

School of Management

**Corporate Co-evolution in State-Dominant Business Networks:
the Case of the Myanmar Port Authority**

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Declaration

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material, which has been accepted for the award of any other degree or diploma in any university.

Signature:

Date: 7 February 2020

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Dedication

This thesis is dedicated to:

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for their love and inspiration,

my parents-in-law, U Kyaw Khin and Daw Kyu Kyu Tin
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my beautiful daughter, Phyu Sin Arkar
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joys inspire me to move ahead.
May they grow up with full potential and brilliant future.

Abstract

This study aims to extend knowledge of corporate co-evolution by drawing from the port development trajectories that take place in government-business networks existing in a state-dominant business (SDB) environment of Myanmar (aka Burma). The co-evolution theory allows investigation of why and how organisations, industries, and business networks co-evolve over time being influenced by changing environments. The literature in this field has been dominated by knowledge rooted in occidental, developed, and emerging economies. The corporate coevolution of the Myanmar Port Authority its environment is unique as it is associated with prolonged military induction into civil services in a developing country. This study addresses three research questions: why and how organisations co-evolve in response to the influences from their (institutional and non-institutional) environment, how upper echelons with military backgrounds influence corporate co-evolution, and how a public authority co-evolves with private actors in the industry.

A multi-method qualitative inquiry was used to investigate the complex phenomenon of the development of the port-networked industry and participating actors. Thirty-six semi-structured interviews from five groups of port actors were conducted for data collection followed by four focus group discussions and triangulating with archived data and documents. The analyses were done within a two-dimensional framework that covers three analytical levels, i.e. organisation, industry, and environment, and transitions across a 30-year longitudinal timespan (1988-2018) that covers the four regimes, which have ruled Myanmar. This research examines the selected case through a multi-lens focus—the co-evolution theory as a core, and the upper echelons and business network as complementary theories.

This study offers knowledge about country-specific co-evolutionary forces, processes, patterns of interactions, and outcomes. The findings identify the context as a state-dominant business environment in which powerful state actors' active involvements in businesses are significant. The study highlights the crucial roles of state actors and defines the co-evolution within the SDB environment as a joint outcome of the organisation's managerial intentionality committed to by state actors, and influences of the institutional environment and non-institutional environment. The findings suggest that corporate co-evolution in an SDB environment is driven by two

factors—a) opportunities made available by changes in the environment, and b) the level of commitments and support gained from powerful state actors. The study identifies two stages of co-evolutionary processes: a buffering stage of adaptation for stability in the short run since organisations' resources and capacities are limited and managerial intentions and actions are latent under strong institutional constraints and a transforming/amplifying stage of co-evolution for development in the long run after experiencing (and learning from) adverse outcomes in the first stage. Distinct from prior studies in this field, the co-evolutionary model developed in this study considers both negative and positive feedback (outcome) loops. This is because the frequent occurrence of negative outcomes forces organisations to be ambidextrous and to optimise specialisation (e.g. strengthening power) and mobilisation (e.g. seeking favours from powerful actors). From this evidence, the study advances the concepts that organisations can achieve their business strategies (better performance and efficiency) by attaining political strategies (powerful state actors' commitments/support) through relationship development (specialisation/mobilisation). Since leadership is the organisational ability, in this case, political strategies are harnessed by CEOs' ex-military ties with state actors and their vast industry experience, by which they achieve state actors' trust. In this way, this thesis highlights the effects of ex-military CEOs in that it argues that the CEO alone, as opposed to the top management team collectively, does matter at organisation-level decision-making. The findings also reveal asymmetric power relationships and interactions prominent in such SDB landscapes and shed light on how network actors mitigate power imbalances and institutional constraints in pursuit of their strategic interests. Apart from the theoretical contributions, the study explicates managerial implications that include knowledge for both local and international investors/partners in the Myanmar port industry, and recommendations for policymakers for the purpose of creating a better business environment with reduced state-dominance.

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List of Abbreviations

ADB	Asian Development Bank
APA	ASEAN Ports Association
GDP	Gross Domestic Product
GIZ	German Society for International Cooperation
JICA	Japan International Cooperation Agency
MIC	Myanmar Investment Commission
MIFFA	Myanmar International Freight Forwarders' Association
MMMDA	Myanmar Mercantile Marine Development Association
MOEE	Ministry of Electricity and Energy
MONREC	Ministry of Natural Resources and Environmental Conservation
MOPF	Ministry of Planning and Finance
MOTC	Ministry of Transport and Communications
MOU	Memorandum of Understanding
MPA	Myanmar Port Authority
NECC	National Economic Coordination Committee
NLD	National League for Democracy
ODA	Official Development Assistance (Loan)
SAD	Shipping Agency Department
SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council
TPC	Trade Policy Council
UAGO	Union Attorney General Office
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USDP	Union Solidarity Development Party
WTO	World Trade Organisation

Chapter 1. Introduction

1.1 Overview

This chapter introduces this dissertation based on its key features. After offering a background describing the existing theoretical knowledge as well as the theoretical and practical problems resolved by this study, the chapter elucidates the study's rationale to justify the motivations and concerns for conducting this research. Based on these research problems and rationale, the chapter explains the research objectives and research questions addressed in this study. The research design and methodology applied in this study are introduced, followed by a summary of empirical and theoretical contributions, managerial implications and policy recommendations derived from this research. The chapter concludes by framing the outline of this study.

1.2 Background of the Study

1.2.1. Theoretical Background

Co-evolution is denoted as mutual adaptation (Ehrlich and Raven 1964) between involved entities for the sake of their survival or fitness within their changing environments. Co-evolution theory addresses why and how organisations co-evolve with their environments such as the competitive environment and the institutional environment (Lewin and Volberda 1999). Within a unifying framework (see Lewin, Long and Carroll 1999; Lewin and Koza 2001), the theory allows investigation of co-evolution across multiple levels such as the organisation, industry and the environment. At the same time, it integrates the microevolution of the organisation, the macroevolution of industry and the institutional environment; and interplay between them. Co-evolution theory is, moreover, a meta-theoretical lens integrated in multiple theories of organisation and strategy and associated with a longitudinal approach (Lewin and Volberda 2005). It is therefore applicable in overcoming the limitations of single-lens, short-term studies that limit the role of managerial intentionality as organisational ability in adaptation while paying more attention to environmental changes as external effects (as argued by Baum and Singh 1994; Lewin and Volberda 2003, 2005). Taking interplay between organisations and their

environments into consideration, co-evolution is defined “as the joint outcome of [organisational] managerial intentionality, the [competitive and macro] environment, and institutional effects” (Lewin, Long and Carroll 1999, p. 526). Co-evolutionary outcomes can be both unique and common due to country-specific variations in co-evolutionary dynamics such as forces and processes (Lewin, Long and Carroll 1999). In terms of associated methodological approaches, co-evolutionary processes should be examined through scientific studies (Norgaard 1984, 1994); employing a multi-lens focus, a longitudinal approach and empirical research (Lewin, Long and Carroll 1999; Volberda and Lewin 2003; Uli 2016), since consequences and outcomes are both more realistic and unpredictable among complex phenomenon in interactive relationships. Scholars in the international business and management fields have extended co-evolution theory from emerging contexts (e.g. Child and Tsai 2005; Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003). Their work advanced co-evolutionary perspectives by highlighting influential dynamics, especially political dynamics, as well as different forms of interaction among actors across levels in different times and contexts. According to its definition, co-evolution theory recognises leadership dynamics at the organisation level, competitive dynamics at the industry level and institutional and political dynamics at the level of the external environment.

However, to explore in-depth the profile-specific effects of top managers, especially CEOs with military backgrounds, on corporate co-evolution, this study adds upper echelons (UE) theory as a complementary lens. On the premise of UE theory (Hambrick and Mason 1984; Hambrick 2007), top management team (TMT)-outcome (i.e. strategies and performance) relations at the organisational level are studied. In his review paper, Verhoeven (2010) suggested that assessment of the balancing of power between government and port authorities could be tackled through TMT composition and strategic processes in which the government was actively involved. Child, Rodrigues, and Tse (2012) shed light on how an organisation’s leadership can influence government institutions. Hence, to enhance understanding of the leadership roles of an organisation’s top managers in balancing power and relationships with government institutions, especially state actors (individuals); with private actors in the industry; and within the organisation, this thesis adds the UE perspective to the theoretical setting as a complementary lens. Specifically, the aim of linking UE theory

with co-evolution is to investigate CEO effects in corporate co-evolution across levels and over time.

Additionally, with a motivation to unpack the dynamics of inter-organisational relationships and business network evolution, this study links the concept of business networking as a complementary lens to co-evolution. Business networking perspective (Cook 1977; Ford and Mouzas 2013; Håkansson and Snehota 1995) focuses mainly on inter-organisational interactions at the network level rather than cross-level organisation-environment interactions. Some scholars have explored evolution in the strategic orientations of port actors using the integrated lenses of co-evolution theory and network theory (e.g. van der Lugt, Dooms and Parola 2013; van der Lugt, Rodrigues and van den Berg 2014). Bridging network and co-evolutionary perspectives enriches understanding of co-evolutionary dynamics (e.g. external forces, interdependence and interrelationships among actors) and co-evolutionary processes (e.g. evolution of a networked industry, especially ports) at the networked industry level. Therefore, network theory is added as a complementary framework in the theoretical setting. Cross-fertilising co-evolution theory and business networking perspective, this study is an attempt to examine multi-level power relationships and interactions, as well as forces on business network emergence and evolution. Hence, this study is significant for its attempt to unpack the complex phenomenon of corporate co-evolution at each level of organisation, industry and environment through a combination of specific theoretical lenses: co-evolution, UE and business network.

1.2.2. Case Background

Development trajectories over a thirty-year timespan (1988-2018) for the Myanmar Port Authority (MPA) and the port industry in Myanmar offers an ideal empirical setting for this study. The MPA, as the sole port authority in Myanmar, administers all ports in the country. As one of Myanmar's state-owned economic enterprises (SEEs), it functions as a regulator, a facilitator and an operator, in accordance with its regulatory and commercial objectives. However, due to the complex bureaucratic system in Myanmar, other state-level institutions are actively involved in businesses and also influence the developmental trajectories of the port industry. The chosen Myanmar context displays unique features of state dominance in business (Jones 2014;

Taylor 2009; Than 2007, in the field of political economy) that have been exercised to some degree by all four regimes that have ruled Myanmar during a thirty-year period characterised by prolonged military induction to the country's civil services and the imposition of international sanctions over a decade. The four regimes that have ruled Myanmar over the past three decades include: the State Law and Order Restoration Council (SLORC, military regime), the State Peace and Development Council (SPDC, military regime), a quasi-civilian government (led by the Union Solidarity and Development Party, USDP, ex-military personnel), and a civilian government (led by the National League for Democracy Party, NLD). A military regime, SLORC, introduced an open-market economy and conducted state-led reforms to revive Myanmar's declining economy. Seeing the opportunities presented through the open-market policy, both foreign and local investors entered Myanmar's port industry. However, due to international sanctions imposed in 1996-1997, followed by the Asian Financial Crisis in 1997, some international investors and development partners such as the World Bank withdrew from Myanmar. As a result, the MPA promoted local investors in the port industry. From 2011 onwards, a combination of economic liberalization and rapid integration and cooperation with regional and global institutions accelerated growth and development in Myanmar (OECD 2014a). Transitioning from a pariah state under military regimes that controlled the country from 1988 to 2010, Myanmar had opportunities to foster investment in infrastructure development and public services enhancement under the quasi-civilian government that ruled it from 2011 to 2015. Realising these opportunities saw international investors and development partners return to the country's port industry. In Myanmar, ex-military officials typically dominate senior-level positions in public sector government institutions. All six CEOs studied in this research and half of the top management team (TMT) members of the MPA are ex-military personnel. That being said, the MPA was still able to develop itself and lead port industry development by collaborating with private actors locally and internationally, even under strong state dominance and in an environment under international sanctions. This case setting promotes theoretical understanding of the development of the MPA and the Myanmar port industry in response to the influences of a changing environment in the light of co-evolution theory as the core and UE and business network theories as complementary lenses.

1.3 The Rationale for this Study

Co-evolution theory facilitates investigation of why and how organisations, industries and environment co-evolve over time. The literature in this field has been dominated by knowledge rooted in occidental and developed economies (e.g. Flier, Bosch and Volberda 2003; Hatani 2016; Lewin, Long and Carroll 1999) and emerging contexts (e.g. Child, Rodrigues and Tse 2012; e.g. Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003). It points to the need for meaningful understanding and deliberate investigation of corporate co-evolution in developing contexts. The development story of the MPA and the entire port industry is unique as it is associated with prolonged state dominance; suffering under international sanctions and military induction to civil services within a developing country, Myanmar.

The selected case background has necessary and sufficient features of co-evolution as identified by McKelvey (2002). Being a networked industry, the port industry includes heterogeneous actors/groups such as the port authority, terminal operators, shipping lines, port users and international development partners. Even under strong state dominance, the industry and its actors gradually developed through partnership and cooperative activities in which they interacted with and mutually influenced each other.

The co-evolutionary phenomenon and its dynamics are country-specific (Lewin, Long and Carroll 1999). Country-specific effects on organisational outcomes are more significant in developing and less-developed economies (Makino, Isobe and Chan 2004; Makino 2014). Taking up this motivation, this study attempts to extend co-evolutionary perspectives using the case of Myanmar (specifically, the Myanmar Port Authority, or MPA), a hitherto under-researched context (e.g. Bae 2018; Holliday 2005; Meyer and Thein 2014). As Meyer and Peng (2005, 2016) maintain, studies in processes and trajectories of economies undergoing transition can develop theoretical insights; Myanmar's radical transition and the MPA's development would be an interesting and worthwhile context for advancing theories.

However, the need for context-specific time series data and access to such data are major barriers to conducting empirical longitudinal studies in this field; theoretical development in this area is thus still scant (Lewin and Volberda 2005; Meyer 2015).

The data collection challenge was overcome in this study by having an ‘insider’ researcher who is researching his ‘home territory’, the researcher in this case working for the MPA. Indeed, the MPA case is an ideal for tapping in to an under-theorised context, associated with the unique features of the country’s transition; multiple actors’ involvement and interactions; and ex-military CEOs’ leadership.

1.4 Objectives and Research Questions

This thesis is unique in that it aims to develop a holistic understanding of co-evolutionary dynamics associated with the state-dominated business (SDB) environment of a developing economy, Myanmar (aka Burma).

1.4.1. Objectives

The main objective of this study is to extend knowledge of why and how corporate co-evolution takes place in government-business networks existing in the SDB environment of a developing economy. In order to address the theoretical and contextual issues articulated in the rationale of this study (section 1.3), this main research objective comprises the following interconnected sub-objectives:

- to extend knowledge of the country/context-specific co-evolutionary forces; patterns of co-evolutionary processes; and outcomes;
- to understand corporate co-evolution between the organisation and its environment in an SDB context;
- to understand the roles of top managers with military backgrounds and their influences on corporate co-evolution at all three levels of organisation, industry, and environment;
- to develop a more nuanced understanding of the dynamics of business network emergence and evolution and power relationships among network actors; and
- to understand the mitigation of asymmetries and power imbalance among network actors.

