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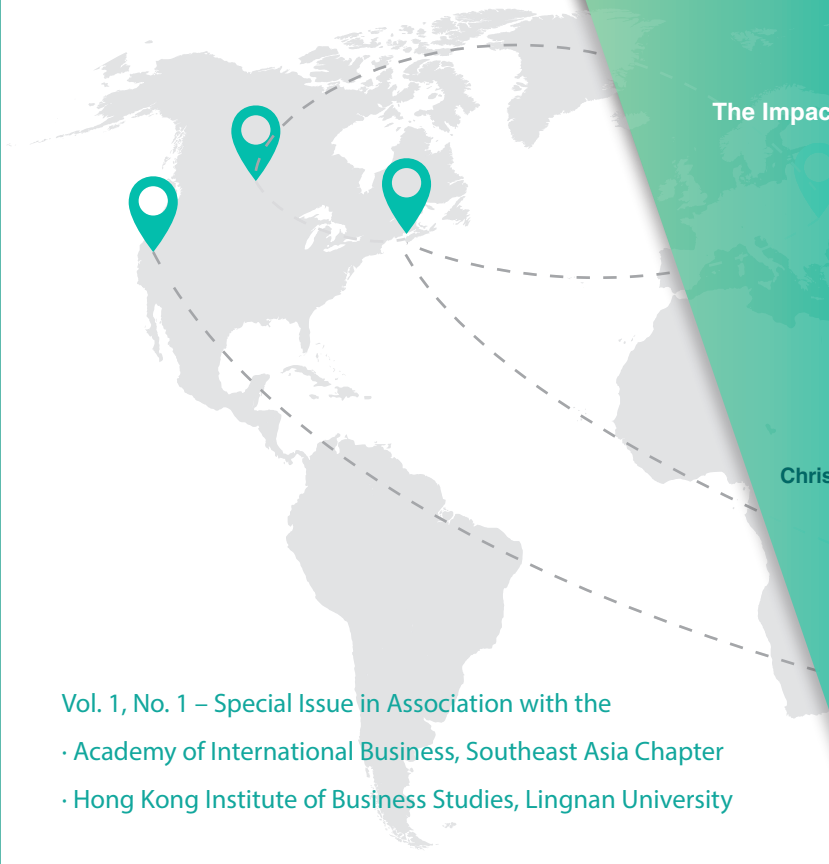

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Thank you for reading the inaugural issue of the Hang Seng Management College (HSMC) Business Review.

HSMC Business Review is a general business publication, produced by Hang Seng Management College, a private higher education institution in Hong Kong with around 5,000 students.

This publication serves as a platform for research and scholarship on business-related themes and topics. It is designed to stimulate discussions among academia, researchers, business professionals and other influential thought leaders about advances in business practice in East Asia.

It aims to circulate new business-related research and innovative ideas, especially surrounding interdisciplinary subjects, so that business professionals can benefit from the work that appears in this publication.

We encourage contributions from around the globe with a focus on East Asian business. We publish articles around 2,000 – 3,000 words in total. We welcome empirical, conceptual and methodological articles across the full range of business related disciplines, including but are not limited to Business, Management, Accounting, International Business, Supply Chain and Logistics, Tourism and Hospitality, Entrepreneurship and Innovation, Economics, Finance and Marketing. If you are interested in submitting your manuscript, please contact the Editorial Team at businessreview@hsmc.edu.hk for further details.

Last but not least, our heartfelt gratitude is expressed to all corresponding authors, Editorial Board members, and Editorial Support Team for making this publication possible.

Please enjoy the read!!

Professor Bradley R. Barnes
Co-editor-in-Chief

Dr. Felix Tang
Co-editor-in-Chief

Table of Contents

01 DRIVERS BEHIND DIETARY SUPPLEMENT CONSUMPTION

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SUSTAINING GROWTH IN THE DIETARY SUPPLEMENTS MARKET

A rapidly aging population is a global phenomenon. Hong Kong is no exception to this trend due to rising life expectancy and declining fertility. It has been forecasted that the elderly population (aged 65 or over) in Hong Kong will increase from 1.07 million, accounting for 15% in 2014 to 2.58 million, or 36%, in 2064 (HKSAR, 2016, Hui and Yu, 2009). Due to the aging population, increasing stress at work and at home, and growing health awareness, there has been expansion in healthcare markets in both developed and developing countries in the last decade. The vitamins and dietary supplements (DS) market is one major sector that is growing and capitalizing on this trend. In Hong Kong, the vitamins and dietary supplements market had expanded to approximately HK$5,000 million in 2013 with a compound annual growth rate (CAGR) of approximately 12.3% since 2008. To sustain this growth, a better understanding of what drives consumers to take dietary supplements is highly necessary. Our study identified the most influential factors affecting consumers' intention to buy DS and helped dietary supplements marketers to develop appropriate promotional and marketing communication strategies that enhance their target customers' subjective norm concerning the benefits of DS as well as their perceptions over behavior control in taking DS. All of these should contribute to eventual success in building strong brands and satisfying consumption experiences in the dietary supplements markets.

ABOUT THE RESEASRCH

Theory of Planned Behavior (TPB) has been extensively utilized to explain the process of consumers' purchase decisions for various types of health-related goods including dietary supplements (Ajzen, 2002, Conner et al., 2001, Conner et al., 2003, McDonald and Nicholson, 2006, Lino et al., 2014, Povey et al., 2000, Brennan et al., 2010). According to TPB, purchase intentions can be affected by three cognitive predictors (Rah et al., 2004): attitude towards the behavior (A), subjective norms (NORM), and perceived behavior control (PBC). In the study, we will also investigated the impact of informative influence on the buying intention since this factor has not yet been fully discussed (Azila Mohd Noor et al., 2014).

In addition, moderating factors may provide an improved explanation for the variance unaccounted for by the TPB predictors (Azila Mohd Noor et al., 2014). Therefore, we investigate the moderating role of "Years of DS Consumption" as a reflection of consumer's resources in terms of knowledge, to see how these factors strengthen or weaken the impact of consumers' attitude on their intent to buy DS. The basis for this investigation being that resources such as time, experience, and knowledge are generally considered to have an influence on PBC, and may have a further impact on attitude (Ajzen, 1991, Chen and Deng, 2016, Chung et al., 2012, Tuan and Vinh, 2016, Won Jeong et al., 2012, Ajzen, 2015) Figure 1 depicts the study's research model.

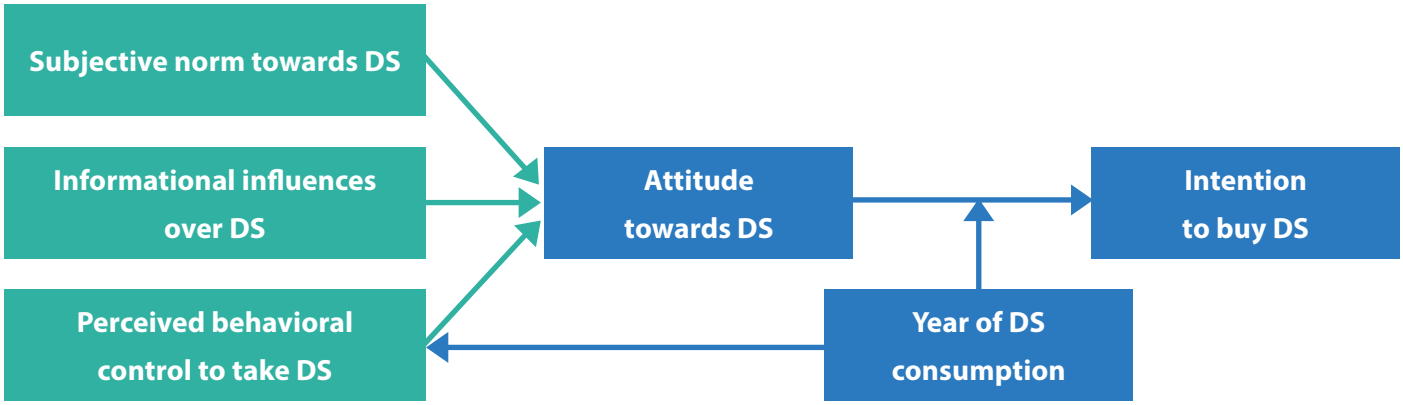

Figure 1: The Research model

In summary, the study aimed to (1) examine the direct effect of three previously identified predictors in shaping consumer attitudes towards DS consisting of social norm, behavioral control, and informational influence; (2) ascertain the potential mediating effect of consumers' attitude towards DS over the relationship between each of these predictors and consumers' intention to buy DS; and (3) discover the possible moderating effect of consumer resources (i.e. years of DS consumption) in strengthening/weakening the consumer attitude-intention to buy pathway.

