural differences may include or eradicate certain financial information for different purposes. Accounting standards must include the cultural matters as well which is also recommended by the research studies, he argued. He further elaborated those cultural differences can disturb the implementation of the international standards of accounting negatively. Whittington (2008) argues that there may be different meanings of different terms in different countries on the basis of the cultures, purpose of calculation and the method of the calculation. He added that some of the financial items in financial statements might be acceptable for one cultural and society while others may not include the same. Such limitations and differences create hurdles in the implementation and adoption of the international standards of accounting.

Gray (1988) posit that the global and external factors exert pressure on the economies which results in the ultimate adoption of the international standards. Furthermore, he discussed that the foreign direct investment might be sensitive to the international standards and unable to understand the local standards of accounting and accountancy practices. In the case, the company may have to modify his standards or adopt the international standards to attract the much needed and valued investment. The argument is also endorsed by the Hofstede (2001) who further added that the globalization had forced the companies to act as international companies. The investors have crossed the limits and boundaries of the country and are able to invest in other countries as well. The companies must have to follow the identical and standard methods of accounting to enhance the attraction. The global changes have effects on the local companies as well as the companies cannot be isolated in the modern world due to globalization.

McSweeney (2009) criticized the models of Hofstede (2001) and Gray (1988) and said that the national models developed by them are static and overemphasised over the continuity and uniformity of the international standards of accounting. He further added that the models developed are tied to specific conditions and have no flexibility to alter or modify in certain different situations.

Perera (1989) stated that the low level of government interventions is necessary to accomplish the standards of accounting more effectively. He noted that the government should not intervene in the accounting and accountancy practices of the companies. On the other hand, he argued that the companies should use effective accountancy practices to maintain the transparency in the operation and financial statements of the company which encourages the investors to invest in the company. He further argued that the international standards of accounting are not compatible but should be formulated by the companies itself rather than the government

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interventions. As the government interventions not only decrease the pace of the operations but also creates a negative impact on the foreign investor and foreign direct investment.

Bloom et al. (1998) criticized the international standards of accounting due to low compatibility and applicability to the developing countries. He argued that the international laws and standards should be specific enough but not to the extent to affect the applicability and compatibility of the standards to the developing countries. The developing countries are mainstream of the host countries for foreign direct investment which means that the standards should be applied to these countries as well. They added that the international standards developed are tied to specific conditions and have no flexibility to alter or modify in certain different situations. He rejected the adoption of international standards of accounting and suggested that the accounting methods and standards should be developed on a national level. He compared certain models of accounting and found that rule-based and uniform accounting systems may be more compatible with the local culture and values than IFRS. The main focus of his discussion was the compatibility of the accounting standards with the ground realities of the concerned countries.

Baydoun and Willet (1995) pointed that the accounting systems of the western world or developed for the western developed countries are irrelevant to implement in the developing countries due to differences in cultural and institutional structures of the companies. The companies of developed countries may be structured differently than the companies of the developing countries. He emphasised that the standards of accounting should be developed on the national level which should be based on the guidelines of the international standards as the following of the international standards may create obstacles in the management of the companies.

Carmona and Trombetta (2008) highlighted that the static accounting models could never be successful as the companies operating in different environments and facing different issues in the financial reporting may not be able to adopt the uniform and linear standards of accounting. He added that the companies are facing different circumstances, working in different environmental and cultural scenarios may not be equally able to report finances on the same format or under the same set of international standards. He emphasised that the standards of accounting should be developed on the national level which should be based on the guidelines of the international standards.

Jaruga et al. (2007) found that the lack of education and infrastructural support the international standards may not be enforced in the developing countries. The companies working in developing countries lack centralization and corporations which means that financial reporting is a relatively tough task in these countries. The standards developed for the well-stable and developed centralized companies may not be feasible and compatible with their application and implementation in the decentralized and dispersed markets of developing countries. He further added that the international standards developed are tied to specific conditions and have no flexibility to alter or modify in certain different situations. He rejected the adoption of international standards of accounting and suggested that the accounting methods and standards should be developed on a national level. He further added that the national standards should be effective enough to maintain the transparency in the operations and financial statements of the company. Lack of expertise to implement and lack of capacity and consistency in enforcement are, perhaps reasons against the adoption of international standards of accounting.

Nerudová (2011) analysed the countries on the basis of their legislative systems and found that there is an enormous difference between common law

countries and Code-law countries. He found that in common law countries the financial accounting practices are considered separate to the tax accounting system. Consequently, tax accounting has no impact on the common financial accounting and accountancy practices of the company while in Code-law countries the financial accounting practices of the company and tax accounting are running along with each other. Conclusively, he pointed out that the international standards may not be effectively enforced in the developing countries having common laws and facing the differences between the accounting practices of the company and the tax accounting itself.

Jaruga et al. (2007) argued that the dependence of the accounting on the taxation system determines the nature of the accounting system. He further added that the legislative and taxation framework should be in accordance with the international standards to tie a knot between the international standards and the financial reporting of the company. Furthermore, the international standards are not applicable and incompatible for the developing countries due to the differences in the financial reporting of the companies and local tax regulation framework. Conclusively, he added that the international standards of accounting are not compatible with the ground realities of developing or emerging countries.

2.15 Thematic Content Analysis Grid

Theme	Authors	Content Analysis
Corporate Governance	Mead 1928; Jensen and Meckling 1976; Myers 1977; Popli, Ladkani, and Gaur, 2017; World Bank Publication, 1999; Quazi, 2014; Financial Reporting Council, Companies Act 2006; Shinn, 2001; La Porta et al., 1999; Pagano, Röell and Zechner 2002; Schwandt, 2000; ; Jones, 2004; Greenbury, 1995; Carey, 2001; Tsamenvie 2008; Carpenter, and Feroz, 2001; Florou, Kosi, and Pope, 2017; Cumming, Filatotchev, Knill, Reeb, and Senbet, 2017; Mengistu and Adhikary, 2011; Quazi, 2014; Sahoo, Nataraj, and Dash, 2014; Saini and Singhania, 2018; ; Nizam and Hassan, 2018; Appiah-Kubi et al., 2020;	Corporate governance and improvements in the companies is a key factor for developing and enhancing the goodwill of the investor to invest in the company. The corporate governance incorporates both of these factors effectively hence considered as the best possible structure of governance in the corporations and the companies. Accountancy and good corporate governance practices are always desirable and appreciable for the investors whether they are a foreigner or the local. The adoption of the standards will help the investors to feel like their own countries but with larger returns on the investment.

Accountability	Berle 1932; Röell and Zechner 2002; Williamson, 1996; Fereidouni, Masron, and Amiri, 2011; Ghani, Mohamed and Muhammad, 2019; Cumming, Filatotchev, Knill, Reeb, and Senbet, 2017; Ramasamy, Yeung, and Laforet, 2012; Dunlavy 1998; Bernheim and Whinston 1985; Jensen and Meckling 1976; Myers 1977; Maskus 2000; Pucheta-Martínez and Gallego-Álvarez, 2019	The reassessment of the models of organisational financial structures and institutional structures revealed that the weak and diversified organisational structures are no more useful to protect the interests and rights of the international investors and demanded that the corporate governance should be enforced to maintain and enhance the safeguard to the foreign investors. The investors need protection the most of all the parties so he recommended that the investor protection rules and regulations should be incorporated effectively in the corporate governance structure of the company.

Corporate Social Responsibilities	Talamo, 2011; Walker, 2018; Page and Sipara, 2004; Hansmann 1996;Tanna, Topaiboul, and Li, 2017;Maskus 2000;	Companies, businesses and investors seemed much keen about the private profits and losses by neglecting the impacts on the society and environment which is much focused in the past few decades due to increase in the greenhouse gasses followed by global warming. Increase in the temperature of the global environment depicts the poor corporate social responsibility of the businesses. Southeast Asian countries may pose some of the managerial and ethical issues which may be followed by discrimination, sexual harassment and manipulation of economic profits of the internal and external stakeholders. Such complaints should be dealt with adequately and promptly.
Delegated Monitoring	Black and Coffee, 1994; Diamond, 1984; Quazi, 2014; Ramasamy, Yeung, and Laforet, 2012; Dunlavy 1998; Tanna, Topaiboul, and Li, 2017; Keasey, 2005; McNulty, 2005; Keasey, 2005; Percy, 1995; Arcot, 2010; Greenbury, 1995; Pucheta-Martínez and	The system is based on the monitoring of the company by the institutes due to the increased part of official stockholder involvement by pension funds and other financial mediators. Institutions tend to buy and sell the shares to earn and maximize the profits rather

	Gallego-Álvarez, 2019; Zhang, Wei, Yang, and Zhu, 2018; Borin and Mancini, 2016; Hoshi, 2018; Hristov and Chirico, 2019	than enjoying the low margins of monitoring and they show the passive behaviour for monitoring of the companies.
Foreign Direct Investment	Talamo, 2011; Singal, 2012; McNulty, Roberts, J., and Stiles, 2005; Nizam and Hassan, 2018; Nobes, 1998; Pagano, Röell and Zechner 2002; Schwandt, 2000; Nenrantdizis 2014; Wei and Shleifer 2000; Hanson 2001; Belgibayeva, and Plekhanov, 2019; Carpenter, and Feroz, 2001; Mengistu and Adhikary, 2011; Quazi, 2014; Sahoo, Nataraj, and Dash, 2014; Appiah-Kubi et al., 2020; Jadhav, 2012; Ramasamy, Yeung, and Laforet, 2012; Alsubaie, 2012; Chevalier, Prasetyantoko, and Rokhim, 2006; Malikane and Chitambara, 2017; García-Sánchez and García-Meca, 2018; Shah and Afridi, 2015; Saini and Singhania, 2018	A strong set of corporate governance and legal protection to the investors encourages the investors to invest and to increase the level of investment even higher. According to Talamo (2011), capital flow to the economy is essential and foremost important to increase the economic activities in the economy. The emerging countries pose more capital returns on investment as compared to the developed countries due to the availability of cheap resources. The increase in foreign direct investment will not only provide employment to the citizens of the host country but also improve the skills of the labour.

Table 2.15 Thematic Content Analysis Grid

The thematic content analysis grid helps the researcher to form and or gather

essential information that was synthesised for this research study and its literature.

The researcher can evaluate the vast amount literature that is relating to the research questions and also allows both the researcher and the reader to compare, contrast, reaffirm and confirm the arguments, discussions and new ideas on each source with the context that may be significant to the research questions and writing the literature review. The existing paper should be weighed in terms of its adequacy, appropriateness, and thoroughness before it is drawn and included in the literature review (Garrald, 2017).

Table 2.15, The Thematic Content Analysis Grid highlights the research themes that are significantly related to the research questions. Notably, the contents of the authors were referenced and evaluated to contribute to the greater understanding in terms of broadness and provide adequate foundation knowledge on the research topic.

2.16 Research Conceptual model

PHASE	PROCESS	INPUT and OUTPUT
PRE STUDY PHASE	LITERATURE REVIEW AND SIMILAR SITE REVIEW ON RESEARCH AREA	LIT REVIEW: ON GOVERNANCE AND FDI THEMES : GOVERNANCE, ACCOUNTABILITY, CORPORATE SOCIAL RESPONSIBILITIES, DELEGATED MONITORING, FOREIGN DIRECT INVESTMENTS
PHASE 1 - PRIMARY QUALITATIVE APPROACH PRIMARY DATA COLLECTION INTERVIEW	PRIMARY QUALITATIVE DATA COLLECTION ANALYSIS INFERENCE	QUALITIAVE DATA FROM THE EXPERIENCE SHARED FROM THE RESPONDENTS (SAMPLE) TRANSCRIBED THEMES, CODES EXTRACTED FROM DATA [CG - FDI, BOD, Ccontribution of FDIs, Governance Strategy & Process, Regulatory Practice, and Effectiveness of the Board] FACTORS AFFECTING THE RELATIONSHIP BEWTEEN CG AND FDI
PHASE 2 - SECONDARY QUANTITATIVE APPROACH SECONDARY DATA COLLECTION STATISTIC DATA AND INFORMATION	SECONDARY QUANTITATIVE DATA COLLECTION DATA ANALYSIS INFERENCE	DATA FROM INTERGOVERMENTAL ORGANISATIONS REGARDING FDI, CG INDICES, TIME SERIES, ON SAMPLE COUNTRIES AND REGION HYPOTHESIS TESTING - Variables GOVERNANCE INDICATORS (x) NET INFLOW OF FDI (y) DESCRIPTIVES STATISTIC THE RELATIONSHIPS AMONG VARIABLES FREQUENCIES, MEANS,SD, ANOVA
FINAL PHASE Discussion & Conclusion	CONCLUSION	INTERGRATION EXPLANATION OF QUALITATIVE AND QUANTITATIVE RESULTS DISCUSSION, IMPLICATION, FUTURE RESEARCH

Diagram 2.16 Researcher's conceptual map on direction of research study: author's own work

Diagram 2.16 the conceptual research map illustrates in an abstract perspective of what, when and how the mixed method approach takes place toward this research study. It helps both the researcher and reader to visualise logically on the directional flow and the vital research processes in a big picture.

Key milestones can be seen in a downward process, and confidently represents a road map towards the final phase of this research study. Chapter 2 of this research study is the Literature review, there was extensive analysis in the vast range of literature papers and to seek significant to the research questions, there was a lot of going back and forth identifying and analysing existing literature and finding relationships and connections. However, research tools such as the concept map and

the thematic content analysis grid support the researcher to form a general strategy into a useful framework at conducting a research thesis.

2.17 Summary

The literature review is discussed comprehensively and found that a lot of research had done in the field of a foreign direct investment considering Southeast Asia as well. There are different opinions of the researchers about the relationship of corporate governance and the foreign direct investment, but all of them seemed to be agreed on a point that the corporate governance and the quality of the governance is the main point of consideration for the foreign investors. They also emphasised that the continuity of the democratic system creates and enhances the confidence of the investors in the economy resulting in heavy investments (Carpenter, and Feroz, 2001).

The business and social environment also plays an important role to attract the foreign direct investment as corruption, bribery and low pace processing of the business activities related to government institutes deter the investors and discourages them which could ultimately result in an outflow of the investment and capital from the economy. The intellectual property protection is also an additional positive factor which provides the ownership protection of the products and services for uplifting the level of foreign investment in the country. The sector should be chosen with a high potential of return with high linkages. The agriculture and mining sector may not be as affected as manufacturing and secondary sectors. Auditing and accountancy practices have an impact on the inflow of the capital and foreign direct investment. It is obviously found that the increased level of transparency is marked

as a key attraction for foreign direct investors (Chevalier, Prasetyantoko, and Rokhim, 2006).

The standards developed for the well-stable and developed centralised companies may not be feasible and compatible with their application and implementation in the decentralized and dispersed markets of developing countries. He further added that the international standards developed are tied to specific conditions and have no flexibility to alter or modify in certain different situations. The countries are struggling for increasing the inflow of the foreign direct investment but fail to enforce the adequate policies and accounting methods to ensure the purpose of higher foreign direct investment inflow. The developing countries are facing the issues of the expertise and are unable to develop a comprehensive set of their own accounting standards which can be categorised as the standard (Fazio, and Talamo, 2008).

The adoption of the standards will help the investors to feel like their own countries but with larger returns on the investment. It is obviously convenient for foreign investors to understand the accounting practices in the local market when international standards are applied. Both schools of thought agree on the point and need of the transparency and accountancy practices in the corporate governance of the company to create a charm for the foreign investors to invest in the company. Conclusively, it is observed that all of the researchers focused on the mainstream of the quality of corporate governance rather than the corporate governance itself (Florou, Kosi, and Pope, 2017).

CHAPTER: 3 RESEARCH METHODOLOGY AND DESIGN

3.1 Research Methodology

In research on hybrid strategies (also called hybrid research in literature) is becoming increasingly clear, related practice investigations and identified as basic technological research or research paradigm. Hybrid strategy studies may not have a single demarcation criterion, but studies of combinatorial technology, taking into account the experience of thinning or grassing, have a variety of key criteria that are similar or wider implications extremely inclusive. Although there may be a truly ideal or essential definition, the design of possible definitions, communication and social development is an important goal for the world. Naturally, these definitions can often be exchanged for many years thanks to this method (Venkatesh et al., 2013).

3.2 Research Philosophies

The "research paradigm" has continued to expand. Classical pragmatic philosophers are right in saying that to exist is generally a new starting line. Compared to Socrates, Plato and others who have observed most of the truth or technology in the region, pluralism, and relative truth, which are the sages and Protagoras and Gorgias, and the balance or combination of extreme Aristo "Moderate Principles "or principles of stability, less scepticism, Cicero and the Saxist empiricism Dodd can at least be attributed to historical western philosophy and the spirit of these debates now lives on social studies. Among the exceptional views of the three most critical technologies. Protagoras thinks that "people are available to everyone", and in many ways, the record of western philosophy still

debates Protagoras and opportunities in terms of opportunities. The debate continues to influence the way we look at information, what we look for, what we hope to discover and how we agree on how we search and test the "information". The hybrid method can be located between the fine Plato, which is quantitative research and qualitative essay research; the mixed research is trying to respect the defects of each view, while potential intermediate responses to the masses (research) seek questions of interest. These days, the number one philosophy of hybrid research is the philosophy of pragmatism, choosing to forgo theory or abstract principles. The search for hybrid technology is often qualitative, a method of recording (teaching and practice) trying to memorise more than one opinion, the position and the point of view which consists qualitative perspectives and quantitative research. Boring (1953) foreshadowed this concept as follows:

> *As long as a new construct has only the single operational definition that is received at birth, it is just a construct. When it gets two alternative operational definitions, it is beginning to be validated. When the defining operations, because of proven correlations, are many, then it becomes reified. (p. 222).*

The concept of a mixed operator is broader and includes verification techniques instead of all the search technology. Furthermore, the ideas of the first researchers on the multiple operations were closely followed and multi-method research was defined, which is an assessment of what is now called a hybrid strategy study. According to Webb et al., (1966)

> *Once a proposition has been confirmed by two or more independent measurement processes, the uncertainty of its interpretation is greatly reduced. The most persuasive evidence comes through a triangulation of measurement processes. If a proposition can survive the onslaught of a series*

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of imperfect measures, with all their irrelevant error, confidence should be
placed in it. Of course, this confidence is increased by minimizing error in
each instrument and by a reasonable belief in the different and divergent
effects of the sources of error. (p. 3)

Schwandt (2000) occupies a stronger position in the "paradigm war", challenging disagreement or differentiation and definition through the opposition of qualitative (unique) research. He once said: "In addition to the difference between qualitative research and quantitative research, is there any other significant amount of help in understanding the causes and forms of human research? Are there questions that are particularly questionable?". Schwandt (2006) also declared the following:

All research is interpretive, and we face a multiplicity of methods that are
suitable for different kinds of understandings. So, the traditional means of
coming to grips with one's identity as a researcher by aligning oneself with a
particular set of methods (or being defined in one's department as a student
of "qualitative" or "quantitative" methods) is no longer very useful. If we
are to go forward, we need to get rid of that distinction. (p. 210).

It is obviously a matter of high importance and concern to extract the exact information, data, and statistics rather than the methods of extraction although they cannot be neglected, still they cannot override the importance and results of the study. A mixed method of research will be used in this study according to the variables of study and availability of reliable data for analysis.

It is rational to understand that the some of the participants may not be in a position to share the exact data and information about their companies due to some of the internal management policies of their respective companies which may

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damage the quality and validity of the research study itself. In this situation, the cross verification or indirect approaches may be used to calculate the exact information and induced data for the determination of the study.

3.3 Rationale of the Mixed Methods used in the study

As the research study will be on a mixed methods or hybrid method, phase 1 and secondary phase 2 approach. Phase 1 is by primary qualitative data gathering through interview schedule and phase 2 is using Secondary data gathering method of research. The Qualitative and Quantitative analysis and results obtained will be in a separate manner. The secondary data collection will be analysed in a quantitative method as foreign direct investment inflow and the presence of the corporate governance data fall under the category of quantitative techniques thereby allowing the researcher map to the research questions. There is a need of this study to agree on the relationship of the variables of the CG and FDI indices. As stated by Creswell (2003), a quantitative approach is appropriate when a researcher seeks to understand relationships between variables.

One of the main factors in choosing the mixed method qualitative-quantitative method for this study is the consistency and efficiency of data collection. The qualitative methodology presents a researcher with multi-faceted opportunities for gathering the data via a semi-structured interviews and open queries. One goal of qualitative analysis is to have a multidimensional view of the life of a subject. The Descriptive Exploratory approach will be used gain familiarity of the primary data and interpretation in this phase 1 study. The Descriptive Exploratory Analysis will be relevant to qualitative research that attempts to dive, explore, and explain the perspective of a specific phenomenon of the respondents' point of view. As a technique in its entire interest instead than just a way of interpreting evidence, the

phenomenology analysis includes a thorough analysis of the "lifeworld"' participants; contextual perception of a given event, how they managed to understand of certain encounters or the significance they add to themselves (Cassidy, Reynolds, Naylor and De Souza, 2011).

The qualitative method of collecting primary data through interviews and the technique of Descriptive Exploratory Analysis (DEA) method can effectively explore how respondents are making sense of their personal and social world, answering the semi-structured interview schedule that focus on the practical understanding of the interaction between corporate governance and the effect on foreign direct investment. The semi structured qualitative research is flexible enough and there is opportunity is to "pilot" the interview schedule "on the progress" by carry out the first interview and feed-back to fine tune on the next or subsequent interview. The research study can benefit the effective method for primary data collection that are open-ended data, where there is a possibility to explore respondent's thoughts, feelings and experience about an area and to answer the research questions that can be confidential and sometimes sensitive issues. Areas of the research question may be interviewed in the case of absence of data on official websites of the companies or to avoid the manipulated data or obsolete data availability on the official websites of the companies. Furthermore, the primary data collection is effective method, when discussing on company malpractices and may also require confidential interviews of the key members as the company officials may not be comfortable to share or disclose any malpractices in any other methods. It will also help the author and reader to visualise the "actual" regulatory practices in the company and their descriptions of the financial areas like due diligence, assets, liabilities which may otherwise hurt the quality of the study heavily.

In the same way, the corporate level (C-Level) employees or board of directors of the companies can also be interviewed using the audio recorded interviews which categorised as the semi-structured interviews (Cramér, 2016).

To strengthen this research study, information, and data regarding the "lived experience" of governance in relations with FDI will require the primary qualitative data collection while phase 2, secondary data gathering and quantitative analysis of corporate governance, governance indicators and foreign direct investment data are to be collected from official websites such as the World Bank, Worldwide Governance Indicators, OECD and ASEAN. Combining a qualitative and quantitative approach can be the most appropriate choice for this research study. As stated by Creswell (2003), a quantitative approach is appropriate when a researcher seeks to understand relationships between variables. Secondary data collection methods focus on the collection of the definite data variables which may be used as criteria to collect and process the data. Governance indicators and foreign direct investment inflow is the quantitative variable of the study which can be collected by using some of the official websites of the companies or finance ministry of the respective company in the Southeast Asian region. Similarly, the data can be cross verified by comparing the statistics by official websites. To fulfil the gap research questions, there is a need of this study to explore on the relationship of the variables of both governance and FDI inflows.

3.3 Selection of the primary data source

Primary data is the main and vital part of the data collection process. The respondents from various organisation, background, diversified areas of expertise remain to be the main concern which is followed by the dispersed information. Such raw data collection must be exposed to the classification and data processing

techniques to make it processable. It is always a matter of importance and great concern to select the best possible target group for the research study as the quality and validity of the results and study is going to depend on the selection of the target group and the organisations where the respondents are associate with. The deductive reasoning process is to select the target group which means that there is a pool of thousands of the organisations and candidates in ASEAN countries. To some of them, which firm are not getting the investment rather, most of them are managing its finances from their own resources which means that the first filter, "Acquisition of investment", will enable the researcher to identify and categorise the firms on the basis of the investment. The second deductive filter will be applied as it is not necessary that all the investment may be a foreign direct investment. It is obviously rational to understand that local private or government investment may also be a part of the investment acquisition by the companies so the second deductive filter "Nature of investment" will be used to categorise and differentiate between the companies on the basis of the nature of the investment. After the application of the second deductive filter, there is still a significant pool of companies which cannot be included in the study due to cost and time barriers so there must be some other filters as well to increase the extraction of the best possible representative group of companies as a population. It is rational to argue that further deductive filters may result in the manipulation of the data. So, it can be considered as the first population of the research study at this stage (Cramér, 2016).

Sampling from population
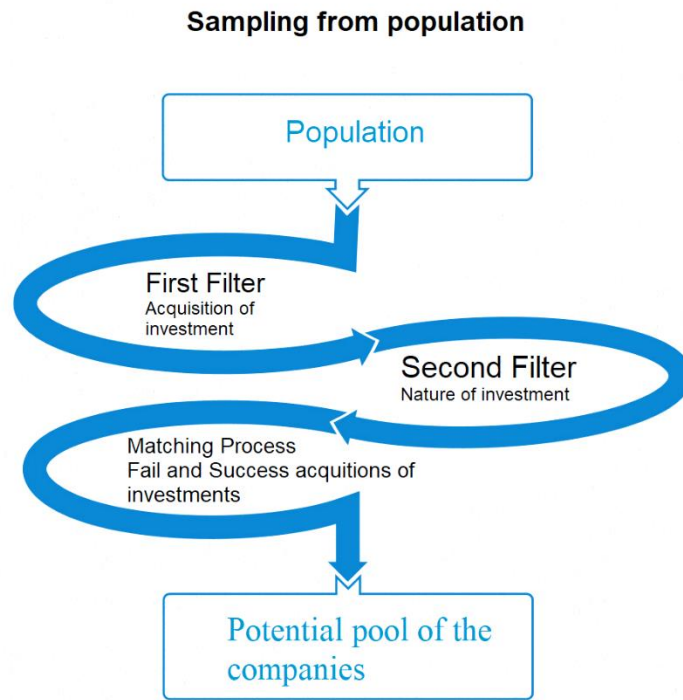
Figure 3.31 Conceptual sampling process from population source: author's own work

In parallel to the foreign direct investment, a pool of the companies will be selected which remained unsuccessful in attracting the foreign direct investment. There will be hundreds of registered companies which are not involved in any foreign direct inflow transaction. First deductive filter "Matching sector" will be used to understand the difference in the inflow of the capital investment. For example, if the investment inflow in the food sector is determined by the first filter of the investment in the first population than the companies with no inflow of foreign direct investment will also be selected from the food sector to make the results comparable. After the successful application of the first filter, the second filter of the "Matching industry" will be applied to the companies to refine the population according to the nature of the studies (Krosnick, 2018). The second filter will provide the best comparable population for the inflow of the foreign direct investment. It is rational to get comparable and justifiable population from the overall potential pool of the companies. It may be considered as a parallel population

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two for the study. The selection of two population of companies from the same sector and operational industry will help both the reader and author to analyse and compare the results effectively. Both populations will be cumulative of 50 companies, out of which 25 will be equally selected from each population.

3.4 Sample Selection

Sample selection is always a matter of high importance for the research as time and cost constraint never allow the researcher to include all of the population in the research study. Similarly, it is not feasible to include all of the population in the study due to availability issues of the respondents and their willingness to share the information and data. Sometimes, it is also a matter of concern to collect, classify and analyse the large data. Interestingly, an increased amount of data may also create some type of misleading diversification which may lead to the degradation and manipulation of the actual results (Krosnick, 2018). The increased diversification means decreased in the depth and breadth significance of the qualitative data. From all of the above discussion, it can be considered that the populations cannot be exposed directly to the research processes and should not be involved to avoid laborious and distraction. If it is true, then what should be done to make the study effective and to avoid these factors? It may be the selection of the best representative group of the population. It will help the researcher to extract the effective representative results by using the small representative portion (sample) of the company.

Further filterng of population

Population
Filtered

Acquisition and Nature
of investments
Size and industrry

Matching Process
Size and industrry

Potential pool of the
companies
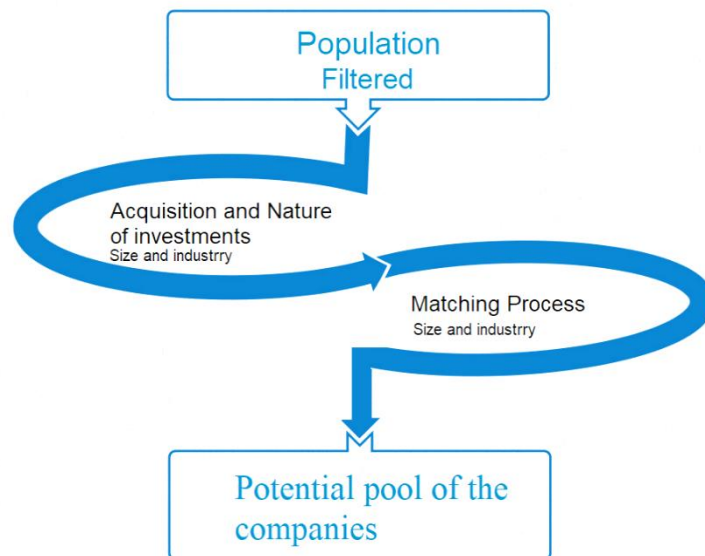
Figure 3.41 conceptual 2ⁿᵈ sampling process from population source: author's own work

It is now clear enough that the researcher will use some of the well representative samples from the population filter by its size, sector and the capability to attract FDI. Still, it may be ambiguous for the reader to establish how the sample will be selected and how it can be declared as the unbiased and well representative of the population for accomplishing the study. Hence, the research study will adopt the judgemental or purposive sampling method as it is ideal for identifying and selecting the sample for the accomplishment of the extraction of the information and establish criteria of the practical research study.

The judgemental or purposive sampling method refers to the selection of the subjective respondents from the selected population under the motive of lower distraction from the mainstream of the study. For clarification, it can be stated that the judgemental or purposive sampling is not about the selection of the company according to its own choice. The researcher becomes the expert in terms of field,

expertise, and knowledge to make the judgement on the selection from the population to form suitable criteria of sample.

It will not be considered as a biased sample as the researcher has more than 10 years of experience in the field of finance, and had graduated with a Masters in Finance, the researcher has expert knowledge on the criteria of suitable sample differentiating in terms of organisation size, finance, sectors, profile of candidates that can be reliable, valid, and integral primary source to the qualitative data gathering. Effective verbal communication between the researcher and respondents also plays an important factor such as language and culture, the criteria of English-speaking respondents in ASEAN countries is one of the priorities. The negative impact of the interview process must be minimised from miscommunication which forms the primary data gathering, accessing in-depth insight of the respondents and close verbal interaction on the topic area. Judgemental or purposive sampling is an opportunity-free model based solely on the characteristics of people and the purpose of observation (Cox, 2018). It is also known as critical, selective, or subjective sampling. This type of sampling can be advantageous under certain conditions. Yet, the quality of the study may not be compromised by the elimination of the necessary variability from the data. A heterogeneous purposive sampling model will be suitable in this study to select the samples. Heterogeneous sampling methods are the modes that choose to provide multiple times that apply to a phenomenon or event. This type of sample drawing aims to provide as much information as possible from an event or phenomenon in the examination. It is a matter of concern for the researcher to analyse from both populations to grasp the exact idea in its interpretation and conclusion developmental process.

3.5 The Respondents

The primary data collection centred on the gaining practical understanding of the "lived experience" or real events of recalling a phenomenon of the respondents between corporate governance and the effect on foreign direct investment, it will be advantageous to use a qualitative interviewing approach of gathering data.

The sample or respondents from relative field of interests who will be exposed to semi-structured interviews schedule. There will be some of the possible limiting factors which may result in the further categorisation of the respondents based on their availability.

For this research study, the researcher will prepare the suitable sample on the criteria, candidates with at least 6 years and above experience in corporate governance and foreign direct investment experience, there should be diversity in terms of gender, age and background. The organisation or company that candidates being involved must also have experience in national to international exposure. In this study, candidates should be on the board of directors and or employed in top corporate level (C-level).

The Sample
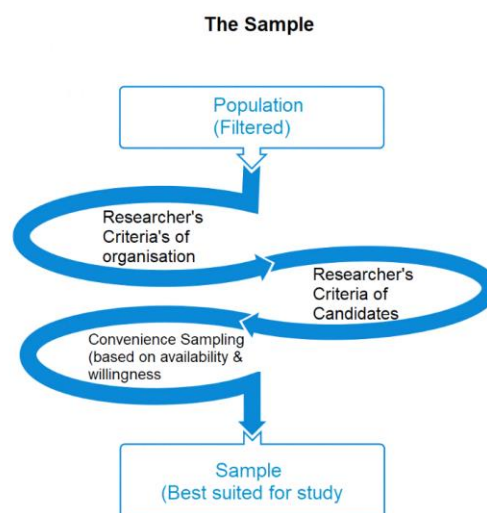
Figure 3.51 conceptual filtering process source: author's own work

It can be said that the study is going to be comprehensive and well-focused. The topic of the study is about the corporate governance level and the inflow of the foreign direct investment within Southeast Asian countries which may be tackled by the Chief Finance Officer (CFO) so he might be in a position to provide the exact information about the obstacles on capital inflows and its distribution processes (Krosnick, 2018). Similarly, the human resource manager is an authority in the governance system of the company and have an insight into the decision-making processes of the company and may provide an insight stippled with information and related data about the company. Higher management will provide the information insights on board members, shareholders interactions and priority of how investment inflow which will be helpful to understand and identify barriers of investments (Cox, 2018). Similarly, the key shareholders will also be included in the interview as respondents to extract, identify and understand the priorities of the foreign direct investors. Remember that the study is revolving around the impact of the corporate governance system and foreign direct investment inflow in the southeast Asian region. It can be hereby witnessed that the respondents selected for the study are covering all the possible and potential areas of study.

3.6 Primary Data Collection Tools and Methods

As of 11th March 2020, the World Health Organisation (WHO) has declared the COVID 19 as a pandemic. China was impacted in December 2019, and later the outbreak was declared a Public Health Emergency of International Concern, which later evolved into a pandemic on 30th January 2020. The original direction of the Primary data collection plan is heavily impacted by this covid19 pandemic and is now a huge challenge for many researchers. For this difficult time, the collection of primary data and study of board of directors, Corporate level (C-level) and related respondents will need to be either modified or improvised into interviewing through

information technology based, Zoom meeting with audio record with the mindset of keeping social distancing away from respondents.   Through online Zoom Meeting with audio recording function to capture and shared their correspondence relating to corporate governance and foreign direct investment experience. The selected respondents will be contacted from ASEAN Nations and for this study, primary data collection remains unchanged, however, as selected respondents are very health concerns, face to face through technology and avoiding proximity face to face interaction remains the best choice,

Data collection and precision is the vital part of any research study as all the results, discussions, conclusions and recommendations are going to base on it so it should be comprehensive enough to preserve the quality and validity of the study. Data collection can be categorised into two further types as it may be available on the internet or company reports which can be considered as the secondary data. The validity of such data may create some of the diversifications in the study as it may be manipulated for some of the political factors by the government official or for some of goodwill or reputation purpose by the company. Such data collected should be dually verified by using statistical methods and cross-verification of data by comparing the government and company's official data to avoid any misleading results later whatsoever they may be. Reports from international institutes will be helpful to track and monitor the fairness of reporting in the study. It will also provide an insight into the corporate governance practices of the company which is one of the core arguments of this study.

3.6.1 The rationale of Semi-structured Interviews

Semi-structured interviewing is often done where a researcher does not have over one opportunity to question an individual. The level of depth and richness fits this research study and its objective, this primary data gathering method is usually open-ended questions in the form of an interviewing schedule or guide during the interviewing process with the respondents (Flick, 1998).

The researcher creates and provides a 'interview schedule or plan.' It is a collection of issues and subjects that are to be discussed during the discussion, typically in a specific sequence. And the interviewer observes the direction but is willing to pick up on the existing projections in a dialogue that might depart from the guide as he or she thinks like this is necessary (Cohen, and Crabtree, 2006).

Semi-structured interviews are effective when accompanied by evaluation, informal verbal interviews to enable researchers to build a thorough knowledge and understanding required to establish a connection with the research objectives. Allows researchers to develop in-depth accounts of experiences and perception of individuals (Cousin, 2009, p71).

Part of the primary qualitative data gathering is to ensure that the essence of conducting a rich qualitative interview to remain unbroken, it allows both the researcher and respondent not being tied to specific interview questions. Henceforth, the semi-structured interview combines a predetermined set of open questions to act as a guide which there is an opportunity for the researcher to probe and explore research themes or responses from the respondent. With a predetermined set of open questions in an interview schedule, the researcher can compare and contrast responses and helps to provide some uniformity among the candidates, which can be useful at a later stage of analysis.

The semi-structured interviews frequently include conversations that may vary from the interview plan, for this research study it will be audio-recording the interviews and then transcribe these recordings for qualitative analysis and review. All of the respondents' interviews will be recorded in a password secured personal computer, the interview is through a private Zoom meeting. All recordings will be transcribed at a later stage when all interviews are completed.

In this study, the semi structured interviews schedule is more beneficial in terms of depth and richness of the topic and valuable data can be gathered from the respondents' experience when straightforward specific questions or fully structured questions during the interview may be a difficult to answer and may result in the diversion from the mainstream of the study so it may not be a feasible choice. The semi-structured interview is better choice which can serve for both purposes simultaneously (McIntosh and Morse, 2015).

As some of the primary data may not be available through the qualitative data gathering, still the phase 2 of the secondary data collection, the researcher may dig further in-depth to fulfil the some of the research questions by means of using statistical analysis. However, with a semi-structured interview and use of flexible open questions, the interviewer will have enough flexibility and power to manoeuvre or transform the questions without distraction that deviate from the main point of response. The rationale for the phase 1, primary data collection methods of this research study can be summarised as the best possible questioning without deviation from the main agenda allows the flexibility and comfort to both the interviewer and the respondent.

3.6.2 Interview Schedule Development

The semi-structured interview schedule has five sections of correspondence and respondents are subjected to share their experience through these sections, although all of them are supposed to contribute to the core idea or central phenomenon as to "how" or "what" of the topic area that are being explored in the study, still the information collected should not be overlapping. The interview schedule includes formal set of questions relevant to the research questions on the interview schedule. it aims to collect the data from the respondents whose background can be from the corporate levels (C-level), such as the Chief Finance Officer (CFO) of the company and may be able to answer about the preferences of the investors and this information may be solely shared by the investors (McIntosh and Morse, 2015). Similarly, all the respondents have their role and may supposed to answer different variables so it will be a bit difficult to use a "one size fits all" set of interview schedule for all the respondents.

Interview schedule development preserves its importance significantly due to the dependence of the data collection process followed by the quality of the research study. Remember that there are five sections for the respondents and is subjected to share their experience and answer the interview questions and suppose to contribute to the central core area of the study, it is normal to see data collected to be duplicating or overlapping and sometimes deviate from the interview questions. Five key areas that are associated with the research questions is designed in the interview plan or development (see appendix 1) will be used to collect the data from each of the respondent. It means that there are some of the specific needs of the study which should be addressed effectively as well as different sections can be used to stick with the main thrust of the study. The interview schedule developed for the research study

are all open-ended, the question designs should be simple but comprehensive enough to maintain the interest of the respondent and to extract the exact information simultaneously (Krosnick, 2018). It is obviously a matter of concern for the researcher to record the answer to the question which may be seem either weak or strong presence in terms of depth and richness to the research questions.

3.7 The Interview Questions

The interview schedule consists of a set of questions which is also the research instrument for collecting qualitative data from the respondents. The questions themselves in the interview schedule is driven by attaining rich information that correlates to the research questions in a way section of the interview schedule are to be mapped to the research questions and objectives. The researcher's knowledge on the research topic is vital as well as to be inspired of successfully completing the interview stage.

The questions in the interview schedule are section into categories, as seen from appendix 1, 5 categories and limited sub-categories, to ensure that the interview process is controlled within a reasonable timeframe. Some of the questions area may be based on the opinions or trends providing a vast range of responses which may be captured by using the further explanation as to What Where Why, When and How (5W1H). For example, how effective is your corporate governance strategy? Can you describe it? (Why, Where, What, When, Who, How). What are the key areas that should fall under board governance for foreign direct investments?

Examples:

• Reviewing governance strategies (Why, What, How much?)

- Managing corporate governance (How)

- Auditing governance effectiveness and assessing governance performance (Outcome)

- Appointing top management with corporate governance focus (Who)

Such questions may be exposed to an extended range of responses by the respondent. The initial range may include yes, maybe, somehow, may not be, perhaps and no. The main point of consideration and clarification is that the respondent may be allowed to choose an option according to his/her expertise and further explore the answers in depth. It is important to note that respondents may seem confused and struggling for two different answers which may be equally important, and the choice may damage the quality and validity of the study. For example, what are the main motives for the inflow of foreign direct investment? What regulatory practices may be an attraction for foreign direct investors? Without separating the questions accordingly, the answers to such questions may lead towards a commentary which may not be easy to accept followed by time barrier and interpretation errors. The optimal choice for such type of interviewing may be to set it as separate sections and departmentalised them in the interview schedule, to encourage many possible shared experience and responses.

A good question in the interview is not the one which is aimed to get the good and desired responses rather a good question in the interview is one which gets the respondent involved without making some conscious efforts and extracts the subconscious information which otherwise remains disclosed. The use of some open-ended and tricky questions may be helpful to get the information (Taylor, 2015). The open-ended questions in the interview are to increase the flexibility during the interviewing, the questions can be adapted so that the researcher may find an

opportunity to inquire further on certain questions to increase the understanding in an area. The respondent can also express and share more details on a particular question which may not be possible with structured questions, the proposed semi-structured questions in the interview will be good for collecting rich data and information in an inquiry manner which is valuable for capturing qualitative data from their experience and perception on their area of expertise.

3.8 Validity and Reliability of the Interview Instruments

A written interview schedule should always be ready as a prerequisite for effective validity and reliability testing. Validity in qualitative research indicates consistency and reliability regarding activities and events associated with the phenomenon as indicated by the study results explored in the research (Golafshani, 2003).   The success and usefulness of the questions in the interview plan can be achieved by using a "pilot test", the interview schedule "on the progress" by carrying out the first interview and feed-back to fine-tune on the next or subsequent interview.

A "pilot test" can positively be beneficial to the validity and reliability of the planned interview process and the interview questions, it allows the researcher to adapt, practice and to evaluate the effectiveness primary data collection process by identify any issues that may arises so changes can be made such as the need to develop interviewing skills, the right communicative tones, questions that may deviate from the research objectives which must safeguard on the effective data collection process (see diagram 3.81.) A pilot study aims to evaluate the sustainability of planned research and avoid problems that could arise when a large-scale study is conducted. (Thabane et al., 2010)

A pilot test is vital as it will inform the researcher by means of assessment, allowing the opportunity to evaluate the researcher's readiness, confident and commitment level so that effective modifications and transformations can take place (Lancaster et al., 2004; Beebe, 2007).

The Pilot Test – Research Instrument

Pre-interview stage
- Identify 1st respondent
- Proposed interview questions formulated based on research objectives
- Confirm interview session details eg. date, time and venue of the interview

During interview stage
- Establish a good rapport with the respondents explaining the research nature, purpose and the length of the interview session interview protocol sequentially,
- Probing techniques to elicit rich information, note-taking of the experience revealed by the respondent.
- summarise the interview session and offer questions,answers, suggestions or thoughts to add.
- Closing the interview with expressing appreciation to the respondent for their goodwill

Post Interview stage
- At this stage recording is the transcribed, coded, theme to the relevant research questions
- Interview questions can be refined, rephrased and modified to better guide the researcher to conduct the actual or next interview

Diagram 3.81 The Pilot Test (Research Instrument) Source: author's own work

A pilot test is necessary in any qualitative and quantitative research with the aim to ensure that the validity and reliability is attained. The definition itself is a trial run of a research instrument before the researcher conduct the actual study and may take place from the first respondent and make necessary adjustments on the research instructment (Teijlingen & Hundley, 2001; Tashakkori & Teddlie (2003). It is the fundamental to the research, the sole purpose of it to identify any possible errors. Thus, the effectiveness of the interview depends on how robust it takes to measures at the validity and reliability at pilot test level and process.

3.9 Primary Qualitative Data Analysis

Qualitative analysis process will start after all interviews has completed, the duration of each audio file is approximately 40 minutes long, transcribing may be complex and tedious as the researcher has to process the mass amount of data from all the respondents and will not be an easy task. It will take a vast amount of time and effort to transcribe into text ready for coding. Conveniently, the semi structured interview plan is designed and separated by the areas of the research questions, therefore, pursuing related words or phrases is made easier in the transcribed text for coding, it contains phrases of key areas and common connection between research questions. Still, the researcher must pay close attention to the data collected, by completely focused on the respondents' details relating to their phenomena experience of each interview questions.
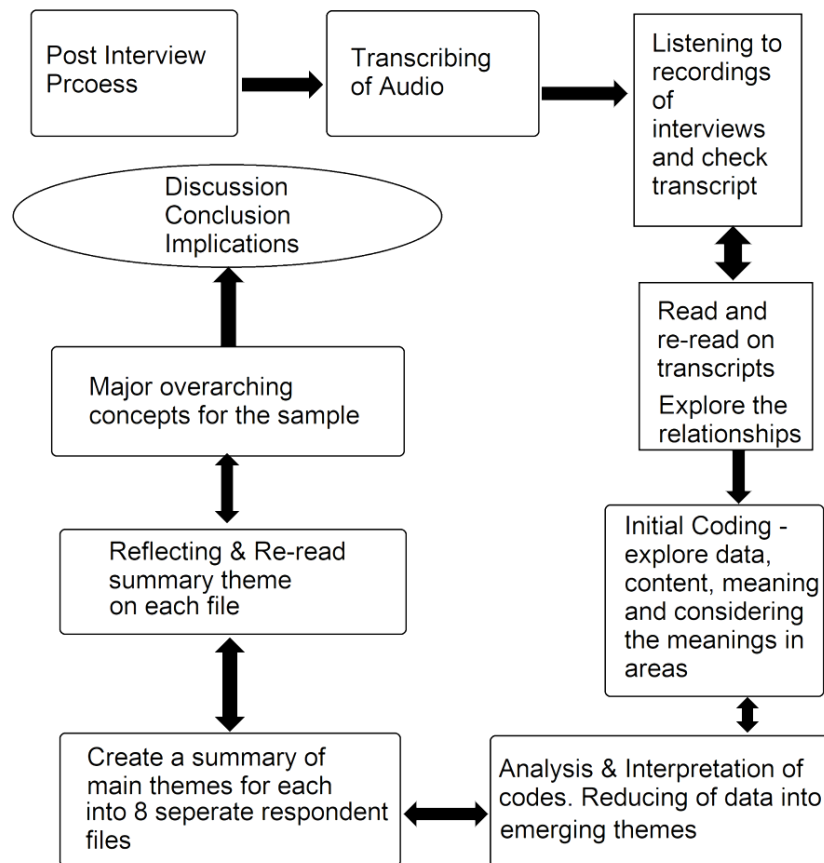
Diagram 3.9.1 Qualitative data analysis flow chart. Source: author's own work

3.9.1 Qualitative Data Processing

At this stage, which is the Post Interview stage, the right qualitative technique the researcher choose must be ideal for this analysis, which the researcher will first collect the primary data and attempts to explore the explanations from the data after the transcribed stage. The research questions of this study are to explore the cause-and-effect relationship between governance and inflow of foreign investments and the primary data collected through interviews can potentially provide a rich amount of data in terms of depth and breadth; therefore, an appropriate qualitative technique is imminent to safeguard and ensure the actual quality of the respondent's phenomena shared does not compromised.

The audio recorded interviewing process between the respondent and the researcher is estimated to be approximately between 30 to 40 minutes, and is expected to yield a large amount of data to be read and transcribed (see diagram 3.9.2 at Step 2and 3) the choosing Descriptive Exploratory Analysis or technique (DEA) is ideal for the processing the vast amount of transcribed data, this technique also uses a thematic analysis to examine the data, which the researcher will use his own perspectives, experiences and knowledge to try identity nodes, and codes to form them into themes.
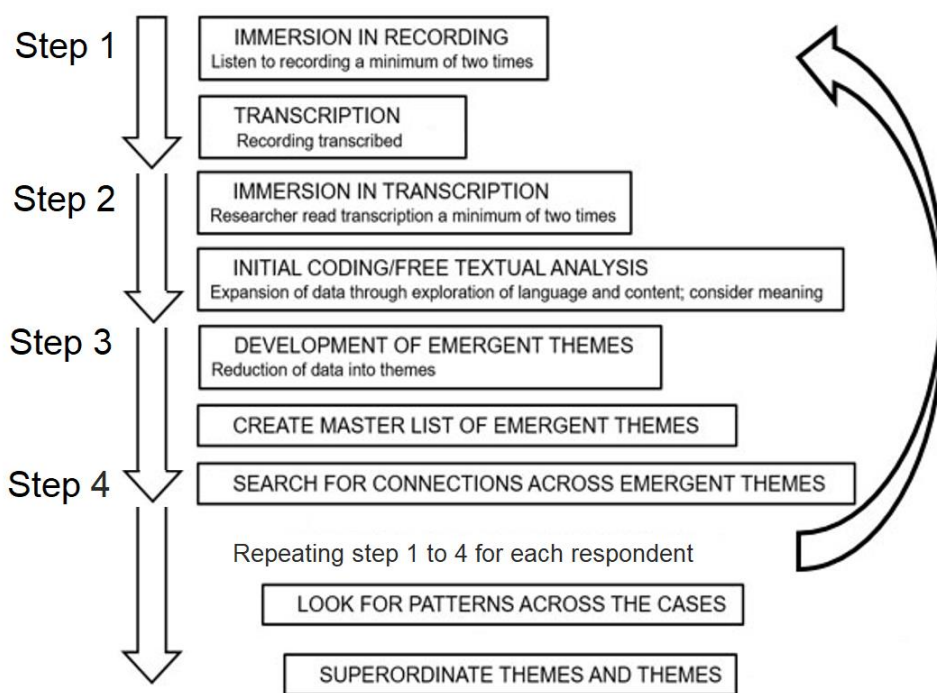
Diagram 3.9.2 Qualitative data/ coding analysis flow chart. Source: author's

own work

The data processing at this stage is to provide a step-by-step qualitative overview of the process of data analysis through a content analysis approach. Below is a conceptual overview of the method where the researcher must evaluate the data. The

strategy requires to use a content analysis on the data processing, whereby the researcher will identify and examine patterns in the transcripts, and analyse back and forth within these 4 key steps:

- Step 1 to 2 Explore the origins of the text

- Step 2 to 3: Explore wide themes

- Step 3 to 4: Review the theme cluster

- Step 4: Results of Main and Sub themes

- Repeat the process for each respondent

Data research begins when the researcher started interviewing the respondents through remote zoom-meeting. The researcher maintained a research log of the main terms and sentences that were redundant. The researcher noticed that the participants had the most parenthetical phrases, and the words, themes, and concepts can be extremely time consuming and challenging towards the insight of the research objectives.

Step 1: Explore the origins of the text

Once the interviews were done, the interviews were transcription word for word. First is to import the transcript word documents in NVivo (Diagram 3.9.3). According to the implementation of NVivo 11, both data points, like interviews, were reviewed for initial assessment and read for a second or third time to recognise main words and expressions that will be used by NVivo 11 to spot patterns. The software allows to create memos on each respondent that the researcher may miss out initially from the reading of the respondent's transcript.

The researcher's early observations can be input with annotations inside the memo where the respondent had opinions on corporate governance and foreign direct investment in ASEAN countries.
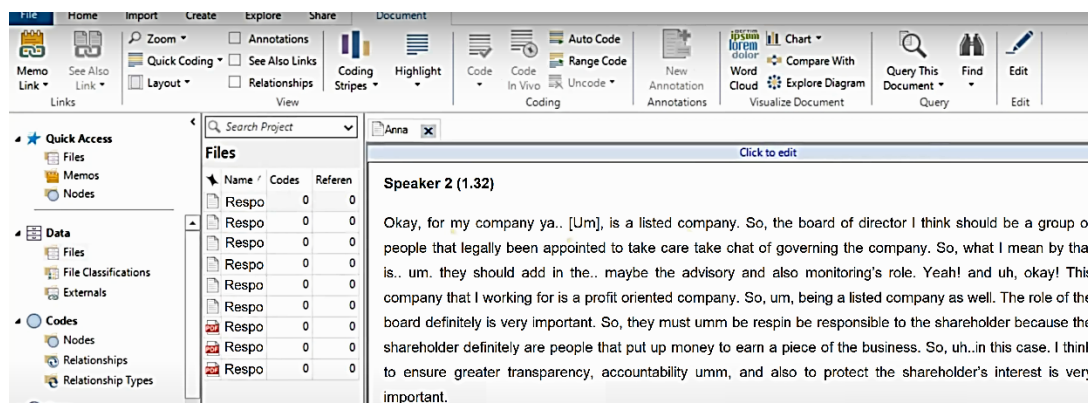
Diagram 3.9.3 Data import and exploring codes source: author's own work

Forms of encryption: NVivo 11 explores two techniques to code, utilising questions, and direct path encoding. Sweeping statement code references instantly depending on the terms or terms to include. It can be achieved using text search queries or finding the occurrences of a word, phrase, of a phenomenon. NVivo's functionality supports and allows scripting in a convenient baseline when analysing details, automatic coding includes operating through a context (for instance, a full text) to pick material and then code it. The word frequency at this point can be exported to form word cloud which is another abstract type of visualisation of the frequent data associated with the themes. Also, cluster analysis is a helpful in the NVivo's function, especially when the researcher can explore in-depth as this an exploratory technique that the researcher can use to visualize emerging patterns.
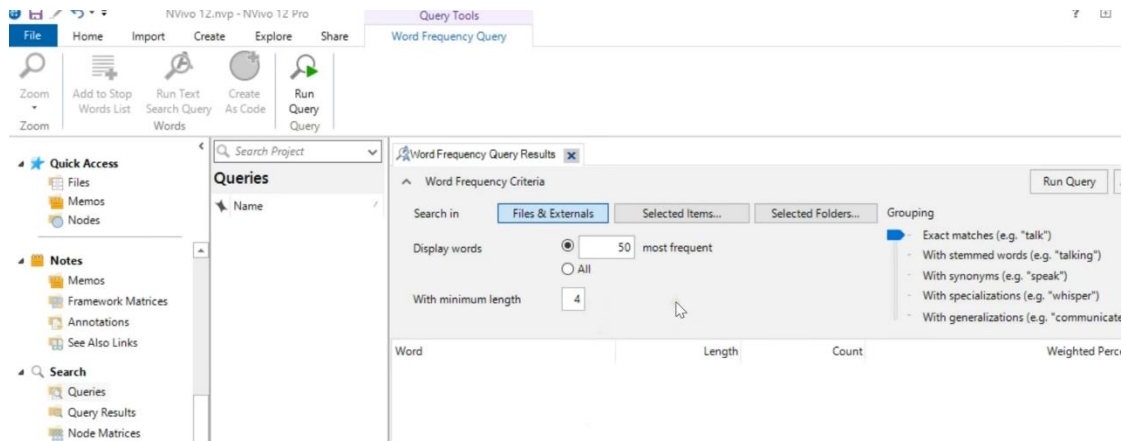
Diagram 3.9.4 Search queries and exploring relevant words source: author's own work

Theme coding: to generate the themes and sub-themes of the study through making chunk out of the text and coding the chunk. The researcher focuses on the most significant phenomena during the analysis via "cluster analysis" in NVivo, traditionally known as "circle or bracketing", which will be ready for coding to a more common and significant point for generating themes and sub-themes.

Step 2: Explore wide themes

The researcher will gather all the nodes and use a browsing technique during the first time, conducting several keywords and phrase frequency queries. For examples, to run search queries for "opinion to research-related questions".   Depending on return feedback from the NVivo tools, using the navigator, it allows the researcher search, focus and make the relevant marked points in the transcripts. Important terms and phrases are added into memo to expand the understanding of the experience. The annotation function is very useful for reminding the researcher by adding key notes and descriptions of a phrase, if the researcher needs to review or perform further analysis or connect relationships

between themes, subthemes or other attributes it will be very useful e.g.

crosstabulations
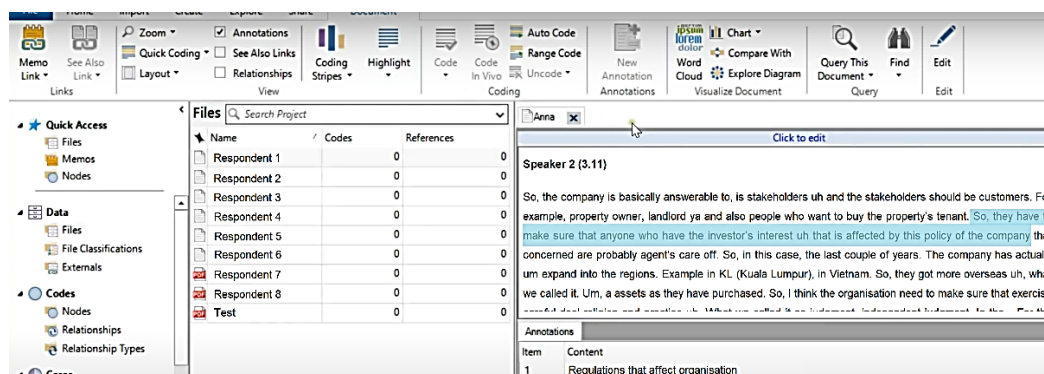
Diagram 3.9.5 Coding via exploring codes making memo and annotation

source: author's own work

Step 3: Review the theme cluster

Hundreds of connections which have been identified and are separated down into 6 different nodes. Node is a compilation of quotes to a specific subject, scenario, or connection. The cases folder in NVivo is important when working with NVivo as they enable the researcher to store related data in one location so that the researcher can check for new issues, proposals and or making adding more information.
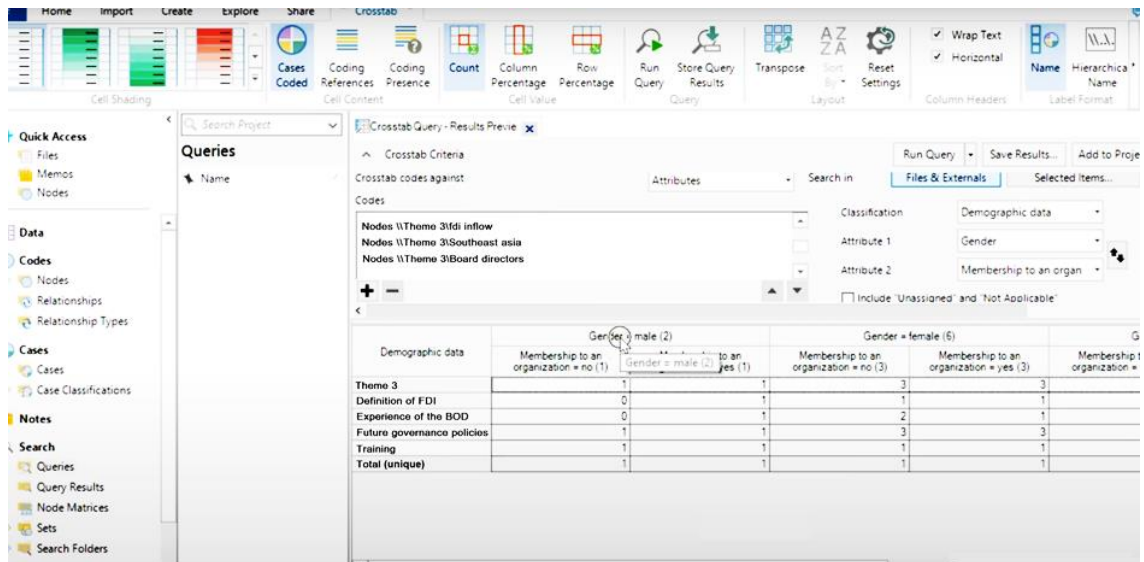
Diagram 3.9.6 reviewing theme clusters for creating theme matrix (queries)

source: author's own work

Step 4: Results of Main and Sub themes

At this stage the researcher can choose an appropriate approach to refer the results as the researcher writes, it could be painting a picture, telling a story or an illustration of the word clouds or word trees to help the researcher relate to the writing. The primary qualitative analysis with the help of using NVivo can expedite the process, and the idea is to produce and explore to discover richer insights from the transcripts. This research study is to explore the relationship between corporate governance variables and foreign direct investment, and respondents each have their perspective and experience to share about the research topic.

3.9.2 Telling a story of a Theme

Background expertise of the researcher is essential when considering the main and sub-themes when exploring the qualitative data, it involves going back to the research questions and topic and maps them accordingly. The thematic analysis

approach is valuable for the researcher at this point, as each theme are identified and categorised accordingly, the underlying realism or facts of that phenomena where the respondents shared may or may not be able to resonate with the research questions. However, with the emerging theme, the researcher endeavour to define on each theme means and why it may connect with the research questions.

By telling a story of a theme, it may be the last stage of qualitative research. It is interpreting the findings and how it may contribute to the research questions that make a good research study. The explanation or description of the findings should be "thick", which add a layer of underlying understanding of the emerging themes. Although, the overall qualitative data collected may be immense; nevertheless, with the detailed process in this research study, it is to determine what the data is all about and to report them accordingly to the themes.

3.10 Secondary Data Collection

Secondary data can provide a reference point for primary research to compare and complement the collected primary data results to. It can also help strengthen the complete research study. Careful and diligently in conducting secondary research and statistical evaluation can provide a substantial understanding of research problems. Different approaches can be taken to integrate data from two or more sources. One is to merge the separate datasets into one dataset which is used for analysis (Cowton, 1998). The secondary statistical data sources that contribute to this research study are collected from OECD, International Monetary Fund (IMF), Association of Southeast Asian Nations (ASEAN), and the World Bank. They are an international and intergovernmental economic organisation which can provide

significant data which are the most reliable sources of comparable statistical and economic data.

OECD.Stat, the organisation's data warehouse, gives access to complete databases for users who want to build their tables and make extractions. It provides a single online platform where users can search for and extract data from across the many OECD database (OECD WORK ON Statistics 2013).

The International Monetary Fund (IMF) which has the World Economic Outlook data site and data mapper are both good secondary source of information, it has data on all major economic indicators for every country in the world. The researcher will extract most of the analytical figures such as foreign direct investment inflow, into the ASEAN region and individual sample countries of this research study.

Association of Southeast Asian Nations (ASEAN), to extract secondary data and information on governance indicators and regulatory practices of the sample countries in Southeast Asia. The inflow of foreign direct investment can also be crosscheck using the ASEANSTATS database.

The World Bank's Databank is an online open-source analysis and visualisation tool that contains large depositories of data on a variety of topics queried over various time series. The researcher will extract important and extensive secondary information on foreign direct investment, individual country (country sample) and timeline. Although the DataBank is a powerful tool, the analysis function will not be used, rather most data extracted will be using specific queries to generate crosstab tables and charts for further correlation and analysis.

The Worldwide Governance Indicators (WGI) project, it published the six broad dimensions of governance which are (I) Voice and Accountability; (II) Political Stability and Absence of Violence; (III) Government Effectiveness; (IV) Regulatory Quality; (V) Rule of Law; and (VI) Control of Corruption. The composite governance indicators make up the WGI project that ranges from 1998-2018, it contains extensive relevant data of over 215 countries and territories, and the sample countries of this research study are included in this WGI report. This report was initiated by Daniel Kaufmann (Natural Resource Governance Institute (NRGI) and Brookings) and Aart Kraay (World Bank, Development Economics) in 1999 and have been updated ever since with funding from the World Bank.

Secondary statistics data are also useful when designing the next major study and can provide a reference point for evaluating the results of key information gathering. Therefore, it is often smart to start any research interest by evaluating secondary records. The respectable facts are facts accumulated through the government and its various groups, offices, and departments. These statistics may be of benefit to researchers because they have no questions available and a complete set of facts, and these facts generally cover long periods of time (Venkatesh, et, al., 2013).

This is much more than an evaluation of records or data that have accumulated through the use of other people or extraordinary reasons for certain purposes, or the motivation is more commonly used today, or a mixture of 2 in general.

The technical reviews are paid for the hard work done in the research activities. They are written to provide research results to colleagues, research institutions, governments and specific researchers. Furthermore, documents may also come from existing, completed surveys or ongoing research. Academic journals often include real research or experimental reviews written specifically by

professionals. Articles in scientific journals are often compared with couples, where specific experts in the field of equality assess the accuracy, originality, and importance of the content of objects. Commercial publications include articles on real-world records in various fields. These magazines provide data on the field or change to people in this field. Official websites of the world bank, international monetary fund, Asian development bank or official statistics of the respective country may be helpful to underpin, determine and data collection.

Data reliability and validity should be maintained appropriately and adequately which will be discussed in detail in the statistical data gathering methods. It is often observed that the secondary data may be collected for some different purpose and may be manipulated which can hurt the quality of the study. Here is a point, the researcher should also know and understand the definitions provided by the World Governance Institute for the variables. Some of the difference or variance of the data may be due to diversified definitions and categorisation of the variables. These differences should be identified before data collection and its use in the processes. Data regarding foreign direct investment will be available which may be used for the research study.

3.10.1 Quantitative approach to CG and FDI

The researcher's purpose of collecting secondary statistical data for this research study requires further investigation and understanding of the research questions to be absolute and fulfil some of the research objectives. It is important that the secondary data are collected from various reliable sources which aim is to achieve data blending which the researcher will takes data from

multiple data sources and logically combines that data into one valuable dataset for further analysis.

The secondary statistical data source on the sample described are the selected variables.