1.4.2. Research Questions

Based on the key research objective and sub-objectives, the following core research questions, and sub-questions to be addressed in this study are:

- Why and how do organisations co-evolve with their (institutional and non-institutional) environments?
 - ❖ What are the institutional and non-institutional factors that shape co-evolution?
 - ❖ Why and when do organisations co-evolve with their environments?
 - ❖ How does organisation-environment co-evolution take place?

- How do upper echelons with military backgrounds influence corporate co-evolution?
 - ❖ Does the CEO or TMT matter in the SDB environment?
 - ❖ How do CEO effects vary over time and to what extent are these effects due to their profile-specific differences?

- How does a public authority co-evolve with private actors in a networked industry?
 - ❖ What are the dynamics of business network emergence and evolution?
 - ❖ How do network actors interact with each other within government-business networks?
 - ❖ How do dependent network actors mitigate asymmetries and power imbalances?

1.5 Research Design and Methodology

A multi-method qualitative inquiry was used in this study. To deepen understanding of the complex phenomenon of the co-evolution of the port authority; the port industry; and participating actors and their environments, a comprehensive qualitative analysis (e.g. van der Lugt, Rodrigues and van den Berg 2014; Gamie 2015), along with an

interpretivism research paradigm (Flick 2014a; Gergen 1999) was employed. Using a case study strategy, as recommended by Lewin, Long, and Carroll (1999) and used in recent studies (Rodrigues and Child 2003; Dieleman 2007; Child, Rodrigues and Tse 2012), offers a unique opportunity to provide an in-depth and holistic understanding of the research context (Yin 2013; Creswell and Poth 2018). Thirty-six semi-structured interviews with participants drawn from five groups of network actors were conducted for data collection as the first phase followed by the second phase of four focus group discussions. Data was triangulated with multiple archival data and documents to improve credibility and rigour. Specifically, a combination of inductive reasoning to provide fresh, data-driven insights and deductive reasoning to organize and conduct data analysis based on an initial theoretical framework, was devised and adapted from existing theories (Saunders, Lewis and Thornhill 2012). The analyses were done within a two-dimensional framework that covered three analytical levels (organisation, industry and environment) and transitions across a 30-year timespan (1988-2018). A longitudinal approach was employed, as a property of co-evolutionary studies (Lewin and Volberda 2005). This research examined the selected case through a multi-lens focus—co-evolution theory as the core theory and UE and business network as complementary theories.

1.6 Significance of the Study

This thesis possesses a number of significant values associated with its empirical, theoretical and methodological contributions. As discussed in section 1.3 on rationale, this study is salient for its contextual distinctiveness from prior studies in the field of co-evolution since it researches corporate co-evolution within the untapped context of the SDB environment of a developing country, Myanmar. The following contributions strengthen the significance of this study.

Empirically, this study:

- identifies aspects of the SDB environment, drawing from the study's research findings;
- reveals the country/context-specific variance of co-evolutionary forces;

- addresses why and when corporate co-evolution takes place in the SDB environment;
- explores co-evolutionary processes and outcomes;
- addresses how CEOs with military experiences influence corporate co-evolution;
- examines why and how business networks emerge and evolve within contextual and historical dimensions; and
- discloses how dependent network actors mitigate power asymmetries and institutional constraints through political channels.

Theoretically, this study:

- extends knowledge of opportunity and commitment-driven corporate co-evolution;
- develops a more nuanced understanding of both positive and negative feedback (outcome) loops and links them to the two stages of co-evolutionary processes surfaced in this study;
- advances knowledge of specialisation and mobilisation as mechanisms for improving political ties;
- contributes to UE literature the roles and effects of CEOs in corporate co-evolution;
- contributes to the fields of co-evolution and business network dynamics of business network emergence and evolution; and
- extends knowledge of political dynamics; asymmetric interactions among network actors; and mitigation of asymmetries and power imbalances.

Methodologically, this study:

- responds to the call for more qualitative studies, which are still scant in international business and management (Cavusgil and Knight 2015; Doz 2011; Khan and Lew 2018);
- endorses the qualitative case study strategy as a valid research methodology in the field of corporate co-evolution;

- departs from the traditional method of UE studies that used quantitative method and measurable demographic characteristics to avoid the difficulty of measuring human factors; and
- uses qualitative method and analyses of participants' perceptions of managerial discretion, power distribution and sub-grouping, as well as the effects of such factors on organisation-level decision-making and strategic choices.

Apart from these contributions, the study explicates managerial implications that include knowledge for both local and international investors/partners involved in the Myanmar port industry and recommendations for the MPA and policymakers for the purpose of creating a better business environment with reduced state dominance.

1.7 Outline of the Thesis

Reflecting its research objectives and setting, this thesis consists of seven chapters, including this introductory chapter, Chapter 1. Chapter 2 introduces the empirical setting in which this dissertation is conducted, including the background of the selected case and the development trajectories of the MPA and the port industry alongside Myanmar's transition and associated socioeconomic status. Chapter 3 is a literature review chapter that explores existing knowledge and literature gaps in theories of co-evolution, UE and business networks of the Industrial Marketing and Purchasing (IMP) Group approach, as well as potential for bridging these theoretical lenses. Chapter 4 sets out the research design and methodology in line with research objectives and questions and outlines research processes. Chapter 5 presents the findings of this thesis that address comprehensively three research questions. Chapter 6 interprets and conceptualises findings and discusses these in connection with extant literature critically reviewed in Chapter 3. Finally, Chapter 7 summarises and presents empirical, theoretical and methodological contributions. It also discusses managerial implications, research limitations and future research avenues in these fields.

Chapter 2. Background

2.1. Introduction

This chapter introduces the empirical setting in which this dissertation aims to resolve whether corporate co-evolution can take place within a state-dominant business (SDB) environment of a developing economy such as Myanmar, and to investigate why, when and how this happens. The development trajectories of the port industry in Myanmar offer an ideal setting for this study. The chapter describes the peculiarities of the Myanmar port industry and a thirty-year (1988-2018) period of transitions within the development of the Myanmar port industry and participating actors. The chosen Myanmar context displays unique features of state dominance in businesses exercised to some degree by all four regimes that have ruled Myanmar, prolonged military induction into the civil services, and experienced international sanctions. The four regimes which have ruled Myanmar over the past three decades include: the State Law and Order Restoration Council (SLORC, military), the State Peace and Development Council (SPDC, military), a quasi-civilian government (led by the Union Solidarity and Development Party, USDP), and a civilian government (led by the National League for Democracy Party, NLD).

The port industry is a complex business network, which features the involvement of multiple actors, their interactions with each other, and evolution within complex activities over time. Port actors include both public and private, and local and international actors, e.g. the port authority, terminal operators, shipping lines, port users, and international development partners. The background explains that the Myanmar Port Authority (MPA) as a public body leads the port industry, which has been developed through collaboration among actors in response to the country's transitions. This complex and information-rich phenomenon underpins this thesis. This chapter addresses why the selected case context is a suitable empirical setting for this research. In doing so, it provides the background information and reasoning for choosing the case of the MPA and the port industry development as the focus of this empirical study.

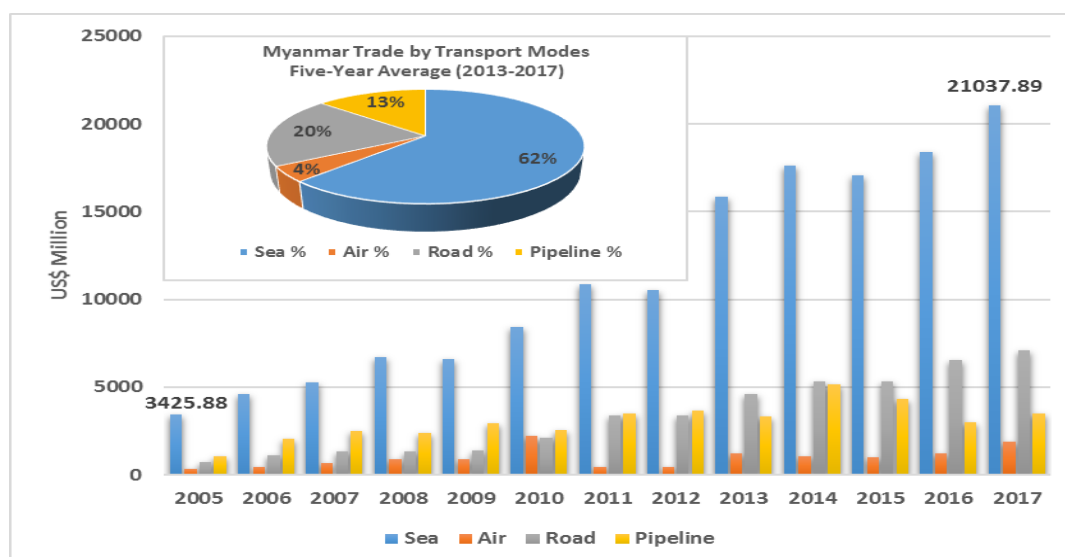
2.2. Myanmar Ports: an Overview

Myanmar (officially named the Republic of the Union of Myanmar, and also known as Burma) is located in mainland Southeast Asia. It is the second-largest country in the region with a total land area of 677,000 square kilometres (261,228 square miles). It is bordered by China to the north and northeast, Laos to the east, Thailand to the southeast, Bangladesh to the west, and India to the northwest. Its geographic location is strategically positioned at the intersection of three huge markets—China (population, 1.4 billion), India (1.3 billion), and the Association of South-East Asian Nations (ASEAN) (639 million), according to the World Bank's indicator, Population Total (World Bank 2019b). It has a long coastline of 2228 kilometres (1385 miles) from west to south, lined by the Andaman Sea and the Bay of Bengal. Myanmar has nine ports: Sittwe, Kyaukphyu, Thandwe, Patheingyi, Yangon, Mawlamyine, Dawei, Myeik, and Kawthoung. Among them, the Yangon port is recognised as the premier international maritime gateway. Private participation in the industry has been allowed since the early 1990s in line with state-led economic liberalisation introduced by the first military government, SLORC. Private actors are involved in terminal operation on a build-operate-transfer (BOT) and joint venture (JV) basis, and in shipping and logistics services. According to the Myanmar Statistical Information Service's (MMSIS) *Annual Trade by Transport Modes* (Figure 2.1), the Yangon Port handled over 60% of the country's total trade, and over 80% of the normal trade between 2013 and 2017 (about 80% of total trade accounted for the normal trade while 20% represented the border trade). The following chart, Figure 2.1, shows drastic growth (over six times in twelve years) in the annual seaborne trade of Myanmar from 2005 to 2017.

The Yangon Port is a river port that has two portareas, Yangon inner harbour area and Thilawa outer harbour area, situated on the banks of the Yangon River. Yangon inner harbour is located about 32 km inward from the Elephant Point of the river mouth, and Thilawa outer harbour is situated about 16 km downstream from the inner harbour. Along the approach channel, there are two sand bars, namely Inner Bar and Outer Bar, which are major obstacles for vessels calling to the Yangon Port. The water depths in these areas are shallow, and sedimentation reaches to its highest level in the summer season. Hence, regular dredging is crucial to maintain sufficient water

depths. Moreover, accessibility limitations in terms of vessel sizes and drafts are different at the two harbour areas. The Thilawa area can be more easily accessed by larger ships, compared to the accessibility of the Yangon inner harbour area. Due to the MPA’s official notifications, terminals in Thilawa port area are accessible to vessels with length overall (LOA) of 200 metres, draft 9 metres, and deadweight tonnage (DWT) 20,000, whereas the Yangon port area is for vessels of up to LOA 167 metre, draft 9 metre, and DWT 15,000 in size. Due to the tidal cycle of the river port (i.e. tidal range changes twice a day from low to high, and vice versa), vessel movements into and out of the port can only be done on flood tides to assure enough water depth (high tide) while crossing the two bars.

Figure 2.1 Myanmar Annual Trade by Transport Modes (2005-2017)



Source: The Myanmar Statistical Information Service’s (MMSIS) *Annual Trade by Transport Modes* retrieved on 15 October 2019 from http://mmsis.gov.mm/statHtml/statHtml.do?orgId=195&tblId=DT_YAJ_0011_NEW_WAY&conn_path=I3

Pilotage services are compulsory for all vessels calling to Yangon Port if their gross registered tonnage (GRT) is in excess of 200 tons. Due to the limitations of Yangon river port (i.e. narrow approach channel with shallow water), and underdeveloped road and rail connectivity for cross-border transit trade to and from its neighbours, Myanmar cannot fully exploit its strategic location. Several reports issued by international partner organisations (e.g. ADB 2016b; JICA 2014; OECD 2014b) have recommended raising investment for the basic infrastructure development,

including deep seaports. For the development of deep seaports, Myanmar at present has four potential areas across its coastline: Kyaukphyu in Rakhine State, Ngayoke Bay in Ayeyarwaddy Region, Kalagauk in Mon State, and Dawei in Tanintharyi Region. Among them, the Chinese CITIC-led consortium was awarded the implementation of the Kyaukphyu project in December 2015 under the previous USDP-led government, whereas the Myanmar, Thai, and Japanese governments have agreed to develop the Dawei project jointly since July 2015. These projects include Special Economic Zones (SEZs) and road and rail links to borders of China and Thailand respectively. However, since both projects have stalled in implementation, this thesis will not cover them. Instead, it will focus extensively on the Yangon port development.