With reference to previous studies (Azila Mohd Noor et al., 2014, Chung et al., 2012, Ajzen, 2002, Conner et al., 2001), a survey was designed to test the present research model. The target population was defined as "local residents who have been taking DS on a regular basis for the sake of betterment in health". In total, a sample of 240 respondents' data was collected for analysis. The demographic characteristics of the sample are summarized in Table 1, and measurement scales are outlined in Table 2.

Table 1: Demographics Characteristics of the Sample

Demographics	Frequency	Percent (%)
Identity		
Hong Kong (HK) citizens	214	89.2
Other Nationals living in HK	26	10.8
Gender		
Female	135	56.3
Male	105	43.7
Age		
18-25 years old	61	25.4
26-35 years old	62	25.8
36-45 years old	60	25.0
> 45 years old	57	23.8
Years of DS consumption		
< 1 year	87	36.3
1 - 3 year(s)	88	36.6
>3 years	65	27.1

Table 2: Measurement Scales

Constructs	Items
Subjective Norms towards DS (Chung et al., 2012, Ajzen, 2002, Azila Mohd Noor et al., 2014)	• Most people who are important to me would support me to take DS. • It is expected of me that I take DS. • People who are important to me would think I should take DS. • People who are important to me would approve of my taking DS. 1 = Strongly Disagree, 7 = Strongly agree
PBC to taking DS (Azila Mohd Noor et al., 2014, Ajzen, 2002)	• I have complete control over whether or not I take DS from now on. • Overall, I have high control over taking DS. • Whether or not I take DS is entirely up to me. 1 = Strongly Disagree, 7 = Strongly agree
Informational influence on intention-to-buy DS (Azila Mohd Noor et al., 2014)	• When buying DS, I often consult other people to help choose the best alternative available. • To make sure I purchase the right DS products or brands, I often observe what others are - buying or consuming. • If I have little experience with a particular DS, I often ask others before consuming it. • I frequently gather information from others about DS. 1 = Strongly Disagree, 7 = Strongly agree
Attitude to taking DS (Chung et al., 2012, Azila Mohd Noor et al., 2014, Conner et al., 2001)	• I think that the money I spend taking DS is worthwhile. • It is important for me to take DS. • It is valuable for me to take DS. • It is useful to take DS. • Overall, I think my taking DS would be beneficial. 1 = Strongly Disagree, 7 = Strongly agree
BI towards to DS (Azila Mohd Noor et al., 2014, Ajzen, 2002)	• I intend to take DS. • I plan to take DS. • I want to take DS. 1 = Strongly Disagree, 7 = Strongly agree

KEY FINDINGS

First, our findings revealed that consumer attitude, normative influence, informational influence and PBC have direct and positive effects on behavioral intention. Consumer attitude emerged as the most salient factor in influencing the subjects' intention to consume dietary supplements. Secondly, we found that Attitude has a partial mediator effect on the Norms-BI path, and on the PBC-BI path. However, what may surprise readers is that attitude does not have a mediating effect on the path between Info and BI since the effect of Info itself on Attitude is insignificant. Thirdly, the empirical results of moderating effects demonstrated that there is a moderating effect of Years of DS Consumption on all the paths related to PBC, attitude, and buying intention. It was found that the Years of DS Consumption strengthens the effect of PBC on both Attitude and BI. This implies that consumers with more years of experience in taking DS tend to perceive a stronger control over DS consumption, have developed a more favorable attitude towards DS, and have a stronger intention to buy DS. However, it is interesting to observe that the direct effect of Attitude on BI has been negatively moderated and hence weakened by Years of DS consumption. This suggests that groups of individuals who have less consumption experience with DS tend to display a more favorable attitude towards DS and a greater likelihood of buying DS. One of the reasons could be that those with rich experience of DS in the form of having more-than-three-years consumption experience, implying increased product knowledge (Chiou, 1998, Chung et al., 2012), tend to know more about the pros and cons of different DS products, and hence could have more confidence in having a rational attitude and buying intention to DS. This confidence is reflected directly by strong moderating effects on the path between PBC and attitude. While, in the case of consumers with less-than-one-year DS consumption experience and thus less product knowledge, they are more likely to make purchase decisions as a consequence of the impacts of other external factors such as sales promotion (Chen and Deng, 2016) instead of rational choice reflected by PBC. Overall, these findings reveal that the moderating role of consumption experience over the PBC-attitude-intention to buy relationship is more complicated than has been disclosed in the previous literature.

THREE TAKE HOME LESSONS FOR DS MARKETERS

Based on the empirical results discussed above, it was found that Norms and PBC both have substantial impacts on Attitude that in turn enhanced buying intention for dietary supplements in a significant way. Contrary to our prior expectation, our findings showed that while Info had no significant impact on attitude, it showed a direct positive effect on behavioral intention. This may imply that customers are more concerned about the trustworthiness and reliability of the information provided from external sources such as the Internet. In addition, it was found that both the PBC-Attitude path and the PBC-BI path were moderated by Years of DS Consumption. This means interventions aimed at increasing the intention to buy dietary supplements can be enhanced by strengthening the ties between PBC and attitude, especially among consumers with more experience in taking DS (more than three years).

LESSON #1: TO INCREASE BUYING INTENT, KEEP YOUR CUSTOMERS INFORMED

With reference to the study findings, several managerial lessons can be drawn for DS marketers and businesses. Firstly, given that "Informational Influence" has a direct significant impact on enhancing their intention to buy DS, some management-controllable strategies for providing richer and more updated product information should be considered, and could take the form of QR codes and video guidance that provides promotional information. Besides, as knowledgeable shop staff can play a direct role in providing timely and relevant product information, sufficient manpower and training systems should be in place. Well-trained salesmen with deep product knowledge can increase the close rate, namely, the percentage of customers walking into the shop who buy products.

LESSON #2: TO STRENGTHEN ATTIDUDE TOWARD DS, IDENTIFY AND SPREAD POSITIVE WORD-OF-MOUTH AND DEVELOP REWARDING REFERRAL PROGRAMS

Secondly, considering the very strong effect of "Social Norm" over both attitude towards DS and intent to buy DS, some less-than-management-controllable strategies for creating social norms about benefits of taking DS and building up peer-to-peer pressure to encourage adoption of DS consumption should be carried out. In practice, DS practitioners are encouraged to identify positive word-of-mouth among its existing customers and disseminate such credible opinions concerning their satisfactory shopping experiences in forms of testimonial advertisements, online reviews, and satisfaction surveys. It is also recommendable for DS businesses to set up some referral programs, friend-get-friend membership schemes in order to mobilize their patrons and members' social network for attracting new sales and orders.

LESSON #3: TO ENCOURAGE REPEAT PURCHASE, FOCUS ON USERS WITH LONG CONSUMPTION EXPERIENCE AND EMPOWER THEM THROUGH ONLINE ORDERING AND FREE DELIVERY MECHANISMS

Our final take home lesson is that, since a consumer's perceived behavioral control to take DS was found to have a strong and significant impact on both his attitude towards and intent to buy DS, the marketers and businessmen involved should consider ways of putting power and control over the ordering and delivery of DS into consumers' hands. The study findings reveal that consumers with a long history of DS consumption experience tend to perceive greater behavior control over DS consumption, thus making them more likely to welcome frequent updates of product information through a user-friendly Facebook page. By using Facebook, customer involvement can also be strengthened through online reviewers, as well as their comments being valuable inputs to the customer database. Moreover, consumers with long DS consumption experience might prefer provision of online shopping practices such as free pick-up or free delivery when their orders reach a minimum threshold as ways of putting power into consumers' hands. On the other hand, for those consumers with short DS consumption experience, attractive promotion activities should be organized from time to time to increase their buying intention. One immediate way is to develop a customer database management system to make various attractive offers available to different customer segments to strengthen post-sales service and encourage intention of repeated purchases.

IN BRIEF

THE PROBLEM

After growing rapidly for the last decade, dietary supplement marketers struggle with a saturated market and intense competition. Insights drawn from healthcare marketing are much needed.

THE KEY FINDINGS

Based on a sample of 240 regular dietary supplement users, social norms in support of taking DS and self-perceived control over decisions to take DS were reported as the key predictors of both a favorable attitude toward DS, and a positive intention to buy DS.

THE SOLUTION

Three take-home lessons help DS marketers to sustain growth of DS businesses.

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02 THE IMPACT OF AN AGING POPULATION ON THE SUSTAINABLE ECONOMIC DEVELOPMENT AND STRATEGIC CHOICES IN CHINA

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1.0 THE PROBLEM

China, as the world's most populous country with its own unique national conditions, and growing population of elderly people. We therefore cannot simply use generalized international experience to judge the impact of an aging population on China's economy; China's basic national conditions also need to be examined. According to "Population Aging and Economic Sustainable Development," the impact of population aging on China's economic development is reflected mainly in the following eight ways.