1) Voice and Accountability, 2) Political Stability and Absence of Violence/Terrorism, 3) Government Effectiveness, 4) Regulatory Quality, 5) Rule of Law, 6) Control of Corruption,

7)Average Combine CGI Index, 8) FDI Inflow and Corporate Governance. The variables cover over the period 2008–2018 (11 years) Appendix E-Data on Individual Country Governance Indicators. The secondary data are extracted from a master raw data file name: raw_wgidataset.xls online at The Worldwide Governance Indicators (WGI) project website, that is when the researcher will re-arrange into individual countries to further analyse between CG components and amount of FDI inflow**.**

3.10.2 Statistical Data Gathering Methods

The selected target population is through non-randomization techniques of statistical data of sample in the developing nations located in Singapore, Cambodia, Indonesia, Myanmar, Malaysia and Vietnam (in total Six countries) which forms a sample to be studied within the Southeast Asia region. FDI inflow of the sample countries are extracted online from the Worldwide Bank Indicators, 2019 APPENDIX D – Data on Individual Country indicating the net amount of FDI inflow over the period 2010 to 2018 (11 years), which the researcher will re-arrange for further analysis.
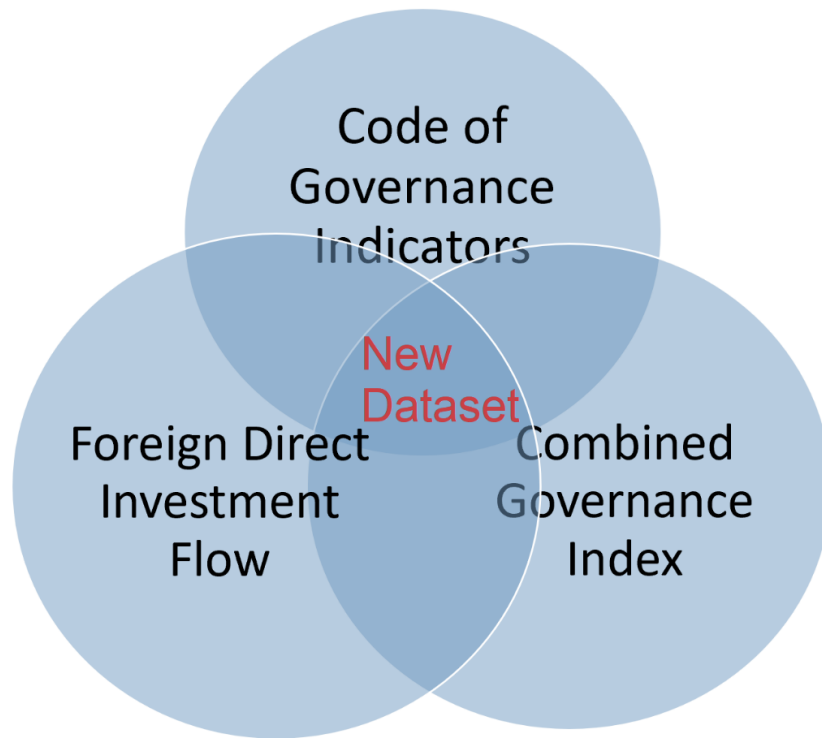
Diagram 3.10.2 New Dataset from multiple data sources. Source: author's own work

Table 3.10.3 New Secondary Dataset

		Voice and Accountal	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile Ra	FDI Inflow
Cambodia	2018	-1.221331358	13.79310322	0.108229026	51.42856979	-0.568605006	32.21154022	-0.504916787	32.6923065	-1.114671	11.05769	-1.32557	8.653846	2018	-0.77114	24.97	$3,102,579,484.02
Cambodia	2017	-1.155918479	15.76354694	0.091168374	50.47618866	-0.658138394	25.48077011	-0.502937794	32.2115402	-1.056137	13.46154	-1.29138	8.653846	2017	-0.76222	24.34	$2,788,084,321.66
Cambodia	2016	-1.106936693	18.22660065	0.211037859	53.80952454	-0.69411397	24.03846169	-0.465220392	34.1346169	-1.063662	12.98077	-1.27292	9.134615	2016	-0.73197	25.39	$2,475,915,853.66
Cambodia	2015	-1.122614861	18.22660065	0.061942287	49.52381134	-0.699455142	25	-0.525049269	31.7307701	-0.978472	14.90385	-1.11799	12.01923	2015	-0.73027	25.23	$1,822,804,151.26
Cambodia	2014	-1.107750893	18.71921158	0.023174802	46.19047546	-0.688959599	25	-0.423162788	35.5769234	-0.95521	15.86539	-1.13776	11.53846	2014	-0.71495	25.48	$1,853,471,158.10
Cambodia	2013	-0.980927289	19.7183094	-0.136436149	41.7061615	-0.906181395	19.43128014	-0.338365346	40.284359	-1.004117	15.49296	-1.05243	12.79621	2013	-0.73641	24.90	$2,068,470,774.00
Cambodia	2012	-0.961479783	20.18779373	-0.103577204	41.23222733	-0.815831959	22.74881554	-0.341397077	39.8104248	-0.979674	16.90141	-1.0701	13.27014	2012	-0.71201	25.69	$2,003,849,201.69
Cambodia	2011	-0.914128304	22.06572723	-0.304419667	36.4928894	-0.862748981	19.9052124	-0.583628774	31.2796211	-1.04504	15.02347	-1.23874	6.161138	2011	-0.82478	21.82	$1,538,883,424.90
Cambodia	2010	-0.927255273	21.80094719	-0.50098443	27.48815155	-0.942988813	18.18181801	-0.475346088	35.8851662	-1.118508	12.79621	-1.24303	7.142857	2010	-0.86802	20.55	$1,404,315,448.89
Cambodia	2009	-0.913447618	22.27488136	-0.562560201	27.01421738	-0.945098281	18.66028786	-0.485972226	34.4497604	-1.118063	13.74408	-1.17474	10.04785	2009	-0.86665	21.03	$928,393,617.35
Cambodia	2008	-0.971139133	21.15384674	-0.300469309	34.61538315	-0.988755107	15.53398037	-0.44645378	36.8932037	-1.148304	11.53846	-1.23137	5.825243	2008	-0.84775	20.93	$815,180,217.96
		Voice and Accountal	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile Ra	FDI Inflow
Indonesia	2018	0.179736689	52.21674728	-0.533436894	27.61904717	0.179875433	59.13461685	-0.07127253	50.9615402	-0.314915	42.78846	-0.25154	46.15385	2018	-0.13526	46.48	$20,007,774,753.78
Indonesia	2017	0.129881993	50.73891449	-0.497849405	29.52380943	0.040851168	54.80769348	-0.106315382	51.9230766	-0.346482	40.86538	-0.25271	48.07692	2017	-0.1721	45.99	$20,510,310,832.45
Indonesia	2016	0.166678548	51.72413635	-0.372952431	32.38095093	0.007638493	52.40384674	-0.122343853	50	-0.344751	40.38462	-0.39933	41.82692	2016	-0.17751	44.79	$4,541,713,739.24
Indonesia	2015	0.184858039	53.69458008	-0.615060687	24.76190567	-0.240621522	45.19230652	-0.217557788	46.6346169	-0.422098	39.42308	-0.45837	39.42308	2015	-0.29481	41.52	$19,779,127,976.96
Indonesia	2014	0.1539049	51.72413635	-0.416824043	30	-0.037205037	53.84615326	-0.10765975	50	-0.342181	42.78846	-0.56177	33.65385	2014	-0.21862	43.67	$25,120,732,059.51
Indonesia	2013	0.036121309	50.23474121	-0.519264638	28.4360199	-0.198748589	47.39336395	-0.195440874	46.4454994	-0.530768	37.0892	-0.61382	32.70142	2013	-0.33699	40.38	$23,281,742,361.53
Indonesia	2012	0.067612648	52.58216095	-0.593262792	25.59241676	-0.272910774	45.49763107	-0.278762519	43.6018944	-0.575682	34.2723	-0.63979	31.27962	2012	-0.38213	38.80	$21,200,778,607.87
Indonesia	2011	-0.008531014	48.82629013	-0.770114183	20.85308075	-0.25942418	46.44549942	-0.351914078	39.3364944	-0.59303	31.4554	-0.70187	25.11848	2011	-0.44748	35.34	$20,564,938,226.72
Indonesia	2010	-0.037774231	48.3412323	-0.853916168	20.37914658	-0.214305162	46.88995361	-0.415856957	36.8421059	-0.639998	31.27962	-0.75136	24.76191	2010	-0.48554	34.75	$15,292,009,410.51
Indonesia	2009	-0.001040607	47.86729813	-0.751386285	21.32701492	-0.298131734	46.41148377	-0.361796618	39.2344513	-0.602619	33.17535	-0.83865	21.05263	2009	-0.4756	34.84	$4,877,369,178.44
Indonesia	2008	-0.011261522	47.11538315	-1.058376312	15.86538506	-0.23720181	46.11650467	-0.348286211	42.7184448	-0.653871	31.25	-0.5937	33.98058	2008	-0.48378	36.17	$9,318,453,649.83
		Voice and Accountal	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile Ra	FDI Inflow
Malaysia	2018	-0.083687983	41.37931061	0.237390101	54.2857132	1.075348139	81.25	0.682474017	74.0384598	0.6233374	74.51923	0.313976	63.94231	2018	0.474806	64.90	$8,570,094,242.95
Malaysia	2017	-0.400363863	34.48275757	0.116352133	51.42856979	0.82786417	75.4807663	0.683502495	74.5192337	0.4142236	64.42308	0.025744	58.17308	2017	0.277887	59.75	$9,368,469,822.66
Malaysia	2016	-0.418370813	33.99014664	0.136824623	49.52381134	0.86577493	75.96154022	0.711795211	75.4807663	0.4991495	69.23077	0.096051	60.09615	2016	0.315204	60.71	$13,470,089,920.81
Malaysia	2015	-0.391476721	33.99014664	0.258957565	56.66666794	0.948956072	76.92308044	0.752673328	74.0384598	0.5019241	68.75	0.235073	63.46154	2015	0.384351	62.30	$9,857,162,111.82
Malaysia	2014	-0.360303104	35.46797943	0.266619146	57.61904907	1.115127206	82.69230652	0.837720931	75.9615402	0.5882955	73.55769	0.411159	66.82692	2014	0.476436	65.35	$10,619,431,582.98
Malaysia	2013	-0.339679241	37.08920288	0.051791593	47.39336395	0.999806523	79.14691925	0.636702955	73.4597168	0.4357612	63.84977	0.350176	67.29858	2013	0.35576	61.37	$11,296,279,513.92
Malaysia	2012	-0.346539199	36.15023422	-0.005212402	44.07582855	0.919864178	76.7772522	0.570483685	70.1421814	0.4650323	64.78873	0.237634	63.98104	2012	0.306877	59.32	$8,895,774,251.02
Malaysia	2011	-0.474874914	31.45539856	0.077409767	49.28910065	1.021163225	81.04265595	0.582068741	71.0900497	0.4786865	64.78873	0.029488	57.8199	2011	0.285657	59.25	$15,119,371,191.19
Malaysia	2010	-0.499978125	32.22748947	0.143352136	51.18483353	1.120517969	82.77511597	0.588942647	70.3349304	0.4781646	64.92891	0.089267	60.95238	2010	0.320044	60.40	$10,885,614,182.21
Malaysia	2009	-0.503895342	31.27962112	-0.042381134	42.65402985	0.983705997	78.94736481	0.303689092	61.7224884	0.4559681	63.50711	-0.05648	56.9378	2009	0.190102	55.84	$114,664,434.56
Malaysia	2008	-0.563192904	29.80769157	0.108325094	48.55769348	1.108519197	82.5242691	0.316368818	61.1650467	0.3449331	60.09615	-0.04731	56.79612	2008	0.211274	56.49	$7,572,512,432.34
		Voice and Accountal	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile Ra	FDI Inflow
Myanmar	2018	-0.887321591	23.64532089	-1.309010983	10.47619057	-1.068651795	12.5	-0.753174245	22.5961533	-1.032579	15.38461	-0.58829	30.28846	2018	-0.93984	19.15	$1,291,196,200.67
Myanmar	2017	-0.865617871	23.64532089	-1.084677935	13.33333302	-1.052140594	13.46153832	-0.831707299	19.2307701	-0.945455	16.82692	-0.56526	32.21154	2017	-0.89081	19.78	$4,002,424,944.85
Myanmar	2016	-0.797783136	24.13793182	-0.804619908	18.09523773	-0.976280332	16.34615326	-0.868316174	18.75	-0.886977	17.78846	-0.62114	32.21154	2016	-0.82585	21.22	$3,278,096,409.87
Myanmar	2015	-1.2189821	14.28571415	-1.165066719	10.47619057	-1.238595486	10.09615421	-1.222467422	8.65384579	-1.236539	7.692307	-0.83619	20.67308	2015	-1.15297	11.98	$4,083,839,111.71
Myanmar	2014	-1.343992472	9.852216721	-1.087580681	11.4285717	-1.279349566	9.134614944	-1.380308151	6.25	-1.185659	8.173077	-0.88217	20.19231	2014	-1.19318	10.84	$2,175,015,283.78
Myanmar	2013	-1.46162653	7.981220722	-1.140372396	14.21800995	-1.497101545	4.265402794	-1.494474411	5.21327019	-1.233818	9.859155	-1.0001	16.11374	2013	-1.30458	9.61	$2,254,603,965.49
Myanmar	2012	-1.620119333	5.164319038	-0.943674982	18.48341179	-1.481390595	3.791469097	-1.83462441	2.36966825	-1.354736	6.103286	-1.06333	13.74408	2012	-1.38298	8.28	$1,333,856,137.27
Myanmar	2011	-1.849633694	3.286385059	-1.111098409	14.69194317	-1.596834779	3.791469097	-2.102422953	1.42180097	-1.438458	4.694836	-1.58677	0.473934	2011	-1.6142	4.73	$2,519,813,313.27
Myanmar	2010	-2.067405224	1.421800971	-1.285928011	10.9004736	-1.617900491	2.87081337	-2.244370461	0.95693779	-1.547706	2.843602	-1.67288	0.47619	2010	-1.73936	3.24	$901,133,534.88
Myanmar	2009	-2.172563791	0.947867274	-1.294215441	11.84834099	-1.614052892	2.392344475	-2.236680031	1.43540669	-1.531916	3.317536	-1.66042	0.478469	2009	-1.75164	3.40	$1,078,972,200.98
Myanmar	2008	-2.207979202	0.480769217	-1.092701435	15.38461494	-1.530751467	2.91262126	-2.213595152	0.48543689	-1.541819	3.365385	-1.61643	0.970874	2008	-1.70055	3.93	$863,880,447.31
		Voice and Accountal	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile Ra	FDI Inflow
Singapore	2018	-0.059108868	41.87192154	1.510338783	98.57142639	2.2314744	100	2.131564856	99.5192337	1.8448913	97.11539	2.174524	99.03846	2018	1.638947	89.35	$82,039,577,168.06
Singapore	2017	-0.169366226	41.37931061	1.615337968	99.04762268	2.220098257	100	2.115007162	99.5192337	1.822845	96.63461	2.133582	97.59615	2017	1.622917	89.03	$94,811,159,186.78
Singapore	2016	-0.150453717	40.88669968	1.495758653	99.04762268	2.206244946	100	2.180612087	100	1.825243	96.15385	2.088102	97.11539	2016	1.607584	88.87	$73,552,652,791.57
Singapore	2015	-0.161821648	41.37931061	1.311752796	96.19047546	2.236418724	100	2.260543108	100	1.8134753	94.23077	2.092715	96.63461	2015	1.592181	88.07	$69,774,553,124.94
Singapore	2014	-0.098659426	45.81280899	1.186271429	93.33333588	2.182617188	100	2.233457088	100	1.824775	93.26923	2.071365	96.15385	2014	1.566638	88.09	$68,698,472,830.59
Singapore	2013	0.036768436	50.70422363	1.378178358	96.6824646	2.088955164	99.52606964	1.970402002	100	1.7055238	94.3662	2.078066	96.68246	2013	1.542982	89.66	$64,389,514,904.50
Singapore	2012	0.05309137	51.64319229	1.368174553	97.15639496	2.166091442	99.52606964	1.965846062	100	1.731186	94.3662	2.124057	97.15639	2012	1.568074	89.97	$55,310,807,547.70
Singapore	2011	-0.102027185	45.07042313	1.191421747	90.99526215	2.154785633	99.52606964	1.7895962	96.6824646	1.6699923	92.95775	2.109704	96.68246	2011	1.468912	86.99	$49,155,657,316.29
Singapore	2010	-0.208966196	40.28435898	1.169414878	90.52132416	2.241406679	100	1.786087275	98.0861206	1.6259416	91.94313	2.179523	98.57143	2010	1.465568	86.57	$55,075,864,345.04
Singapore	2009	-0.234220803	40.75829315	1.17944622	90.52132416	2.270796537	100	1.778741956	97.6076584	1.5660052	91.46919	2.217089	98.08612	2009	1.462976	86.41	$23,821,209,699.62
Singapore	2008	-0.3348355	35.09615326	1.345580578	99.03845978	2.436975002	100	1.868646622	98.5436859	1.6060874	91.34615	2.247644	98.05825	2008	1.52835	87.01	$12,200,705,251.93
		Voice and Accountal	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile Ra	FDI Inflow
Vietnam	2018	-1.445501447	9.359605789	0.203265712	53.80952454	-0.00344478	53.36538315	-0.38585189	36.5384598	-0.003282	54.32692	-0.48536	37.98077	2018	-0.35336	40.90	$15,500,000,000.00
Vietnam	2017	-1.401755214	10.83743858	0.288423121	56.66666794	0.009442507	53.36538315	-0.398280025	36.5384598	0.0694744	56.25	-0.58314	31.25	2017	-0.33597	40.82	$14,100,000,000.00
Vietnam	2016	-1.374982357	10.34482765	0.233591929	54.76190567	0.019704808	53.84615326	-0.45379293	35.0961533	0.0753607	56.73077	-0.45247	37.5	2016	-0.32543	41.38	$12,600,000,000.00
Vietnam	2015	-1.358865023	10.34482765	0.069970489	50	0.067399904	55.28845978	-0.482726544	35.5769234	-0.339347	43.75	-0.4262	41.82692	2015	-0.41163	39.46	$11,800,000,000.00
Vietnam	2014	-1.374714971	9.359605789	-0.022347357	44.2857132	-0.070451654	51.44230652	-0.587682009	30.7692299	-0.359818	41.82692	-0.4362	40.86538	2014	-0.4752	36.42	$9,200,000,000.00
Vietnam	2013	-1.366399527	10.79812241	0.250577271	56.8720398	-0.265643388	46.44549942	-0.641062319	28.4360199	-0.514795	39.90611	-0.47827	38.86256	2013	-0.5026	36.89	$8,900,000,000.00
Vietnam	2012	-1.420068979	8.92018795	0.267358661	55.92417145	-0.269849509	45.97156525	-0.668712854	27.9620857	-0.551595	35.21127	-0.528	36.01896	2012	-0.52848	35.00	$8,368,000,000.00
Vietnam	2011	-1.45916307	8.450704575	0.189088449	54.02843475	-0.232507199	47.39336395	-0.598831117	30.3317528	-0.544895	34.74178	-0.60731	32.70142	2011	-0.54227	34.61	$7,430,000,000.00
Vietnam	2010	-1.496983051	7.582938194	0.148407876	51.6587677	-0.259137779	46.41148377	-0.616541266	28.7081337	-0.591396	32.70142	-0.62358	31.42857	2010	-0.5732	33.08	$8,000,000,000.00
Vietnam	2009	-1.482666969	8.056872368	0.271709561	53.08057022	-0.255260527	48.32535934	-0.622754753	28.2296658	-0.540058	36.96682	-0.54417	34.44976	2009	-0.52887	34.85	$7,600,000,000.00
Vietnam	2008	-1.496713758	8.17307663	0.164629117	49.51922989	-0.212150395	47.08737946	-0.618173957	30.0970879	-0.465127	38.46154	-0.70715	28.15534	2008	-0.55578	33.58	$9,579,000,000.00

Table 3.10.3 New dataset from multiple sources (Appendix E) source: The world bank, World governance indicators, OECD for time period 2008 to 2018

The diagram 3.10.2 and table 3.10.3 shows the process of the blended dataset, it allows the researcher to visualise a new set of data from multiple data sources into a single crosstab chart. The objective of this data blending is to get a different perspective from the information from different sources and prepared for further analysis, which the researcher attempts to measure the correlation of all those variables within time period into a single visualisation range.

3.10.3 Hypothesis that map to the research questions

A hypothesis, in general, can be defined as an educated guess. The research questions are the intended work where the researcher is wondering about its research topic area. It is vital in this mixed-method research that using an effective

quantitative method to form hypothesis as part of the quantitative scientific research method. The formulating hypothesis must be able to match the research questions; the researcher will attempt to establish answers to a question. Therefore, formalising this hypothesis will direct the research study with the results to look for in an experiment.

3.10.4 Hypothesis testing

Hypothesis testing is a method in statistics whereby the researcher will test the assumptions regarding the variables within the new dataset. This hypothesis testing depends on the nature of the data used, and the reason for the analysis, for this purpose, the Hypothesis testing is used to assess the credibility of the non-dependable variables (CG indices) and the dependable variable of FDI net inflow, by means of hypothesis testing on the sample data collected rearranged into a new dataset.

i.   **Breakdown of the new dataset variables**

All Variables with the New dataset	*f*	*%*
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%
Rule of Law	11	100%
Control of Corruption	11	100%
Average Combine CGI Index	11	100%

FDI Inflow	**11**	**100%**
Total Corporate Governance	**11**	**100%**
Government Effectiveness	**11**	**100%**

Table 3.10.4 Breakdown of the new dataset variables

Table 3.10.4 shows the statistical data collected to form a new dataset with all the variables included that will be studied and undergo further analysis, it contains 11 frequencies (11years) with 100% data availability on this secondary source and quantitative part of this research study.

ii. Standard Deviation (S.D) and Mean of the variables.

The use of standard deviation is widely used in many research studies as experimental, financial settings to test models against real-world data, it tells the researcher on how the measurements for the variable are spread apart from the average which is the mean or expected value. The standard deviation is closely considered in relationship to the mean or average, having that estimate of variation of a dataset can be assuring or confident to the researcher, as normal distribution pattern must be present for further evaluation and analysis.

The formula below is the Standard deviation of Voice and Accountability (VA), the two steps are necessary to calculate it range of deviation of the variable.

Step 1:

Standard Deviation, s: **0.11408781640672**

Count, N: 11
Sum, Σx: -1.429599763
Mean, x̄:   -0.12996361481818
Variance,
s^2:   0.013016029852454

Workings:

$$s = \sqrt{\frac{1}{N-1}\sum_{i=1}^{N}(x_i - \overline{x})^2},$$

$s^2 = \dfrac{\Sigma(x_i - \bar{x})^2}{N - 1}$

$= \dfrac{(\text{-}0.3348355 - \text{-}0.12996361481818)^2 + ... + (\text{-}0.059108868 - \text{-}0.12996361481818)^2}{11 - 1}$

$= \dfrac{0.13016029852454}{10}$

$= 0.013016029852454$

$s = \sqrt{0.013016029852454}$

$= 0.11408781640672$

Step 2:

Margin of Error (Confidence Interval)

The sampling mean most likely follows a normal distribution. In this case, the standard error of the mean (SEM) can be calculated using the following equation:

$$S_{\bar{x}} = \frac{S}{\sqrt{N}} = 1$$

=0.034398770924732

Based on the SEM, the following are the margins of error or confidence intervals at different confidence levels. For this research study, there is a confidence level of 95% or statistical significance of 5% (probability of rejecting 5%) is typically used for data representation.

Confidence Level	Margin of Error
68.3%, $s_{\bar{x}}$	-0.13 ±0.0344 (±26.47%)
90%, 1.645$s_{\bar{x}}$	-0.13 ±0.0566 (±43.54%)
95%, 1.960$s_{\bar{x}}$	-0.13 ±0.0674 (±51.88%)
99%, 2.576$s_{\bar{x}}$	-0.13 ±0.0886 (±68.18%)
99.9%, 3.291$s_{\bar{x}}$	-0.13 ±0.113 (±87.11%)
99.99%, 3.891$s_{\bar{x}}$	-0.13 ±0.134 (±102.99%)
99.999%, 4.417$s_{\bar{x}}$	-0.13 ±0.152 (±116.91%)
99.9999%, 4.892$s_{\bar{x}}$	-0.13 ±0.168 (±129.48%)

Table 3.10.5 Confidence intervals and margin errors

iii. Using Hypothesis Tests & Pearson Product Moment Correlation

The correlation analysis is to investigate the relationships between the independent variables' also indicators of governance and net inflow foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

The researcher will attempt to use the Pearson product moment correlation coefficient by testing the statistics through measuring statistical relationship, or associations, between the variables for this quantitative part of research study. This method is widely known to be one of the best methods to find if there are association or relationship between these variables. The statistical test will provide information about the extent of the relationship or the direction of that relationship between variables. Also, the Pearson product moment correlation is a measurement of the strength within the linear relationship between two variables.

The hypothesis testing would be either:

- Alternative hypothesis Ha: $\rho \neq 0$

    or

- Null hypothesis Ho: $\rho = 0$

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The alternative hypothesis (Ha: $\rho \neq 0$) is where the researcher is attempting to establish if there is any significant correlation between the independent variables x and dependant variable y in the population.

The null hypothesis (Ho: $\rho = 0$) is the statement that there are no significant relationships between independent variable x and dependant variable y in the population (i.e., $\rho = 0$)

In this hypothesis testing, the independent variable is the variable expected to account for (the "cause" of) and the dependent variable is the variable to be explained (the 'effect").

Table 3.10.6 hypothesis table mapped to test the variables

Hypothesis		Signs of
H01: Ha	Corporate Governance will be predicting FDI Inflow	**Positive correlation**: the two variables move in the same direction, one variable increase as the other increases. alternatively, one decreases as the other decreases.
H02: Ha	There will be a relationship between Voice and Accountability and FDI Inflow.	**Positive correlation**: the two variables move in the same direction, one variable increase as the other increases. alternatively, one decreases as the other decreases.
H03: Ha	There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	**Positive correlation**: the two variables move in the same direction, one variable increase as the other increases. alternatively, one decreases as the other decreases.
H04: Ho	There will be a negative relationship between Regulatory Quality and FDI Inflow. Ho: $\rho = 0$	**Negative correlation**: the two variables move in opposite directions, where one variable increase as the other decreases, and vice versa.

H05: Ho	There will be no relationship between Rule of Law and FDI Inflow.	**Neutral correlation**: the two variables show no relationship to one another.
H06: Ha	There will be a positive relationship between the Control of Corruption and FDI Inflow.	**Positive correlation**: the two variables move in the same direction, one variable increase as the other increases. alternatively, one decreases as the other decreases.
H07: Ha	There will be a relationship between Combine CGI Index and FDI Inflow.	**Positive correlation**: the two variables move in the same direction, one variable increase as the other increases. alternatively, one decreases as the other decreases.
H08: Ha	There will be a relationship between Governance Effectiveness and FDI Inflow.	**Positive correlation:** the two variables move in the same direction, one variable increase as the other increases. alternatively, one decreases as the other decreases.

Table 3.10.6 hypothesis table mapped to test the variables

- The P value, (Calculated probability)

From table 3.10.6, the established hypothesis where the researcher will set a

P value for the significance level as the criterion used for rejecting or in favour of

not rejecting the hypothesis. Generally, many experimenters have used either the

0.05 level (5% level) or the 0.01 level (1% level). With the *P* value fixed at 0.01

(1%), it is now useful to assess the strength of evidence of the truth or falsehood of

the null hypothesis.

As most of the hypothesis established in this test are alternative hypothesis

therefore with a a plus one (+1) would indicates a perfect positive correlation,

meaning a stronger evidence in favour of the alternative hypothesis. Using table

3.10.6 Voice and Accountability (VA) and FDI Inflow as an example, calculation

was made to find any an association between the levels of Voice and accountability

and amount of net foreign direct investment.

- **Pearson Product Moment Correlation**

Table 3.10.7 Voice and Accountability (VA) and foreign direct investments (FDI) Inflow in Singapore

n	(X) variable (VA levels)	(Y) variable (FDI amount)
1	-0.3348355	12,200,705,251.93
2	-0.234220803	23,821,209,699.62
3	-0.208966196	55,075,864,345.04
4	-0.102027185	49,155,657,316.29
5	0.05309137	55,310,807,547.70
6	0.036768436	64,389,514,904.50
7	-0.098659426	68,698,472,830.59
8	-0.161821648	69,774,553,124.94
9	-0.150453717	73,552,652,791.57
10	-0.169366226	94,811,159,186.78
11	-0.059108868	82,039,577,168.06
mean	**-0.12996361481818**	**58,984,561,287.911**

Table 3.10.7 Voice and Accountability (VA) and foreign direct investments

(FDI) Inflow in Singapore

$$r = \frac{\sum (x - \bar{x})(y - \bar{y})}{\sqrt{\sum (x - \bar{x})^2 \sum (y - \bar{y})^2}}$$

x̄ = -0.12996361481818

ȳ = 58,984,561,287.911

$$\sum (x - \bar{x})(y - \bar{y})$$

correlation coefficient (r): 0.48685256633765

Guildford Rule of Thumb

r	Strength of Relationship
< .2	Negligible Relationship
.2 - .4	Low relationship
.4 - .7	Moderate relationship
.7 - .9	High relationship
> .9	Very high relationship

Diagram 3.10.8 Guildford's (1973) Rule of Thumb

The diagram 3.10.8 Guildford's rule of thumb stated that Pearson product moment correlation coefficient (r) can hypothesise the degree, size magnitude and strength of the relationship between variables (Fadhil, M.H et al., 2007). For the hypothesis stage, the scale will be applied to determine on the strength of the association between independent variable and the dependent variable.

Example Results: Hypothesis H02

Results using Pearson correlation between Voice and Accountability and FDI Inflow was .487. It revealed that the relationship between the two variables are moderate relationship and is not strong.

According to the Pearson Product Moment Correlation results for H03, the correlation coefficient (r) was .487. Therefore, the H02 alternate hypothesis is failed to be rejected as there was sufficient evidence to support the hypothesis.

Based on diagram 3.10.8 Guildford's (1973) Rule of Thumb, the results would suggest moderate relationship between Voice and Accountability (VA) and net FDI inflow of Singapore. The moderate relationship would indicate that an increase or decrease in VA would lead to a moderate increase or decrease in the flow FDI.

Sample size: 11
Mean x (x̄): -0.12996361481818
Mean y (ȳ): 58984561287.911
Intercept (a): 72361670701.821
Slope (b): 102929650214.98
Regression line equation: y=72361670701.821+102929650214.98x
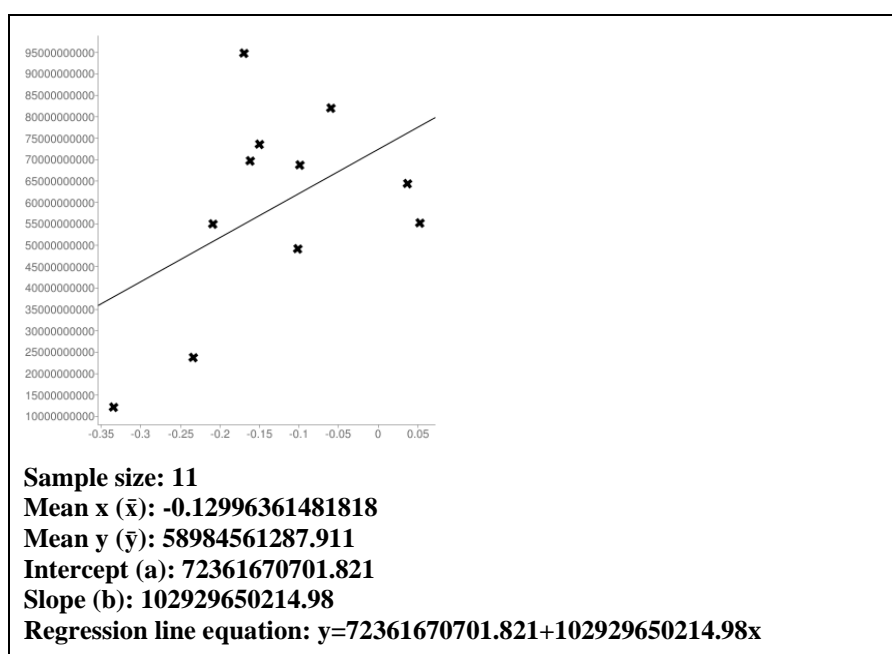
Diagram 3.10.9 Correlated linear regression to estimate y (FDI)

Regression evaluation is a way to verify with mathematical methods which variables have an impact. Answering the following questions: what the most important elements are and perhaps how significant are these elements. Regression evaluation is used for the development of statistical data, the regression analysis will provide equations for the graph, so it is possible to approximate the prediction information.

Diagram 3.10.9 shows the linear relationship to visualise the independent variable

and dependant variable are moderately correlated. The linear regression equation is

to estimate FDI (y) using a straight line.

The formula below is derived from a simple equation of the line of best fit:

$$y = a + bx$$

where

$$b = \frac{\sum_{i=1}^{n} x_i y_i - n\bar{x}\bar{y}}{\sum_{i=1}^{n} x_i^2 - n\bar{x}^2} \quad \textbf{and} \quad a = \bar{y} - b\bar{x}$$

The advantage of the regression test is to identify the relationship between

the two variables to see if it can perform statistically among variables, the values that

can also be predicted within the range framed by the established data, also known as

interpolation, a method of constructing new data points. From a research study

viewpoint, future studies can be continuing or conducted in other similar topic area,

such as estimation or prediction on the future amount of FDI that might be headed

from the changes of independent variable.

3.10.5 Exclusion Criteria

Other Southeast Asia countries are not selected and will be excluded in the

study period years before 2008 and after 2018.

3.11 Ethical Consideration

The ethical problems in the investigation are crucial. Morality is a code of

conduct or requirement that distinguishes between right and wrong. It helps to

determine the difference between best and unacceptable behaviour. Why are ethical

issues so important in research? First, moral needs prevent the manufacture or

falsification of information, then sell the facts and the truths of research for the number one objective of the survey. Ethical behaviour is also essential for collaborative works of art because it encourages researchers to consider the environment, responsibility, and mutual appreciation (Mertens, 2014). This is particularly important when considering issues related to the exchange of statistics, co-authors, copyright proposals, confidentiality, and many different problems.

Many of the primary ethical problems to be discussed in this report include the differentiation between public-private dimensions like confidentiality. Upon due analysis by the researcher, confusion that concerns the degree to which data should be revealed as 'official,' the usage of the audio-recorded in zoom may be ethically acceptable during this uncertain time of Covid19 pandemic. To ensure protection and confidentiality, the results through using of laptop should be encrypted on a coded package on a password-protected laptop. During the analysis it should not mention any participant's names and any personal information.

The researcher also expects to observe ethical standards so that the public can make a reference and remember the study. The public hopes to believe that researchers can correctly report problems that include human rights, animal welfare, compliance with laws, conflicts of interest, protection, and health standards (Cox, 2018). The management of these ethical problems has seriously compromised the integrity of the research challenges and may have affected the fact that the tasks have been financed. Because ethical issues are very important in research, many groups and expert groups follow the rules and regulations that define ethical behaviour and strong-minded researchers.

The issues addressed by these codes include honesty, objectivity, recognition of intellectual property rights, social obligations, confidentiality, non-discrimination and many other issues. These codes and guidelines provide simple suggestions.

However, researchers still face additional problems that have not been addressed specifically. This will require investigators to choose to avoid misbehaviour. The resources on this site can solve many problems. Case studies applied to these resources provide excellent examples of these problems.

3.12 Summary

This research study is a mixed-method or hybrid exploratory approach using primary qualitative data gathering and existing secondary statistical data source. Research instrument of using interviews to gather primary data from the respondents and explore their experience in their field that is related to these research objectives. The research design on this primary qualitative research is using a descriptive exploratory approach where the research aims to discover their ideas and thoughts to form their opinion. The data may be rich in terms of depth and breadth of phenomena, and it is may due to the interview schedule is semi-structured and has the flexibility to probe into the respondents' thought when there is a reason to explore further in a particular event relatively to a question or factors in the topic. In this exploratory approach to the interview, the data collected can be somehow non-manipulative, as respondents are purely sharing their thoughts about an event, which there is no purpose for them to fabrication and which also assure the validity and reliability of the data that will be collected from the respondents. There is a high probability of gaining new insights or information to this research study which can be beneficial. However, it depends entirely on the researcher's skills to differentiate information of what is relevant to the research objectives and the vast amount of data that must be prepared for analysis in the NVivo for information extraction.

The secondary data gathering of this research is purely quantitative, and due to the research topic areas are foreign direct investments (FDIs) and governance indices, it makes sense to include analytical or financial data to cover some of the research questions, e.g., level of FDI inflows, independent variables of governance that are relative to the dependant variable of FDI. After extensive literature research in Chapter 2, the researcher has concluded that the research study can benefit from having official statistics to strengthen the primary research or complement each other on the mixed-method research methodology. The data sources collected are from intergovernmental organisations is to ensure validity which the researcher will rearrange into a new dataset. The research designs for the quantitative approach is simply finding the correlation between the variables, also to establish hypothesis to test the strength of these relationships against these variables, in another word to explore if there is a causality between variables, e.g. governance and inflow of FDI.

Chapter 3 research methodology has shown the researcher's aspirations to attain the goal and objectives of using a mixed methods research, the combination of both qualitative and quantitative components endeavours to this study is to expand and strengthen which hopefully able to contribute positively towards a published thesis.

CHAPTER 4: FINDINGS AND RESULTS

PHASE 1: Qualitative Findings from interviews

4.1 Introduction

The Phase 1 of this chapter provides the qualitative findings is from a
mixture of eight respondents that are either board directors or top corporate level
employees, the respondents   have extensive experience on both corporate
governance and Foreign Direct Investments in the Southeast Asia. The
communication has been carried out by Zoom Meeting (Audio recorded to capture
their experience) interviews. All respondents' interviews are transcribed which have
been through analysis through reading and using NVivo to help with the qualitative
data processing. There has been several emerging themes and subthemes that are
closely relates to the research objectives. The information of the interviewing
respondents in this study are listed below:

Table 1: Represent the Participants information

Participants	*Position of the Participants*	*Audio Duration*
Respondent 1	Corporate level	23:27
Respondent 2	Board of director	29:00
Respondent 3	Board of director	25:59
Respondent 4	Board of director and Corporate Level	26:03
Respondent 5	Board of director	59:38

Respondent 6	Corporate level	22:31
Respondent 7	Corporate level	26:37
Respondent 8	Board of director and Corporate Level	22:48

In the above table, the information reveals that eight respondents who are members of the board and corporate-level employees that are selected as expert panel for this research study and the audio recorded is through the zoom meeting, the duration of the audios of each participant are indicated in the table (1).

4.2 Data Analysis Process

The data analysis process started after all respondents' audio recordings were transcribed, diagram 4.2.1 shows the segment of data processing, it is to provide the reader with a step-by-step qualitative overview of the process of data analysis, through both a descriptive exploratory analysis to explore the data and to use content analysis to quantify data. The researcher aims are to process the data categorically by reading and identifying patterns or themes that may emerge from the number of interviews transcripts.

Below is a conceptual overview of the method, the researcher had to evaluate the results. The data processing was divided into 4 key steps:

- Step 1 to 2 Explore the origins of the text

- Step 2 to 3: Explore wide themes

- Step 3 to 4: Review the theme cluster

- Step 4: Results of Main and Sub themes

- Repeat the process for each respondent

```
                    ┌─────────────────────┐
                    │ Process of Data     │
                    │ Analysis            │
                    └─────────────────────┘
        ┌──────────────┬──────────┴──────────┬──────────────┐
┌──────────────┐ ┌──────────────┐ ┌──────────────┐ ┌──────────────┐
│ Phase 1:     │ │ Phase 2:     │ │ Phase 3:     │ │ Phase 4:     │
│ Explore the  │ │ Explore      │ │ Review the   │ │ Code         │
│ origins of   │ │ wide themes  │ │ theme        │ │              │
│ the text     │ │              │ │ cluster      │ │              │
└──────────────┘ └──────────────┘ └──────────────┘ └──────────────┘
    ┌──────┴──────┐
┌──────────────┐ ┌──────────────┐
│ Forms of     │ │ Theme        │
│ encryption   │ │ Coding       │
└──────────────┘ └──────────────┘
```
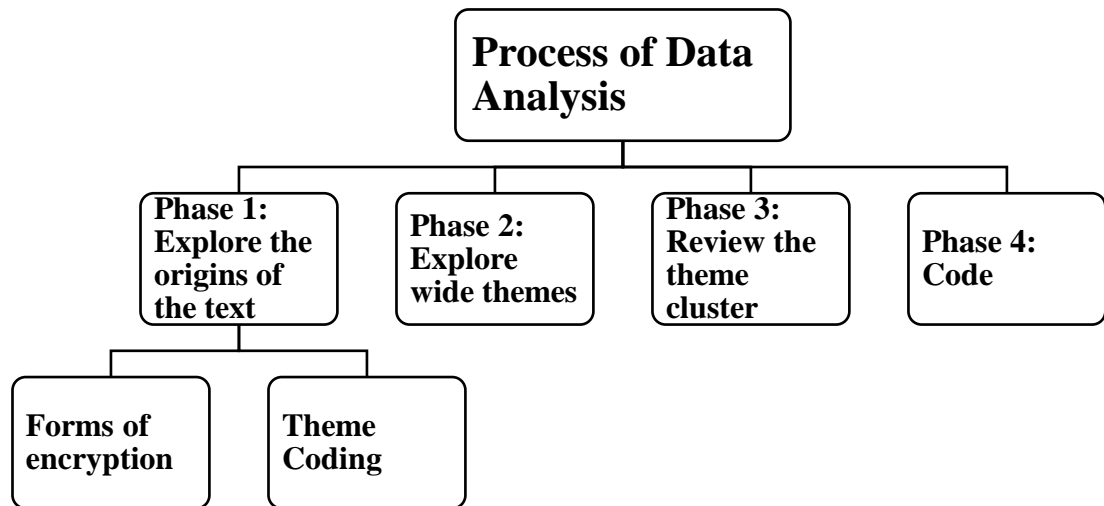
Diagram 4.2.1 The diagram shows that process source: author's own work

Qualitative data research started when the researcher questioned through remote zoom-meetings, the researcher maintained a research log of the main terms and sentences that were redundant. For context, the researcher noticed that the participants had the most parenthetical phrase and the most concentrated referred during the study.

4.21 Word cloud of the Respondents

Figure 4.2.1 Word Cloud of all respondents' key concerns between CG and FDI

Source: author's own work

Figure 4.2.1 illustrates the important words generated by all the respondents, based on the frequency of the words that have been stated during the interview. Relevant words that relate to the research topic are reflected in the word cloud and to identify the attention of all the respondents' transcripts.

4.3 Themes and sub-themes of the study

Six key themes emerged from data by undertaking a qualitative analysis with a descriptive exploratory and content analysis approaches. Corporate Governance and its relationship with Foreign Direct Investment in which all respondents were sharing their perspectives and discussed their experiences related to the Corporate

Governance and its relationship with Foreign Direct Investment. The theme and subtheme in this study is mentioned in table 2.

Table 2: Showing the main themes and sub-themes of the analysis

Main Theme	Sub-Theme
The corporate governance and Foreign Direct Investments in Southeast Asia	1. The board role in the organisation's corporate governance strategy and execution in the foreign direct investments 2. The key areas under board governance for foreign direct investments
The board of corporate governance in Southeast Asian countries	1. The boards in Asian countries are driving corporate governance and rate the interviews experience
Level of the contribution of FDI inflow to the research region in Southeast Asian countries	1. Increase the level of involvement of the board in corporate governance 2. Point of view about C-level, area of improvements and its role in the corporate governance process
Corporate Governance Strategy and Process in Southeast Asian countries	1. Strategies of corporate governance 2. How the strategy is being reviewed and monitored for the progress

	3. The current percentage of foreign direct investment
Accountancy or regulatory practices in Southeast Asian countries	1. The regulatory framework and its impacts
Effectiveness of the Board's corporate governance	1. Boards selected selection process and key members in the corporate governance at the board level
	2. Factors affect the board on corporate governance

This qualitative exploring the corporate governance practices and tactics and the relationships with the foreign direct investment located in ASEAN companies. Corporate Governance as being concerned with the relationship between the stakeholders in a company and the board of directors. Problems, challenges, and issues in corporate governance occurs when this relationship is adversely disturbed. A good relationship means that both the supervisory board and the management boards are working closely together to achieve the agreed corporate goals. So, in this part of the research finding, there is an in-depth discussion on the analysis of the corporate governance and the relationship with the foreign direct investment in ASEAN companies. The whole of the interviewee's responses were divided into different themes and their sub-themes.

Theme 1: The corporate governance and Foreign Direct Investments in Southeast Asia

Foreign direct investments have played an important role in the economic development of Asian states. This theme reveals the participant's views about the board role in the organisation's corporate governance strategy and execution and key areas under the foreign direct investments. In the below section explore the respondent's responses on the subthemes.

Subtheme1: The board role in the organisation's corporate governance strategy and execution in the foreign direct investments

According to the respondents, the role of the board is very important, and advisory depends on the role of the board and the activeness of the board. One respondent said that the board should play a more active role in the transparency, accountability, responsibilities, protecting the shareholder's interest and finance to ensure a strong base in governance development. As this will be able to attract a new investor and the perception of being attractive to society. Moreover, other respondents said that all the peoples on the board play an important role in governing the company. Decision making and reviewing are both essential, concurrently both of them are overlapping with one another, when it comes to execution, especially for FDI, and in terms of attracting FDI, strategic planning, and development will play a very crucial role. Once the entire strategy is well projected, then it could be expanded to every department for execution.

Likewise, the respondent's interviews reveal that every board member has their own so call agenda that is why they have invested in the companies. The board members are mainly pro-profit-driven, and they support their employees by giving

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them more funds, more leads, empowering the management where they can "see fit" in business-wise. The board usually consists of executive directors and also independent non-executive directors. The independent directors can be seen as not trying to step-in into the execution part and putting themselves a step backwards. A lot the time, the board is just present to provide oversight and comment on the strategic roles in terms of corporate governance. But there are a lot of details in terms of execution practicality, in terms of the challenges, it may not be addressed. To have effective driven CG, the most important combination is the knowledge and skill in corporate governance development and process. The board members must all be playing an active role in the corporate governance policy and be involved in the process to improve corporate governance.

Subtheme2: The key areas under board governance for foreign direct investments

The key areas of the board to have a significant role in the board governance for foreign direct investments. This section gives the choices on the selected areas such as reviewing governance strategies, managing corporate governance, auditing governance effectiveness, and assessing governance performance and appointing top management with corporate governance focus. The respondent's record differently on their responses related to the key areas and the one respondent said:

> *"There are no specific areas or key areas that fit all the context. But the main thing, I think it goes to the composition of the board. In terms of whether it is diversified or not because I would think that the boards should at least comprise a variety of expertise that form the board governance. I think this is one of the key areas. Each of the members should play a role when it comes to decision making, for instance, finance". - Respondent 3 (02:52)*

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Moreover, the other respondents have put their focus on the risks and opportunities because according to the responses risk management is an important area that lies with large companies and was reported mainly in the finance industry. Although the area of risk management exists in other industries, they are still not necessarily been the product of finance risk-taking insufficiencies. When FDI is being debated, the true amount of benefits of the actual FDI amount where one respondent states that:

> *FDI inflows to Malaysia, the initial stage lies with the investors is to explore on the country by looking at the consumers' demand and market size of their sector, or if the market is easily accessible, or they would choose to export directly to that host country, leaving FDI without the capital investments on people and infrastructure. - Respondent 1 (19:03)*

The respondent further added that:

> *"Malaysia is not a very well of a CG compliance, High CG compliance countries that are probably you are not aware because that's why is there is this thing called "industry practice", "Industry Practice" means yes, the rules and regulations are there. You have the "Hard CG", and you have the soft type of "soft CG". - Respondent 5 (05:22)*

The rest of the respondents highlight that auditing governs effectiveness and it can also effectively review the governance strategy that can be one of the key areas under board governance for foreign direct investment. The respondents indicated that companies with good auditing process internally could contribute positively in terms of their corporate governance strategy, thus, increasing the level of effectiveness. Lastly, one respondent also highlights that internal audits and external

audits are both a crucial part of the board's governance, especially concerning FDI.
As auditors are viewed to be an impartial reviewer that specifically assigned to
determine the efficacy and the efficiency of corporate governance within the
organisation.

Figure 4.31. Word Cloud on Theme 1 Source: author's own elaboration.

Word cloud Figure 4.31 represents the some of the words the respondents used to
explore the point of view about the board role in the organisation's corporate
governance strategy and execution and key areas under the foreign direct investments.

**Theme 2: The point of views about the board of driving good corporate
governance in Southeast Asian countries**

Under this theme is the discussion and the elaboration of the respondents'
point of view about the board in driving corporate governance strategy in Southeast

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Asian countries. This theme reveals responses that are related to the boards in ASEAN countries with the will to drive effective corporate governance and by rating their lived experience.

Subtheme1: The boards in Asian countries that are driving corporate governance

According to the interviewee's response, they have highlighted that the ASEAN countries in the regions are very diverse, broadly as it depends on the scale of the product and services available from the organisations. Striving for effective corporate governance relies on the scale of the organisation, from a small medium-sized enterprise (SME) with limited resources, and background knowledge of corporate governance is smaller when compared with a public-listed entity. Since the publicly traded entity has more resources, they have a legal obligation and system to incorporate corporate governance. Normally, as in Singapore and Hong Kong, the presence of a strong corporate governance and sustainability code has already been implemented and this beneficial effect of corporate governance on the success of the business is not restricted to the manufacturing sector, but often has a substantial positive impact on the financial output to the economies in emerging markets in the ASEAN region. Additionally, Singapore has earned the recognition of excellent corporate governance globally. Singapore reputation towards driving good corporate governance is better in the sense that if the rule of law is strictly followed, it should not be bad for corporate governance to be implemented. One respondent said:

"*I would say five out of ten. For the reason because I look at the way the company is doing is very badly. They have to basically, during the expansion to the region probably have to take investment strategy like taking over or buying a company in the future. Maybe sell some of the business unassisted or everything to raise funds. So, I believe, I need to*

be careful what I'm saying! Especially, this independent director may not

act independently in some cases. So, it's quite difficult to explore such

kind of non-compliance"- Respondent 1 (06:06)

The other respondents discover that the bigger organisation with a proper board structure, including multinational corporations (MNC) and the local business, are capable enough to include a reasonably efficient operating board to improve corporate governance. According to the other respondent, Singapore has done a decent job in dealing with the compliance, legislation, and rules, however, in Malaysia, where the interviewee is now based, it is generally very lenient in the manner that is comparable to Indonesia, Cambodia and Thailand, which they are more accommodating in the context that "survival" is much more essential.

The majority of the other respondents stated that the Malaysian Corporate Governance Centre, including the Hong Kong's institutional investor "Fong Family", are very much involved in the Malaysian Alliance of Corporate Directors. Therefore, corporate governance will also generate significant relative interest for most organisations and businesses activities, due to Malaysia's absence of political interpretation on the part of corporate governance.

Lastly, all respondents record their experience about corporate governance and the majority of respondents' experience a fall in the 50-60% regarding the boards in ASEAN countries' effectively driving corporate governance. The remaining two respondents indicated a high 90% experience the strong drive in CG for their companies.

Figure 4.32. Word Cloud on Theme 2 Source: author's own elaboration.

The word cloud Figure 4.32 represents some of the words the respondents used to explore the point of view about the boards committees in Asian countries that are driving corporate governance

Theme3: Level of the contribution of FDI inflow to the research region in Southeast Asian countries

At a period of the ongoing market collapse in Asia, the problem of national strategies for stabilisation and potential stable growth is of utmost importance. The handling of foreign companies is of special significance. Foreign direct investment (FDI) has been playing a significant role in some of the country's economies, particularly in the resource sector, and has become a critical source of international capital throughout the downturn. This theme explores the increase in the level of

involvement of the board in corporate governance and point of view about C-level, areas of improvement, and its role in the corporate governance process.

Subtheme1: Increase the level of involvement of the board in corporate governance

The respondents reveal that two important elements are necessary, one for increasing the level of training and the other is effective management. The plurality of respondents believes that preparation is what can be required at the board stage, although some of the top executives do not have the expertise and abilities to drive corporate governance, that is why those who have the authority and obligation but have not been able to control their responsibilities. Education is the key to familiarize them with the form of duties and obligations. For a fact, those named largely falls to these directors at the board level who have been hired with either little industry experience or no professional experience. Learning is necessary, the strong beliefs that the knowledge and skills learnt can be transferred, it can be seen to be more proactive, and related discussions on the planning, implementing and evaluation at the board driving towards the developing of effective CG policies.

The other respondents' point of view falls on the level of effective management is significant for increasing the level of communication and involvement with the board in corporate governance. Both C level and board of directors are thinking alike being Pro-CG. Corporate governance supports or enhances the business from growing its image in the future or in different countries, and that it can develop into being transparent and integrity entity by having a proper successful board. A good successful board can contribute positively to corporate governance and FDI also often includes a joint partnership, but in general, shareholders may have a more significant part to play when it comes to the creation of a corporation. The internal approval scheme would carry out very specific rights

and responsibilities for each and any related agency, such as first, or original, internal acceptance by the business development team. The extent of participation from each or every related agency is included in the transaction. So far as municipal laws and legislation are concerned, some of the ASEAN countries where the respondents based where crime rates were quite significant.

Subtheme2: Point of view about C-level, area of improvements and its role in the corporate governance process

The respondents explore their management level in terms of various budget setting, developing and implement the KPIs within the organisations. This includes the way management does its corporate reporting, ensuring the targets have been achieved. There are many organisations which are already owned by the second generation of the founder. The second generations relationships often position themselves as managers and directors of the organisation and often play a significant role in trying to change the culture that has been implemented by their forefather. It is often seen that positively diversifications can serve different stakeholders, especially external stakeholders whereby public opinions, social-environmental impacts reflect the reputation of these organisations and sometimes seen to help poorer countries out of poverty through substantial FDI.

The other remaining participants highlight that at the management level, the company is driven by them. Developing and implementing corporate governance processes or the execution of corporate governance is not entirely by the C-level. Most respondents state that it is executed by the line management, which are the head of departments at senior executives' level, they are the people that are actually fully executing the CG policies. C-level employees are people that are duly

responsible for more revenue-driven tasks which are mainly down to revenue-driven activities. Additionally, at C-level, the role they play in the CG is mainly setting the budgets, reviewing the performance, financial statements and then preparing for audits. Training is still the most important ingredient to ensure continuous improvement to train the employees at C-levels to be sensitive in the context of CG information, and how it will benefit the industry. One respondent said that

"The CFO needs to be more accountability to ensure there is balance,

the financial statements are clear and easy to understand by the board

and no misunderstanding with the board. And to ensure they are meeting

the targets. The CEO needs to have a good leadership, to lead them,

yeah, to lead the management well". **- Respondent 6 (16:25)**

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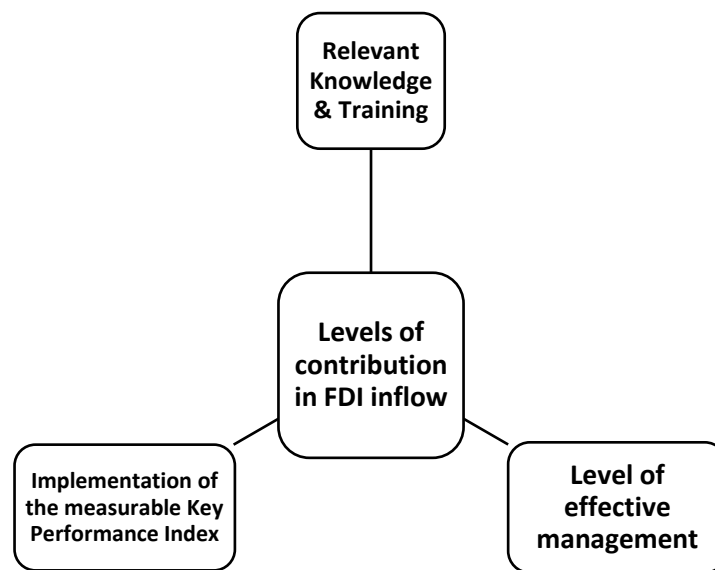
Figure 4.33 Relationship to contribute FDI strategy Source: author's own work

The above diagram 4.33 shows the levels of the contribution in FDI inflow which reflects That effective management such as leadership is pivotal in attracting inflow of FDI opportunities. Along with relevant knowledge and skills of the management

and the board committees to provide the know-how which must be set as organisational goals or vision. There must be effective implementation of KPI criteria to measure its performance against organisational strategy committed to be attract FDIs.

Theme4: Corporate Governance Strategy and Process in Southeast Asian countries

In the Far East countries, the average strength of Southeast Asia or ASEAN in international economic operations would be next to East Asia which includes China, Hong Kong, Japan, Macau, South Korea and Taiwan, often seen to be a developed nation in terms of economies and infrastructures. For any situation, Southeast Asia is important global capitalism to tackle international trades, diverse resources, precious materials and demands good stability democratic accountability. This theme describes the strategies of corporate governance deployed, the strategy being reviewed, and monitors the progress and current percentage of the foreign direct investment to their respective organisations.

Subtheme1: Strategies of corporate governance

In any countries or organisations, unique strategies and processes make corporate governance effective and successful. Respondents advised that their company accordingly to the respondents' based on countries follows most of the criteria set in the code of governance. As there are little in practice the shareholders and management alike could be willing to compromise, or equity consultants might be allowed to sign up to report something derogatory about it. Therefore, that would have an immediate effect on the share price. But there is a certain procedure in processes, such as funding, establishing a committee, auditing and setting up a commission, a remuneration committee that would be a crucial combination towards

corporate governance process. Also, the periodic review of corporate performance, internal and external assessments carried out by the organisation is equally pivotal. Those are called the correct moves instead of the plan. The respondent elaborates that

> *"Make sure the finance processes have their approval authority, the authority metrics of the finance. Kind of thing so that who can pay one. KPI, the authority metrics, basically up to certain limit who can be approved and make sure the management compliance with this requirement. So, there are certain budgets, expenses, or certain amounts and actions that required the board to approve. So, make sure their compliance with that and these are the few things we do in term of CG". - Respondent 2 (10:52)*

The other respondents find out that a lot of policies, such as management, strategy, and implementation and decision-making would also have to be aligned with the CG policies or goals and objectives set by the organisation. CG policies are being discussed on an annual basis, and the CG development would not go so poorly due to several pre-existing internal approval frameworks. Often the partnership between the management and the board of directors is significant, and the respondent said that.

> *"The relationship between the board and in the management has to be like a father and son relationship. But most board they have just drilled it for numbers because they are talking about returns, returns, and returns. But we are quite lucky, we have quite and pretty much balanced with our board because the majority are from the Fong family. So, they do push for numbers, and they are also more daring, more risk-taker compared to the rest". - Respondent 4 (16:47)*

The remaining respondents find that implementing and remunerating policies still ought to strengthen the business since the remuneration strategy was publicized but not adequately explicit, where the requirements are and if all those are appropriate, or if not successful. Also, some demonstrate that successful corporate governance strategy is important to compete for FDI inflows with other countries. It is important to note that besides corporate governance, there are various forms of the regulatory system, combining them together it can have good integrity overall.
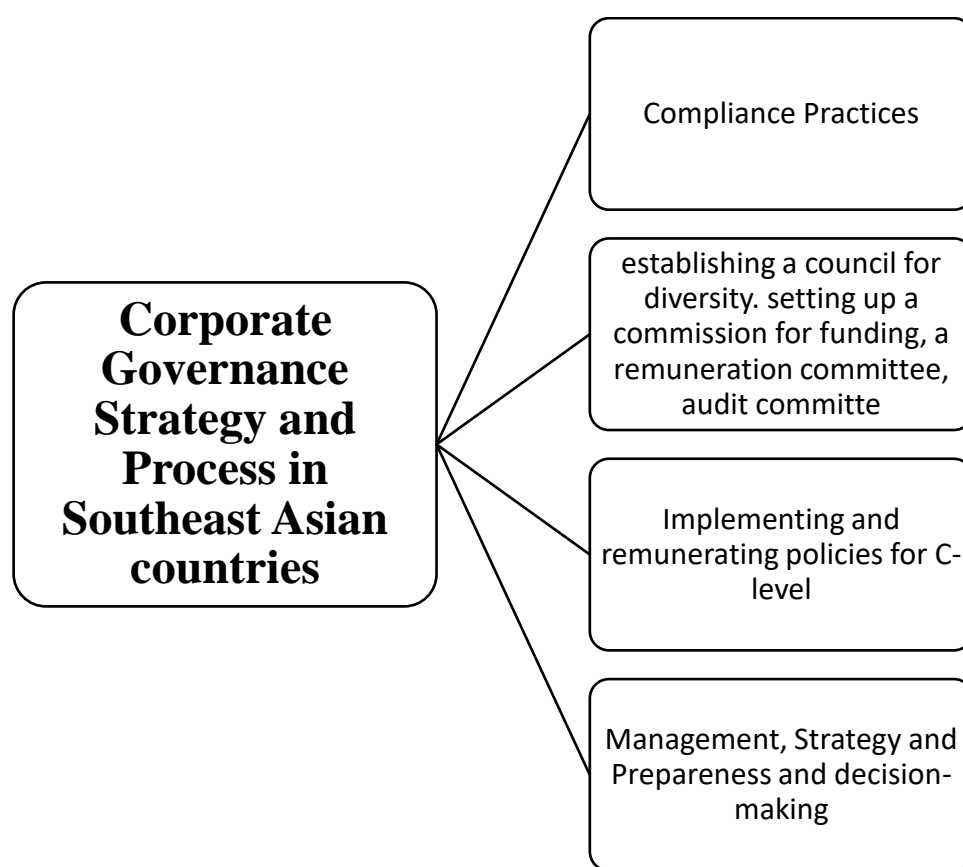
Figure 4.34. Mind map of Corporate Governance strategy. source: author's own work

The mind map on Figure 4.34 represents the Corporate Governance Strategy and its Process in Southeast Asian countries. The relationship highlights what makes corporate governance or the key ingredient to drive an effective CG strategy.

Subtheme2: How the strategy is being reviewed and monitored for the progress

Within this sub-theme, every respondent has specific opinions based on their client strategies. Interviews with respondents explore the fact that the CEO is the right one to monitored and to track success, as they are only looking at reaching the KPIs and tracking the KPI, and even at consistent communications with the top management for results. The respondent points out that the owner is one of the firms. Therefore, this head of the organisation would be shaping the company's business policy. The other business is primarily guided by the director of HR as the director of HR responds directly to the board of directors and often, if not otherwise, the CEO himself would be controlling the monitoring and review process. This is depending on the scale of the business and numbers of employees of the organisation.

The other respondent explains whether every decision-making phase would first have to include in risk control and evaluation or review before any decision is made. Therefore, regarding FDI as well, which required a massive amount of money, much of the strategic direction would have to come up with a plan or at least evaluate it, and then with top C- level, legal and the finance department to report and authorise it.

Chief Finance Officer (CFO) is usually the strongest choice for the organisation to monitor and review governance policies, as CFO also deals with the external auditor, the head of departments (HODs) directors, external compliance organisations, and even the internal and external auditor.

Eventually, the Board of Directors must direct corporate governance and will be responsible for the evaluation and audit phase on the performance of corporate governance. The Board of Directors would be accountable for improvement and

periodic analysis of corporate governance, including arbitration with other reports on operational operations.

Figure 4.35 Monitoring and reviewing the CG Strategy. source: author's own work

The diagram shows who is accountable on the corporate governance strategy in terms of reviewing and monitoring for progress.

Subtheme3: Current percentage of foreign direct investment

In this subtheme, the respondents describe the current percentage of foreign direct investment inflow to their organisation. One respondent revealed with results:

"*Probably 15-20% because they are a Singapore focused company". -*

Respondent 1 (14:45)

Another respondent said that

"In the Asia 40-50%, at least, that is quite high, so, the most frontier marketing the higher percentage of FDI because they can't raise fund or quite difficult to raise fund internally". - Respondent 2 (17:08)

Moreover, another respondent describes that

"it is 40% and the reason is that the company is very comfortable with its own culture, it's not diversified enough. In the sense that maybe the employed personnel or the members of the board is not diversified". - *Respondent 3 (17:07)*

One respondent highlight that

"Roughly, about 20%. But he has been reducing and the figure is not so accurate is because …. I realized that the figure is not so accurate is because they also include on M&A figures inside. ". - Respondent 5 (37:36)

Another respondent reveals *that*

"40 to 50%, actually right for the industry it's quite high and according to the Malaysia Investment Authority and that this sector can generate economic growth from the FDI". -Respondent 7 (12:59)

Theme5: Accountancy or regulatory practices in Southeast Asian countries

Domestically and internationally considerations rely on enhancing regulatory compliance and differ through period or region. This sub-theme discusses the regulatory framework and its impacts on corporate governance in Southeast Asian countries.

Subtheme1: The regulatory framework and its impacts

One respondent's background experience for FDI is with the real estate industry in Singapore. Singapore is seen to be strict on rules, legislation and compliance, CG policy framework is very established, tightly structured and controlled. The respondent indicates the existence of corporate governance structure is crucial as any lack of trust in the sector at the start will have been imminent and therefore avoided at the market price. All organisations that seek FDI will have to certainly continue to conform to corporate governance practices. Moreover, the other explanation indicates that the regulatory system can only succeed if it is adapted to the final specifics since various firms have specific needs and specifications. The others responded that the legislation and regulations that views the importance FDI could also trigger trust and confidence although they have agreed to what is needed to comply with the laws laid down by the authorities of other countries. Yet doing that does not help in the long run, one respondent who is at the board level mentioned:

> *"They are just moaning about the rules, so for the sake though, and good of the entire business, it might not be that effective even by agreeing with the rule". - Respondent 3 (12:26)*

The other responses point out that the rigid rules cannot fit all organisation, or that the organisation itself has a stricter standard than the world has to offer. The administrative structure must be debated as to whether it is a rigid approach on governance like, an enforcement system or being just best practice. This is the administrative system, often with flexibility has a lot to offer towards the legislative structure, especially towards the real implementation of CG policies. The regulatory system needs to be much simpler because a lot of the time regulatory structure will not fit well in Malaysia. These are several forms of the legislative and regulatory

structure, and one is used as a framework to ensure that one style fits all, although it varies on the sector. Organisations and business activities in the Fast Consumers Moving Goods (FCMG) sector, which is a very dynamic industry, and the regulatory system does not support effectively, because it cannot follow a particular procedure and may be too complex.

Ultimately, most of the time when some new policies are placed through the regulatory system it does not necessarily impact the company. It may not affect the company from new regulatory clause. In fact, the business will bear the additional expenses, which is then passed down to the consumers, leading to poor response about their goods and may not wish to buy them. This "true loss" will bubble up, potentially allowing the investment to stop flowing in.

Figure 4.36 Word Cloud on Theme 5 Source: author's own work.

Figure 4.35 is a word cloud that represents the Regulatory framework, it represents some of the words the respondents used to explore the point of view about regulatory practices and its impact in Southeast Asian countries

Theme6: Effectiveness of the Board's corporate governance

The boards effectively come with the responsibility for oversight, the board can delegate its authority to C-level and management of the organisation. To drive CG policies, the effectiveness of the board must have the right balance of executive and non-executive directors, with the diversity of abilities, knowledge, skills and experience to do so. Most businesses have decentralised interest, that is, those who have a substantial number of investors, and may not big enough yet to exert the management over the company's CG. In this theme, the respondents' experience can share how the board's selection process and key members and the factors surrounding corporate governance at the board level.

Subtheme1: Boards selected selection process and key members in the corporate governance at the board level

In this subtheme, the respondents all indicated that the board selection process is relatively compliance. One respondent indicated its founder of the organisation may choose a member to sit on the board of directors for the organisation. Typically, it is selected by the key shareholders and technically shareholders are owners of the business, during which he or she is generally the nominating party. Shareholders are people, so such shareholders may generally serve on the board, again it is entirely dependent on the capital structure of the organisation. Key board members such as executive directors will direct, plan,

oversees and evaluate the day-to-day company or business activities, and so the drive of corporate governance is generally controlled by an autonomous body at board level. Most respondents indicate that either four to five members of the board forms an autonomous group that powers corporate governance and should be chosen on the grounds of their relevant expertise or professional knowledge in an organisation, sector or a network. One respondent stated that:

"At the C-level, management committee and the head of the legal department are interested in the appointment of the board and how well structured, when they want more positions, they have to purchase, based on the sum of investment they make". -Respondent 2 (27:48)

In comparison, the other respondents claimed that the board basically adopt a rule on the basis of organising a select committee which is needed of selecting prospective candidates based on credential. The knowledge to perform simple due diligence, to consider their background and avoiding certain conflict of interests or may compromise the integrity of the board of directors.

Subtheme2: Factors affects the board on corporate governance

Corporate governance is a framework and a mechanism intended to generate long-term interest. The quality of corporate governance in a company can be related to several variables. Nonetheless, corporations often face external factors beyond the control of the organisation, and it may influence the integrity of corporate governance. One respondent stated that its company had seen its "top-line growth," plummeted, whereby its company is experiencing a decrease in gross sales or revenues, it would definitely have a significant effect on profitability. It was revealed that:

> *"The current pandemic, Covid-19 has put all decisions making directly to*
>
> *family members involved in the company". - Respondent 2 (25:30)*

Another respondent said that the element of conflict of interest is like:

> *"Especially if you are the founder of the company and then your*
>
> *company do well but at the end of the day. Your decisions drove the*
>
> *company to how it is at this stage. So, you will be very redundant to give*
>
> *that power to anyone else. I think it is very common in ASEAN but the*
>
> *thing is that like what I said a lot of second or third generations are*
>
> *taking over the management or company or the shares of company so*
>
> *they do realise that this can't be the way they run the company anymore.*
>
> *So, what we are seeing now is sort of the transition phase from the way*
>
> *that the old school cowboy's way doing things and sort of new world's*
>
> *corporate there is more and more companies going through this*
>
> *transition phase".- Respondent 2 (27:48)*

Diversity, leadership styles, organisation culture, and balance of the board are factors that the respondents had mentioned in their interviews, it can put pressure on the board towards corporate governance efficiency, a good balance of these factors allows a good integration and can be seen as the combined effect greater than the sum.

One respondent felt that age, generation, and class gap are often restrictions to people in the company, there must be equality and its effect on the company. The respondent states that:

"Normally, the balance is also inside the administration, and was with the head of the departments and even with the CEO of the company". - Respondent 6 (Q8)
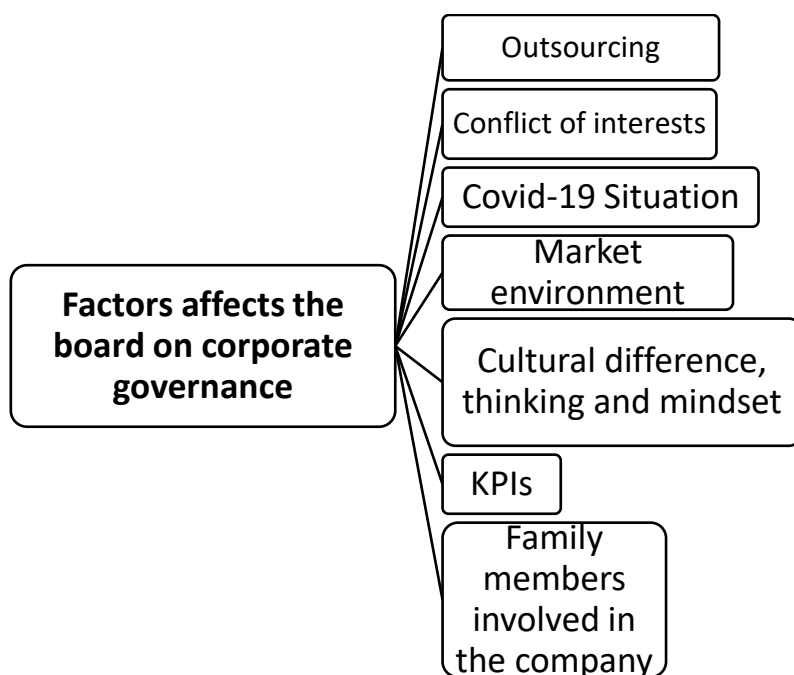
Figure 4.37 Theme 6 Sub theme 2 Factors affects the board on corporate governance source: author's own work

Figure 4.37 shows how the respondents views about the factors that can influence the corporate governance at the board level, the range is somehow diverse, however, the most direct impact are internal environment within the organisation itself, such as conflict of interests, cultural differences, performance measurement that may be view as risk towards having good and effective governance in the organisation.

PHASE 2: Quantitative Data Analysis and Results

4.4 Secondary Data Analysis Phase 2 (CG – FDI)

Introduction

The phase 2 in this chapter discusses the data results and analysis from the secondary data gathered from intergovernmental organisations (IMF, OECD and ASEAN) and worldwide governance indicators (World Bank). Critical Statistical data were gathered on governance indicators and the net inflow of foreign direct investments within the period of 2008 to 2018 in the ASEAN region.   It is imperative to form a new dataset (see Appendix E) for further analysis, and the quantitative empirical results may help to fulfil, support or complement the primary qualitative research of this mixed methods research thesis.