2.3. The Myanmar Port Authority and Its Roles

The Myanmar Port Authority (MPA), as the sole authority, administers all ports in Myanmar. The MPA is one of the state-owned economic enterprises (SEEs) in Myanmar and functions as a regulator, a facilitator, and an operator, in accordance with its regulatory and commercial objectives. While undertaking regulation, facilitation, and compulsory services such as pilotage and navigation aids, it still monopolises some services transferrable to the private sector: towing (tugboat), shipping agency, stevedoring, mooring, freshwater supply, and civil and mechanical engineering. The administrative ministry of the MPA is the Ministry of Transport and Communications (MOTC). However, due to the complex bureaucratic system in Myanmar, other state-level institutions are actively involved in businesses and influence the developmental trajectories of the port industry. The following Figure 2.2 and Figure 2.3 show state-dominance in port development processes and the roles of state actors in the annual budget allocation for the MPA. Although the MPA is the implementing agency for port management and development, nothing can be done without approval from incumbent state actors. However, the MPA could develop itself and lead industry development by collaborating with private actors locally and internationally. The number of international wharves has reached 38, and public and private ownership ratio in terms of terminal quay length hit 6:94 (Figure 2.4) in 2018, while public and private shared 10% and 90% of total cargo handling volume (Figure

2.5). This background lies behind the examination of *why and how the MPA tried to develop the port industry and itself under the state-dominant business environment, and how the MPA and private actors interacted and influenced each other in pursuit of their interests.*

Figure 2.2 State-dominance in port development processes

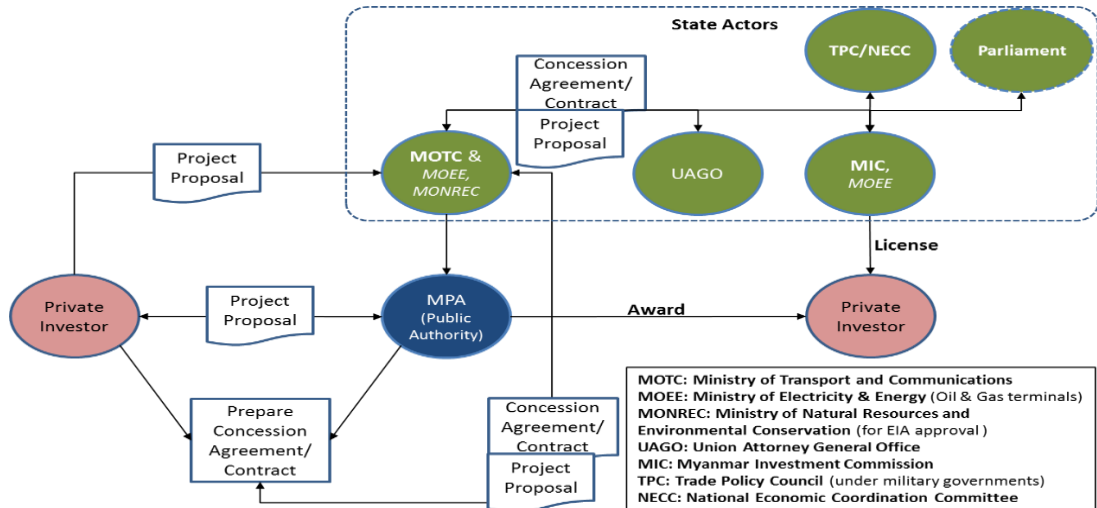


Figure 2.3 The process of annual budget allocation for the MPA

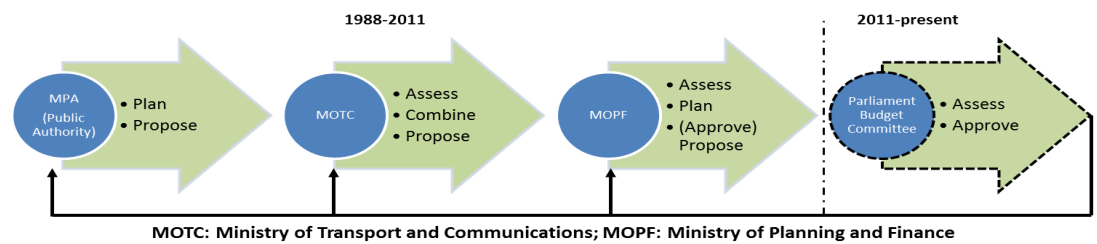
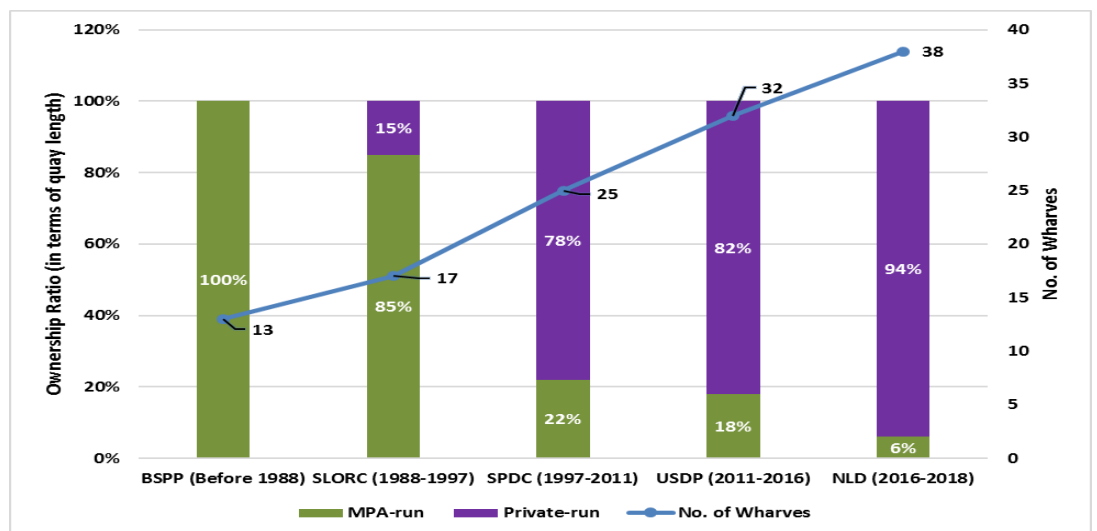
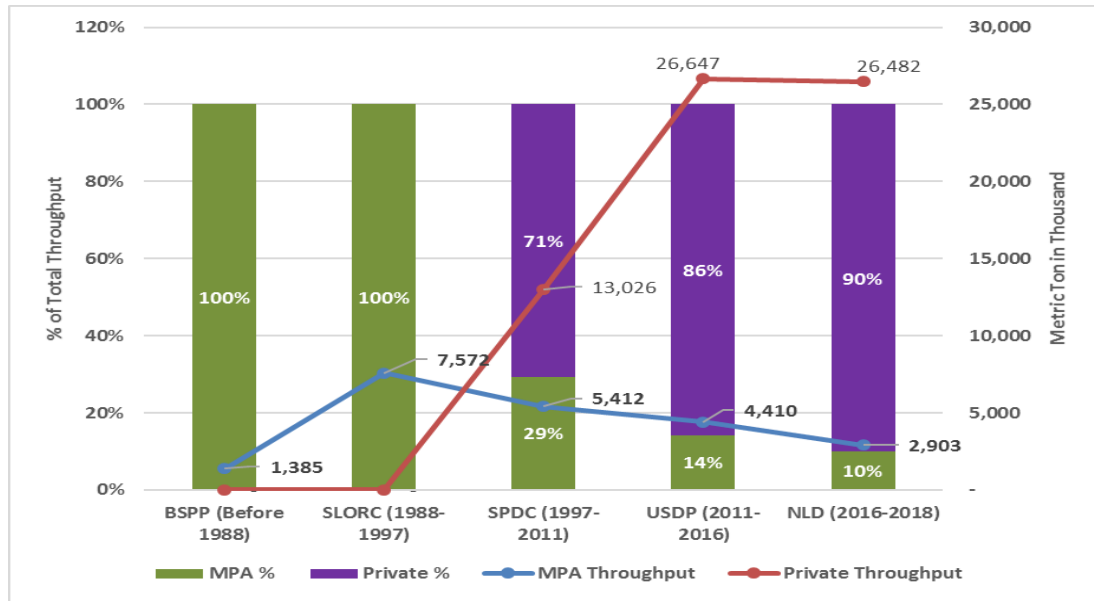


Figure 2.4 Public and private ownership ratio and number of international wharves



Source: The Myanmar Port Authority

Figure 2.5 Public and private shared cargo handling volume

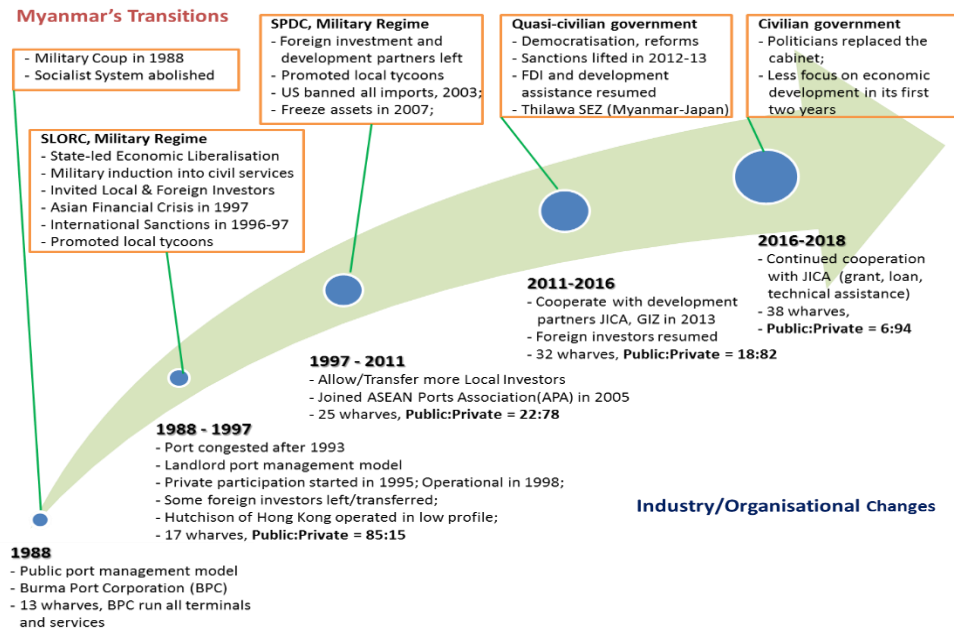


Source: The Myanmar Port Authority

Under its present organisational structure, the MPA consists of nine departments: Traffic, Shipping Agency, Marine, Civil Engineering, Mechanical Engineering, Account, Personnel, Store, and International Relations and Human Resource Development; four state and regional port offices: Rakhine, Ayeyarwaddy, Mon, and Tanintharyi; and two divisions: Internal Audit, and Medical. Its departmental heads are directors in terms of position. A Managing Director (MD), as a Chief Executive Officer (CEO), leads the MPA and is assisted by a General Manager (GM). The MD, GM, and departmental heads are members of the MPA management team. Out of eleven management team members, seven members including the MD and GM are ex-military personnel. They were permanently transferred to the MPA from the Myanmar Army, Navy, and Air Force when the military governments implemented military personnel induction into the civil services. The 30-year timespan covers six MDs, four from the Navy, one from the Army, and one from the Air Force. Meanwhile, from the SLORC and SPDC to the previous USDP-led quasi-civilian governments, almost all cabinet members such as ministers have also been ex-military and military personnel. This unique backdrop raises the research question of *how upper echelons with military backgrounds orchestrated the development of the MPA and port industry* since the MPA is a focal and regulating actor in the industry.

Further, the country's transitions (Figure 2.6) have affected the evolution of Myanmar's economy and influenced the development of the MPA and port industry accordingly. The detailed background is illustrated in the following section.

Figure 2.6. Myanmar's Transitions and changes in the port industry



2.4. Myanmar's Transitions and the Development of the MPA and Port Industry

The MPA's organisational structure and port management model have changed over time in response to the evolution of the country's socioeconomic systems and settings.

2.1.1. Under the Socialist Government, Before 1988

From 1972 to 1988, the single-party system led by the Burmese Socialist Programme Party (BSPP) conquered Myanmar. Under the one-party system and the socialist economic system, the BSPP inhibited private individuals from running businesses. Believing in the socialist norms, which meant operating businesses successfully following socialist economic policies and guidelines, the government monopolised all businesses, including ports. Before 1988, the MPA was called the Burma Port Corporation (BPC). According to Oo et al. (2007), the BPC was managed by a board

of management composed of seven members appointed by the MOTC and port workers/employees. The chief executive officer (CEO) of the BPC was the chairman of the management board. In 1983, to introduce containerisation, the BPC developed a container terminal (Bo Aung Kyaw wharves) and installed handling equipment with a World Bank loan of US\$ 50 million (World Bank 1993). Meanwhile, all port terminals were operated by the BPC. The BPC had some level of financial autonomy—it could reinvest and spend based on its own revenue, and even borrow from the government bank. However, the corporation had to get approval for the budget from the cabinet/budget committee.

In 1987-1988, in response to failures in every sector under the socialist regime and ongoing ethnic conflicts in border regions, a series of protests began. The World Bank's *World Development Indicators, Myanmar Annual GDP Growth* (Figure 2.7) indicates that Myanmar was facing a sharp economic recession—GDP growth had been declining dramatically since 1985 until it was two digits in the negative in 1988, almost going bankrupt. Additionally, according to the World Trade Organisation (WTO) indicator, *the Myanmar Annual Total Merchandise Trade* (Figure 2.8), Myanmar experienced negative growth for three consecutive years from 1987 to 1989. Subsequently, mass protests and uprisings in 1988 called for democratisation and led to political, social, and economic distortions, which affected the whole country. This situation led to regime change, the BSPP collapsed, and the military mounted a coup. The military promptly seized power and formed the State Law and Order Restoration Council (SLORC) in September 1988. This is where corporate co-evolution in the Myanmar port industry began.

2.1.2. Under the SLORC Government (1988-1997)

The military regime, SLORC, introduced the open-market economy and conducted state-led reforms to recover the country's declining economy. The SLORC enacted the Foreign Investment Law just two months after seizing power in November 1988. This was followed by the State-owned Economic Enterprise (SEE) Law enacted in March 1989. The SEE law (1989) repealed the Law Conferring Powers for Establishing the Socialist Economic System (1965). Under these laws, SLORC invited both foreign and local private investors and allowed them 100% investment. Moreover, it allowed

for the release of state-run businesses except SEEs in 12 business areas. Nevertheless, the government planned to retain its control by being the sole operators permitted to partner with private initiatives as a joint-venture. According to this law, all state-run corporations changed their name and lost their financial autonomy. The government controlled budget allocations. The SLORC continued using a fixed exchange rate that created a dual exchange rate system in the market. The BPC became the Myanmar Port Authority (MPA). The position of CEO was replaced with Managing Director (MD). Its board of management was replaced by the MPA's management team, which includes the MD, General Manager (GM), and heads of departments (director-level Deputy General Managers).

Signalling a move towards economic liberalisation, the SLORC took steps to improve its legitimacy and persuade investors to enter the Myanmar market (Maung 1997). With the momentum of economic liberalisation, during the SLORC era Myanmar's GDP grew dramatically from US\$ 7.5 billion in 1988 to US\$ 11.3 billion in 1996, averaging 5.3 % (Figure 2.7). According to the Department of Investment and Company Administration (DICA), the total approved FDI during 1988-2004 reached US\$ 7.6 billion (Figure 2.9) and the number of registered foreign companies and branches increased from only two in 1988 to 202 in 1996 (Figure 2.11). Moreover, the annual merchandise trade indicator of the World Trade Organisation (WTO) indicates that the total trade value grew five times, from US\$ 413 million in 1988 to US\$ 2104 million in 1996 (Figure 2.8). Noticeably, among manufacturing industries, the garment sector, which is associated with low labour costs showed a bull trend until 2000 (Figure 2.12), reaching 70 times (US\$ 800 million) of garment export compared to that of 1990 (US\$ 12.45 million). To control the increasing trade deficit, furthermore, the SLORC introduced the export first policy in July 1997 that limited imports depending on the export earnings. The momentum of state-led economic liberalisation followed by significant trade growth affected the port industry. Figure 2.13 shows that the cargo handling volume in 1990-1991 returned to an increasing trend, although it declined markedly in 1988-1990. Containerisation began in 1990-1991, after which the container-handling volume grew gradually (Figure 2.14). As containerisation started, private logistic agents for freight forwarding services and local shipping representatives entered the industry. According to the BCEOM (1992) report, i.e. the pre-feasibility study for the fourth port project at Thilawa conducted by the United

Nations Development Programme (UNDP) and the World Bank funding, the capacity of Yangon Port in terms of berth occupancy reached its saturation point, 82%, in 1990-1991. The report highlighted that the root causes of port congestion were operational efficiency due to lack of handling equipment, and lack of autonomy. Additionally, the project completion report of the World Bank's Third Port Project (World Bank 1993) recommended that port expansion at Thilawa would be required after 1990.