1.1 A REDUCTION OF THE NATIONAL SAVINGS RATE

The aging of the population leads to a decrease in the "productive" population and an increase in the "consumptive to match "productive', resulting in a decline in the national savings rate and the accumulation of physical capital, as well as the results of simulations using China's intertemporal dynamic CGE model (see footnote) show aging population on the national savings rate will have a significant negative impact. Even that the occupation of resources is not expected to reach 100%? the simulation results also show that China's population aging can increase; for example, for the period from 2011 to 2050, China's national savings rate will fall by about 13.5 percentage points.

Footnote: The Computable General Equilibrium (CGE) model, a powerful tool for policy analysis, has been widely used and has gradually developed into a branch of applied economics over 30 years of development. The world's first CGE model was first made by Johansen in 1960 but was not used much until the 1970s, when two factors sparked interest in it: (1) factors such as rising energy prices, the mutation of the international monetary system, the rapid increase in the actual wage rate and other large impacts affecting the world economy; (2) increasingly refinements to the CGE model for analyses of population increase.

1.2 A REDUCTION IN THE SUPPLY OF LABOR

During the "Twelfth Five-Year Plan" (2011-2015), the proportion of the working age population in China (ages 15-59) began to decline, a trend that is expected to continue over the next few decades. By 2050, China's labor age population is estimated to drop to 710 million, about 230 million less than in 2010. The results of the CGE model show that if the current mode of industrial development cannot effectively change the direction of technology and capital substitution, the supply of labor in China will be far below what will be needed by 2030.

1.3 A SIGNIFICANT NEGATIVE IMPACT ON CAPITAL ACCUMULATION AND LABOR SUPPLY

The significant negative impact of an aging population on capital accumulation and labor supply will eventually lead to a decline in China's long-term economic growth potential. The CGE results show that an aging population will reduce average annual economic growth rate by about 1.7 percentage points over the period 2011 to 2050, with the most significant decline, 2.2 percentage points per year, occurring from 2012 to 2025. An aging population also reduces the proportion of productive resources, the most significant manifestation of its impact on economic growth.

1.4 AN INCREASE IN THE URGENCY OF THE TRANSFORMATION OF ECONOMIC GROWTH

An aging population means that China will eventually lose it's advantages in terms of labor resources. This increase in labor scarcity will lead to an increase in labor costs, which will have a negative effect on China's export competitiveness. The aging population will not only reduce the level of capital accumulation, but will also increase capital resources dedicated for retirement pensions, thus weakening investment to stimulate economic growth. This will make China's current economic growth difficult to sustain, which further increases the urgency of changing the mode of economic growth (Li Jun, 2015).

1.5 AN INCREASE IN THE DIFFICULTY OF THE TRANSFORMATION OF ECONOMIC GROWTH

An aging population introducing the three factors listed here. First, the aging population has led to the occupation of more economic construction resources, thus restricting the promotion of technological progress and upgrades of industrial structures required for investment growth. Second, the aging population increases the cost of industrial transformation. Third, the aging of the population increases the difficulty in developing the labor service industry. This is especially pertinent to the future development of and improvements in the human services industry; a tight supply of labor will significantly increase its development constraints (Li Jun, 2015).

1.6 AN INCREASE IN THE COMPLEXITY AND UNCERTAINTY OF ECONOMIC GROWTH

The aging of the population increases the complexity and uncertainty of the contribution of consumption to China's economic growth. With the population aging, the elderly population has become an increasingly important consumer group, and the importance of total economic demand is thus increasing. In the long run, the state needs to carry out in-depth reforms in social security, income distribution, the allocation of state-owned assets, and to provide favorable basic conditions for the development of the aged population (Li Jun, 2015).

1.7 A SIGNIFICANT INCREASE IN ECONOMIC AND SOCIAL COSTS

Even with a low level of support for pensions and medical care, China's aging population will lead to yearly economic and social expenditure increases. Expenditures on old age, health care, welfare, and facilities are estimated at 6.6 per cent in 2015, increasing to 23.3 per cent by 2050. If a moderate level of protection is assumed, the ratio will reach 26.9 per cent by 2050, close to the average level of EU member states at that time. In other words, the economic and social burdens of the aging population, both in the near future and in the long run, are heavy (Li Jun, 2015).

1.8 THE POSSIBILITY OF DEVELOPMENT OPPORTUNITIES

Despite the possibility of development opportunities, it needs a transition period. First, the aging population increases the "consumptive population in the economy, and the growing demand from the elderly provides an opportunity for the development of related industries. Second, the aging population leads to a scarcity of labor, increasing labor prices, causing enterprises and industries to rely on technological progress to improve the efficiency of capital to replace labor, thereby increasing industrial structural upgrades. Third, the aging population has led to the increase of the ratio of capital to labor, creating an ever-changing financial structure. The growing size of the elderly population has made it an increasingly important consumer group. As such, the consumption needs of the elderly population will be an important factor affecting the development of industry (Li Jun, 2015).

2.0 THE SOLUTIONS

With respect to China's economic development strategy, taking population aging as an important factor affecting economic development is required. In order to take the necessary appropriate economic measures, such as a timely assessment of an aging population on labor supply and demand, labor scarcity, capital accumulation, and other aspects of the impact of development to promote the transformation of economic growth in response to the process of and characteristics of population aging, China must adjust its industrial structure, adjust its investment structure, and promote labor transfer and mobility. Likewise, enterprise developers should also take full account of the aging population and the impact of population structure transformation. The objective of an economic development strategy for coping with the aging of the population is to maximize and alleviate the negative impact of an aging population on China's economic development. This means taking advantage of the situation, seeking out preventive measures, and changing the pressure on the labor force as the driving factor for the realization of China's sustainable economic development, as well as creating a favorable policy system and an effective response pattern. China should actively address with the aging of the population as it pertains to the economy, especially at the level of its state-led national economic development strategy. The entire society also needs to participate in the response to an aging population. The following aspects of this response should be emphasized.

2.1 STRENGTHEN AWARENESS

Only by being fully aware of the economic problems of the aging population can the real issues be addressed. This is a prerequisite for achieving a successful response to an aging population from an economic perspective. The population not only is the main body of economic and social development, but is also an important basic resource, with the dual attributes of being both consumers and producers. Taking the aging of the population into account must be at the forefront when considering the inherent, systematic and profound impacts for overall economic operation.

2.2 FORMULATE A POPULATION POLICY

At present, the enormous population base in China is a heavy burden for economic development. Thus, carefully carrying out the existing family planning policy and continuing to control population growth is still necessary. At the same time, under circumstances in which the total fertility rate in rural areas is unchanged, the country should move to increase the total urban fertility rate to enable couples in urban areas to give birth to a second child (already implemented in some provinces and cities) and prevent the occurrence of the "4-2-1 pattern of family structure, "four, two, one," which would thus alleviate the speed by which urban populations are aging. This would not only manage population growth, but would also prevent the speed of aging from becoming overwhelming for the economy, and be favorable for the coordinated development of the economy and population demographics.

2.3 FOSTER ON TECHNOLOGICAL PROGRESS TO PROMOTE ECONOMIC GROWTH

The aging of the population has further increased both the importance and urgency of fostering on technological progress to promote economic growth. Therefore, fully integrating the characteristics of the aging population, and choosing the ways and means for realizing economic growth are necessary. This includes the need to improve the level of national education, in particular, in to strengthen basic education and relation vocational training. Long-term momentum in economic growth can be achieved by continuously improving the level of technological progress, which at its root arises from continuously improving the quality of human resources. In the long run, raising the level of national education, improving the quality life of the population, and establishing a mechanism for lifelong learning and education will help to overcome the adverse effects of an aging population. There is a large surplus labor force in China, mainly in rural areas, where the population tends to be older than in cities; therefore, strengthening rural basic education and agricultural labor vocational training is an essential task.

2.4 STRENGTHEN THE ADJUSTMENT OF INDUSTRIAL STRUCTURE AND CHANGE THE MODE OF DEVELOPMENT

In order to cope with the future impact of the reduction of the total labor force caused by the aging population, promoting the transformation of labor-intensive industries to technology-intensive industries would be both urgent and appropriate. The corresponding preparatory work, such as labor industry vocational training, transfer training, labor mobility system arrangements, social security, and other aspects to support the labor force, should begin now. The industrial structure should be able to adapt to changes in population structure. With respect to structural population changes, upgrading industrial structures has not been as fast as might be desired nor has its strength improved for the better. It is necessary to take full account of China's demographic changes to avoid problems between labor demand and labor supply. To this end, China should gradually and systematically, rather than prematurely or too quickly, reduce labor-intensive industries. At the same time, industrial restructuring should be regionally based, focusing on China's different demographic and geographic regions, specifically urban and rural areas, for development and should not adopt a unified, "one size fits all" standard.