The analysis was to assess the relationship between governance factors or indicators in the corporate world and the inflow of foreign direct investments into the Southeast Asia region.

The hypothesis was established with the research objectives to identify the strength and relationship between the independent variables (governance) and Foreign direct investments (FDI) being the dependent variable, therefore attempting to answer the following research questions:

1. What is the possible relation between corporate governance and foreign direct investment?

2. What is the level or extent of dependence between Corporate Governance and FDI in Southeast Asian countries?

3. What is the level of contribution of FDI inflow to the research region in Southeast Asia?

4.4.1 Dataset

This research study data is taken from the Word Bank official records, the
World bank Development Indicators (Worldwide Governance Indicators 2008-2018
Appendix 4) The phase 2 quantitative empirical results are focuses on the study in
corporate governance indicators and foreign direct investments in the Southeast Asia
region. The data is an unbalanced group which contains six countries that are
developing nations (Vietnam, Malaysia, Cambodia, Myanmar, Singapore and
Indonesia) between the period of 2008 and 2018.

4.4.2 Testing of Hypotheses and Presentation of Results

The content of this phase comprises of three sections which are for Inferential
Statistic, Standard deviation of variables, Pearson Product Moment Correlation
Analysis and Regression were applied to test on the hypotheses of the study.

4.4.3 Presenting the Descriptive Statistics about the Variables

Descriptive statistics were calculated to identify the nature of the research
variables as follows. Mean value provides the idea about the central tendency of the
values of a variable. This section analyses individual variables by using descriptive
statistics for identifying their basic nature. For this purpose, a mean value, standard
deviation, and other measures were calculated, and they are reported in Table (3) of
each country.

To test the relationships of the governance indicators (GI) and foreign direct
investment flows (FDI).

Descriptive statistics Table (1) outlines the frequencies of all variables and the
availability of statistical data for the analysis, Table (2) outlines the statistical data of

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all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

4.5 Descriptive Statistics about the Variables of Cambodia

Descriptive statistics were calculated to identify the nature of the research variables as follows. Mean value provides the idea about the central tendency of the values of a variable. This section analyses individual variables by using descriptive statistics for identifying their basic nature. For this purpose, a mean value, standard deviation, and other measures were calculated, and they are reported in Table (3) of Cambodia.

To test the relationships of the governance indicators (GI) and foreign direct investment flows (FDI) of Cambodia.

Descriptive statistics Table (1) outlines the frequencies of all variables and the availability of statistical data for the analysis of Cambodia, Table (2) outlines the statistical data of all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

Table #1: Showing the frequency of all variables of governance indicators and FDI

Variables	*f*	*%*
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%
Rule of Law	11	100%
Control of Corruption	11	100%
Average Combine CGI Index	11	100%
FDI Inflow	11	100%
Total Corporate Governance	11	100%
Government Effectiveness	11	100%

Table #1 shows the frequencies of all used variables in the research study.

Each variable has 11 frequencies with 100% availability data in the research study.

Table #2 showing the statistics of all variables between 2008 and 2018 (Cambodia)

Period	Voice and Accountability	Political Stability and Absence of Violence/ Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Average Combine CGI Index	FDI Inflow
	2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	
2008	-0.971139133	-0.300469309	-0.988755107	-0.44645378	-1.148304	-1.23137	-0.84775	$815,180,217.96
2009	-0.913447618	-0.562560201	-0.945098281	-0.485972226	-1.118063	-1.17474	-0.86665	$928,393,617.35
2010	-0.927255273	-0.50098443	-0.942988813	-0.475346088	-1.118508	-1.24303	-0.86802	$1,404,315,448.89
2011	-0.914128304	-0.304419667	-0.862748981	-0.583628774	-1.04504	-1.23874	-0.82478	$1,538,883,424.90
2012	-0.961479783	-0.103577204	-0.815831959	-0.341397077	-0.979674	-1.0701	-0.71201	$2,003,849,201.69
2013	-0.980927289	-0.136436149	-0.906181395	-0.338365346	-1.004117	-1.05243	-0.73641	$2,068,470,774.00
2014	-1.107750893	0.023174802	-0.688959599	-0.423162788	-0.95521	-1.13776	-0.71495	$1,853,471,158.10
2015	-1.122614861	0.061942287	-0.699455142	-0.525049269	-0.978472	-1.11799	-0.73027	$1,822,804,151.26
2016	-1.106936693	0.211037859	-0.69411397	-0.465220392	-1.063662	-1.27292	-0.73197	$2,475,915,853.66
2017	-1.155918479	0.091168374	-0.658138394	-0.502937794	-1.056137	-1.29138	-0.76222	$2,788,084,321.66
2018	-1.221331358	0.108229026	-0.568605006	-0.504916787	-1.114671	-1.32557	-0.77114	$3,102,579,484.02
								$20,801,947,653.48

Table #2 shows statistics of governance indicators (ranges from approximately -2.5 (weak) to 2.5 (strong) in their performance, and the net amount inflow of FDI for Cambodia. This dataset was used to analyse and relate through the hypothesis testing.

Table #3: Showing S.D, Mean of the variables of Cambodia

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-.9711	-1.2213	-1.0348	.109947
Political Stability and Absence of Violence/Terrorism	11	-.30	.1082	-.12844	.25830
Government Effectiveness	11	-.99	-.57	-.7974	.14136
Regulatory Quality	11	-.58	-.34	-.4630	.07391
Rule of Law	11	-1.15	-.056	-1.0529	.06669
Control of Corruption	11	-1.23	-1.32	-1.1960	.09137
Average Combine CGI Index	11	-0.85	-0.77	-.7787	.06145
FDI Inflow ($)	11	815180218.00	3102579484.00	1891086150.3909	714839051.33923
Valid N (listwise)	11				

Table #3: Showing S.D, Mean of the variables Cambodia.

In table # 3 descriptive statistics indicated the Mean and S.D of all variables. Overall, Years displayed the (M=2013.00, SD 3.31662) shows a variation of FDI Inflow and the study period (Min=2008) and (Max=2018). In the table Voice and Accountability M=-1.0348 (S.D .10995), Political Stability and Absence of Violence/Terrorism M=-.1248(S.D.25830), Government Effectiveness =.7974(S.D.14136), Regulatory Quality M=-.4630(S.D.07391), Rule of Law M=-1.0529(S.D.0669), Control of Corruption M=-1.1960 (S.D.09137), Average Combine CGI Index M=-.7787(S.D0.6145), and FDI Inflow M=1891086150.39 (S.D714839051.339)

4.5.1 Hypothesis Testing of Cambodia

i.   Using correlation

The correlation analysis was used to investigate the relationships between the Independent of Corporate Governance and its factors as independent variables and foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

H01: Corporate Governance will be predicting FDI Inflow.

H02: There will be a relationship between Voice and Accountability and FDI Inflow.

H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.

H04: There will be a negative relation between Regulatory Quality and FDI Inflow.

H05: There will be no relationship between Rule of Law and FDI Inflow.

H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.

H08: There will be a relationship between Government Effectiveness and FDI Inflow.

Table# 4: Pearson Product Moment Correlation Matrix of Cambodia

Correlations

	VA	**PV**	**GE**	**RQ**	**RL**	**CC**	**CGI**	**EG**	**FDI**
Voice and Accountability	-.787**								
Political Stability and Absence of Violence/Terrorism	.868**	1							
Government Effectiveness	.929**	.871**	1						
Regulatory Quality	.165	.051	.220	1					
Rule of Law	-.178	.460	.344	.340	1				
Control of Corruption	.371	-.128	.322	.663*	.683*	1			
Average Combine CGI Index	-.573	.837**	.655*	.427	.819**	.402	1		
Economic Growth	-.433	.646*	.431	.143	.399	-.029	.582	1	
FDI Inflow	.802**	.818**	.863**	.007	.249	-.306	.636*	.536	1

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

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

As shown in table 4, the results of the Pearson Product Moment Correlation analysis were performed to identify whether there is a positive or negative

relationship between each independent variable and the dependent variable.

According to the Cambodia's results of the study,

- Pearson Product Moment Correlation between FDI Inflow and Independent of Corporate governance was .802**   and the P value is .000 (p<0.01). These values indicate that there is a positive relationship between two variables. Since the p value of the relationships is below the 0.01 level, this relationship is significant.

- Linear regression was used to test if CG significantly predicted FDI. The overall regression was statistically significant (R2 = .404, p < .000). It was found that CG significantly predicted FDI.
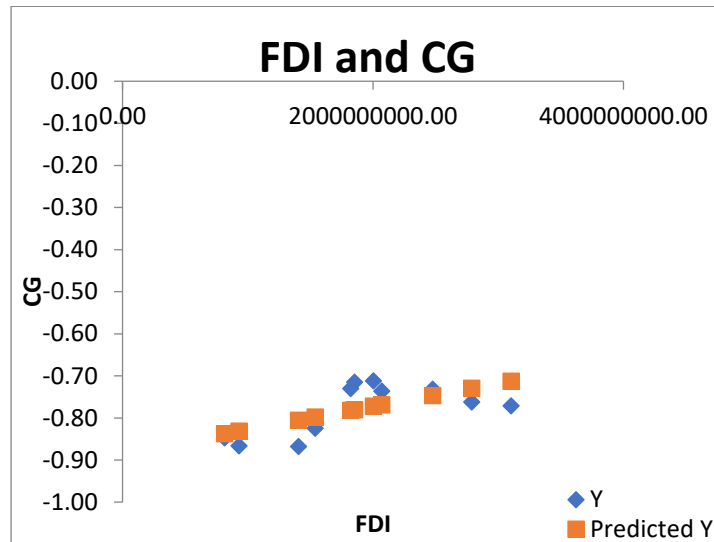
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.635715879
R Square	0.404134679
Adjusted R Square	0.337927421
Standard Error	0.050001501
Observations	11

175

- Pearson Product Moment Correlation between Voice and Accountability and FDI Inflow was -.787**. It revealed that the relationship between the two variables is strong.

- Linear regression was used to test if Voice and Accountability significantly predicted FDI. The overall regression was statistically significant (R^2 = .643, p < .000). It was found that VA significantly predicted FDI.
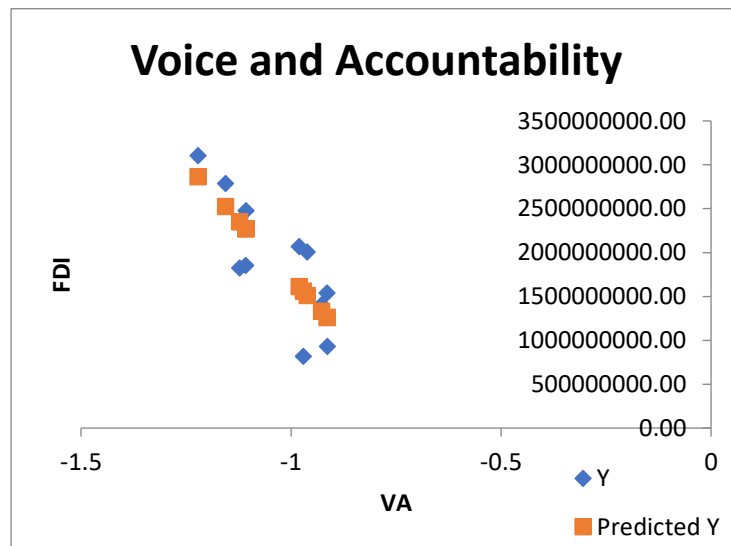
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.802107429
R Square	0.643376328
Adjusted R Square	0.603751475
Standard Error	449978847.4
Observations	11

- However, the Pearson Product Moment Correlation between Political Stability and Absence of Violence/Terrorism and FDI Inflow was .868**. It revealed that the relationship between the two variables is much stronger.

- Linear regression was used to test if Political Stability significantly predicted FDI. The overall regression was statistically significant (R^2 = .669, p < .000). It was found that Political Stability significantly predicted FDI.
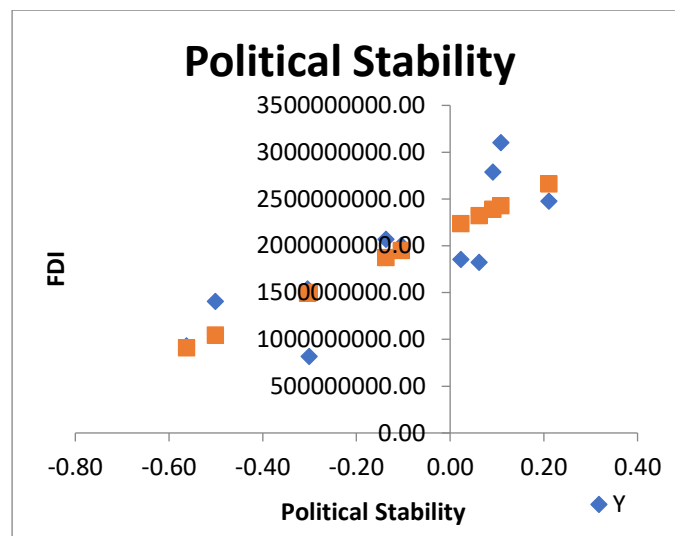
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.818466
R Square	0.669887
Adjusted R Square	0.633207
Standard Error	4.33E+08
Observations	11

- Pearson Product Moment Correlation between Regulatory Quality and FDI Inflow was .165. It revealed that the relationship between two variables has no correlation.

- Linear regression was used to test if Regulatory Quality significantly predicted FDI. The overall regression was not statistically significant ($R^2 = 4.29$, $p < .000$). It was found that Regulatory Quality did not significantly predict FDI.

Regulatory Quality
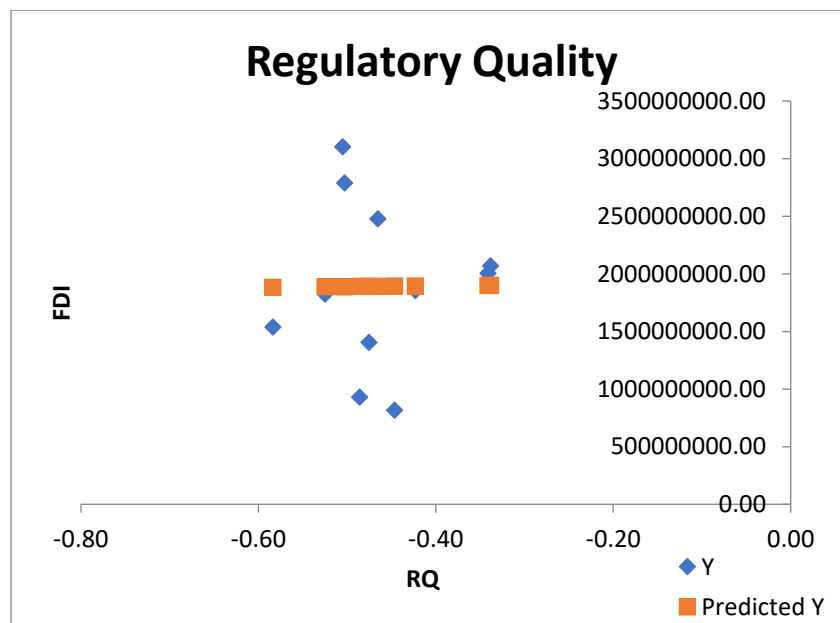
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.006554692
R Square	4.2964E-05
Adjusted R Square	-0.111063373
Standard Error	753490333.8
Observations	11

- Result revealed Rule of Law and FDI Inflow was -.178** and P-value is .000 (p<0.01). These values indicate that there is no relationship between two variables.

- Linear regression was used to test if Rule of Law significantly predicted FDI. The overall regression was not statistically significant ($R2 = 0.06$, $p < .000$). It was found that Rule of Law did not significantly predict FDI.
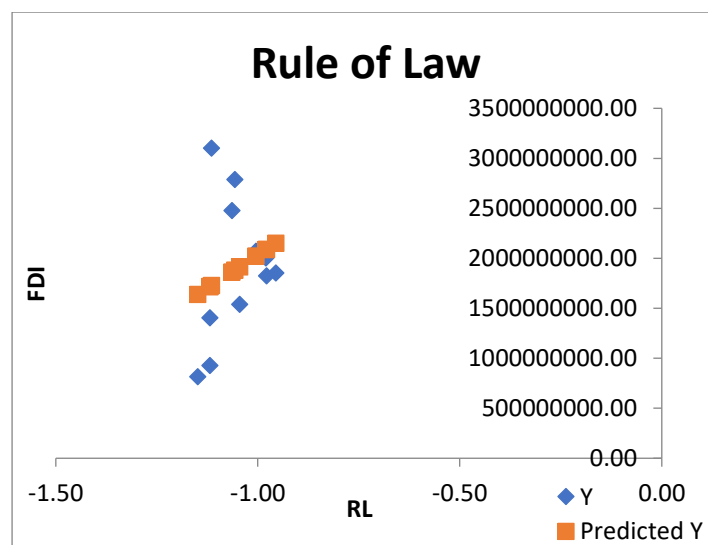
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.248904619
R Square	0.061953509
Adjusted R Square	-0.042273878
Standard Error	729792165.1
Observations	11

- Pearson Product Moment Correlation between Control of Corruption and FDI Inflow was .371** and its means both are no correlated.

- Linear regression was used to test if Control of Corruption significantly predicted FDI. The overall regression was not statistically significant (R2 = 0.09, p < .000). It was found that Control of Corruption did not significantly predict FDI.
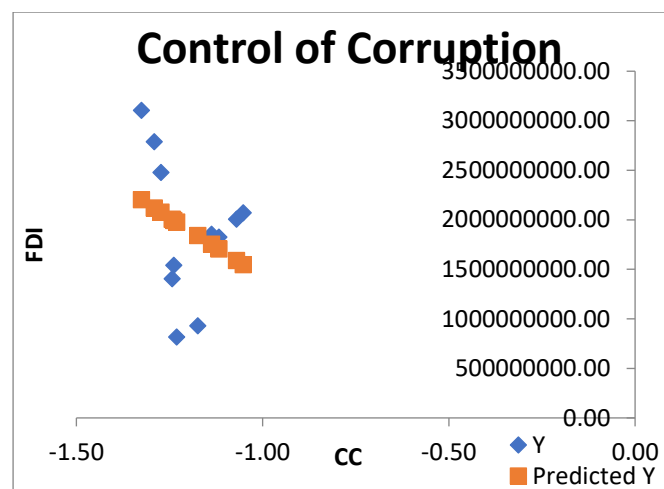
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.305954461
R Square	0.093608132
Adjusted R Square	-0.007102075
Standard Error	717372980.5
Observations	11

180

- Pearson Product Moment Correlation between Average Combine CGI Index and FDI Inflow was -.573**. It revealed that the relationship between the two variables is negatively correlated.

- Linear regression was used to test if Average Combine CGI significantly predicted FDI. The overall regression was statistically significant (R^2 = .404, $p < .000$). It was found that Average Combine CGI has significantly predicted FDI.
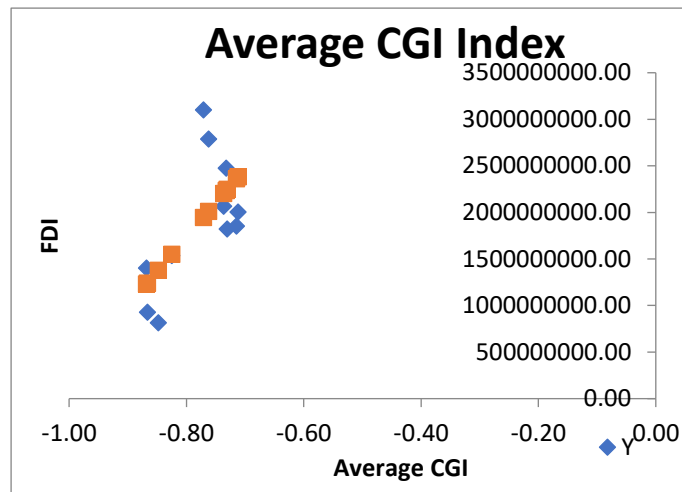
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.635715879
R Square	0.404134679
Adjusted R Square	0.337927421
Standard Error	581649113.2
Observations	11

- Government Effectiveness and FDI Inflow was .929** and these values indicate that there is a positive relationship between two variables.

- Linear regression was used to test if Government Effectiveness significantly predicted FDI. The overall regression was statistically significant (R^2 = .745, p < .000). It was found that Government Effectiveness has significantly predicted FDI.
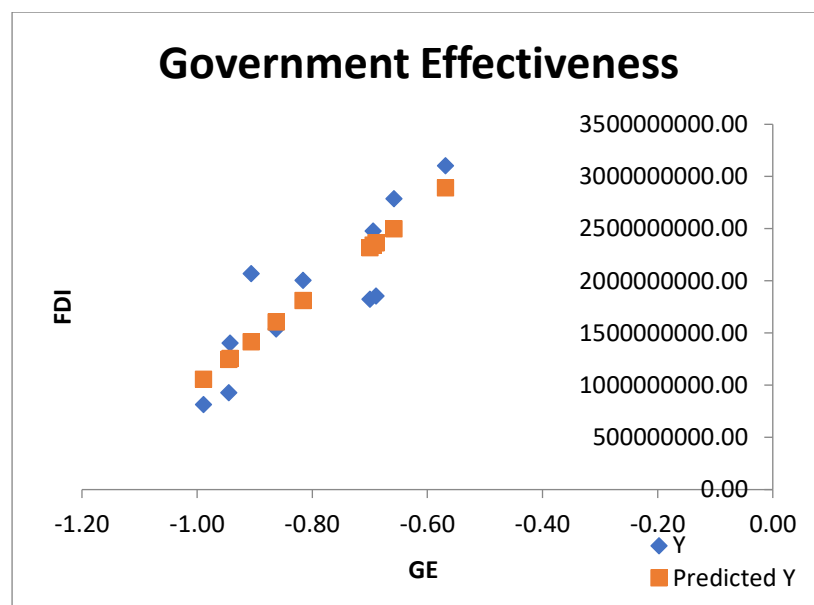
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.863242302
R Square	0.745187272
Adjusted R Square	0.716874747
Standard Error	380362395.2
Observations	11

Table # 5: Summary of hypothesis testing of Cambodia

Hypothesis	Correlation analysis	
	Sign.	Result
H01: There will be a positive relationship between FDI Inflow and Corporate governance are both positively related to each other.	.802**	**Accepted**
H02: There will be a relationship between Voice and Accountability and FDI Inflow.	-.787**	**Accepted**
H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	.868**	**Accepted**
H04: There will be a negative relation between Regulatory Quality and FDI Inflow.	.165**	**Accepted**
H05: There will be no relationship between Rule of Law and FDI Inflow.	-.178**	**Accepted**
H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.	.371**	**Rejected**

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.	-.573**	**Accepted**
H08: There will be a relationship between Governance Effectiveness and FDI Inflow.	.929**	**Accepted**

4.6 Descriptive Statistics about the Variables of Indonesia

Descriptive statistics were calculated to identify the nature of the research variables as follows. Mean value provides the idea about the central tendency of the values of a variable. This section analyses individual variables by using descriptive statistics for identifying their basic nature. For this purpose, a mean value, standard deviation, and other measures were calculated, and they are reported in Table (3) of Indonesia.

To test the relationships of the governance indicators (GI) and foreign direct investment flows (FDI) of Indonesia.

Descriptive statistics Table (1) outlines the frequencies of all variables and the availability of statistical data for the analysis of Cambodia, Table (2) outlines the statistical data of all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

Table #1: Showing the frequency of all variables of governance indicators and FDI

Variables	f	%
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%
Rule of Law	11	100%
Control of Corruption	11	100%
Average Combine CGI Index	11	100%
FDI Inflow	11	100%
Total Corporate Governance	11	100%
Government Effectiveness	11	100%

Table #1 shows the frequencies of all used variables in the research study.

Each variable has 11 frequencies with 100% availability data in the research study.

Table #2 showing the statistics of all variables between 2008 and 2018 (Indonesia)

Period	Voice and Accountability	Political Stability and Absence of Violence/ Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Average Combine CGI Index	FDI Inflow
	2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	
2008	-0.011261522	-1.058376312	-0.23720181	-0.348286211	-0.653871	-0.5937	-0.48378	$9,318,453,649.83
2009	-0.001040607	-0.751386285	-0.298131734	-0.361796618	-0.602619	-0.83865	-0.4756	$4,877,369,178.44
2010	-0.037774231	-0.853916168	-0.214305162	-0.415856957	-0.639998	-0.75136	-0.48554	$15,292,009,410.51
2011	-0.008531014	-0.770114183	-0.25942418	-0.351914078	-0.59303	-0.70187	-0.44748	$20,564,938,226.72
2012	0.067612648	-0.593262792	-0.272910774	-0.278762519	-0.575682	-0.63979	-0.38213	$21,200,778,607.87
2013	0.036121309	-0.519264638	-0.198748589	-0.195440874	-0.530768	-0.61382	-0.33699	$23,281,742,361.53
2014	0.1539049	-0.416824043	-0.037205037	-0.10765975	-0.342181	-0.56177	-0.21862	$25,120,732,059.51
2015	0.184858039	-0.615060687	-0.240621522	-0.217557788	-0.422098	-0.45837	-0.29481	$19,779,127,976.96
2016	0.166678548	-0.372952431	0.007638493	-0.122343853	-0.344751	-0.39933	-0.17751	$4,541,713,739.24
2017	0.129881993	-0.497849405	0.040851168	-0.106315382	-0.346482	-0.25271	-0.1721	$20,510,310,832.45
2018	0.179736689	-0.533436894	0.179875433	-0.07127253	-0.314915	-0.25154	-0.13526	$20,007,774,753.78
								$184,494,950,796.83

Table #2 shows statistics of governance indicators (ranges from approximately -2.5 (weak) to 2.5 (strong) in their performance, and the net amount inflow of FDI for Indonesia. This dataset was used to analyse and relate through the hypothesis testing.

Table #3: Showing S.D, Mean of the variables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-.038	.18	.0782	.08663
Political Stability and Absence of Violence/Terrorism	11	-1.06	-.37	-.6348	.20492
Government Effectiveness	11	-.30	.18	-.1391	.15902
Regulatory Quality	11	-.42	-.07	-.2343	.12302
Rule of Law	11	-.65	-.31	-.4879	.13432
Control of Corruption	11	-.84	-.25	-.5512	.19226
Average Combine CGI Index	11	-.49	-.14	-.3282	.13613
FDI Inflow	11	4541713739.00	25120732060.00	16772268254.3636	7268936832.49741
Valid N (listwise)	11				

In table # 3 descriptive state indicated the Mean and S.D of all variables. Overall, Years displayed the (M=2013.00, SD 3.31662) shows a variation of FDI Inflow and the study period (Min=2008) and (Max=2018). In the table Voice and Accountability M=.0782 (S.D .65880), Political Stability and Absence of Violence/Terrorism M=-.6348(S.D.20492), Government Effectiveness =.1391(S.D.15902), Regulatory Quality M=-.2343(S.D.12302), Rule of Law M=-.4879(S.D.13432), Control of Corruption M=-.5512 (S.D.19226), Average Combine CGI Index M=-.3282(S.D.13613), and FDI Inflow M=16772268254.36 (S.D7268936832.49)

4.6.1 Hypothesis Testing of Indonesia

ii.   Using correlation

The correlation analysis was used to investigate the relationships between the Independent of Corporate Governance and its factors as independent variables and foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

H01: Corporate Governance will be predicting FDI Inflow.

H02: There will be a relationship between Voice and Accountability and FDI Inflow.

H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.

H04: There will be a negative relation between Regulatory Quality and FDI Inflow.

H05: There will be no relationship between Rule of Law and FDI Inflow.

H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.

H08: There will be a relationship between Government Effectiveness and FDI Inflow.

Table# 4: Pearson Product Moment Correlation Matrix of Indonesia

	VA	PV	GE	RQ	RL	CC	CGI	EG	FDI
				Correlations					
Voice and Accountability	.660								
Political Stability and Absence of Violence/Terrorism	.778**	1							
Government Effectiveness	.697*	.602	1						
Regulatory Quality	.890**	.844**	.846**	1					
Rule of Law	.937**	.836**	.855**	.954**	1				
Control of Corruption	.809**	.547	.850**	.851**	.841**	1			
Average Combine CGI Index	.916**	.844**	.888**	.979**	.982**	.890**	1		
Economic Growth	-.641*	-.555	-.376	-.560	-.642*	-.354	-.553	1	
FDI Inflow	.242	.323	.152	.334	.257	.220	.281	.217	1

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

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

As shown in table 4, the results of the correlation analysis were performed to identify whether there is a positive or negative relationship between each independent variable and the dependent variable.

According to the Indonesia's results of the study,

- the Pearson Product Moment Correlation between Independent of FDI Inflow and Corporate Governance was .242**   and P-value is .000 (p<0.01). These values indicate that there is a positive relationship between two variables. Since the p value of the relationships is below than the 0.01 level, this relationship is not significant.

- Linear regression was used to test if Independent of FDI Inflow significantly predicts Corporate Governance. The overall regression was not statistically significant ($R2 = 0.07$, $p < .000$). It was found that Independent of FDI did not significantly predict Corporate Governance.
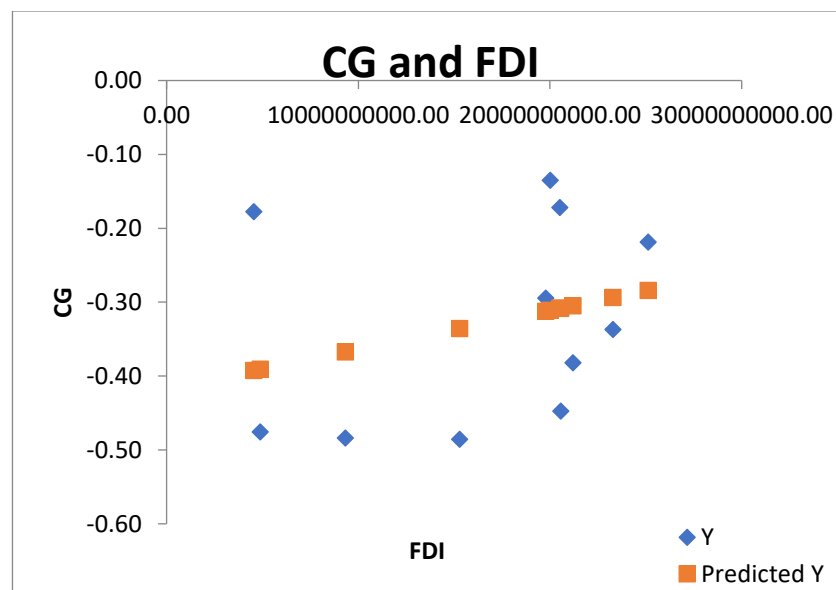
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.28067416
R Square	0.078777984
Adjusted R Square	-0.023580018
Standard Error	0.137729567
Observations	11

- Pearson Product Moment Correlation between Voice and Accountability and FDI Inflow was .660**. It revealed that the relationship between the two variables is not strong.

- Linear regression was used to test if Voice and Accountability significantly predicts FDI. The overall regression was not statistically significant ($R2 = 0.05$, $p < .000$). It was found that Voice and Accountability did not significantly predict Corporate Governance.

Voice and Accountability
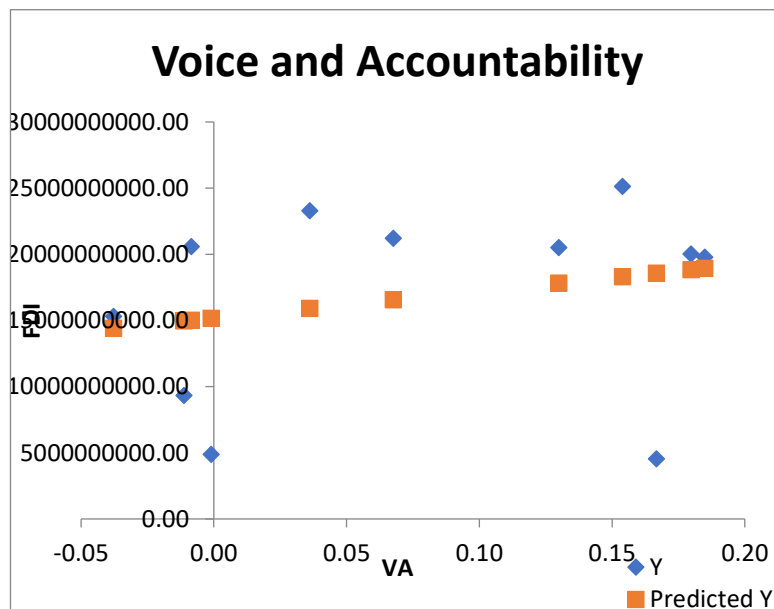
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.24194622
R Square	0.05853797
Adjusted R Square	-0.0460689
Standard Error	7434487640
Observations	11

- However, the Pearson Product Moment Correlation between Political Stability and Absence of Violence/Terrorism and FDI Inflow was .778**. It revealed that the relationship between the two variables is much stronger.

- Linear regression was used to test if Political Stability and Absence of Violence/Terrorism significantly predicts FDI. The overall regression was very weak and is not statistically significant ($R2 = 0.104$, $p < .000$). It was found that Political Stability and Absence of Violence/Terrorism did not significantly predict FDI.
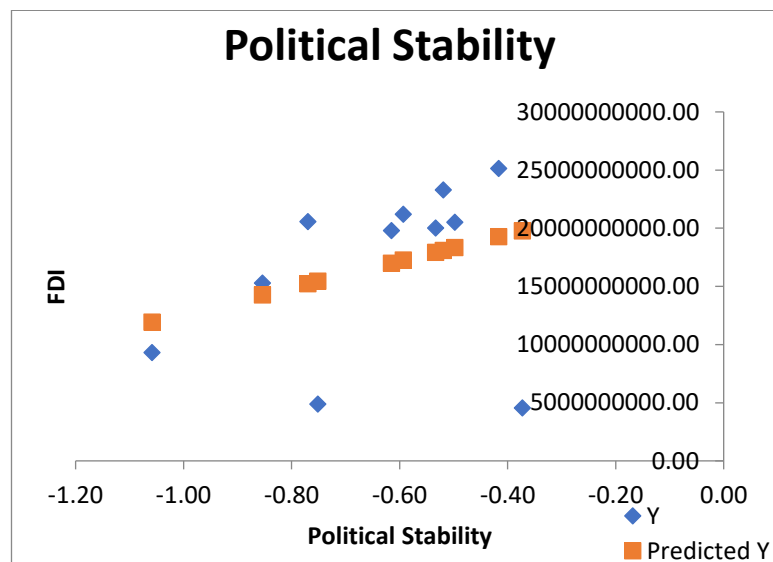
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.322767816
R Square	0.104179063
Adjusted R Square	0.004643403
Standard Error	7252040893
Observations	11

- Pearson Product Moment Correlation between Regulatory Quality and FDI Inflow was .890**. It revealed that the relationship between the two variables is significantly correlated.

- Linear regression was used to test if Regulatory Quality significantly predicts FDI. The overall regression was weak and is not statistically significant ($R2 = 0.111$, p < .000). It was found that Regulatory Quality did not significantly predict FDI.
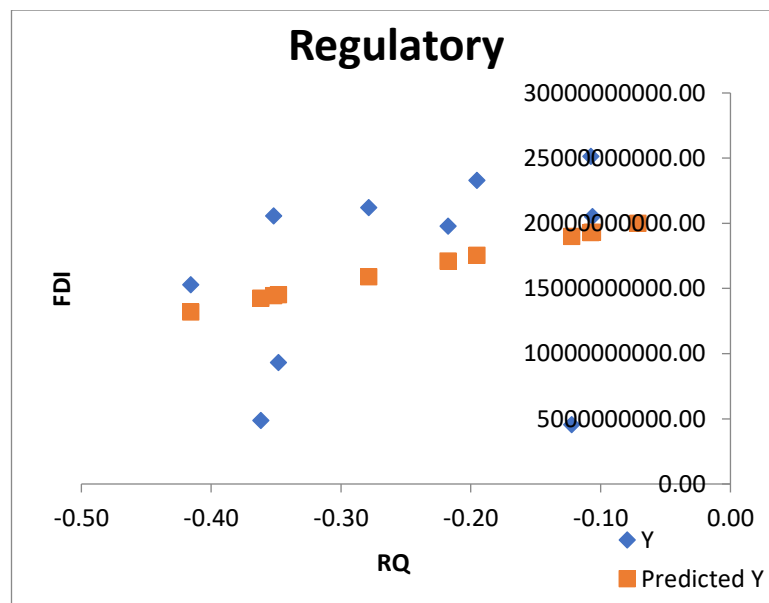
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.334266656
R Square	0.111734197
Adjusted R Square	0.013037997
Standard Error	7221395173
Observations	11

- Result revealed Rule of Law and FDI Inflow was .937** and the *P* value is .000
  (p<0.01). These values indicate that there is a strong relationship between the two
  variables.

- Linear regression was used to test if Rule of Law significantly predicts FDI. The
  overall regression is not statistically significant ($R2 = 0.06$, $p < .000$). It was found
  that Rule of Law did not significantly predict FDI.
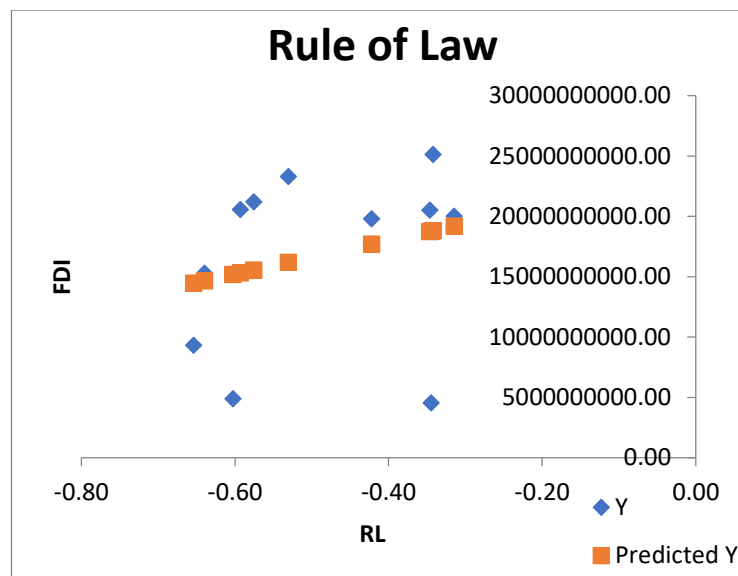
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.257307924
R Square	0.066207368
Adjusted R Square	-0.037547369
Standard Error	7404144085
Observations	11

- Pearson Product Moment Correlation between Control of Corruption and FDI Inflow was .809** and its means both are correlated.

- Linear regression was used to test if Control of Corruption significantly predicts FDI. The overall regression is not statistically significant ($R2 = 0.04$, $p < .000$). It was found that Control of Corruption did not significantly predict FDI.
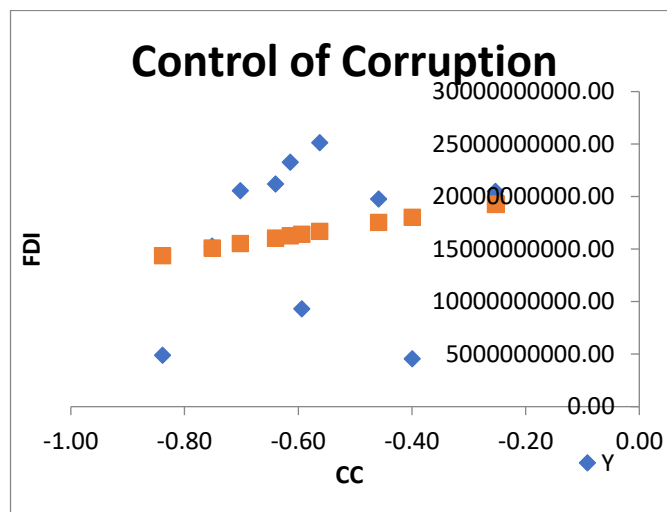
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.220358167
R Square	0.048557722
Adjusted R Square	-0.057158087
Standard Error	7473789522
Observations	11

196

- Pearson Product Moment Correlation between Average Combine CGI Index and FDI Inflow was .916**. It revealed that the relationship between the two variables is positively correlated.

- Linear regression was used to test if the Average Combine CGI Index significantly predicts FDI. The overall regression is very weak and is not statistically significant ($R^2 = 0.07$, $p < .000$). It was found that the Average Combine CGI Index did not significantly predict FDI.

Average CG
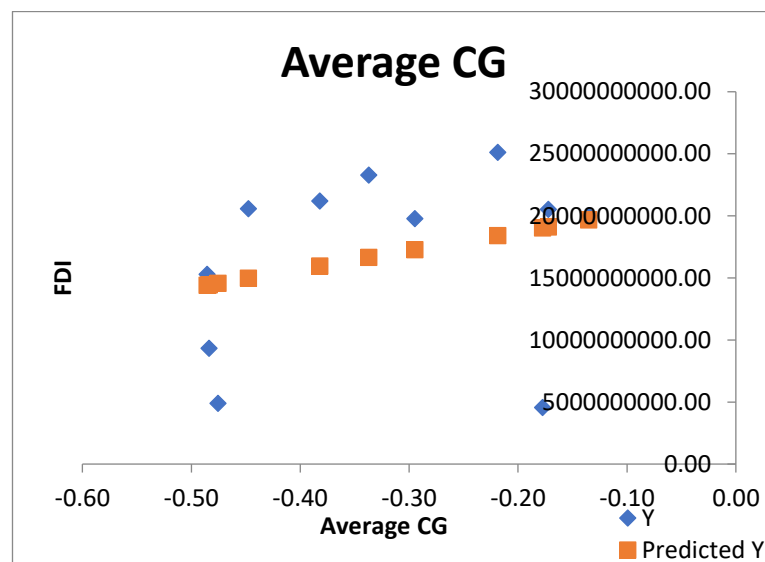
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.28067416
R Square	0.078777984
Adjusted R Square	-0.023580018
Standard Error	7354138326
Observations	11

- Government Effectiveness and FDI Inflow was .697* and these values indicate that there is a positive relationship between two variables.

- Linear regression was used to test if Government Effectiveness significantly predicts FDI. The overall regression is not statistically significant ($R^2 = 0.02$, $p < .000$). It was found that Control of Corruption did not significantly predict FDI.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.151610597
R Square	0.022985773
Adjusted R Square	-0.085571363
Standard Error	7573560238
Observations	11

Table # 5: Summary of hypothesis testing of Indonesia

Hypothesis	Correlation analysis	
	Sign.	**Result**
H01: There will be a positive relationship between FDI Inflow and Corporate governance are both positively related to each other.	.242**	**Accepted**
H02: There will be a relationship between Voice and Accountability and FDI Inflow.	.660**	**Accepted**
H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	.778**	**Accepted**
H04: There will be a negative relation between Regulatory Quality and FDI Inflow.	.890**	**Rejected**
H05: There will be no relationship between Rule of Law and FDI Inflow.	.937**	**Rejected**
H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.	.809**	**Accepted**

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.	.916**	**Accepted**
H08: There will be a relationship between Governance Effectiveness and FDI Inflow.	.697*	**Accepted**

4.7 Descriptive Statistics about the Variables of Malaysia

Descriptive statistics were calculated to identify the nature of the research variables as follows. Mean value provides the idea about the central tendency of the values of a variable. This section analyses individual variables by using descriptive statistics for identifying their basic nature. For this purpose, a mean value, standard deviation, and other measures were calculated, and they are reported in Table (3) of Malaysia.

To test the relationships of the governance indicators (GI) and foreign direct investment flows (FDI) of Malaysia.

Descriptive statistics Table (1) outlines the frequencies of all variables and the availability of statistical data for the analysis of Cambodia, Table (2) outlines the statistical data of all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

Table #1: Showing the frequency of all variables of governance indicators and FDI

Variables	f	%
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%
Rule of Law	11	100%
Control of Corruption	11	100%
Average Combine CGI Index	11	100%
FDI Inflow	11	100%
Total Corporate Governance	11	100%
Government Effectiveness	11	100%

Table #1 shows the frequencies of all used variables in the research study. Each variable has 11 frequencies with 100% availability data in the research study.

Table #2 showing the statistics of all variables between 2008 and 2018 (Malaysia)

Period	Voice and Accountability	Political Stability and Absence of Violence/ Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Average Combine CGI Index	FDI Inflow
	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	
2008	-0.563192904	0.108325094	1.108519197	0.316368818	0.3449331	-0.04731	0.211274	$7,572,512,432.34
2009	-0.503895342	-0.042381134	0.983705997	0.303689092	0.4559681	-0.05648	0.190102	$114,664,434.56
2010	-0.499978125	0.143352136	1.120517969	0.588942647	0.4781646	0.089267	0.320044	$10,885,614,182.21
2011	-0.474874914	0.077409767	1.021163225	0.582068741	0.4786865	0.029488	0.285657	$15,119,371,191.19
2012	-0.346539199	-0.005212402	0.919864178	0.570483685	0.4650323	0.237634	0.306877	$8,895,774,251.02
2013	-0.339679241	0.051791593	0.999806523	0.636702955	0.4357612	0.350176	0.35576	$11,296,279,513.92
2014	-0.360303104	0.266619146	1.115127206	0.837720931	0.5882955	0.411159	0.476436	$10,619,431,582.98
2015	-0.391476721	0.258957565	0.948956072	0.752673328	0.5019241	0.235073	0.384351	$9,857,162,111.82
2016	-0.418370813	0.136824623	0.86577493	0.711795211	0.4991495	0.096051	0.315204	$13,470,089,920.81
2017	-0.400363863	0.116352133	0.82786417	0.683502495	0.4142236	0.025744	0.277887	$9,368,469,822.66
2018	-0.083687983	0.237390101	1.075348139	0.682474017	0.6233374	0.313976	0.474806	$8,570,094,242.95
								$105,769,463,686.46

Table #2 shows statistics of governance indicators (ranges from approximately -2.5 (weak) to 2.5 (strong) in their performance, and the net amount inflow of FDI for Malaysia. This dataset was used to analyse and relate through the hypothesis testing.

Table #3: Showing S.D, Mean of the variables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-.56	-.08	-.3984	.12710
Political Stability and Absence of Violence/Terrorism	11	-.04	.27	.1227	.10198
Government Effectiveness	11	.83	1.12	.9988	.10129
Regulatory Quality	11	.30	.84	.6060	.16631
Rule of Law	11	.34	.62	.4805	.07645
Control of Corruption	11	-.06	.41	.1532	.16374
Average Combine CGI Index	11	.19	.48	.3271	.09227
FDI Inflow	11	114664434.60	15119371191.00	9615405789.6909	3831011972.84669
Valid N (listwise)	11				

In table # 3 descriptive statistics indicated the Mean and S.D of all variables. Overall, Years displayed the (M=2013.00, SD 3.31662) shows a variation of FDI Inflow and the study period (Min=2008) and (Max=2018). In the table Voice and Accountability M=-.3984 (S.D .12710), Political Stability and Absence of Violence/Terrorism M=-.1227(S.D.10198), Government Effectiveness =.9988(S.D.10129), Regulatory Quality M=-.6060(S.D.16631), Rule of Law M=-.4805(S.D.07645), Control of Corruption M=-.1532 (S.D.16374), Average Combine CGI Index M=-.3271(S.D.09227), and FDI Inflow M=9615405789.69 (S.D3831011972.84) .

4.7.1 Hypothesis testing of Malaysia

iii.　　Using correlation

The correlation analysis was used to investigate the relationships between the Independent of Corporate Governance and its factors as independent variables and foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

H01: Corporate Governance will be predicting FDI Inflow.

H02: There will be a relationship between Voice and Accountability and FDI Inflow.

H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.

H04: There will be a negative relation between Regulatory Quality and FDI Inflow.

H05: There will be no relationship between Rule of Law and FDI Inflow.

H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.

H08: There will be a relationship between Government Effectiveness and FDI Inflow.

Table# 4: Pearson Product Moment Correlation Matrix of Malaysia

	VA	PV	GE	RQ	RL	CC	CGI	EG	FDI
Correlations									
Voice and Accountability	.809*								
Political Stability and Absence of Violence/Terrorism	.406	1							
Government Effectiveness	-.027	.294	1						
Regulatory Quality	.543	.709*	-.171	1					
Rule of Law	.729*	.599	.227	.643*	1				
Control of Corruption	.718*	.501	.192	.722*	.659*	1			
Average Combine CGI Index	.776**	.775**	.268	.827**	.846**	.896**	1		
Economic Growth	.144	.516	.171	.582	.115	.368	.459	1	
FDI Inflow	.100	.374	-.049	.622*	.166	.292	.379	.765**	1

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

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

As shown in table 4, the results of the correlation analysis were performed to identify whether there is a positive or negative relationship between each independent variable and the dependent variable.

According to the Malaysia's results of the study,

- the Pearson Product Moment Correlation between Independent of FDI Inflow and Corporate governance was .100 and P value is .000 (p<0.01). These values indicate that there is no significant relationship between two variables. Since the p value of the relationships is below than the 0.01 level, this relationship is not significant.

- Linear regression was used to test if the Independent of FDI Inflow significantly predicts Corporate Governance. The overall regression was not statistically significant ($R^2 = 0.14$, $p < .000$). It was found that Independent of FDI did not significantly predict Corporate Governance.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.378942351
R Square	0.143597305
Adjusted R Square	0.04844145
Standard Error	3737070296
Observations	11

- Pearson Product Moment Correlation between Voice and Accountability and FDI Inflow was .809*. It revealed that the relationship between the two variables is not strong.

- Linear regression was used to test if Voice and Accountability significantly predicts FDI. The overall regression was not statistically significant ($R2 = 0.09$, $p < .000$). It was found that Voice and Accountability did not significantly predict FDI.
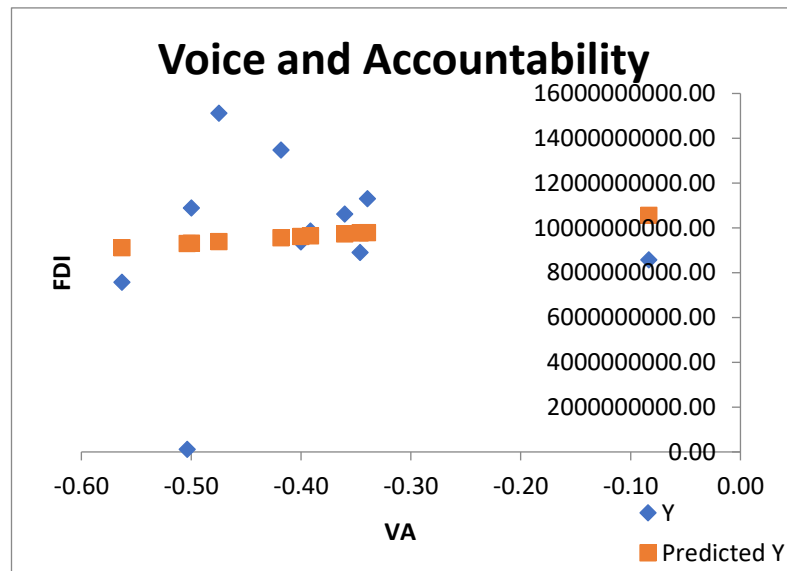
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.099573981
R Square	0.009914978
Adjusted R Square	-0.100094469
Standard Error	4018171786
Observations	11

- However, the Pearson Product Moment Correlation between Political Stability and Absence of Violence/Terrorism and FDI Inflow was .406. It revealed that the relationship between the two variables is weak and not significant.

- Linear regression was used to test if Political Stability and Absence of Violence/Terrorism significantly predicts FDI. The overall regression was weak and is not statistically significant ($R2 = 0.139$, $p < .000$). It was found that Political Stability and Absence of Violence/Terrorism did not significantly predict FDI.
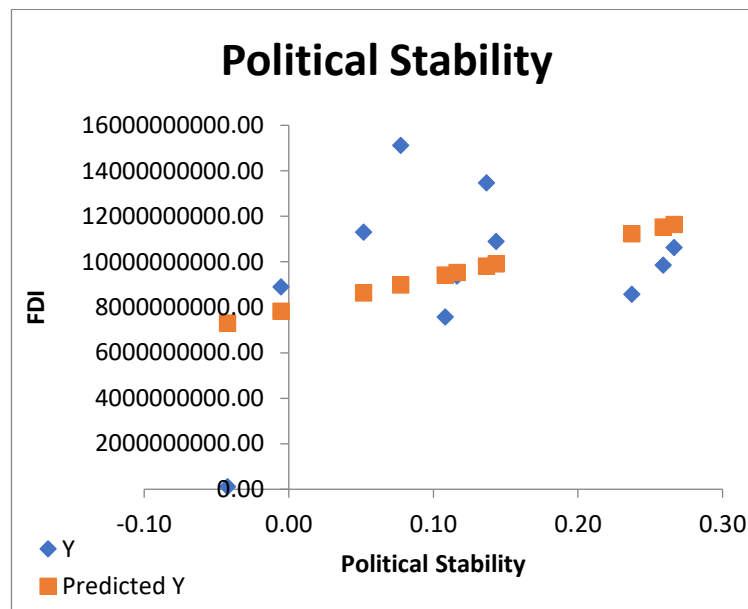
SUMMARY OUTPUT

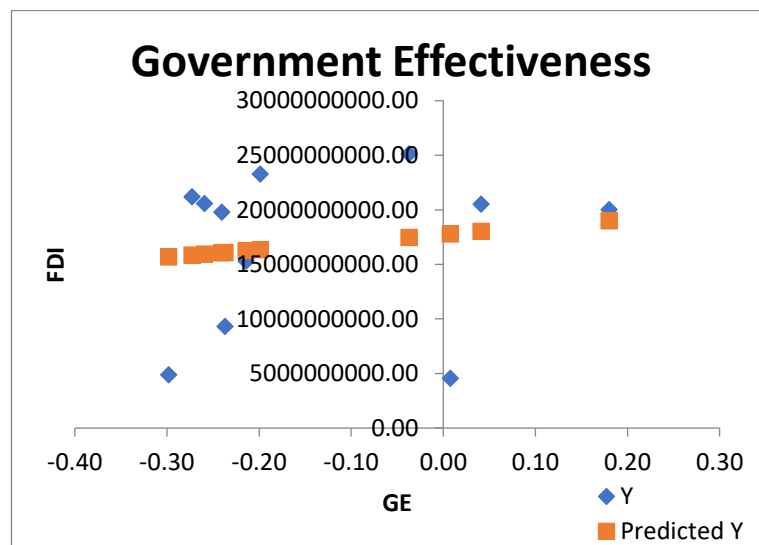| Regression Statistics	
Multiple R	0.373995776
R Square	0.139872841
Adjusted R Square	0.044303156
Standard Error	3745187672
Observations	11

- Pearson Product Moment Correlation between Regulatory Quality and FDI Inflow was .543. It revealed that the relationship between the two variables is not significantly correlated.

- Linear regression was used to test if Regulatory Quality predicts FDI. The overall regression is weak and predict FDI ($R2 = 0.387$, $p < .000$). It was found that Regulatory Quality did predict FDI.

Regulatory and FDI
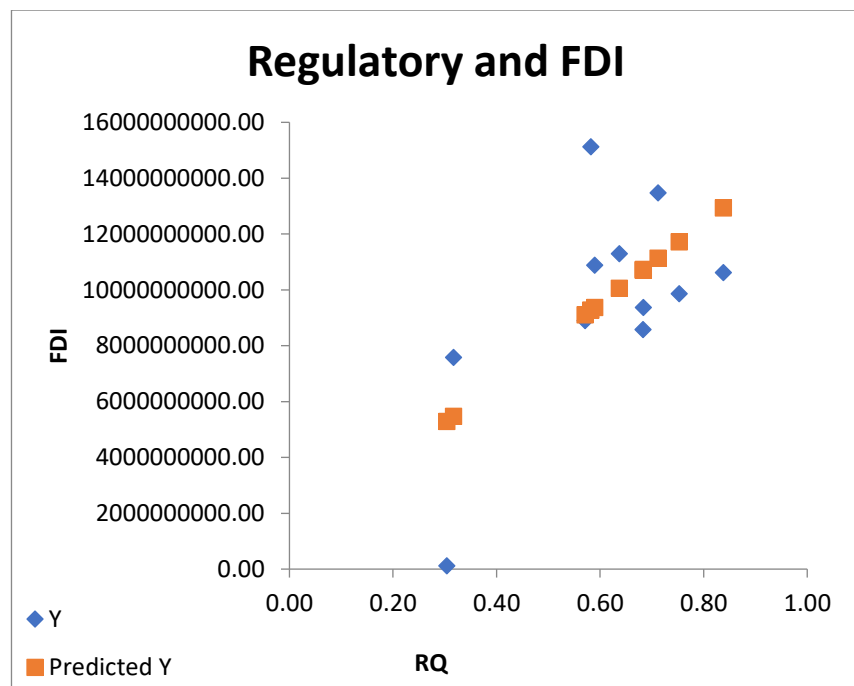
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.622224145
R Square	0.387162887
Adjusted R Square	0.319069875
Standard Error	3161293246
Observations	11

- Result revealed Rule of Law and FDI Inflow was .729* and the P value is .000 (p<0.01). These values indicate that there is a strong relationship between the two variables.

- Linear regression was used to test if Rule of Law predicts FDI. The overall regression is not significant and did not predict FDI ($R2 = 0.02$, $p < .000$). It was found that Rule of Law did not predict FDI.
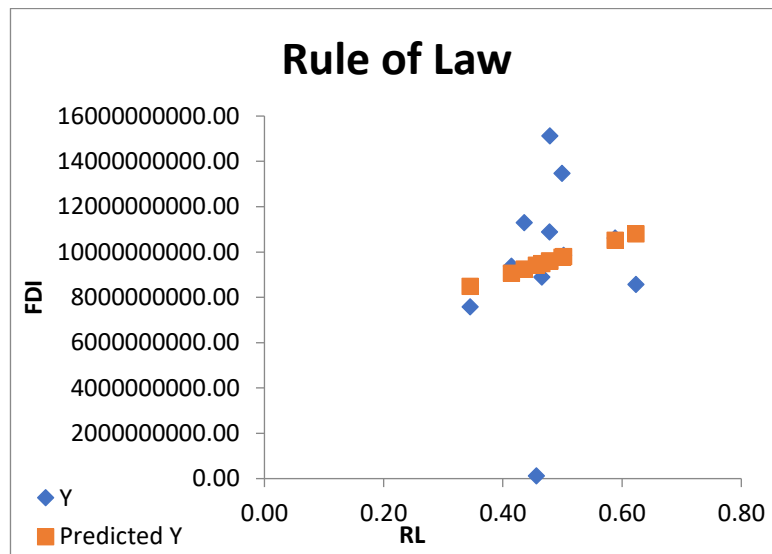
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.165710162
R Square	0.027459858
Adjusted R Square	-0.080600158
Standard Error	3982410485
Observations	11

- Pearson Product Moment Correlation between Control of Corruption and FDI Inflow was .718* and its means both are correlated.

- Linear regression was used to test if Control of Corruption predicts FDI. The overall regression is not significant and did not predict FDI (R2 = 0.08, p < .000). It was found that Control of Corruption did not predict FDI.
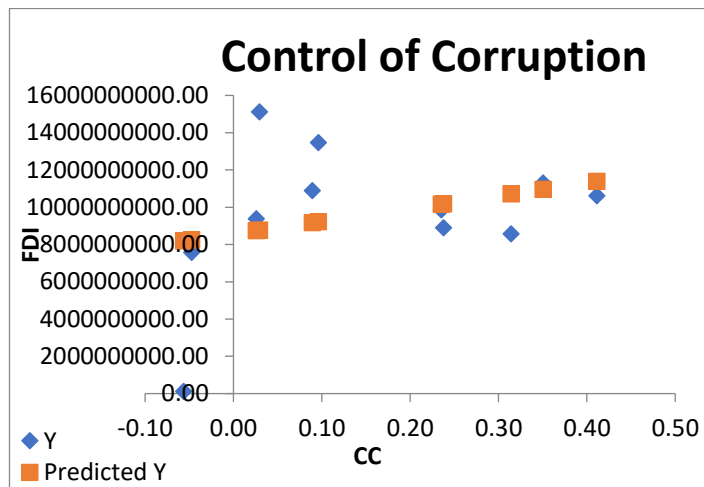
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.29203432
R Square	0.085284044
Adjusted R Square	-0.016351062
Standard Error	3862205535
Observations	11

- Pearson Product Moment Correlation between Average Combine CGI Index and FDI Inflow was .776**. It revealed that the relationship between the two variables is positively correlated.

- Linear regression was used to test if the Average Combine CGI Index significantly predicts FDI. The overall regression was not statistically significant ($R2 = 0.14$, $p < .000$). It was found that the Average Combine CGI Index did not significantly predict FDI.
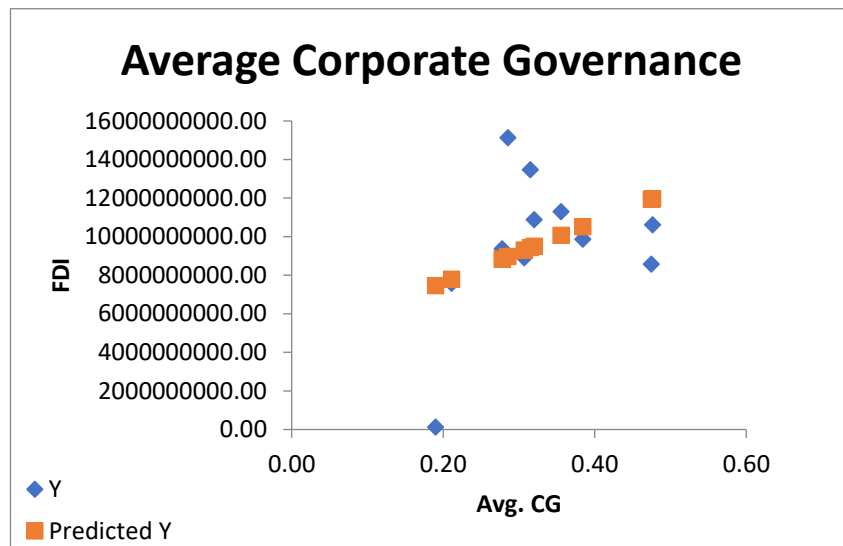
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.378942351
R Square	0.143597305
Adjusted R Square	0.04844145
Standard Error	3737070296
Observations	11

- Government Effectiveness and FDI Inflow was -.027 and these values indicate that there is a positive relationship between two variables.

- Linear regression was used to test if Government Effectiveness predicts FDI. The overall regression is not significant and did not predict FDI ($R2 = 0.002$, $p < .000$). It was found that Government Effectiveness did not predict FDI.

Government Effectiveness

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.04905998
R Square	0.002406882
Adjusted R Square	-0.108436798
Standard Error	4033378481
Observations	11

Table # 5: Summary of hypothesis testing of Malaysia

Hypothesis	Correlation analysis	
	Sign.	**Result**
H01: There will be a positive relationship between FDI Inflow and Corporate governance are both positively related to each other.	.100	**Rejected**
H02: There will be a relationship between Voice and Accountability and FDI Inflow.	.809*	**Rejected**
H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	.406	**Accepted**
H04: There will be a negative relation between Regulatory Quality and FDI Inflow.	.543	**Accepted**
H05: There will be no relationship between Rule of Law and FDI Inflow.	.729*	**Rejected**
H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.	.718*	**Accepted**

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.	.776**.	Accepted
H08: There will be a relationship between Governance Effectiveness and FDI Inflow.	-.027	Accepted

4.8 Descriptive Statistics about the Variables of Myanmar

Descriptive statistics were calculated to identify the nature of the research variables as follows. Mean value provides the idea about the central tendency of the values of a variable. This section analyses individual variables by using descriptive statistics for identifying their basic nature. For this purpose, a mean value, standard deviation, and other measures were calculated, and they are reported in Table (3) of Myanmar.

To test the relationships of the governance indicators (GI) and foreign direct investment flows (FDI) of Myanmar.

Descriptive statistics Table (1) outlines the frequencies of all variables and the availability of statistical data for the analysis of Cambodia, Table (2) outlines the statistical data of all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

Table #1: Showing the frequency of all variables of governance indicators and FDI

Variables	*f*	*%*
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%
Rule of Law	11	100%
Control of Corruption	11	100%
Average Combine CGI Index	11	100%
FDI Inflow	11	100%
Total Corporate Governance	11	100%
Government Effectiveness	11	100%

Table #1 shows the frequencies of all used variables in the research study. Each variable has 11 frequencies with 100% availability data in the research study.

Table #2 showing the statistics of all variables between 2008 and 2018 (Myanmar)

Period	Voice and Accountability	Political Stability and Absence of Violence/ Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Average Combine CGI Index	FDI Inflow
	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	
2008	-2.207979202	-1.092701435	-1.530751467	-2.213595152	-1.541819	-1.61643	-1.70055	$863,880,447.31
2009	-2.172563791	-1.294215441	-1.614052892	-2.236680031	-1.531916	-1.66042	-1.75164	$1,078,972,200.98
2010	-2.067405224	-1.285928011	-1.617900491	-2.244370461	-1.547706	-1.67288	-1.73936	$901,133,534.88
2011	-1.849633694	-1.111098409	-1.596834779	-2.102422953	-1.438458	-1.58677	-1.6142	$2,519,813,313.27
2012	-1.620119333	-0.943674982	-1.481390595	-1.83462441	-1.354736	-1.06333	-1.38298	$1,333,856,137.27
2013	-1.46162653	-1.140372396	-1.497101545	-1.494474411	-1.233818	-1.0001	-1.30458	$2,254,603,965.49
2014	-1.343992472	-1.087580681	-1.279349566	-1.380308151	-1.185659	-0.88217	-1.19318	$2,175,015,283.78
2015	-1.2189821	-1.165066719	-1.238595486	-1.222467422	-1.236539	-0.83619	-1.15297	$4,083,839,111.71
2016	-0.797783136	-0.804619908	-0.976280332	-0.868316174	-0.886977	-0.62114	-0.82585	$3,278,096,409.87
2017	-0.865617871	-1.084677935	-1.052140594	-0.831707299	-0.945455	-0.56526	-0.89081	$4,002,424,944.85
2018	-0.887321591	-1.309010983	-1.068651795	-0.753174245	-1.032579	-0.58829	-0.93984	$1,291,196,200.67
								$23,782,831,550.09

Table #2 shows statistics of governance indicators (ranges from approximately -2.5 (weak) to 2.5 (strong) in their performance, and the net amount inflow of FDI for Myanmar. This dataset was used to analyse and relate through the hypothesis testing.

Table #3: Showing S.D, Mean of the variables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-2.21	-.80	-1.4994	.52801
Political Stability and Absence of Violence/Terrorism	11	-1.31	-.80	-1.1199	.15157
Government Effectiveness	11	-1.62	-.98	-1.3594	.24454
Regulatory Quality	11	-2.24	-.75	-1.5620	.59442
Rule of Law	11	-1.55	-.89	-1.2669	.23938
Control of Corruption	11	-1.67	-.57	-1.0994	.45292
Average Combine CGI Index	11	-1.75	-.83	-1.3178	.34851
FDI Inflow	11	863880447.30	4083839112.00	2162075595.4727	1198125422.75657
Valid N (listwise)	11				

In table # 3 the descriptive statistics indicated the Mean and S.D of all variables. Overall, Years displayed the (M=2013.00, SD 3.31662) shows a variation of FDI Inflow and the study period (Min=2008) and (Max=2018). In the table Voice and Accountability M=-1.4994 (S.D .52801), Political Stability and Absence of Violence/Terrorism M=-1.1199(S.D.15157), Government Effectiveness =-1.3594(S.D.24454), Regulatory Quality M=-1.5620(S.D.59442), Rule of Law M=-1.2669(S.D.23938), Control of Corruption M=-1.0994 (S.D.45292), Average Combine CGI Index M=-1.3178(S.D.34851), and FDI Inflow M=2162075595.47(S.D1198125422.75).

4.8.1 Hypothesis testing of Myanmar

iv.   Using correlation

The correlation analysis was used to investigate the relationships between the Independent of Corporate Governance and its factors as independent variables and foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

H01: Corporate Governance will be predicting FDI Inflow.

H02: There will be a relationship between Voice and Accountability and FDI Inflow.

H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.

H04: There will be a negative relation between Regulatory Quality and FDI Inflow.

H05: There will be no relationship between Rule of Law and FDI Inflow.

H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.

H08: There will be a relationship between Government Effectiveness and FDI Inflow.

Table# 4: Pearson Product Moment Correlation Matrix of Myanmar

	VA	PV	GE	RQ	RL	CC	CGI	EG	FDI
				Correlations					
Voice and Accountability	-.021								
Political Stability and Absence of Violence/Terrorism	.359	1							
Government Effectiveness	.945**	.366	1						
Regulatory Quality	.987**	.267	.958**	1					
Rule of Law	.981**	.429	.951**	.971**	1				
Control of Corruption	.976**	.360	.923**	.977**	.954**	1			
Average Combine CGI Index	.993**	.409	.963**	.988**	.987**	.984**	1		
Economic Growth	-.750**	-.417	-.623*	-.663*	-.691*	-.650*	-.701*	1	
FDI Inflow	.680*	.393	.615*	.638*	.657*	.624*	.664*	.613*	1

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

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

As shown in table 4, the results of the correlation analysis were performed to identify whether there is a positive or negative relationship between each independent variable and the dependent variable.