Following these recommendations, the MPA planned port expansion in Thilawa and prepared 37 plots of land. The dimension of each plot is 200 m x 750 m and area is 37 acres/50 hectares. To cope with growing trade, the MPA then invited private participation, including both foreign and local investors in public-private partnerships focused on terminal operation. With private involvement in terminal operation, the MPA changed its management model from a public port to landlord port. The SLORC first planned to develop a special industrial zone/park in Thanlyin-Kyauktan near Thilawa with Singaporean investment. To improve port capacity and in line with the potential development of an industrial zone, the MPA awarded contracts to Singaporean investors, C & P Holding Pte Ltd. and Myanmar Integrated Port Ltd. (MIPL) on the BOT basis, and Allied Container Services Pte Ltd. on the JV basis with the MPA under the name of Sinmadev (Singapore-Myanmar Development). However, there were drawbacks that stalled the development of Myanmar's economy including the port industry and its actors. Although opening its market in the early 1990s coincided with accelerating globalisation in other developing and emerging countries such as China, Brazil, Indonesia, and Eastern European states, Myanmar achieved much less success compared to the others. It is still among the least developing countries (LDC) due to suffering from international sanctions, internal instability, and mismanagement of the ruling regimes. The US withdrew from the Generalised System/Scheme of Preferences (GSP), while the EU followed in 1997. EU-imposed sanctions on Myanmar in 1996 were followed by the US in 1997. The US and EU-led international economic sanctions imposed until 2012-2013 as a response to the political and social oppression of military regimes and the Asian Financial Crisis of 1997 led to the withdrawals of foreign investment and international development assistance (Than 2000). The C & P transferred its terminal to the Hutchison Port Holdings of Hong Kong, and since the Sinmadev could not continue terminal construction, the award was transferred to a local investor in 2015.

Singaporean investors also withdrew from the Thanlyin-Kyauktan industrial zone project. Under the sanctions, the World Bank's development assistance for the fourth project in Thilawa did not materialise. Instead, the MPA promoted local investors and allocated them in the Yangon inner harbour area. At the end of the SLORC era, the public-private ownership ratio in terms of quay length was 85:15, and the total number of international wharves reached 17. Private terminals were operational in 1997-1998.

2.1.3. Under the SPDC Government (1997-2011)

The SLORC was renamed the SPDC on 15 November 1997. Figure 2.11 shows evidence that the number of foreign companies and branches had started to decline in 1997 and only seven remained in 2002. Since then, the new military regime, SPDC, promoted local entrepreneurs/tycoons, and the number of registered local companies started to increase in 2002 to replace the leaving foreign investors. Additionally, the sanctions caused a shortage of international aid (Figure 2.15). The US raised its pressure on Myanmar in 2003, and 2007. The Burma Freedom and Democracy Act of 2003 banned all imports from Myanmar and froze assets of Myanmar nationals who were listed on the Specially Designated Nationals (SDN) list. It caused a marked decline in garment export until 2010 (Figure 2.12), followed by two years of consecutive decline in container traffic volume in 2003-2005 (Figure 2.14). Hutchison operated its terminal in Thilawa while keeping a low profile by using the name Myanmar International Terminal Thilawa (MITT). Under the US and EU-led international sanctions, Myanmar mainly traded with its neighbouring countries, ASEAN, and other Asian countries. Although Myanmar exports to the US gradually grew up to 10-13% of its total export value in 2000-2003, it has declined since 2003, accounting for less than one per cent of total exports until 2015 (Figure 2.16).

Likewise, exports to the EU market steadily increased up to about 10% of total exports, but it remained stagnant at 2-4 per cent until 2015. Instead, the amount of exports to ASEAN and other Asian countries accounted for over 90%. Exports to neighbouring countries Thailand, India, and China were greatest. Figure 2.17 shows evidence that the manufacturing sector's contribution remained stagnant at below 10% of the country's GDP. The UN uses this as one of the measures of LDC status (Maung 1997). Although both military regimes implemented industrial zones and estates,

under international sanctions and their mismanagement, they have not reached an acceptable point of success. However, the SPDC improved the country's economic performance by keeping the average annual GDP growth rate at 11.1% from 1997 to 2010 (Figure 2.7) with six times growth of total trade in 2010 compared to that of 1996. During the SPDC era (1997-2010), international organisations committed grant aids worth USD 1.1 billion in total (Figure 2.15). These grants were for humanitarian, health and education, agriculture and rural development, social protection and disaster management, gender equality and women's empowerment projects. They were directly implemented by local and international NGOs, UN organisations and relevant donor countries' missions rather than Myanmar government agencies. In 2010, however, since the SPDC gave the green light to hold elections, a new FDI entered the oil and gas sectors. Before transferring power to the elected USDP-led government, in 2010 the SPDC approved USD 10 billion of investment in the oil and gas industries, 8.2 billion in the electricity and power industries, and 1.4 billion in the mining sectors. Moreover, it liberalised the state-run fuel retailer and transferred it to local private ownership. Accordingly, local investors developed new oil and gas terminals in Thilawa. At the end of the SPDC era, the public-private ownership ratio markedly changed to 22:78, and the total number of international wharves reached 25. Meanwhile, the shared cargo handling volume between public and private entities was 29% and 71% respectively, with the total metric ton volume coming to about 18.5 million tons.

2.1.4. Under the USDP-led Quasi-Civilian Government (2011-2016)

From 2011 onwards, a combination of economic liberalisation, political reform, and rapid integration and cooperation with regional and global institutions have accelerated development and growth in Myanmar (OECD 2014a). With its democratic transition beyond the era of being a pariah state under a military regime that controlled Myanmar from 1988 to 2010, Myanmar had opportunities to foster investment in infrastructure development and public services enhancement under the USDP-led quasi-civilian government that ruled Myanmar from 2011 to 2015. It relaxed car import policies in 2011, introduced a floated exchange rate system in 2012, jointly restarted the Thilawa SEZ development with the Japanese government in 2013, and

banned log exports in 2015. Following these dramatic reforms and democratisation, the USDP government set a corporatisation and privatisation policy for SEEs under the *Framework for Economic and Social Reforms* (MNPED 2012) and based this on the long-term goals of the *National Comprehensive Development Plan* (MNPED 2015). A return to engagement with the global community coincided with a series of reforms. International economic sanctions were suspended and lifted in 2012-2013, and development programs were relaunched. As a result, in November 2012, the World Bank pledged its first grant in 25 years: \$80 million assistance as a part of \$245 million package (Holliday 2013). During 2011-2016, there was significant growth in both the FDI approved amount (Figure 2.9) and FDI net inflows (Figure 2.10). Moreover, the number of registered foreign companies jumped to 1250 in 2014-15 from just 26 in 2011-12 (Figure 2.11). Regarding international aid, according to Figure 2.15, 1264 projects committed USD 15 billion within five years, including debt relief of USD 3.36 billion from Japan, 581 million from France, and 388 million from Germany. The projects also included development assistance under low-interest loans, which accounted for USD 5.6 billion in total.

To promote commercialisation and to stand as an autonomous entity, the MPA initiated a strategic plan to restructure and corporatise under the new law promulgated in April 2015. To align with increasing international engagement, the MPA combined its two divisions to form the International Relations and Human Resource Management Department in 2013. However, under institutional constraints and complex procedures, the new organisational structure has not been approved yet by the cabinet and incumbent authority, the Union Civil Service Board (UCSB). Instead, the new department has been operating under the recognition of the MOTC. The Japan International Cooperation Agency (JICA) of Japan, the German Agency for International Cooperation (GIZ) of Germany, the Asian Development Bank (ADB), and other regional and international organisations and business firms have re-entered and cooperated with the MPA in offering technical and financial assistance, and business collaboration. The MPA received technical grant assistance to develop a Port-EDI system (integrated management information system) from JICA, and an official development assistance (ODA) loan to develop a new multi-purpose terminal in Thilawa. Further, the MPA and private terminals joined the GIZ's Safety, Health, and Environmental (SHE) awareness program in 2012-2015. The MPA also cooperated

with the JICA in developing the Myanmar National Transport Master Plan published in 2014, and with (JICA 2014) the ADB in developing the Myanmar Transport Sector Policy (ADB 2016b), published in 2016. The MPA started outsourcing dredging for its outdated and inadequate equipment and initiated the construction of an offshore fixed pilot station to avoid risk in delivering pilotage services. Further, to overcome the shortage of skilled human resources in the operation and maintenance of the Port-EDI system, and following the JICA grant contract terms, it outsourced a local IT company. At the end of the quasi-civilian era, the public-private ownership ratio markedly changed to 18:82, and the total number of international wharves reached 32. In the meantime, the shared cargo handling volume between public and private actors hit 14% and 86% of the total volume respectively, with a metric tonnage of over 31 million.

2.1.5. Under the NLD-Led Civilian Government (2016-2018)

In 2016, the USDP-led government transferred power to the NLD-led government. The present government is a civilian government led by the former opposition party, the NLD. Its cabinet members are politicians. During the first two years (2016-2018) of their administration, the government did not exhibit clear policies and strategic plans except for 12 very brief points in three-page economic policies announced on July 29, 2016. According to the Economist (2016), the announcement disappointed many Myanmar watchers including both local and foreign investors with its lack of detail and failure to put forward clear policy and outline an action plan for the country's economic development in line with the NLD's thin manifesto [\(National League for Democracy 2015\)](#) issued on September 14 before the November 2015 election. Furthermore, there were 10-week delays in restructuring the Myanmar Investment Commission (MIC). As PricewaterhouseCoopers' Myanmar Business Guide 2017 (PricewaterhouseCoopers 2017) pointed out (p. 4), "the fall off in FDI was partly because of uncertainty created by the country's transition to a civilian government in 2016. Investors are also waiting for the Myanmar Investment Commission to roll out by-laws and notifications that will make the rules on foreign investment clearer." The first two years of the NLD government administration was a period of learning and prioritising between the peace process and economic

development that had stalled the momentum of reforms commenced by the previous regime. However, the US, Canada, the EU, Japan, Korea, Australia, New Zealand and India, UN organisations, the World Bank, and the ADB supported more development aid, according to the data presented in Figure 2.15. It shows that USD 3.59 billion spread across 160 projects, including 1.8 billion dollars in loans and 967.6 million dollars in grants, were committed by the international community during half a term of NLD administration. The country's GDP growth was 5.9%, 6.8%, and 6.2% respectively in 2016-2018. Total merchandise trade showed growth in 2017-2018 despite decreasing in 2016. The annual garment export volume increased drastically. However, Figure 2.11 shows that the numbers of both foreign and local companies decreased and the approved FDI amount has been declining since 2016, although the net FDI inflows returned to US\$ 4 billion in 2017 and dropped again in 2018 (Figure 2.10).

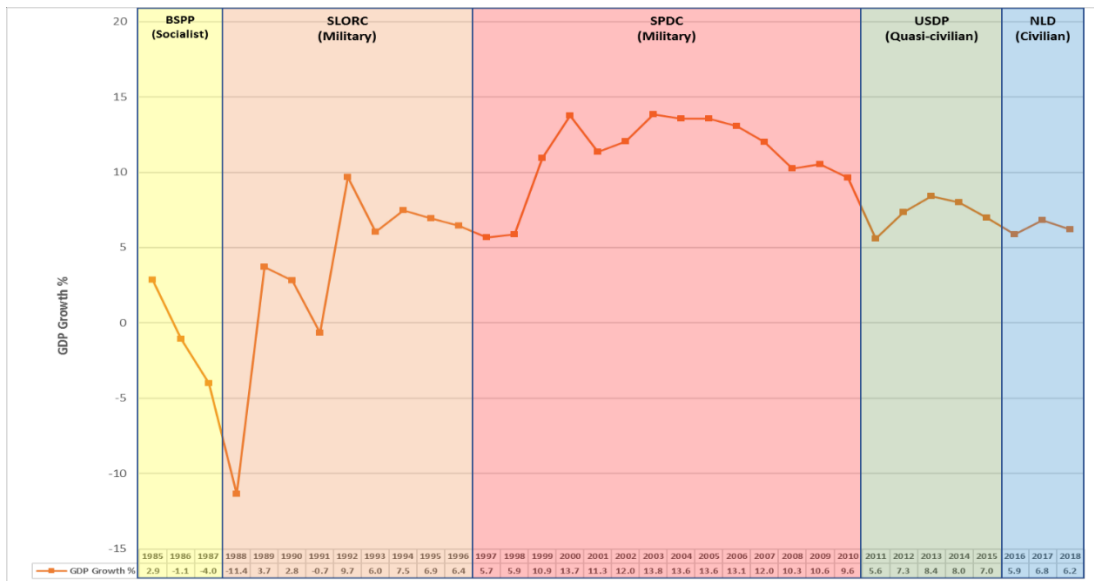
The MPA continued implementations of the Port-EDI project and new terminal construction in Thilawa. It then continued outsourcing for the operation and maintenance of the Port-EDI system. To improve the terminal operation practices, the MPA planned to operate this terminal jointly with a Japanese terminal operator, Kamigumi. For this terminal, the MPA changed its port management model to become a tool port, according to the Port Reform Toolkit (World Bank 2007). Further, it continued outsourcing the dredging operations for the improvement and maintenance of the Yangon River's approach channel. The construction of an offshore pilot station also continued and was completed in March 2019. During this term, two foreign-local JV terminals and four locally invested terminals entered both Yangon and Thilawa areas. In 2018, the public-private ownership ratio markedly changed to 6:94, and the total number of international wharves reached 38. In the meantime, the shared cargo handling volume between public and private entities reached 10% and 90% of the total volume respectively, totalling 30 million metric tons.