2.5 PROMOTE THE COORDINATED DEVELOPMENT OF A CAPITALIST ECONOMY TO PREVENT SYSTEMIC RISK

The coordinated development of the capitalist economy and the real economy must be aligned. In the capitalist economy, the purpose of ensuring the use and development of capital is to serve the real economy, and as such, cannot be separated from the real economy. Thus. China should link capital formation and pension behavior to enhance economic growth. Second, China should attach great importance to the relationship between the aging population and real estate. Real estate has become an important personal and family asset. Therefore government regulators and financial regulators should pay close attention to real estate market operations.

2.6 IMPROVE NATIONAL INCOME DISTRIBUTION

In an aging society, the elderly are an important consumer group, and in China, effectively using the elderly population to meet its economic and social development consumption needs is a significant task. First, China should develop aging-related industries and expand aging-related consumer demand. A key issue is the ability of the aging population to pay for what it demands, meaning that supply and demand must have a balanced relationship. Second, reform of the income distribution system, gradually getting more to the elderly and thus improve the ability of the elderly to pay. This is a very complex issue, though, making it one of the most pertinent issues to solve.

2.7 INCREASE THE RETIREMENT AGE

Raising the retirement age, thus expanding the size of the labor force, is an important measure for coping with the aging population. The main significance of increasing the retirement age though, is not to promote economic growth. The simulation results show that simply increasing the number of China's labor supply cannot significantly improve the economic growth rate, but an increase in the retirement age can do three things. First, it alleviates the scarcity in labor resources caused by an aging population. Second, it eases the family burden of providing social security. And third, it eases the demand for labor from labor-intensive industries.

2.8 MAINTAIN CHINA AS A "PRODUCER" RATHER THAN A "CONSUMER" COUNTRY

The development of the real economy is the core of economic development. The key to developing the real economy lies in the development of productive forces. In the long run, an aging population is not conducive to improving production capacity. International experience has shown that an aging population is often accompanied by low savings and investment rates, and high consumption rates, all of which lead to lower economic growth. While China once promoted economic growth through consumption, its aging population makes this approach less appropriate. As a result, it would be better if China coordinated production and consumption.

2.9 ESTABLISH AND CONSTANTLY IMPROVE A RELEVANT POLICY

First policy, there is a need to promote the development of labor, focusing on improving the quality of labor, promoting labor industry transfer and regional mobility;

Second policy, adapting China's population structure to the industry development policy system, focusing on integrating the aging Chinese population with labor-intensive industries as well as technology and capital-intensive industries;

Third policy, to actively respond to the aging of the population in order to facilitate the sustainable development of the economy, involving the fields of economics (especially macroeconomic policies related to finance, investment and consumption), as well as population, education, social security, and regional and corporate industries.

2.10 VIGOROUSLY DEVELOP THE INDUSTRIES DEVOTED TO THE AGING POPULATION

Demand from the elderly population has become more important for economic growth, which provides an opportunity for the development of industry as it pertains to the aging population. Vigorously developing the industries devoted to the aging population. How to do this is a essential issue, given the particular features of the aging industry, such as nurturing and supporting this population group. National strategy and planning, as well as related financial and fiscal policies, plus national income distribution and social security systems, need to be strongly supported. Creating a favorable policy environment, including planning, approval, land use, finance and taxation, and other aspects geared to attracting more capital to enter the industry, is imperative.

3. THE ECONOMIC DEVELOPMENT STRATEGY OF CHINA'S AGING POPULATION

The process of population aging and its characteristics requires taking necessary appropriate economic measures, such as the timely assessment of an aging population on labor supply and demand, labor scarcity, and capital accumulation. In addition, the aging population and how it transforms population structure should be taken into account when policies related to transforming economic growth, adjusting industrial and investment structures, and promoting labor transfer and mobility are being considered.

The objective of an economic development strategy to cope with the aging of the population is to maximize and alleviate its negative impact on China's economic development, take preventive measures, factor it into China's sustainable development and even take advantage of it. In essence, to create a favorable policy system and an all-round effective response pattern.

In conclusion, in short, the challenge of addressing the aging of the population in China requires a full range of responses. Population aging is a long-term problem for China's economic and social development, and its complex economic impacts will not be fully apparent in the short term. This does not, however, mean that China's aging population problem is not urgent and important. The total population, and the ageing population how it is changing, means that the economic effect of population aging must follow certain upfold and responding to it, with measures addressing this phenomenon also being presented and implemented on a regular basis. The aging of the population is a natural consequence of human social development and is the necessary outcome of social and economic development. China can ignore or shirk the challenges its aging population presents to sustainable development, however it ought to take positive, proactive measures to alleviate the unfavorable influences an aging population has on economic and social development, and thereby create a more favorable population environment for the implementation of a sustainable development strategy.

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03 INTERNATIONAL MARKETING AND POSITIONING STRATEGIES FOR THAI UNIVERSITIES : A CONCEPTUAL FRAMEWORK

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INTRODUCTION

The population of Thailand, as is seen in much of East Asia, is aging rapidly. These changing demographic conditions can be expected to have very different effects across different industries. Industries which produce products or services used by people throughout their personal life cycle, such as supermarkets, automobiles, and insurance, might not be expected to see dramatic changes. While industries which create products or services that specifically target the elderly, for example, some health care services, might expect to see expanding opportunities. On the other hand, firms which traditionally target the young, for example retailers of children's toys and schools, can expect to see considerable challenges.

Thailand has seen a steady and rapid decline in the country's birthrate. Currently, the average number of births per woman is around 1.6, a sharp decline from the approximately 6 children which was seen 40 years ago. The current birth rate is below the population replacement rate and it is expected to see Thailand's population peak in 2025, followed by a gradual decline. The falling birth rate is expected to result in a shrinking percentage of the population being of working age, thus putting strains on the economy and the traditional reliance of elderly Thais on children for financial support (Wilaipich, 2017).

These changing demographics trends, slow economic growth, and increases in income inequality are having a major impact on universities in Thailand. Reductions in admissions of students have been dramatic in recent years and these reductions have hit private universities the hardest with enrolments in private universities being cut nearly in half over the past few years, and if current trends continue approximately 75% of the private universities in the country could be forced to close in the near future (Mala, 2017).

Universities in Thailand have a number of strategic options to respond to the changing demographic landscape, including reducing the size and number of programs,

expanding programs aimed at adult students and pursuing other forms of non-traditional education, as well as attempting to attract more foreign students. Thailand is positioned geographically, culturally, and economically at the centre of Mainland Southeast Asia, with countries with growing economies and younger populations on both its eastern and western borders (The ASEAN Secretariat, 2015). Therefore the universities in the country have the potential to attract a significant percentage of the growing number of students seeking international educational opportunities from nearby countries. Thus, Thailand has possibilities of becoming a regional centre of higher education.

MARKETING OF UNIVERSITIES

Successful marketing strategies come from identifying and leveraging competitive advantages, which allow an organization to create more value for customers than competitors. Competitive advantages can come from a variety of tangible or intangible assets, including the customer's perception of the value of a specific brand name (Ma, 1999; Wong & Merrilees, 2007). The brand name is often used by consumers to position the product or service in terms of quality, value, style, hipness, uniqueness, or other qualities in relationship to competitors (Sujan & Bettman, 1989). Therefore, how an organization attempts to position its brand should be aligned with the organization's competitive advantages and strategy. In the higher education sector, a university's name, place, and reputation combine to create a brand which produces a unique perception of an individual university in the minds of potential students. Universities provide a unique set of values to students including social as well as educational benefits and therefore they can be considered a destination as well as an educational service. When using a destination marketing strategy, it should be kept in mind the perception of the target market of the desirability of the location is an important factor determining the willingness of individuals to visit or invest in a specific location (Pike, Gentle, Kelly, & Beatson, 2016).

While the global university ranking systems are important components of the marketing and positioning strategies of elite research universities (RUs), they are usually of less importance to the positioning strategies of the majority of non-elite schools, often referred to as applied universities (AUs) (de Haan, 2015). AUs are more likely to try to leverage geographic location, social environment of the university, availability of specific fields of study, ease of acceptance, and affordability, as competitive advantages. For most universities outside of a few elite schools, international students will want to study in a specific country or specific location inside the country and therefore it is likely the brand name of the country or location will have a stronger influence on decisions of international students to study at a specific foreign university than the brand name of the specific university (Hipsher & Bulmer, 2016: Raharjo, 2012).