According to the Myanmar's results of the study,

- Pearson Product Moment Correlation between Independent of FDI Inflow and Corporate governance was .680* and the P value is .000 (p<0.01). These values indicate that there is a significant relationship between two variables. Since the p value of the relationships is below than the 0.01 level, this relationship is significant.

- Linear regression was used to test if the Independent of FDI Inflow significantly predicts Corporate Governance. The overall regression was statistically significant ($R2 = 0.44$, $p < .000$). It was found that Independent of FDI did significantly predict Corporate Governance.
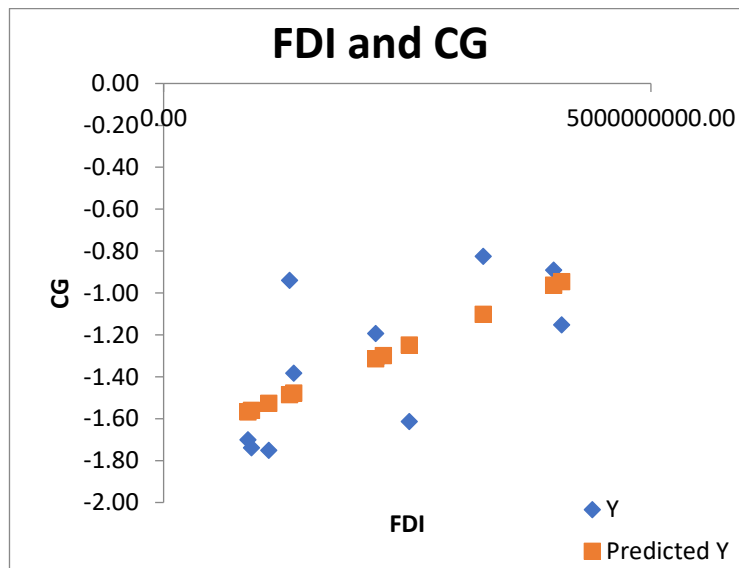
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.6637559
R Square	0.4405719
Adjusted R Square	0.3784132
Standard Error	0.2747679
Observations	11

- Pearson Product Moment Correlation between Voice and Accountability and FDI Inflow was .359. It revealed that the relationship between the two variables is not strong.

- Linear regression was used to test if Voice and Accountability significantly predicts FDI. The overall regression was statistically significant (R2 = 0.46, p < .000). It was found that Voice and Accountability did significantly predict FDI.

Voice and Accountability
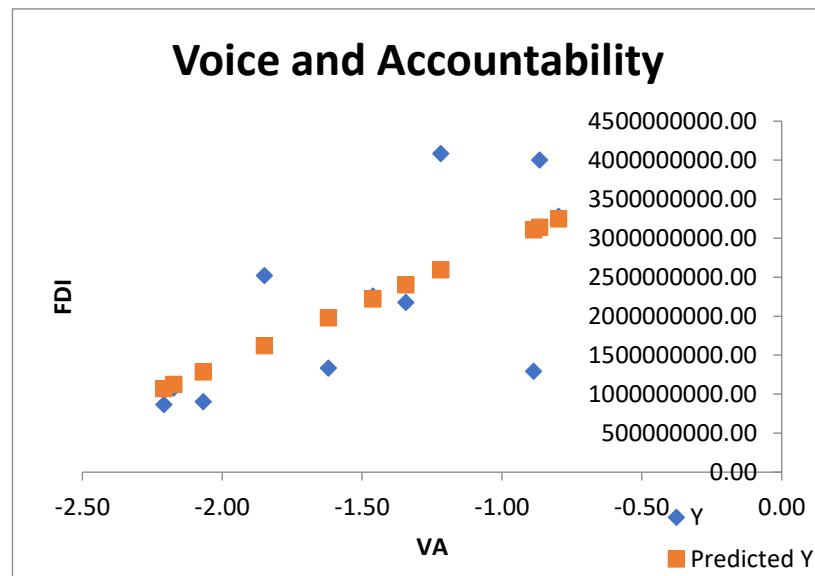
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.6798187
R Square	0.4621534
Adjusted R Square	0.4023927
Standard Error	926211641
Observations	11

- However, the Pearson Product Moment Correlation between Political Stability and Absence of Violence/Terrorism and FDI Inflow was .945**. It revealed that the relationship between two variables is significant.

- Linear regression was used to test if Political Stability and Absence of Violence/Terrorism significantly predicts FDI. The overall regression was weak and is not statistically significant ($R2 = 0.15$, $p < .000$). It was found that Political Stability and Absence of Violence/Terrorism did not significantly predict FDI.
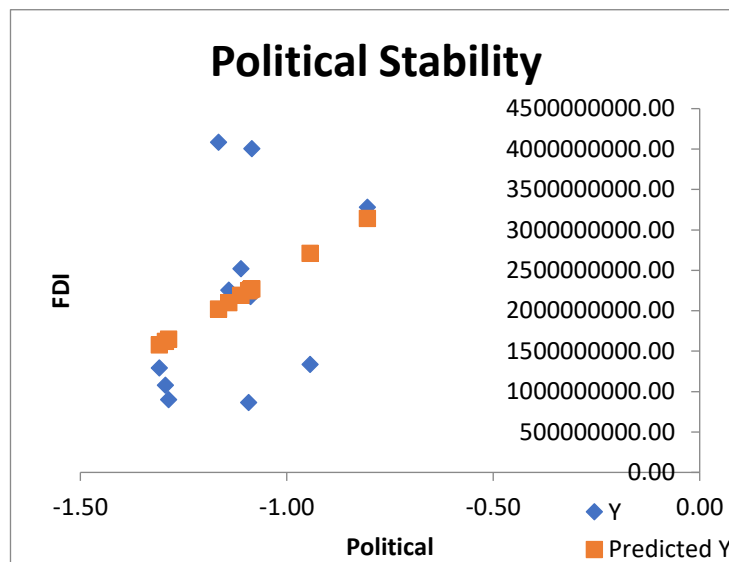
SUMMARY OUTPUT

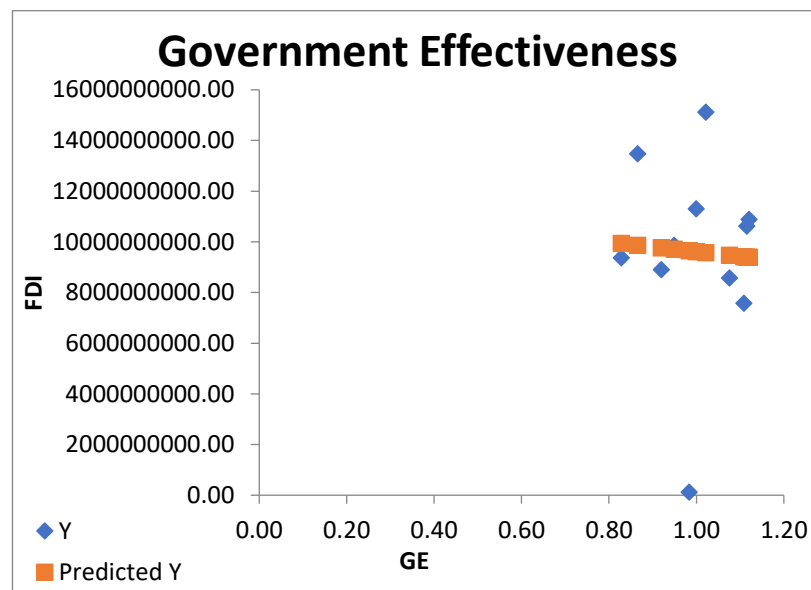| Regression Statistics	
Multiple R	0.392698781
R Square	0.154212333
Adjusted R Square	0.060235925
Standard Error	1161479912
Observations	11

- Pearson Product Moment Correlation between Regulatory Quality and FDI Inflow was .981**. It revealed that the relationship between the two variables is significantly correlated.

- Linear regression was used to test if Regulatory Quality predicts FDI. The overall regression is weak and predict FDI ($R2 = 0.407$, $p < .000$). It was found that Regulatory Quality did predict FDI.
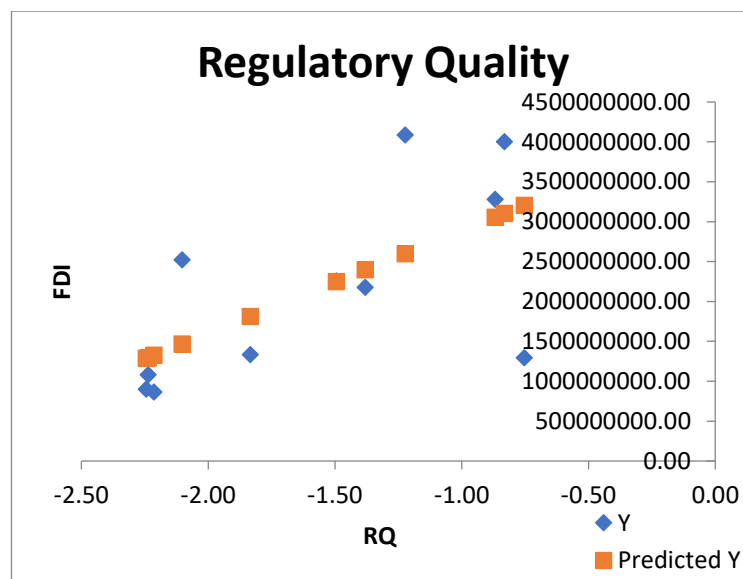
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.638089057
R Square	0.407157644
Adjusted R Square	0.341286271
Standard Error	972412741.9
Observations	11

- Result revealed Rule of Law and FDI Inflow was .976** and the P value is .000 (p<0.01). These values indicate that there is a strong relationship between the two variables.

- Linear regression was used to test if Rule of Law predicts FDI. The overall regression is significant and did predict FDI ($R2 = 0.431$, $p < .000$). It was found that Rule of Law did predict FDI.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.656677393
R Square	0.431225199
Adjusted R Square	0.368027999
Standard Error	952469773.5
Observations	11

- Pearson Product Moment Correlation between Control of Corruption and FDI Inflow was .993** and its means both are correlated.

- Linear regression was used to test if Control of Corruption predicts FDI. The overall regression is significant and did predict FDI ($R^2 = 0.389$, $p < .000$). It was found that Control of Corruption did predict FDI.
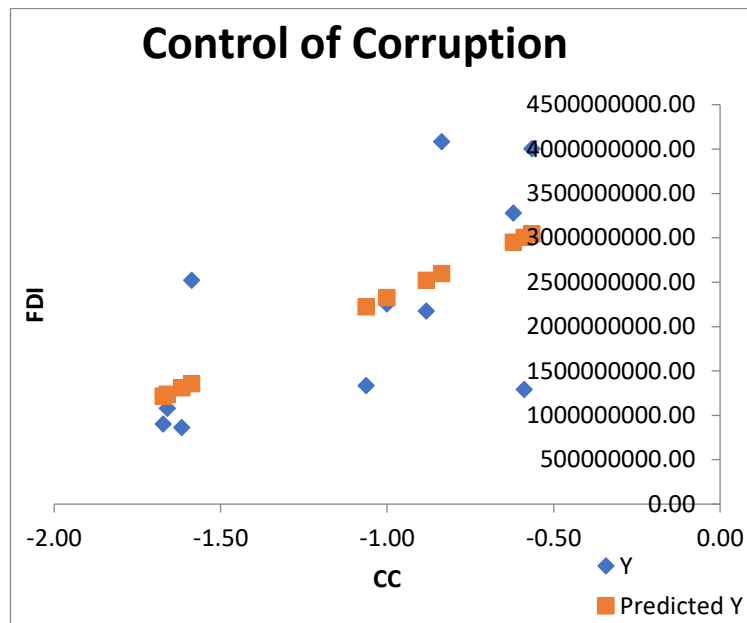
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.624191375
R Square	0.389614872
Adjusted R Square	0.321794302
Standard Error	986695165.7
Observations	11

- Pearson Product Moment Correlation between Average Combine CGI Index and FDI Inflow was -.750**. It revealed that the relationship between the two variables is positively correlated.

- Linear regression was used to test if the Average Combine CGI Index significantly predicts FDI. The overall regression was statistically significant ($R^2 = 0.440$, $p < .000$). It was found that the Average Combine CGI Index did significantly predict FDI.

SUMMARY OUTPUT
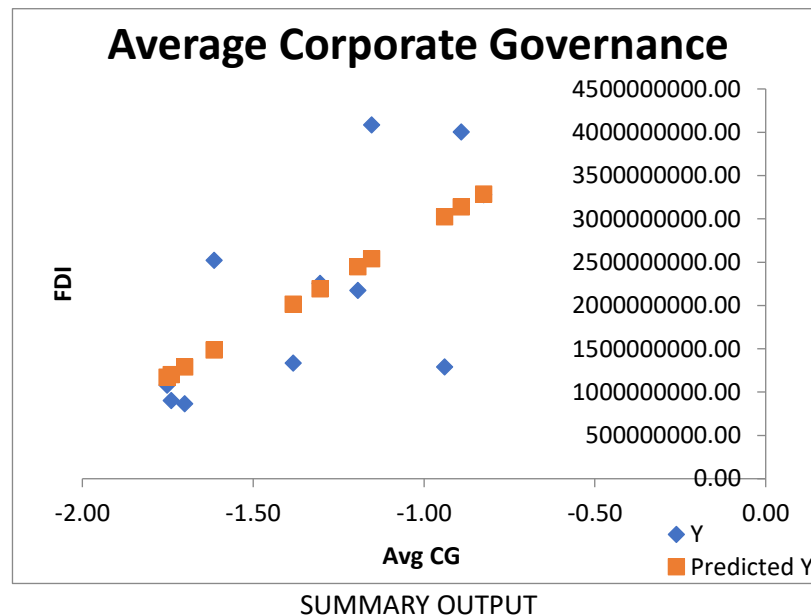
Regression Statistics	
Multiple R	0.66375592
R Square	0.440571921
Adjusted R Square	0.378413246
Standard Error	944611348.9
Observations	11

- Government Effectiveness and FDI Inflow was .987** and these values indicate

  that there is a positive relationship between two variables.

- Linear regression was used to test if Government Effectiveness predicts FDI. The

  overall regression shows weak significant and did predict FDI ($R2 = 0.377$, $p <$

  .000). It was found that Government Effectiveness did predict FDI but not strong.

Government Effectivess
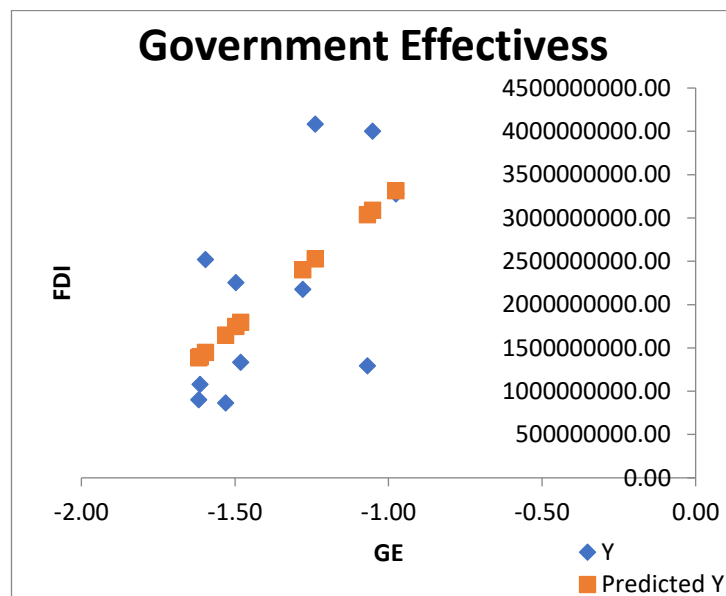
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.614569943
R Square	0.377696214
Adjusted R Square	0.308551349
Standard Error	996281922.5
Observations	11

Table # 5: Summary of hypothesis testing Myanmar

Hypothesis	Correlation analysis	
	Sign.	Result
H01: There will be a positive relationship between FDI Inflow and Corporate governance are both positively related to each other.	.680*	**Accepted**
H02: There will be a relationship between Voice and Accountability and FDI Inflow.	.359	**Accepted**
H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	.945**.	**Accepted**
H04: There will be a negative relation between Regulatory Quality and FDI Inflow.	.981**	**Rejected**
H05: There will be no relationship between Rule of Law and FDI Inflow.	.976**	**Rejected**
H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.	.993**	**Accepted**

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.	-.750**	**Accepted**
H08: There will be a relationship between Government Effectiveness and FDI Inflow.	.987**	**Accepted**

4.9 Descriptive Statistics about the Variables of Singapore

Descriptive statistics were calculated to identify the nature of the research variables as follows. Mean value provides the idea about the central tendency of the values of a variable. This section analyses individual variables by using descriptive statistics for identifying their basic nature. For this purpose, a mean value, standard deviation, and other measures were calculated, and they are reported in Table (3) of Singapore.

To test the relationships of the governance indicators (GI) and foreign direct investment flows (FDI) of Singapore.

Descriptive statistics Table (1) outlines the frequencies of all variables and the availability of statistical data for the analysis of Cambodia, Table (2) outlines the statistical data of all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

Table #1: Showing the frequency of all variables of governance indicators and FDI

Variables	f	%
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%
Rule of Law	11	100%
Control of Corruption	11	100%
Average Combine CGI Index	11	100%
FDI Inflow	11	100%
Total Corporate Governance	11	100%
Government Effectiveness	11	100%

Table #1 shows the frequencies of all used variables in the research study. Each variable has 11 frequencies with 100% availability data in the research study.

Table #2 showing the statistics of all variables between 2008 and 2018 (Singapore)

Period	Voice and Accountability	Political Stability and Absence of Violence/ Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Average Combine CGI Index	FDI Inflow
	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	
2008	-0.3348355	1.345580578	2.436975002	1.868646622	1.6060874	2.247644	1.52835	$12,200,705,251.93
2009	-0.234220803	1.17944622	2.270796537	1.778741956	1.5660052	2.217089	1.462976	$23,821,209,699.62
2010	-0.208966196	1.169414878	2.241406679	1.786087275	1.6259416	2.179523	1.465568	$55,075,864,345.04
2011	-0.102027185	1.191421747	2.154785633	1.7895962	1.6699923	2.109704	1.468912	$49,155,657,316.29
2012	0.05309137	1.368174553	2.166091442	1.965846062	1.731186	2.124057	1.568074	$55,310,807,547.70
2013	0.036768436	1.378178358	2.088955164	1.970402002	1.7055238	2.078066	1.542982	$64,389,514,904.50
2014	-0.098659426	1.186271429	2.182617188	2.233457088	1.824775	2.071365	1.566638	$68,698,472,830.59
2015	-0.161821648	1.311752796	2.236418724	2.260543108	1.8134753	2.092715	1.592181	$69,774,553,124.94
2016	-0.150453717	1.495758653	2.206244946	2.180612087	1.825243	2.088102	1.607584	$73,552,652,791.57
2017	-0.169366226	1.615337968	2.220098257	2.115007162	1.822845	2.133582	1.622917	$94,811,159,186.78
2018	-0.059108868	1.510338783	2.2314744	2.131564856	1.8448913	2.174524	1.638947	$82,039,577,168.06
								$648,830,174,167.03

Table #2 shows statistics of governance indicators (ranges from approximately -2.5 (weak) to 2.5 (strong) in their performance, and the net amount

inflow of FDI for Singapore. This dataset was used to analyse and relate through the hypothesis testing.

Table #3: Showing S.D, Mean of the variables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-.33	.05	-.1300	.11409
Political Stability and Absence of Violence/Terrorism	11	1.17	1.62	1.3411	.15256
Government Effectiveness	11	2.09	2.44	2.2214	.08741
Regulatory Quality	11	1.78	2.26	2.0073	.18527
Rule of Law	11	1.57	1.84	1.7305	.10204
Control of Corruption	11	2.07	2.25	2.1379	.05910
Average Combine CGI Index	11	1.46	1.64	1.5514	.06380
FDI Inflow	11	12200705252.00	94811159187.00	58984561288.0	24120277571.6
Valid N (listwise)	11				

In table # 3 descriptive statistics indicated the Mean and S.D of all variables. Overall, Years displayed the (M=2013.00, SD 3.31662) shows a variation of FDI Inflow and the study period (Min=2008) and (Max=2018). In the table Voice and Accountability M=-.1300 (S.D.11409), Political Stability and Absence of Violence/Terrorism M=-1.3411(S.D.15256), Government Effectiveness =2.2214(S.D.08741), Regulatory Quality M=2.0073(S.D.18527), Rule of Law M=-1.7305(S.D.10204), Control of Corruption M=2.1379 (S.D.05910), Average Combine CGI Index M=-1.5514(S.D.06380), and FDI Inflow M=2162075595.47(S.D1198125422.75) .

4.9.1 Hypothesis testing of Singapore

v.   Using correlation

The correlation analysis was used to investigate the relationships between the Independent of Corporate Governance and its factors as independent variables and foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

H01: Corporate Governance will be predicting FDI Inflow.

H02: There will be a relationship between Voice and Accountability and FDI Inflow.

H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.

H04: There will be a negative relation between Regulatory Quality and FDI Inflow.

H05: There will be no relationship between Rule of Law and FDI Inflow.

H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.

H08: There will be a relationship between Government Effectiveness and FDI Inflow.

Table# 4: Pearson Product Moment Correlation Matrix of Singapore

	VA	PV	GE	RQ	RL	CC	CGI	EG	FDI
				Correlations					
Voice and Accountability	.488								
Political Stability and Absence of Violence/Terrorism	.176	1							
Government Effectiveness	-.858**	-.017	1						
Regulatory Quality	.236	.493	-.188	1					
Rule of Law	.412	.607*	-.365	.926**	1				
Control of Corruption	-.655*	-.099	.813**	-.590	-.643*	1			
Average Combine CGI Index	.295	.832**	-.097	.864**	.897**	-.352	1		
Economic Growth	.037	-.354	-.197	-.302	-.152	-.069	-.372	1	
FDI Inflow	.487	.595	-.570	.708*	.878**	-.649*	.729*	.134	1

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

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

As shown in table 4, the results of the correlation analysis were performed to identify whether there is a positive or negative relationship between each

independent variable and the dependent variable.

According to the Singapore's results of the study,

- the Pearson Product Moment Correlation between Independent of FDI Inflow and Corporate governance was .487 and P-value is .000 (p<0.01). These values indicate that there is no significant relationship between two variables. Since the p value of the relationships is below than the 0.01 level, this relationship is significant.

- Linear regression was used to test if the Independent of FDI Inflow significantly predicts Corporate Governance. The overall regression was statistically significant ($R2 = 0.531$, $p < .000$). It was found that Independent of FDI did significantly predict Corporate Governance.

SUMMARY OUTPUT

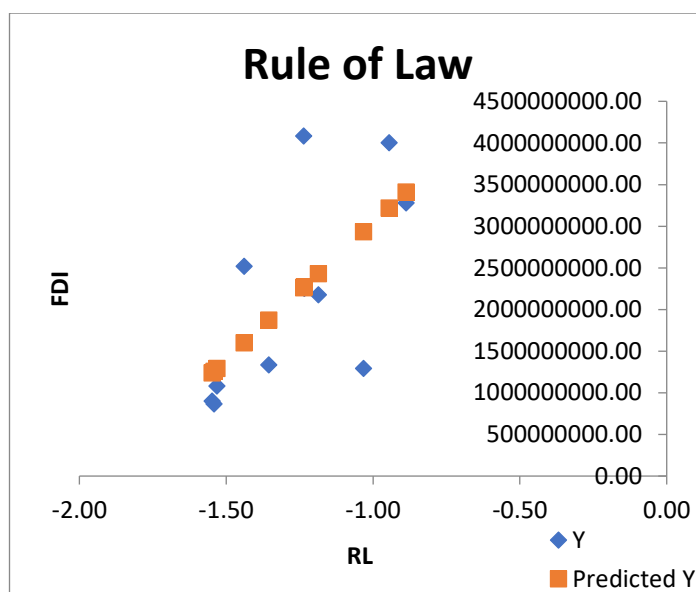| Regression Statistics	
Multiple R	0.728760724
R Square	0.531092193
Adjusted R Square	0.478991326
Standard Error	0.046049778
Observations	11

- Pearson Product Moment Correlation between Voice and Accountability and FDI Inflow was .488. It revealed that the relationship between the two variables is not strong.

- Linear regression was used to test if Voice and Accountability significantly predicts FDI. The overall regression was not statistically significant ($R2 = 0.237$, $p < .000$). It was found that Voice and Accountability did not significantly predict FDI.
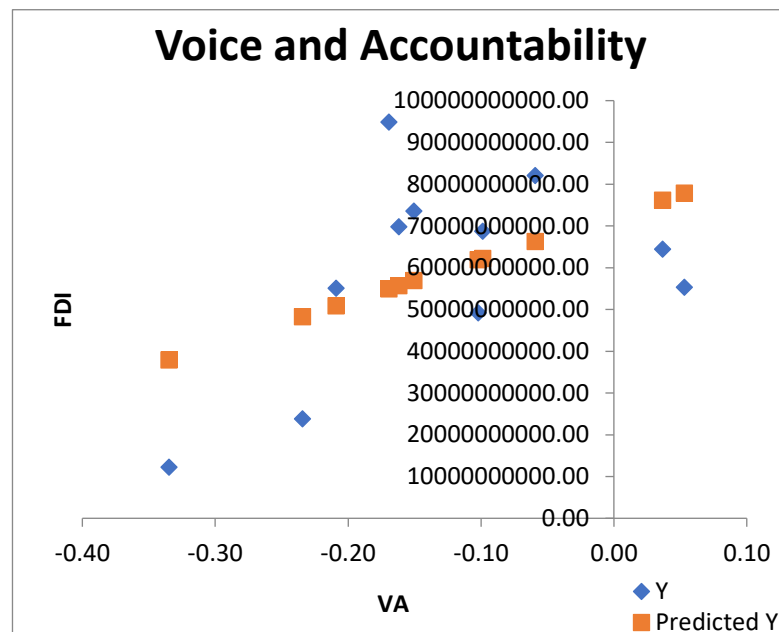
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.486852566
R Square	0.237025421
Adjusted R Square	0.152250468
Standard Error	22208339125
Observations	11

- However, the Pearson Product Moment Correlation between Political Stability and Absence of Violence/Terrorism and FDI Inflow was .176. It revealed that the relationship between the two variables is not significant.

- Linear regression was used to test if Political Stability and Absence of Violence/Terrorism significantly predicts FDI. The overall regression was weak and is statistically significant ($R2 = 0.353$, $p < .000$). It was found that Political Stability and Absence of Violence/Terrorism did predict FDI but was not strong.

Political Stability
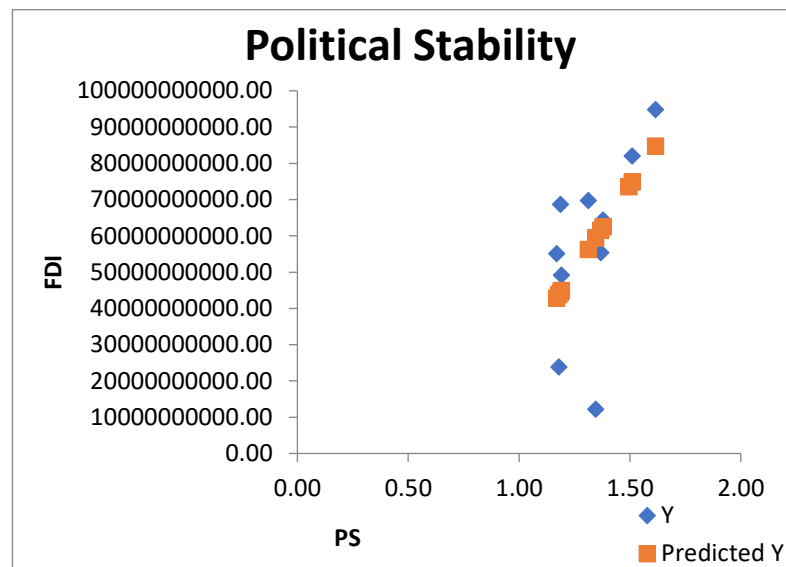
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.594527655
R Square	0.353463133
Adjusted R Square	0.281625703
Standard Error	20443615009
Observations	11

- Pearson Product Moment Correlation between Regulatory Quality and FDI Inflow was .236. It revealed that the relationship between the two variables is not significantly correlated.

- Linear regression was used to test if Regulatory Quality predicts FDI. The overall regression is strong and significantly predict FDI ($R2 = 0.501$, $p < .000$). It was found that Regulatory Quality did predict FDI.
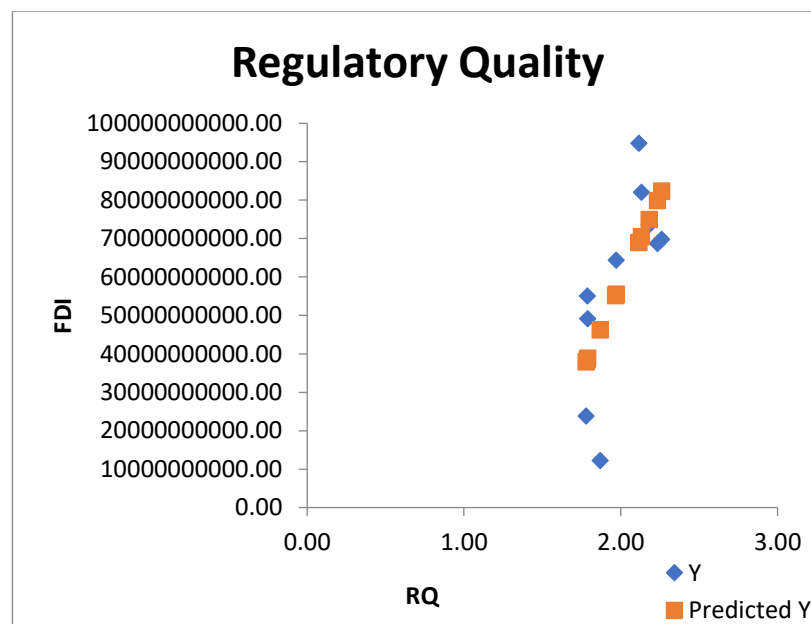
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.7084647
R Square	0.501922231
Adjusted R Square	0.446580256
Standard Error	17943601918
Observations	11

- Result revealed Rule of Law and FDI Inflow was .412 and P value is .000 (p<0.01). These values indicate that there is a weak relationship between the two variables.

- Linear regression was used to test if Rule of Law predicts FDI. The overall regression is strong significant and did predict FDI ($R^2 = 0.770$, $p < .000$). It was found that Rule of Law did predict FDI.

Rule of Law

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.877937584
R Square	0.770774401
Adjusted R Square	0.745304891
Standard Error	12172859356
Observations	11

- Pearson Product Moment Correlation between Control of Corruption and FDI Inflow was .655* and its means both are correlated.

- Linear regression was used to test if Control of Corruption predicts FDI. The overall regression is significant and did predict FDI (R2 = 0.420, p < .000). It was found that Control of Corruption did predict FDI but not strong.
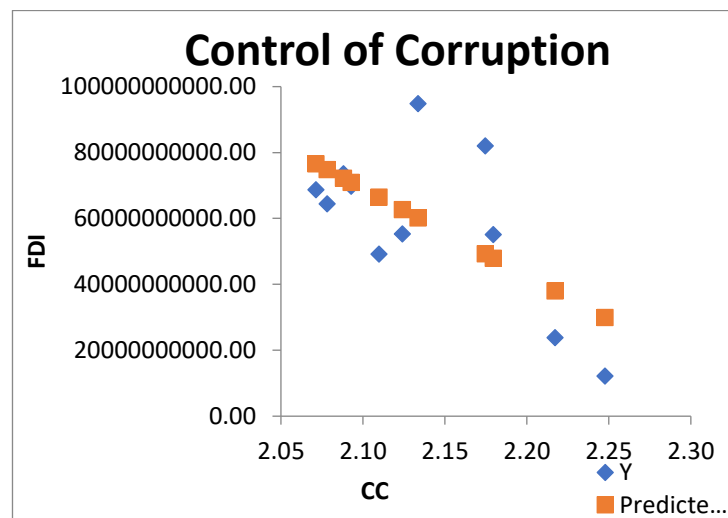
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.648703968
R Square	0.420816838
Adjusted R Square	0.356463154
Standard Error	19349467170
Observations	11

- Pearson Product Moment Correlation between Average Combine CGI Index and FDI Inflow was .295. It revealed that the relationship between the two variables is not correlated.

- Linear regression was used to test if the Average Combine CGI Index significantly predicts FDI. The overall regression was statistically significant ($R2 = 0.531$, $p < .000$). It was found that the Average Combine CGI Index did significantly predict FDI.

Corporate Governance
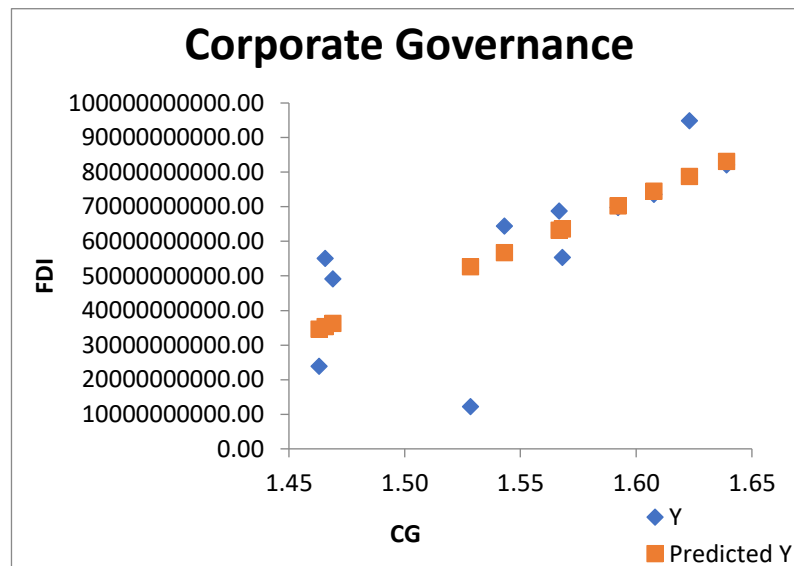
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.728760724
R Square	0.531092193
Adjusted R Square	0.478991326
Standard Error	17410240813
Observations	11

- Government Effectiveness and FDI Inflow was -.558** and these values indicate that there is a negative relationship between two variables.

- Linear regression was used to test if Government Effectiveness predicts FDI. The overall regression is weak significant and did predict FDI ($R^2 = 0.324$, $p < .000$). It was found that Government Effectiveness did predict FDI but not strong.
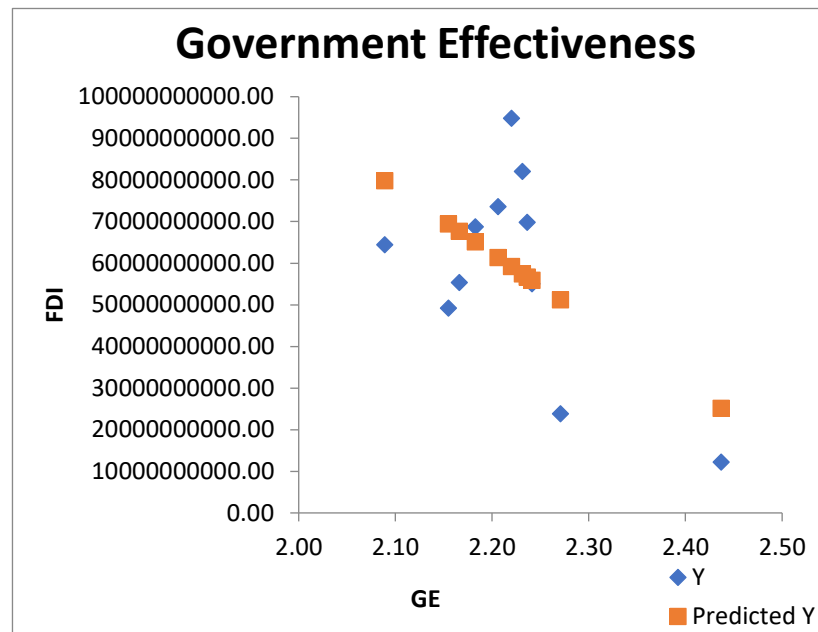
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.569528265
R Square	0.324362444
Adjusted R Square	0.249291605
Standard Error	20898635802
Observations	11

Table # 5: Summary of hypothesis testing of Singapore

Hypothesis	Correlation analysis	
	Sign.	**Result**
H01: There will be a positive relationship between FDI Inflow and Corporate governance are both positively related to each other.	.487	**Accepted**
H02: There will be a relationship between Voice and Accountability and FDI Inflow.	.488	**Accepted**
H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	.176	**Rejected**
H04: There will be a negative relation between Regulatory Quality and FDI Inflow.	.236	**Rejected**
H05: There will be no relationship between Rule of Law and FDI Inflow.	.412	**Rejected**
H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.	.655*	**Accepted**

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.	.295	**Rejected**
H08: There will be a relationship between Government Effectiveness and FDI Inflow.	-.558**	**Accepted**

4.10 Descriptive Statistics about the Variables of Vietnam

Descriptive statistics were calculated to identify the nature of the research variables as follows. Mean value provides the idea about the central tendency of the values of a variable. This section analyses individual variables by using descriptive statistics for identifying their basic nature. For this purpose, a mean value, standard deviation, and other measures were calculated, and they are reported in Table (3) of Vietnam.

To test the relationships of the governance indicators (GI) and foreign direct investment flows (FDI) of Vietnam.

Descriptive statistics Table (1) outlines the frequencies of all variables and the availability of statistical data for the analysis of Cambodia, Table (2) outlines the statistical data of all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

Table #1: Showing the frequency of all variables of governance indicators and FDI

Variables	*f*	*%*
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%

Rule of Law	11	100%
Control of Corruption	11	100%
Average Combine CGI Index	11	100%
FDI Inflow	11	100%
Total Corporate Governance	11	100%
Government Effectiveness	11	100%

Table #1 shows the frequencies of all used variables in the research study. Each variable has 11 frequencies with 100% availability data in the research study.

Table #2 showing the statistics of all variables between 2008 and 2018 (Vietnam)

Period	Voice and Accountability	Political Stability and Absence of Violence/ Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Average Combine CGI Index	FDI Inflow
	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	-2.5 to 2.5	
2008	-1.496713758	0.164629117	-0.212150395	-0.618173957	-0.465127	-0.70715	-0.55578	$9,579,000,000.00
2009	-1.482666969	0.271709561	-0.255260527	-0.622754753	-0.540058	-0.54417	-0.52887	$7,600,000,000.00
2010	-1.496983051	0.148407876	-0.259137779	-0.616541266	-0.591396	-0.62358	-0.5732	$8,000,000,000.00
2011	-1.45916307	0.189088449	-0.232507199	-0.598831117	-0.544895	-0.60731	-0.54227	$7,430,000,000.00
2012	-1.420068979	0.267358661	-0.269849509	-0.668712854	-0.551595	-0.528	-0.52848	$8,368,000,000.00
2013	-1.366399527	0.250577271	-0.265643388	-0.641062319	-0.514795	-0.47827	-0.5026	$8,900,000,000.00
2014	-1.374714971	-0.022347357	-0.070451654	-0.587682009	-0.359818	-0.4362	-0.4752	$9,200,000,000.00
2015	-1.358865023	0.069970489	0.067399904	-0.482726544	-0.339347	-0.4262	-0.41163	$11,800,000,000.00
2016	-1.374982357	0.233591929	0.019704808	-0.45379293	0.0753607	-0.45247	-0.32543	$12,600,000,000.00
2017	-1.401755214	0.288423121	0.009442507	-0.398280025	0.0694744	-0.58314	-0.33597	$14,100,000,000.00
2018	-1.445501447	0.203265712	-0.00344478	-0.38585189	-0.003282	-0.48536	-0.35336	$15,500,000,000.00
								$113,077,000,000.00

Table #2 shows statistics of governance indicators (ranges from approximately -2.5 (weak) to 2.5 (strong) in their performance, and the net amount

inflow of FDI for Vietnam. This dataset was used to analyse and relate through the hypothesis testing.

Table #3: Showing S.D, Mean of the variables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-1.50	-1.36	-1.4253	.05352
Political Stability and Absence of Violence/Terrorism	11	-.02	.29	.1877	.09482
Government Effectiveness	11	-.27	.07	-.1338	.13704
Regulatory Quality	11	-.67	-.39	-.5522	.10210
Rule of Law	11	-.59	.08	-.3423	.26270
Control of Corruption	11	-.71	-.43	-.5338	.08901
Average Combine CGI Index	11	-.57	-.33	-.4666	.09325
FDI Inflow	11	7430000000.00	15500000000.0	10279727272.72	2779475565.314
Valid N (listwise)	11				

In table # 3 descriptive statistics indicated the Mean and S.D of all variables. Overall, Years displayed the (M=2013.00, SD 3.31662) shows a variation of FDI Inflow and the study period (Min=2008) and (Max=2018). In the table Voice and Accountability M=-1.4253 (S.D.05352), Political Stability and Absence of Violence/Terrorism M=.1877(S.D.09482), Government Effectiveness =-.1338(S.D.13704), Regulatory Quality M=-.5522(S.D.10210), Rule of Law M=--.3423(S.D.26270), Control of Corruption M=-.5338 (S.D.08901), Average Combine CGI Index M=-.4666(S.D.09325), and FDI Inflow M=10279727272.72 (S.D2779475565.31).

4.10.1 Hypothesis testing of Vietnam

vi. Using correlation

The correlation analysis was used to investigate the relationships between the Independent of Corporate Governance and its factors as independent variables and foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

H01: Corporate Governance will be predicting FDI Inflow.

H02: There will be a relationship between Voice and Accountability and FDI Inflow.

H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.

H04: There will be a negative relation between Regulatory Quality and FDI Inflow.

H05: There will be no relationship between Rule of Law and FDI Inflow.

H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.

H08: There will be a relationship between Government Effectiveness and FDI Inflow.

Table# 4: Pearson Product Moment Correlation Matrix of Vietnam

	VA	**PV**	**GE**	**RQ**	**RL**	**CC**	**CGI**	**EG**	**FDI**
				Correlations					
Voice and Accountability	.309								
Political Stability and Absence of Violence/Terrorism	-.204	1							
Government Effectiveness	.565	-.279	1						
Regulatory Quality	.314	.052	.890**	1					
Rule of Law	.404	.150	.841**	.928**	1				
Control of Corruption	.824**	-.274	.531	.311	.336	1			
Average Combine CGI Index	.577	.118	.894**	.925**	.962**	.536	1		
Economic Growth	.101	-.229	.751**	.857**	.653*	.135	.639*	1	
FDI Inflow	.350	.098	.843**	.947**	.922**	.318	.913**	.748**	1

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

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

As shown in table 4, the results of the correlation analysis were performed to identify whether there is a positive or negative relationship between each independent variable and the dependent variable.

According to the Vietnam's results of the study,

- the Pearson Product Moment Correlation between Independent of FDI Inflow and Corporate governance was .350 and P-value is .000 (p<0.01). These values indicate that there is no significant relationship between two variables. Since the p value of the relationships is below than the 0.01 level, this relationship is significant.

- Linear regression was used to test if the Independent of FDI Inflow significantly predicts Corporate Governance. The overall regression was statistically significant ($R2 = 0.833$, $p < .000$). It was found that Independent of FDI did significantly predict Corporate Governance.
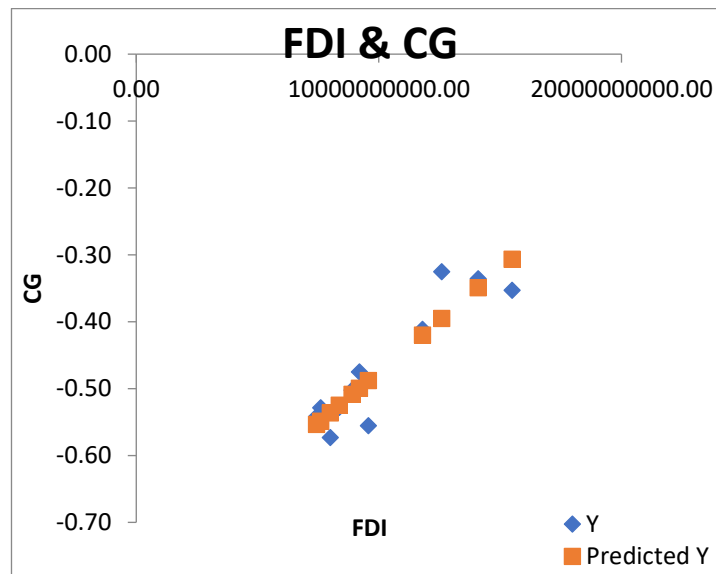
SUMMARY OUTPUT

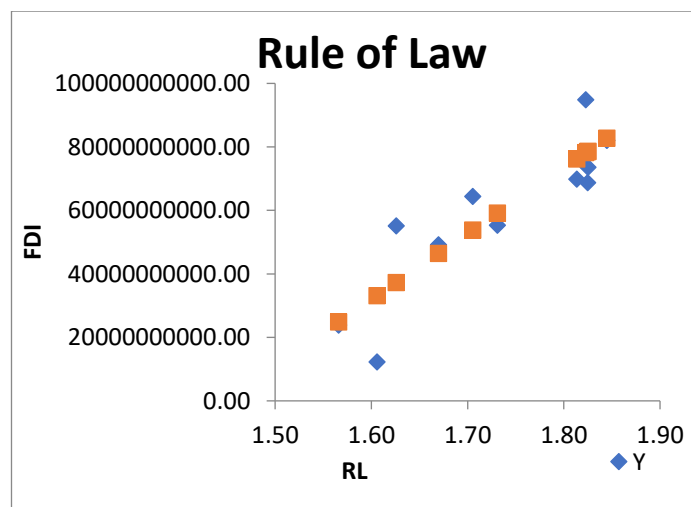| Regression Statistics	
Multiple R	0.913070959
R Square	0.833698576
Adjusted R Square	0.815220639
Standard Error	0.040084824
Observations	11

- Pearson Product Moment Correlation between Voice and Accountability and FDI Inflow was .309. It revealed that the relationship between the two variables is not strong.

- Linear regression was used to test if Voice and Accountability significantly predicts FDI. The overall regression was not statistically significant (R2 = 0.122, p < .000). It was found that Voice and Accountability did not significantly predict FDI.
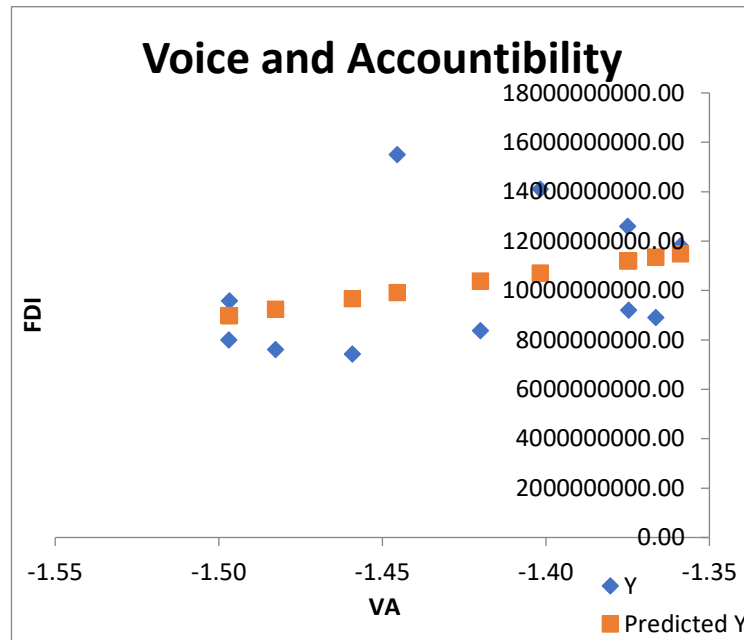
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.349618402
R Square	0.122233027
Adjusted R Square	0.024703363
Standard Error	2744929684
Observations	11

- However, the Pearson Product Moment Correlation between Political Stability and Absence of Violence/Terrorism and FDI Inflow was -.204. It revealed that the relationship between the two variables is not significant.

- Linear regression was used to test if Political Stability and Absence of Violence/Terrorism significantly predicts FDI. The overall regression was weak and is not statistically significant ($R2 = 0.009$, $p < .000$). It was found that Political Stability and Absence of Violence/Terrorism did not significantly predict FDI.
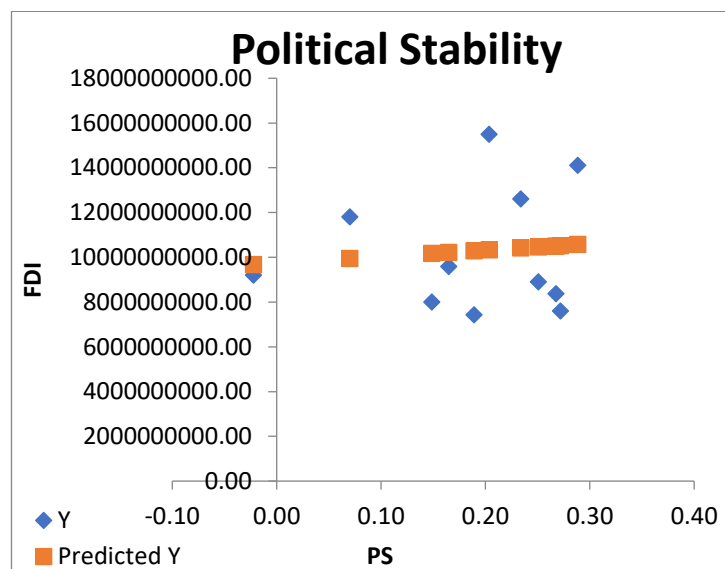
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.097880858
R Square	0.009580662
Adjusted R Square	-0.100465931
Standard Error	2915755888
Observations	11

- Pearson Product Moment Correlation between Regulatory Quality and FDI Inflow was .314. It revealed that the relationship between the two variables is not significant correlated.

- Linear regression was used to test if Regulatory Quality predicts FDI. The overall regression is statistically significant and predict FDI ($R^2 = 0.897$, $p < .000$). It was found that Regulatory Quality did predict FDI.
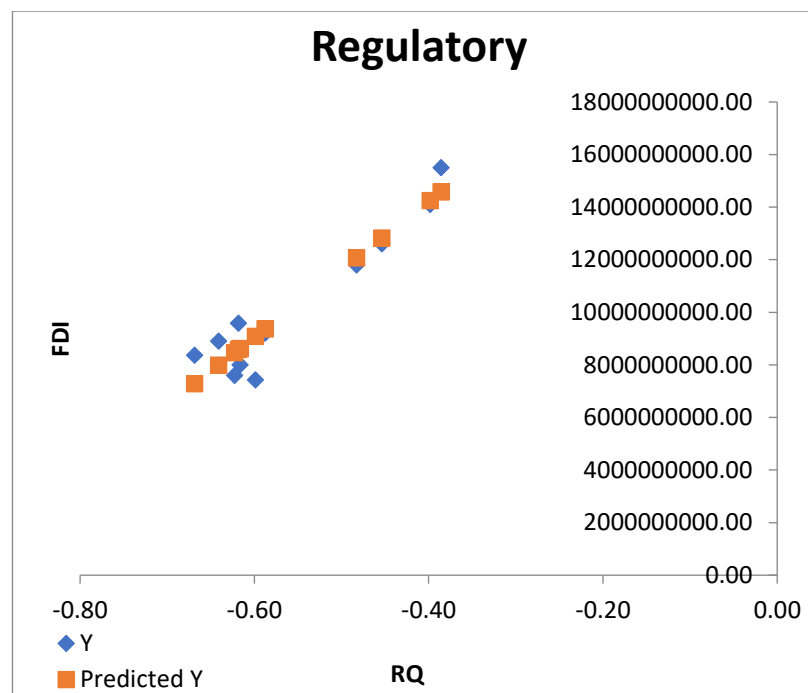
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.947481611
R Square	0.897721402
Adjusted R Square	0.886357114
Standard Error	936987912.1
Observations	11

- Result revealed Rule of Law and FDI Inflow was .412 and P value is .000 (p<0.01). These values indicate that there is a weak relationship between the two variables.

- Linear regression was used to test if Rule of Law predicts FDI. The overall regression is statistically significant and did predict FDI ($R2 = 0.850$, $p < .000$). It was found that Rule of Law did predict FDI.
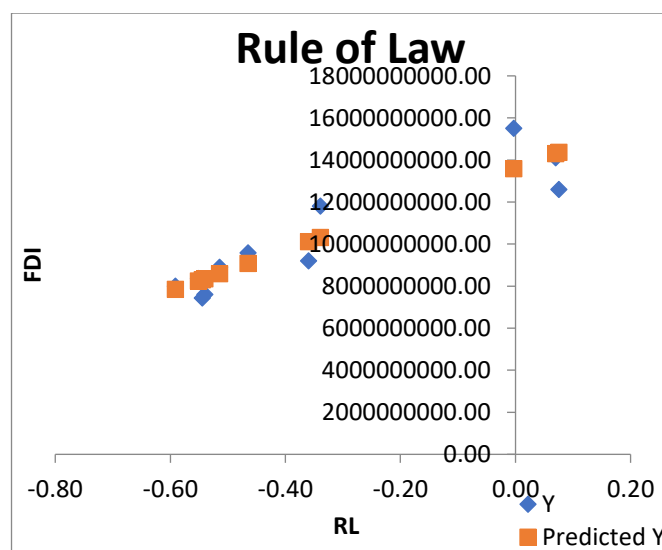
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.922358018
R Square	0.850744313
Adjusted R Square	0.834160348
Standard Error	1131897368
Observations	11

259

- Pearson Product Moment Correlation between Control of Corruption and FDI Inflow was .824** and its means both are correlated.

- Linear regression was used to test if Control of Corruption predicts FDI. The overall regression is not significant and did not predict FDI (R2 = 0.101, p < .000). It was found that Control of Corruption did not predict FDI.

Control of Corruption
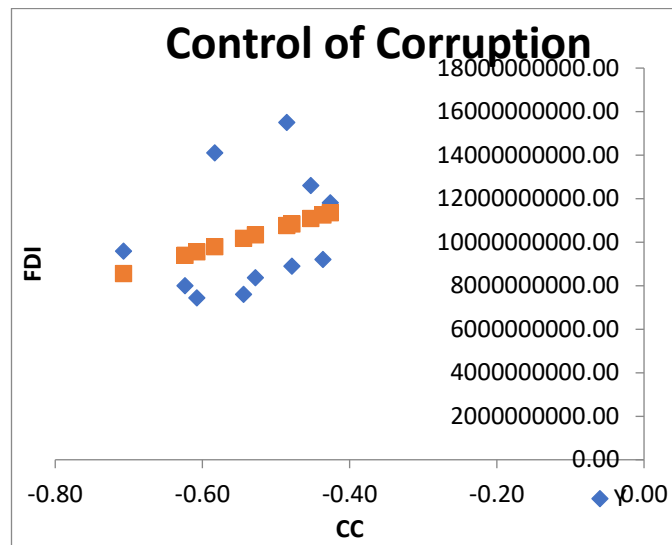
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.318085567
R Square	0.101178428
Adjusted R Square	0.001309365
Standard Error	2777655296
Observations	11

- Pearson Product Moment Correlation between Average Combine CGI Index and FDI Inflow was .557. It revealed that the relationship between the two variables is not significant correlated.

- Linear regression was used to test if the Average Combine CGI Index significantly predicts FDI. The overall regression was statistically significant ($R^2 = 0.825$, $p < .000$). It was found that the Average Combine CGI Index did significantly predict FDI.
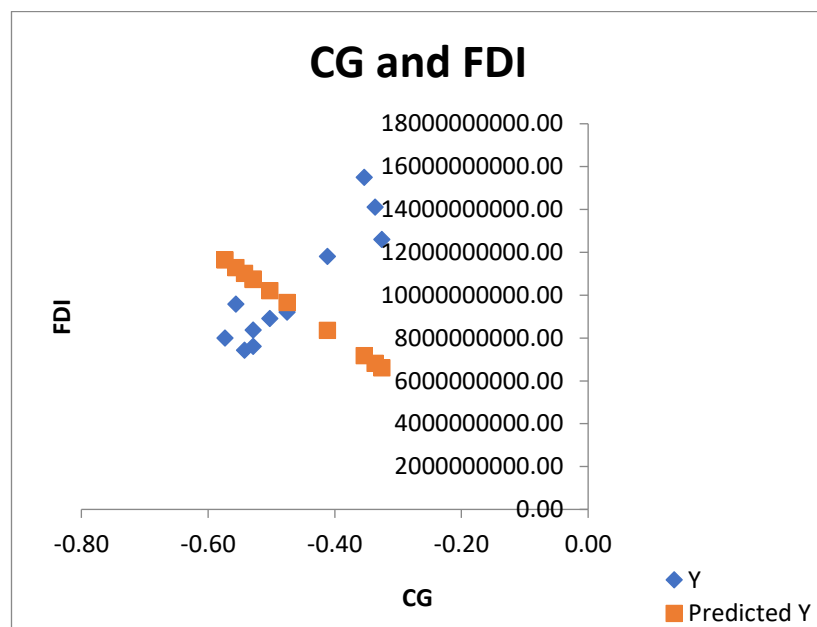
CG and FDI

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.908560111
R Square	0.825481474
Adjusted R Square	0.725481474
Standard Error	4651267154
Observations	11

- Government Effectiveness and FDI Inflow was .556 and these values indicate that there is a significant relationship between two variables.

- Linear regression was used to test if Government Effectiveness predicts FDI. The overall regression was statistically significant and did predict FDI ($R2 = 0.710$, $p < .000$). It was found that Government Effectiveness did predict FDI.
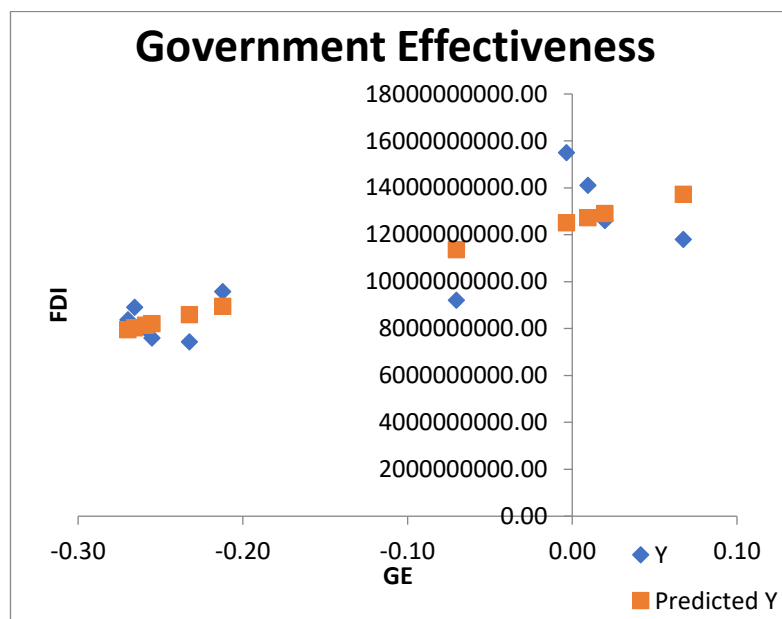
Regression Statistics	
Multiple R	0.84293265
R Square	0.710535453
Adjusted R Square	0.678372725
Standard Error	1576301525
Observations	11

Table # 5: Summary of hypothesis testing of Vietnam

Hypothesis	Correlation analysis	
	Sign.	Result
H01: There will be a positive relationship between FDI Inflow and Corporate governance are both positively related to each other.	.350	**Accepted**
H02: There will be a relationship between Voice and Accountability and FDI Inflow.	.309	**Accepted**
H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	-.204	**Rejected**
H04: There will be a negative relation between Regulatory Quality and FDI Inflow.	.314	**Rejected**
H05: There will be no relationship between Rule of Law and FDI Inflow.	.412	**Rejected**
H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.	.824**	**Accepted**

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.	.557	**Accepted**
H08: There will be a relationship between Government Effectiveness and FDI Inflow.	.556	**Accepted**

4.11 Descriptive Statistics of Variables (Combined Countries)

Descriptive statistics were calculated to identify the nature of the research variables as follows. Mean value provides the idea about the central tendency of the values of a variable. This section analyses individual variables by using descriptive statistics for identifying their basic nature. For this purpose, a mean value, standard deviation, and other measures were calculated, and they are reported in Table (3) of combined countries of the sample.

To test the relationships of the governance indicators (GI) and foreign direct investment flows (FDI) of all countries combined together into one sample.

Descriptive statistics Table (1) outlines the frequencies of all variables and the availability of statistical data for the analysis of Cambodia, Table (2) outlines the statistical data of all variables, and Table (3) outlines the frequencies, Mean and S.D of each the Years, Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, FDI Inflow and Corporate Governance.

Table #1: Showing the frequency of all variables of governance indicators and FDI

Variables	*f*	*%*
Years	11	100%
Voice and Accountability	11	100%
Political Stability and Absence of Violence/Terrorism	11	100%
Regulatory Quality	11	100%
Rule of Law	11	100%

Control of Corruption	11	100%
Average Combine CGI Index	11	100%
FDI Inflow	11	100%
Total Corporate Governance	11	100%
Government Effectiveness	11	100%

Table #1 shows the frequencies of all used variables in the research study. Each variable has 11 frequencies with 100% availability data for all 6 countries to form a sample in the research study.

Table #2: Showing S.D, Mean of the variables of the combined 6 countries

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.18651
Voice and Accountability	11	-2.21	.18	-.7377	.65880
Political Stability and Absence of Violence/Terrorism	11	-1.31	1.62	-.0305	.78587
Government Effectiveness	11	-1.62	2.44	.1290	1.19790
Regulatory Quality	11	-2.24	2.26	-.0319	1.14964
Rule of Law	11	-1.55	1.84	-.1517	1.03233
Control of Corruption	11	-1.67	2.25	-.1777	1.15543
Average Combine CGI Index	11	-1.75	1.64	-.1688	.93459
FDI Inflow ($)	11	114664434.56	94811159186.7	16617520725.05	22187974771.33
Corporate Governance	11	3.24	89.97	43.3623	25.69274
Valid N (listwise)	11				

In table # 2 shows, the period between 2008 and 2018, descriptive statistics indicated the Mean and S.D of all variables for all six counties in this sample. Overall, Years displayed the (M=2013.00, SD 8.048) shows a variation of FDI Inflow and the study period (Min=2008) and (Max=2018). In the table #2, independent variables of governance of the sample shows, Voice and Accountability M=-.7377 (S.D .65880), Political Stability and Absence of Violence/Terrorism M=-.0305(S.D.78587), Government Effectiveness =.1290(S.D1.19790), Regulatory Quality M=-.0319(S.D1.1464), Rule of Law M=-.1517(S.D1.03233), Control of Corruption M=-.1777 (S.D1.15543). The Average Combine CGI Index M=-.168(S.D.934), FDI Inflow M=16617520725.05 (S.D22187974771.33) and Corporate Governance M=43.3623(S.D25.69274).

4.11.1 Hypothesis testing of the combined countries

vii.   Using correlation

The correlation analysis was used to investigate the relationships between the Independent of Corporate Governance and its factors as independent variables and foreign direct investment as a dependent variable. The correlation measures the direction and strength of the relationship between quantitative variables. It is an analysis done to trace the mutual influence of variables on one another (Sekaran and Bougie, 2013).

H01: Corporate Governance will be predicting FDI Inflow.

H02: There will be a relationship between Voice and Accountability and FDI Inflow.

H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.

H04: There will be a negative relation between Regulatory Quality and FDI Inflow.

H05: There will be no relationship between Rule of Law and FDI Inflow.

H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.

H08: There will be a relationship between Government Effectiveness and FDI Inflow.

Table# 3: Analysis of Pearson's Product Moment Correlation between variables in Combined 6 Countries

| *Variables*	*Pearson correlation (r)*	*Interpretation*
Corporate Governance b/w FDI Inflow	.780**	Positive Significance correlation
Voice and Accountability b/w FDI Inflow	.521**	Positive Significance correlation
Political Stability and Absence of Violence/Terrorism	.735**	Positive Significance correlation
Regulatory Quality b/w FDI Inflow	.782**	Positive Significant correlation
Rule of Law b/w FDI Inflow	.805**	Positive Significant correlation
Control of Corruption b/w FDI Inflow	.834**	Positive Significant correlation
Average Combine CGI Index b/w FDI Inflow	.806**	Positive Significant correlation
Government Effectiveness b/w FDI Inflow	.757**	Positive Significance correlation

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

As shown in table 3, the results of the correlation analysis were performed to identify whether there is a positive or negative relationship between each independent variable and the dependent variable.

According to the results of the study, the Pearson Product Moment Correlation between Independent of FDI Inflow and Corporate governance was .780** and the P value is .000 (p<0.01). These values indicate that there is a positive relationship between two variables. Since the P value of the relationships is below than the 0.01 level, this relationship is significant.

Pearson's Product Moment Correlation between Voice and Accountability and FDI Inflow was .521**. It revealed that the relationship between the two variables is strong.

However, the Pearson's Product Moment Correlation between Regulatory Quality and FDI Inflow was .782**. It revealed that the relationship between the two variables is much stronger.

Pearson's Product Moment Correlation result revealed Rule of Law and FDI Inflow was .805** and the P value is .000 (p<0.01). These values indicate that there is a positive relationship between two variables. Since the p-value of the relationships is below than the 0.01 level, this relationship is significant.

Pearson's Product Moment Correlation between Control of Corruption and FDI Inflow was .834** and its means both are positively correlated.

Pearson's Product Moment Correlation between Average Combined CGI Index and FDI Inflow was .806**. It revealed that the relationship between the two variables are strong.

Government Effectiveness and FDI Inflow was .757**   and the P value is .000 (p<0.01). These values from Pearson's Product Moment Correlation indicate that there is a positive relationship between two variables. Since the p value of the relationships is below than the 0.01 level, this relationship is significant.

viii.   Regression Analysis

This section is to examine relationships using regression analysis. In regression analysis, Corporate Governance was entered as an independent variable and dependent

on Foreign Direct Investment as predictors. The results are produced in the following
tables.

Table 4: Model summary

Model Summary

Model	R	R Square (R^2)	Adjusted R Square (Adj. R^2)	Std. Error of the Estimate
1	.780[a]	.608	.602	13996052995.54735

a. Predictors: (Constant), Corporate Governance

Table 4 presented that the R was .780 (78%) and R^2 was .608 (60.8%). Identified
Adj.R^2 explains the 60.2% variation in Foreign Direct Investment.
Moreover, Independent Corporate Governance has about 60% ability to explain the total
variation of Foreign Direct Investment.

Table# 5: **ANOVA** [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19462976624390532000000.000	1	19462976624390532000000.000	99.357	.000[b]
	Residual	12536927965066874000000.000	64	195889499454169900000.000		
	Total	31999904589457410000000.000	65			
a. Dependent Variable: FDI Inflow						
b. Predictors: (Constant), Corporate Governance						

According to the above table, the F value is 99.357 and which is significant at 0.000 levels. F value tests whether the overall regression analysis model is fit to the data. According to the above table, results indicate that the model has a good fit with data.

Table # 6: Summary of hypothesis testing

Hypothesis	Correlation analysis	
	Sign.	Result
H01: There will be a positive relationship between FDI Inflow and Corporate governance are both positively related to each other.	.780**	**Accepted**
H02: There will be a relationship between Voice and Accountability and FDI Inflow.	.521**	**Accepted**
H03: There will be a positive relationship between Political Stability and Absence of Violence/Terrorism and FDI Inflow.	.735**	**Accepted**
H04: There will be a negative relation between Regulatory Quality and FDI Inflow.	.782**	**Rejected**
H05: There will be no relationship between Rule of Law and FDI Inflow.	.805**	**Rejected**
H06: There will be a positive relationship between the Control of Corruption and FDI Inflow.	.834**	**Accepted**

H07: There will be a relationship between Average Combine CGI Index and FDI Inflow.	.806**	**Accepted**
H08: There will be a relationship between Government Effectiveness and FDI Inflow.	.757**	**Accepted**

Table #7: Regression Analysis

	Sign.	**Result**
H01: Corporate Governance will be predicting FDI Inflow.	**.608**	**Accepted**

Table 7 shows the linear regression analysis was used to test if Corporate Governance significantly predicts the FDI Inflow. The overall regression was statistically significant ($R2 = 0.608$, $p < .000$). It was found that Corporate Governance did significantly predict FDI inflow. Consequently, CG has a 60% ability to explain the total variation of Foreign Direct Investment.

4.11.2 Summary of the Secondary quantitative interpretation of the sample countries

1. The secondary quantitative empirical results show that there is a statistically significant relationship between overall Corporate Governance and its factors with Foreign Direct Investment.

2. Secondary quantitative empirical results of the study also show that there is a statistically significant relationship between all variables.

3. Above all table in this section shows a statistically significant positive relationship existed between the Foreign Direct Investment and Corporate Governance indicators or factors. Result also indicated that Corporate Governance Predict the FDI Inflow.