2.5. Chapter Conclusion

This chapter has outlined the complex background underpinning the focus of this dissertation. The evolving setting of the external environment discussed above renders

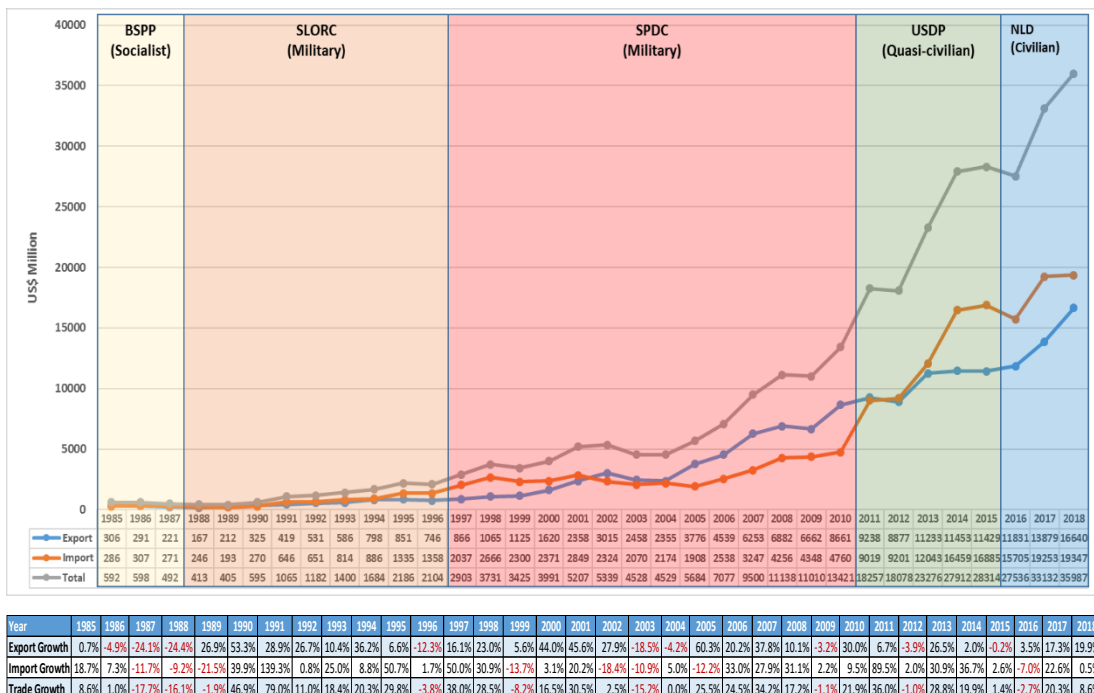
the chosen context of the Myanmar port industry development under the state-dominant business environment a suitable empirical setting for this research. The changes in Myanmar's socioeconomic background as consequences of regime changes provided both opportunities and constraints in developing the MPA itself and the entire port industry. In addition to these, the imposition and lifting of international sanctions have had both positive and negative impacts on the port industry. The background shows that there were three negative impacts of international sanctions on the country. First, exports hardly grew. Most export commodities came from crops, natural resources, and the timber industry. The manufacturing sectors were faded out under the shortages of FDI. Second, both public organisations and private firms lacked opportunities to globalise by learning from and adapting to international practices and standards. Third, these situations led to crony capitalism under authoritarian governance (Ford, Gillan and Thein 2015; Jones 2014; Tun 2011). However, lifting sanctions reversed all negative impacts. The MPA, with the strength of private participation, showed an acceptable level of achievement even under strong institutional constraints and over a decade of international economic sanctions. Interestingly, all MDs who led the evolution of the MPA and port industry were ex-military personnel. They engaged with both ex-military and politician ministers. Such a backdrop is suitable for theoretical contributions especially to co-evolutionary theory, business networking, and upper echelons perspectives. Co-evolutionary theory examines why and how organisations and business alliances co-evolve with their environments (Koza and Lewin 1998; Lewin, Long and Carroll 1999; Volberda and Lewin 2003;). Business networking theory investigates inter-organisational relationships and power relationships within business networks (Cook and Emerson 1978; Håkansson and Snehota 2000, 2006;). The upper echelon perspectives focus on the relations between top management teams and organisational outcomes (Hambrick and Mason 1984; Hambrick 2007). Based on the case background, this work scrutinises *why and how organisations co-evolve with their environments, how upper echelons with military backgrounds influence the corporate co-evolution, and how a public port authority co-evolve with private actors in a networked industry.*

Figure 2.7 Myanmar annual GDP growth % (1985-2018)



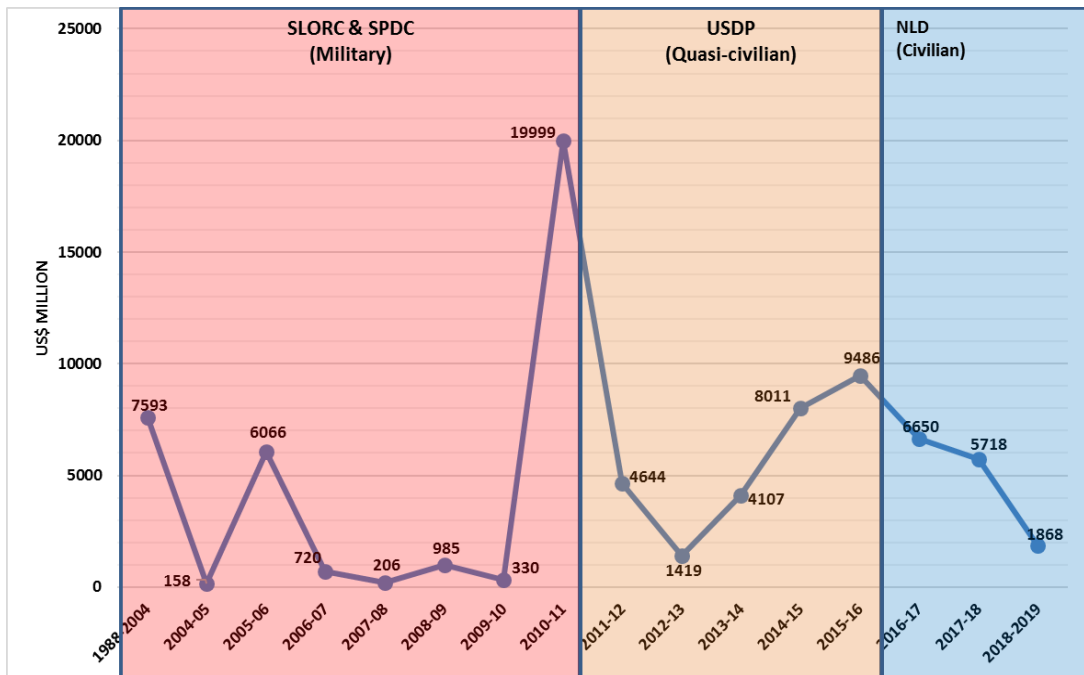
Source: The World Bank's *World Development Indicators, Myanmar Annual GDP Growth* retrieved on 15 October 2019 from <https://databank.worldbank.org/reports.aspx?source=2&series=NY.GDP.MKTP.KD.ZG&country=MMR>

Figure 2.8 Myanmar's Annual Total Merchandise Trade (1985-2018)



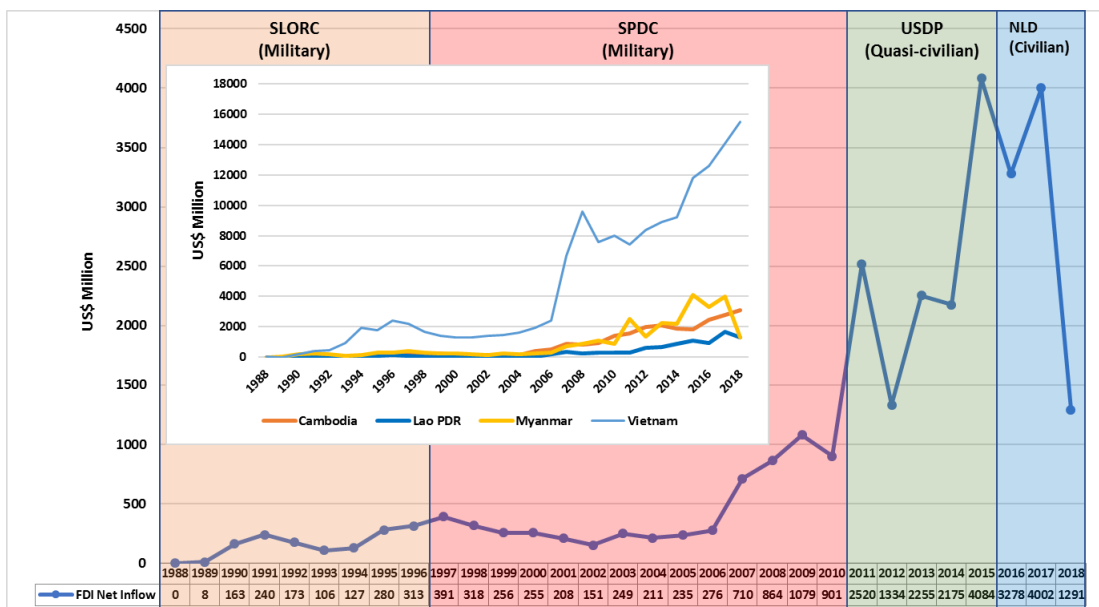
Source: The World Trade Organisation's (WTO) Total Merchandise Trade Indicator retrieved on 15 October 2019 from <https://data.wto.org/>

Figure 2.9 Annual Approved FDI (1988-2018)



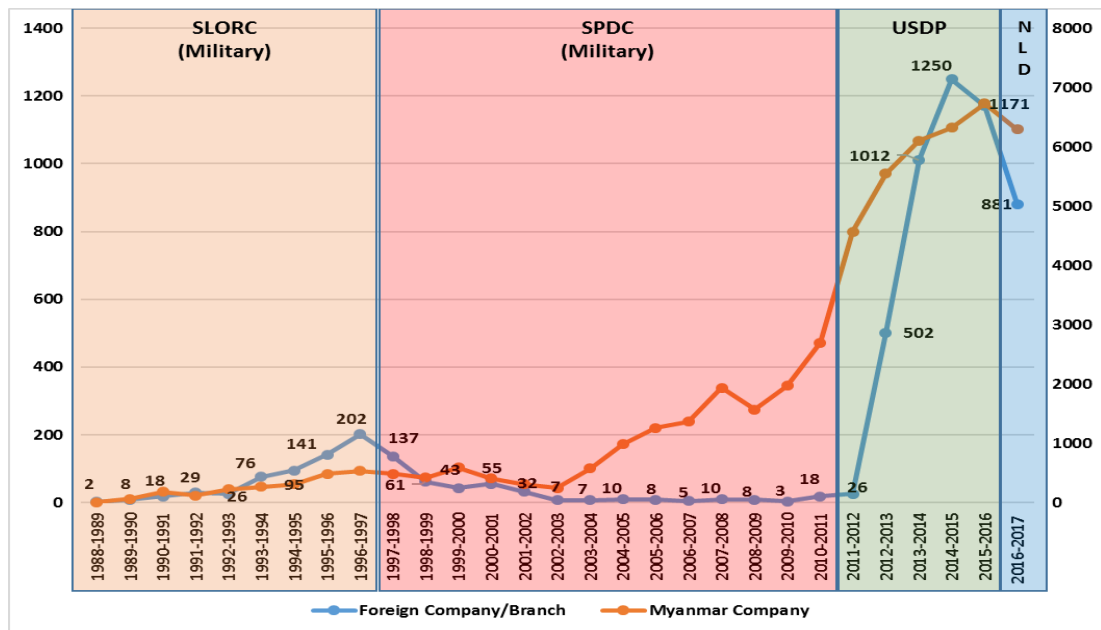
Source: The Directorate of Investment and Company Administration’s (DICA) Annual Approved FDI retrieved on 15 October 2019 from <https://www.dica.gov.mm/en/data-and-statistics>

Figure 2.10 FDI Net Inflow of Myanmar and CLMV Countries (1988-2018)



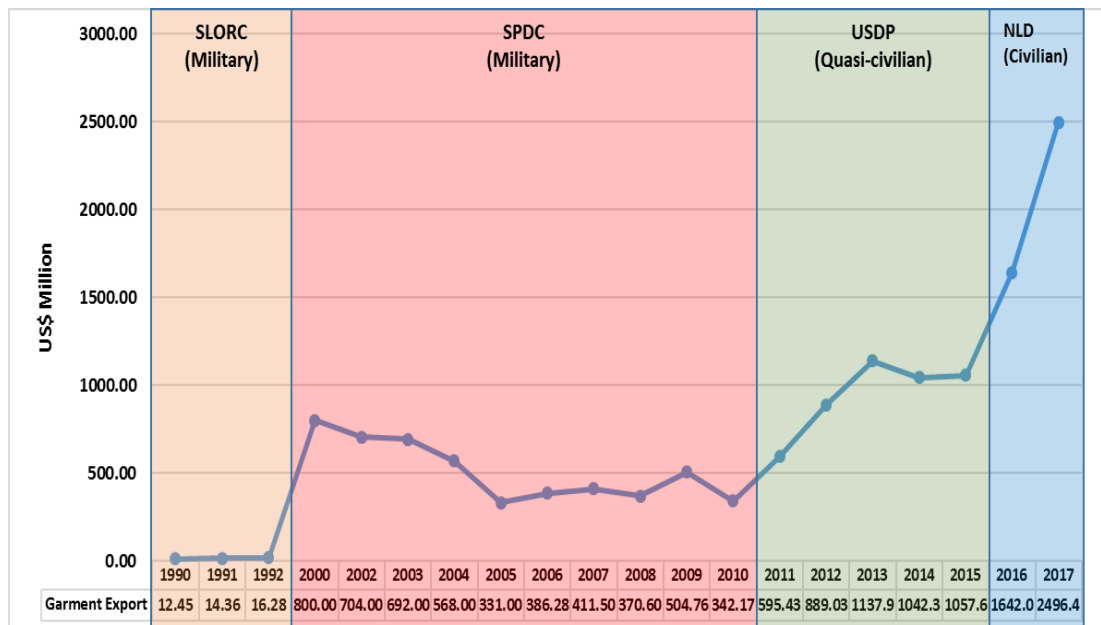
Source: The World Bank’s Foreign direct investment, net inflows (BoP, current US\$) retrieved on 14 October 2018 from <https://databank.worldbank.org/reports.aspx?source=2&series=BX.KLT.DINV.CD.WD&country=#>

Figure 2.11 Number of Foreign Companies/Branches (1988-1989 to 2016-2017 November)



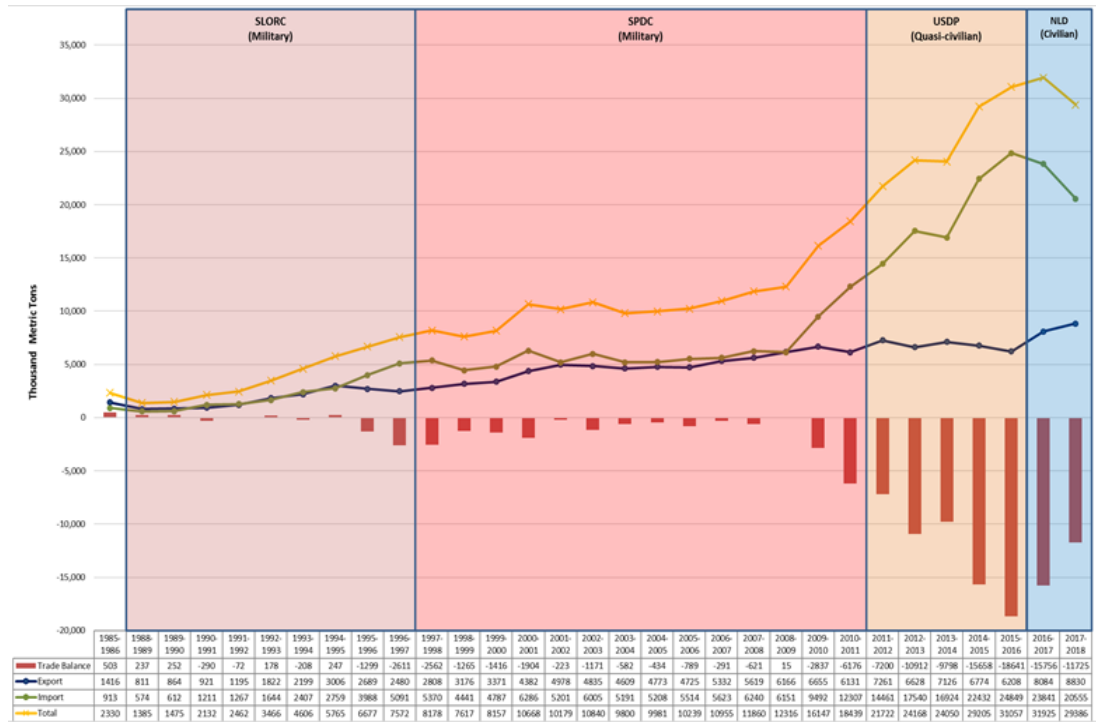
Source: Department of Investment and Company Administration's (DICA) Total Number of Companies retrieved on 15 October 2018 from <https://www.dica.gov.mm/en/total-number-companies>