The perceived country of origin of a product or service can be an important influencer when consumers make purchasing decisions (e.g., Grimes, 2005; Kalamova & Konrad, 2010; Kan, Cliquet, & Gallo, 2014). Additionally, it has been found consumers from both developed and developing economies normally express a preference for products perceived as coming from more developed nations, with the strength of the preference moderated to some extent by product category (e.g., Ar & Kara, 2014; Contractor, 2013; Herstein, Berger, & Jaffe, 2014).

These preferences for brands associated with more developed economies would seem to also apply to educational services, as universities located in developed economies are usually perceived as being more prestigious than universities in more developing economies. For example, Cheung, Yuen, Yuen, and Cheng (2010) reported an overwhelming preference of Indian students for studying in the English speaking countries of Australia, UK, and USA, as opposed to studying locally or in another developing

country. The most popular destinations for international students are Western countries, with the English speaking countries of the USA and UK attracting the most international students; although in recent years a higher percentage of international students are choosing to study closer to home in non-Western locations (USIS, 2014).

INTERNATIONAL HIGHER EDUCATION IN DEVELOPING COUNTRIES

Developing countries have generally been thought of as a source of students for universities involved in international education rather than a destination for foreign students, but the trends seem to be slowly changing. Currently, most international students studying abroad originate from countries in Asia (UNESCO, 2013). China sends more students to foreign universities than any other country, but it has also begun official attempts to attract foreign students in more significant numbers (Yue, 2013).

An example of a developing country finding success in attracting foreign students is Malaysia. The number of foreign students studying in Malaysian universities approximately tripled from 2002 to 2010 with the total in 2010 nearing 100,000 (Sirat, Bakar, & Lie, 2013; Tham, 2013). Instead of directly competing with universities in economically developed countries, Malaysian universities appear to have effectively positioned themselves as being in a center of learning in the Islamic world, as well as a lower cost alternative to universities in developed economies (Zeeshan, Sabbar, Bashir, & Hussain, 2013). There are a number of other examples of universities from developing countries finding success in attracting significant numbers of students from neighboring less developed countries (Arar & Haj-Yehia, 2013; Kondakci, 2011; Lee & Sehoole, 2015) which is consistent with findings indicating universities in developing countries can use their competitive advantages including lower costs to attract substantial numbers of foreign students without competing directly with universities in more developed economies (Cantwell, Luca, & Lee, 2009; Ngamkamollert & Ruangkanjanases, 2015). On the other hand, universities in less economically developed countries with relatively lower levels of economic development, such as the Philippines and Indonesia, have found less success in attracting foreign students (Hendarman, 2013; Tayag, 2013).

INTERNATIONAL EDUCATION IN THAILAND

Unlike what has been seen in Malaysia, universities and the Thai government has put less focus on attracting foreign students. In 2010, there were only slightly more than 20,000 foreign students in Thai universities and the numbers have been steady over several years. Within the international program of Thai universities where English is used as the language of instruction, approximately 85% of all students are Thai. The primary purpose for the government in promoting English language education within Thailand has been to create educational programs in business and management fields in order to increase the competitiveness of the Thai workforce through increased business and language skills, as opposed to promoting these programs as a means to increase incomes of Thai universities through increased enrolments of foreign students (Lavankura, 2013). The majority of foreign students are coming from within the Asia-Pacific region, with China, Myanmar and Laos being the top three countries sending students to study in Thailand (Kruanak & Ruangkanjanases, 2014; Ngamkamollert & Ruangkanjanases, 2015).

In Hipsher and Bulmer's (2016) study of perceptions of foreign students, mostly from Bhutan, studying in a university in central Thailand, it was found the name of the university meant little to most of the international students prior to enrolling, they only knew it as a "Thai" university. The students generally perceived studying in Thailand as being less prestigious and less likely to be helpful to their career than would have studying in a developed English speaking country like the USA or UK. However, the students did believe the international experience they were gaining was valuable and in general expressed satisfaction with their decision. While most of the foreign students from other developing countries reported they would have preferred to have gone to a Western country to study, that choice was not available, but as the students were offered scholarships to come to Thailand, they selected what they considered to be the best option available.

While improving the quality of education should always be encouraged, in attempts to attract foreign students from other developing countries, it is believed most Thai universities will rarely be able to directly compete with Western universities in terms of perceived quality, due to being perceived as coming from a developing economy. However, Thai universities can create an attractive alternative for students from neighbouring less developed countries desiring an opportunity for an international university experience. This strategy is likely to attract more students while also providing opportunities for a quality international education for students from Myanmar, Laos, Cambodia, and other developing countries, who generally might not have the financial resources or educational background needed to have the option of studying in a university in a more developed economy.

In addition, from personal observation, a few universities in Thailand have been able to attract a number of students from developed economies, with some full-time students and other students involved in exchange programs. It is speculated these students primarily come to study in Thailand due to an interest in the country and its culture. More research on these students is encouraged to gain a better understanding of the features attracting students from more developed economies, such as Japan and the USA, to come to study in Thailand.

Therefore in attracting international students, it might be effective to segment the market into students from developing countries and students from developed economies and create a different marketing and positioning strategy for each segment. It is likely when targeting the segment from more developed economies, the primary focus should be on cultural and lifestyle features of the country, while the affordability and other features would be of secondary importance. While targeting students from neighboring countries the focus of the marketing and positioning efforts might want to be reversed.

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04 HOW TAIWAN COMPANIES DRIVE PERFORMANCE BY INVESTING IN PEOPLE

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Human capital is a critical component for every organization (Pfeffer, 1994), and the internationalization of markets has created a need for companies to manage and develop diverse groups of employees effectively in order to sustain competitive advantage. Companies have to invest resources into training, education, knowledge and skills (Marimuthu et al. 2009). Human capital is "the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being" (OECD, 2001:p.18). Human resources management (HRM) and human capital development (HCD) are two essential and related components in maintaining and developing human capital. They are both concerned with the well-being of different employees within an organization (Truss, Gratton, Hope-Hailey, McGovern and Stiles, 1997).

Furthermore, if employee attributes such as education, experience and skills influence firm outcomes (Pennings et al, 1998; Wright, Smart & McMahon, 1995), human resources management functions – namely recruitment, selection, training and development, performance, and pay (Shen and Edwards, 2006) – are directly related to the development and implementation of successful human capital development strategies.

To discover how Taiwan leaders achieve high performance by developing human capital, our research team interviewed senior executives and managers in the largest Taiwan-based semiconductor companies. (See the sidebar "Companies in the study" and "Semiconductor industry characteristics"). Interviews with over 15 leaders and managers provided us with insights into distinctive the distinctive HCD practice of Taiwanese companies. They suggested that competitive advantage and success did not emerge only from a company's strategy or the efforts of senior management. Instead, most of the interviewees asserted that the main source of competitive advantage lay deep in their companies – in their employees.

Leaders in Taiwan semiconductor companies take a long-term, internally focused view and invest heavily in their people development. Human capital development strategy is directly linked to business success and leadership makes aggressive investments in employee development (See the sidebar "HCD Investments"). Employee engagement and an organizational culture of openness, equality and inclusion are considered vital for their competitive advantage. These companies made human capital development their strategic priority in order to leverage their human capital efficiently and compete in the electronic industry both globally and locally.

"Companies in the study"

The companies studied belong to the ASE Group the world's largest provider of independent semiconductor manufacturing services. These companies develop and offer complete turnkey solutions covering IC packaging, design and production of interconnect materials, front-end engineering testing, wafer probing and final testing, as well as electronic manufacturing services. The complete scope of companies' services for the semiconductor market is driven by superior technologies, breakthrough innovations, and advanced development programs. Companies started their activity in 1981, and during the course of the last 35 years of their existence have been numbered amongst the largest Taiwan companies (around 65,000 employees worldwide), listed at TSEC and NYSE Stock exchanges with total assets of NT$ 358 billion, total capital (total equity) NT$ 169 billion, and turnover (operating revenue) NT$ 275 billion (as of December 2016).

"Semiconductor industry characteristics"

Semiconductor industry plays a vital role as a technology enabler for the whole electronics value chain. It is a key driver for economic growth and represents close to 10% of world GDP ("Global Semiconductor Market Outlook 2022." 2016). Noteworthy characteristics include high competitiveness and fast production cycles. The Taiwan semiconductor industry annual sales exceeded 70 billion USD in 2014, and comprises a major component of Taiwan's vital electronics sector, which accounts for about 40 per cent of exports (FT, 2015). The companies studied maintain nonstop manufacturing lines twenty-four hours a day, seven days a week, three hundred and sixty-five days per year. This industry has a cyclical pattern with high volatility and a high rate of price-performance improvement. There is constant pressure for innovation and efficiency in order to produce better product at the lowest possible price to satisfy customers' needs to upgrade their computing and electronic devices. Many products embedding semiconductor devices often have a very short life cycle. High degrees of flexibility and innovation are vital for the companies under study to adjust to the rapid changes in the market. These factors make these companies' direct employees (operators) and indirect employees (engineers, managers etc.) a valuable asset for maintaining stable manufacturing processes, as well as innovation and customer service in order to sustain competitive advantage.