Table #8: Magnitude of Correlation Coefficients

Magnitude	Negative	Positive
Small	-.03 to -0.1	0.1 to 0.3
Medium	-0.5 to -0.3	0.3 to 0.5
Large	-1.0 to -0.5	0.5 to 1.0

4.12 Summary.

The primary research method in this research was relatively extensive; there was much focus needed to screen through the vast amount of data and information.   The qualitative data processing stage was quite challenging, mainly using technology that the researcher must learn to operate in order to perform an extensive analysis of the transcripts. Consistent with a qualitative descriptive exploratory approach, there were

four steps of analysis, exploring the origins of the text, exploring wide themes, reviewing the theme cluster and results of main-themes and sub-themes. There were 20 codes emerged from open coding, and the researcher made extensive memo relating to those codes and content. There was extensive comparative analysis between the respondents' transcripts and NVivo 10 helps to determine the final 12 selective codes, which then able to categorise them relating to the research questions. The thematic content analysis was used to determine and explore these final codes' relationships, leading to six main themes and eight sub-themes. Although NVivo could help create a system to visualise all the overall key nodes and themes, the researcher still needs to reassure that it was relevant to these research objectives. Machine or software will not replace the perception and experience of what the narrative of the respondents represents. Between the qualitative and quantitative research methods, a larger part of the time was spent on the primary data gathering and data processing.

The Secondary quantitative research was mostly analytical; there was extensive combining data from different sources to form a new secondary dataset. The secondary quantitative research was necessary as it paints a different picture besides gaining an experience of someone. The researcher learned what was needed to conduct the hypothesis testing and ensure those results were accurate; it was necessary to apply scientific formula and calculations were performed to test these variables. The secondary quantitative approach results appear to be consistent amongst the sample countries, and the relationships between the independent and dependant variables are significantly correlated. The results of all variables were presented and reported in chapter 4 by making use of scatter plots and regressions analysis to test or predict variables' significant responses to one another.

The mixed-method approach on this research, both qualitative and quantitative findings did reflect that there was no contradict to one another and through these methods in the study, it explores a better understanding of this research topic which can be useful for continual future research. Chapter 5 includes the discussions and conclusions of the research results, critical analysis and key discussion on the themes and secondary results relating to the research questions.

CHAPTER 5: CONCLUSIONS, CONTRIBUTION AND RECOMMENDATIONS

5.1 Conclusion

This chapter of this research study examines the relationship between corporate governance and foreign direct investment. In the primary data analysis section, a qualitative research design was utilised. The data collected from the eight respondents from different companies.

Discussion based on the important highlighted points which were selected from both research methods. The main point of this discussion is mentioned below;

1. Determinants factors of the Corporate Governance

2. Association between Governance Corporate and its factors with FDI

3. The corporate governance and Foreign Direct Investments in Southeast Asia

4. The board of corporate governance in Southeast Asian countries

5. The level of the contribution of FDI inflow to the research region in Southeast Asian countries Corporate Governance Strategy and Process in Southeast Asian countries

6. Accountancy or regulatory practices in Southeast Asian countries

7. Effectiveness of the Board's corporate governance

8. Determinants factors of the Corporate Governance association with Asian Countries

The secondary data analysis is divided into two research designs, quantitative in which assess the Foreign Direct Investment (FDI) inflow used as the quantitative variables and the data collected through different official websites and intergovernmental organisations of the respective countries in the Southeast Asian

region. This section reveals the correlation and prediction between Corporate Governance and its factors associated with foreign direct investment in Asian countries. Moreover, in this section also highlight the Corporate Governance and its factors association with the foreign direct investment relation as a country-wise and six countries as sample involved in the analysis.

The main results from each critical phase of the thesis are discussed based on the research purpose and criteria. This chapter discusses important observations and positions them in a broader sense utilising current literature. Also, the consequences for philosophy and, ultimately, shortcomings and assumptions are discussed.

In this research methodology, the design assesses the different aspects based on the analysis of the interviews and the respondent's data. Primary qualitative data were collected from the eight respondents from different companies through interviewing them. Secondary statistical data source of this study which were collected and cross-verified by using some of official intergovernmental websites, of which, the respective data source is relevant to this research study. Both set of results that brought together into a narrative for discussion and conclusion can be challenging for one person researcher, however, "the data are brought together to enhance greater understanding" (Creswell and Clark, 2011; Curry and Nunez-Smith, 2015) in this research study that can be worthwhile.

1. **Determinants factors of the Corporate Governance**

In this study highlighted determinants factors of Corporate Governance are Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption, Average Combine CGI Index, Economic Growth, FDI Inflow, and Corporate Governance. The quantitative empirical results of this study analysis show that there is a

statistically significant relationship between overall Corporate Governance and its factors with Foreign Direct Investment.

The highlighted significant results of this hypothesis reveal that there is a relationship between Voice and Accountability and FDI Inflow at the point of r= .521**, p<0.05. The qualitative related research confirms this research and indicates that representation and transparency are seen as a cornerstone of democracy around the world, but that the audience has access to data and representation on efficiency that allows the country and its organisations to concentrate on sustainable development and business goals, including foreign direct investment. Comparably, recent research also showed that speech and transparency have a major positive effect on the appeal of FDI (Nizam and Hassan, 2018).

Moreover, other significant findings of this study reveal that Political Stability and Absence of Violence/Terrorism have a significant positive relationship with FDI Inflow at the level of r=.735**, p< .000. indicated that there is a long-term relationship among political stability for foreign direct investment, again for relatively small countries there is no evidenced based on previous research or any correlation with other more industrialising nations (Kurecic and Kokotovic, 2017).

One of the most important factors of this study was the Control of Corruption and its link with FDI. Foreign direct investment (FDI) seems to be a crucial aspect mostly in economic growth among ASEAN countries. This study result reveals that Control of Corruption has a positive association with the FDI Inflow. The findings of the analysis confirm this study or indicate that even the degree of corruption in the developing country has a detrimental impact on FDI inflows throughout and may cause the reduction per capita growth in correlation. However, the findings show that GDP per capita as a metric for the strength of the population and the efficiency of the nation's organisations is more significant than the potential for corruption in attracting FDI

inflows into another region. The main consequence of such findings is that enhancing the efficiency of organisations or reducing corruption may have been an effective technique for rising foreign investment (Epaphra and Massawe, 2017).

2. Association between Governance Corporate and its factors with FDI

A growing distribution through foreign direct investment (FDI) through the economies and country had attributed heavily to that same globalisation phenomena. According to the hypothesis of the quantitative study the results highlight that there is a positive relationship between FDI Inflow and Corporate governance, both are positively related to each other at the point of r=780**, p< .000. However, the qualitative findings concentrated on the substantial interaction of corporate governance with the FDI inflow, in the empirical study of and specified sample in the ASEAN region.

The results of the analysis show the relationship between political sustainability, the democracy, the standard of legislation or how accountability has shown or that governance has made substantial and essential progress in strengthening the competitiveness of foreign direct investment (FDI) in Southeast Asia and throughout, or how accountability: Asian countries puts governance performance a crucial role in drawing FDI (Aloui, 2019).

3. The corporate governance and Foreign Direct Investments in Southeast Asia

Worldwide direct speculation has had an enormous influence on the financial development of counties in Southeast Asia. In this research, key focuses feature the situation of the board is by all accounts basic, and direction centres around the capacity of the board or the Board's immediate support, and the Board could effectively take an interest in receptiveness, duty, commitments, the security of investor rights and money to have a decent reason for the improvement of administration. Top board members ought to be regarded as not having any desire or engaged in the execution segment are

making steps in reverse. Another essential blend of ability and aptitudes in the development and technique for corporate administration is to give a rich corporate governance drive.

This research findings support other discoveries and demonstrate that the Board of Directors must give more paramount consideration to the oversight and examination of CEO and Management through the highlights of administration. The Board of Directors assumes a critical job in the oversight of the tasks and activities of an organisation. As a rule of thumb, the board of director adds a perspective that identifies with the activity, which recalls that all exercises for the organisation have been clarified for and at least concurred during each discussion. The indication and number of Board members gatherings do not answer issues identified. It shows that different organisations need to get more experience, diversity, transparent and integrity members who designed board autonomy and maybe more proper administration substances (Ghani, Mohamed and Muhammad, 2019).

Qualitative findings show that corporate governance and Foreign Direct Investments have a significant role in Southeast Asia. As like, quantitative findings H2 reveal that there is a positive relationship between FDI Inflow and Corporate governance, both positively related to each other at the point of r=780**, p< .000. Therefore, it has concluded that both participants' outcomes in qualitative findings and quantitative findings reveal that corporate governance and Foreign Direct Investments have a significant association in Southeast Asia.

Moreover, findings show that key areas of the board to have a significant role in the board corporate governance for foreign direct investments and selected components of CG drive such as reviewing governance strategies, managing corporate governance, auditing governance effectiveness, and assessing governance performance, and appointing top management with corporate governance focus. In reality, when FDI is

being debated, the true amount of benefits of the actual and results highlight that auditing governs effectiveness and it can also effectively review the governance strategy, that can be one of the critical areas under board governance for foreign direct investment. The results indicated that companies with good internal auditing process could contribute positively in terms of their corporate governance strategy, thus, increasing the level of effectiveness.

According to both results, these findings support the sociological theory point of view about improvement in governance, and this theory shows that corporate governance primarily focuses on the structure and function of organisation's corporate governance and has consequences for the utilisation of money and power in the organisation. Issues of linking executives (different directorships in different organisations) that concentrate organisational financials into the hands of few entitled members that form governance bodies are expected to be major hurdles to equality and the development of the organisation. The sociological argument states that out-of-dominated boards, level of expectation disclosures, and corporate responsibility are effective and essential techniques to advertise integrity and honesty in the community, which is termed to be the socio-economic priorities of a company (Afza and Nazir, 2014).

4. The board of corporate governance in South-East Asian countries

Striving for effective corporate governance relies on the scale of the organisation, from a small medium-sized enterprise (SME) with limited resources, and background knowledge of corporate governance is smaller when compared with a public-listed entity. Usually, as in Singapore and Hong Kong, the presence of a strong corporate governance and sustainability code has already been implemented, and this beneficial effect of corporate governance on the success of the business is not restricted

to the manufacturing sector, but often has a substantial positive impact on the financial output to the economies in emerging markets in the ASEAN region.

The recent past research supports this research investigation and points out that Southeast Asia corporations 'financial policies could nonetheless be influenced by the influence of investors' demand for successful ownership over certain businesses in a poor individual rights climate. Governments in Southeast Asia typically play a significant role in shaping corporate lending practices and thereby influence the corporate effect of financial systems. Also, empirical research thus suggests that the firm valuation of cash-flow privileges will rise, but at a lower premium, or that the gap across participating or cash-flow rights will decrease until the regulating owner gains efficient management (Claessens and Fan, 2002).

5. Level of the contribution of FDI inflow to the research region in Southeast Asian countries

At a period of the ongoing market collapse in Asia and worldwide pandemic climate, the problem of national strategies for stabilisation and potential stable growth is of utmost importance. The qualitative findings highlight that, two important elements that are necessary, one for increasing the level of training and the other is effective management. Members at the board level who have been employed with either little industry experience or no expert experience must be avoided. Learning is vital, the solid convictions that the information and abilities educated can be motivated, it may believe to be more proactive, and related strategic directions on the arranging, actualising, and assessment at the board level driving towards the creating of a successful CG development. The respondents' perspective falls fair and square of viable administration is diverse in the area of expanding the level correspondence and inclusion experienced people on the board of directors in corporate administration. Corporate level management and administration shapes support or improve the business from

developing its vision, and it can form into a structured and trustworthiness entity by having an appropriate, effective board.

Other past investigations uphold this study of the discovery, for example, corporate administration shapes the reason for companies to settle on choices that think about numerous conditions, including monetary, social, and administrative, and the market condition. Corporate board members face the continual test of adjusting the interests of the board, the internal stakeholders, corporate executives, investors, and partners. They react to their obligations and duties with full respect to straightforwardness and responsibility (Price, 2019).

Additionally, the qualitative findings of this research show that the Board of Directors is constitutionally able to determine the corporate direction of the organisation and maintaining the deep-term success of the company in nearly full accountability situations. Even so, several boards assign most or more of the responsibility of creating and improving the company's agenda to an organisation of full-time professional experts. This separation of ownership and control generates numerous hurdles for the present-day corporation, or the responsibilities of the board in the strategy formulation are likely to be the critical problem affecting the boards currently. The drive of the Board is to analyse the required degree of elevation, the corporation's top executives are to encourage the Board to be adequately engaged or to encourage management to put its unique knowledge into the development and execution of corporate strategies (Judge and Talaulicar, 2017).

The other fascinating discoveries in the qualitative findings show that a corporate level when regarding organisation's resource settings, creating and actualising the KPIs, the second generations shareholders' connections frequently position themselves as head of departments and regularly assume a critical job in attempting to change the organisational culture that has been executed by their parents or forefathers.

It is frequently observed that forced expansions can serve various shareholders, particularly outside the family nucleus, or it will negatively affect the CG strategy or mirror the notoriety of these associations and some of the time seen to be unfortunate or neediness through attracting required FDI. Besides, the qualitative findings feature that at the board level, the organisation is driven by them. Most respondents express that the line management executes it or at corporate level management, which is the headquarter, or at the leadership level, they are the individuals that are entirely executing the CG strategies.

The investigations and research study have supported the findings that Senior directors had common concerns with the execution and authorisation of CG systems inside their organisation. The way toward creating CG procedures includes vital arranging, which incorporates an organisations directorates, upper administration, ranking directors, and other people who can increase the value advancement, as strategic planning is a forward-looking movement, and all directors ought to be associated with it. Closer examination indicated that ranking directors and corporate management must cooperate completely to create powerful CG techniques for effective CG execution all through partnership. Findings show that respondents had similar lived experience concerning the CG objectives that laws, rules, guidelines, strategy, and systems added to the turn of events and execution of CG techniques. CG techniques were discovered to be more viable when correspondence was reliable between leaders (Walker, 2018).

6. Corporate Governance Strategy and Process in Southeast Asian countries

In the Southeast Asian countries, the average economic strength of Southeast Asia or ASEAN in international economic operations would be next to East Asia which includes China, Hong Kong, Japan, Macau, South Korea, and Taiwan, often seen to be a developed nation in terms of economies and infrastructures.

Qualitative findings illustrate the systems of corporate governance and levels of focus in FDI inflow, whereby, the training level of the board adequately improves implementation of the KPIs geared to CG organisation infrastructures. Like many organisations, innovative and creativeness are vital ingredients of developing interesting strategies making corporate administration viable and effective. However, there is a needed strategy in measurements for effectiveness, for example, master budgets, financial indications, setting up an advisory committee, and setting up a compensation panel that would be a crucial component towards corporate governance measures. It includes a vast number of positive processes focus on good corporate governance policies, for example, management cultures, leadership styles, decentralised structures, and all need to be dynamically lined up with the CG strategies. Additionally, some respondents show that effective corporate governance technique is critical to seek FDI inflows when competing amongst the Southeast Asian region.

Good corporate governance refers to a set of processes in which companies communicate with one another, such as employees and key stakeholders. Having good corporate governance approach contributes closely to the objectives of the company, such regulatory frameworks and policies are seen to be compliance for companies. Most South-East Asian countries recognise that corporate governance policy identifies the acceptability of exchange relationships, and transaction or agency theory on how the corporate management and the board of directors, stakeholders, suppliers, employees

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co-exist with one another related to the organisation's direction. There are existing legislation and the rule of law on the governance framework which are controlled or governed by federal, state, and local governments, and even by other regulatory authorities. As a part of the corporate governance process, the Board of Directors does indeed have a limited liability responsibility to keep their accounts with those who represent or hire (Eisenstein, 2020).

The research findings also show that corporate strategy that is being audited and evaluate accordingly to organisational advancement can reduce levels of unfamiliar ventures, especially issues originate from the corporate level and management. The CEO is accountable for the success and drive of the organisation and to pursue that achievement. The CEO, CFO, COO (Top C-level personnel) plays an important contributing role at observing a set of KPIs and evaluate any KPIs deviation by communicating solutions through internal channels. The head of human resources fundamentally guides the range of different business activities, as an overseer, the HR regularly reacts directly to the directorate and or the CEO surrounds corporate governance strategy and process. In the end, the Board of Directors should monitor results of KPIs, corporate governance and is liable for both assessment and review stage.

In the research findings, it shows that monitoring corporate performance is prioritised and serve as an essential purpose, an effective board of directors must be able to monitor the overall performance of an organisation; this are the pillars of an organisation; the strategic, operational, and financial determinations. The purpose of the board in an organisation is "oversight" and its aims is to oversee, monitor, engage on the management's execution of agreed plans. The board need to ensure that the organisation's advancement by achieving milestones and objectives. The strategic plan of having good governance strategy and process starts off with the board's ability

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to turn organisation's objectives into monitoring and performance indicators. The study findings show there is a need for reliable method in evaluation, reviewing, and monitoring the performance data received as they can be manipulated. Corporate governance desire experience board members, either executive or non-executive, they must have the knowledge and skills to interpret performance information including financial and non-financial data, industry benchmarks, external audit opinions and board reports.

7. Accountancy or regulatory practices (CG related) in Southeast Asian countries

Qualitative findings show that local and ASEAN's corporate governance has been progressing favourably, the upgrading governance is consistent but varies through period or regions. Singapore is stringent on rules, enactment, and consistency in the CG regulatory strategy system since founded in 1965, and it has firmly organised and controlled CG process. The respondents show the presence of corporate governance structure which is critical as any absence of trust in the part toward the beginning would have been inevitable and along these lines, an institutional investor may stay away from the market at any costs. Organisations that seek FDI should consistently be adjusting to good corporate governance practices. The inflexible principles of CG cannot fit all organisations, or that the organisation itself has a stricter norm than the world offers. The managerial structure assessed accordingly to given CG policies and framework, between an unbending methodology on governance like, or an implementation framework or it is merely just "best practice". Eventually, when some new updates on rules and legislation on CG, most organisations must comply and are set through the governance framework of the organisation. To some, it does not affect the organisation or influence the organisation from a new governance condition.

The qualitative findings also support and show that the components of governance frameworks in Southeast Asia, especially, developing countries have much to improve in governance components as compared to its counterpart in Singapore. Nevertheless, the level of advancement in terms of GDP at Southeast Asian nations has been developing steadily, and there is a strong need to set up and reinforce the responsibility structures to sustain continual inflow of investment to the region. Developing countries likewise must strengthen its financial self-governance of their organisations and put priority attracting foreign direct investment. Besides, organisations need to be responsive, and streamlined administrative structures, it is necessary, as stringent compliance and regulatory law can safeguard investments from FDI. The rises of diversity in terms of social cultures also pressured to copes for better synchronisation within organisations culture to limit the gap between corporate objectives and employees' perception of integrity, compliance, drive of CG. In all these, a definitive test lies in looking for partners and building supporters for change (Gonzalez and Mendoza, 2002).

8. Effectiveness of the Board's corporate governance.

The qualitative finding of this study features that the boards successfully accompany the obligation regarding oversight, the board can appoint and position on C-level and the executives of the organisation. To drive CG approaches, the viability of the board must have the correct equalisation of directors and non-executive directors, this includes a decent diversity of capabilities, knowledge, abilities, and experiences to do as such. Corporate administration is a structure with a combination of many components, put together and proposed to create long term sustainability in an environment. Regardless, companies frequently face external elements outside the ability and control of the organisation and often impact the integrity of corporate administration. Positive culture, behaviours, attitude, and parity of the board are

significant variables of influencing the board on corporate administration. In a challenging time, face by organisations of all sizes in the Covid-19 pandemic of internal and external stakeholders are restricted to play out an up-close and personal, how effectiveness of the board has to engage and how they would play in their role of being an oversight in this unprecedented pandemic-economic crisis.

In this research study, and institutional theory is selected for supporting the outcome of discoveries and explore the issues in corporate governance is based on scientific perspectives from a range of environmental, social, and economic dynamics. Institutional philosophy is a mystery without specific address. Institutional research is as ancient as Emile Durkheim's imperative to examine "individual evidence like issues," and relatively fresh to either be followed by modern ones in most of the literature reviewed. The institutional theory explains the issue of institutions in understanding the actions of organisations or other organisational units or offers a viewpoint that will help in determining the explicit and implicit laws that affect actions. Therefore, institutional theory (organisational rationality) recognises the impact on organisations and stresses that because the organisation is to function in a preferred way. The mechanistic mechanism derives from the normal approach to confusion. Where administrative systems are unclear, priorities are vague, or the climate causes structural ambiguity, organisations may pattern itself on certain organisations. Once an organisation experiences an issue with uncertain reasons or unknown remedies, difficult searches will lead to a feasible, low-cost solution (Yapa, 2006).

9. **Determinants factors of the Corporate Governance association with South-East Asian Countries**

The research study focuses on the relationship of corporate governance and FDI in the research sample in ASEAN countries of Cambodia, Indonesia, Malaysia, Myanmar, Singapore, and Vietnam for the quantitative and qualitative approaches. The

findings of the qualitative research show that the respondents indicate that the existence of the corporate governance system is significant, as any loss of confidence at the foundation level of CG would have been compromise strategies of the future and remained away from attractiveness to FDI. With robust CG policies and framework in place, organisations looking for FDI can certainly continue to adapt to the training of corporate governance. The findings indicated that the level of corporate governance in Southeast Asian countries as 50-60%.

The results of quantitative findings reveal that Corporate Governance and its factors and foreign direct investment inflow into Cambodia have a significant relationship in at the P-value of .000. The Pearson correlation between FDI Inflow and Corporate governance was .802** and the P-value is .000 in Cambodia. Likewise, other countries Indonesia, Malaysia, Myanmar, Singapore, and Vietnam also show significant outcomes on Corporate Governance and its factors and foreign direct investment to their respective countries at the value of .005 and .001. Indonesia's findings also reveal that a positive relationship but not as significant as it was below $r=.242$, $p< 0.01$, and the correlation analysis of Malaysia reveal that no significant relationship is presented between these variables in the context of Malaysian country at the point of $r= .100$, $p< .000$. The r values for Myanmar (.680*, $p<.000$), Singapore (.487, $p<.000$), and Vietnam (.350, $p<.000$) these r values and p values indicated that the hypothesis is accepted for Myanmar, however there is no significant relationship for Singapore and Vietnam among corporate governance and FDI. The negative correlation was noticed for Singapore and Malaysian regions among the corporate governance effectiveness and its association with FDI inflow in the relevant market. While a positive and significant correlation was observed for Vietnam, Myanmar, Cambodia, and Indonesia.

The study supports these findings of the outcomes and indicates the two factors: Voice and Accountability (VA) and Government Effectiveness (GE) have a major

influence on FDI inflows in the Southeast Asian region. All other control dimensions, Control of Corruption (CC), Political Stability and Absence of Conflict (PV), Regulatory Quality (RQ), and Rule of Law (RL), have quite a negligible effect on FDI inflows, suggesting that these aspects do not affect the attractiveness of FDI inflows. Consequently, hypothesised that enhanced Voice and Accountability (VA) and Government Effectiveness (GE) as indicators that would expand FDI inflows in all Asian countries such as Cambodia, Indonesia, Malaysia, Myanmar, Singapore, and Vietnam (Nizam and Hassan, 2018).

5.2 Discussion of the Research

The research is carried out to answer some important questions in the domain of Corporate Governance in Southeast Asian markets. Various contributing determinants of the research which did help to clarify the queries were a foreign direct investment, accountancy, regulatory practices, level of dependency of FDI, and Corporate Governance. Both qualitative and quantitative analysis has been performed for the in-depth study of reported components. The results of quantitative analysis for the verification of the proposed hypotheses along with the qualitative analysis of the formulated themes and sub-themes both show quite optimistic findings to answer the research questions of the study.

1. **Corporate governance level in Southeast Asian countries**

To analyse the first question of the research "What is the Corporate Governance level in Southeast Asian countries?" the corresponding qualitative methodology used the theme for data collection from the respondents, as the role of the board of driving good corporate governance in the Southeast Asian countries (Cambodia, Indonesia, Malaysia, Myanmar, Singapore, and Vietnam). In the responses to the question about the role of boards in driving corporate governance within the selected Asian countries.

Almost all the participants were responded as only 50-60% of the boards effectively drive corporate governance in Asian countries. While the findings of the level of corporate governance in Singapore was very significant as compared to other selected Southeast Asian regions overall, but under the implementation of legislative measures. The findings answer the level of corporate governance in Southeast Asian countries as 50-60%.

2. **The relation between corporate governance and foreign direct investment**

As FDI is linked with the economic development, progress, international trade, and market capital of the organisations, the similar is the case with the respondents of the current research because they do believe a positive stimulus and recorded the significant contribution from the effective boards with corporate governance policies in improving the FDI of the country. The theme selected for the answer to the query; what is the relationship between corporate governance and FDI? Within the context of the selected countries was as

Theme 1: The corporate governance and Foreign Direct Investments in Southeast Asia

While the subthemes were about the corporate strategies, execution, and core elements which can help increase the FDI inflow. The respondents described that active corporate governance can improve on attracting the FDI inflow because of the high level of responsibility, accountability, and transparency, value to shareholder's interest. While strategic planning can also control the FDI inflow positively. Risk management, decision making, effective auditing, opportunities, and industry practice with a high level of corporate governance performance are positively related or can increase the FDI inflow. While one of the respondent states that in Malaysia the corporate practices are not of a high level, however, presence of an effective governance can put foreign investors at ease.

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The quantitative research carried out for the evaluation of the research question by analysing the different variables, the relative hypothesis as below;

H02: There will be a positive relationship between FDI Inflow and corporate governance are both positively related to each other.

Pearson Product Moment Correlation showed positive significance correlation between both the variables with r = .780** and   p-value is .000 (p<0.01). In the case of Cambodia r= .802** and p-value showed a significant relationship, for Indonesia, the value of r= .242 and the p-value described a positive relationship but not as significant as it was below 0.01 level. Pearson Product Moment Correlation analysis of Malaysia found as r= .100 and p-value is .000 (p<0.01), no significant relationship is presented between these variables in the context of Malaysian regions. The r values for Myanmar (.680*), Singapore (.487), and Vietnam (.350) these values show that the above hypothesis is accepted for Myanmar but there is no significant relationship for Singapore and Vietnam among corporate governance and FDI.

The qualitative findings directed about the significant association of corporate governance with the FDI inflow however, the quantitative analysis of each individual selected ASIAN country did show a significant Pearson correlation for Cambodia and Myanmar. While it is observed from the correlation coefficient that there is not a significant relationship among these variables for Malaysia, Vietnam, Indonesia, and Singapore. So, these findings provide a detailed description of the possible relationship of corporate governance with FDI inflow. Both the qualitative as well as quantitative results about the Malaysian regions disclosed about the no relationship between the corporate governance and FDI inflow.

3. Accountancy or regulatory practices

To check the prevalence of the accountancy and regulatory practices within the ASEAN countries, again both qualitative and quantitative methodologies opted for more comprehensive research. Thus, the formulated hypotheses and the themes along with the subthemes were as below

H01: There will be a relationship between Voice and Accountability and FDI Inflow

H03: There will be a negative relation between Regulatory Quality and FDI Inflow.

Theme 5: Accountancy or regulatory practices in Southeast Asian countries

Subtheme1: The regulatory framework and its impacts

The Pearson Product Moment Correlation value for Cambodia in the case of H01 was noted as -.787** with a strong relationship between both the variables, while it was .165 for H03 and found to be no correlation in this way. In the case of Indonesia, the value of r= .660 for H01 and r= .890** for H03, the correlation results report a significant relationship for H03 and relatively weak relationship for H01. The Pearson Product Moment Correlation measurements of Malaysia, Vietnam, and Singapore exhibited no significant relationship for both H01 and H03 hypotheses. While the r= .981** for the H03 hypothesis and found to be strongly correlated while the r= .359 for H01 with no strong correlation, these values were noted for Myanmar. Therefore, for four Southeast Asian countries (Malaysia, Vietnam, Singapore, and Cambodia) the H03 hypothesis is rejected which can be interpreted as might be there is a positive correlation between the regulatory quality and FDI inflow.

While the responses of the participants revealed that there is a great importance of the regulatory framework for trust development which can help in attracting more

FDI inflow to the organisations. Nationally and internationally regulatory frameworks can greatly impact on the corporate governance practices in the Southeast Asian regions. The respondents described that the regulatory framework is a crucial factor for market capitalisation and the organisations cannot afford any negligence in this context. At the same time, some of the responses did stress on the simplicity of the regulatory frameworks for the best fit to the organisational structures because sometimes it does not fit the organisation for example in Malaysia due to the rigidness of the corporate governance structure.

4. **Level of the contribution of FDI inflow to the research region in Southeast Asia**

Previous discussion showed the relationship between corporate governance and the FDI inflow. Both qualitative and quantitative results findings disclosed relatively strong level of corporate governance as well as to some extent other developing regions in ASEAN. In similar lines, to understand the Southeast Asian regions more, further research did conduct to assess and identify the contribution ingredients to FDI inflow, the level of how organisation's core drive to these geographic territories. By using the qualitative and quantitative methods, the main theme and the subthemes to answer the above inquiry were;

Theme 3: Level of the contribution of FDI inflow to the research region in Southeast Asian Countries.

Subtheme 1: Increase the level of involvement of the board in corporate governance.

Subtheme 2: Point of view about C-level, area of improvements and its role in the corporate governance process.

H08: There will be a relationship between Governance Effectiveness and FDI Inflow.

The findings of the qualitative research described the importance of effective management to enhance foreign investment. Mainly the theme highlighted different aspects that play contributively roles in the market capitalisation and economic stability of the nations. It included corporate governance level of engagement, C-level roles, improvement areas, and procedures of CG. The findings suggested that the boards' involvement in the corporate practices consist of effective management and level of training. It was observed from the responses against this question that executives should have expertise, abilities, and responsibilities in addition to the authority and obligation.

As because without the mentioned core skills the boards cannot perform well for the betterment of the corporate governance and consequently, there will be lower FDI inflow. Thus, the process of learning is essential to acquire the knowledge of the market, planning, and strategic management, driving factors, and effective policies which can contribute to increasing the international investment. The responses explain the importance of implementation and regulation of legislative practices in line with the effective C-level and board management for the future development of the organisations. Particularly, it reported that rigid regulatory and legislation to FDI is a situation of concern in some of the ASEAN countries that can impact negatively on the FDI inflow.

The second subtheme under this theme describes some other elements which directly relate with the corporate governance and that further predicts about FDI. The responses indicated that milestone KPIs, targets achievements, budget setting, preparations of audit, financial statements, training of the employees to ensure the quality on transparency and integrity within a working environment at organisational level.

In an organisational structure where line management is a lower level addition to the C-level management, it is found to be significantly productive with concern to CG policies enactment. While one of the participants suggested the need for effective leadership in this whole scenario for the smooth functioning of the operations. In short, the findings direct about three main subjects in the context of the level of contributions of FDI inflow as the execution of KPI, effective management and training for quality performance.

The quantitative method used the hypothesis H08 for the one further step examination of the level of contribution of FDI inflow to Southeast Asian countries based on effective governance.

H08 There will be a relationship between Government Effectiveness and FDI Inflow.

The Pearson Product Moment Correlation statistics show the presence of a positive, negative, and significant relationship between the two studied variables of H08.

The values of Pearson correlation coefficient for Vietnam (.565), Singapore (-.858**), Myanmar (.945**), Malaysia (-.027), Indonesia (.697*) and Cambodia (.929**). Further, to support and assess the quantitative findings, the related qualitative theme and subthemes were constructed as;

Theme 6: Effectiveness of the Board's corporate governance.

Subtheme1: Board's selection process and key members in the corporate governance at the board level.

Subtheme 2: Factors affects the board on corporate governance.

The research findings indicated that well-structured, expert, and knowledgeable group of 4 to 5 members is suitable for the organisational performance and corporate

governance operations. Some key detected factors which impact the board were market environment, decision-making, the risk associated with the socio-cultural constructs, identifying milestones performance indicators and family members involved in the company.

Moreover, at close observation of the qualitative findings of theme 3 and subthemes also highlighted the key contribution of effective legislative practices and strict scrutiny of the corruption events in the role of corporate governance effectiveness and consequently with foreign investment. That is why the quantitative analysis of both these factors carried out as;

H04: There will be no relationship between Rule of Law and FDI Inflow.

H05: There will be a positive relationship between the Control of Corruption and FDI Inflow.

For Cambodia, the correlation coefficient r values of H04 and H05 were (-.178, .371) both revealed no correlation between the considered variables. For Indonesia (H04= .937** and H05= .809**), Malaysia (H04= .729* and H05= .718*), Myanmar (H04= .981**and H05= .976**), Singapore (H04= .412and H05= -.655*) and Vietnam (H04= .404 and H05= .824**).

The Pearson Product Moment Correlation statistics of Indonesia, Malaysia and Myanmar disclosed the positive significant correlation among rule of law and control of corruption with FDI inflow. While the r values of Singapore country did show a weak and significant correlation among the variables of H04 and H05 hypothesis respectively.

Further, in case of Vietnam, the R-value of H05 revealed significant positive correlation among a control of corruption and its role in the FDI inflow, but the H04 Pearson Product Moment Correlation statistics indicated a weak relationship between the rule of law and FDI inflow.

The Pearson Product Moment Correlation statistics of no correlation among the studied variables means the H04 hypothesis is rejected for that Southeast Asian country. The results of the quantitative analysis revealed that all the hypotheses in the case of Singapore found to be in weak and no correlation except the two hypotheses (corporate governance effectiveness and control of corruption).

In the case of Indonesia except two, all other hypotheses indicated positive and significant correlation and will be considered as accepted, quantitative analysis of Cambodia presented mixed correlation meaning some hypotheses indicated weak and some strong correlation. Likewise, Malaysia disclosed strong, weak and no correlations, the same is the case with Myanmar. However, Vietnam showed weak correlations in more hypotheses in comparison to just one strong correlation.

5.3 Discussion on other Researches

The current research work did highlight different aspects of corporate governance and its assistance in the process of foreign direct investment (FDI) growth and consistency. The instigation behind the selection of corporate governance and FDI were their importance in capitalisation both humanistic and materialistic (Simionescu and Naroş, 2019). High FDI can play a role in lowering of the poverty, increasing of opportunities, human resource development and economic growth and stability of the host (Appiah-Kubi et al., 2020). Initially, the current research selected two variables corporate governance (independent) and FDI inflow (dependent) for the study of six Southeast Asian regions. While after that the corporate governance variable had broken into further in-depth independent variables to comprehensively scale the process of FDI for selected Southeast Asian countries.

Corporate governance was divided into rule of law, control of corruption, political stability and absence of violence, accountability and voice, government

effectiveness, regulatory quality and economic growth determinants, also average combine CGI index. The comparative exploration of the understudy research with the literature empirical researches described that the current results positively contribute to the existing knowledge of FDI with corporate governance of six Southeast countries on a large scale (Appiah-Kubi et al., 2020; Mengistu and Adhikary, 2011; Quazi, 2014; Sahoo, Nataraj, and Dash, 2014).

The thematic and descriptive considerations of the corporate governance role in Southeast Asian countries during the period of 2008-2018 illustrated very valuable results. The qualitative thematic analysis represented that, to support the corporate governance structure and to successfully implement the corporate practices in the organisation, efficient board of directors, leaders, executives and management are of primary importance. Board of directors plays a role in the sustainability and maintenance of the internal and external affairs of the organisations. The board members use the corporate governance guidelines to control and evaluate the performance of the firm, implements two main tasks; provide resources to organisations and supervise the internal mechanistic processes (Pucheta-Martínez and Gallego-Álvarez, 2019). This shows the subjective requirements of the board directors as responsible, accountable and overall performance management as a supervisor, transparent and honest. All these are the characteristics of the effective board members and one of the key mediators of corporate governance. Corporate governance gives knowledge about agency problems, and short and long term strategy development (Cumming, Filatotchev, Knill, Reeb, and Senbet, 2017).

In line with the above discussion, different theoretical approaches are available in literature which highlights the mentioned roles of board and executives in the management of corporate governance. Stewardship theory, agency-based approach and

resource-based theory are some core theoretical structures which describe the concepts of corporate governance well (Pucheta-Martínez and Gallego-Álvarez, 2019).

The main emphasis of agency theory is on the mitigation of the firms' internal problems and issues of the employees and tries to resolve them on priority bases. Board of directors monitoring for performance evaluation and facilitating of the corporate practices. It can also define as risk management of the corruption and fraudulent activities by vigilant supervision of the internal mechanism (Pucheta-Martínez and Gallego-Álvarez, 2019). Stewardship framework addresses the organisational issues and works for the shareholders' and stakeholders' interest. It relies on the executives, managers and directors which protect the firms' interest and strive for high turnover to firms (Zhang, Wei, Yang, and Zhu, 2018). Divergent to the agency-based approach which focuses on just the supervisory role of the top management, the resource-based theory highlights the values, resources and advantages which the top executives provide to the firm using their expertise, market knowledge and experiences. It helps in the reduction of the transactional cost and supports the subsistence of the organisation (Popli, Ladkani, and Gaur, 2017)

The critical examination of the current research in line with literature disclosed the observation of positive and negative impacts of selected variables on the FDI inflow. Different determinants revealed different results of FDI for Southeast Asian regions, this can explain based on different corporate cultural practices in the relevant geographic domains. The current research reports that effective, vigilant, good and credible governance influences or attracts high FDI in the destination country. This finding is observed for Cambodia, Indonesia, Myanmar and Vietnam as because of the strong relationship between the governance effectiveness and FDI inflow. These results found to be in agreement with a recent research study (Appiah-Kubi et al., 2020). The Research study of Appiah-Kubi and co-workers has been conducted to assess the

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dependence of FDI inflow on the active corporate governance of 17 West African countries. The research concluded that, effective management (or governance) and ethical commitment support in the improvement of the FDI inflow in the host country. Further, the researchers explained the insignificant relationship between FDI inflow and regulation in security.

Control on corruption results of all the currently studied Southeast countries except Singapore reveal the positive impact on FDI inflow, in another way it can describe as development in the control on corruption process will help to increase the FDI inflow. Relatively similar research findings have been reported in 2019 research study (Belgibayeva and Plekhanov, 2019). While in the case of Singapore strong negative correlation observed between control on corruption and FDI inflow, which points in the direction of negative influences of corruption on FDI inflow.

Overall, the hypothesis testing results represent that corporate governance, voice and accountability, political stability, control on corruption, average combine CGI index and governance effectiveness all positively related with FDI inflow, while regulatory quality and rule of law are negatively associated with FDI inflow. Some of the results observed to be in line with (Jadhav, 2012). While the literature research concluded that in comparison to institutional elements, the economic determinants can derive the FDI inflow more effectively to the destination firm or country (Jadhav, 2012).

5.4 Practical Implications/ Recommendations

1. There are shreds of evidence in the literature which guide about the positive influence of FDI to the market stability, technology transfer, economic stability, productivity of local corporations, market expansion, stability with power and sustainable development of the nations (Ramasamy, Yeung, and Laforet, 2012). Previous studies and researchers have also made it clear that the level of FDI inflow can

be evaluated using the level of implementation of corporate governance in the destination country (Alsubaie, 2012; Chevalier, Prasetyantoko, and Rokhim, 2006; Malikane and Chitambara, 2017). The firms which plan to expand in the foreign or international markets, need to examine thoroughly the established corporate governance because it helps to identify the strengths, weaknesses, drivers, and inhibitors of the FDI inflow. That is why for active FDI inflow, the implementation of the corporate practices should be the priority of the firms. The current research results have been represented the same correlation among corporate governance and FDI inflow in the targeted Southeast Asian regions in accordance with the literature (Appiah-Kubi et al., 2020; García-Sánchez and García-Meca, 2018; Shah and Afridi, 2015)

2. The subject of corporate governance under the foreign direct investment inflow to Indonesia, Malaysia, Vietnam, Myanmar, Singapore and Cambodia did not explore comprehensively before. Therefore, the present research has been conducted to analyse the individual as well as comparative in-depth research of the selected Southeast Asian countries about the role of corporate governance to the FDI inflow. One of the various novel points of the current study is the detailed individual and comparative analysis of Malaysia, Myanmar, Singapore, Cambodia, Indonesia, and Vietnam.

3. The understudy research discloses about the correlation of average combine CGI index, control of corruption, rule of law, regulatory quality, political stability and absence of violence/terrorism, voice and accountability and effective governance (government) with foreign direct investment inflow in the ASEAN regions. It described the individual correlations and comparative analysis of different countries. Some of the correlations explain the positive influence of the mentioned variables whereas some represent negative influence without the description of the cultural, geographic, and other demographic constructs. The effective government or/ governance has the ability, resources, position and power to implement green strategies and gives importance to

quality services with accountability and this influences constructively on attracting the good number of foreign investment (Appiah-Kubi et al., 2020).

4. The present research reports that rule of law and regulatory quality did not show significant correlation with the FDI inflow and found to be in agreement with (Appiah-Kubi et al., 2020), whereas on the other hand, the literature study reported significant correlation (Jadhav, 2012). It might be due to the cultural differences, economic factors, level of corporate governance implementation and the processed data time differences (current research dealing with 2008-2018 data while the literature one was about 2000-2009). The current research has been dealing with the Southeast Asian countries while the literature study was about South Africa, China, India, Russia and Brazil economies (Jadhav, 2012). However, except for the rule of law and regulatory quality correlations, all other findings are in line with the literature (Appiah-Kubi et al., 2020; Jadhav, 2012).

5. The individual correlations and the comparative analysis of the hypotheses testing results show that political stability impacts positively on the FDI inflow. The more stable political environment ensures the safety of the FDI in the host nation and encourages the investment (Tian, Corlett, and Murray, 2017). With concern to the efforts to control corruption, it can impact on the foreign investors to do investments in the low corruption countries. Because of the dominance of the corruption inhibits the FDI or the trust of the foreign investors (Shah and Afridi, 2015). Accountability practices report significant impacts on the inward FDI while the literature study disclosed no significant relationship (Fereidouni, Masron, and Amiri, 2011).

6. Also, with the descriptive and correlation statistical analysis, the qualitative thematic analysis has been performed for further in-depth identification of the involved determinants in the systematic FDI inflow. The thematic analysis depicts the responses majorly as; the effectiveness of the boards in corporate governance, accountancy and

regulatory practices in the Southeast Asian countries, corporate governance strategy and process in the Southeast Asian regions, level of the contribution of FDI inflow to the research regions, the board of corporate governance in the Southeast Asian countries and corporate governance prediction about the FDI in Southeast Asia.

7. The thematic analysis reveals that the competent board of directors are building block of corporate governance. The boards work with competency, knowledge, efficiently, ability and sense of accountability. The boards, top management, executives, and auditors must be responsive and conscious about their responsibilities in concern to corporate governance implementation. As because the effective governance or/government potentially attracts the FDIs and in return provides investor protection interest and safety. Competent managerial authorities figure out the ways to improve the FDI inflow and minimize underinvestment perceptions (García-Sánchez and García-Meca, 2018; Saini and Singhania, 2018). During the recruitment of the employees (managerial staff), there is a need time to time training of the employees to educate them about the strategies, short and long term planning to influence the FDI inflow positively, all practical implication observed to be in line with recently published research (García-Sánchez and García-Meca, 2018).

8. The present thematic analysis shows that it is the responsibility of the corporate management, line management and C-level to identify the inhibitors and determinants which influence negatively the FDI inflow and damage the market capital of the organisations. The qualitative thematic investigations and correlation, hypothesis testing represent that on high institutional level corruption, inappropriate strategies, inefficient planning, the inefficiency of the risk management and the lack of training, effective management skills and KPI implementation all influence negatively on the FDI inflow. That is why there is a strong need for effective management and corporate

governance to regulate and facilitate the FDI inflow to the host country (García-Sánchez and García-Meca, 2018; Saini and Singhania, 2018)

9.   The current research thematic findings conclude that the KPI implementation can play a significantly positive role in the context of the research because the KPI represents overall organisational performance. Regular review of the organisational KPI guides to management about the current situation of the organisation and future planning to improve the inward FDI, these findings are found to be in agreement with the peer-reviewed published researches (Borin and Mancini, 2016; Hoshi, 2018; Hristov and Chirico, 2019)

5.5 Contributions to Knowledge

This research study mainly emphases on exploring the relationship between corporate governance and inflow of foreign direct investments, the qualitative and quantitative approach, and thematic analysis of exploring respondents' experience on the research topic can be valued which adds value to the existing knowledge pool in the scope of both governance and the inflow of foreign direct investments to emerging economies.

1) Laying foundation for future research: Although there are extensive literature and framework regarding governance and its indicators and foreign investments, the research study leads back to the initial research questions exploring a richer and in-depth understanding of relationships between the variables from qualitative approach and further strengthen and confirmation through a secondary statistical analysis of these variables. The existing literature of the research topic indicated that little, or limited research was conducted on the qualitative approach of exploring the underlying concerns or experience of how effectiveness and robustness of governance indictors attract foreign investments. This descriptive exploratory approach of mixed-method

research study, the findings and experience offer an insight to the respondents' experience and can serve as a useful example or foundation for further research and or future researchers taking on similar research topic area on corporate governance and FDI.

2) The contribution of knowledge to management in organisations as having good corporate governance sentiments vary amongst developing Southeast Asia countries. The current research study has shown authoritative or family-owned organisation urgently requires needed organisational transformation in terms of leadership style and good corporate culture that should align for FDI, organisation growth and support corporate level for managerial decision-making.

5.6 Limitations and Future Research Directions

5.6.1 Limitations of the current research

As with the majority of studies, the research approaches and analysis are subjected to certain limitations and should be borne in mind to address them accordingly for future research. The research work directs the institutional, economic, and political determinants of corporate governance that control, attract, and improve the FDI inflow or foreign investment. Overall, the present research is a comprehensive approach to identify the level of corporate governance in the Southeast Asian Countries and its role in the improvement and attraction of the foreign investors and foreign direct investment to the host country. The present study has been used in both qualitative and quantitative research design. In qualitative methodology, interview semi-structured schedule developed for the data collection and the thematic analysis of the responses were carried out. The qualitative research approach applied in understudy research was through Descriptive Exploratory approach.

The primary sample population was relatively small and inclusion criteria were above 6-year experience of corporate governance and relevant interaction with the FDI inflow and investors. The population was the managerial authorities of corporate and top executives of the Southeast Asian countries. It was inclusion criterion that the population should be the managerial authorities, executives and board members as because they have the direct interaction and relatively high experience of the agency's FDI activities, planning and strategies. However, the participants' natural ability to recall, attitude, behaviour, the capacity of the environmental interaction, personality constructs can impact on their responses as well as the generalisation of the outcomes to some extent. The respondent behaviour and cognitive determinants about the clarity and reviewing of the particular information can also vary and did not consider in the research work. The candidates that were suitable as respondents or subjects was through a deductive reasoning approach. The deductive reasoning implicated the different number of filters to reach the target population; the companies involved in the actual FDI inflow transactions and excluded the non-target companies from the pool of Southeast Asian companies. To contact the target group of companies for assessing the FDI inflow, applied filters were as, acquisition of the investment, nature of the investment, and matching industry.

The purposive or judgemental sampling method was used for the sample selection and sampling method does not influence by the researchers' choice instead it focuses on the purpose of the observation and characteristics of the sample. The researcher's knowledge is to achieve a sample that can represents a population being studied. However, there may be instances that other researcher judgemental sampling may be vulnerable to errors and bias and may compromise the aspiration of this research study. Further, in line with the discussion, the present research selected 6 Southeast Asian countries as (Indonesia, Malaysia, Myanmar, Singapore, Vietnam and Cambodia)

from the total as because of the current Covid19 pandemic, time, cost and resource availability. As inclusion criteria, the candidates must all have relevant experience in Corporate Governance and FDI knowledge interacting these six emerging countries to assure that the sample represents the population.

In the secondary data source, Foreign direct investment was the dependent variable of the research while all the other variables were independent. Independent factors were studied to understand the level, dependency, and prediction of FDI inflow into the sample countries in the Southeast Asian region. The quality issue is prevailing as the quality of secondary data is out of range for the researcher. The data collected by the government officials may be according to their own motivations and may not include, partially include or tempered inclusion of the required variables of the study. Also, the government figures and statistics may not be reliable due to poor governance in the region. The government statistics may be corrupted and manipulated for political purposes which will affect the quality of the research study.

Other potential limitations of research work and future research directions may include;

i. problematic conditions for collecting the primary data of the companies due to familiar capitalism which sometimes consider it unfair and risky to share its accurate data. They either refuse to provide or manipulate it to the unacceptable level.

ii. Time constraints and further costs of future research may be too expensive for a single researcher and can affect the research as the operations, printing and travelling may pose higher costs resulting in compromise on the quality of the work.

iii. Companies or individuals may not be willing to share the findings and the practices of the company to maintain the secrecy and to avoid the possible threat to the reputation of the company.

iv. The selected candidates as research interview sample may not reflect or represent the sample countries' general population within the ASEAN region. The term sample bias or the number of sample size may need to be increased and or balanced, a proportion to truly represent each industry across each country.

v. Implementation of hypotheses testing may be limited due to the unavailability of data. The data quality may also limit the secondary quantitative models and may even produce irrational results reducing the quality of the research work.

vi. All the discussion in this section discloses the potential limitations of the current and future research work.

5.6.2 Possible recommendations for future research

Like many researches, this research study is without limitations, and based on the data in this research study and the conclusions drawn, the recommendations for future relevant research topics are:

Additional research is needed on the actual economic growth measures, other than governance framework policies, as it can explore a more accurate picture of the vice versa impact between foreign direct investments and its benefit factors on the host country's growth. Additional research is needed to determine social-cultural differences related to how their social-cultural background may impact their perceptions about foreign investors so that future researchers may design their research processes to interpret respondents' data and their perceptions more accurately. Another additional research may be needed to further probe the respondents on their participation,

especially on their additional commitments, outside the work responsibilities to see how their shared responses and experience may differ from one another. Some social activities can sometimes impact the quality of data collected, and the researcher may need to factor that in when interpreting the data.

While several limitations were highlighted in this research, and some were addressed in this section and in the research discussion, other remains. Future additional research may also take on either a Qualitative or Quantitative method so that the researcher can have a dedicated approach to collect its data. Scientifically a quantitative approach is straightforward and objective, which may be beneficial to an organisation located in Southeast Asia as there is a greater opportunity for them to access the findings and results of a research study. Vast language barrier still exists in Asia, and with quantitative findings, it may help make informed managerial decision making without the language constraints, as numbers, figures and statistics are easier to comprehend.

5.6.3 Other Future Research Directions

The mentioned limitations of the present study guide about the possible future perspectives or the future scope of the understudy research. First, in future, there will be a chance to expand the current research to other Southeast Asian countries. Larger sample size may be needed to analyse for the generalisation of the outcomes to the Southeast Asian countries. In addition to correlation statistics, pair group statistics, multiple regression analysis can also be applied for the further detailed analysis of the responses. Cross-country research can also have scope to analyse the key cultural constructs which drive and inhibit the FDI inflow. In addition to the greater number of Southeast Asian countries, the range of other factors has scope or room to further explore the process of FDI inflow. The recent literature reported some of the other

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involved variables which control and direct the FDI inflow and investor interest in a broader context (Asongu, Akpan, and Isihak, 2018).

Some of the future research direction of the present work with concern to currently studied Southeast Asian countries are;

i. To analyse the significance of the investment in the national capital to FDI inflow (Asongu et al., 2018)

ii. To identify the association between the FDI inflow and technology prevalence (Asongu et al., 2018)

iii. To find out the relationship between the market size (based on GDP) and FDI inflow (Asongu et al., 2018)

iv. To assess the correlation between market-seeking intentions and FDI inflow to the host country (Asongu et al., 2018)

v. To find out the relationship between trade or economic openness and FDI inflow (Asongu et al., 2018; Shah and Afridi, 2015)

vi. To analyse the association between the performance in emerging markets and FDI inflow (Klapper and Love, 2004).

vii. To evaluate the connection between geographical distance and inward FDI (Cuyvers, Soeng, Plasmans, and Van Den Bulcke, 2011).

viii. To identify the association between the host-infrastructure resources and the FDI inflow (Asongu et al., 2018)

ix. To find out the relationship between the availability of natural resources and inward FDI (Asongu et al., 2018)

x. To understand the correlation between institutional quality and FDI inflow (Chevalier et al., 2006).

xi. To analyse the association of investment in human capital and inward FDI (Fadhil and Almsafir, 2015; Shah and Afridi, 2015)

xii.   To consider the relationship between the protection of investors' interest and FDI inflow (Appiah-Kubi et al., 2020; Klapper and Love, 2004)

xiii.   To study the relationship between the ethical commitments of management and FDI inflow (Appiah-Kubi et al., 2020)

xiv.   To identify the relationship between the supportive institutional culture and FDI inflow (Wanyama, Burton, and Helliar, 2009)

xv.   To highlight the significance of the inflation rate or macroeconomic stability to the FDI inflow.

xvi.   What can be the maximum possible economic factors which help in FDI inflow?

xvii.   To study the connection between the diversity in the boards of corporate governance and FDI inflow.

xviii.   To analyse the association between the development level of the host country or firm to the FDI inflow (Fadhil and Almsafir, 2015; Shah and Afridi, 2015).

xix.   To assess the relationship between the foreign exchange environment and inward FDI (Appiah-Kubi et al., 2020; Fadhil and Almsafir, 2015).

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APPENDIX A - Interview schedule (Version 1)

Dear Respondent

I am candidate of Professional Doctorate in Business Administration at the University of Wales Trinity Saint David. I am working on my doctoral research thesis and the topic of my research is "The Role of Corporate Governance to Foreign Direct Investments on Emerging Countries in South East Asia" for this I need your opinion on this semi structured research interview schedule/ audio recorded interview. All the information and data provided will be treated strictly confidential. No individual information will be identified from the report. The data collected through this interview will not be used for any propose except research context.

The respondents are completely voluntary for participating this interview for the purpose of completing this research thesis. Respondents can withdraw from the participation of this interview at any point of time.

Position Title:
Number of years of employment in this organisation:

Thank you for your cooperation.

Roy Kok Meng YAP

Interview Schedule for respondents (ver.1)

1. What role do you think the board should play in the organisation's corporate governance strategy and execution in terms of attracting foreign direct investments? (Advisory vs monitoring or not at all?)

2. What are the key areas that should fall under board governance for foreign direct investments?

Examples:

• Reviewing governance strategies (Why, What, How much?)

• Managing corporate governance (How)

• Auditing governance effectiveness and assessing governance

performance (Outcome)

• Appointing top management with corporate governance focus (Who)

3. To what extend (on a scale of 0-10, 10 being most extensive) do you think boards in ASEAN countries (mentioned) are driving corporate governance?

Why? (competency, awareness of the role, clarity of processes and structure)

Can you explain the rationale behind your rating?

4. What do you think needs to be done to increase the level of involvement of the board in corporate governance?

5. How would a regulatory framework help, and where would it hurt?

The current state of corporate governance

1. On a scale of 0-10, how would you rate the importance of corporate governance to your company? 0 being totally not and 10 being highly important.

Can you explain the rationale behind your rating?

2. On a scale of 0-10, how would you rate your company in terms of Corporate governance effectiveness? 0 being totally not and 10 being highly effective.

Can you explain the rationale behind your rating?

Corporate Governance Strategy and Process

1. Do you have a corporate governance strategy? Can you describe it? (Why, Where, What, When, Who, How)

2. Who is responsible for driving the corporate governance strategy in the company?

3. How often is the strategy being reviewed and who monitors the progress?

4. What is your current percentage of the foreign direct investment portfolio?

Roles of Board vs C-level

1. From your view, what have the board done well, and what are the area of improvements needed to drive effective corporate governance?

2. How about C-level? What role do they play in the corporate governance process? What have the executives done well, and what is the area of improvements needed to drive effective in managing governance.

Antecedents to Board's effectiveness in driving corporate governance

1. How are the boards selected? Are there key members who are driving corporate governance at the board level?

2. What are the factors that you felt affects the focus of the board on corporate governance?

APPENDIX B - 6 Countries CGI Components and Foreign

Direct Investments

Cambodia Appendix

Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-1.22	-.91	-1.0348	.10995
Political Stability and Absence of Violence/Terrorism	11	-.56	.21	-.1284	.25830
Government Effectiveness	11	-.99	-.57	-.7974	.14136
Regulatory Quality	11	-.58	-.34	-.4630	.07391
Rule of Law	11	-1.15	-.96	-1.0529	.06669
Control of Corruption	11	-1.33	-1.05	-1.1960	.09137
Average Combine CGI Index	11	-.87	-.71	-.7787	.06145
Economic Growth	11	.10	7.50	6.3818	2.12171
FDI Inflow	11	815180218.00	3102579484.00	1891086150.3909	714839051.33923
Valid N (listwise)	11				

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CORRELATIONS
  /VARIABLES=VA PS GOE RQ ROL COC ACI EG FDI
  /PRINT=TWOTAIL NOSIG
  /MISSING=PAIRWISE.
```

Correlations

		VA	PV	GE	RQ	RL	CC	CGI	EG	FDI
Voice and Accountability	Pearson Correlation	-.787**	-.868**	-.929**	.165	-.178	.371	-.573	-.433	-.802**
	Sig. (2-tailed)		.001	.000	.629	.600	.262	.065	.184	.003
	N	11	11	11	11	11	11	11	11	11
Political Stability and Absence of Violence/Terrorism	Pearson Correlation	-.868**	1	.871**	.051	.460	-.128	.837**	.646*	.818**
	Sig. (2-tailed)	.001		.000	.881	.155	.708	.001	.032	.002
	N	11	11	11	11	11	11	11	11	11
Government Effectiveness	Pearson Correlation	-.929**	.871**	1	-.220	.344	-.322	.655*	.431	.863**
	Sig. (2-tailed)	.000	.000		.515	.300	.334	.029	.186	.001
	N	11	11	11	11	11	11	11	11	11
Regulatory Quality	Pearson Correlation	.165	.051	-.220	1	.340	.663*	.427	.143	.007
	Sig. (2-tailed)	.629	.881	.515		.306	.026	.191	.676	.985
	N	11	11	11	11	11	11	11	11	11
Rule of Law	Pearson Correlation	-.178	.460	.344	.340	1	.683*	.819**	.399	.249
	Sig. (2-tailed)	.600	.155	.300	.306		.021	.002	.224	.460
	N	11	11	11	11	11	11	11	11	11
Control of Corruption	Pearson Correlation	.371	-.128	-.322	.663*	.683*	1	.402	-.029	-.306
	Sig. (2-tailed)	.262	.708	.334	.026	.021		.221	.931	.360
	N	11	11	11	11	11	11	11	11	11
Average Combine CGI Index	Pearson Correlation	-.573	.837**	.655*	.427	.819**	.402	1	.582	.636*
	Sig. (2-tailed)	.065	.001	.029	.191	.002	.221		.060	.036
	N	11	11	11	11	11	11	11	11	11
Economic Growth	Pearson Correlation	-.433	.646*	.431	.143	.399	-.029	.582	1	.536
	Sig. (2-tailed)	.184	.032	.186	.676	.224	.931	.060		.089
	N	11	11	11	11	11	11	11	11	11
FDI Inflow	Pearson Correlation	-.802**	.818**	.863**	.007	.249	-.306	.636*	.536	1
	Sig. (2-tailed)	.003	.002	.001	.985	.460	.360	.036	.089	
	N	11	11	11	11	11	11	11	11	11

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

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

Appendix- Indonesia
Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-.04	.18	.0782	.08663
Political Stability and Absence of Violence/Terrorism	11	-1.06	-.37	-.6348	.20492
Government Effectiveness	11	-.30	.18	-.1391	.15902
Regulatory Quality	11	-.42	-.07	-.2343	.12302
Rule of Law	11	-.65	-.31	-.4879	.13432
Control of Corruption	11	-.84	-.25	-.5512	.19226
Average Combine CGI Index	11	-.49	-.14	-.3282	.13613
Economic Growth	11	4.60	6.20	5.4364	.58013
FDI Inflow	11	4541713739.00	25120732060.00	16772268254.3636	7268936832.49741
Valid N (listwise)	11				

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CORRELATIONS
  /VARIABLES=VA PS GOE RQ ROL COC ACI EG FDI
  /PRINT=TWOTAIL NOSIG
  /MISSING=PAIRWISE.
```

Correlations

		VA	PV	GE	RQ	RL	CC	CGI	EG	FDI
Voice and Accountability	Pearson Correlation	.660	.778**	.697*	.890**	.937**	.809**	.916**	-.641*	.242
	Sig. (2-tailed)		.005	.017	.000	.000	.003	.000	.034	.474
	N	11	11	11	11	11	11	11	11	11
Political Stability and Absence of Violence/Terrorism	Pearson Correlation	.778**	1	.602	.844**	.836**	.547	.844**	-.555	.323
	Sig. (2-tailed)	.005		.050	.001	.001	.082	.001	.076	.333
	N	11	11	11	11	11	11	11	11	11
Government Effectiveness	Pearson Correlation	.697*	.602	1	.846**	.855**	.850**	.888**	-.376	.152
	Sig. (2-tailed)	.017	.050		.001	.001	.001	.000	.255	.656
	N	11	11	11	11	11	11	11	11	11
Regulatory Quality	Pearson Correlation	.890**	.844**	.846**	1	.954**	.851**	.979**	-.560	.334
	Sig. (2-tailed)	.000	.001	.001		.000	.001	.000	.073	.315
	N	11	11	11	11	11	11	11	11	11
Rule of Law	Pearson Correlation	.937**	.836**	.855**	.954**	1	.841**	.982**	-.642*	.257
	Sig. (2-tailed)	.000	.001	.001	.000		.001	.000	.033	.445
	N	11	11	11	11	11	11	11	11	11
Control of Corruption	Pearson Correlation	.809**	.547	.850**	.851**	.841**	1	.890**	-.354	.220
	Sig. (2-tailed)	.003	.082	.001	.001	.001		.000	.286	.515
	N	11	11	11	11	11	11	11	11	11
Average Combine CGI Index	Pearson Correlation	.916**	.844**	.888**	.979**	.982**	.890**	1	-.553	.281
	Sig. (2-tailed)	.000	.001	.000	.000	.000	.000		.077	.403
	N	11	11	11	11	11	11	11	11	11
Economic Growth	Pearson Correlation	-.641*	-.555	-.376	-.560	-.642*	-.354	-.553	1	.217
	Sig. (2-tailed)	.034	.076	.255	.073	.033	.286	.077		.522
	N	11	11	11	11	11	11	11	11	11
FDI Inflow	Pearson Correlation	.242	.323	.152	.334	.257	.220	.281	.217	1
	Sig. (2-tailed)	.474	.333	.656	.315	.445	.515	.403	.522	
	N	11	11	11	11	11	11	11	11	11

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

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

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Appendix- Malaysia
Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-.56	-.08	-.3984	.12710
Political Stability and Absence of Violence/Terrorism	11	-.04	.27	.1227	.10198
Government Effectiveness	11	.83	1.12	.9988	.10129
Regulatory Quality	11	.30	.84	.6060	.16631
Rule of Law	11	.34	.62	.4805	.07645
Control of Corruption	11	-.06	.41	.1532	.16374
Average Combine CGI Index	11	.19	.48	.3271	.09227
Economic Growth	11	-1.50	7.40	4.7455	2.23131
FDI Inflow	11	114664434.60	15119371191.00	9615405789.6909	3831011972.84669
Valid N (listwise)	11				

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CORRELATIONS
  /VARIABLES=VA PS GOE RQ ROL COC ACI EG FDI
  /PRINT=TWOTAIL NOSIG
  /MISSING=PAIRWISE.
```

Correlations

		VA	PV	GE	RQ	RL	CC	CGI	EG	FDI
Voice and Accountability	Pearson Correlation	.809*	.406	-.027	.543	.729*	.718*	.776**	.144	.100
	Sig. (2-tailed)		.216	.938	.084	.011	.013	.005	.673	.771
	N	11	11	11	11	11	11	11	11	11
Political Stability and Absence of Violence/Terrorism	Pearson Correlation	.406	1	.294	.709*	.599	.501	.775**	.516	.374
	Sig. (2-tailed)	.216		.380	.015	.052	.116	.005	.104	.257
	N	11	11	11	11	11	11	11	11	11
Government Effectiveness	Pearson Correlation	-.027	.294	1	-.171	.227	.192	.268	.171	-.049
	Sig. (2-tailed)	.938	.380		.615	.502	.573	.426	.616	.886
	N	11	11	11	11	11	11	11	11	11
Regulatory Quality	Pearson Correlation	.543	.709*	-.171	1	.643*	.722*	.827**	.582	.622*
	Sig. (2-tailed)	.084	.015	.615		.033	.012	.002	.060	.041
	N	11	11	11	11	11	11	11	11	11
Rule of Law	Pearson Correlation	.729*	.599	.227	.643*	1	.659*	.846**	.115	.166
	Sig. (2-tailed)	.011	.052	.502	.033		.027	.001	.737	.626
	N	11	11	11	11	11	11	11	11	11
Control of Corruption	Pearson Correlation	.718*	.501	.192	.722*	.659*	1	.896**	.368	.292
	Sig. (2-tailed)	.013	.116	.573	.012	.027		.000	.265	.384
	N	11	11	11	11	11	11	11	11	11
Average Combine CGI Index	Pearson Correlation	.776**	.775**	.268	.827**	.846**	.896**	1	.459	.379
	Sig. (2-tailed)	.005	.005	.426	.002	.001	.000		.156	.250
	N	11	11	11	11	11	11	11	11	11
Economic Growth	Pearson Correlation	.144	.516	.171	.582	.115	.368	.459	1	.765**
	Sig. (2-tailed)	.673	.104	.616	.060	.737	.265	.156		.006
	N	11	11	11	11	11	11	11	11	11
FDI Inflow	Pearson Correlation	.100	.374	-.049	.622*	.166	.292	.379	.765**	1
	Sig. (2-tailed)	.771	.257	.886	.041	.626	.384	.250	.006	
	N	11	11	11	11	11	11	11	11	11

*. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

Appendix- Myanmar
Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-2.21	-.80	-1.4994	.52801
Political Stability and Absence of Violence/Terrorism	11	-1.31	-.80	-1.1199	.15157
Government Effectiveness	11	-1.62	-.98	-1.3594	.24454
Regulatory Quality	11	-2.24	-.75	-1.5620	.59442
Rule of Law	11	-1.55	-.89	-1.2669	.23938
Control of Corruption	11	-1.67	-.57	-1.0994	.45292
Average Combine CGI Index	11	-1.75	-.83	-1.3178	.34851
Economic Growth	11	5.60	10.60	7.7727	1.73037
FDI Inflow	11	863880447.30	4083839112.00	2162075595.4727	1198125422.75657
Valid N (listwise)	11				

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CORRELATIONS
  /VARIABLES=VA PS GOE RQ ROL COC ACI EG FDI
  /PRINT=TWOTAIL NOSIG
  /MISSING=PAIRWISE.
```

Correlations

Voice and Accountability	Pearson Correlation	-.021	.359	.945**	.987**	.981**	.976**	.993**	-.750**	.680*
	Sig. (2-tailed)		.278	.000	.000	.000	.000	.000	.008	.021
	N	11	11	11	11	11	11	11	11	11
Political Stability and Absence of Violence/Terrorism	Pearson Correlation	.359	1	.366	.267	.429	.360	.409	-.417	.393
	Sig. (2-tailed)	.278		.268	.426	.188	.277	.212	.202	.232
	N	11	11	11	11	11	11	11	11	11
Government Effectiveness	Pearson Correlation	.945**	.366	1	.958**	.951**	.923**	.963**	-.623*	.615*
	Sig. (2-tailed)	.000	.268		.000	.000	.000	.000	.041	.044
	N	11	11	11	11	11	11	11	11	11
Regulatory Quality	Pearson Correlation	.987**	.267	.958**	1	.971**	.977**	.988**	-.663*	.638*
	Sig. (2-tailed)	.000	.426	.000		.000	.000	.000	.026	.035
	N	11	11	11	11	11	11	11	11	11
Rule of Law	Pearson Correlation	.981**	.429	.951**	.971**	1	.954**	.987**	-.691*	.657*
	Sig. (2-tailed)	.000	.188	.000	.000		.000	.000	.018	.028
	N	11	11	11	11	11	11	11	11	11
Control of Corruption	Pearson Correlation	.976**	.360	.923**	.977**	.954**	1	.984**	-.650*	.624*
	Sig. (2-tailed)	.000	.277	.000	.000	.000		.000	.030	.040
	N	11	11	11	11	11	11	11	11	11
Average Combine CGI Index	Pearson Correlation	.993**	.409	.963**	.988**	.987**	.984**	1	-.701*	.664*
	Sig. (2-tailed)	.000	.212	.000	.000	.000	.000		.016	.026
	N	11	11	11	11	11	11	11	11	11
Economic Growth	Pearson Correlation	-.750**	-.417	-.623*	-.663*	-.691*	-.650*	-.701*	1	-.613*
	Sig. (2-tailed)	.008	.202	.041	.026	.018	.030	.016		.045
	N	11	11	11	11	11	11	11	11	11
FDI Inflow	Pearson Correlation	.680*	.393	.615*	.638*	.657*	.624*	.664*	-.613*	1
	Sig. (2-tailed)	.021	.232	.044	.035	.028	.040	.026	.045	
	N	11	11	11	11	11	11	11	11	11