Figure 2.12 Annual Garment Exports (1990-2017)



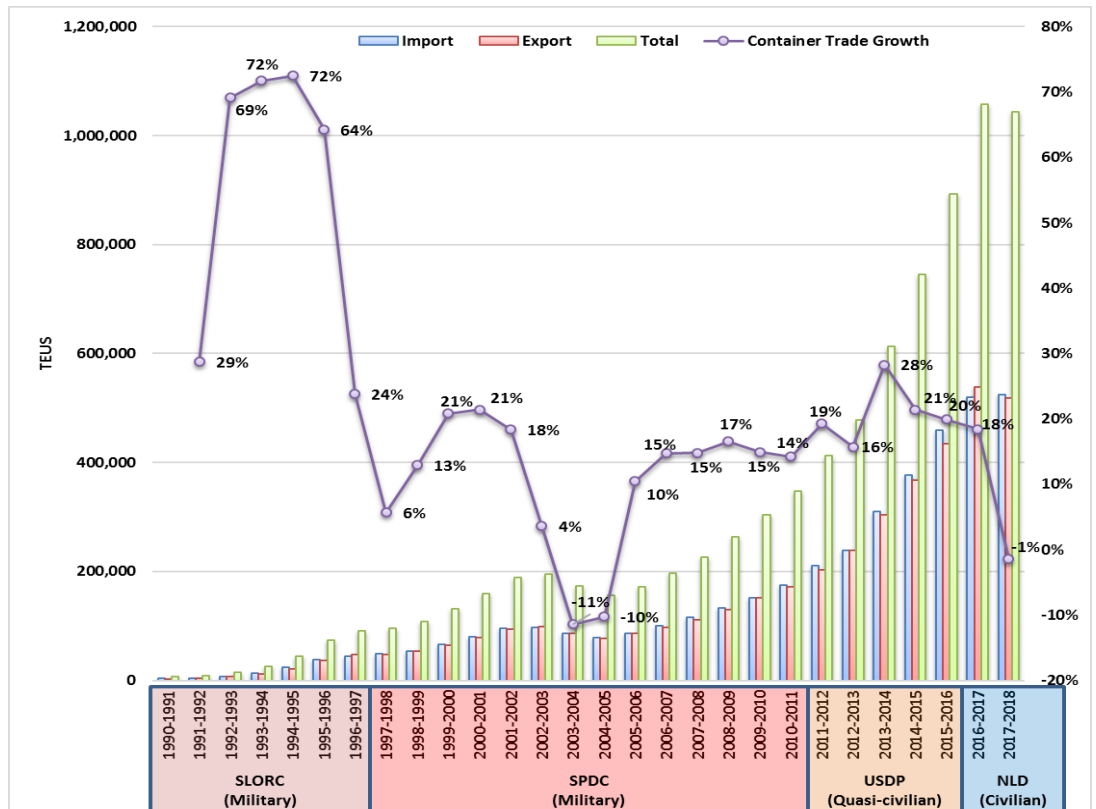
Source: The World Trade Organisation's (WTO) Total Merchandise Trade Indicator retrieved on 15 Oct 2018 from <http://stat.wto.org/StatisticalProgram/WSDViewData.aspx?Language=E>

Figure 2.13 Yangon Port Cargo Handling Throughput (1988-1989 to 2017-2018)



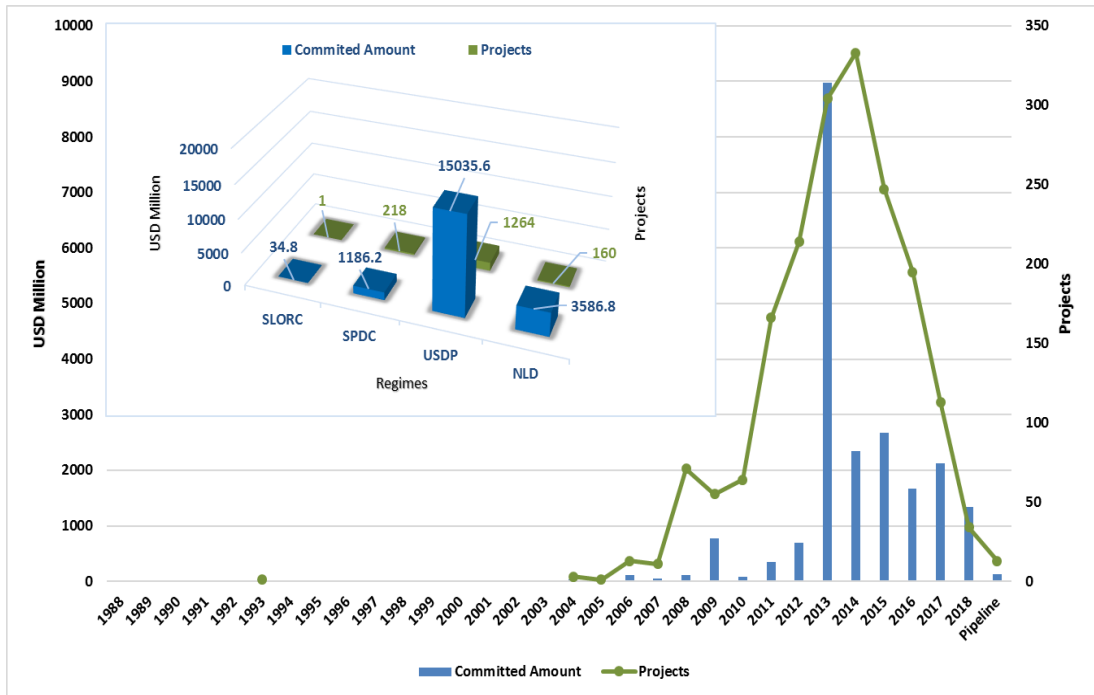
Source: The MPA Annual Cargo Handling Throughput retrieved on 15 October 2019 from <http://www.mpa.gov.mm/facts-figures/statistics>

Figure 2.14 Yangon Port Container Handling Volume (1990-1991 to 2017-2018)



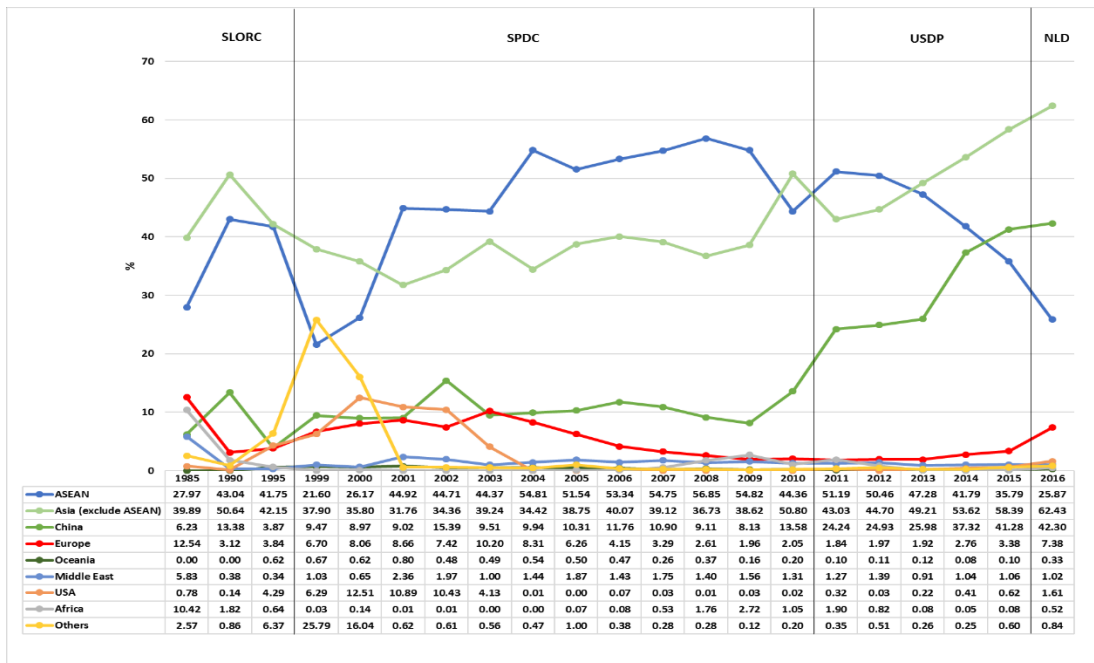
Source: The Myanmar Port Authority

Figure 2.15 International Aid in Myanmar (1988-2018)



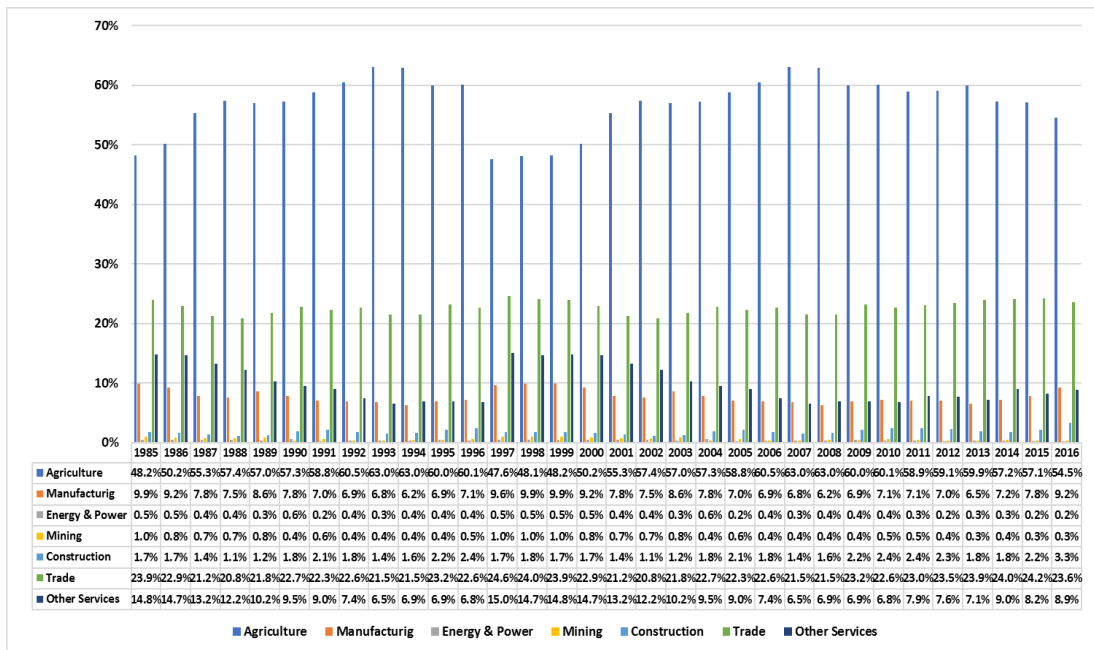
Source: the Ministry of Planning and Finance’s Donor Summary Report retrieved on 15 October 2019 from <https://mohinga.info/en/export/>

Figure 2.16 Myanmar Exports by Country & Region (1988-2016)



Source: Central Statistical Organisation, Myanmar retrieved on 13 October 2018 from http://mmsis.gov.mm/statHtml/statHtml.do?orgId=195&tblId=DT_YAJ_0009&conn_path=I3

Figure 2.17 Sectoral Contributions to GDP (1985-2016)



Source: Central Statistical Organisation, Myanmar retrieved on 15 October 2019 from <http://mmsis.gov.mm/statHtml/statHtml.do#>

Chapter 3. Literature Review

3.1. Introduction

Corporate co-evolution has been a topic of growing interest in multiple disciplines, especially in organisation science (e.g. Olsen 2017), strategic management (e.g. Volberda et al. 2017) and international business (e.g. Jiang et al. 2016). Corporate co-evolutionary theory helps us to understand why and how organisations and their environments dynamically interact and develop over time (Child, Rodrigues and Tse 2012; Rodrigues and Child 2003). Owing to a predominant focus on developed and emerging economies in the co-evolutionary literature, studies on developing contexts have been marginalised inadvertently and thus remain scant. Despite various case studies in this field, relatively little is known about the co-evolutionary phenomenon of state-owned economic enterprises (SEEs) that provide international businesses and operate within government-business networks.

Hence, this study of the development trajectories of the Myanmar Port Authority (MPA) and the port industry has exceptional potential to contribute to an enhanced understanding of this facet of co-evolutionary dynamics. The corporate co-evolutionary theory covers leadership dynamics at the organisational level, competitive dynamics at the industry level and institutional dynamics at the environmental level. However, to explore in-depth the profile-specific effects of top managers, especially CEOs with military backgrounds, on corporate co-evolution, this study adds upper echelons (UE) theory as a complementary lens. On the premise of UE theory (Hambrick and Mason 1984; Hambrick 2007), top management team (TMT)-outcome (i.e. strategies and performance) relations at the organisational level are studied. The aim of linking UE theory with co-evolution was to investigate CEO effects in corporate co-evolution across levels and over time. Additionally, with a motivation to unpack the dynamics of inter-organisational relationships and port network evolution, this study links the concept of business networking as a complementary lens to co-evolution. Business networking perspective (Cook 1977; Ford and Mouzas 2013; Håkansson and Snehota 1995) focuses mainly on inter-organisational interactions at the network level rather than cross-level organisation-environment interactions. In combination with co-evolutionary theory, business networking perspective is used to examine cross-level power relationships and

interactions and forces of business network emergence and evolution. To this end, this chapter reviews a number of studies covering co-evolutionary, UE and business network theories. Further, it explores their origins, connections, literature (theoretical, methodological, and thematic) gaps, and research potential.