HUMAN CAPITAL DEVELOPMENT STRATEGIC PRIORITY AND THE TAIWAN LABOR MARKET

In order to stay competitive and attract the best talent, Taiwan companies gradually internationalized, pursuing openness, innovation and social responsibility in all of their operations and supply chain. This has created external and internal demand for a range of HCD strategies.

External influences on HCD strategy included as compliance with the highest ethical standards in company operations. The motivation for this compliance was to attract clients and satisfy demands for sustainable supply chain. These companies follow Taiwan laws, industry standards (Electronic Industry Citizenship Coalition "EICC") and aim to support and follow international standards, such as the UN Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Right, International Labor Standards "ILO" and Declaration of Fundamental Principles and Rights at Work. All these regulations had to be integrated into the HCD policies and practices. These high standards are also expected from all of the companies' suppliers and partners.

The companies under study evaluate their business processes and performance in line with industry best practice. Best practice benchmarking is treated as an ongoing process in which companies continually look for improvement of their HCD practices. For example, the UN Global Compact principles are integrated into the strategies, policies and procedures. Effective management of environmental, social and governance issues, including human capital related aspects has gradually been integrated into the companies' corporate strategy and culture.

Prioritisation of HCD strategy internal influences is business-case driven. In the face of constant pressure to innovate and to compensate for direct labor shortage in Taiwan, this includes the acquisition of the best engineering and managerial talents. Since the expansion and internationalization of the sector there is also greater customer diversity. This in turn created a need for different employee knowledge and skill sets. Expansion has also required extended manufacturing process. This resulted in the effective management of employees in these companies becoming vital to their competitiveness, particularly in relation to general efficacy and productivity. Attracting the best engineering and managerial talents also required competitive HCD strategies, whilst Taiwan labor market shortages have required companies to recruit from abroad. HCD is directly linked with HRM and CSR function in Taiwan companies under study – these companies have HR and CSR Vice president Positions.

HUMAN CAPITAL DEVELOPMENT STRATEGIC PRIORITY AND LEADERSHIP

It is important to understand how leadership see HCD strategy. Leadership has explained that HCD strategy is driven by both external and internal stakeholders of the company as well as fierce market competition. In order to stay competitive, companies have to leverage and utilize diverse talents, which means taking good care of the people in the company and making them happy to be with the company. Leadership committed to following internationally accepted standards and established explicit commitments through investment in the development, adoption and support of codes of conducts, clear policies, employee handbooks, and the human rights management principles: protect, respect, remedy, and manage. In order to support these initiatives many organizational processes and practices have been adapted. For example companies developed explicit commitment by adopting a "Code of Business Conduct and Ethics" in accordance with the rules of NYSE and TWSE/TPEx Listed Company Manuals, Electronic industry Citizenship Coalition, and the OECD Guidelines for Multinational Enterprises. Educational activities for every employee, supplier and partner are carried out to communicate and explain these commitments.

These explicit commitments are complimented by leadership and managerial openness, involvement and effective communication with employees at all levels. Additional support comes via efficient communication mechanisms, careful onboarding of new employees and continuous education of the existing employees regarding HCD strategy.

Investments related to HCD by Taiwan companies under study in 2015	
Scholarships	194 degrees earned
Dormitory for foreign employees	31 million USD
Annual and Monthly incentive plan payments	144.8 million USD
Employee developmental programs	1.92 million USD
Employee developmental programs average per employee	113 USD
training hours	6891578 hours
training for health and safety	167000 hours
training and development courses per employee	106 hours
certified trainers qualified in 2015	2824 trainers
certified trainers qualified in 2014	1865 trainers

During recruitment, selection and orientation it is explicitly emphasized that all employees have equal opportunities regarding training, development, promotion and appraisal. Extensive standard operating procedures developed within HR departments on the basis of companies' core principles help during the recruitment and selection process to consider, evaluate and judge an applicant based only her/his capabilities in relation to the job. All three companies' compensation policies were equal for foreign and local employees as well as for male and female employees. Human rights training of minimum 1.5-3 hours per employee is required at each company, and includes such topics as equal and humane treatment, fair and protective working environments, and freedom of employment and association.

Training and development of employees is considered strategically important by the leadership of all three companies. During the first days of employment several training and orientation practices proved to be effective: explicitly codified policies and rules in the form of codes of conduct, explicit workplace discipline requirements in the employee handbook, employee human rights training, information about the channels of communication and career development paths available within the company, and environment safety & health training for every new employee. This is complimented by on the job training through the provision of clear standard operation procedures manuals in English and Chinese and assignment of experienced mentors. HR departments support on the job and orientation training by holding new employees symposiums. Taiwan companies in this study have career development plans for their employees and invest heavily into the training and career advancement programs.

Taiwan companies has established six paths of employee career advancement, targeting new employees training, engineers and professional skills training, 4 paths for managerial talent development, including supervisors, mid-level management, directors and senior management teams. Average training hours per employee in 2015 was 110 hours for female employees and 101 hours for male employees, 58 hours for newcomers, 112 hours for direct employees (operators) and 97 hours for indirect employees (engineers, managers, administration staff). On average 113 USD was invested per employee, with 1.92 million USD was invested overall in employee training and development in 2015. Additionally, in 2015 there were 194 degrees sponsored by these companies. Companies also provide instructor-led training, e-learning courses, on-the-job training and team work learning for job related advancement. Operators who tend to have school level education, have training programmes tailored to help them to continue their education as well as develop work related skills. Another effective HCD practice is cooperation with academic institutions, which accommodate evening or weekend programmes for the employees. This learning is supported by flexible working schedules for employees continuing their education and provision of student loans and scholarships. One of the success stories was given as an example: a female operator, who joined the company after high school, was able to continue her education and obtain a bachelors degree, followed by masters degree while working full time. Starting as a front-line employee, this lady has managed to advance through the years and is working in the position of the vice president.

Finally, our study reveals that in these companies, leadership support and HR function play a strategic role in developing and implementing HCD policies and practices and their evaluations. Explicit and transparent commitments in the form of codes of conduct, policies, promotion regulations, employee handbooks and compulsory training are vital for reducing the ambiguity and misunderstanding regarding HCD opportunities for employees. Likewise, multidirectional communication and proper communication channels combined with explicit commitments and training within organization are vital for successful creation and adoption of the supporting organizational culture. Finally, investment of resources is required for the integration of HCD strategy into the organizational processes.

ARE TAIWAN COMPANIES' HCD POLICIES AND PRACTICES A VALUABLE EXAMPLE FOR OTHER SOUTH EAST ASIA COMPANIES?

Taiwan companies' sense of the strategic importance of HCD has been created by unique combination of characteristics including features of the electronics industry, Taiwan labor, industry, regulatory market and cultural context. This does not, however, mean that lessons cannot be learned. Asian companies can gain valuable insights into the importance of HCD and its direct link to competitive advantages through the experience of these companies. Furthermore, some of the HCD human resource management practices are straightforward and could be effectively adopted by other Asian companies, creating value both for the company by supporting performance, competitiveness and most importantly creating value for their employees and society in which they operate.

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05 AN EXPLORATORY STUDY ON THE SOCIAL ENTERPRISE SECTOR IN HONG KONG

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ABSTRACT

Social enterprise is a hybrid form of business that operates with business tactics to achieve both business and social objectives. The type of social enterprises can be broadly classified as non-governmental organization-owned (NGO-owned) and privately-owned, and this paper asks whether it might be possible that one of these types of social enterprises performs better than the other in achieving different types of performance given its organizational culture.

THE SOCIAL ENTERPRISE SECTOR IN HONG KONG

According to Home Affairs Bureau (2010) of Hong Kong, there are three common features of social enterprises (SEs). First, the enterprise has a social mission to be fulfilled (e.g. creating employment opportunities for the socially disadvantaged). Second, the enterprise has to be run in a self-sustainable business fashion. Finally, the profits earned by the SEs have to be reinvested in the business or in the community, which helps to achieve their pre-defined social missions. In other words, the SE sector is designed to transform the welfare systems of a city by social innovation, modifying their resources and income distribution as well as job creation in the society (Borzaga and Defourny, 2001).

The number of SEs in Hong Kong has been increasing since the government changed the welfare philosophy by ending the government-led welfare expansion model (Yuen & Lee, 2005; Yuen, 2009). According to Power of Good (2013) and Hong Kong Social Enterprise Directory (2017), the number of operating SEs has increased steadily over the past decade, rising from 222 in 2008 to 610 in 2017.