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

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

Appendix- Singapore
Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-.33	.05	-.1300	.11409
Political Stability and Absence of Violence/Terrorism	11	1.17	1.62	1.3411	.15256
Government Effectiveness	11	2.09	2.44	2.2214	.08741
Regulatory Quality	11	1.78	2.26	2.0073	.18527
Rule of Law	11	1.57	1.84	1.7305	.10204
Control of Corruption	11	2.07	2.25	2.1379	.05910
Average Combine CGI Index	11	1.46	1.64	1.5514	.06380
Economic Growth	11	.10	14.50	4.4182	3.70346
FDI Inflow	11	12200705252.00	94811159187.00	58984561288.0000	24120277571.65146
Valid N (listwise)	11				

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CORRELATIONS
  /VARIABLES=VA PS GOE RQ ROL COC ACI EG FDI
  /PRINT=TWOTAIL NOSIG
  /MISSING=PAIRWISE.
```

Correlations

Voice and Accountability	Pearson Correlation	.488	.176	-.858**	.236	.412	-.655*	.295	.037	.487
	Sig. (2-tailed)		.606	.001	.485	.208	.029	.378	.914	.129
	N	11	11	11	11	11	11	11	11	11
Political Stability and Absence of Violence/Terrorism	Pearson Correlation	.176	1	-.017	.493	.607*	-.099	.832**	-.354	.595
	Sig. (2-tailed)	.606		.959	.123	.048	.773	.001	.286	.054
	N	11	11	11	11	11	11	11	11	11
Government Effectiveness	Pearson Correlation	-.858**	-.017	1	-.188	-.365	.813**	-.097	-.197	-.570
	Sig. (2-tailed)	.001	.959		.580	.270	.002	.777	.561	.067
	N	11	11	11	11	11	11	11	11	11
Regulatory Quality	Pearson Correlation	.236	.493	-.188	1	.926**	-.590	.864**	-.302	.708*
	Sig. (2-tailed)	.485	.123	.580		.000	.056	.001	.367	.015
	N	11	11	11	11	11	11	11	11	11
Rule of Law	Pearson Correlation	.412	.607*	-.365	.926**	1	-.643*	.897**	-.152	.878**
	Sig. (2-tailed)	.208	.048	.270	.000		.033	.000	.656	.000
	N	11	11	11	11	11	11	11	11	11
Control of Corruption	Pearson Correlation	-.655*	-.099	.813**	-.590	-.643*	1	-.352	-.069	-.649*
	Sig. (2-tailed)	.029	.773	.002	.056	.033		.289	.839	.031
	N	11	11	11	11	11	11	11	11	11
Average Combine CGI Index	Pearson Correlation	.295	.832**	-.097	.864**	.897**	-.352	1	-.372	.729*
	Sig. (2-tailed)	.378	.001	.777	.001	.000	.289		.260	.011
	N	11	11	11	11	11	11	11	11	11
Economic Growth	Pearson Correlation	.037	-.354	-.197	-.302	-.152	-.069	-.372	1	.134
	Sig. (2-tailed)	.914	.286	.561	.367	.656	.839	.260		.695
	N	11	11	11	11	11	11	11	11	11
FDI Inflow	Pearson Correlation	.487	.595	-.570	.708*	.878**	-.649*	.729*	.134	1
	Sig. (2-tailed)	.129	.054	.067	.015	.000	.031	.011	.695	
	N	11	11	11	11	11	11	11	11	11

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

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

APPENDIX- Vietnam
Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Years	11	2008.00	2018.00	2013.0000	3.31662
Voice and Accountability	11	-1.50	-1.36	-1.4253	.05352
Political Stability and Absence of Violence/Terrorism	11	-.02	.29	.1877	.09482
Government Effectiveness	11	-.27	.07	-.1338	.13704
Regulatory Quality	11	-.67	-.39	-.5522	.10210
Rule of Law	11	-.59	.08	-.3423	.26270
Control of Corruption	11	-.71	-.43	-.5338	.08901
Average Combine CGI Index	11	-.57	-.33	-.4666	.09325
Economic Growth	11	5.20	7.10	6.1000	.62610
FDI Inflow	11	7430000000.00	15500000000.00	10279727272.7273	2779475565.31476
Valid N (listwise)	11				

350

Voice and Accountability	Pearson Correlation	.309	-.204	.565	.314	.404	.824**	.577	.101	.350
	Sig. (2-tailed)		.547	.070	.347	.218	.002	.063	.767	.292
	N	11	11	11	11	11	11	11	11	11
Political Stability and Absence of Violence/Terrorism	Pearson Correlation	-.204	1	-.279	.052	.150	-.274	.118	-.229	.098
	Sig. (2-tailed)	.547		.406	.878	.659	.415	.729	.498	.775
	N	11	11	11	11	11	11	11	11	11
Government Effectiveness	Pearson Correlation	.565	-.279	1	.890**	.841**	.531	.894**	.751**	.843**
	Sig. (2-tailed)	.070	.406		.000	.001	.093	.000	.008	.001
	N	11	11	11	11	11	11	11	11	11
Regulatory Quality	Pearson Correlation	.314	.052	.890**	1	.928**	.311	.925**	.857**	.947**
	Sig. (2-tailed)	.347	.878	.000		.000	.352	.000	.001	.000
	N	11	11	11	11	11	11	11	11	11
Rule of Law	Pearson Correlation	.404	.150	.841**	.928**	1	.336	.962**	.653*	.922**
	Sig. (2-tailed)	.218	.659	.001	.000		.313	.000	.029	.000
	N	11	11	11	11	11	11	11	11	11
Control of Corruption	Pearson Correlation	.824**	-.274	.531	.311	.336	1	.536	.135	.318
	Sig. (2-tailed)	.002	.415	.093	.352	.313		.089	.693	.340
	N	11	11	11	11	11	11	11	11	11
Average Combine CGI Index	Pearson Correlation	.577	.118	.894**	.925**	.962**	.536	1	.639*	.913**
	Sig. (2-tailed)	.063	.729	.000	.000	.000	.089		.034	.000
	N	11	11	11	11	11	11	11	11	11
Economic Growth	Pearson Correlation	.101	-.229	.751**	.857**	.653*	.135	.639*	1	.748**
	Sig. (2-tailed)	.767	.498	.008	.001	.029	.693	.034		.008
	N	11	11	11	11	11	11	11	11	11
FDI Inflow	Pearson Correlation	.350	.098	.843**	.947**	.922**	.318	.913**	.748**	1
	Sig. (2-tailed)	.292	.775	.001	.000	.000	.340	.000	.008	
	N	11	11	11	11	11	11	11	11	11

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

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

APPENDIX C1 - Transcripts of Respondents

Respondent 1

Speaker 1 (0.01)

Hi, XXX Thank you for…

Speaker 2 (0.03)

 Hi, hello.

Speaker 1 (0.05)

Hi, thank you for participating in this research interview. Um, let me tell you a bit about what's the purpose of this. Um, I'm actually a DBA's candidate to for research study to collect important data to assist my research uh, my research work. All into the context of **corporate governance** with the government of the organisation with related financial investment to the organisation. Um, because I need your help for being an expert in the field to… to… provide me with an honest opinion and whatever that we record here will be private and confidential.

Speaker 2 (0.55)

Okay

Speaker 1 (0.56)

This interview session will last more than 30 minutes. But, in anytime if you feel like you wanted to stop just let me know or pause or you have the options to to to….

Speaker (1.07)

Sure!

Speaker (1.08)

To stop or pause. Yep. Umm, okay. Uh, the first question…um.. I umm.. let me start by um giving the question first one. What do you think that the board should play in the organisation corporate government strategy and executing that kind of the terms on **attracting** **foreign** direct investment?

Speaker 2 (1.32)

Okay, for my company ya.. Um, is a listed company. So, the board of director I think should be a group of people that legally been appointed to take care take chat of governing the company. So, what I mean by that is.. um. they should add in the.. maybe the advisory and also **monitoring**'s role. Yeah! and uh, okay! This company that I working for is a profit oriented company. So, um, being a listed company as well. The role of the board definitely is very important. So, they must umm be respin be responsible to the **shareholder** because the **shareholder** definitely are people that put up money to earn a piece of the business. So, uh..in this case. I think to ensure greater transparency, accountability umm, and also to protect the **shareholder**'s interest is very important.

Speaker 1 (2.31)

I see, let lead to the second question hmm. What source of like key area should the board um in term of **corporate governance** for **FDI** those important areas?

Speaker 2 (2.46)

Okay! Uh, this.. before I go that into the second.. Your second question ya. Maybe, I just emphasize abit on the company that I working for. Just explain a little bit, It's a real estate um company. Um, under this company that are about seven thousands agents ya. Real estate's agent!

Speaker 1 (3.10)

I see…

Speaker 2 (3.11)

So, the company is basically answerable to, is stakeholders uh and the stakeholders should be customers. For example, property owner, landlord ya and also people who want to buy the property's tenant. So, they have to make sure that anyone who have the investor's interest uh that is affected by this policy of the company that concerned are probably agent's care off. So, in this case, the last couple of years. The company has actually um expand into the regions. Example in KL (Kuala Lumpur), in Vietnam. So, they got more overseas uh, what we called it. Um, a assets as they have purchased. So, I think the organisation need to make sure that exercise careful deal religion and practice uh. What we called it as judgment, independent judgment. In the... For the board of director when dealing with business, especially day to day business.

Speaker 1 (4. 23)

I see…

Speaker 2 (4.24)

So, the board I think need to add in good phase and also um the obligator to take decision in the interest of the company and also the **shareholder**. Yep!

Speaker 1 (4.41)

And um but um do you think on the uh the key areas of **corporate governance**. What extend do you give like 0-10?

Speaker 2 (4.46)

Oh, I think will be more like KPI setting.

Speaker 1 (5.0)

I see…

Speaker 2 (5.01)

Yeah! Making sure that the roles and the responsibility of the board, the member of the board are clear. So, they do not overlap and also make decision in accordance with the corporate's objective. So, another thing that I think is important is that um need to have a check on balance on the board

of board members. So, for example um, a way to check and monitor the decision made by everyone of the board members.

Speaker 1 (5. 37)

Okay

Speaker 2 (5.38)

I think that is about it.

Speaker 1 (5.39)

Oh, okay, thank you. Um, So, do you think? Because as your company that do have business in ASEAN country. The scale of 0-10, do you think how are the organisation are around that regions are practicing good corporate governance from your experience?

Speaker 2 (6.06)

Um, I would say five. Five la.. For the region because I look at the way the company is doing very bad. They have to basically um, during the expansion to the region probably they have to take investment strategy like take over or buy a company in the future. Maybe sell some of the business unassest or everything to raise fund. So, I believe um, the… I need be careful what I'm saying!

Speaker 1 (6.45)

Yes!

Speaker 2 (6.46)

The requirement in this country. Sometimes are quite different from Singapore um.

Speaker 1 (6.51)

Yes, that's right!

Speaker 2 (6.52)

Especially, this independent director may not add independently in some cases. So, it's quite difficult to to explore such kind of non-compliance. Because, this is basically individual in the way that made decision in all that. So, I think any new of director that's being pointed by the board of company in the region. They at least must have vital experience and knowledge of the business as their going to take chart. Yeah! I think this should be important and let's say they do not maybe they also have to go through some sort of trainings. Rise up their roles and responsibilities which I think is letting today in the region.

Speaker 1 (7.37)

I see, that's why is a five. Um, what do think need to be done to increase the level of involvement of the board towards corporate governance?

Speaker 2 (7.56)

Like what I mentioned just now, training um um to get them familiar with the type of roles and responsibilities. Especially, those are been appointed those director they are been appointed and non-experience in business or no knowledge in the business. Then training is important, but on top of guide I think they also need to go through some sort of orientation's programme. Where they are they will be brief of company's strategy direction with governance practices. For example, and also the structure of the organisation. There is, and.. and also the expected of duties of this director of the listed company. Yep! So, maybe for them to get better understanding the.. they should be given opportunities to visit the operation office. Let's say in Vietnam or in Malaysia. They should be given the opportunity to quote this facilities, to see and access for themselves and also meet the key note's management personnel in those offices.

Speaker 1 (9.07)

In term of, umm that source of like training and which lead to the next question. If not being training do you think that how would like regulatory framework help and do you think it's really heard the organisation if they adopt like America, adopt a compulsory regulatory framework?

Speaker 2 (9.31)

Um, In fact that it's because in the real estate agency's business in Singapore is regulated. Actually, is quite heavily regulated and closely monitored by council of the estate agency. So, really that is a framework there. Yep! So, the way that conduct to business is actually in line with the CEA. So, but for the board to ensure the business activities compliance with corporate government right, I think also and it's a listed company. So, um I think the framework would important because any loss of confident into the business in the begin will have immediate and also prevented on stock price. I think the company will definitely want to compliance with the corporate governance.

Speaker 1 (10.25)

Good compliance, so in your current, for your organisation, the. I meant in terms because is a public listed company so in the stead of corporate governance regulatory framework there are actually adopted um. What skills do you think that is the scale of corporate governance?

Speaker 2 (10.47)

I think is a, for my company I think is a nine because there is not only SGX compliance that you need to meet. There also is the CEA the industry compliance satisfied. So, is quite heavily polented and and there are a penalty if you do not take the. I means if you are no compliance.

Speaker 1 (11.14)

Because of the.. yes! And um do you on scale 0-9 again. How..

Speaker 2 (11.20)

Yep!

Speaker 1 (11.21)

How effective is the corporate governance right now? I means the adoption is you gear 9.2.

Speaker 2 (11.29)

I would also says nine. I would also says nine. Because I think that the board have to fulfill the most of the requirements. There is being stipulated in SGX **corporate governance** and also uh you also have to face the **shareholders**. If anything there is no in compliance the **shareholders** would be able or the stock analyst would be able to sign up and you know they will write something negative about it. So, it will impact the share price immediately.

Speaker 1 (12.04)

I see. Uh, Okay! Thank you. For that, uh now I just want to go further down to because it cover most of the question.

Speaker 2 (12.13)

Uh, now, I want to add, just want to add this point this company um, my company has a uh as being a listed company. I means many **shareholders** are actually quite happy because the company balance sheet has been quite robust. Yep! You have do up meet cash flow ya, about seventy over millions dollars as of December 2018. So, I think it don't need much dealing also. All this sort of thing need **shareholder** happy and confidence in the governance of the company. And then another thing is also they been good history of distributing dividend to uh **shareholders**. So **shareholders** are also happy with the performance. Yep! I think this is good gash of the corporate performance and also the implications of good governance.

Speaker 1 (13.11)

Um, in your company um who is actually responsible for driving the **corporate governance**'s strategy in the strategic level?

Speaker 2 (13.27)

The CEO and also I think the CFO lar. These are the two main one. So, because they are always looking at the accessing the KPI and **monitoring** the KPI and also within share with the top line if there is achieved. So. Um. Yeah!

Speaker 1 (13.48)

And how how often of that type of strategic of strategy will being review. Uh, how often there is? Monthly? Quarterly?

Speaker 2 (14.01)

Weekly, monthly and I think quarterly and also yearly. These are the. In fact, there is a calendar of the all these reviews to replace so it's not like ad hoc day is already a schedule when is **monitoring** and review will be collected.

Speaker 1 (14.22)

Uh, do you think in your organisation? I means this is quite uh private and this is up to your requestion. What sort of percentage um of **FDI** in flow to your organisation in term of like out of 100%?

Speaker 2 (14.40)

Wow! lol…

Speaker 1 (14.44)

Um, roughly the percentage? Because…

Speaker 2 (14.45)

I'm not sure about the number leh but looking at that there is probably 15-20 because is a Singapore focused company. So, the… the investment here in Singapore I don't think considered a FDI. So, for oversea is probably like 15-20 percent of business. I'm not very sure of the number this is my guess!

Speaker 1 (15.15)

Okay. Okay, now we coming to the next portion of the questionnaire. Uh, it's actually on the board of versus the see level. Which is to understand how the board handle the corporate's function. From your point of view, do you think from your opinion that the board is doing well in term of like improvement needed to drive that corporate governance. Are they doing well or is that any others improvements?

Speaker 2 (15.48)

I think they have been a doing well! Extremely well in the area of.. Let's say, the process… more into process. For example, in the approval process. For example, making decision on acquisition disposal of assets and also in term of being very careful in their decision making on major investment, capital expenditure, borrowing and leasing funds for example. But, these, they are not touch because the company has cash flow. So they do not really have to go into borrowing yet and fund receiving yet. Yeah! but in term of like the way they do reporting, the way they declare dividend both interim and final. I think they have done in the good job in the process lar. In term of also risk assessment. Yep! So, I would say this company had done well, the board had done well.

Speaker 1 (16.57)

The next question is about the corporate level. Do you think the role of the corporate level, see level um um, or the executive.

Speaker 2 (17.10)

Corporate level means the managerial level is it? Management level?

Speaker 1 (17.13)

That's right! That's right!

Speaker 2 (17.14)

Okay! The management level I think in term of setting the budget, setting the KPI. I think in term of um the way they do the reporting, making the target and all that. I think they should be quite good also.

Speaker 1 (17.36)

Okay, Um…

Speaker 2 (17.40)

And then the audit and financial statement and all that financial reporting and all that I think is a been…. done well!

Speaker 1(17.49)

Being cleared

Speaker 2 (17.49)

Yeah!

Speaker 1 (17.52)

Um, okay! The last two questions. I would like to ask is actually quite standard questions about the board's **effectiveness**. Um, I think most public, especially public listed company like your organisation um probably take the standard.

Speaker 2 (18.09)

Um, Normally. Yep! They are quite standard.

Speaker 1 (18.11)

How are the board selected the um, are they any key members such as like previously director of the management side?

Speaker 2 (18.21)

Internal?

Speaker 1 (18.22)

Yes! Becoming into the board of director. How are they selected?

Speaker 2 (18.28)

Umm, as long as I understand is that they are nominated by the company but still the **shareholder** have to elect them lar. The nominated that the **shareholder** have to agree for these people to elect them during **shareholder**'s meeting. So, I think that part there is quite compliance, they is quite in compliance with the SGX's filing.

Speaker 1 (18.56)

So, they have a previous experience from other company on board?

Speaker 2 (18.59)

Yes! Correct! Correct!

Speaker 1 (19.02)

I see.

Speaker 2 (19.03)

And most of them are knowledge and experience in this business. So, is not something like not have any idea of what's happening of the industry. They are actually quite familiar with the industry. FDI inflows to Malaysia, the initial stage lies with the investors is to explore on the country by looking at the consumers' demand and market size of their sector, or if the market is easily accessible, or they would choose to export directly to that host country, leaving FDI without the capital investments on people and infrastructure

Speaker 1 (19.18)

I see! I think the…

Speaker 2 (19.19)

Um, Sorry!

Speaker 1 (19.21)

No, no. Go ahead…go ahead.

Speaker 2 (19.25)

No, the other thing is that the uh, the company currently has the independent and also independent director and I think they are in compliance with what SGX is asking for. At least, how about the board are independent directors.

Speaker 1 (19.46)

Okay! Um. Final questions…

Speaker 2 (19. 50)

Am I answered your questions?

Speaker 1 (19.52)

No, no… Actually is quite normal question, I think. Most of the interviewee are quite similar. Um, final question. Do you think that the factors it could be sounds respective that factors that you failed affect the focus of the board on like corporate governance? What source of factors that can affect the kind of focus a way in term of corporate governance? Affect them?

Speaker 2 (20.23)

Um, I think the challenges that are facing like especially market environment, the challenging marketing environment. This is definitely going to take some of the focus away from corporate governance. Especially, after the covid-19's outbreak. For example…

Speaker 1 (20, 41)

Yes! Unfortunately.

Speaker 2 (20.42)

In Singapore we have Asia shut down right? So, real estate's agents are not allowed to conduct face-to-face viewing the property and meeting customer and so on. So, the top line will definitely will affected for this year. So, if the top line is affected then they going to impact seriously to the

bottom line also. Yep! In this kind of situation, then the board director, I means they will have to a big headache what to… I means of course the compliance still have to be followed. In the phase of, let's say of the partial shutdown but this is going to affect the company's business prevent procedure.

Speaker 1 (21.24)

Um, Yes!

Speaker 2 (21.25)

So, Yeah! I wanted think about this the company that I working for there is compared to his competitors. He have sufficient cash holding lar. We are able to tie through this period

Speaker 1 (21.38)

Yes! Many many companies are heavily are impacted by this pandemic.

Speaker 2 (21.44)

Yes! Maybe under water already. But then, in the second way for the come-in and there. Probably, there will be other chilli challenge.

Speaker 1 (21.52)

I see. Um, in term of the same question again. The factors! I'm quite curious uh are CEO and chairman of the board. Do they usually have they kind of conflicts, or could they be, are they like working well in term of like driving that corporate governance on board between CEO and chairman?

Speaker 2 (22.21)

Um, for this company is no problem because the CEO is also the founder of the company.

Speaker 1 (22.28)

I see.

Speaker 2 (22.29)

He bought the IPO. So, definitely I think the board must have feel that this CEO is know the way to drive the business. This founder is also be able to drive the business. That's why he is reappointed as a CEO. Yeah!

Speaker 1 (22.40)

I see.

Speaker 2 (22.41)

So, he has the patient in the business, I think there is an important. Yeah!

Speaker 1 (22.48)

Okay! I think that's all the information that I can get from you. Is that anything that you wanted add on this interview about regarding the topics?

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Speaker 2 (23.02)

Um, I think. Yeah, don't have anymore.

Speaker 1 (23.09)

Really, really… thank you Mr. Albert. For participating…

Speaker 2 (23.11)

Thank you. Thank you very much.

Speaker 1 (23.11)

I hope I didn't cause you any inconvenience.

Speaker 2 (23.17)

Yeah! Hopefully the shutdown will be open up soon.

Speaker 1 (23.23)

Yeah! I hope so too.

Speaker 2 (23.25)

Okay!

Speaker 1 (23.26)

Okay! Thank you, XXX.

Speaker 2 (23.27)

Thank you!

Respondent 2

Speaker 1 (0.31)

Hi, XXX. Thank you for participating this research interview. There are some questions that I wanted to ask and hope that you can give an honest opinion. The purpose of this research to collect information about **corporate governance** and **foreign** direct investment of the sort of perception that you feel that you can share with us. So, can we start the interview?

Speaker 2 (0.32)

Sure!

Speaker 1 (0.34)

The first question is what role do you think that the board should play in the organisation **corporate governance** strategy and **execution** in term of **FDI**?

Speaker 2 (0.48)

For me, I will go for advisory and it's depends the role of the board and activeness of the board. If you are one of those who very active basically a board consist of 6-7 person. There will be for sure a few people who are more active and a few people who play on **monitoring** role. In my opinion, overall they should be more people on that advisory roles because it's what the board for. It's not just for **monitoring** or auditing. They also have to be active in sort of guiding the management towards certain directions.

Speaker 1 (1.36)

The next question, what are the key area that should fall under the board governance for **FDI** investment? The most important areas for board governance.

Speaker 2 (1.57)

I think could number 3, auditing governance's effectiveness. So, one thing is that as soon as the board is form. The first have to know where the company is in term of their **corporate governance** level of effectiveness. So before you write down what you want to do, you just have to know where are they first, in the first place.

Speaker 1 (2. 28)

You means the existing strategy?

Speaker 2 (2.30)

Correct! If the existing company already very compliance or very high in **corporate governance** then maybe you just continue to review the strategy and make sure that the thing are happening as they

present it to be. The outcome of the review is if it's not sufficient or you manage to find certain flow or certain vacancy then there is where it will be on the second one as to managing the corporate governance to make sure there is up to the level of your expectation.

Speaker 1 (3.10)

So, in your opinion. From 0-10 do you think the board in ASEAN country are driving that effective corporate governance?

Speaker 2 (3.27)

Wow, ASEAN country! Even if you mentioned certain one country, it's already very board because it depends on the size of the company. So, I think generally we can group it in certain way in ASEAN country. The big company with proper board, not just the MNC but also the local company that big enough so they have proper effective working board they are driving corporate governance. I would say from the 0-10, I think it's quite extensive probably 8 or 9.

Speaker 1 (4.04)

Okay, 8-9. For local company…

Speaker 2 (4.09)

Yep, for Local company or MNC. If you talk about the SME then maybe it would go down to less than 5.

Speaker 1 (4.24)

What do you think need to be done to increase the involvement of the board in term of the corporate governance? What would you suggests?

Speaker 2 (4.38)

One thing that I found it there is effective is the management of the owner shareholder need to have the awareness that this is not just the extra cost to the company. Once the shareholder acknowledge the fact that corporate governance help them or beneficial towards the company in term of in the future or somewhere increasing their reputation then they will be more opened to have a proper effective board. Having a proper effective board will lead to corporate governance. So, it is like a dominant effect but it all have to start from somewhere and I feel the somewhere is from the shareholder level.

Speaker 1 (5.31)

So, if to introduce a solid regulatory framework, do you think it will help or will they hurt?

Speaker 2 (5.46)

Sorry, what do you mean by regulatory framework here?

Speaker 1 (5.50)

A robust regulatory framework like in America where is compulsory to adopt the regulatory framework in corporate governance. So, there is no more as a voluntary framework, it's a compulsory framework do you think it will help or do you think it will hurt in SME or MNC's company?

Speaker 2 (6.15)

I think the regulatory framework will only work if it's customized down to the final details because different company has different needs and requirements then if you just group them. For example; like the way you said like MNC and SME that kind grouping and different group has different framework it might not apply to all SME. Some SME have to obey by this law but doesn't help them and become something that will hurt them.

Speaker 1 (6.55)

So, it doesn't mean by one size fit all.

Speaker 2 (7.00)

Yep, I think so. You summarise that correctly.

Speaker 1 (7.06)

Do you think it will hurt more on the local company to adopt that framework to attract the FDI because it might be too expensive?

Speaker 2 (7.19)

Exactly, so when you talk about local company? What type of local company are you talking about? Are these are like quite sizeable company or are these are kopitiam out the corner? Obviously, if you are just kopitiam's size Company or groceries store or bubble why would you need corporate governance, FDI in the first place. So, again the question is abit too big I think can't be summarised at all.

Speaker 1 (8.04)

Okay! So, we move onto the company that you work is all quite confidential. From the scale of 0-10, how would you rate the importance of CG to your company and the national behind your waiting?

Speaker 2 (8.23)

I think would be 9 or 10 at least.

Speaker 1 (8.31)

The reason why?

Speaker 2 (8.36)

We have input some basic CG requirements from the start. So, because of that I think if you seem from our assessment up front if you seems like not the type of person who will compliance to our certain CG's requirements then we wouldn't even consider investing in that company. So, we only work with like-minded people. So, if the person are tends to show that are proud managing to avoid certain compliance requirement that mean they are very low on the CG waiting. We will consider walking away from that investment.

Speaker 1 (9.42)

In these day, they also emphasize on ESG not only CG.

Speaker 2 (9.48)

Correct! So, we have ESG and due religions done on company as well prior to investment. Which also include the CG's assessment on the company.

Speaker 1 (10.09)

Thank you. Another one. Again on the scale of 0-10 do you think that your company because you are investment company right? So, it might not related to this questions. So, I just skip that question. Regarding the strategy and **process**, do you have the **corporate governance**'s strategy? Can you describe it, I means what sort of governance strategy for Investment Company would you look out for in term of the **process**?

Speaker 2 (10.52)

I do know what you mean by strategy because I guess there are certain **process** in place. One thing is as soon as we invest, we form a board, audit and raise committee, remuneration committee that for sure will be form as fundamental. On top of that every year we have CG assessment, internal and external audit that done by the company. These are considered steps right instead of strategy. When there is strategy there is an objective. I guess the objective would be to make this forms compliance with all the **corporate governance**'s requirement so the step to reach there is through all this like set up committee, having internal and external's audit and to make sure that audit are form before or from reputable company or firms, make sure that the board has least 4 times meeting a year, make sure that the company has certain budget in place before the start of the year and they follow the budget and they don't swag out of budget make sure that there is a reporting or clear reporting, organisation

reporting line or stock check in place. Make sure the finance processes has their approval authority, the authority metrics of the finance. Kind of thing so that who can pay one.

Speaker 1(12.38)

Okay, the KPI..

Speaker 2 (12.39)

Not KPI, the authority metrics, Basically up to certain limit who can approved and make sure the management compliance to this requirement. So there are certain budget, expenses or certain amount and actions that required the board to approve. So make sure there compliance with that and these are the few things we do in term of CG. In term of ESG, we have ESG TD (trade) every year

Speaker 1 (13.17)

ESG?

Speaker 2 (13.19)

Yes, ESG. Environmental Social and Governance due religions that done to the investing company every year and there is some points of improvement. We will write it in the report and send it up to the management discuss with them. To make sure they will take certain step to delegate those. So those are the step that we do in term of general in term of CG.

Speaker 1 (13.56)

Okay, in term of the driving the CG in the company that you actually correspond with. Who is the key person that drive the corporate governance in the company usually?

Speaker 2 (14.18)

A few, basically one of the company has the delegated ESG director. So, this ESG director will be driving all the corporate strategy in the company. The other company is mainly driven by the HR director because the HR director reports directly to the board and then sometimes if not then the CEO himself will driving it. It depends on the size of the company and also the personnel within the company. So, again it's depends on the type of business as well I guess, if your business require a lot of governance like bank. Obviously, in terms of corporate governance it will be the CRO (Chief research officer driving it, if you are the restaurant then the person who driving the corporate governance will likely be the CEO or the HR director. How often is this been review, in yearly or annually and who monitor the progress. I think is partly the board who monitor the progress.

Speaker 1 (15. 57)

Do you think in the country that you work with in what sort of FDI's percentage just around raw figure that there are needed that try to raise in that kind of FDI's investment portfolio.

Speaker 2 (16.18)

Sorry, come again. I don't understand this question.

Speaker 1 (16.20)

The current percentage of those **FDI** in flow into those countries because this question is about like in certain country like in ASEAN, company that are average that attract **FDI** in 20-30% for certain ASEAN and some goes up to about 50% like Myanmar. For those countries that you are involved with what sort of **FDI** investment portfolio of the amount in percentage.

Speaker 2 (16.57)

I think is about 40-50% at least, there is quite high.

Speaker 1 (17.03)

There is for Malaysia or other ASEAN country?

Speaker 2 (17.08)

No, I think in the ASEAN. So, I think the most frontier marketing the higher percentage of **FDI** because they can't raise fund or quite difficult to raise fund internally. If you are talking about Myanmar; Laos; Cambodia, these countries is quite difficult to raise fund via local banks or local investment firms so they mostly go for **FDI**. Like Singapore, Malaysia's company will be investment to them even like European countries they like to invest to these so called frontier market. So they find it easy to get **foreign** money compare to local money and there is the reason why the percentage is higher than difficult in Singapore or Malaysia's company.

Speaker 1 (18.05)

Okay, this question is about the role of the **board** versus the corporate level or management level. From your view, what have the **board** done well, I meant how are they do well and what are the area should be improved to **drive** the **effective**?

Speaker 2 (18.43)

Do you meant generally in ASEAN for the **board** not especially for the company?

Speaker 1 (18.57)

Not, from your expertise in that few countries there will be good and helpful.

Speaker 2 (19.07)

Let me think what had the **board** done well, lol. There is very hard question. I'm not sure.

Speaker 1 (19.14)

Some of the board that employed executive director that are trained or ex-banker to sit on the board to oversee the CG. Some there are don't and not even trained I meant these are the example. So, from your view, maybe there are some other things.

Speaker 2 (19.38)

From my view, I think what had the board done well is that they know the need to have an independent party. Typically in ASEAN country what you would see is that chairman or executive director. In fact, majority of the board let's say is 5% then maybe 3 of them would be the shareholder or founder of the company. So, this make the board very non-independent and they will typically realized that they need independent director and they will hire someone from the outside to just give the different perspective from thing. I think the independent director is very important to drive real corporate governance. Otherwise, the board will be approving by the management's decision and the management will be them and shareholder will be them as well and the board is them. So, what's the use of the board?

Speaker 1 (20.50)

So, independent is one of the drive to drive the CG?

Speaker 2 (20.59)

Yeah!

Speaker 1 (21.00)

How about the corporate level? What role do they play in the CG's process? For those executive are they doing very well?

Speaker 2 (21.16)

Recently, there are a lot of company which already own by the second generation of the founder. So the founder's son or daughter will be taking over the company and these second generation's people, they are expose to overseas and highly educated. They have been abroad to study and they know people well and what's like in the more developing country. So, I think they do play a role in corporate role in term of trying to change the culture that have been implemented by their fathers. One thing that I see, for example just a simple tax because last time most of the company they don't care about paying tax or they try to pay as little tax as possible because they see this is a cost but a lot of companies right now they try to be compliance as possible because they see this is as a point to attract funding and attract good reputation to the company and they realised that this good

reputation is really beneficial to them. So, this is sort of different kind of thinking and I see moving towards a very positive way.

Speaker 1 (23.01)

Brilliant! Let's move to the different part. So, when the boards are selected like what you say that they need to be independent. So, definitely they are key members who are driving the corporate governance at board level so do you think this is important? Although this is sort of about repeating what you are saying.

Speaker 2 (23.38)

Okay! So how are the board selected, typically the shareholder would be able to make the call of who they want to corp in the board. Let's say you have two institutional shareholders then they will want to have certain prorated amount of board members on the board. So, if you are 20% shareholder you would have at least 1 board seat or you have 50% shareholders then you want 2 board seats so there is sort of prorated but not exactly pro. There is more or less how the board selected by the shareholder but if all of your shareholder are individual then those shareholder will automatically sit on the board so these are the executive director running the business strategy, the day to day of the business or operation side or things and then on the corporate governance is typically driven by independent party so if there is sort of 5 persons or 4 persons likely that you would one or two independent party that have experience in the sector or similar sector to sit on your board to provide another sort of perspective or things. So these independent party are the one who driving the corporate governance and they will be selected based on their experience or technical skill company or some network.

Speaker 1 (25.30)

Then the factors that you felt can affect the focus on board or corporate governance. Prior to this you mentioned about the family sitting on the board and family members also sit on the corporate level. So, this question basically factors that you felt will affect the CG could be like conflict and some of them are like family they have dual position or dual role to act as a chairman at the same time is the CEO or the family member there is the chairman or also CEO on the board. That kind of factors do you think does it actually affect a lot on the corporate governance on board level.

Speaker 2 (26.25)

Yes definitely. When you hold too many positions you are basically a one man show in business to make all the decisions. So, when you comes to corporate governance will definitely been affected in the way that maybe you don't think there need so many approval process or so many people call approving together with you. Maybe you think there is good there no need so many rules and process in place because end of the day you are the one making all the decision why not just put all decision directly to be all the decision making instead of going through bureaucratic so there will be a lot of

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incentives for them to cut down the **process**, cut down the **monitoring** **process**, cut down the review **process** and that might affect at the ultimate **corporate governance**'s effectiveness.

Speaker 1 (27.33)

In your experience do you see there is a lot exist in those national companies?

Speaker 2 (27.48)

At the C-level, management committee and the head of the legal department are interested in the appointment of the board and how well structured, when they want more positions, they have to purchase, based on the sum of investment they make. I do see quite a few, especially if you are the founder of the company and then your company do well but at the end of the day. Yours decision was driven **drive** the company to how is it at this stage. So you will be very redundant to give that power to anyone else. I think is very common in ASEAN but the thing is that like what I said a lot of second or third generation are taking over the management or company or the shares of company so they do realise that this can't be the way they run the company anymore. So, what we are seeing now is sort of the transition phase from the way that the old school cow boy's way doing things and sort of new world's corporate there is more and more companies going through this transition phase.

Speaker 1 (28.58)

Nicely! I think there's all the question that I wanted to ask. Thank you.

Speaker 2 (29.00)

Cool! Thank you.

Respondent 3

Speaker 1 (00 : 02)

Hi. XXX How Are you?

Speaker 2 (00 : 05)

I am Good. Good knowing

Speaker 1 (00 : 07)

Thank you for participating this research in the view for my DBA candidate for University of Wales Trinity St David and the purpose, let me have a quick introduction, about why we are doing this. The reason being actually to collect important data to assist on this a recent study, and your opinion is very important to this recent study, as we're trying to find relevant data, that can find good results between corporate governance and the FDI. Let me remind you that this interview is private and confidential. So, whatever you say will be solely used for this research nothing else. Also, you are okay to stop this interview at any time. If you feel that, you are uncomfortable about the topic. You are OK to let me know and we can stop the interview. So, can we start this? Ah, question, what do you think about the board should play in the organisation's corporate governance strategy and execution in terms of the attracting foreign direct investment. What do you think, board should play?

Speaker 2 (01 : 54)

I think the board should play mainly to advisory and monitoring role, because advisory will include analysing whereas monitoring will include decision making and reviewing. This two are actually overlapping with each other, when it comes to execution, especially for FDI and in terms of attracting FDI, strategy, planning and development it will play a very crucial role. Once the entire strategy is well projected, then it could be expanded to each and every department for execution.

Speaker 1 (02 : 32)

I see, do you think that since it falls under the board's governance for direct investments, what are the key areas that actually could drive that corporate Governance?

Speaker 2 (02 : 52)

Um, I think there are no specific areas or key areas that fits all the context. But the main thing, I think it goes to the composition of the board. In terms of whether it is diversified or not, because I would think that the boards should at least comprise of a variety of expertise that form the board governance. I think this is one of the key areas. Each of the member should play a role when it comes to a decision making for instance, finance. Like finance, we need a CFO or someone who has expertise or experience, like our company that would be the property management or development, or like the project team or project management or someone who is familiar with the laws. Yes, they should at least comprised of different expertise from different field, so as to form as one comprehensive board of members. In order for the FDI to be attractive to the foreigners or to be stable in execution. As far as implementation, I mean, one of the key areas is to implement it very well. So, in other words, to do these then setting up your roles and responsibilities are very important for each of them. For a member of the board to ensure that each decision is made in accordance with the corporate and at the same time, risk management is well maintain and then also reviewing, is to make sure that each of the main of the executive of the company to regularly review the performance after a decision is made so as to make sure there are checks and balances.

Speaker 1 (04 : 52)

So that means the reviewing part is important such as strategic tools like KPIs or setting clear roles, rules and responsibilities.

Speaker 2 (05 : 09)

Yes, because KPIs fall into implementation and execution is all about, so the result of the KPI, itself is one of the tools for review. Yes.

Speaker 1 (05 : 22)

Um, could you tell me, what are the extent from a scale of 0 to 10, do you think boards in ASEAN in general, are driving the sort of corporate governance in the organisation, from 0 to 10 ?

Speaker 2 (05 : 44)

Hmm, ASEAN

Speaker 1 (05 : 47)

Countries in Malaysia, Thailand, Indonesia, Singapore for example

Speaker 2 (05 : 56)

ASEAN countries around five to six, yes.

Speaker 1 (06 : 02)

Um, why do you think it's a five to six?

Speaker 2 (06 : 07)

Because I would think if we would take the closest countries, I think that Singapore is better in the sense that if you follow the rule of the law, follow the rules then it shouldn't be too bad in implementation of CG. Also, one thing, is Singapore is has gain a lot of confidence worldwide. If you mention Singapore, many people will think and have the impression that it has done a very good job obeying the laws and in the regulations so on. But if you talk about Malaysia where I am practicing now, it is actually quite lenient in a way that is similar to Indonesia, Cambodia, Thailand, they are quite lenient in the sense whereby "survival" is more important. Of course, in Malaysia, we have company laws and regulatory authorities, not to consider about those, like under balsa or listing companies which require high levels of supervisory level from the authorities. But for normal companies, they don't really pay high attention on CG, they pay more attention on commercial risks. Yes, yes,

Speaker 1 (07 : 38)

I think mostly are family own I supposed so in ASEAN country. That's why the corporate governance they do not pay too much attention to that because they do not want to attract too much of investment. But when foreign direct investment is under consideration, institutional investor may or may not look at some CG whether if the organisation is driving towards it? Ah, to be a fair and openness and integrity as well. But anyway, let's move to the next question. What do you think needs to be done to increase the level of the involvement of the board in corporate governance? What sort of level of involvement by the board?

Speaker 2 (08 : 44)

Level of involvement by the board, uhm, I think first of all, shareholders inform the company they should have the awareness first, so most of the time, Like depends, especially when it comes joint ventures, I think FDI sometimes also involves with joint venture so in general, when it comes to the

formation of a company the shareholders will have to play a very crucial role. They should have awareness first, So that you will see that some of this awareness can be seen from the shareholders' agreement, like for example shareholder A will be in charge of the appointing CEO and shareholder B will be in charge of appointing a CFO so each of them will have their own role when it comes to the execution of implementation or to run the daily operation of the company. So this kind of practice as what we discussed earlier will be very much helpful in having checks and balances among the board and at the same time also ensure that diversity of the composition. The level of involvement could be increased by having a very clear rights and liabilities within the company, like, for example, in my company, for each and every agreements, regardless of whether it involves only a small amount of money like engaging an independent contractor for hygiene or pest control, to the extent that we need a FDI with investment that is very huge, which involve a very huge amount, we actually have to go through internal approval system. So, in the internal approval system it will set out very clear rights and liabilities of each and every relevant departments, such as commercial team will raise internal approval first, or initial approval. It will have to go through legal and risk control team and then it will go to finance team, before it goes to them managing director, or the CEO. So, when it goes through, each and every of approval point then our legal team will have to tell what other potential risk in this investment? What are the risks in terms of accounting and finance, then for the managing director or the CEO to make the final decision. So, I think this is a very good practice to ensure that the level of involvement for each and every relevant department are involved in every transaction. Yeah.

Speaker 1 (11 : 32)

So, because I can see that your organisation pretty much drive this governance in different departments. Do you think that compulsory regulatory framework will help? In America, corporate governance is compulsory, and some countries are voluntary. So, the next question is having a regulatory framework help and where does it hurt most? Ah, in CG, the code of the governance.

Speaker 2 (12 : 14)

Yeah, regulatory framework of course will help, because at the very least, for those who do not have this kind of CG awareness, at least it makes them compulsory to comply.

Speaker 2 (12 : 26)

so that it would somehow wouldn't be too bad. As long as you obey the law and regulations, FDI may also gain confidence because you have complied with what is required to be compliant with in the certain countries that is set out by the authorities. But simply making this wouldn't help much in the long run because you are just complained the law, but for the sake and benefit of the whole of the company, then it may not be so helpful by merely just complying the law. So overall, I wouldn't think that it would hurt, maybe in a way that it is rigid, not so flexible. But I think it brings more benefits because compliance is still very crucial for FDI especially. But simply having this compliance doesn't help much for the growth of the company. So, the awareness among shareholders and executors are very important still. Still, they are just moaning about the rules, so for the sake though, and good of the entire business, it might not be that effective even by agreeing with the rule

Speaker 1 (13 : 33)

I see, with the current state of your organisation, I mean it's all confidential. What do you rate your company's corporate governance, scale from 0 to 10? And do you think it is very important for your organisation, just for long term sustainability?

Speaker 2 (14 : 00)

the importance of the CG to my company? I would think six, I think at this point in time, where a lot of companies are barely surviving or struggling to survive, CG is not very crucial for many of the companies maybe for now. But, for my company, we placed very high importance on CG. It's just that because it is very different from other companies in Malaysia in a way that it follows China's culture. So, a lot of compliance like strategy, to setup strategies and also the planning, decision making will actually have to be in accordance with the decisions or the objectives set by our HQ. They set it out on an annual basis, so things will not go to bad because we have this internal approval system.

Speaker 1 (14 : 58)

ok

Speaker 2 (14 : 58)

So, each and every decision making will actually have to get every department to be involved in having a risk managed and assessment or to analyse first, before any decision is being made. So, yes for FDI as well, which involved a huge amount of investments sum, most of the regional office will have to come up with the proposal and at least to analyse and then only for our HQ, legl and our finance team to comment and approve. So there are two trenches of approval system, actually. I think in this aspect they are doing very well. But it's just that sometimes it may not be so flexible in a way that because you have to take some time to explain, what is the culture in Malaysia and what is it like? What is the restriction in Malaysia? In order for HQ personnel to understand first before they can make the decision. So the entire possess, although risk management is very good, but you it's time consuming I would say and it's more rigid in this way

Speaker 1 (16 : 18)

.. and expensive. Yes, thank you. How would you rate your companies like in terms of effectiveness? I know you said a lot about, beforehand that the corporate governance exists in many departments in your organisation. But do you think, like, from your own opinions, zero to ten, is it effective? And why do you think so? Does it give a positive result? (hanging on there, or could it improve further?)

Speaker 2 (17 : 07)

I think I will rate it as four. Yeah, the reason is because the company is very comfortable with its own culture. It's not diversified enough. In the sense that maybe the employed personnel, or the members of the board is not diversified, so I think this is something that is making a scale over. It's a very fast pace company with high effective, efficiency and also productivity, but, if this can also be improved and it will also make the company more competitive and also improved performance assessment.

Speaker 1 (17 : 53)

I think it's their composition if it is more diversified then it can serve different stakeholders especially external stakeholders where, like environmental impacts um, and those helping poorer countries out of poverty. So, the stakeholders, now actually is about satisfying the stakeholders, it's the new

era. Okay, good. At the same time, who is responsible for driving the corporate governance strategy in your organisation? E.g. key people.

Speaker 2 (18 : 39)

The managing director.

Speaker 1 (18 : 42)

How about the corporate level? Yes

Speaker 2 (18 : 44)

yes, corporate level. Um, Also the daily operation of the company. Major decisions are made by the MD. Yeah,

Speaker 1 (18 : 58)

mostly MD? And what is the current inflow of FDI to your company? I mean, you don't mind sharing. Let me assure you it's fine. Current percentage of the FDI into your organisation, it can be in a percentage.

Speaker 2 (19 : 16)

Oh, about 5 to 10%.

Speaker 1 (19 : 18)

right, mostly foreign investor?

Speaker 2 (19 : 24)

Yeah

Speaker 1 (19 : 26)

Ah, last few question I want to ask you This is mostly about boards and corporate level. Ah, the roles between them, from your view, what have the board done well, And what are the areas of the improvement for corporate governments in your organisation? [Basically] What have they done well?

Speaker 2 (19 : 54)

Oh, I think they have done well in risk assessment because for most of the majority, trading or transactions that involve risk management, a very comprehensive ones like they will involve finance team and also legal and risk control team to analyse, sometimes we even engage panels from outside to outsource. Also, our corporate secretary to conduct certain risk assessment and analysis before any decisions is made. In this aspect, I think the company is doing very well, but I think they should improve by setting up clearly what are the roles and responsibilities of the members of the board. Adapting to the local culture, I think this is very important. The company, I mean, our company based in Malaysia for three to four years, not more than five years. But I think to adapt to the local culture is something that the company should consider, to improve, in order to further expand the business.

Speaker 1 (21 : 09)

Thank you, and how about the management level? Do you think they are very engaged or do they play a very important role of the corporate governance process, such as the executives, managing director or CEO that actually drive that effective corporate governance management. The board can come out with sets of effective corporate governance, but does the corporate level or C level actually helping to play the role to achieve that?

Speaker 2 (22 : 02)

Yes, because we have KPI and annual targets to be achieved, with these annual targets, what we do is normally for each and every department will have a quarterly KPI, so that to make sure ultimately the annual targets can be achieved. So our operational management displayed an important role in the company in the sense that because they are the one who is in the monitoring the progress, But I think what they need to do is that they are doing very well in monitoring.

Speaker 1 (22 : 42)

ok

Speaker 2 (22 : 43)

But sometimes like for example, there are certain KPI to be achieved by legal department, for example, but because a legal department would require specific expertise in order for you to really understand what the department is doing, but operational team they may not have this kind of knowledge and expertise in doing so. So, what they can do is just a very brief one, like to monitor whether this KPI is being achieved, but not really understand what the difference of execution or execution of KPIs, what is lacking, or what needs to be improved by this relevant department. This is something that they may not be doing so well at this stage.

Speaker 1 (23 : 32)

Thank you. Um, next question is quite basic. How are the boards like um, are they Ex key C level members ? how do you select the board of directors?

Speaker 2 (23 : 54)

yeah. normally the director of the finance team and director of legal department would definitely be part of it.

Speaker 1 (24 : 09)

Are they previously from my executive director being nominated to the board as non-executive doctor, they may be from the management directors in different department and retire becoming a non-executive director, I mean,

Speaker 2 (24 : 36)

yes, yes, it happens. But there is no clear rules as to who should be the key members. Yeah, but it happens. Yeah.

Speaker 1 (24 : 46)

um, probably that was the last question, actually, you answer them, in terms of the corporate governance, previously you said about those KPIs that are set by the board and the management have to try and achieve them. Yep . I think that is all the questions that I wanted to ask. Okay. Thank you very much.

Speaker 2 (25 : 26)

Thank you.

Speaker 1 (25 : 28)

I hope that the questions are not so intimidating, but whatever I use here will be confidential. So, if there is any other question, I might ask you to help or anything that you wanted to add. I mean you can contact or call me any time. Thank you, Miss Goh.

Speaker 2 (25 : 59)

Thank you. Bye.

Speaker 1 (00 : 01)

Hello Hi, XXX Hi. How you?

Speaker 2 (00 : 06)

I'm good, as usual.

Speaker 1 (00 : 08)

Thank you for joining in this interview. Okay? I'm very, appreciative that you can participate in this DBA research interview. The purpose of this interview is to collect important data to assist in my research as a doctorate candidate for the University the University of Wales Trinity Saint David. I wanted to collect important data in the context of corporate governance with the organisation and the relation between corporate governance and FDI. Because you are the expert in my view, so, I really appreciate your opinion.

Speaker 2 (01 : 01)

Just walking the journey

Speaker 1 (01 : 03)

Just to remind you that this interview is private and confidential and probably your last about 30 minutes to 45 minutes. I also want you to know that it's okay that you can stop at any time. If you think that and can always let me know that we can take a break, or we can stop but are private confidential only purposes for this research and nothing else. All the way. Ok, thank you. I believe that you received the information that I actually sent to you hoping you can give me some insights about how board of directors on they actually perform, the first question I want to ask you, Mr. Rufinus is what role do you think that the board should play in the organisation in terms of corporate governance, strategy and execution to attract foreign direct investment.

Speaker 2 (02 : 17)

Okay, whatever I'm going to explain to you is what I experience and what I feel all this while with my interaction with right the board. Our board members firstly consist of a private group, that is the IFC, who is the private investment arm for the World Bank. And then we have a Japanese company that invest with us and also a little bit from the Singapore government. Yes, so what role have they been supporting me? Right, well, everybody board member has their own so call agenda. That's why they're invested in our company. So of course, for the World Bank, I mean, besides money alone for the world, being the most important, you know, you have to follow the World Bank protocols. So, they will ask me, like every year we submit like how much usage of our carbon how much utilities and electricity. They are very particular especially "green". You know, that kind of

besides financial, I think for the rest of the **board** members, they are pretty much pro financial. They're supports us in giving us more funds, more leads, and where management they can "see fit" in business wise. So, this has been the relationship with them, and of course in terms of the, let's say, **corporate governance**, we have an independent so-called director that is in charge of the governance in the whole of the group. Basically, so yeah, we do work every year.

Speaker 1 (04 : 06)

That leads to the second question. I would like to ask you; do you think the **board** is important. What's sort of key areas should be the **board** governance for **FDI**, key areas like reviewing governance strategy?

Speaker 2 (04 : 29)

Okay, Firstly, because our companies are in most of the third world country, we are in Vietnam, Philippines, we are in Indonesia, we are in Thailand, Singapore and Malaysia now. Of course, for the **board**, in Indonesia and Vietnam, we always very careful. Right, the environment of doing business in Indonesia as a **foreign** investment has many so-called strict rules.

Speaker 1 (05 : 05)

Yes

Speaker 2 (05 : 07)

We are division companies, so the government themselves do not want us to take over the job of the locals. So that is why for us we must follow, firstly, the government rules, we must follow strictly. And of course, we have to be very careful in what is so called entertainment with any of the government officials. So those are the things that the **board** do emphasize. As internally in our management, every year after our review we break during our kickoff meeting, we are reminded again to our staff about the integrity of the local rules, on what is allowed and what is not allowed. So, after all, those usually takes half a day of training and reminding everyone to renew integrity, so called paper that they will not do such things.

Speaker 1 (06 : 08)

In the review, how often they are actually conducting this **corporate governance** review?

Speaker 2 (06 : 17)

Oh, I think that review is always yearly, Yep, it's yearly

Speaker 1 (06 : 22)

At least

Speaker 2 (06 : 23)

At least, it is usually together when we are almost closing the year, it's between the closing and opening of the new year.

Speaker 1 (06 : 35)

Okay, in terms on managing **corporate governance**, how does your organisation manage the **corporate governance**. Is there like any key person?

Speaker 2 (06 : 54)

We have a specialist director who used to be a banker, he is leading that, he is always in all our **board** meetings, and of course, he leads a team of three that do goes around to do their yearly audits basically. Well besides audits, they look through into everything, whether we're using sub dealers, what kind of sub dealers we are using. Quite thorough.

Speaker 1 (07 : 30)

I See, the next question, to the extent of 0 to 10, do you think that the **board** in ASEAN countries are driving that kind of **corporate governance**?

Speaker 2 (07 : 49)

Well, I think it depends from company to company, I think I should comment for the one I am with. I think if you know right our **board** is from the Fong family, the Fong family is in Hong Kong and they are quite prominent with 120 over years company. So, the market understands that whenever it is a Fong company, they know the integrity and the way they do is always very stringent. So, they do know what can what kind of quality that comes off from the Fong group, basically. I will give them a 9.2 point.

Speaker 1 (08 : 35)

Driving **corporate governance** well?

Speaker 2 (08 : 40)

They do. driving it at the end, it all goes back to the one that is walking the talk, right? So, they can pressure, they can put in a lot of rules and KPIs. But again, if we ourselves in our daily life, right, and we don't really practice it, then people can feel it.

Speaker 2 (09 : 03)

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I see. So, is it safe to say that the Fong family, they can be both the chairman and also the CEO of the organisation?

Speaker 2 (09 : 14)

No, actually, the chairman and the CEO are two different persons. The Fong families stays in the **board** and then they will appoint a CEO to run this piece of business, they have many pieces of businesses.

Speaker 1 (09 : 32)

Okay, another question. What do you think needs to be done to increase the level of the **board** in **corporate governance**?

Speaker 2 (09 : 47)

I think the amount of the time the boards talk about governance in every meeting is very little of course. But that still shows the seriousness, right? So, I think although we are doing it once a year, but maybe it's enough. For them, for the Fong family, they know that they have an engine running. They know they have these internal auditors that are strong, so they don't or emphasise it in every quarterly review, right? But whenever we highlight a project, maybe going into a new country, like now we **planning** to go to Myanmar, maybe Laos. So, straightaway their number one thing that they will always tell us to be mindful, right? In terms of the, you know the rules and regulations of the local, because all these all these are areas that um corruption level are very high. So, we must be very careful in our actions, basically right?

Speaker 1 (10 : 55)

So, if you think the organisation is going to into Myanmar and some other parts of the ASEAN, would you think **regulatory** **framework** would help?

Speaker 2 (11 : 12)

You mean on our own country

Speaker 1 (11 : 15)

If a **regulatory** **framework** for your organisation in Indonesia or Myanmar, if the organisation would to invest in those countries.

Speaker 2 (11 : 27)

Yeah, well, of course I think at the end of the day, usually I find that the stringent is small, but the company have most stringent rules than the country, especially in this so called third world country. But if you're comparing to a local company, yes, we are much stringent, you know, right. For

example, a simple example, dinner with a doctor in some pharmaceutical company in Indonesia, you're allowed to bring the wife, right? As for us, we cannot even bring them to eat, it's a no.

Speaker 2 (12 : 18)

Unless, they're sponsor to be our speaker, then we are allowed to bring them. We're not even allowed to pay for the wife. So sometimes it's very difficult, right? But then, well, that is the way it is. If the event of the Congress is in a resort area, for example. Is a no no for us, we cannot even attend, so it that strict.

Speaker 1 (12 : 45)

Do you think that the **regulatory** frame is expensive to run? Or is expensive, but it's still necessary.

Speaker 2 (12 : 56)

I think it's for the for the fairness, it has to be that way. But the problem is that we as **foreign** investment company, we will follow those rules, but facing a local company that they don't follow the rules. So, we have to be more creative in terms of the how we should do. Don't fight the game with them, that is a losing game for us. And I think in terms of recruitment is also very important that we recruit the right people that do not have the mentality of "without all these I cannot do the job". So usually I told them if a salesman job is to do the dirty things then you can get the order then, I don't need the salesmen, right? Anybody can do selling.

Speaker 1 (13 : 45)

Could I ask you, so far, are you comfortable with the question?

Speaker 2 (13 : 58)

Yes, fine, it's okay,

Speaker 1 (14 : 02)

Could I ask you the current state off **corporate governance**, what would you rate your company in the scale of 0 to 10? I know you just said that you rate at 9.2, but actually, does it goes to other companies in Indonesia?

Speaker 2 (14 : 32)

Of course not, I think other companies are more lenient in some ways, but as long as you are **foreign** investment company, I think they will pretty much follow those guidelines. But to those **foreign** company that is not like a multinational country style they are not so stringent.

Speaker 2 (14 : 59)

Depends if you are publicly listed or not, especially publicly listed in Singaporean, they are even more stringent.

Speaker 1 (15 : 07)

That's right. Maybe because in integrity and transparent. A quite sensitive question, what kind of a percentage that you have on the FDI, that is important to your company. Because I understand that many other countries do invest in your in your organisation. What is the percentage, Roughly?

Speaker 2 (15 : 44)

In our company, we are deemed as a Hong Kong based company, which is the Fong family, we went for fund raising the last time, they are still in control. I think about 70% in control and the rest of 30%, you can so called deem as foreign, because there's a Singaporean and also the World Bank, which is Washington.

Speaker 1 (16 : 23)

I ask you a question about roles of the board and the management the level C level. From your point of view, what have the board done well, and what are the areas of the improvements needed to drive that kind of effective corporate governance?

Speaker 2 (16 : 47)

Yes, firstly the relationship between the board and in the management has to be like a father and son relationship. But most board they are just drilled it for numbers, because they are talking about returns, returns and returns. But we are quite lucky, we have quite and pretty much balanced with our board because the majority are from the Fong family. So, they do pushing for numbers and they are also more daring, more risk-taker compared to the rest. For example, I just finished my board meeting last two weeks, you can see that IFC, and all these are looking at these institutions, please don't do M&A. But I think sometimes this this can be also be a good time to do M&A, so, different appetites. One can be trying to be very cautious, whereas the Fong family is thinking that "we are quite open, and we will see case by case basis". I think sometimes the relationship between the board and the management is important, of course I prefer if there is a father and son relationship. They are supposed to guide us if we are in the wrong direction. it's supposed to help us when we need a certain kind or other level of support. So, I think that's the relationship it should be.

Speaker 1 (18 : 34)

Do they do extremely well in solving risk assessment from the board of directors?

Speaker 2 (18 : 47)

In terms of risk assessment, I think, yes, risk management and corporate governance. In risk management we do it two times a year. What do I mean by risk management? We have this

checklist that will sudden notice to all our offices, they even check the water dispensers if near to any electricity to that extent. I think they do take into account on everything. Sometimes we don't even think we're right, so I think we are okay even our warehousing is always insured.

Speaker 1 (19 : 50)

The next question. When asking you about the board and the management on how they actually look at corporate governance. From management point of view, do you think that they actually help in driving the corporate governance process, especially the executive, are they doing very well in driving that corporate governance process?

Speaker 2 (20 : 28)

Can say my board is doing quite well.

Speaker 1 (20 : 32)

How about at management level?

Speaker 2 (20 : 34)

At the management level we are driven by them. So, no choice, every year, two times I have to spend one full day with my management team and we talked about all the risks that might happen or might not happened, in this management.

Speaker 1 (20 : 56)

Is there any deviation from the board?

Speaker 2 (21 : 02)

Yes, if it makes sense. Yes, of course. Unless it is something that is a must. If it's must then it will be correct, right? If it's just a so-called awareness, we have to refer back to last risk assessment.

Speaker 2 (21 : 19)

What was looked at and what has improved. So, we keep on looking back on that.

Speaker 1 (21 : 32)

Okay, I need to ask you about the board effectiveness. It's going to be a quick question. How are the board selected? Eg. selected from recommendation or past executive directors. How are they selected?

Speaker 2 (22 : 06)

Well, because the Fong family owns the majority, but the chairman is the Fong family, the two brothers are on the inside, then they are using a vehicle called the Fong investment, they have two financial guys sitting in that **board**, and then, of course, IFC have one **board** seat. And the rest got no **board** seats, they are only given a **board** report, and no voting rights.

Speaker 1 (22 : 40)

All right, so do you think there is a balance?

Speaker 2 (22 : 44)

Well, is balanced, because it is according to the amount of investment, they want more seats, they have to buy that,

Speaker 1 (22 : 57)

Um I think probably the last question, I would like to ask Mr. Rufi, what do you think are the factors that you felt that can affect the focus of the **board** on **corporate governance** like, do they set up any established standard or what sort of measurements do they use?

Speaker 2 (23 : 25)

Well, as I told you, yearly cycle, it's pretty much quite in the way as standard. But the focus, I find that every year, it is focused on different areas. Like this year it is focusing more on, let's say, the risk of hiring sub dealers, for example. Then you can see the questions of risk **assessment** this year with lot of those. Now, all those are driven, driven by the **board**.

Speaker 1 (24 : 06)

Such as like, um KPIs and leadership?

Speaker 2 (24 : 17)

Well, in a way, yes, but I don't think we have ever gone that bad until it is so huge that we have to discuss, you know, a lot in the **board**. Usually… mostly is still within our management, which is between the country head, and also our CEO.

Speaker 1 (24 : 54)

No complex issues between the chairman and CEO?

Speaker 2 (25 : 01)

Oh, yep. the understandings are quite good there.

Speaker 1 (25 : 07)

Okay, I think these are the questions that I can ask from you today. I really appreciate for your help in this research study. Anything that you wanted to add? All of this information that are used here will remain private and confidential, so I'll let you know when I have completed.

Speaker 2 (25 : 36)

Yeah. I just hope that I answered your questions and all the best to you right?

Speaker 1 (25 : 43)

Thank you, XXX. Okay, once again thank you for this research interview. I will speak to you again. Thank you for recommendation.

Speaker 1 (25 : 59)

Let me know when you have passed.

Speaker 2 (26 : 03)

Ok, Thank you very much.

Speaker 1 (00 : 02)

Hi. good afternoon XXX How are you?

Speaker 2 (00 : 05)

Yeah. Good afternoon. Thank

Speaker 1 (00 : 07)

Thank you for participating in this research interview for my DBA Course. The reason why this interview is to collect important data to assist my research study in the context of **corporate governance** with all those organisation that you worked with on because you are expert in the field And ah, I do need your honest opinion regarding about **CG** and **FDI** into ASEAN country. Um, also, I like to let you know that this this research interview is private and confidential. So, thanks. And, um also that you can stop any time or pause. Take break. Uh What? Whenever you want so   that you can actually withdraw this interview, it becomes too compromise to you or anything Well, anyway, welcome. Thanks

Speaker 2 (01: 18)

Thanks for reaching out.

Speaker 1 (01 : 20)

Let me start the interview with first question. What role do you think that the **board** should play in the organisation **corporate governance** strategy and executing in terms of attracting the **FDI** into ASEAN country

Speaker 2 (01 : 42)

This is talking about the **Board** should at what role show they play. Okay, uh, in terms of the what I think is not what is happening, actually, I think the **board**, should play a much more active role in term of **execution** in instead of just providing oversight. Currently a lot the boards that I worked with what they are doing is they're just having the quarterly meetings that because it is mandatory and required, because the **board** usually consists of executive director and also non-executive **directors**, those are independent **directors**. The independent **directors**, they are usually trying not to actually step-in into the **execution** part and put themselves a step up backward. And a lot the time is just providing oversight and comment on the strategic roles in terms of the **corporate governance** but are for those usually are consider our so called a little bit higher level. But there are a lot of details in terms of **execution** in term of practicality, in terms of the challenges, they may not be actually address.   Because we come to the **execution** part in terms of for the executive **directors** to execute them, they may see challenges, but they may not actually bring it up during the **board**

meeting. Those are a lot, of practical issues that, you know, a lot of the time it's not actually brought up to the board. I think the board should actually play a more active role in terms of just, you know, provide oversight in term of the CG strategy.

Speaker 1 (03 : 43)

So rather than advice and monitoring, they should do more active role.

Speaker 2 (03 : 48)

Yes. Yes. Because it's too, and just always oversight is not enough like a advises that do not go one layer down to understand more of the challenges and practicality issue. And, you know, those are the areas are usually it's not brought up because a lot of time when I attended the board meetings. I realize that they have their agenda. Okay, Agenda was starting of the committee meeting first, then Risk Management committee meeting. If you have remuneration committee, nomination committee and more, and they tried to cramp it all between one day. Okay, then board will be the last, then after that they will say its lunch time coming soon this is the real practical scenario . Then by one o'clock, they want to go of. Can you imagine how much time that they have to even discuss about CG? A lot of the time is discussed about company performance, strategic rule and a lot of other important issues are to them. Yeah, this is a practical and in reality, is happening. Yeah.

Speaker 1 (05 : 00)

Um, the second question. Can I ask you, what are the key areas that should fall under the board governance in terms of the FDI? Um, important area that the board should actually consider when thinking about the FDI.