This chapter aims to articulate both what is already known about corporate co-evolution and potential new insights for a better understanding of this topic. This chapter consists of three main parts that review co-evolutionary, UE, and business networking perspectives. First, the chapter examines co-evolution, its origins, definition, and characteristics, as well as co-evolutionary dynamics, processes, and outcomes. Second, this chapter looks at CEO/TMT effects on organisation-level strategic orientations, external and internal influential factors and the effects of insider/outsider CEOs. The third section of the chapter delves into the extant knowledge in inter-organisational research on the dynamics of power relationships, business network emergence and evolution, as well as patterns of interaction among actors in business networks. The fourth part of this chapter reviews four recent case studies to understand their empirical approach, research potential, and challenges. Fifthly, the chapter explains the implications of co-evolutionary theory for the study of port-network development. Following this, based on the theoretical understanding (deductive) and knowledge of the selected case background (inductive), the chapter develops a two-dimensional analytical framework that sets up relevant theoretical lenses comprising three analytical levels (contextual dimension) and spanning transitional timelines (historical dimension). The chapter concludes by discussing the potential and rationale for studying further the complex phenomenon of port industry development in a transitional and developing economy, Myanmar. Alongside a review of established theoretical knowledge, this chapter also appraises the underpinning methodology.

3.2. Co-evolutionary Perspectives

This section reviews the co-evolutionary literature in detail, covering not only seminal and contemporary studies, but also review and empirical papers across various development trajectories in the field from its genesis to the present day.

3.2.1. Origins, Definition, and Characteristics of Co-evolution

This sub-section explores the origins, definitions and characteristics of co-evolution and presents a brief chronological and thematic review. The concepts and principles of co-evolution, a term first coined by Ehrlich and Raven (1964, 586), were originally grounded in population biology and the biological sciences. Coevolution denotes mutual adaptation between two specific entities of different populations within a particular community in which they evolve interactively. Ehrlich and Raven highlighted the two key perspectives of co-evolution as being “reciprocity”, i.e. having specific interrelationship and interdependency and “coadaptation”, i.e. mutual adaptation among entities for the sake of their survival or fitness within their environment (p. 603).

Research focus on co-evolution grew exponentially in the 1980s. Among others, American naturalist John N. Thompson (1982) extended the boundaries of co-evolution, insisting that interactions and interrelationships were basic mechanisms of co-evolution: “co-evolution demands and produces some degrees of specialisation in interactions..., but not all highly specialized interactions are co-evolved” (p. vii). Moreover, he deduced that interactions could be either specific (i.e. one-to-one) or diffuse (i.e. multiple, within groups or networks) and asymmetric in terms of degrees of specialisation, which he denoted as dynamics of interaction. Thompson (1982) claimed that co-evolutionary processes were dynamic, i.e. patterns of interaction and degrees of specialisation differ over time and due to geographic differences and that as a result, outcomes varied (Thompson 1994, 2014). He concluded that co-evolution theory encompassed a holistic understanding of reciprocal evolution, which incorporates forces, mechanisms, processes and outcomes among entities and their evolving environments.

In the biological sciences, co-evolution is defined as ‘community evolution’ (Ehrlich and Raven 1964, 586), ‘evolutionary change’ (Janzen 1980, 611), and ‘mutualistic evolution’ (Van Valen 1983, 2). These concepts have spread widely across multiple disciplines: ecological economics (e.g. Foxon 2011; Kallis 2007; Norgaard 1984, 1994; Winder, McIntosh and Jeffrey 2005); organisation and management sciences (e.g. Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Lewin and Volberda 1999; Zhang 2016; Rodrigues and Child 2003); and international

business (e.g. Hutzschenreuter, Torben and Volberda 2007; Jiang et al. 2016; Lewin and Volberda 2011; Täube, Karna and Sonderegger 2018).

However, the term “co-evolution” in organisational studies is defined by Lewin and Volberda (1999, 526) as “the joint outcome of managerial intentionality, environment, and institutional effects”. Regarding this classic definition, organisations’ managerial intentions and environmental selection forces are primary determinants of co-evolution between organisations and their operating environment. Lewin, Volberda and other colleagues developed a new chapter in co-evolutionary theory in 1999. They outlined the emergence of new organisational forms as outcomes of organisation-environment co-evolutionary processes (Lewin, Long and Carroll 1999; Lewin and Volberda 1999), highlighting historical perspectives (Djelic and Ainamo 1999), firms’ absorptive/adaptive capacity in co-evolution (Van den Bosch, Volberda and de Boer 1999), variations in contexts and management logic as the sources of co-evolution (Dijksterhuis, Van den Bosch and Volberda 1999) and the co-evolution of network actors with their environments and within networks (Koza and Lewin 1999). They advanced co-evolutionary perspectives to be used as a meta-theory in longitudinal studies on the emergence and evolution of organisations, their strategies and performance. Concerning the limitation of single-lens short-term studies as well as internal and external influences, Lewin, Long, and Carroll (1999) introduced a comprehensive theoretical framework for the co-evolution of an organisation, industry and institutional and non-institutional environments. Within the boundaries of their co-evolutionary framework, four entities—an organisation, its (networked) industry, the institutional environment and the non-institutional environment—interact reciprocally with each other and thus co-evolve. Following Pettigrew (1985), Lewin, Long and Carroll’s framework focuses on the actors involved in both endogenous (i.e. intra-firm) and exogenous (i.e. industry and environment) interactions and potential influential forces within their business networks. The framework is structured to investigate a specific multi-level co-evolutionary phenomenon at the micro-level (i.e. organisation level) and the macro-level (i.e. population level or industry level and community-level within its environments). Later, researchers identified population level (i.e. inter-firm in the industry) as a meso-level phenomenon (see Foxon 2011; Volberda and Lewin 2003; Rodrigues and Child 2003).

Co-evolution theory integrates multiple lenses, e.g. institutional, resource-based, behavioural, and strategic choice. Drawing on evidence from occidental developed economies such as the US, Germany and Japan, Lewin, Long and Carroll's framework informs co-evolutionary dynamics, interactions, and processes at all three analytical levels. In connecting multiple theoretical pillars to improve understanding of complicated, interactive processes, co-evolution constitutes an umbrella theory (McKelvey 1999) for studying complex phenomena (Porter 2006). Additionally, viewed through contextual and historical dimensions (Pettigrew 1990), co-evolutionary studies contribute to a better understanding of how organisations develop over time, their strategic choices, the contingent effects of the institutional environment (i.e. nation-state system and setting) and the influence of non-institutional environments (i.e. socioeconomic conditions and technology) as well as management and development practices (Lewin and Volberda 1999, 2005).

As discussed above, scholars have defined the characteristics of co-evolution to incorporate multi-levelness/embeddedness (within an organisation, between organisations and between industry and the environment); multi-directionality (reciprocal interactions, nonlinearity, including dynamic, lagged and nested effects); positive feedback (a recursive interaction process that enhances co-evolution); and path dependence (an organisation's unique profile underpinned by past experience) (McKelvey 1997; Lewin and Volberda 1999). Porter (2006) clarifies six characteristics: specificity, reciprocity, simultaneity, permanency, boundary-crossing (multi-level, multi-theory and multi-method, and adaptive and emergent), and unplanned and unpredictable (p. 491-492). The detailed knowledge associated with these characteristics is discussed thematically in the following sections and subsections. In terms of associating methodological approaches, co-evolutionary processes should be examined through scientific studies (Norgaard 1984, 1994), employing a multi-lens focus, a longitudinal approach and empirical research (Lewin, Long and Carroll 1999; Volberda and Lewin 2003; Uli 2016) since consequences are both more realistic and unpredictable among complex phenomenon in interactive relationships.

Co-evolutionary theory and associated frameworks have been further developed and extended beyond adaptation-selection, i.e. organisations' adaptation

and environmental selection. The concept of organisational self-renewal highlights the roles of managerial intentionality or an organisation's strategic intention as a co-evolutionary antecedent (Lewin and Volberda 2003; Volberda and Lewin 2003). Reviewing critically the extant literature, some contemporary cases in the fields of international business and management derived from emerging countries have been selected for review (e.g. Child and Tsai 2005; Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003). These cases advanced co-evolutionary perspectives by highlighting influential dynamics, especially political dynamics, as well as different forms of interactions among actors across levels in different times and contexts. Some of them have used the term "corporate co-evolution" (see Child, Rodrigues and Tse 2012; Rodrigues and Child 2008) to apply to the development of businesses in their interaction with institutional/state actors over time. Specifically, why and how organisations co-evolve with their environments are the key research questions in the corporate co-evolutionary paradigm.

However, the need for context-specific time series data and access to such data are major barriers to conducting empirical longitudinal studies in this field; theoretical development is thus still scant (Lewin and Volberda 2005; Meyer 2015). These challenges may be overcome by testing and extending co-evolutionary theories using Myanmar (specifically, the Myanmar Port Authority, or MPA), a hitherto under-researched context (e.g. Bae 2018; Holliday 2005; Meyer and Thein 2014). The following sub-section reviews the extant knowledge on country-specific variations in relation to co-evolutionary outcomes.

3.2.2. Country-specific Effects in Co-evolution

Extant literature points out that co-evolutionary *outcomes* are associated with variations in country-specific *effects*, e.g. institutional systems and management practices (Lewin, Long and Carroll 1999). Distinguishing institutional contexts and management practices among the US, Germany and Japan, studies have highlighted the mediating role of the different nation-state systems in which firms and industries are embedded. Evolution across a specific time horizon and country-specific differences theorise historical and spatial embeddedness, respectively (Halinen and

Törnroos 1998). Likewise, Dijksterhuis, Van den Bosch, and Volberda (1999) assert that contextual variation in national level, industry level and firm-level, as well as management logic differences, i.e. classical, modern, and post-industrial, are sources of co-evolution. Country-specific institutional constraints and policies differentiate (enable or restrict) firms' strategic orientations and co-evolutionary options. Child and Tsai (2005) identify cross-national differences in organisations' environmental strategies in case studies of China and Taiwan. Moreover, home/host country-specific effects, e.g. social, cultural, political and institutional factors, are as influential as industry effects on multinational corporations' (MNCs') strategy-performance relations and are highly significant in developing economies, while corporate and affiliate effects are significant in developed economies (Makino, Isobe and Chan 2004; Makino 2014).

Makino (2014) suggests three key perspectives for research into national contexts—multilevel, historical and variance-centred. Multilevel perspectives pay attention to the macro, micro, and individual levels. Individual top managers reflect organisational outcomes in UE theory whereas co-evolutionary theory focuses on CEO/TMT effects on leadership dynamics in managerial actions. Historical perspectives view path/past dependency and the consequences of historical events, while variance-centred perspectives emphasise the convergence and divergence of practices and performance over time within and across nations. This thesis is an attempt to respond to Makino's encouragement to develop a comprehensive framework for national context studies viewed through these three perspectives and cross-level analyses. The selected contemporary case studies (Child and Tsai 2005; Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003) from three emerging economies - Brazil, China, and Indonesia - advance knowledge of relational frameworks (Meyer and Scott 1983) used in response to institutional constraints (Oliver 1991). Further, the case studies address how political strategies and processes work in country-specific institutional environments. While they cover diverse contexts - a Brazilian telecom company; MNCs in the Chinese chemical industry; a family business in Indonesia; a private automaker in China; and a JV terminal in the Chinese port industry - they all describe co-evolution between a single firm (or a group of manufacturers in the chemical industry in Child and Tsai 2005) and their institutional environments. Since co-

evolution is location-specific, it is linked strongly to the geopolitical situation and potentially can offer both different and common results (see Thompson 1994; Sakano and Lewin 1999; Dieleman 2007). Taking the same co-evolutionary theory as a starting point, this thesis deploys distinct context and methodology.

Contextually, this thesis aims to investigate the corporate co-evolution that takes place through government-business networking in a port industry within the state-dominated business (SDB) environment of a developing economy, Myanmar. Myanmar's socioeconomic situation is characterised by state dominance (Than 2007), institutional prevalence (Taylor 2009), a "state-led market economy" (Bae 2018, 60), a high power distance culture (Rudkin and Erba 2018) and decades-long military induction into the civil services. These factors make the business landscape in Myanmar unique as an SDB environment. However, most prior work (e.g. Taylor 2009; Than 2007; Jones 2014) has viewed state dominance in the Myanmar business environment through the lens of the political economy. Focusing on the unidirectional effects of state-dominance, it pointed out the perpetuation of state intervention and control over the government-business nexus as the root cause of failures in economic development and industrialisation under the state-managed transition. Distinct from the approach of this previous work, this study, by focusing on multi-directional interactions in the context of co-evolution, aims to address how the entire Myanmar port industry and its actors could achieve development even within an environment of strong state dominance. The port industry is characterised as a business network (Brooks and Cullinane 2007; van der Lugt, Dooms and Parola 2013) in which multiple public agencies and private entities including terminal operators, shipping lines, port users and - in the case of Myanmar - international development partners interact dynamically and intentionally with each other across complex activities (Hatani 2016).

Methodologically, this thesis aims to examine co-evolution between multiple organisations across three levels, centring on a focal port authority and including four groups of private actors at the industry level as well as institutions at the environmental level, in response to influences in play during the country's transition from socialist to military dictatorship, and then to democracy. In so doing, this study extends the scope of previous research to cover the entirety of the networked industry level while

simultaneously concentrating on organisation-institutional environment co-evolution. Following Makino, Isobe, and Chan (2004) and Makino (2014), investigating such a unique and underresearched context has the potential to expand knowledge of co-evolutionary antecedents, consequences and patterns of interactions as well as organisation-level and industry-level outcomes. Additionally, since studies in processes and trajectories of economies in transition can develop new insights (Meyer and Peng 2005, 2016), the evolution of Myanmar's port industry within the environment of the country's radical transformation is an interesting context for advancing such theories. Including summarising the extant literature and linking to selected case phenomenon, this dissertation aims to address *why, how, and when corporate co-evolution takes place across levels within an SDB environment*. In doing so, the thesis intends to respond to the call of Volberda et al. (2017) for studies that develop a more nuanced understanding of different forms of influence and interaction that prevail at different analytical levels and within different economies.

3.2.3. Co-evolutionary Dynamics, Processes, and Outcomes

Co-evolutionary dynamics are causal effects such as external and internal forces that stimulate co-evolution and the development of systems and involve entities through specific activities and processes (Child, Rodrigues and Tse 2012; Volberda and Lewin 2003). Co-evolutionary dynamics surface in several forms and at all three levels: organisation, industry, and environment. They are categorised in general as external factors—“institutional influences and non-institutional changes (technological, socio-political and other environmental phenomena)” and competitive at the industry level—and internal factors such as “managerial actions of organisations” that reflect CEO/TMT capability (Lewin, Long and Carroll 1999, 535). Further, co-evolutionary dynamics, processes, and outcomes are highly idiosyncratic in terms of variance in contextual and historical dimensions (Pettigrew 1990; Lewin, Long and Carroll 1999; Lewin and Volberda 2011). This is in line with their embeddedness - horizontal, vertical, and networked - in business network evolution (Geels 2014; Halinen and Törnroos 1998; Welch and Wilkinson 2004) and country-specific variations in practices-performance relations (Makino 2014). As such, co-evolutionary dynamics are change forces that are both internal and external to the organisation. In his book,

The Co-evolution Process, John Thompson (1994) highlights co-evolution as a process rather than a pattern. He insists on two important characteristics of co-evolutionary processes: 1) distinct specialisation in reciprocal interaction that can cause different patterns of co-evolutionary development over time, i.e. historical dependence; and 2) differentiation in dynamics and patterns due to geography, i.e. location specificity. The following sub-sections review further co-evolutionary dynamics, processes, and outcomes.