PROBLEMS FACED BY THE HONG KONG SOCIAL ENTERPRISES

Despite the rising trend number of SEs, their business performance is not ideal. Of the 56 SEs that announced their financial records in 2011, 24 had deficits (Social Enterprise Insights, 2013). Furthermore, 50% of SEs suffer a loss or cease in their fourth year of operation (Fullness Social Enterprises Society, 2015) as many SEs applied government funding up to HK$3 Million for business operations only in their first two to three years of operation (Home Affairs Department 2017). The business performance of the SEs that did not receive government funding were even worse: most SEs reported as making profit were found to rely primarily on volunteers to minimize labor expenses in order to achieve its business mission (Bauhinia Foundation Research Center, 2013). Relying on volunteer effort to run a business, however, is a risky strategy. SEs should recruit employees necessary for their day to day operation as volunteers can withdraw from the SE at any point if they do not agree with or lose passion for the SE and its direction (Rhoden, 2014; Royce, 2007). Liu and Ko (2012) provide evidence about this potential risk. Their study found that SEs relying on the combined effort of employee and volunteers have a higher turnover rate than the SEs who only rely only on employees. Accordingly, it seems that not many SEs are in a genuine healthy financial situation.

OWNERSHIP TYPE AND ACHIEVEMENT OF SOCIAL AND BUSINESS OBJECTIVES

Businesses were traditionally categorized by ownership type (state-owned vs privately- owned) and by their primary objectives (profit vs non-profit making). However, the ownership type of an SE can be more complicated. SEs can be established or heavily influenced by public authorities, corporate foundations via corporate social responsibility projects and NGOs (Hulgard, 2007; Doherty, Haugh & Lyon, 2014). Managers of SEs can run their business according to two main organizational models: the NGO model and the Enterprise (i.e., privately-owned) model (Chan & Yuen, 2013). In this study, we therefore focus on comparing these two types of SEs on their achievement of both social and business objectives.

In Hong Kong, 80% of SEs are NGO-owned (Social Enterprise Business Centre, 2015). This type of SE is usually treated as a project run by the NGOs and relies on charitable contributions, foundation grants, and public funding to support their operations (Social Enterprise Advisory Committee, 2014). It has also been noted that the majority of staff in the NGOs tend to be strong in social-, instead of business-, background (Moore, 2000; Oster, 1995; Rhoden, 2014). As such, NGO-owned SEs usually use social approaches to run their enterprises (Social Enterprise Advisory Committee, 2014) and lock up a higher percentage of revenue for reinvestment into their pre-defined social missions (Social Enterprise Advisory Committee, 2014). It seems that NGO-owned SEs place higher priority in achieving social objectives over business objectives compared to the privately-owned SE.

In contrast, SEs that are privately-owned are less likely to receive support from charities, and they have to face fierce competition in the business environment on their own. Compared to NGO-owned SEs, privately-owned SEs are likely to face greater pressures in earning sufficient money to maintain their business operations. Such competitive pressure is likely to cause a mission drift in their business (Carroll and Stater, 2009; Jones, 2007; Pache and Santos, 2010), meaning that the original social objectives are being diverted to achieve its business objectives (Eikenberry and Kluver, 2004; Cornforth, 2014). Hence, it is likely that privately-owned SEs will emphasize more on achieving their business objectives than their social objectives.

EXPLORATORY STUDY METHODOLOGY

To explore some business examples of SE operations in Hong Kong, we interviewed two senior-level managers from NGO-owned SEs and two owners of privately-owned SEs in October - November 2017. Owners or managers of the SEs were selected from the Hong Kong Social Enterprise Directory 2017. Each took part in a guided face-to-face interview that lasted for around 90 minutes.

KEY FINDINGS AND IMPLICATIONS FROM THE INTERVIEWS

Table 1 summarizes some interesting findings from the interviews:

Table 1. Key Findings from Interviews with Social Enterprises in Hong Kong

Area of focus	SE I *(Privately-owned)*	SE II *(NGO-owned)*	SE III *(NGO-owned)*	SE IV *(Privately-owned)*
Category	Food and beverage industry	Lifestyle (Retailing Industry)	Personal Care Industry (providing massaging, beauty services)	Education and (Corporate) Training
Target customers	Grassroots and Low-income groups *(Changed to middle-income group now)*	Married office ladies who want to buy healthier food.	Female / couples	Schools and youth, corporates, service centers and NGO
Goal conflicts	Solved by discussion among founders, resulted in a change in the social obj.	Board member wants to know how much they earned instead of how many people benefited	Board member wants to know how much they earned instead of how many people benefited	No conflicts in the team
Achievement in social objectives	Reduce food waste	Provide job opportunities to minority women; improve income of farmers growing organic food	Provide job opportunities to disadvantaged people and housewives	Establish an elderly friendly HK.
Achievement in business objectives	Good profits earned; business expanding soon	Sales growth of 10% annually	Sales growth of 10% annually	Good business; planning for expansion by expanding business scope
Pressure to earn profit	Huge	High	High	Huge

Three key implications are drawn from our interviews are as follows:

Implication 1. Compared to NGO-owned SEs, the privately-owned SEs find it difficult to obtain financial, marketing, and human-resource support

In terms of financial resources support, both the NGO-owned SEs received governmental seed money of around HKD 1M each. Their respective NGO also subsidized the first 2-3 years of operations. Contrastingly, the privately-owned SE owners mentioned that they had very limited financial support because their legal status restricted them from applying for certain large funding opportunities offered by the government which are not available to private applicants (e.g., the "Enhancing Self-Reliance Through District Partnership Programme").

As per marketing support, NGO-owned SEs can benefit from their parent NGO brand. One of the NGO-owned SE managers claimed that "the success of the SE originated from the brand name of the parent NGO because potential customers trust their SE stores". They also received a huge order from the government in the initial stage of their operation due to the brand effect of the parent NGO. The privately-owned SEs, however, tend not to enjoy such branding effects. One of the privately-owned SE owners mentioned that 'we have been questioned about how we help the society in the first 2-3 years of operations'. Furthermore, they did not have a chance to serve the large corporate clients until after 3-4 years of operations. Both privately-owned SEs interviewees put much effort into seeking greater public recognition. One of them regularly attends press interviews, for example, to promote their innovative business concepts, while another one tried to obtain several SE certificates to show the public that they are a SE and prove that their work is helping the community.

In terms of human resource support, NGO-owned SEs have another definite advantage over the privately-owned SEs. Although one of the privately-owned SE managers mentioned that they have a group of volunteers supporting their day to day operation, the number of volunteering hours was trivial compared to their NGO-owned counterparts. The NGO-owned SEs claimed that their volunteers contributed a very significant amount of time (over 20,000 volunteer hours) throughout their years of operation.

Implication 2. Differences in social objective: NGO-owned SEs emphasize more on job creation than the privately-owned SEs.

The major social objective for both of our interviewed NGO-owned SEs is providing job opportunities to the socially disadvantaged groups. This is the concept of Work-Integration Social Enterprise (WISE). In contrast, both interviewed privately-owned SEs do not focus on this social objective.

WISE is a type of SE mainly established by NGOs, helping public-welfare dependent people to become self-reliance by providing on the job training in the SE (Chan and Ho, 2010; Vidal, 2005; Spear and Bidet, 2005). The NGO-owned SE managers mentioned that *"we would not layoff any employee if that is not due to serious issues, like theft, harassment, etc."*. He also commented that their SE provides room for improvements to their employees, *"we would talk to them about their job performance, let them understand their weaknesses and provide trainings to help them do better. However, when the employee is well-trained, sometimes they may leave the SE"*. This comment highlights the struggles faced when attempting to strike a balance between achieving the social- and business- objectives for the WISE, which are usually NGO-owned.

Implication 3. Privately-owned SEs may change their pre-defined social objectives for survival

As mentioned earlier, the privately-owned SEs generally lack resources to achieve market competition. In our interviews, both privately-owned SE owners mentioned *"business expansion"* as their business objectives while NGO-owned SEs only look for *"10% sales growth annually"*. Instead, privately-owned SEs face higher pressures in earning profit than the NGO-owned SEs as they have to strive for survival. In our study, one privately-owned SE shared that they have dropped the initial social objective of *"helping the poor/needy in the society"* after the first year of operation as they found that *"it was impossible for us to get a sustainable profit margin if we continue to serve this market segment. So, after discussions among the founders, we have changed our social objective to reducing food waste only, without the focus on serving the low-income group"*. Such changes in social missions did not happen in our interviewed NGO-owned SEs even though they also had a trouble in maintaining their profit margin in the first few years of operations. Specifically, one NGO-owned SE noted that they maintained their social objectives although they only made HKD20,000 monthly revenue in the first few years of operation. Such evidence suggests that privately-owned SE place greater emphasis on achieving business objectives compared to the NGO-owned SEs, which place more emphasis on maintaining their social objectives.