Speaker 2 (05 : 22)

Okay, for this point, I think I would link it up to risks and opportunities. Whenever FDI actually are considered whether to come into Malaysia, for example. Inflow into Malaysia, first thing is they were look at when they want to come in they will consider their demand side of their business if already available for the existing market in Malaysia, or they need to actually be manufacturing out of providing services to another country. So if it like already the market is already in Malaysia, then a revenue is not so much the area that want to consider then they were considered costs okay after cost, they were considered the logistics side, which is distribution and all those. Then I would said that when it comes to CG, right, the only thing is what is the risk of noncompliance that they would consider? Okay, Malaysia is not a very well of a CG compliance, High CG compliance countries that are probably you are not aware. Okay, because that's why is there is this thing called "industry practice" Okay? "Industry Practice" means yes, the rules and regulations are there. You have "Hard CG" and you have soft type of "soft CG". "Hard CG" are those that are mandatory, You must actually you know, execute it. Otherwise you will get penalized, for "soft CG, those are best practices. Okay? Those are best practices. If you don't do it, it's nothing wrong, OK? It's only split it into two first. "Hard CG and Soft CG". For FDI. Let's say they come in, what would they actually consider

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first? They will considered the risk and opportunity in terms of whether we need to comply or not, if complying. What other opportunities that actually can present to me. And if I don't comply? What are the risks in terms of the negative impact and the implication, but again from here, industry practices actually come in because even though is hard CG okay, if you don't comply, there isn't risk, because everyone is doing the same thing "industry practice"? So we are not actually consider as well. So in term of that CG wise, they will only consider what is mandatory, what is mandatory. And from there they were link to risks and opportunities. OK? And then from that link it back to their revenue, they link it back to their costs, they link it back to the overall company reputation and all the others soft CG elements will only come much, much latter. This is what I think. Okay, How I feel Yeah,

Speaker 1 (08 : 31)

linking risk management with opportunity.

Speaker 2 (08 : 34)

Yeah, he is actually

Speaker 1 (08 : 37)

the next question. Could I ask you, to what extent from the scale of 0 to 10 being 10 the most extensive? Do you think the boards in ASEAN countries, are driving corporate governance over all those boards in AEAN countries, maybe just Malaysia in your case

Speaker 2 (09 : 01)

actually, is quite active I would say, Yeah. Malaysia Corporate Governance Institute, like a Malaysian Watchdog, a group and then Shareholder watchdog group, like myself actually is quite active in the Malaysian Alliance of Corporate Directors. Okay, I'm one of the members as well. We do actually attend, you know, course and seminar conference that organised by various CG, what you call it, this ah association of course Okay, Conference is quite active, actually. But the thing is, I realized that the attendees are always the same bunch of the group of people. Those that actually that obeys of CG that want to push for the CG governance, ah you know, the activities in CG. People like me very, really sad to say very rarely we see new faces. Very really? Yeah, like we are pushing for it. But not many newcomers. Newcomers are those who come to consulting fields and things like that. But if their business doesn't do well you won't even see them anymore after 2 to 3 years, you know. No new blood, you are rights because they do not see that you know how CG can actually very create value for the organisations, for the companies and in Malaysia because of the political reason on the political inference in terms of CG is not strong. Even though, the structure is there, the form that you thought may not be there. It is sad to say that lah, so on a scale of 1 to 10 Probably about 5-6,5-6 like that Yeah, 06

Speaker 1 (11 : 18)

What do you think needs to be done? I mean, to increase the involvement of the **board** in **corporate governance** because, hmm because some of the answers that you gave itself actually did mention before. Um Ah, but in any way do you think what the first priority is needed to be done just to increase the level of involvement of the **board** to **drive** the **corporate governance**

Speaker 2 (11 : 52)

Okay, I share with you something very interesting. Actually. You want to increase it very effectively. There's only one way. Okay, put someone into the jail for noncompliance. That would be very effective. Yes penalized them, otherwise it is not effective. Okay, for example, just to share with you this MACC Malaysia, Malaysia Anti Corruptions Commission Malaysia. Yeah, MACC this what you say Section 17A amendment 8, You know that. Actually, it was table in May 2018 actually, it's mandatory. It becomes a law on 1st June to 2020 just this month. Ah, early this month. Okay? Yeah, even though it was like. Ah, period have been given to you for one and half years to prepare all those. But a lot of those companies that don't actually want to comply. You know why? Because a top tune of the top is wrong from the political side. When? When Malaysia government actually, you know, changed by the new group of people and MACC Chief was actually changed. Okay, when he was actually what you call it? Err.. Sworn in and in Istana Negara on the first day when he sworn in right after he sworn it as the commission head right? He actually said that all this law will not be enforced because MACC want to actually be restudied the proposal because right now is doing this pandemic period. So they want to restudy. But pandemic has nothing to do **CG**, pandemic has nothing to do with **CG** if we are wrong you are doing by bribery is wrong. It shouldn't be the case. And of course, the group like us, we actually condemn him. Okay. But the few days before, I think under 27 May, the federal government officially re-accepted the law saying that this is compulsively effective to be implemented on 1st June. In Malaysia is like that. If there's no one to put in the law like or put in the jail, it would not happen. Like the insider trading? Yes, yes, or like noncompliance in terms of the corporate reporting and all those, if no one put into the jail. Through soft training Yes, Training in term of like you know mandatory training by the SSM which is the registrar of our of company in Malaysia by PUSAT Security in Malaysia by SC and all this training is just that, go in listen after that don't know what happened, so it wouldn't work. So to me training is good to have. Unless that training can be like grilled continuously. Okay, otherwise one-off training attending the, you know, mandatory course that you need you for all the **directors** is mandatory to attend course on every year. OK? And I think the hours right here right now has been reduced to 8 hours, to me is ridiculously low. What subject can you actually attend? It used to be like 24 hours per year, my right now it only 8 hours per year, okay. I think training doesn't work and you meet a lot of publicity in the news, online news and all those to actually create more compliance awareness because right now our issue here is a compliance issue. Compliance issues. Yeah. They don't care about a soft **CG** frankly speaking. yeah

Speaker 1 (15 : 55)

Um so which leads to the next question. Because that you will say that the need to punish them for noncompliance.

So, the next question, which is quite related to the answer, you just gave, err do you think a Regulatory framework will help and where does it hurt?

Speaker 2 (16 : 19)

So ok, Yes. OK,

Speaker 1 (16 : 25)

If there's a root reason why they are non-compliance. There must be something.

Speaker 2 (16 : 33)

Yes, Yes. Okay. This question is very interesting, actually. Okay. Uh, in terms of regulatory framework, it definitely helps. Definitely it will help. But the regulatory framework we have to talk about whether it is a strict compliance kind of framework or is best practices. Okay, so first two things can be split into two. One is a regulatory framework, sometimes we have leeway. Ah, lot of the time, regulatory framework, when we come to the actual execution is the terms, the definitions, the words are not clear, neither here nor there. You know, up to you to interpret and things like that. So it's got to have a regulatory framework it helps. But the regulatory has to be much, much more clear that a lot of time principle regulatory framework doesn't quite work in Malaysia. Okay, he has to be a level down instead of principal based regulatory framework because it's up to interpretation and then whether, and where would it help, where would it hurt? Okay. At the second part, of the question, right? I think it depends on how you the organisation. Firstly, is the industry. Secondly, is a in terms of the, what is the business model. More importantly, is the business model, whether will directly or indirectly hurt. To, to me as a CG person that you know in practice, okay, I would think that a lot of the time when we actually put in regulatory framework, it will not actually hurt the business. It would not hurt the business. Be it from environment, be it from social, be it for, from those that are governments side. I don't think so it will hurt to me it would not hurt. But, for some organisation, I do receive the feedback, they would tell me, this is additional costs. So yeah, it's called costs. Okay, they would tell you I need extra resources, I need to employ two more persons to do you know on that sustainability, you know, to record all this, I need to get an integrity officer. Not sufficient, not sufficient work for this type of people in the organisation. They are considered, not required, not require even like, let say regulatory framework mentioned that we must have integrity officer in the company to ensure that you know, like all the compliance and no nonsense and anti-bribery and all those things. That bribery thing happening, they will tell you that not enough work, for this work to do, you outsource, when you're outsource. How well and to what extent. Okay, to the companies that, ah, they need to comply they will think about costs, they will think about resources, they were think about whether that actually add value to them. That's why I said, if there is no one put into the jail and their business is not penalized, ok by the market it would not hurt. Why I said by the market, That's why it link it back

to the business model, like for manufacturing, if is a noncompliance due to a noncompliance on **CG**, non-compliant at the mandatory side, the government probably will fined them, the authority, you know will penalized and all those but the consumer continue to buy their products, it won't hurt, It won't hurt Okay. When the market reacts negatively to their products do not want to support them Then that is considered "real hurt" So to company if the cost would dry out, probably causing the resource to dry up, but you would not hurt. Okay, as long as the demand is there, so, you have to really look into what kind of business model it is. So this is how I feel about in term of a **regulatory framework**, whether it help.

Speaker 1 (20 : 56)

Um Okay. Um Oh, sorry.

Speaker 2 (21 : 02)

Mmm. Do I answer your question.

Speaker 1 (21 : 06)

Yes, you did answer really well, we make some something some fresh, fresh answers. From what? Because you work with many companies on **CG**. of different organisations. So, the next question is about on scale of 0 to 10. How would you rate the importance of the **corporate governance** to all those organisations that you serve, 0 to 10.

Speaker 2 (21 : 40)

Okay, okay. For my case is lightly different. Okay, uh, because the company that I serve are mostly I would say 100% are continuous basis, 100% list call. For those that yet to be listed, they're also on the way to be listed. The success rate is about 30 to 40%. Okay, if it's not successful, then we were dropped and they will probably go for venture capital. There we go to a private equity fund and all those but still had to comply to certain extent of **CG**. But a lot of time that you've already put actually in place for this call, called **CG** is really actually important because Because they're subject to the SC and Pusat security's to look after them. OK, so for those company that I work with currently I work with about 50 companies, I'm serving 50, what you call it list call, for those that you know, past experience, I at least served about 4 to 500 listed companies so far. Okay, for list call, I would say is very important. Okay, Usually the matter is actually brought up, the problem is not deep enough is too surfaced and a lot of the thing will be passed to the CFO to do Malaysia is very funny, they will actually think that **CG** work, If there's no integrity officer, no internal audit department in the company or no chief risk officer in the company that you literally becomes CFO role. It is actually very important. But for let's say, the role is actually doubled up by CFO, he was actually probably ran it like, you know, I do actually do survey myself as well. They were probably ran it like, you know, find six. Because he's not the call of my work, not a call in my work, this's the addition burden to be given

to me. I have to take care of it because no one taking care of it. Oh, because a lot of time company secretary function is also actually taking care of CG. But most of the time, company secretary function is being outsourced. Internal audit function depends on how big is the group. It is like not big it is outsource as well. Okay, so our legal adviser they do come in and they advice on CG as well. But a lot of company when they're already listed for some years that no, will not actually engaged like, you know, just one legal advisor, to be actually with them all the time. They were actually paid by ad hoc basis. If they are very, very big, good big enough then will have, they will appoint one legal advisor to be actually in the company to serve them. Okay, those are those are the scenario. But it is important. Yeah, if you run it to a CFO, that those i talk to there will totally ran it in term of the work about five to six. But for me, because I'm in the CG field to me, I think like you know I will rate eight to nine.

Speaker 1 (25 : 11)

The important.

Speaker 2 (25 : 13)

Yeah, it's different people. Yeah.

Speaker 1 (25 : 15)

Um And how would you rate those organisation when in terms of the the corporate government, the attractiveness, meaning is that, um are they effective?

Speaker 2 (25 : 32)

Okay. Uh, are they effective? No. Say 50% are not effective. Okay. How? How? How? Why I come to this conclusion, I can share you that why I come to this conclusion. In Malaysia there is this thing call CG report, CG report is required to be published by all the listed the companies, is a main board once a year. This is a supplementary report to the annual report. Ah, as a shareholder, you were received the annual report and the supplementary report is call CG report. Okay, so for this CG report right is actually based on Malaysian code on corporate governance. Okay. it's call Malaysian code on corporate governance 2017 version. Okay. And actually, they' chart it out, the principal practice one by one and all those that would have to actually practice the, what do you call it? The CG that recommended by the our king 4 king 5 mixed. I think him for king. You have to actually say whether you apply or you don't apply if you don't apply, you have to actually explain. The means you explained that the situation, why you know, actually adopted it. So from there, you can see really clearly is very, very interesting to see that company would tell you. Okay, Anything that is compulsively, be applied lar! Anything that is step up practices, those that are step up practices is non compulsories, is called soft governance. Right? But those area, there will say, wait for it to become compulsively then we applied. Okay, so you can actually see very clearly that you know, those compulsory one of course were actually said that is applied. But the thing is, when you come to, actually, read the sentences in between, you were realized that a lot of them are blank terms and

phrases. Okay, they copy here and there. And if you really want a supporting we go in, we said "you cannot put like this", you know, because where is your supporting document. You say you practice it. You said that. You know you do **board** of director evaluation. Okay? Remuneration. You have the remuneration policy, published, okay, but it's not clear enough, where are the criteria and all those right it's not there, so can you say that they are actually effective? No, to me is a little bit of lip service. It's not. It's not. Yeah. So you have to really look at the company itself. Of course, there are also some good companies that they do practice it. Okay, they do. OK, I think it's not that many in Malaysia. Yeah, you can see what the sentences are the same like a template. Yeah, they are template, they actually download the template. But if you study annual report is also very interesting, but from year to year the sentences never change.

Speaker 1 (29 : 08)

It worked ounce it works many times.

Speaker 2 (29 : 10)

yes. I realised that this is not the case. Probably. Yeah. So ah, so in terms of the your question, whether if effective or not, I think to me, it's not so lar, maybe 50% now. Okay. You really have to look into the details into other, in other words, and you compare with last year's figure and then you have to know whether Is a compulsively or non compulsory matters. Yeah. Yeah.

Speaker 1 (29 : 44)

And moving down is more onto **board**. Do you think in the organisation who is actually just a position who is responsible for driving the **corporate governance** strategy in the company? Who is the one that actually driving it? In actual fact

Speaker 2 (30 : 20)

okay actual fact the company organisation I was say a lot of the time is CFO, there is a reason okay, a lo of time, it's CFO is not the CEO is not the EV and all those okay is CFO because in Malaysia, CFO must have must be a member of the MIA. Malaysia Institute of Accountant. And in order for you to become CFO or FC of a company or Head of finance in a list call, you need to have this what you call a accreditation Yes, MIA okay? And because of that you must have because if you want to become a member MIA. You must be a qualified accountant, Okay? And also, to maintain your membership, you need to actually attend a compulsory training and also to maintain the what you call it the membership. And at the same time, you have to comply with all the rules and regulation and because CFO a lot of times are working together with the external auditor, the company's secretary, the lawyer and also the internal auditor. And there's also the one who actually are, well, have the first hand information in terms of the the MD and management discussions and analysis at that section in Malaysia that you need to explain why and sometimes it link to strategy processes and a **CG**. And and that's why they actually have more inside full information and are more in-depth knowledge in term of **CG** compared to the others, even peers or **directors** in the company. Because

all this external body advisor will actually advicd him want to do. And on top of that, we have the listing requirements and also the securities acts, security commission acts to, you know, tow actually govern them. Okay. And they have to actually comply If they do not comply, they will lose the job. And once they lose the job and they cannot be a member of MIA, then there will not be able to find a living in the same field again. Okay, then they have to actually venture out to other field. Maybe, you know, do some hawker food, haha. Okay, because of that, ah becomes a driving force that become more aware and that there were actually helped to ensure in terms of **execution**. They usually play a very important role. To advice like CEO, COO No, chief marketing officer and you know the HR side and all those because the rest of the what you call your position right, there are less regulated in Malaysia. That's why at the most effective person to **drive** it and you know I can really who actually pushed for it a lot of the time it's the CFO, yeah.

Speaker 1 (33 : 39)

Okay. Um, how often is the strategy being review? I mean, if it is the CFO, hold accountability for driving the proper governance. Will he be the same person that is actually ah, review and monitor the progress, or someone higher than him in the organisation.

Speaker 2 (34 : 04)

Okay, okay. In Malaysia. Okay. We have this thing called **CG** policy. Okay. Is ah is a corporate policy that you actually need to, actually comply with and you actually do publish it. You need to publish it on your website. Okay. On your corporate website. It's call **CG** policy and are for strategy side probably will have a paragraph or two talking about what is their strategy. But you will be surprised at some company. Don't even actually talk about it on strategy. Okay? Because on they are more concerned about policy instead of strategy Okay, in here in Malaysia. Okay. And whether how often their review e. Because there is a mandatory requirement that you have to review it at least once every three years. Okay, this is because it's mandatory you have to review it at least once every three years. strategy is actually from part of inside of the strategy policy that they have to mentioned. And in the in terms of the substance okay, those substance really, they review of not, really no one knows. Okay. Usually this will really actually be brought up the CFO or the company's secretary will say "it's time to review, already three years we must review" that there will be this highlight to the **board** then the **board** said okay, we must be review this year. Okay, so they were actually, you know, bring it up for review. Okay, but in actual fact. To they actually really into the detail then is another story, it is a substance of it, that one we don't know but the forms is there which is three at least once every three years. So, that why is hard to answer your question on this. So, it has to be actually brought up to the **board** level to review and the **board** actually need to minutes it to mention that this is actually being review Yes, it's being revealed. Yes, it has to be actually documented. Yeah. So he's hard for them.

Speaker 1 (36 : 22)

Yeah. Okay. Next question. I know it's a bit private and confidential. I mean, it's up to you. Okay, let me know. What? What sort of current percentage of the **FDI** actually comes into your organisation, Meaning that because you have so many, you work for so many public listed company way we can talk about average of **FDI** coming into Malaysia. What was the percentage?

Speaker 2 (37 : 00)

What is the time frame that you said? pass one year, passed two years, three years?

Speaker 1 (37 : 05)

I think passed eights years?

Speaker 2 (37 : 08)

Pass eight years. Okay. 2012 until now, huh? Maybe about 20%.

Speaker 1 (37 : 19)

20%

Speaker 2 (37 : 20)

Roughly, maybe about 20%. But he has been reducing. Oh, reducing yes

Speaker 1 (37 : 29)

this this almost the same because most of the candidates did mentions about 20%.

Speaker 2 (37 : 36)

Yeah, it's about 20% has been reducing. And I can assure you right now everything is frozen. You cannot do anything. Yeah, even you want to, you know all those, but the thing is Malaysia **FDI** number may not be that accurate. What I want to highlight to you is I realized that the figure is not so accurate is because they also includes on M&A figures inside. Mergers and Acquisitions, so you have to take note on that. Yeah,

Speaker 1 (38 : 07)

Okay. Next question moving down to a simpler question. Role of the **board** versus corporate level. Meaning the management and the **board**, from your view, what had the **board** done well, and what other areas of the improvement needed to **drive** effective governance. It sounds really repetitive

because, ah you did mention about that. The CFO play a very big role and the risk management. Um, but what do you think needs more improvement just to **drive** further?

Speaker 2 (38 : 46)

Mmm. What they have done? Well, and what are the area requires improvement now. Into strength and the weakness. Uh huh. Okay, for I think for ah, **CG** side that they have done probably on packaging the company. Haha nobody asked me this question before, you know, it's very interesting that, you know, some of the annual report you read and see they actually engaged this is called annual report writer, they are specialist okay, they are the expert in actually producing annual report, they will actually know how that they will help the company to comply in term of reporting requirements and all those but at the same time, they're using it as a marketing tools. Okay, they're using as a marketing tool for the investor to for the investor, especially for the institutional investors because they were actually take the annual report. Okay, to go for the investor briefing. Okay, we do have all this investor briefing, you know that you need to actually engage your investor. And also, if I let say you want to private placement for the big block of your shares and all those right you will have at this underwriter who helped you, you know, market it and things like that. And for this company they have the experience, they know that annual report actually is a marketing tools again. So you have to actually put very nice **CG** term **CG** words to say that you are a **CG** compliance company and beyond compliance, you do more than that. You do step up practices, you know, and these are the reputation that you know, the soft skills of the of the soft aspects of the marketing tools that that's where you come in. They have done well for that, a lot of the company doing very well because they employ the external part who do or the prepare the annual report for them. Okay. And then the area that they require improvement. Right? I would say that the actual **execution** and really understand, you know, the .. what you call it the root causes that why we actually want to implement **CG**, that are the areas that they only tell you that this is compulsory, noncompulsory. They wouldn't want to like want to know that. Why you want to do it? Yeah, but one or two. You know, **directors**, maybe they say, Oh, I will call you after that to understand more. Because of limited time during **board** meeting and things like that. I do. I do receive the calls. Why you wanted to do sustainability reporting implement things like that and they'll Why you want to measure things like that. Why you want to make sure things like that? So there are people, uh, question and asked about it, But I assure you, not many, not many. Yeah, that is the thing, they should know that you know the actual reason why we should actually go into, why should we actually **drive** more effective **CG**

Speaker 1 (42 : 15)

And how about the corporate level in management side. What role do they play in the governance **process** instead of the **board**? And what have they done? Well, same question. The area improvement needed to **drive** effective governance.

Speaker 2 (42 : 39)

You are talking about C level.

For C level? Ah, I think I will still mentioned that CFO, have done pretty well if comparatively compared to COO and CEO or CHRO. You know relatively well okay, Why? I say so is because, uh in actual your CG processors, right is not actually executed by the C level. It's not actually in terms of the actual CG processes and procedures. They are actually executed by the line management, which is like head of departments at senior executives and things like that they are the one, actually, really execute it and do it. Okay. It's not that actually the C level. C level are people I will say that they were actually take care on more revenue driven item, revenue driven activities. Okay? And then take care more on more strategic policy areas that don't actually really take so much of the actual **execution** **process**, procedures or even come to the work instructions forms and formats to fill in. They don't the only one who probably have interest in it because of the requirement that his bound by is the CFO only.

Speaker 1 (44 : 30)

So, he is held accountable, but delegate to the line management

Speaker 2 (44 : 34)

Correct, But the rest like CEO COO unless is compulsively there will actually you know, really dedicate it out because he's bean hold accountable. But I think the correct word here you say one, which is accountable. Yeah, because integrity is another issue. When it comes to actual you know, all the things the keyword is accountability. I have people actually told me one of the interesting phrases that I want to share with you here if you don't mind? Okay, I have CEO actually told me that I responsible for this job, I'm responsible, but I'm not accountable. So he actually split really clearly, accountability and responsibility is different. Okay, I was so shocked that I'm almost fell of my chair, so they are two different things. Accountability and responsibility is different. Unless that you're being hold accountable, then you know. Then you were have the key interest in it, like CFO role because they have no choice. Yeah, Yeah.

Speaker 1 (45 : 50)

Um okay. Uh, where was I? Um okay. The next question, how are the **board** are selected? I mean, you have been working with many public listed companies. Usually. How are the **board** selected? Are there any key members who are driving CG at the **board** level? Meaning that some of the **board** members are previously from C level coming into the **board**. Or they're like non-executive **directors** from outside coming outside organisation, that coming into your organisation to sit as the **board** member. How are they selected for example.

Speaker 2 (46 : 41)

Okay, okay. It's very interesting question. This is another big topic. You see is in Malaysia is very, very interesting. You know, we have family owned companies and they grow and grow and become very big. OK, they become a public company, you know, a corporate company and things like that. But along the way that transformed and some do not really 100% transform Now, okay, maybe 50 to

60% only but they are big, they have the figure, they are qualify, as you know, but big corporate and things like that. And we have about 250 something I can't remember the exact figure. Ok, is called GLC. If GLC means, Government linked companies there are directly or indirectly linked to the government in Malaysia okay, and Malaysia just seen a change of government. Not long ago, but this government linked company actually can is linked to different group. Okay? Either is opposition side or non oppositions side, the current government, they used to be opposition. Okay, after you know 2018, our political scenario government change. You have a new group of GLC emerged which is the old government just two years government. You have the ingrain type of GLC 40-50 years, or you know, some 30-20 years. You know various ages, OK, GLC. We have a family run company and we were very, very small percentage, which is really professionally in the sense that professionally run by professionals, in the sense that it's like a few partners actually worked together and grow the company and it become very big, is non family control and non GLC. In Malaysia, majority are family owned business that grow big, and and the other one are those GLC and another very big group that they're non listed they are called MNC from, you know, overseas. But there volume is not that big in Malaysia. Maybe about 20%. Okay, so for **board** that I actually worked with, how the **board** actually selected that is actually a regulation on that that there is this thing called nomination committee, nomination committee, nomination committee are supposed to actually, you know, go through the potential candidate, is their qualifications to do basic due diligence, to understand their background to see how they can actually contribute to the company and things like that. You know, there's this nomination committee, but how does the let say a potential candidate actually come into the picture? A lot of time is due to political connection. Uh, associated business partner. Okay or friends and things like that to recommendation and things like that. Okay, That how they're actually being selected, You're being quite it actually is quite interesting that, you know, for the past 2-3 years that whenever we actually submit a proposal to the security commission Malaysia, they do actually asked us how. How how? The question is How does the independent director knows about the company? They're actually asked us this question. I do, actually, so we will have to go back to the company. How do you get to know? Is through recommendation? If recommendation is who, some is like, Oh, this one is my ex colleague. Okay. Have been working with me for the past, some is like, not through recommendation or sometimes they tend to put in by political party, so there is easier for them to work with. Yeah, cases I did to tell me. Okay, so you have to see that nature of the companies, okay, how they're actually selected. I would say that is very, very rarely that company actually produced this good practices, that have a database of our potential candidates. So far, I have not seen one even though these are recommended. Companies should actually have a database of potential candidates and things like that. So far, I have not seen one. Even the candidates they put in are those people they can somehow influence or control somehow, because they don't want someone to come to the **board** and question them. To be frank Yeah. Yeah. They don't want someone to come to the **board** an question them their **decisions**, question their strategy, you know, things like that. I will not say that of course they want someone that like for professional background can actually advise them. Yeah, but for the **board** for the list call side, One thing for audit committee meant members the chairman of the audit committee must have the membership for MIA Malaysia Institute of Accountant. Yeah, you're so right for that, right? Somehow you were at least having one professional on **board**. The rest is upto them. Okay. Yeah.

Speaker 1 (52 : 26)

Um what? What do you think? What are the factors that you felt affected the focus of the **board** on corporate governance, sometimes like eg. for the CEO might have conflicts with the chairman and maybe culture that is not being focused in terms of the CG. Do you think they can effect when it comes to the **board** when they focus on the CG?

Speaker 2 (53 : 01)

Okay, I think there are two parts of it. Okay, for me to answer this question, first part is actually more on the regulatory side. Another one, which is a soft part, which is culture, thinking, mindset and all those. Okay, let's address the first one, a lot of time, I would say the biggest issue that I'm facing right now is related party transition, especially those that current related party transition. That's why they come in this element of conflicts of interest, Related party transition are those directors that have the related transactions that you know that they should actually should not actually happen. Actually, it must be actually transacted at the arm's length level. Like for example CFO would said " hey this one is not at arm's length, we do not actually follow the proper transfer pricing guideline. Okay, Transfer pricing like FDI comes in". Like one of the real cases, real cases scenario that I'm sharing with you this FDI's from Brazil. Okay, this company actually is in Serambam, Okay from Brazil actually can bring in the fund and then set up the factory and all those have what you call it, business venture to manufacture their products. The thing is whatever is being produced, right, it actually sell to another company before actually sell to the customer. Why must it be so, even though the companies are within the group. But the thing is that there is an element of conflict of interest. It's not fair to the FDI and me, I mean somebody. Okay, Because how do you actually come with the pricing? Are they actually comparative? What is the value that you're selling and what is the cost structure and things like that? Why do you do so? Is it not possible that can go direct to the end user and things like that? You know end customer and things like that. They are. There are elements of conflict of interest in terms of the on the related party transaction. Usually things were brought up is more on related party transaction, we left the party transaction and conflict of interest, merger and acquisitions. This are the strategic issues that can actually cause and affect the CG compliance and split the group into two. That they can actually have bought passage because of the piece and things like that. Okay, this's just one case, that I'm sharing, there are many cases. Okay, many cases, I can sit down with you another day. Uh, another thing that can actually affect, is the dividend policy, dividend policy Yes. When a company FDI come in, what are they looking for? They're looking for returns, isn't it? But sometime, the dividend policy is once you. Actually, because for profit is very hard to repatriate back to their country in Malaysia. It is very, very hard. Okay, that not possible for you said it not possible is hard for you to repatriate the fund So what company need to do is if to declare dividend for the company, not the overall list call for the company. You can actually get the money back, okay? if not, you re-invest to the company, and you become continuous forced re-investment. This is one of the reasons sometimes FDI do not want to put in so much fund, is because they are not able to repatriate back the fund that you know that put in. So they have to consider how to get at them, you see. So if you cannot get back the money , the only thing is expand, you keep expanding. But this what you want to do or not in the future. Okay, just now we

talk about related party transaction, conflict of interests, dividend policy. These are some of the thins that actually affect the **CG**. And then another thing in term of the softer skill part, which is, of course, culture mindset thinking and our personal in terms of the view of the integrity and things like that. But those are very, very hard to prove, but actual trusting so that you can actually struggles that you can actually really see are all these transactions. All this transaction you can see, they do not want to be reinvest, they want to reinvest. Because a lot of related party transaction issues, leads to conflict of interests, dividend policy. Yeah.

Speaker 1 (58 : 18)

Okay. I think I think that's about all from the question I need to ask. Unless there's something that you wanted to add that I miss out.

Speaker 2 (58 : 29)

I think we cover all

Speaker 1 (58 : 31)

Great. Extensive.

Speaker 2 (58 : 33)

You know, I don't know. I I really answer your question

Speaker 1 (58 : 39)

Some of them are very surprising. That's why it's a call an honest opinion on **CG** and **FDI**. Yes, and I think you we did a good interview. Yes. Covered very extensively

Speaker 2 (59 : 04)

Thanks. Thanks.

Speaker 1 (59 : 09)

Um I think that's about it really. Thank you. Thank you, miss. So thank you for participating in this interview and I hope I see and see you in in Malaysia one day.

Speaker 2 (59 : 24)

Yeah. Yeah, if you happen to come by, you can give me a call. We have so many common interests. In terms of **CG** Okay? Yeah, sure.

Speaker 1 (59 : 35)

Thank you very much XXX ,

Speaker 2 (59 : 38)

Yes thank you.

Q1 Importance of corporate governance?

today's problems in corporations have to do not only with having a very good professional class in management but also in having a good system of governance by which both the Board of Directors shareholders and the top management team can actually interact with one another in order to make the company sustainable in the long term.

Q2 Key issues in Corporate Governance?

well we see many of them in reading newspapers we see problems that have to do with chief executives but actually are fighting against the Board of Directors with board of directors that are fighting against shareholders with some shareholders that are fighting against other shareholders all those things actually reflect in some ways obviously human condition but also they also reflect that sometimes the long term dimension of a company and the long term objective of a company is not clear to the major stakeholders of a corporation I think that a good system of corporate governance has to create a framework with some goals some objectives some share values that most of stakeholders actually agree with and a frame that actually can help the top management team and board of directors to develop strategic plans and action plans that could be those long term objectives effective and feasible within the boundaries of what the corporation can actually do.

Q3 How do resolve this?

well integrated vision actually means that both the objectives of shareholders the board of directors and the top management team actually could get aligned one way or another and from these definition of aligned objectives the company can actually develop some mechanisms for developing and designing strategic plans designing a compensation system designing control systems for the company and designing mechanisms by which information goes back and forth between shareholders and the board of directors are between board and boards of directors and the top management team so integration means that in governing a company the top management team does not take into account only their own preferences they have to take into account the preferences the objectives that they have agreed with the board of directors and also the board of directors has to take into account what shareholders expect from them and from the top management team.

Q4 Best Practice for corporate governance?

any system of corporate governments actually involves a number of very important ingredients first of all the quality of people in the Board of Directors in the top management team also the professionalism of those people sometimes we tend to mix up things in corporate governance simply because we don't take professionalism very seriously we think that some problems can be just solved by setting up some incentive systems incentive systems are important but you actually need to design a corporate governance model in which all the ingredients are not just efficient by themselves but also they are coherent with one another the third dimension of very good governance system is to have a project for the company a project that is more than just a strategic plan a project is actually something that helps explain was why this company actually exists and why this company actually operates that the way it does and a project that could be

shared again by shareholders the board of directors on the top management team and finally there is a very important ingredient that no matter how good the corporate governance system actually is that any company actually needs this value which is trust without trust there is no possible to build app to develop a system of corporate governance that could successfully project the company or help project the company into the long term into the future so we need people we need a project we need a very strong sense of professionalism but also at the end of the day we also need tracks that actually builds and helps develop these relationships so that the company could develop itself for the long term.

Q5 what do you think countries that want to implement corporate governance code can learn.?

I think it's very much dependent on the local situation there's a number of different factors need to be taken into account in deciding whether he code is something that will work in a in a particular environment I think the first thing that needs to be thought about is what the objective of the attempt to introduce code or other sort of governance requirements is for example if it's something that's intended to deal with outright misconduct or to introduce what you might call minimum acceptable requirements a voluntary self-regulatory code is probably not the right tool to do that you're looking at more traditional law or listing rules or whatever the case may be if on the other hand it's about trying to raise best practice above that minimum requirement to encourage hopefully better decision making more informed investment decisions by my investors if you're focusing on their role or combining those hopefully into better performance by the company over the long term then I think that's where a code can play a role whether it's going to be effective or not though rather depends on as I say what the local situation is so for example the the UK code the corporate governance code which I'm most familiar with obviously operates on a basis of setting standards on what's called a comply or explain basis where there is a presumption that a company will follow the best practice that's set out in the code but if they believe it's not appropriate there's an opportunity for them to explain to their shareholders and the system then depends on their shareholders making a inform to judgment as to whether or not they accept the reasons given by the company and they believe that

that's in the best interests of the company over the longer term. Trying to use that sort of approach in the UK way in a market where for example you typically have controlling shareholders you're they're asking the management to the board to essentially report to themselves on whether they think it's appropriate to deviate from the code and in that sort of situation as a simple model of the way it works in the UK probably needs a bit of adjustment so you might look for example to the regulator's to play more of a monitoring role, perhaps some third party like audit firms or others to do some form of checking as to whether the companies are in fact complying or endearing to what they say they're doing in their public reporting. Another model that you might look at is a country where there is traditionally no history of self-regulation certainly there are some countries in ASEAN and elsewhere where we've spoken to the local stock exchanges or regulators who've said unless it's set out as a rule, companies here will not follow it, they will see it as entirely voluntary and essentially leave to one side so you need to have some form of system which requires them to take action or face some form of sanction.

so the effectiveness of the governance code pretty much depends on the local situation and issues like ownership structure and business culture if that's the right phrase?

really it all depends, yes it's a very long way for saying it all depends but so you know we're talking a lot here about emerging economies all the problems that come with it the capital market access and so you know does it really make so much of a difference for an emerging economy to kind of discovering this.

I think it it depends I think it depends but the argument that we have heard that I think is the most compelling reason for thinking about governance is if it's in emerging markets that it has aspirations to grow to be regional or international market as opposed to a purely local market and is looking to attract international investment increasingly large global investors are looking for some level at least perhaps minimum level of acceptable governance or acceptable practice as one of the factors they take into account when deciding on whether to invest in individual companies and indeed individual economies and certainly some of the large international investing institutions have said to us they are probably no overall portfolio is underweight in certain economies because of concerns some of those are more fundamental concerns about the court system the competition policy in countries where there is a lot of controlling shareholders whether they be state-owned or or privately owned concerns of our lack of shareholder rights, weak regimes in relation to related party transactions those sort of things they would probably look at those factors that aspect of governance if you like before they look at things like board composition and risk management policies some of the things that we've tended to focus on in the UK and Europe in recent years but but we do we do hear that there is a it is a consideration on how much weights they place on the investments that go into particular markets and then individual companies within those markets and so I think for what you're finding is is perhaps in some economies led by the stock exchanges and the business community interestingly

are seeing the value in in trying to demonstrate to international investors that there is at least the bare minimums of what international investors might consider to be acceptable governance arrangements and ==monitoring== and reporting in place

in a way this globalization of capital markets pulls along the governance regimes?

It can do, of course there are shortcomings with that as well and a lot of frustrations at a local level I mean one of the one of the regular complaints you hear from for example the Nordic countries within Europe just saying that example is that they they have a very different structure to the UK or the u.s. in terms of shareholding they tend to be they come from a business culture where there's a relatively small number of local investors who have a fairly heavy shareholding in individual companies but not the controlling share and so they they have a system which they believe works well there but feel under pressure to change that system to something that looks in their eyes more akin to a UK or us approach to these issues because they feel that otherwise international investors will in some way count against their their willingness to invest in those companies because they have what they see is a none typical structure even though it's one that in interview in the Nordic countries works very well there it can cause sort of friction difficulties at local.because you know one size fits all but a capital marketer wants to have a US UK style governance regimes but then like you said in the very beginning it's all it depends on the circumstance?

 yes and as I mentioned the the compiler explainer where does one size does not fit all that's equally the case with with individual markets and countries but as you say does this sort of tension that it's not that one side is winning that techno-economic no and I think as I say there's a difference between those aspects of governor's that might fall into the minimum acceptable behavior so things like certain degrees of access for for minority investors where there's a controlling ==shareholder== certain protections around things like related party transactions that may be something where it's legitimate to say there should be a minimum standard across all markets other aspects to get into more things like ==board== composition disclosure on certain aspects of what the company is doing I think that's the area where the tension is is more noticeable because that's where local traditions and so on are potentially more in conflict with an attempt to set a single regime.

you were involved in drafting it or at least rolling it out maybe could remind us what is stewardship code?

The stewardship code in the UK is an attempt essentially to encourage asset managers in particular because they're the people who in practice vote and engage with companies in the UK but also their clients like pension funds and others to undertake their part of the deal if you like a system of saying companies are expected to report to shareholders who will make informed judgments about whether

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they're happy with the governance of the companies they invest, it only works if those shareholders are actually carrying out that role otherwise you have I think the majority of companies in the UK market at least would still take these issues seriously cuz I think they see the value for both internally and also externally in terms of performance but there will be those companies are tempted to say nobody's looking we can we can happily ignore all of this so I think our view is that the system needs the shareholders to play that role it's an area where you can't really compel people to take an interest because I think if you do that then you get a lot of unintended consequences what you've what you've brisk ending up with is a box-ticking voting exercise by people who don't actually take any interest in the issue but but use it as a compliance check.

Q8 People like me for example criticize the code, stewardship code now what has changed.?

I think I think there is some changes some of them are not brought about by the codes themselves or these are the expectations or obligations put on investors by regulators or others some of it I think comes from a broader understanding of what investment considerations are and it's something that some companies welcome some don't but you do see investors increasingly take an interest in what you might call CSR type issues for example one interesting example is tax policy a number of years ago I think investors your average investor would have said well as long as the company is carrying out legal policies that are legally compliant the less tax it pays the better because the bigger the dividend for us but given the public reaction to some of those high profile companies who are seen as not paying their fair share and at least the short-term impact on on share price and and certain reputation of those companies that went with it increasingly investors are now saying well actually this is an investment decision for our sovereign investment consideration because if it damages the long-term value of the company when it so I think some of the interest has come from a broadening of the the range of factors that at least some investors take into account a lot of them still don't still take a very pure look at the numbers, one of the issues is in the way that the codes for companies work if they do work by having somebody who is there at least nominally holding them to account you need somebody equally doing that with the investors if they are to encourage that to happen and it is one of the the issues that Normally, the balance is also inside the administration, and was with the head of the departments and even with the CEO of the company.I think still needs to be resolved.

Q9 But having said that now looking back or all these years where you were involved in governance how would you summarize it do you think it made a huge difference?

I think it's one of those things we're looking at codes there are there are limitations to what you can achieve with a code or indeed with rules in fact I think codes probably capable of achieving more in terms of encouraging good practice than pure rules are for the reasons I explained at the beginning so some areas for example around ethics and culture are things that are vitally important to good governance within organisations whether they be companies or others very difficult to meaningfully deal with those through a code you know you could put something in that says don't be greedy don't be stupid and everybody would say they comply of course so so either there is a need I think for the those areas where there are work still to be done I think we need to look at different ways of trying to to deal with those however I think in terms of the markets I I know I think you'd have to say that if you look at the general practice around a number of independent ==directors== on ==board== the quality of risk management and these sort of things I think we have seen a considerable improvement over the the last ten years or so but the job isn't finished and it may be that the tools we've used to date are not the ones that we need to use in the future to to deal with the remaining issues.

Thank you very much, XXX

Pleasure thank you

Speaker 1 (00 : 01)

Hello, XXX, how are you?

Speaker 2 (00 : 03)

Hi. Good,

Speaker 1 (00 : 08)

Good. Okay. Thank you for taking part for this interview research for my Doctorate in Business. The reason why I am here is to collect more information about the research study that I am doing, and you are one of the experts in this topic area. So, there are some questions I wanted to ask you and hope that you can help and give me some insight about corporate governance and the relationship of corporate governance and foreign direct investment. So, thank you for participating. for participating.

Speaker 2 (00 : 49)

Yes, Thank you.

Speaker 1 (00 : 51)

Okay. Should we start now? Because the interview would be all private and confidential. Any time of the interview, you could stop me or pause

Speaker 2 (01 : 01)

And

Speaker 1 (01 : 03)

Yeah, so there's no, stress or anything that can affect this interview. So, do Let me know if you need some time to think.

Speaker 2 (01 : 14)

Okay.

Speaker 1 (01 : 15)

Okay. shall we start.

Speaker 2 (01 : 19)

Yes, sure.

Speaker 1 (01 : 20)

Okay, the interview questions, what role do you thing that the board should play in the organisation corporate governance, the CG strategy and the kind of execution in terms of the foreign direct investment.

Speaker 2 (01 : 40)

Okay for the corporate governance strategy, I think the board should have the transparency, the accountability, responsibilities and finance to ensure a strong based in governance development. Because of this will be able to attract a new investor and looks attractive to the society. Yeah, the most important is the knowledge and skill in a CG development and process. They must all be playing an active role into the CG policy that involved in the process in order to improve the CG.

Speaker 1 (02 : 26)

So, more on the balance. So, the second question of what kind of key areas they need to focus on CG with foreign direct investment in terms of the key areas. What and Where should they have focused?

Speaker 2 (02 : 53)

Ah, I think that they need to effectively review the governance strategy. Yeah, I think the internal audits and external audit are all under the board governance, especially for the FDI concerns. like a especially appointed the external auditor to assess the governance effectiveness as well as the governance performance. and ensures to ensure, that the external auditor is to make sure equal treatment to all the shareholders, including minority and foreign shareholders be informed on the transactions with the member of the board of directors.

Speaker 1 (03 : 44)

So, you mean that the review of the governance strategy is done every quarterly annually or happy early.

Speaker 2 (03 : 54)

Yeah, sure. They are reviewed every quarterly

Speaker 1 (03 : 59)

Quickly. Okay, so, this is the key area that is focused. Reviewing.

Speaker 2 (04 : 08)

That's right. Okay.

Speaker 1 (04 : 12)

The question on the scale of 0 to 10 do you the boards in ASEAN country are actually driving the corporate governance.

Speaker 2 (04 : 24)

I would say maybe about 50% because it is depends on the size of the company and how they drive the CG, because like the small medium enterprise (SME) the driven CG is less than the Public Listed companies. Because the public listed company has more resources, So, they always have the regulatory framework to drive the CG. Usually like in Singapore, Hong Kong, they have already adopted the good CG and stewardship code. And this positive influence of the CG on the company performance is not limited to the in the industrial market, which also significant positive impact on the financial performance off company in developing markets in the Asia country.

Speaker 1 (05 : 23)

So, 50 – 50 %

Speaker 2 (05 : 27)

Yes, it is all depends on the size and structure of the company.

Speaker 1 (05 : 32)

Okay, the next question, quickly asking you, what do you think needs to be done to increase the involvement of the board, in terms of CG?

Speaker 2 (05 : 45)

I would think that training is that should be done in the board level, because, some of the board members they don't have the CG knowledge and the skills. And that's why they failed at monitoring their duties. So, I think the company should set an amount of time for the regulated framework with proper training in order to strengthen the board knowledge. Yeah, I think yes, the training is most important. It needs to be done.

Speaker 1 (06 : 23)

So, you think that the training on regulatory framework which now comes to the next question um, Do you think by introducing a regulatory framework would it help, and how does it hurt the company?

Speaker 2 (06 : 41)

Uh, usually, there are many types of the regulatory framework and this is seen to be a template and ensure that one size fits all, but it depends on the industry. If you are the company in the Fast Consumers Moving Goods (FCMG) industry, which is actually very competitive industry and

regulatory framework does not help because it cannot, they cannot adopt checklist and templates into this. So, I would think that's not very effective if it is for the highly competitive industry will be costly and cannot help. But for the utilities company, I think yes.

Speaker 1 (07 : 33)

So, a regulatory framework will suit a non-competitive industry.

Speaker 2 (07 : 40)

Yes, is that's what say

Speaker 1 (07 : 40)

Okay, the next question is about the current state off corporate governance in your company. Okay, so on a scale of 0 to 10 how would you rate your company CG from important 10 to least important 0

Speaker 2 (08 : 04)

I was saying about 60 to 70% because from my industry of work, I am in the education industry. My industry is not very competitive. However, we do have the MQA Ministry of Qualification from the Malaysia, for regulatory framework and some of the association like the Ministry of Education and we do have different types off regulators involved, like difference awarding bodies. We also adopt many types of framework recognised by many different countries. So, we are highly trained by these compulsory regulations besides corporate CG.

Speaker 1 (09 : 01)

Okay, so the CG governance corporate governance framework is not that important but rather than your own regulatory framework on various education bodies which is more important.

Speaker 2 (09 : 22)

Yes. Could be say like, did must like, we need to follow all the process to get done to every different awarding bodies and the Ministry of educations from different countries like Malaysia, Singaporeto make sure that every process is done well

Speaker 1 (09 : 54)

Okay, so the next question on a scale of 0 to 10, how would you rate your company in terms of the CG effectiveness? Um okay, you rate 50% or 5 out of 10 meaning that is somehow important. But then when it come to CG to attract foreign direct investment, do you think that the CG is very effective in attracting FDI

Speaker 2 (10 : 37)

Okay, Yeah. Can we stop a while? (pause)

Speaker 1 (10 : 52)

So, what do you think?

Speaker 2 (10 : 55)

Yes, I think CG is very highly effective. Because beside CG we still operating under different types of regulatory framework, so coming all together, I think it's very effective.

Speaker 1 (11 : 08)

Okay, putting all together. Okay. Next question is about the corporate governance, CG strategy and the process. Okay, um, in your company, do you have a CG strategy in place?

Speaker 2 (11 : 28)

Yes, we do have ah, our chairman and the board of directors would draft our CG in every quarter, Yes.

Speaker 1 (11 : 40)

Okay, who is responsible for driving the corporate governance strategy? The person who is accountable.

Speaker 2 (11 : 51)

Across the board, the directors will drive the CG and responsible on the process of review and reporting on the results of the CG.

Speaker 1 (12 : 03)

Okay. How often is the strategy being reviewed and who monitor the progress?

Speaker 2 (12 : 14)

Uh, the board of directors will responsible for the CG progress and review in quarterly as what I mentioned. And this includes like compliance and all the reporting on the organisation activities.

Speaker 1 (12 : 36)

What is your current percentage of your Foreign direct investment inflow to your company the inflow of funds into your company in percentage? I know this private and confidential is up to you, whether you want to disclose to me for this interview,

Speaker 2 (12 : 59)

Okay, it is like about 40 to 50%, actually right for my industry and I would say it's quite high and according to the Malaysia Investment Authority. We do have about 20 public Universities and more

than 15 Private Universities and as well over 500 colleges and most of the Private Universities they will collaborate with different country universities from different countries. And so, I think Malaysia, it's also recognised is a potential contribution of the Private Higher Education institution to produce higher economy growth. Meaning that this sector can generate economy growth from the FDI.

Speaker 1 (13 : 59)

So, you think probably about 40 to 50% into this education industry?

Speaker 2 (14 : 04)

Yes.

Speaker 1 (14 : 06)

Okay. The next question I wanted to ask is moving off a different area. The role of the board versus the corporate level, which is C-Level. Okay, from your view, what has the board done well and what other areas of the improvement needed to drive effective corporate governance?

Speaker 2 (14 : 31)

I think they have been doing well because as I mentioned earlier, besides the corporate governance, we need to follow the regulatory framework that set by different awarding body, the school, the university and different country have different standards and we need to meet all their requirements. And I would say they have done well that they have gone through all the audit and process.

Speaker 1 (15 : 03)

Um and how about the corporate level? Okay. What role do they play in the CG process? What has the executives done well, so do you think if there are any improvement that drive effective in managing governance?

Speaker 2 (15 : 25)

Okay, the role they play in the CG is setting in budget, reviewing the performance and then prepare audit and also the financial statement. I think for the improvement area, I think the training is the most important for the in the improvement to ensure the directors have the information, the needs in the industry, in the in the industry.

Speaker 1 (15 : 58)

So, in the management wise, in terms of management, what needs to be improved. So, what do you think the management should effectively drive their corporate governance

Speaker 2 (16 : 25)

For the management? I think they need to have more communication to each other. I think this is a needed to them and ensure all the CG process that is follow up by the management. And of course, the CFO need to be more accountability to ensure there is balance, the financial statements are clear and easy to understood by the board and no misunderstanding with the board. And to ensure they are meeting the target. and the CEO needs to have a good leadership, to lead the yeah, to lead the management well.

Speaker 1 (17 : 12)

Okay, let's move on about the board effectiveness. Okay, So, board effectiveness in corporate governance. How are the board selected in your organisation are there any key members? Are they driving good CG at board level?

Speaker 2 (17 : 37)

Usually it is elected by the main shareholders like if the founder controls the company, then he or she usually is nominating entity. But the situations will change when there's a new investor coming in. Um, if the founder retains control the situation does not have to change. The founders can able to nominate and elect the director that they want on the board. But investors can and negotiate for the board seats in some situations and recorded it as shareholder agreement. And this agreement is within the shareholders of the company. But adding investor directors doesn't means that the founder they lost the control off the board. They still can remains like three person board with one investor and two founder director.

Speaker 1 (18 : 47)

So? So those are the key member on the board driving key corporate governance?

Speaker 2 (18 : 53)

Yes.

Speaker 1 (18 : 55)

So is the chairman one of the key member.

Speaker 2 (18 : 59)

Yeah, Chairman is one of the key member.

Speaker 1 (19 : 02)

Okay. the second question what are the factors that you felt affect the focus off the board on corporate government? So, the main effect on CG,

Speaker 2 (19 : 21)

I would think that the balance of the board is one of the factors that will affect the board on the CG, like age and gender sometimes only men in the board, so there must be diversity. The board with the employees who work in the organisations can seat in the board.

Speaker 1 (19 : 51)

So, allowing employees to sit on the board?

Speaker 2 (19 : 54)

Yes, Yes, from the management level.

Speaker 1 (20 : 01)

Okay. Um okay. is there anything that you wanted to get.

Speaker 2 (20 : 09)

Yeah, no.

Speaker 1 (20 : 10)

Okay, I think that this is a very quick interview. I hope that your information can help in my research.

Speaker 2 (20 : 23)

No,

Speaker 1 (20 : 24)

Thank you again for joining this interview.

Speaker 2 (20 : 29)

Thank you very much.

Speaker 1 (20 : 31)

Thank you. Bye bye.

APPENDIX C2 - Coding and Memo of The Transcripts

	Excerpts	Codes	Memo
Respondent 1	15-20% because is a Singapore focused company. So, the… the investment here in Singapore I don't think considered a FDI. So, for oversea is probably like 15-20 percent of business.	Foreign Direct Investments, Corporate Strategy	20% of their investment to the company are outside their country.
	a check on balance on the board of board members. So, for example um, a way to check and monitor the decision made by everyone of the board members.	Corporate Strategy, Board of Directors, Governance Process	Respondents suggest that a board committee should be present and ensure balance and diversity
	advisory and also monitoring's role.		
	And most of them are knowledge and experience in this business. So, is not something like not have any idea of what's happening of the industry. They are actually quite familiar with the industry.	Governance Process, Corporate Governance, Shareholders, Corporate Strategy, Board of Directors	Strong background knowledge of their duties and responsibilities being board member
	any loss of confident into the business in the begin will have immediate and also prevented on stock price.	Shareholders, Top Management, Regulatory	Any weakness in regulatory noncompliance will impact on shareholders' wealth devaluing the company
	basically answerable to, is stakeholders uh and the stakeholders should be customers.	Governance Process, Corporate Governance	
	CEO is also the founder of the company.	Corporate Strategy, Board of Directors,	The CEO is the leader of the organisation that drive

		Top Management, Governance Process, Shareholders, Foreign Direct Investments	governance strategy for more investments to the company
	definitely will want to compliance with the corporate governance.

Speaker 1 (10.25) | Governance Process, Regulatory, Corporate Strategy | Strong compliant to any regulatory framework to assure normal business activity and future growth |
	ensure greater transparency, accountability umm, and also to protect the shareholder's interest	Board of Directors, Corporate Governance, Governance Process	
	get them familiar with the type of roles and responsibilities.	Corporate Governance, Governance Process, Board of Directors	a need to have a process to update board members and remind them of their duties
	hare with the top line if there is achieved.	Board of Directors, Shareholders, Top Management	signs of good Performance are reward through remuneration
	hey at least must have vital experience and knowledge of the business as their going to take charge	Board of Directors, Governance Process, Shareholders	Knowledge is key importance to understand governance framework
	I understand is that they are nominated by the company but still the shareholder have to elect them lar. The nominated that the shareholder have to agree for these people to elect them during shareholder's meeting	Board of Directors, Regulatory, Governance Process	Boards in Singapore are nominated
	I would also says nine. I would also says nine. Because I think that the board have to fulfill the most of the requirements. There is	Governance Process, Top Management, Board of Directors, Regulatory	Knowledge of any noncompliance by public will lead to impact of devaluing in share price

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	being stipulated in SGX corporate governance and also uh you also have to face the shareholders. If anything, there is no in compliance the shareholders would be able or the stock analyst would be able to sign up and you know they will write something negative about it. So, it will impact the share price immediately.		
	investor's interest uh that is affected by these policies of the company that concerned are probably agent's care	Governance Process, Regulatory	
	listed company. So, the board of director I think should be a group of people that legally been appointed to take care take chat of governing the company	Board of Directors	legal entity
	Let's say, the process… more into process. For example, in the approval process. For example, making decision on acquisition disposal of assets and also in term of being very careful in their decision making on major investment, capital expenditure, borrowing and leasing funds for example	Top Management, Governance Process, Corporate Governance	Process must be in place to ensure presents of governance, due diligence, audit trail.
	listed company. So, the board of director I think should be a group of people that legally been appointed to take care take chat of governing the company	Governance Process	

	Making sure that the roles and the responsibility of the board, the member of the board are clear.	Board of Directors	
	independent director may not add independently in some cases. So, it's quite difficult to to explore such kind of non-compliance.	Corporate Governance, Governance Process	director to remain independent is crucial, however there are some who are not
	obligatory to take decision in the interest of the company and also the shareholder	Governance Process, Board of Directors, Corporate Governance	A process to ensure that a framework is in place
	region because I look at the way the company is doing very bad. They have to basically um, during the expansion to the region	Governance Process, Corporate Strategy	It has 5 out of ten in terms of good corporate governance practice in ASEAN
	say they do not maybe they also have to go through some sort of trainings.	Regulatory, Governance Process, Corporate Governance	Continuing training to ensure relevant to current governance framework
	setting the budget, setting the KPI. I think in term of um the way they do the reporting,	Top Management, Governance Process, Corporate Strategy, Corporate Governance	Management takes part in process of monitoring and setting performance target as policy and system of the organisation.
	shareholders are actually quite happy because the company balance sheet has been quite robust	Regulatory, Corporate Governance, Foreign Direct Investments, Shareholders	Dividends are main motivator of more investment to the organisation
	Singapore is regulated. Actually, is quite heavily regulated and closely monitored by council of the estate agency.	Governance Process, Regulatory, Corporate Strategy	Suggest that neighbouring country, Singapore has strong signs of regulatory framework

	That's why he is reappointed as a CEO.	Board of Directors, Shareholders, Top Management	Being reappointed as CEO to remain focused
	The CEO and also I think the CFO lar. These are the two main one. So, because they are always looking at the accessing the KPI and monitoring the KPI	Top Management, Governance Process, Corporate Strategy	Top management are the ones that drive good governance throughout the company
	the compliance still have to be followed. In the phase of, let's say of the partial shutdown but this is going to affect the company's business prevent procedure.	Regulatory, Board of Directors, Top Management	During lock-down and also part of the regulations to remain shut to the public, compliance is still the priority.
	Then training is important, but on top of guide I think they also need to go through some sort of orientation's programme.	Board of Directors, Governance Process, Corporate Governance	key knowledge of the board members
	they should be given opportunities to visit the operation office.	Corporate Strategy, Top Management, Governance Process	to remind management of the board is in fact overseeing the organisation
	They should be given the opportunity to quote this facilities, to see and access for themselves and also meet the key note's management personnel in those offices.	Governance Process, Top Management, Corporate Strategy	Again, to remind management of the board due diligence on their role
	Um, I think the challenges that are facing like especially market environment, the challenging marketing environment.	Top Management, Board of Directors	board are adapting to changing market conditions, corporate governance strategies have to be relevant to situations by informing top management
	Weekly, monthly and I think quarterly and also	Corporate Strategy, Governance	There is some monitoring of corporate strategy and

	yearly. These are the. In fact, there is a calendar of the all these review to replace so it's not like ad hoc day is already a schedule when is monitoring and review will be collected.	Process, Top Management	process in placed to ensure continuation growth
	Yep! I think this is good gash of the corporate performance and also the implications of good governance.	Foreign Direct Investments, Governance Process, Shareholders, Regulatory	Known signs of positive company functions
Respondent 2	about paying tax or they try to pay as little tax as possible because they see this is a cost but a lot of companies right now they try to be compliance as possible because they see this is as a point to attract funding and attract good reputation to the company	Top Management, Regulatory, Governance Process, Foreign Direct Investments	Clear governance must be in place, as traditional organisations would want to be tax avoidance, however modern organisation sees this as compliance and transparent to ensure there is integrity to be attractive organisation in the long run.
	active in sort of guiding the management towards certain directions.	Top Management, Board of Directors	Detail process of instructing the management to compliant to regulatory
	auditing governance's effectiveness. So, one thing is that as soon as the board is form.	Governance Process, Shareholders, Board of Directors, Foreign Direct Investments	Protecting shareholders in terms of an established board, having external auditor could ensure due diligence
	beneficial towards the company in term of in the future or somewhere increasing their reputation then they will be more opened to have a proper effective board.	Governance Process, Foreign Direct Investments, Corporate Strategy, Shareholders	View that Investors need to see sound governance practice to draw FDI into the company for future growth. and governance itself is an investment
	board that employed executive director that are trained or ex-banker to sit on the board to oversee the CG. Some there are don't and not	Governance Process, Board of Directors, Regulatory	Preference of vast experience to sit on the board versus inexperience that comes in the board from influential family that may compromise the integrity of the board of directors.

	even trained I meant these are the example. So, from your view, maybe there are some other things.		
	company that are average that attract FDI in 20-30% for certain ASEAN and some goes up to about 50% like Myanmar. For those countries that you are involved with what sort of FDI investment portfolio of the amount in percentage	Foreign Direct Investments	level of ASEAN that attract FDI average about 30% of their investments overall
	continue to review the strategy and make sure that the thing are happening as they present it to be.	Corporate Governance, Corporate Strategy, Regulatory, Governance Process	There are signs of reviewing to ensure that CG process in pace to be attractive for investments
	delegated ESG director. So, this ESG director will be driving all the corporate strategy in the company	Board of Directors, Governance Process, Corporate Strategy	Dedicated person who is in charge of and oversees the governance process, as well to ensure relevant and integrity of the CG process.
	depends on the role of the board and activeness of the board.	Board of Directors, Governance Process, Corporate Governance, Corporate Strategy	Having an active board will drive for corporate governance strategies and process
	effective is the management of the owner shareholder need to have the awareness that this is not just the extra cost to the company	Shareholders, Governance Process, Corporate Strategy	Respondent views as an necessary costs, if the benefit is worth for the growth of the company
	European countries they like to invest to these so called frontier market. So they find it easy to	Foreign Direct Investments	It is relatively easily to attract FDI from western countries than neighbouring counterparts, strongly believe that culture indifference in

	get foreign money compare to local money		western countries are more open to them.
	every year we have CG assessment, internal and external audit that done by the company. These are considered steps right instead of strategy. When there is strategy there is an objective.	Corporate Governance, Governance Process, Corporate Strategy	important steps of reviewing CG annually and when if the strategy still relevant to market conditions
	Exactly, so when you talk about local company? What type of local company are you talking about? Are these are like quite sizeable company or are these are kopitiam out the corner? Obviously, if you are just kopitiam's size Company or groceries store or bubble why would you need corporate governance, FDI in the first place. So, again the question is abit too big I think can't be summarised at all. Speaker 1 (8.04)	Corporate Governance, Regulatory, Corporate Strategy, Governance Process	Again, reflect that size of the organisation where there is a need to improve governance practices, I would think is the financial background, and some are family own business-like optima chain cafe where they do not need FDI or investments
	from our assessment up front if you seem like not the type of person who will compliance to our certain CG's requirements then we wouldn't even consider investing in that company.	Foreign Direct Investments, Shareholders, Governance Process, Corporate Strategy	weak corporate governance, or process will be avoided as potential company to be invested. They will avoid ..
	have two institutional shareholders then they will want to have certain prorated amount of board members on the board. So, if you are 20% shareholder you would have at least 1 board seat or you have 50%	Board of Directors, Foreign Direct Investments	The amount of investment may dictate the amount of seats inside the board of directors.

	shareholders then you want 2 board seats so there is sort of prorated but not exactly pro		
	here is a reporting or clear reporting, organisation reporting line or stock check in place.	Governance Process	embedded in company policy
	here will be for sure a few people who are more active and a few people who play on monitoring role.	Governance Process, Shareholders, Foreign Direct Investments, Board of Directors	There is diversity within the board to drive governance process
	HR director reports directly to the board and then sometimes if not then the CEO himself will driving it.	Board of Directors, Governance Process, Top Management, Shareholders	Two-way communication between management and board
	hy not just put all decision directly to be all the decision making instead of going through bureaucratic so there will be a lot of incentives for them to cut down the process, cut down the monitoring process, cut down the review process and that might affect at the ultimate corporate governance's effectiveness.	Corporate Governance, Corporate Strategy, Governance Process	It may be costly, cutting down these processes will compromise the CG drive and strategy, it is a necessity costs which benefit in the long run.
	if you are the founder of the company and then your company do well but at the end of the day. Yours decision was driven drive the company to how is it at this stage. So you will be very redundant to give that power to anyone else. I think is very common in ASEAN	Top Management, Governance Process, Shareholders, Board of Directors	Many traditional companies in ASEAN are family owned, delegating of power is not common, but the era has changed due to globalization, there is a need or organisational change driven by children of founders.

	independent director is very important to drive real corporate governance. Otherwise, the board will be approving by the management's decision and the management will be them and shareholder will be them as well and the board is them.	Foreign Direct Investments, Board of Directors, Governance Process, Top Management	Clear authority and responsibilities must be separated.
	like set up committee, having internal and external's audit and to make sure that audit is form before or from reputable company or firms	Governance Process, Corporate Governance, Regulatory	it is important to lay good foundation for good governance and regulatory in the organisation through experts, stewardship??
	Local company or MNC. If you talk about the SME, then maybe it would go down to less than 5.	Board of Directors, Regulatory, Corporate Governance, Governance Process	However smaller companies to not drive as much governance process that larger companies
	majority of the board let's say is 5% then maybe 3 of them would be the shareholder or founder of the company.	Board of Directors, Top Management, Shareholders	Small percentage of ASEAN organisation have their founder to sit both board of director and the CEO of the company
	make the board very non-independent and they will typically realize that they need independent director and they will hire someone from the outside to just give the different perspective from thing	Board of Directors, Top Management, Shareholders, Governance Process	Good practices has been shared from respondent 2 that clear integrity increasingly been witness that both CEO and Chairman of the board has to been clear and separated
	Myanmar; Laos; Cambodia, these countries is quite difficult to raise fund via local banks or local investment firms so they mostly go for FDI.	Foreign Direct Investments	Developing nation in ASEAN would need extensive investments abroad, namely the countries respondent 2 mentioned.

	n these day, they also emphasize on ESG not only CG.	Regulatory, Corporate Governance, Corporate Strategy, Governance Process	There is a new environmental and social culture factor other than governance where investor are increasingly paying attention to company that adopt ESG.\n
	regulatory framework will only work if it's customized down to the final details because different company has different needs and requirements then if you just group them. For example; like the way you said like MNC and SME that kind grouping and different group has different framework it might not apply to all SME. Some SME have to obey by this law but doesn't help them and become something that will hurt them.	Corporate Governance, Regulatory, Foreign Direct Investments, Governance Process	Respondent disagree and believe that regulatory framework is not an one size fit all strategy, due to structure of the organisation.
	second generation of the founder. So the founder's son or daughter will be taking over the company and these second generation's people, they are expose to overseas and highly educated	Governance Process, Shareholders, Top Management	Second generation away from the founder of the company distinctively understand the integrity of non-conflict management style.
	SME have to obey by this law but doesn't help them and become something that will hurt them.	Governance Process, Regulatory	Some countries are just laws and have to be compliant
	So make sure there compliance with that and these are the few things we do in term of CG. In term of ESG, we have ESG TD (trade) every year	Corporate Governance, Governance Process, Foreign Direct Investments	Compliant healthy organisation that is aligned and CG Driven process

	So these independent party are the one who driving the corporate governance and they will be selected based on their experience or technical skill company or some network.	Corporate Strategy, Corporate Governance, Board of Directors	The makeup of the board of directors still have to based on experience
	So, again it's depends on the type of business as well I guess, if your business require a lot of governance like bank. Obviously, in terms of corporate governance it will be the CRO (Chief research officer driving it, if you are the restaurant then the person who driving the corporate governance will likely be the CEO or the HR director. How often is this been review, in yearly or annually and who monitor the progress. I think is partly the board who monitor the progress.	Corporate Strategy, Governance Process, Top Management	Again, size of the organisation matters on the level of governance. Board represents the shareholders and ultimately monitor the results of governance
	The big company with proper board, not just the MNC but also the local company that big enough so they have proper effective working board they are driving corporate governance. I would say from the 0-10, I think it's quite extensive probably 8 or 9.	Regulatory, Board of Directors, Corporate Governance, Corporate Strategy, Governance Process	Respondent shares that medium to large organisation do compliant to framework if they are attracting foreign investors
	they do play a role in corporate role in term of trying to change the culture that have been implemented by their fathers.	Top Management, Governance Process, Corporate Strategy	Strongly influence organisational change by educated children of founders

		Governance Process, Shareholders, Foreign Direct Investments	will not invest in organisation that are not transparent
	to avoid certain compliance requirement that mean they are very low on the CG rating. We will consider walking away from that investment.		
	We will write it in the report and send it up to the management discuss with them	Board of Directors, Governance Process, Top Management, Corporate Strategy	Two way communication between the board and C level management exist
	what we are seeing now is sort of the transition phase from the way that the old school cow boy's way doing things and sort of new world's corporate there is more and more companies going through this transition phase.	Shareholders, Governance Process, Corporate Strategy, Corporate Governance	Many family business still exist in developing nations in South East Asia, respondent 2 reminded me that a lot of them are undergoing this change of delegating of power by founders. It will be a challenge phase in this new generation or globalisation whereby the need to meet international standards.
	When you hold too many positions you are basically a one man show in business to make all the decisions. So, when you comes to corporate governance will definitely been affected in the way	Corporate Strategy, Shareholders, Top Management, Governance Process	Holding too many position by single person will definitely compromise the decision process, it could be conflicted to the drive of CG process and be attractive to the investors
	who very active basically a board consist of 6-7 person.	Board of Directors, Governance Process, Regulatory	Respondent is very familiar on the regulatory process in the organisation
Respondent 3	As long as you obey the law and regulations, FDI may also gain confidence because you have complied with what is required to be compliant with in the certain countries that is set out by the authorities.	Corporate Governance, Regulatory, Governance Process, Shareholders, Foreign Direct Investments	Respondent state that being abiding to legislation, investors are more confidence in investing in that country, may be due to accountability of actions of Corporate level management

	awareness can be seen from the shareholders' agreement, like for example shareholder A will be in charge of the appointing CEO and shareholder B will be in charge of appointing a CFO so each of them will have their own role when it comes to the execution of implementation or to run the daily operation of the company.	Foreign Direct Investments, Governance Process, Board of Directors, Corporate Strategy	Investors hold power in appointing key corporate level position in the organisation. I would think, the shareholders are already in the board as well.
	because at the very least, for those who do not have this kind of CG awareness, at least it makes them compulsory to comply.	Regulatory, Corporate Strategy, Shareholders, Governance Process	Respondent state that it is good to comply if regulatory is compulsory, that applies to SME organisations
	board should play mainly to advisory and monitoring role, because advisory will include analysing whereas monitoring will include decision making and reviewing	Governance Process, Board of Directors	Clearly define the board of directors' role
	checks and balances among the board and at the same time also ensure that diversity of the composition.	Board of Directors, Shareholders, Governance Process	The authority to keep a balance check on the company between corporate function to pursue organisational goals
	composition of the board. In terms of whether it is diversified or not, because I would think that the boards should at least comprise of a variety of expertise that form the board governance.	Governance Process, Board of Directors, Corporate Strategy	Board diversity play an importance role in the governance process, expert knowledge of board member is also a requirement
	different expertise from different field, so as to form as one	Board of Directors, Top Management	Diverse experience across to have a bigger scope of governance strategy

	comprehensive board of members		
	regularly review the performance after a decision is made so as to make sure there are checks and balances.	Board of Directors, Corporate Strategy	The board role is to perpetually monitor for results and to oversee each decision made to the process of governance
	ensure that the level of involvement for each and every relevant department are involved in every transaction.	Governance Process, Top Management, Shareholders	can be seen good practice and shareholder confidence that have clear decision-making process.
	every of approval point then our legal team will have to tell what other potential risk in this investment? What are the risks in terms of accounting and finance, then for the managing director or the CEO to make the final decision.	Top Management, Shareholders, Governance Process	company policy does have risk management of decision that may or may not impact the organisation in certain way.
	fast pace company with high effective, efficiency and also productivity, but, if this can also be improved and it will also make the company more competitive and also improved performance assessment.	Corporate Strategy, Governance Process, Corporate Governance	FCMG industry will benefit to have a governance process, as it will improve performance, especially when there is a process to review performance periodically. This is to be answerable to the board and shareholders.
	I think in this aspect they are doing very well. But it's just that sometimes it may not be so flexible in a way that because you have to take some time to explain, what is the culture in Malaysia and what is it like? What is the restriction in Malaysia? In order for HQ personnel to understand first before they can make the decision. So the entire possess,	Governance Process, Top Management, Corporate Strategy	laying good process of governance takes time and create high costs. so, organisation may lose the flexibility of the company direction.

	although risk management is very good, but you it's time consuming I would say and it's more rigid in this way		
	KPI and annual targets to be achieved, with these annual targets, what we do is normally for each and every department will have a quarterly KPI, so that to make sure ultimately the annual targets can be achieved	Governance Process, Top Management, Corporate Governance, Shareholders, Board of Directors	Board of directors will set objectives e.g. profitability and C level will set target which are monitored by the board and management. Agreeable performance between board and c level is important for the future of the organisation.
	KPIs fall into implementation and execution is all about, so the result of the KPI, itself is one of the tools for review.	Board of Directors, Top Management, Corporate Strategy, Governance Process	Overseeing and evaluate results of the process and strategy of governance. Key performance index as a tool
	Like finance, we need a CFO or someone who has expertise or experience, like our company that would be the property management or development, or like the project team or project management or someone who is familiar with the laws.	Foreign Direct Investments, Corporate Governance, Top Management, Governance Process	Top management or C level in the organisation plays an important role and should be trained or with experience with the governance process
	Malaysia where I am practicing now, it is actually quite lenient in a way that is similar to Indonesia, Cambodia, Thailand, they are quite lenient in the sense whereby "survival" is more important.	Regulatory, Governance Process, Corporate Governance	Respondent has stated that neighbouring countries in SE Asia has similar concept to regulatory and legislation on governance framework, which is the level lenient that can compromise the integrity of regulations.
	merely just complying the law. So overall, I wouldn't think that it would hurt, maybe in a way that it is rigid, not	Governance Process, Corporate Strategy, Foreign Direct	Although it may be costly to abide to regulatory if compulsory, but in the long term is beneficial, this is important for organisation that need investments.

	so flexible. But I think it brings more benefits because compliance is still very crucial for FDI especially	Investments, Regulatory	
	normal companies, they don't really pay high attention on CG, they pay more attention on commercial risks	Regulatory, Governance Process, Corporate Strategy	SME do not invest too much on governance, may see the costs not beneficial due to less drive to attract FDI or any investments
	o through legal and risk control team and then it will go to finance team, before it goes to them managing director, or the CEO.	Corporate Governance, Top Management, Corporate Strategy, Governance Process	Hierarchy of power can be seen in the level of authority, not a one-person decision making, which can be good for shareholder due diligence process available.
	overlapping with each other, when it comes to execution, especially for FDI and in terms of attracting FDI, strategy, planning and development it will play a very crucial role.	Foreign Direct Investments, Governance Process, Corporate Governance, Board of Directors	To attract FDI, respondent clearly understand the scope of governance in attracting investments
	shareholders inform the company they should have the awareness first, so most of the time, Like depends, especially when it comes joint ventures, I think FDI sometimes also involves with joint venture so in general, when it comes to the formation of a company the shareholders will have to play a very crucial role.	Governance Process, Shareholders, Corporate Governance, Corporate Strategy	Institutional investment would pay more attention of governance process in the organisation before investing to the organisation. The process is important to an investor.
	Singapore is better in the sense that if you follow the rule of the law, follow the rules then it shouldn't be too bad in implementation of CG.	Governance Process, Corporate Governance, Regulatory	Rules and regulatory are good foundation to lay for good governance to an organisation, respondent suggested that Singapore is an country that is very compliance toward legislation.

	Singapore is has gain a lot of confidence worldwide. If you mention Singapore, many people will think and have the impression that it has done a very good job obeying the laws and in the regulations	Foreign Direct Investments, Governance Process, Corporate Strategy, Regulatory	Singapore has established good foundation in terms of regulatory and legislation to safeguard investors both locally and foreign. Good reputation has been established with confidence worldwide.
	so things will not go to bad because we have this internal approval system.	Governance Process, Foreign Direct Investments, Corporate Strategy, Shareholders	With a robust internal control or approval system can guide the company and not deviate away from process
	So, in the internal approval system it will set out very clear rights and liabilities of each and every relevant departments, such as commercial team will raise internal approval first, or initial approval.	Corporate Governance, Governance Process	clear level of processes exist in the organisation for transparency for the shareholders
	they should improve by setting up clearly what are the roles and responsibilities of the members of the board. Adapting to the local culture, I think this is very important	Board of Directors, Shareholders, Corporate Strategy	Clear objectives may need to strengthen the overall governance process, each ember should take charge on different areas such as CSR, or environment, sales strategies
	where a lot of companies are barely surviving or struggling to survive, CG is not very crucial for many of the companies maybe for now.	Governance Process, Foreign Direct Investments, Top Management, Corporate Strategy	In the pandemic period, c-level management may abandon the integrity of governance, as survival or staying relevant in the industry is more important.
	where, like environmental impacts um, and those helping poorer countries out of poverty. So, the stakeholders, now	Shareholders, Corporate Strategy, Corporate Governance, Board of Directors	In the new era, shareholders are quite diversified and background of investors are vast. Some pay strong presence of how the organisation response to environment and social

	actually is about satisfying the stakeholders, it's the new era.		culture factors and how they impact to community.
Respondent 4	balanced, because it is according to the amount of investment, they want more seats, they have to buy that,	Board of Directors, Governance Process, Corporate Governance	More shareholder rights equals to more board seats. Which can impact the direction of the corporate strategies.
	everybody board member has their own so call agenda. That's why they're invested in our company.	Board of Directors, Shareholders	Board members are also individual or group of shareholders, their objective may be different e.g. profit driven, impact to the public, environment. Respondent is in the pharmaceutical industry
	Fong company, they know the integrity and the way they do is always very stringent. So, they do know what can what kind of quality that comes off from the Fong group,	Board of Directors, Corporate Strategy, Governance Process, Regulatory, Foreign Direct Investments	Foreign investors are pro governance and expects the process to be robust to safeguard investment, shareholder are seated in the board to oversee
	government themselves do not want us to take over the job of the locals. So that is why for us we must follow, firstly, the government rules, we must follow strictly.	Regulatory, Shareholders	Government in Indonesia intervention of not jeopardizing the jobs of local being replaced by foreign. as compared with Singapore where foreign talent as been impacting Singapore job market sentiments
	how much usage of our carbon how much utilities and electricity. They are very particular especially "green	Board of Directors, Shareholders	Any concerns other that sales and profits
	I think it's for the for the fairness, it has to be that way. But the problem is that we as foreign investment company, we will follow those rules, but facing a local company that they don't follow the rules.	Governance Process, Regulatory, Foreign Direct Investments	Foreign companies that trade in the local nation have to follow regulatory framework and locals fir are more lenient. Grey area and double standards do exist in Indonesia

	Of course not, I think other companies are more lenient in some ways, but as long as you are foreign investment company, I think they will pretty much follow those guidelines.	Shareholders, Regulatory, Governance Process, Corporate Strategy	Foreign investors running their company in host country must at all times follow regulations. However, respondent state that unfair practice may apply to them when there is a disadvantage. Again, some double standards are seen.
	relationship between the board and in the management has to be like a father and son relationship. But most board they are just drilled it for numbers, because they are talking about returns, returns and returns.	Governance Process, Shareholders, Board of Directors	Respondent indicate that more board in the region are more concerns about returns, management may compromise the governance process or corporate strategy just to answer to the board which merely are interested in dollar numbers
	relationship between the board and the management is important, of course I prefer if there is a father and son relationship. They are supposed to guide us if we are in the wrong direction.	Governance Process, Regulatory, Board of Directors, Corporate Strategy	The importance of the board is to ensure and guide the management and organisation to prevent deviation or growth of the organisation
	relationship with them, and of course in terms of the, let's say, corporate governance, we have an independent so-called director that is in charge of the governance in the whole of the group	Corporate Strategy, Governance Process, Top Management	The is an authority that oversee the governance process of the organisation that communicate between c level and shareholders (board members)
	risk management and corporate governance. In risk management we do it two times a year. What do I mean by risk management? We have this checklist that will sudden notice to all our offices,	Top Management, Board of Directors, Governance Process	Risk management is conducted twice a year, to ensure investments are protected, it could be the equipment often seen as assets by the shareholders.
	specialist director who used to be a banker, he is	Board of Directors, Governance	there is Authority within the organisation to oversee, communicate between

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	leading that, he is always in all our board meetings, and of course, he leads a team of three that do goes around to do their yearly audits basically. Well besides audits, they look through into everything	Process, Foreign Direct Investments, Corporate Strategy, Shareholders	shareholder, board and management in the scope of corporate strategy and governance process
	the amount of the time the boards talk about governance in every meeting is very little off course. But that still shows the seriousness	Corporate Governance, Board of Directors, Governance Process	There are activities that are discussed on governance to raise questions. To remain relevant
	The Fong families stays in the board and then they will appoint a CEO to run this piece of business, they have many pieces of businesses.	Top Management, Corporate Strategy, Foreign Direct Investments, Board of Directors	shareholders as Board of directors which influence the appointment of CEO to drive the organisation
	these internal auditors that are strong, so they don't or emphasise it in every quarterly review,	Top Management, Governance Process, Foreign Direct Investments, Shareholders	External auditors are appointed to oversee the robustness of governance process and probe questions that may compromise the governance process in the organisation
	they can pressure, they can put in a lot of rules and KPIs.	Top Management, Governance Process, Corporate Strategy, Shareholders	Management and board member to agree a set of performance indicators to drive the governance and corporate strategy
	we are in Vietnam, Philippines, we are in Indonesia, we are in Thailand, Singapore and Malaysia now. Of course, for the board, in Indonesia and Vietnam, we always very careful. Right, the environment of doing business in Indonesia as a foreign investment has many so-called strict rules.	Corporate Strategy, Governance Process, Regulatory	There are strict rules that are govern in developing nations, regulatory framework does exist.

		Governance Process, Corporate Strategy, Shareholders, Foreign Direct Investments	Respondent is aware that between ASEAN nations have distinctive cultures, different regulation does apply to foreign investment and regulation
	we planning to go to Myanmar, maybe Laos. So, straightaway their number one thing that they will always tell us to be mindful, right? In terms of the, you know the rules and regulations of the local, because all these all these are areas that um corruption level are very high. So, we must be very careful in our actions,		
	Yeah, well, of course I think at the end of the day, usually I find that the stringent is small, but the company have most stringent rules than the country, especially in this so called third world country. But if you're comparing to a local company, yes, we are much stringent, you know, right	Governance Process, Regulatory	respondent state that some organisation like his which is pharmaceutical will have regulatory more stringent than the national framework. meaning that the country is at the state of developing rules and regulation to international standards.
Respondent 5	adopt checklist and templates into this. So, I would think that's not very effective if it is for the highly competitive industry	Governance Process, Corporate Governance, Corporate Strategy, Board of Directors	Checklist type of governance framework will not work for majority. Especially in competitive industry vs non competitive industry
	board members they don't have the CG knowledge and the skills. And that's why they failed at monitoring their duties.	Board of Directors, Governance Process, Regulatory	Respondent state that the failure on good governance practice is due to lack of experience and knowledge to implement and monitor the governance process and or strategy.
	board of directors will responsible for the CG progress and review in quarterly as what I mentioned. And this includes like compliance and all the reporting on	Board of Directors, Corporate Governance, Corporate Strategy, Governance Process	Respondent agreed that board plays an important role in the principles of CG and its strategies

	the organisation activities		
	company should set an amount of time for the regulated framework with proper training in order to strengthen the board knowledge.	Governance Process, Board of Directors, Regulatory, Corporate Governance	Training and past experience should be made mandatory if any board member is nominated into the board. also, continual training should be align to relevant industry needs.
	corporate governance strategy, I think the board should have the transparency, the accountability, responsibilities and finance to ensure a strong based in governance development.	Board of Directors, Corporate Governance, Governance Process	Respondent agreed that the core value of the principles
	effectively review the governance strategy. Yeah, I think the internal audits and external audit are all under the board governance, especially for the FDI concerns	Regulatory, Governance Process, Corporate Strategy	Having established due diligence in governance process by the external auditor will help to promote the robustness of the governance process to potential investors
	external auditor is to make sure equal treatment to all the shareholders, including minority and foreign shareholders be informed on the transactions with the member of the board of directors.	Shareholders, Corporate Governance, Governance Process, Regulatory	Shareholders would expect some form of audit report to identify key issues to be explored
	he balance of the board is one of the factors that will affect the board on the CG, like age and gender sometimes only men in the board, so there must be diversity. The board with the employees who work in the organisations can seat in the board.	Governance Process, Board of Directors, Corporate Strategy, Top Management, Shareholders	Respondent state that there is a need for diversity at the board and suggest employees are also key stakeholders and deserve to play a role in the process
	hey play in the CG is	Board of Directors, Top	Top management will need to achieve their target set by the

	setting in budget, reviewing the performance and then prepare audit and also the financial statement. I think for the improvement area, I think the training is the most important for the in the improvement to ensure the directors have the information, the needs in the industry, in the in the industry.	Management, Shareholders	board and promote improvements to achieve those objectives. There are performance review on their situation
	knowledge and skill in a CG development and process. They must all be playing an active role into the CG policy	Board of Directors, Corporate Strategy, Corporate Governance, Governance Process	Vast experience and background would be able to drive realistic CG policy and they have to be pro governance in the process
	many types of the regulatory framework and this is seen to be a template and ensure that one size fits all, but it depends on the industry.	Corporate Governance, Governance Process, Regulatory	One size type of framework on the governance will not fit all industry. Respondent highlight different industry has some other type of regulatory in placed.
	Singapore, Hong Kong, they have already adopted the good CG and stewardship code. And this positive influence of the CG on the company performance is not limited to the in the industrial market, which also significant positive impact on the financial performance off company in developing markets in the Asia country.	Regulatory, Board of Directors, Governance Process, Foreign Direct Investments	Developing nations are looking at their ASEAN counterparts and to adopt the same practices to drive more FDI into their country
	small medium enterprise (SME) the driven CG is less than the Public Listed companies	Corporate Governance, Corporate Strategy, Top Management,	respondent states that smaller organisations are also working toward some form of governance process but is on around 50% of them

		Governance Process	
	the board, the directors will drive the CG and responsible on the process of review and reporting on the results of the CG	Corporate Strategy, Governance Process, Board of Directors	Respondent agreed that board plays an important role in the principles of CG
	the corporate governance, we need to follow the regulatory framework that set by different awarding body, the school, the university and different country have different standards and we need to meet all their requirements. And I would say they have done well that they have gone through all the audit and process.	Regulatory, Governance Process, Corporate Strategy, Top Management	There is other regulatory framework that the organisation needs to satisfy them, and other than that there is the annual audit report for their shareholders.
	the management? I think they need to have more communication to each other. I think this is a needed to them and ensure all the CG process that is follow up by the management.	Top Management, Governance Process, Board of Directors, Corporate Strategy	Two-way communication between the board and management is the key factor of the governance process, respondent also declares that leadership in management must be aspiring to lead the organisation to the corporate strategy and goals
	this will be able to attract a new investor and looks attractive to the society.	Corporate Strategy, Regulatory, Foreign Direct Investments, Governance Process	With established principles it will be attractive for investments and other stakeholders
	we do have the MQA Ministry of Qualification from the Malaysia, for regulatory framework and some of the association like the Ministry of Education and we do have different types off regulators involved, like difference awarding bodies. We also adopt many types of	Regulatory, Corporate Strategy	Respondent states that its industry regulatory framework is more stringent than the national regulatory framework, and there is a need to satisfy them both

	framework recognised by many different countries.		
Respondent 6	a comply or explain basis where there is a presumption that a company will follow the best practice that's set out in the code but if they believe it's not appropriate there's an opportunity for them to explain to their shareholders	Board of Directors, Governance Process, Corporate Governance, Top Management	a comply and explain system may be beneficial, as the C level management is required to explain themselves of their decision making, this approach is like external auditor annual report
	a voluntary self-regulatory code is probably not the right tool to do that you're looking at more traditional law or listing rules or whatever the case may be if on the other hand it's about trying to raise best practice above that minimum requirement to encourage hopefully better decision making more informed investment decisions by my investors	Governance Process, Regulatory, Corporate Strategy, Shareholders	A voluntary code of governance may not be effective, there must be a minimum requirement of governance that is statutory for investors' confident or when it became a law.
	actually are fighting against the Board of Directors with board of directors that are fighting against shareholders with some shareholders that are fighting against other shareholders all those things actually reflect in some ways obviously human condition	Shareholders, Board of Directors, Top Management	Respondent stated that conflicts between the board and shareholders are very common being that human nature have different perspective and objectives are different from one another
	ASEAN and elsewhere where we've spoken to the local stock exchanges or regulators who've said unless it's set out as a rule, companies here will	Regulatory, Governance Process, Corporate Strategy	Compulsory regulatory framework by law will be a good start to establish good governance process and practices. Respondent is against a voluntary approach.

	not follow it, they will see it as entirely voluntary and essentially leave to one side		
	board composition disclosure on certain aspects of what the company is doing I think that's the area where the tension is is more noticeable because that's where local traditions and so on are potentially more in conflict	Board of Directors, Governance Process, Shareholders, Top Management	Board composition is important as it may deter foreign investors, as the culture difference, zero diversity, and poor disclosure will have conflicts in the future
	codes probably capable of achieving more in terms of encouraging good practice than pure rules are for the reasons I explained at the beginning so some areas for example around ethics and culture are things that are vitally important to good governance within organizations	Board of Directors, Shareholders, Governance Process, Corporate Strategy	Codes of governance can be a start of developing governance process and policies; however, investors of different ethics and cultures perspective are also obstacles for good governance. On the surface local organisation may comply to a degree.
	dependent directors on board the quality of risk management and these sort of things I think we have seen a considerable improvement over the the last ten years		
	in emerging markets that it has aspirations to grow to be regional or international market as opposed to a purely local market and is looking to attract international investment increasingly large global investors are looking for some level at least perhaps minimum level of acceptable governance or acceptable practice	Corporate Strategy, Board of Directors, Shareholders, Foreign Direct Investments, Top Management	All parties are looking to work together in some form, however there is a need of some governance process or practice to be acceptable to the investors.

		Corporate Governance, Board of Directors, Regulatory, Governance Process	Respondent have stated that there is great improvement in good governance over the last decade in ASEAN and is still improving.
	independent directors on board the quality of risk management and these sort of things I think we have seen a considerable improvement over the the last ten years		
	long term dimension of a company and the long term objective of a company is not clear to the major stakeholders of a corporation I think that a good system of corporate governance has to create a framework with some goals some objectives	Shareholders, Top Management, Board of Directors	A set of agreed or established aims and objectives initially can help to mould a common belief with the stakeholder to ensure long term sustainability of the organisation
	the quality of people in the Board of Directors in the top management team also the professionalism of those people sometimes we tend to mix up things in corporate governance simply because we don't take professionalism very seriously	Board of Directors, Top Management, Corporate Strategy	Knowledge and experience are both the essential ingredients for developing, implementing and monitoring good governance
	well integrated vision actually means that both the objectives of shareholders the board of directors and the top management team actually could get aligned one way or another and from these definition of aligned objectives	Top Management, Corporate Strategy, Board of Directors, Shareholders	a consensus between parties is of key importance and they must be clear and realistic

APPENDIX D – Data on Individual Country FDI inflow

FDI 2010-2019 (6 Countries sample within ASEAN) **source: The Worldwide Bank Indicators, 2019**

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Singapore	55,322,434,162	49,155,657,316	55,310,807,548	64,389,514,904	68,698,472,831	69,774,553,125	70,721,187,918	97,766,497,094	91,035,666,405	105,465,616,77
Cambodia	1,404,315,449	1,538,883,425	1,988,102,945	2,068,470,774	1,853,471,158	1,822,804,151	2,475,915,854	2,788,084,322	3,212,633,447	3,663,032,999
Indonesia	15,292,009,411	20,564,938,227	21,200,778,608	23,281,742,362	25,120,732,060	19,779,127,977	4,541,713,739	20,510,310,832	18,909,826,044	24,946,901,158
Lao PDR	278,805,903.1	300,743,507.1	617,755,394.5	681,397,257.1	867,646,121.7	1,077,759,915	935,296,172.8	1,693,080,811	1,319,609,797	557,176,540
Malaysia	10,885,801,852	15,119,439,204	8,895,774,251	11,296,279,514	10,619,431,583	9,857,162,112	13,470,089,921	9,368,469,823	8,570,094,243	7,650,474,717
Vietnam	8,000,000,000	7,430,000,000	8,368,000,000	8,900,000,000	9,200,000,000	11,800,000,000	12,600,000,000	14,100,000,000	15,500,000,000	16,120,000,000

Foreign direct investment, net inflows (Ranking) - Singapore, Cambodia, Indonesia, Lao PDR, Malaysia, Vietnam - Foreign Direct Investment inflows in USD$

FDI Inflow on the Sample Countries between 2010 - 2019
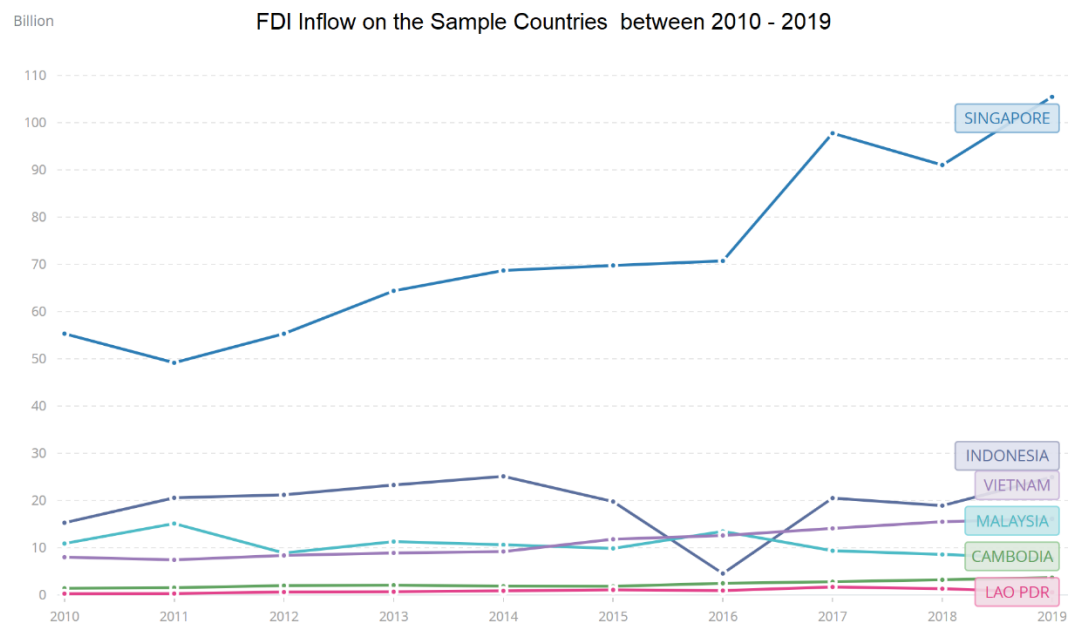
Source:
International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development and official national sources.

APPENDIX E – Data on Governance Indicators (New Dataset)

Cambodia

Country	Year	Voice and Accountability	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile R	FDI Inflow
Cambodia	2018	-1.221331358	13.79310322	0.108229026	51.42856979	-0.568605006	32.21154022	-0.504916787	32.6923065	-1.114671	11.05769	-1.32557	8.653846	2018	-0.77114	24.97	$3,102,579,484.02
Cambodia	2017	-1.155918479	15.763546694	0.091168374	50.47618866	-0.658138394	25.48077011	-0.502937794	32.2115402	-1.056137	13.46154	-1.29138	8.653846	2017	-0.76222	24.34	$2,788,084,321.66
Cambodia	2016	-1.106936693	18.22660065	0.211037859	53.80952454	-0.69411397	24.03846169	-0.465220392	34.1346169	-1.063662	12.98077	-1.27292	9.134615	2016	-0.73197	25.39	$2,475,915,853.66
Cambodia	2015	-1.122614861	18.22660065	0.061942287	49.52381134	-0.699455142	25	-0.525049269	31.7300701	-0.978472	14.90385	-1.11799	12.01923	2015	-0.73027	25.23	$1,822,804,151.26
Cambodia	2014	-1.107750893	18.71921158	0.023174802	46.19047546	-0.688959599	25	-0.423162788	35.5769234	-0.95521	15.86539	-1.13776	11.53846	2014	-0.71495	25.48	$1,853,471,158.10
Cambodia	2013	-0.980927289	19.7183094	-0.136436149	41.7061615	-0.906181395	19.43128014	-0.338365346	40.284359	-1.004117	15.49296	-1.05243	12.79621	2013	-0.73641	24.90	$2,068,470,774.00
Cambodia	2012	-0.961479783	20.18779373	-0.103577204	41.23222733	-0.815831959	22.74881554	-0.341397077	39.8104248	-0.979674	16.90141	-1.0701	13.27014	2012	-0.71201	25.69	$2,003,849,201.69
Cambodia	2011	-0.914128304	22.06572723	-0.304419667	36.4928894	-0.862748981	19.9052124	-0.583628774	31.2796211	-1.04504	15.02347	-1.23874	6.161138	2011	-0.82478	21.82	$1,538,883,424.90
Cambodia	2010	-0.927255273	21.80094719	-0.50098443	27.48815155	-0.942988813	18.18181801	-0.475346088	35.8851662	-1.118508	12.79621	-1.24303	7.142857	2010	-0.86802	20.55	$1,404,315,448.89
Cambodia	2009	-0.913447618	22.27488136	-0.562560201	27.01421738	-0.945098281	18.66028786	-0.485972226	34.4497604	-1.118063	13.74408	-1.17474	10.04785	2009	-0.86665	21.03	$928,393,617.35
Cambodia	2008	-0.971139133	21.15384674	-0.300469309	34.61538315	-0.988755107	15.53398037	-0.44645378	36.8932037	-1.148304	11.53846	-1.23137	5.825243	2008	-0.84775	20.93	$815,180,217.96

Indonesia

Country	Year	Voice and Accountability	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile R	FDI Inflow
Indonesia	2018	0.179736689	52.21674728	-0.533436894	27.61904717	0.179875433	59.13461685	-0.07127253	50.9615402	-0.314915	42.78846	-0.25154	46.15385	2018	-0.13526	46.48	$20,007,774,753.78
Indonesia	2017	0.129881993	50.73891449	-0.497849405	29.52380943	0.04851168	54.80769348	-0.106315382	51.9230766	-0.346482	40.86538	-0.25271	48.07692	2017	-0.1771	45.99	$20,510,310,832.45
Indonesia	2016	0.166678548	51.72413635	-0.372952431	32.38095093	0.007638493	52.40384674	-0.122343853	50	-0.344751	40.38462	-0.39933	41.82692	2016	-0.17751	44.79	$4,541,713,739.24
Indonesia	2015	0.184858039	53.69458008	-0.615060687	24.76190567	-0.240621522	45.19230652	-0.217557788	46.6346169	-0.422098	39.42308	-0.45837	39.42308	2015	-0.29481	41.52	$19,779,127,976.96
Indonesia	2014	0.1539049	51.72413635	-0.416824043	30	-0.037205037	53.84615326	-0.10765975	50	-0.342181	42.78846	-0.56177	33.65385	2014	-0.21862	43.67	$25,120,732,059.51
Indonesia	2013	0.036121309	50.23474121	-0.519264638	28.4360199	-0.198748589	47.39336395	-0.195440874	46.4454994	-0.530768	37.0892	-0.61382	32.70142	2013	-0.33699	40.38	$23,281,742,361.53
Indonesia	2012	0.067612648	52.58216095	-0.593262792	25.59241676	-0.272910774	45.49763107	-0.278762519	43.6018944	-0.575682	34.2723	-0.63979	31.27962	2012	-0.38213	38.80	$21,200,778,607.87
Indonesia	2011	-0.008531014	48.82629013	-0.770114183	20.85308075	-0.25944218	46.44549942	-0.351914078	39.3364944	-0.59303	31.4554	-0.70187	25.11848	2011	-0.44478	35.34	$20,564,938,226.72
Indonesia	2010	-0.037774231	48.3412323	-0.853916168	20.37914658	-0.214305162	46.88995361	-0.415856957	36.8421059	-0.639998	31.27962	-0.75136	24.76191	2010	-0.48554	34.75	$15,292,009,410.51
Indonesia	2009	-0.001040607	47.86729813	-0.751386285	21.32701492	-0.298131734	46.41148377	-0.361796618	39.2344513	-0.602619	33.17535	-0.83865	21.05263	2009	-0.4756	34.84	$4,877,369,178.44
Indonesia	2008	-0.011261522	47.11538315	-1.058376312	15.86538506	-0.23720181	46.11650467	-0.348286211	42.7184448	-0.653871	31.25	-0.5937	33.98058	2008	-0.48378	36.17	$9,318,453,649.83

Malaysia

Country	Year	Voice and Accountability	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile R	FDI Inflow
Malaysia	2018	-0.083687983	41.37931061	0.237390101	54.2857132	1.075348139	81.25	0.682474017	74.0384598	0.6233374	74.51923	0.313976	63.94231	2018	0.474806	64.90	$8,570,094,242.95
Malaysia	2017	-0.400363863	34.48275757	0.116352133	51.42856979	0.82786417	75.4807663	0.683502495	75.4807663	0.4142236	64.42308	0.025744	58.17308	2017	0.277887	59.75	$9,368,469,822.66
Malaysia	2016	-0.418370813	33.99014664	0.136824623	49.52381134	0.86577493	75.96154022	0.711795211	75.4807663	0.4991495	69.23077	0.096051	60.09615	2016	0.315204	60.71	$13,470,089,920.81
Malaysia	2015	-0.391476721	33.99014664	0.258957565	56.66666794	0.948956072	76.92308044	0.752673328	74.0384598	0.5019241	68.75	0.235073	63.46154	2015	0.384351	62.30	$9,857,162,111.82
Malaysia	2014	-0.360303104	35.46797943	0.266419146	57.61904907	1.11512726	82.69230652	0.837720931	75.9615402	0.5882955	73.55769	0.411159	66.82692	2014	0.476436	65.35	$10,619,431,582.98
Malaysia	2013	-0.339679241	37.08920288	0.051791593	47.39336395	0.999806523	79.14691925	0.636702955	73.4597168	0.4357612	63.84977	0.350176	67.29858	2013	0.35576	61.37	$11,296,279,513.92
Malaysia	2012	-0.346539199	36.15023422	-0.005212402	44.07582855	0.919864178	76.7772522	0.570483685	70.1421814	0.4650323	64.78873	0.237634	63.98104	2012	0.306807	59.25	$8,895,774,251.02
Malaysia	2011	-0.474874914	31.45539856	0.077400767	49.28910065	1.021163225	81.04265595	0.582068741	71.0900497	0.4786865	64.78873	0.029488	57.8199	2011	0.285657	59.25	$15,119,371,191.19
Malaysia	2010	-0.499978125	32.22748947	0.143352136	51.18483353	1.120517969	82.77511597	0.588942647	70.3349304	0.4781646	64.80091	0.089267	60.95238	2010	0.200304	60.40	$10,885,614,182.21
Malaysia	2009	-0.503895342	31.27962112	-0.042381134	42.65402985	0.983705997	78.94736481	0.303689092	61.7224884	0.4559681	63.50711	-0.05648	56.9378	2009	0.190102	55.84	$114,664,434.56
Malaysia	2008	-0.563192904	29.80769157	0.108325094	48.55769348	1.108519197	82.5242691	0.316368818	61.1650467	0.3449331	60.09615	-0.04731	56.79612	2008	0.211274	56.49	$7,572,512,432.34

Myanmar

Country	Year	Voice and Accountability	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile R	FDI Inflow
Myanmar	2018	-0.887321591	23.64533289	-1.309010983	10.47619057	-1.068651795	12.5	-0.753174245	22.5961533	-1.032579	15.865	-0.58829	30.28846	2018	-0.93984	19.15	$1,291,196,200.67
Myanmar	2017	-0.865617871	23.64532089	-1.084677935	13.33333302	-1.052140594	13.46153832	-0.831707299	19.2307701	-0.945455	16.82692	-0.56526	32.21154	2017	-0.89081	19.78	$4,002,424,944.85
Myanmar	2016	-0.797783136	24.13793182	-0.804619908	18.09523773	-0.976280332	16.34615326	-0.868316174	18.75	-0.886977	17.78846	-0.62114	32.21154	2016	-0.82585	21.22	$3,278,096,409.87
Myanmar	2015	-1.2189821	14.28571415	-1.165066719	10.47619057	-1.238595486	10.09615421	-1.222467422	8.65384579	-1.236539	7.692307	-0.83619	20.67308	2015	-1.15297	11.98	$4,083,839,111.71
Myanmar	2014	-1.343992472	9.852216721	-1.087580681	11.4285717	-1.279349566	9.134614944	-1.380308151	6.25	-1.185659	8.173077	-0.88217	20.19231	2014	-1.19169	10.84	$2,175,015,283.78
Myanmar	2013	-1.46162653	7.981220722	-1.140372396	14.21800995	-1.497101545	4.265402794	-1.494474411	5.21327019	-1.233818	9.859155	-1.0001	16.11374	2013	-1.30458	9.61	$2,254,603,965.49
Myanmar	2012	-1.620119333	5.164319028	-0.943674982	18.48341179	-1.481390595	3.791469097	-1.83462441	2.36966825	-1.354736	6.103286	-1.06333	13.74408	2012	-1.38298	8.28	$1,333,856,137.27
Myanmar	2011	-1.849633694	3.286385059	-1.111098409	14.69194317	-1.596834779	3.791469097	-2.102422953	1.42180097	-1.438458	4.694836	-1.58677	0.473934	2011	-1.6142	4.73	$2,519,813,313.27
Myanmar	2010	-2.067405224	1.421800971	-1.285928011	10.9004736	-1.617900491	2.87081337	-2.244370461	0.95693771	-1.547706	2.843602	-1.67288	0.47619	2010	-1.73936	3.24	$901,133,534.88
Myanmar	2009	-2.172563791	0.947867274	-1.294215441	11.84834099	-1.614052892	2.392344475	-2.236680031	1.43540669	-1.531916	3.317536	-1.66042	0.478469	2009	-1.75164	3.40	$1,078,972,200.98
Myanmar	2008	-2.207979202	0.480769217	-1.092701435	15.38461494	-1.530751467	2.91262126	-2.213595152	0.48543689	-1.541819	3.365385	-1.61643	0.970874	2008	-1.70055	3.93	$863,880,447.31

Singapore

Country	Year	Voice and Accountability	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile R	FDI Inflow
Singapore	2018	-0.059108868	41.87192154	1.510338783	98.57142639	2.2314744	100	2.131564896	99.03846	1.8448913	97.11539	2.174524	99.03846	2018	1.638947	89.35	$82,030,577,168.06
Singapore	2017	-0.169366226	41.37931061	1.615337968	99.04762268	2.220098257	100	2.115007162	99.5192337	1.822845	96.63461	2.133582	97.59615	2017	1.622917	89.03	$94,811,159,186.78
Singapore	2016	-0.150453717	40.88669968	1.495758653	99.04762268	2.206244946	100	2.180612087	100	1.825243	96.15385	2.088102	97.11539	2016	1.607584	88.87	$73,552,652,791.57
Singapore	2015	-0.161821648	41.37931061	1.311752796	96.19047546	2.236418724	100	2.260543108	100	1.8134753	94.23077	2.092715	96.63461	2015	1.592181	88.07	$69,774,553,124.94
Singapore	2014	-0.098659426	45.81280899	1.386178358	96.6824646	2.18261188	100	2.233457088	100	2.071365	96.15385	2.071365	96.15385	2014	1.566658	88.09	$68,698,472,830.59
Singapore	2013	0.036768436	50.70422363	1.378178358	96.6824646	2.088955164	99.52606964	1.970402002	100	1.7055238	94.3662	2.078066	96.68246	2013	1.542900	89.66	$64,389,514,904.50
Singapore	2012	0.05309137	51.64319229	1.368174553	97.15639496	2.166091442	99.52606964	1.965846062	100	1.731186	94.3662	2.124057	97.15639	2012	1.568074	89.97	$55,310,807,547.70
Singapore	2011	-0.102027185	45.07042313	1.391421747	90.99526215	2.154785633	99.52606964	1.7895962	96.6846646	1.6699923	92.95775	2.109704	96.68246	2011	1.468912	86.99	$49,155,657,316.29
Singapore	2010	-0.208966196	40.28435898	1.169414878	90.52132416	2.241406679	100	1.786087275	98.0861206	1.6259416	91.94313	2.179523	98.57143	2010	1.465568	86.57	$55,075,864,345.04
Singapore	2009	-0.234220803	40.75829315	1.17944622	90.52132416	2.270796537	100	1.778741956	97.6076584	1.5660052	91.46919	2.217089	98.08612	2009	1.462976	86.41	$23,821,209,699.62
Singapore	2008	-0.3348355	35.09615326	1.345580578	99.03845978	2.436975002	100	1.868646622	98.5436859	1.6060874	91.34615	2.247644	98.05825	2008	1.52835	87.01	$12,200,705,251.93

Vietnam

Country	Year	Voice and Accountability	Percentile	Political Stability and Absence	Percentile	Government Effectiveness	Percentile Rank	Regulatory Quality	Percentile Rank	Rule of Law	Percentile Rank	Control of	Percentile Rank		Average C	Average Percentile R	FDI Inflow
Vietnam	2018	-1.445501447	9.359605789	0.203265712	53.80952454	-0.00344478	53.36538315	-0.38585189	36.5384598	-0.003282	54.32692	-0.48536	37.98077	2018	-0.35336	40.90	$15,500,000,000.00
Vietnam	2017	-1.401755214	10.83743858	0.288423121	56.66666794	0.009442507	53.36538315	-0.398280025	36.5384598	0.0694744	56.25	-0.58314	31.25	2017	-0.33597	40.82	$14,100,000,000.00
Vietnam	2016	-1.374982357	10.34482765	0.233591929	54.76190567	0.019704808	53.84615326	-0.45379293	35.0961533	0.0753607	56.73077	-0.45247	37.5	2016	-0.32543	41.38	$12,600,000,000.00
Vietnam	2015	-1.358865023	10.34482765	0.069970489	50	0.067399904	55.28845978	-0.482726544	35.5769234	-0.339347	43.75	-0.4262	41.82692	2015	-0.41163	39.46	$11,800,000,000.00
Vietnam	2014	-1.374714971	9.359605789	-0.022347357	44.2857132	-0.070451654	51.44230652	-0.587682009	30.7692299	-0.359818	41.82692	-0.4362	40.86538	2014	-0.4752	36.42	$9,200,000,000.00
Vietnam	2013	-1.366399527	10.79812241	0.250577271	56.8720398	-0.265643388	46.44549942	-0.641062319	28.4360199	-0.514795	39.90611	-0.47827	38.86256	2013	-0.5026	36.89	$8,900,000,000.00
Vietnam	2012	-1.420068979	8.92018795	0.267358661	55.92417145	-0.269849509	45.97156525	-0.668712854	27.9620857	-0.551595	35.21217	-0.528	36.01896	2012	-0.52848	35.00	$8,368,000,000.00
Vietnam	2011	-1.45916307	8.450704575	0.189088449	54.02843475	-0.232507199	47.39336395	-0.598831117	30.8530998	-0.544895	34.74178	-0.60731	32.70142	2011	-0.54227	34.61	$7,430,000,000.00
Vietnam	2010	-1.496983051	7.58293819	0.148407876	51.6587677	-0.259137779	46.11148377	-0.616541266	28.7081337	-0.591396	32.70142	-0.62358	31.42857	2010	-0.5732	33.08	$8,000,000,000.00
Vietnam	2009	-1.482666969	8.056872368	0.271709561	53.08057022	-0.255260527	48.32535934	-0.622754753	28.2296658	-0.540058	36.96682	-0.54417	34.44976	2009	-0.52887	34.85	$7,600,000,000.00
Vietnam	2008	-1.496713758	8.17307663	0.164629117	49.51922989	-0.212150395	47.08737946	-0.618173957	30.0970879	-0.465127	38.46154	-0.70715	28.15534	2008	-0.55578	33.58	$9,579,000,000.00

APPENDIX F Individual Countries (Secondary Data on Corporate Governance Components)

Aggregate Governance Indicators 2008-2018 (Singapore)

Indicator	Country	Year	Number of Sources	Governance (-2.5 to +2.5)	Percentile Rank	Standard Error
Voice and Accountability	Singapore	2008	12	-0.33	35.1	0.1
Voice and Accountability	Singapore	2009	12	-0.23	40.8	0.1
Voice and Accountability	Singapore	2010	12	-0.21	40.3	0.1
Voice and Accountability	Singapore	2011	13	-0.1	45.1	0.1
Voice and Accountability	Singapore	2012	13	0.05	51.6	0.1
Voice and Accountability	Singapore	2013	13	0.04	50.7	0.1
Voice and Accountability	Singapore	2014	11	-0.1	45.8	0.1
Voice and Accountability	Singapore	2015	11	-0.16	41.4	0.1
Voice and Accountability	Singapore	2016	11	-0.15	40.9	0.1
Voice and Accountability	Singapore	2017	11	-0.17	41.4	0.1
Voice and Accountability	Singapore	2018	11	-0.06	41.9	0.1
Political Stability and Absence of Violence/Terrorism	Singapore	2008	8	1.35	99	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2009	8	1.18	90.5	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2010	8	1.17	90.5	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2011	9	1.19	91	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2012	9	1.37	97.2	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2013	9	1.38	96.7	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2014	9	1.19	93.3	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2015	9	1.31	96.2	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2016	9	1.5	99	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2017	9	1.62	99	0.2
Political Stability and Absence of Violence/Terrorism	Singapore	2018	9	1.49	98.6	0.2
Government Effectiveness	Singapore	2008	8	2.44	100	0.2
Government Effectiveness	Singapore	2009	8	2.27	100	0.2
Government Effectiveness	Singapore	2010	8	2.24	100	0.2

Government Effectiveness	Singapore	2011	8	2.15	99.5	0.2
Government Effectiveness	Singapore	2012	8	2.17	99.5	0.2
Government Effectiveness	Singapore	2013	8	2.09	99.5	0.2
Government Effectiveness	Singapore	2014	8	2.18	100	0.2
Government Effectiveness	Singapore	2015	8	2.24	100	0.2
Government Effectiveness	Singapore	2016	8	2.21	100	0.2
Government Effectiveness	Singapore	2017	8	2.22	100	0.2
Government Effectiveness	Singapore	2018	8	2.23	100	0.2
Regulatory Quality	Singapore	2008	8	1.87	98.5	0.2
Regulatory Quality	Singapore	2009	8	1.78	97.6	0.2
Regulatory Quality	Singapore	2010	8	1.79	98.1	0.2
Regulatory Quality	Singapore	2011	9	1.79	96.7	0.2
Regulatory Quality	Singapore	2012	9	1.97	100	0.2
Regulatory Quality	Singapore	2013	9	1.97	100	0.2
Regulatory Quality	Singapore	2014	9	2.23	100	0.2
Regulatory Quality	Singapore	2015	9	2.26	100	0.2
Regulatory Quality	Singapore	2016	9	2.18	100	0.2
Regulatory Quality	Singapore	2017	9	2.12	99.5	0.2
Regulatory Quality	Singapore	2018	9	2.13	99.5	0.2
Rule of Law	Singapore	2008	12	1.61	91.3	0.2
Rule of Law	Singapore	2009	12	1.57	91.5	0.2
Rule of Law	Singapore	2010	12	1.63	91.9	0.2
Rule of Law	Singapore	2011	13	1.67	93	0.1
Control of Corruption	Singapore	2012	12	2.12	97.2	0.1
Control of Corruption	Singapore	2013	12	2.08	96.7	0.1
Control of Corruption	Singapore	2014	11	2.07	96.2	0.1
Control of Corruption	Singapore	2015	11	2.09	96.6	0.1
Control of Corruption	Singapore	2016	11	2.09	97.1	0.1
Control of Corruption	Singapore	2017	11	2.13	97.6	0.1
Control of Corruption	Singapore	2018	11	2.17	99	0.1

Aggregate Governance Indicators 2008-2018 (Cambodia)

Indicator	Country	Year	Number of Sources	Governance (-2.5 to +2.5)	Percentile Rank	Standard Error
Voice and Accountability	Cambodia	2008	14	-0.97	21.15	0.12
Voice and Accountability	Cambodia	2009	14	-0.91	22.27	0.12
Voice and Accountability	Cambodia	2010	14	-0.93	21.8	0.12
Voice and Accountability	Cambodia	2011	14	-0.91	22.07	0.12
Voice and Accountability	Cambodia	2012	14	-0.96	20.19	0.12
Voice and Accountability	Cambodia	2013	14	-0.98	19.72	0.11
Voice and Accountability	Cambodia	2014	11	-1.11	18.72	0.13
Voice and Accountability	Cambodia	2015	11	-1.12	18.23	0.13
Voice and Accountability	Cambodia	2016	10	-1.11	18.23	0.13
Voice and Accountability	Cambodia	2017	11	-1.15	15.76	0.13
Voice and Accountability	Cambodia	2018	11	-1.22	13.79	0.13
Political Stability and Absence of Violence/Terrorism	Cambodia	2008	6	-0.3	34.62	0.26
Political Stability and Absence of Violence/Terrorism	Cambodia	2009	6	-0.56	27.01	0.26
Political Stability and Absence of Violence/Terrorism	Cambodia	2010	6	-0.5	27.49	0.25
Political Stability and Absence of Violence/Terrorism	Cambodia	2011	7	-0.3	36.49	0.25
Political Stability and Absence of Violence/Terrorism	Cambodia	2012	7	-0.1	41.23	0.23
Political Stability and Absence of Violence/Terrorism	Cambodia	2013	7	-0.14	41.71	0.24
Political Stability and Absence of Violence/Terrorism	Cambodia	2014	7	0.02	46.19	0.2
Political Stability and Absence of Violence/Terrorism	Cambodia	2015	7	0.06	49.52	0.21
Political Stability and Absence of Violence/Terrorism	Cambodia	2016	7	0.21	53.81	0.22
Political Stability and Absence of Violence/Terrorism	Cambodia	2017	7	0.09	50.48	0.22
Political Stability and Absence of Violence/Terrorism	Cambodia	2018	7	0.11	52.38	0.22
Government Effectiveness	Cambodia	2008	9	-0.99	15.53	0.21
Government Effectiveness	Cambodia	2009	9	-0.95	18.66	0.21
Government Effectiveness	Cambodia	2010	9	-0.94	18.18	0.21
Government Effectiveness	Cambodia	2011	9	-0.86	19.91	0.21
Government Effectiveness	Cambodia	2012	9	-0.82	22.75	0.21
Government Effectiveness	Cambodia	2013	9	-0.91	19.43	0.21

Government Effectiveness	Cambodia	2014	9	-0.69	25	0.21
Government Effectiveness	Cambodia	2015	9	-0.7	25	0.22
Government Effectiveness	Cambodia	2016	9	-0.69	24.04	0.21
Government Effectiveness	Cambodia	2017	9	-0.66	25.48	0.21
Government Effectiveness	Cambodia	2018	9	-0.57	32.21	0.22
Regulatory Quality	Cambodia	2008	9	-0.45	36.89	0.18
Regulatory Quality	Cambodia	2009	9	-0.49	34.45	0.17
Regulatory Quality	Cambodia	2010	9	-0.48	35.89	0.17
Regulatory Quality	Cambodia	2011	10	-0.58	31.28	0.16
Regulatory Quality	Cambodia	2012	10	-0.34	39.81	0.17
Regulatory Quality	Cambodia	2013	10	-0.34	40.28	0.17
Regulatory Quality	Cambodia	2014	10	-0.42	35.58	0.19
Regulatory Quality	Cambodia	2015	10	-0.53	31.73	0.18
Regulatory Quality	Cambodia	2016	10	-0.47	34.13	0.19
Regulatory Quality	Cambodia	2017	10	-0.5	32.21	0.19
Regulatory Quality	Cambodia	2018	10	-0.5	33.65	0.19
Rule of Law	Cambodia	2008	15	-1.15	11.54	0.15
Rule of Law	Cambodia	2009	15	-1.12	13.74	0.15
Rule of Law	Cambodia	2010	15	-1.12	12.8	0.14
Rule of Law	Cambodia	2011	15	-1.05	15.02	0.14
Rule of Law	Cambodia	2012	15	-0.98	16.9	0.14
Rule of Law	Cambodia	2013	15	-1	15.49	0.14
Rule of Law	Cambodia	2014	13	-0.96	15.87	0.15
Rule of Law	Cambodia	2015	13	-0.98	14.9	0.15
Rule of Law	Cambodia	2016	12	-1.06	12.98	0.17
Rule of Law	Cambodia	2017	12	-1.06	13.46	0.16
Rule of Law	Cambodia	2018	12	-1.11	11.06	0.15
Control of Corruption	Cambodia	2008	14	-1.23	5.83	0.15
Control of Corruption	Cambodia	2009	14	-1.17	10.05	0.14
Control of Corruption	Cambodia	2010	14	-1.24	7.14	0.14
Control of Corruption	Cambodia	2011	14	-1.24	6.16	0.15
Control of Corruption	Cambodia	2012	14	-1.07	13.27	0.15
Control of Corruption	Cambodia	2013	14	-1.05	12.8	0.14
Control of Corruption	Cambodia	2014	13	-1.14	11.54	0.14
Control of Corruption	Cambodia	2015	13	-1.12	12.02	0.14
Control of Corruption	Cambodia	2016	13	-1.27	9.13	0.15
Control of Corruption	Cambodia	2017	13	-1.29	8.65	0.15

Note: The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organisations, international organisations, and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

Aggregate Governance Indicators 2008-2018 (Indonesia)

Indicator	Country	Year	Number of Sources	Governance (-2.5 to +2.5)	Percentile Rank	Standard Error
Voice and Accountability	Indonesia	2008	16	-0.01	47.12	0.11
Voice and Accountability	Indonesia	2009	16	0	47.87	0.12
Voice and Accountability	Indonesia	2010	16	-0.04	48.34	0.11
Voice and Accountability	Indonesia	2011	17	-0.01	48.83	0.11
Voice and Accountability	Indonesia	2012	17	0.07	52.58	0.11
Voice and Accountability	Indonesia	2013	16	0.04	50.23	0.11
Voice and Accountability	Indonesia	2014	13	0.15	51.72	0.13
Voice and Accountability	Indonesia	2015	13	0.18	53.69	0.13
Voice and Accountability	Indonesia	2016	13	0.17	51.72	0.13
Voice and Accountability	Indonesia	2017	13	0.13	50.74	0.13
Voice and Accountability	Indonesia	2018	13	0.18	52.22	0.13
Political Stability and Absence of Violence/Terrorism	Indonesia	2008	8	-1.06	15.87	0.24
Political Stability and Absence of Violence/Terrorism	Indonesia	2009	8	-0.75	21.33	0.24
Political Stability and Absence of Violence/Terrorism	Indonesia	2010	8	-0.85	20.38	0.24
Political Stability and Absence of Violence/Terrorism	Indonesia	2011	9	-0.77	20.85	0.24
Political Stability and Absence of Violence/Terrorism	Indonesia	2012	9	-0.59	25.59	0.22
Political Stability and Absence of Violence/Terrorism	Indonesia	2013	9	-0.52	28.44	0.23
Political Stability and Absence of Violence/Terrorism	Indonesia	2014	9	-0.42	30	0.19
Political Stability and Absence of Violence/Terrorism	Indonesia	2015	9	-0.62	24.76	0.2
Political Stability and Absence of Violence/Terrorism	Indonesia	2016	9	-0.37	32.38	0.2
Political Stability and Absence of Violence/Terrorism	Indonesia	2017	9	-0.5	29.52	0.21
Political Stability and Absence of Violence/Terrorism	Indonesia	2018	9	-0.54	27.62	0.21
Government Effectiveness	Indonesia	2008	10	-0.24	46.12	0.2
Government Effectiveness	Indonesia	2009	10	-0.3	46.41	0.19
Government Effectiveness	Indonesia	2010	10	-0.21	46.89	0.19
Government Effectiveness	Indonesia	2011	10	-0.26	46.45	0.19
Government Effectiveness	Indonesia	2012	10	-0.27	45.5	0.19

Government Effectiveness	Indonesia	2013	10	-0.2	47.39	0.19
Government Effectiveness	Indonesia	2014	10	-0.04	53.85	0.2
Government Effectiveness	Indonesia	2015	10	-0.24	45.19	0.2
Government Effectiveness	Indonesia	2016	10	0.01	52.4	0.19
Government Effectiveness	Indonesia	2017	10	0.04	54.81	0.19
Government Effectiveness	Indonesia	2018	10	0.18	59.13	0.2
Regulatory Quality	Indonesia	2008	10	-0.35	42.72	0.18
Regulatory Quality	Indonesia	2009	10	-0.36	39.23	0.17
Regulatory Quality	Indonesia	2010	10	-0.42	36.84	0.17
Regulatory Quality	Indonesia	2011	11	-0.35	39.34	0.16
Regulatory Quality	Indonesia	2012	11	-0.28	43.6	0.18
Regulatory Quality	Indonesia	2013	11	-0.2	46.45	0.17
Regulatory Quality	Indonesia	2014	11	-0.11	50	0.18
Regulatory Quality	Indonesia	2015	11	-0.22	46.63	0.17
Regulatory Quality	Indonesia	2016	11	-0.12	50	0.18
Regulatory Quality	Indonesia	2017	11	-0.11	51.92	0.17
Regulatory Quality	Indonesia	2018	11	-0.14	49.04	0.17
Rule of Law	Indonesia	2008	16	-0.65	31.25	0.14
Rule of Law	Indonesia	2009	16	-0.6	33.18	0.14
Rule of Law	Indonesia	2010	16	-0.64	31.28	0.14
Rule of Law	Indonesia	2011	17	-0.59	31.46	0.13
Rule of Law	Indonesia	2012	17	-0.58	34.27	0.13
Rule of Law	Indonesia	2013	16	-0.53	37.09	0.13
Rule of Law	Indonesia	2014	14	-0.34	42.79	0.15
Rule of Law	Indonesia	2015	14	-0.42	39.42	0.14
Rule of Law	Indonesia	2016	13	-0.34	40.38	0.16
Rule of Law	Indonesia	2017	13	-0.35	40.87	0.15
Rule of Law	Indonesia	2018	13	-0.32	42.79	0.14
Control of Corruption	Indonesia	2008	15	-0.59	33.98	0.13
Control of Corruption	Indonesia	2009	15	-0.84	21.05	0.13
Control of Corruption	Indonesia	2010	15	-0.75	24.76	0.13
Control of Corruption	Indonesia	2011	16	-0.7	25.12	0.14
Control of Corruption	Indonesia	2012	16	-0.64	31.28	0.13
Control of Corruption	Indonesia	2013	15	-0.61	32.7	0.13
Control of Corruption	Indonesia	2014	14	-0.56	33.65	0.12
Control of Corruption	Indonesia	2015	14	-0.46	39.42	0.12
Control of Corruption	Indonesia	2016	14	-0.4	41.83	0.13
Control of Corruption	Indonesia	2017	14	-0.25	48.08	0.12
Control of Corruption	Indonesia	2018	14	-0.25	46.15	0.12

Note: *The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organisations, international organisations, and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.*

Aggregate Governance Indicators 2008-2018 (Myanmar)

Indicator	Country	Year	Number of Sources	Governance (-2.5 to +2.5)	Percentile Rank	Standard Error
Voice and Accountability	Myanmar	2008	9	-2.21	0.48	0.14
Voice and Accountability	Myanmar	2009	9	-2.17	0.95	0.14
Voice and Accountability	Myanmar	2010	9	-2.07	1.42	0.14
Voice and Accountability	Myanmar	2011	11	-1.85	3.29	0.12
Voice and Accountability	Myanmar	2012	12	-1.62	5.16	0.12
Voice and Accountability	Myanmar	2013	14	-1.46	7.98	0.11
Voice and Accountability	Myanmar	2014	11	-1.34	9.85	0.13
Voice and Accountability	Myanmar	2015	11	-1.22	14.29	0.13
Voice and Accountability	Myanmar	2016	10	-0.8	24.14	0.13
Voice and Accountability	Myanmar	2017	11	-0.86	23.65	0.13
Voice and Accountability	Myanmar	2018	11	-0.89	23.65	0.13
Political Stability and Absence of Violence/Terrorism	Myanmar	2008	5	-1.09	15.38	0.27
Political Stability and Absence of Violence/Terrorism	Myanmar	2009	5	-1.29	11.85	0.27
Political Stability and Absence of Violence/Terrorism	Myanmar	2010	5	-1.29	10.9	0.27
Political Stability and Absence of Violence/Terrorism	Myanmar	2011	5	-1.11	14.69	0.26
Political Stability and Absence of Violence/Terrorism	Myanmar	2012	6	-0.94	18.48	0.23
Political Stability and Absence of Violence/Terrorism	Myanmar	2013	8	-1.14	14.22	0.23
Political Stability and Absence of Violence/Terrorism	Myanmar	2014	8	-1.09	11.43	0.2
Political Stability and Absence of Violence/Terrorism	Myanmar	2015	8	-1.17	10.48	0.2
Political Stability and Absence of Violence/Terrorism	Myanmar	2016	7	-0.8	18.1	0.21
Political Stability and Absence of Violence/Terrorism	Myanmar	2017	7	-1.08	13.33	0.22
Political Stability and Absence of Violence/Terrorism	Myanmar	2018	7	-1.26	11.43	0.22
Government Effectiveness	Myanmar	2008	6	-1.53	2.91	0.25
Government Effectiveness	Myanmar	2009	6	-1.61	2.39	0.25
Government Effectiveness	Myanmar	2010	6	-1.62	2.87	0.24

Government Effectiveness	Myanmar	2011	6	-1.6	3.79	0.24
Government Effectiveness	Myanmar	2012	7	-1.48	3.79	0.23
Government Effectiveness	Myanmar	2013	9	-1.5	4.27	0.2
Government Effectiveness	Myanmar	2014	10	-1.28	9.13	0.2
Government Effectiveness	Myanmar	2015	10	-1.24	10.1	0.2
Government Effectiveness	Myanmar	2016	9	-0.98	16.35	0.21
Government Effectiveness	Myanmar	2017	9	-1.05	13.46	0.21
Government Effectiveness	Myanmar	2018	9	-1.07	12.5	0.22
Regulatory Quality	Myanmar	2008	6	-2.21	0.49	0.21
Regulatory Quality	Myanmar	2009	6	-2.24	1.44	0.2
Regulatory Quality	Myanmar	2010	6	-2.24	0.96	0.21
Regulatory Quality	Myanmar	2011	6	-2.1	1.42	0.21
Regulatory Quality	Myanmar	2012	7	-1.83	2.37	0.22
Regulatory Quality	Myanmar	2013	10	-1.49	5.21	0.18
Regulatory Quality	Myanmar	2014	11	-1.38	6.25	0.18
Regulatory Quality	Myanmar	2015	11	-1.22	8.65	0.18
Regulatory Quality	Myanmar	2016	10	-0.87	18.75	0.19
Regulatory Quality	Myanmar	2017	10	-0.83	19.23	0.18
Regulatory Quality	Myanmar	2018	10	-0.74	23.08	0.18
Rule of Law	Myanmar	2008	10	-1.54	3.37	0.18
Rule of Law	Myanmar	2009	10	-1.53	3.32	0.18
Rule of Law	Myanmar	2010	10	-1.55	2.84	0.18
Rule of Law	Myanmar	2011	11	-1.44	4.69	0.17
Rule of Law	Myanmar	2012	12	-1.35	6.1	0.16
Rule of Law	Myanmar	2013	15	-1.23	9.86	0.14
Rule of Law	Myanmar	2014	14	-1.19	8.17	0.15
Rule of Law	Myanmar	2015	14	-1.24	7.69	0.15
Rule of Law	Myanmar	2016	12	-0.89	17.79	0.17
Rule of Law	Myanmar	2017	12	-0.95	16.83	0.16
Rule of Law	Myanmar	2018	12	-1.03	15.87	0.16
Control of Corruption	Myanmar	2008	6	-1.62	0.97	0.21
Control of Corruption	Myanmar	2009	6	-1.66	0.48	0.21
Control of Corruption	Myanmar	2010	6	-1.67	0.48	0.2
Control of Corruption	Myanmar	2011	7	-1.59	0.47	0.19
Control of Corruption	Myanmar	2012	9	-1.06	13.74	0.16
Control of Corruption	Myanmar	2013	11	-1	16.11	0.14
Control of Corruption	Myanmar	2014	12	-0.88	20.19	0.14
Control of Corruption	Myanmar	2015	12	-0.84	20.67	0.14
Control of Corruption	Myanmar	2016	12	-0.62	32.21	0.14
Control of Corruption	Myanmar	2017	12	-0.57	32.21	0.13
Control of Corruption	Myanmar	2018	12	-0.59	30.29	0.14

Aggregate Governance Indicators 2008-2018 (Malaysia)

Indicator	Country	Year	Number of Sources	Governance (-2.5 to +2.5)	Percentile Rank	Standard Error
Voice and Accountability	Malaysia	2008	15	-0.56	29.81	0.12
Voice and Accountability	Malaysia	2009	15	-0.5	31.28	0.12
Voice and Accountability	Malaysia	2010	16	-0.5	32.23	0.11
Voice and Accountability	Malaysia	2011	17	-0.47	31.46	0.11
Voice and Accountability	Malaysia	2012	17	-0.35	36.15	0.11
Voice and Accountability	Malaysia	2013	16	-0.34	37.09	0.11
Voice and Accountability	Malaysia	2014	12	-0.36	35.47	0.13
Voice and Accountability	Malaysia	2015	13	-0.39	33.99	0.13
Voice and Accountability	Malaysia	2016	13	-0.42	33.99	0.13
Voice and Accountability	Malaysia	2017	13	-0.4	34.48	0.13
Voice and Accountability	Malaysia	2018	11	-0.08	41.38	0.13
Political Stability and Absence of Violence/Terrorism	Malaysia	2008	8	0.11	48.56	0.24
Political Stability and Absence of Violence/Terrorism	Malaysia	2009	8	-0.04	42.65	0.24
Political Stability and Absence of Violence/Terrorism	Malaysia	2010	8	0.14	51.18	0.24
Political Stability and Absence of Violence/Terrorism	Malaysia	2011	9	0.08	49.29	0.24
Political Stability and Absence of Violence/Terrorism	Malaysia	2012	9	-0.01	44.08	0.22
Political Stability and Absence of Violence/Terrorism	Malaysia	2013	9	0.05	47.39	0.23
Political Stability and Absence of Violence/Terrorism	Malaysia	2014	9	0.27	57.62	0.19
Political Stability and Absence of Violence/Terrorism	Malaysia	2015	9	0.26	56.67	0.2
Political Stability and Absence of Violence/Terrorism	Malaysia	2016	9	0.14	49.52	0.2
Political Stability and Absence of Violence/Terrorism	Malaysia	2017	9	0.12	51.43	0.21
Political Stability and Absence of Violence/Terrorism	Malaysia	2018	9	0.26	55.24	0.21
Government Effectiveness	Malaysia	2008	10	1.11	82.52	0.2
Government Effectiveness	Malaysia	2009	10	0.98	78.95	0.19
Government Effectiveness	Malaysia	2010	10	1.12	82.78	0.19

Government Effectiveness	Malaysia	2011	10	1.02	81.04	0.19
Government Effectiveness	Malaysia	2012	10	0.92	76.78	0.19
Government Effectiveness	Malaysia	2013	10	1	79.15	0.19
Government Effectiveness	Malaysia	2014	9	1.12	82.69	0.21
Government Effectiveness	Malaysia	2015	10	0.95	76.92	0.2
Government Effectiveness	Malaysia	2016	10	0.87	75.96	0.19
Government Effectiveness	Malaysia	2017	9	0.83	75.48	0.2
Government Effectiveness	Malaysia	2018	8	1.08	81.25	0.2
Regulatory Quality	Malaysia	2008	10	0.32	61.17	0.18
Regulatory Quality	Malaysia	2009	10	0.3	61.72	0.17
Regulatory Quality	Malaysia	2010	10	0.59	70.33	0.17
Regulatory Quality	Malaysia	2011	11	0.58	71.09	0.16
Regulatory Quality	Malaysia	2012	11	0.57	70.14	0.18
Regulatory Quality	Malaysia	2013	11	0.64	73.46	0.17
Regulatory Quality	Malaysia	2014	10	0.84	75.96	0.19
Regulatory Quality	Malaysia	2015	11	0.75	74.04	0.17
Regulatory Quality	Malaysia	2016	11	0.71	75.48	0.18
Regulatory Quality	Malaysia	2017	10	0.68	74.52	0.19
Regulatory Quality	Malaysia	2018	10	0.7	74.52	0.18
Rule of Law	Malaysia	2008	15	0.34	60.1	0.14
Rule of Law	Malaysia	2009	15	0.46	63.51	0.14
Rule of Law	Malaysia	2010	16	0.48	64.93	0.14
Rule of Law	Malaysia	2011	17	0.48	64.79	0.13
Rule of Law	Malaysia	2012	17	0.47	64.79	0.13
Rule of Law	Malaysia	2013	16	0.44	63.85	0.13
Rule of Law	Malaysia	2014	13	0.59	73.56	0.15
Rule of Law	Malaysia	2015	14	0.5	68.75	0.14
Rule of Law	Malaysia	2016	13	0.5	69.23	0.16
Rule of Law	Malaysia	2017	12	0.41	64.42	0.16
Rule of Law	Malaysia	2018	11	0.62	74.04	0.15
Control of Corruption	Malaysia	2008	14	-0.05	56.8	0.14
Control of Corruption	Malaysia	2009	14	-0.06	56.94	0.13
Control of Corruption	Malaysia	2010	15	0.09	60.95	0.13
Control of Corruption	Malaysia	2011	16	0.03	57.82	0.14
Control of Corruption	Malaysia	2012	16	0.24	63.98	0.13
Control of Corruption	Malaysia	2013	15	0.35	67.3	0.13
Control of Corruption	Malaysia	2014	13	0.41	66.83	0.12
Control of Corruption	Malaysia	2015	14	0.24	63.46	0.12
Control of Corruption	Malaysia	2016	14	0.1	60.1	0.13
Control of Corruption	Malaysia	2017	13	0.03	58.17	0.12
Control of Corruption	Malaysia	2018	12	0.31	63.94	0.13

Aggregate Governance Indicators 2008-2018 (Vietnam)

Indicator	Country	Year	Number of Sources	Governance (-2.5 to +2.5)	Percentile Rank	Standard Error
Voice and Accountability	Vietnam	2008	15	-1.5	8.17	0.11
Voice and Accountability	Vietnam	2009	15	-1.48	8.06	0.12
Voice and Accountability	Vietnam	2010	15	-1.5	7.58	0.11
Voice and Accountability	Vietnam	2011	16	-1.46	8.45	0.11
Voice and Accountability	Vietnam	2012	16	-1.42	8.92	0.11
Voice and Accountability	Vietnam	2013	15	-1.37	10.8	0.11
Voice and Accountability	Vietnam	2014	12	-1.37	9.36	0.13
Voice and Accountability	Vietnam	2015	11	-1.36	10.34	0.13
Voice and Accountability	Vietnam	2016	11	-1.37	10.34	0.13
Voice and Accountability	Vietnam	2017	11	-1.4	10.84	0.13
Voice and Accountability	Vietnam	2018	11	-1.44	9.85	0.13
Political Stability and Absence of Violence/Terrorism	Vietnam	2008	7	0.16	49.52	0.25
Political Stability and Absence of Violence/Terrorism	Vietnam	2009	7	0.27	53.08	0.25
Political Stability and Absence of Violence/Terrorism	Vietnam	2010	7	0.15	51.66	0.24
Political Stability and Absence of Violence/Terrorism	Vietnam	2011	8	0.19	54.03	0.24
Political Stability and Absence of Violence/Terrorism	Vietnam	2012	8	0.27	55.92	0.22
Political Stability and Absence of Violence/Terrorism	Vietnam	2013	8	0.25	56.87	0.23
Political Stability and Absence of Violence/Terrorism	Vietnam	2014	8	-0.02	44.29	0.2
Political Stability and Absence of Violence/Terrorism	Vietnam	2015	8	0.07	50	0.2
Political Stability and Absence of Violence/Terrorism	Vietnam	2016	8	0.23	54.76	0.21
Political Stability and Absence of Violence/Terrorism	Vietnam	2017	8	0.29	56.67	0.22
Political Stability and Absence of Violence/Terrorism	Vietnam	2018	8	0.11	52.86	0.21
Government Effectiveness	Vietnam	2008	10	-0.21	47.09	0.2
Government Effectiveness	Vietnam	2009	10	-0.26	48.33	0.2
Government Effectiveness	Vietnam	2010	10	-0.26	46.41	0.19
Government Effectiveness	Vietnam	2011	10	-0.23	47.39	0.19
Government Effectiveness	Vietnam	2012	10	-0.27	45.97	0.2
Government Effectiveness	Vietnam	2013	10	-0.27	46.45	0.19

Government Effectiveness	Vietnam	2014	10	-0.07	51.44	0.2
Government Effectiveness	Vietnam	2015	10	0.07	55.29	0.2
Government Effectiveness	Vietnam	2016	10	0.02	53.85	0.2
Government Effectiveness	Vietnam	2017	10	0.01	53.37	0.2
Government Effectiveness	Vietnam	2018	9	0	53.37	0.21
Regulatory Quality	Vietnam	2008	10	-0.62	30.1	0.18
Regulatory Quality	Vietnam	2009	10	-0.62	28.23	0.17
Regulatory Quality	Vietnam	2010	10	-0.62	28.71	0.16
Regulatory Quality	Vietnam	2011	11	-0.6	30.33	0.16
Regulatory Quality	Vietnam	2012	11	-0.67	27.96	0.17
Regulatory Quality	Vietnam	2013	11	-0.64	28.44	0.17
Regulatory Quality	Vietnam	2014	11	-0.59	30.77	0.18
Regulatory Quality	Vietnam	2015	11	-0.48	35.58	0.18
Regulatory Quality	Vietnam	2016	11	-0.45	35.1	0.19
Regulatory Quality	Vietnam	2017	11	-0.4	36.54	0.18
Regulatory Quality	Vietnam	2018	10	-0.35	37.5	0.18
Rule of Law	Vietnam	2008	16	-0.47	38.46	0.15
Rule of Law	Vietnam	2009	16	-0.54	36.97	0.14
Rule of Law	Vietnam	2010	16	-0.59	32.7	0.14
Rule of Law	Vietnam	2011	17	-0.54	34.74	0.13
Rule of Law	Vietnam	2012	17	-0.55	35.21	0.14
Rule of Law	Vietnam	2013	16	-0.51	39.91	0.14
Rule of Law	Vietnam	2014	14	-0.36	41.83	0.15
Rule of Law	Vietnam	2015	14	-0.34	43.75	0.15
Rule of Law	Vietnam	2016	13	0.08	56.73	0.17
Rule of Law	Vietnam	2017	13	0.07	56.25	0.16
Rule of Law	Vietnam	2018	12	0	54.33	0.15
Control of Corruption	Vietnam	2008	14	-0.71	28.16	0.14
Control of Corruption	Vietnam	2009	14	-0.54	34.45	0.14
Control of Corruption	Vietnam	2010	15	-0.62	31.43	0.14
Control of Corruption	Vietnam	2011	16	-0.61	32.7	0.14
Control of Corruption	Vietnam	2012	16	-0.53	36.02	0.13
Control of Corruption	Vietnam	2013	15	-0.48	38.86	0.13
Control of Corruption	Vietnam	2014	14	-0.44	40.87	0.13
Control of Corruption	Vietnam	2015	14	-0.43	41.83	0.13
Control of Corruption	Vietnam	2016	13	-0.45	37.5	0.14
Control of Corruption	Vietnam	2017	13	-0.58	31.25	0.12
Control of Corruption	Vietnam	2018	12	-0.49	37.98	0.13