CONCLUSIONS

Through our interviews, we found that ownership types of the SEs are likely to have significant impact on their achievement of both social- and business- objectives. However, given our small sample size, further studies on this issue with a greater number of investigations are needed in order to improve the validity of the implications derived from these preliminary results. Given the rising trend in the number of social enterprises in Hong Kong, further studies in this area would provide much-needed knowledge advancement and an augmentation of SE literature, which would provide vital practical advice to both social entrepreneurs and policy makers.

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06 MITIGATING EMPLOYMENT DISCRIMINATION AGAINST IMMIGRANTS

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INTRODUCTION

As an integral part of labor forces throughout the world, immigrants have facilitated the internationalization of business (Cerdin, Diné, and Brewster, 2014), enhanced organizational creativity (Godart et al., 2015), and effectuated workforce diversity (Burke and Ng, 2006). Unfortunately, prejudice and discrimination against immigrants in the recruitment process remain a chronic social issue. For example, the prevailing stereotype of immigrants among host societies is that of untrustworthy out-group members (Lee and Fiske, 2006), and immigrants often receive lower salaries than their native counterparts (Bureau of Labor Statistics, 2012). Nonetheless, the worldwide issue of employment discrimination against immigrants (hereinafter, EDI) has garnered surprisingly little attention. Although considerable research has been devoted to employment discrimination, the scope has largely been confined to such well-scrutinized factors as age (e.g., Perry and Finkelstein, 1999), gender (e.g., Bamberger, Admati-Dvir and Harel, 1995), and race (e.g., Sanchez and Brock, 1996). Given the relevance of immigrants in this globalization era, it is important for scholars and practitioners to try to understand the causes and mitigating mechanisms for EDI.

In this article, we propose a key driver to reduce EDI, namely, associational activity—defined here as voluntary participation in groups and associations that provide individuals with opportunities to interact with people from a variety of backgrounds (Knack and Keefer, 1997). Clearly, associational activity enhances information and knowledge exchange among individuals (Beugelsdijk and Van Schaik, 2005; Danis et al., 2011). In addition, it creates platforms for the development of trust, norms and obligations, as well as other positive social values and attitudes (Coleman, 1990). Building on these insights and those from cross-categorization and cross-cultural research, we elucidate below how associational activity might exert a mitigating influence on EDI and also how this mitigating influence is contingent on the cultural context.

THE MITIGATING EFFECT OF ASSOCIATIONAL ACTIVITY ON EDI

Associational activity can induce mutual trust among associational members, because the rules and norms embedded in these associations are instrumental to building common goals and increasing predictability of behaviors (Zucker, 1986). Note that while the literature largely supports a positive relationship between associational activity and trust toward in-group members (e.g., Brewer and Pierce, 2005; Gundelach, 2014), it is not immediately clear how associational activity influences perceptions toward out-group members. To establish this conceptual link, we use cross-categorization research (Brewer, 1991; Brewer and Pierce, 2005) to explicate how associational activity might contribute to the reduction of EDI.

When individuals join different associations, they possess multiple social identities. According to cross-categorization research, there are three reasons why possessing multiple social identities helps curtail EDI. First, it makes intergroup boundaries "nebulous" (Wilder, 1986) or less obvious (Messick and Mackie, 1989), thereby lowering the magnitude of ingroup-outgroup distinctions and undermining the cognitive basis of in-group bias (Brewer and Pierce, 2005; Schmid et al., 2009). Second, it diminishes the importance of any one social identity for fulfilling the need for belonging and self-definition, thereby undermining the motivational basis of in-group bias (Brewer, 1991; Brewer and Pierce, 2005). Third, it lessens the significance of intergroup comparison, thereby undermining the motivational basis of intergroup discrimination (Vanbeselaere, 1991). Therefore, we expect associational activity to reduce in-group favoritism and increase tolerance and positivity toward out-groups. More specifically, we expect employers with a higher level of associational activity to exhibit a lower degree of EDI, as stipulated in the following proposition.

Proposition 1: Associational activity exerts a mitigating influence on EDI such that a higher level of associational activity corresponds with a lower level of EDI.

THE MODERATING EFFECT OF CULTURE ON THE RELATIONSHIP BETWEEN ASSOCIATIONAL ACTIVITY AND EDI

Studies conducted in individualist societies (e.g., Putnam, 1993) support the view that associational activity promotes generalized trust. Other studies (e.g., Shah, Kruglanski, and Thompson, 1998), however, imply that associational activity may actually strengthen in-group favoritism and lead to out-group derogation in collectivist societies, where there is a strong need for belonging and a preference for a homogeneous social environment. Conceivably, then, culture could be an important moderator for the relationship between associational activity and EDI.

In particular, people in collectivist cultures tend to define themselves in terms of group memberships (Markus and Kitayama, 1991). Partly for this reason, they tend to distrust out-group members (Fukuyama, 1995), show favoritism to in-group members (Van de Vliert, 2011), and prefer to collaborate with partners from the same country or even the same local region (Muethel and Bond, 2013). We therefore argue that, by virtue of their preference to associate with similar others, collectivists are likely to join associations with members similar to themselves. There is evidence that, even within their own social groups, they would avoid contact with those members of other backgrounds (Kiyonari and Yamagishi, 1996). Hence, we expect collectivists to develop a simplified social identity structure.

In contrast, individualists are less sensitive to the distinction between in-groups and out-groups (Triandis, 1995). As far as group affiliations are concerned, individualists should accept a greater dissimilarity in member attributes (Conway et al., 2006). Within their social groups, they should be more willing to interact with members of other backgrounds. Hence, it is reasonable to expect individualists to develop a more complex social identity structure. In short, we propose that the negative effect of associational activity on EDI is contingent upon cultural context. Formally, we advance the following proposition.

Proposition 2: The mitigating effect of associational activity on EDI is more pronounced in individualist than in collectivist societies.

IMPLICATIONS

The important issue of EDI has frequently been raised by practitioners and policy makers, but to date the level of scholarly attention has paled by comparison. This article offers a conceptual framework linking associational activity and EDI, and at the same time capturing the moderating influence of culture. As such, it contributes to the human resources management literature and practices in two important ways. First of all, we suggest that associational activity is a mitigating force to employers' EDI. Drawing on the cross-categorization research, we argue that the bias against immigrants in the recruitment process is reduced when employers are actively involved in various associations and acquire multiple social identities. This analysis suggests that it is advisable for companies concerned about EDI to encourage their HR managers and recruiters to get involved in different associations and actively participate in social activities. With less discrimination against immigrants, there should be a corresponding rise in workforce diversity and organizational creativity.

In addition, we propose culture as a moderating factor on the relationship between associational activity and EDI. According to previous research, people from collectivist countries, more so than those from individualist countries, prefer to collaborate with partners of the same background. We thus propose that the benefits of associational activity for reducing EDI would be more pronounced in individualist than in collectivist cultures. In other words, we expect the practice of promoting associational activity among HR managers and recruiters to pay more dividends in individualist cultures such as the United States.

In collectivist cultures such as China and India, however, this practice may not be as effective. To combat EDI in these societies, we offer two recommendations to companies and organizations that pursue equal opportunity in employment. First, given that in-group favoritism may be pervasive among collectivists, it would be useful to limit the collection of social background information in the initial rounds of recruitment. Second, it would be advisable to periodically engage HR managers and recruiters in activities that expose them to unfamiliar cultures, such as international exchange.

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About Hang Seng Management College

Hang Seng Management College (HSMC) was restructured from the former Hang Seng School of Commerce and was established in 2010 as a non-profit, self-financed university-level institution, with five Schools (Business, Communication, Decision Sciences, Humanities & Social Science, and Translation) and around 5,000 full-time students. Adopting the unique "Liberal + Professional" education model, HSMC is a residential institution which puts quality teaching and students' all-round development as its highest priorities. Aspiring to be a leading non-profit private university in Hong Kong, HSMC features top-quality faculty members, award-winning green campus facilities, innovative degree programmes, impactful research on corporate sustainability, and excellent student support services, with the aim of nurturing young talents with independent thinking, innovative minds, human caring and social responsibilities.

About School of Business

School of Business aspires to offer one of the finest student experiences in business education in Hong Kong and is committed to providing an educational experience based mainly on small group delivery that fosters student engagement. The School currently offers a four-year undergraduate Bachelor of Business Administration (BBA) programme with pathway concentrations in Accounting, Banking and Finance, and Marketing; a BBA in Corporate Governance; a BBA in Financial Analysis and a BBA in Management. Recently, the School has embarked on a new initiative to launch a Master of Science in Entrepreneurial Management and this will be offered in the 2018/19 academic year. In line with the vision to become a reputable global business school and build on robust strengths in teaching, learning and research, the School plans to seek AACSB accreditation and preparation is now underway.

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