3.2.3.1. Co-evolutionary dynamics

This review highlights the significance of institutional and political dynamics as external forces and managerial intentionality as an internal force of corporate co-evolution. Co-evolution takes place through continuous interaction between the so-called adaptive tension drivers of internal and external forces (McKelvey 1999); without such dynamics, co-evolution is not likely to take place (McKelvey 2002). According to classic conceptual frameworks (Lewin, Long and Carroll 1999; Lewin and Koza 2001; Volberda and Lewin 2003), there are two types of external factors that influence and shape corporate co-evolution: institutional influences and non-institutional changes. Institutional influences are associated with nation-state systems and settings or country-specific constraints such as regulations, the education system, and governmental structures, whereas non-institutional forces are change drivers associated with macroeconomic, political and social forces, global interdependence such as technological innovation, market conditions and new entrants (Lewin, Long and Carroll 1999; Lewin and Koza 2001). These institutional forces are contingent upon the country and are relevant to opportunities for, as well as constraints on, strategic orientation at the organisation level and towards co-evolution. Radical changes in the institutional environment (Oliver 1992; Peng 2003), e.g. changes in the extent of institutionalisation and competition rules (Rodrigues and Child 2003) that can be part of state-led reform in an economy undergoing transition (Child, Rodrigues and Tse 2012; Jiang et al. 2016), provide organisations opportunities for development or co-evolution. From an industrial development perspective, some scholars (e.g. Calingaert 1993; Evans 1997, 1995; Page and Tarp 2017) have advanced knowledge of the role of the state or public institutions and government-business relationships in

industry evolution. Indeed, competitiveness, power, and relationships are all forces involved in the interplay among organisations in a networked industry (Lewin and Volberda 1999; Rodrigues and Child 2008). Hence, multi-level co-evolution takes place within the boundaries of a business network due to the influential dynamics of each actor. Regarding the embedded nature of co-evolution, any variation at the environment level affects evolution at the organisation level and vice versa.

At the organisational level, the CEO/TMT's ability, resources, capabilities, and competencies are internal forces (Lewin and Volberda 1999; Volberda and Lewin 2003) that influence an organisation's strategic orientation, adaptation and performance distinctively. Furthermore, some scholars have recognised the perspectives and actions of TMT, including CEO decisions, as UE perspectives (cf. Child, Rodrigues and Tse 2012; Finkelstein, Hambrick and Cannella 2009; Jensen and Zajac 2004; Sakano and Lewin 1999). Hence, at the organisational level, the theme common to both co-evolution and UE is leadership dynamics as a component of an organisation's ability. Co-evolutionary perspectives have been extended beyond the standpoints of organisational adaptation and environmental selection. According to Thompson (1994), a distinct specialisation – action or response such as resource mobilisation, regulation due to an individual's interest, strategic choices or intentionality – in interaction can cause different forms of co-evolution (development) over time (historical perspective). McKelvey (1997, 1999) claims that co-evolution happens via a combination of firms' managerial actions, strategic choices and relevant institutional and environmental factors. This statement argues that co-evolution happens intentionally, which contradicts Darwinist perceptions of natural selection (Darwin 1859). Managerial intentionality is formed by the desire and belief of top managers (Hutzschenreuter, Han and Kleindienst 2019).

3.2.3.2. Co-evolutionary process

In the above sub-section, co-evolutionary dynamics were reviewed and external forces and internal forces in alternative institutional dynamics and leadership dynamics of corporate co-evolution were highlighted. This sub-section reviews co-evolutionary iterative processes in the extant literature and sheds light on political dynamics, relations between organisational responses, strategies and strategic actions. The co-

evolutionary paradigm contributes to knowledge on how organisations develop in response to the influence of their evolving environments over time (Child, Rodrigues and Tse 2012; Lewin, Long and Carroll 1999). Since institutional factors are present prior to an organisation taking strategic action (Child and Tsai 2005), institutional constraints limit organisations' managerial intentionality and options for strategic actions, but boost managerial inertia, whereas opportunities favour managerial intentionality (Oliver 1992; Rodrigues and Child 2003). Under strong institutional constraints, an organisation's response to its environments is associated with passive/reactive responses and adaptive strategies (Dieleman and Sachs 2008). Hence, the institutional embeddedness (Grandori and Soda 1995; Heidenreich 2012) or dependence (Joel and Oliver 1992; Oliver 1991) of an organisation is a root cause of organisation's lagging responses to change (Lewin and Volberda 2005). However, firm responses are not always passive (Oliver 1991; Child, Rodrigues and Tse 2013). When a firm has certain opportunities and sufficient power (Child 1972), it becomes proactive/manipulative and can respond strategically to institutional pressures and reshape its environment, i.e. conformity to manipulation (Dieleman and Sachs 2008; Oliver 1991). In order to mitigate institutional constraints and pressures, a firm optimises specialisation (Lewin and Volberda 1999) and manipulation (Oliver 1991).

In international business and management fields, previous studies (e.g. Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003) have confirmed the concepts that organisations can respond to institutional constraints and influence institutions when they have opportunities and (political) power; and thus, both are co-evolutionary antecedents. According to these studies, the evolving nation-state systems and settings engender opportunities and constraints, while macro-micro ties between individuals of government institutions and businesses become complementary power as a political resource. This concept comes out of advancing and linking a firm's prior adaptation knowledge, in terms of exploration and exploitation, to its changing industrial environment (March 1991). Managerial intentionality is elaborated more by exploration than exploitation (Dasí, Iborra and Safón 2015) and though less associated with adaptation is more significant in co-evolution (Lewin and Volberda 2005). In view of the strategic process, adaptation is achieved by exploitation rather than exploration and "effective in the short run but self-destructive in the long run" (March 1991, 71). Further, path

dependence is associated with the exploitation of gained knowledge while path creation is realised by exploration, power manipulation and resource mobilisation for co-evolution (Garud and Karnøe 2001; Garud, Kumaraswamy and Karnøe 2010). Hence, with opportunities and sufficient power, the organisation can become proactive and create new development paths by which co-evolution takes place. Otherwise, its strategic choice is path-dependent, by which adaptation takes place. This review continues an existing debate on path dependence versus path creation (cf. Garud, Kumaraswamy and Karnøe 2010; Vergne and Durand 2010), the former, a process of locking into an existing but inefficient path that leads to a vicious cycle and the latter, a process of constructing a new path that generates a virtuous cycle.

Some scholars in the international business (IB) field have highlighted the importance of an organisation's political strategies in specialisation (e.g. Dieleman and Sachs 2008; Heidenreich, Mohr and Puck 2015; Jiang et al. 2016). Dieleman and Sachs (2008) and Heidenreich, Mohr, and Puck (2015) note that firms deploy political strategies to align with and influence state actors such as politicians and government institutions and so co-evolve with institutions. However, according to Jiang et al. (2016), the firm adds political strategies as a complement to business strategies, improving their performance (i.e. business strategy) by attaining the support of institutions (i.e. political strategy) via relationships or political ties. Jiang et al (2016) developed a co-evolutionary model for the firm-institutional environment that focuses only on positive feedback (i.e. innovative performance) loops as enabling mechanisms of managerial intentionality and co-evolution with the institutional environment. Previous studies in the IB and management domains merely paid attention to positive feedback loops as enabling and enhancing mechanisms of co-evolution, especially between firms and their institutional environment (e.g. Child, Rodrigues and Tse 2012; Lewin and Volberda 1999).

In conclusion, the extant knowledge drawn from the literature reveals co-evolution as a complex process of interactions between organisations and their environments triggered by an organisation's efforts (specialisation) promoted by the leadership, with simultaneous adaptation to and influence on each other and their changing environments.

3.2.3.3. *Co-evolutionary outcomes*

The extant literature notes that outcomes of co-evolutionary processes can be positive or negative (see Garud and Karnøe 2001; McKelvey 1999) throughout the recursive processes (Lewin and Volberda 1999). Co-evolution as an iterative process is “driven by both direct interactions and feedback from the rest of the system” (Lewin and Volberda 1999, p. 523). However, previous studies in the IB and management domains focused only on positive feedback (outcome) loops as enhancing mechanisms of co-evolution, especially between organisations and their institutional environment (e.g. Child, Rodrigues and Tse 2012; Jiang et al. 2016). Departing from this traditional stream of co-evolutionary studies that pay attention to positive feedback loops alone as growth-generating mechanisms, this review pays attention to both positive and negative feedback loops. Negative feedback loops weaken change initiatives and diminish co-evolution (Campbell 1994; Baum and Singh 1994) and manifest a vicious cycle unfavourable to co-evolution taking place (Garud and Karnøe 2001; Rodrigues and Child 2008). However, positive feedback loops amplify the co-evolutionary process recursively and thus exhibit a virtuous cycle in which co-evolution can take place (Garud and Karnøe 2001; Rodrigues and Child 2008). Since co-evolutionary outcomes are not planned/set goals, but rather realistic and unpredictable under complex and interactive processes (Norgaard 1984; Porter 2006), they are distinct in perspective from organisational self-regulation (Binswanger 1991; Neal, Ballard and Vancouver 2017) and control theories (Ouchi 1979; Hodgkinson et al. 2009), in which negative feedback loops act as controls in eliminating goal-performance discrepancies. In contrast to self-regulation and control theories, co-evolutionary theory advances knowledge of *specialisation* and *manipulation* (Garud, Kumaraswamy and Karnøe 2010; Lewin and Volberda 1999) rather than controlling and correcting systems. According to Maruyama (1963), under specific conditions, a feedback loop can shift into another by adding specialised activities e.g. non-linear, multidirectional, and interactive activities (Forrester 1968), or damping mechanisms (McKelvey 2002). Nonetheless, both empirical and theoretical understanding of why negative feedback loop results and how feedback loop transformation can happen is still scant in the extant literature.

3.3. Upper Echelons Perspectives

Modern organisations (and their environments) are increasingly rational and structured, but more complex, with strategic choices and performance contingent on the formulation of strategic actions and prediction of the outcomes of these actions. Organisations are complex or open systems (Perrow 1986) in which people (not organisations) make strategic decisions (Bell, Raiffa and Tversky 1988) and thus an organisation's actions are reflected by the people (individuals or coalitions) in the top positions (Hambrick and Mason 1984). Strategic decisions are the outcomes of power interactions and political engagements among people in the top positions of an organisation (see Bolman and Deal 2013; Shafritz, Ott and Jang 2005). Concerning this perception of powerful actors' influence on strategic decision-making in a firm, scholars in the fields of management and leadership have paid more attention to the human dimension, especially top executives and their impact on organisational outcomes. As classical and primary contributors, Hambrick and Mason (1984) first introduced the term 'upper echelons (UE) perspective' composing theoretical proxy constructs, key variables and feasible methodological approaches. The UE theory, which emphasises the human factors in decision-making, contributes to how executives in the top management stratum interpret and respond to the situations they face through their highly individualised opinions. The theory acknowledges organisations as reflecting their top-level echelons (Hambrick and Mason 1984).

However, UE theory looks only at executives' measurable managerial characteristics and linkages between their strategic actions and organisational performance. As the theory places less emphasis on process and more on relationships (Hambrick and Mason 1984), there are still a number of 'black box' aspects that remain unexplored, such as how top managers' decision-making behaviour is driven by psychological (individual) and social (within team and with environments) processes (Hambrick 2007) and how environmental factors affect UE perceptions (Carpenter and Fredrickson 2001). This study, too, pays relatively little attention to the psychological dimension; as Hambrick (2007) has admitted, this is very complex and challenging to measure. However, this study does attempt to advance understanding of dominant internal and external factors prevalent in executives' managerial perceptions by conducting a systematic review that integrates the roles of upper echelons and the political/social processes among powerful actors within the

industry and environment. In this regard, this review explores the roles of TMT from the UE perspective and sheds light on the stimuli that influence executives' interpretations and choices within relevant theoretical domains—institutional/environmental contexts and decision-making processes—in management and organisation sciences. Previous studies of both theories as well as empirical evidence are reviewed to clarify the limits and boundaries of existing knowledge in this area. Regarding the literature in a wider, multi-disciplinary context, this review focuses on the roles of upper echelons in making strategic choices—is it the CEO alone or the TMT that matters?—and influential external and internal factors, followed by the presentation of a research agenda.

Methodologically, almost previous studies on the UE perspective have employed quantitative enquires. They used and analysed the demographic attributes of TMTs/CEOs, and paid attention to the developed and emerging economies. Results and findings were drawn from several quantitative analyses based on large sample data sets. Hambrick (2007) encouraged the advancement of UE theory by examining TMT effects within different economies and contexts since prior empirical studies focused predominantly on firms in developed economies especially US firms. Moreover, an extensive literature review reveals that there has already been a great deal of quantitative enquiry into the degree of impact of firm leaders (CEOs/Chairmen) and TMT demographic characteristics on strategic choices and firm performance and already hit to its limit. As Finkelstein, Hambrick, and Cannella (2009) have explained, the difficulty of measuring other human factors, group integration and power distribution means that studies focusing on said impact factors are still lacking. Thus, there is much potential for further qualitative research exploring CEO and TMT perceptions and perspectives regarding autonomy, job demands, power distribution and integration in the group, as well as examining the effects of such matters on these people's strategic choices and responses to institutional, industry and environmental pressures. Previous studies have also examined CEO succession—looking into specific CEO attributes, such as whether they are an insider or outsider and their personal characteristics and competencies—and internal (such as performance and restructuring) and external (community and partners) consequences. In the case of MPA, however, four CEOs were insiders. The rest of the two were outsiders. But, all were ex-military personnel (Army, Navy or

Airforce). This study investigates the influences of both insider/outsider CEOs and TMTs on strategic reorientation, by drawing from their attributes in qualitative nature such as perceptions on managerial discretion, power distribution, and sub-grouping, in response to institutional, industry and organisational pressures. Despite the frequency of state-owned enterprises collapsing in many developing economies, empirical evidence regarding the causes of such issues remains scant.

To look into the said research gaps, this study encourages researchers to undertake a single-case longitudinal study of a developing or transitional economy. Moreover, to improve rigour in using a single case, a multi-method qualitative inquiry should be conducted alongside a retrospective/longitudinal approach. This review shows that matters of the process are exceedingly complicated and far beyond the limits of the human dimension and bounded rationality. This study suggests that more attention be paid to other dimensions – structural, political, and symbolic – in research into the strategic decision process employing a single case study. Furthermore, it discusses a conceptual framework that places emphasis on the interactions across micro and macro processes in decision-making.

3.3.1. The CEO alone or the Top Management Team Matters?

As Hambrick (2007) has previously set forth, attention on the entire TMT rather than the CEO alone can lead to a more comprehensive interpretation of how firms act in the interests of greater strategic gain and efficacy. This study continues a long debate on whether the CEO alone or the entire TMT matters in organisational level strategic decision-making processes (Balogun, Bartunek and Do 2015; Crossland and Hambrick 2007, 2011; Sakano and Lewin 1999). This literature review reveals that it is still true in most firms that strategic choice and performance remain within the domain of the CEO, who holds the most power. This concept perpetuates from the CEO succession (e.g. Carlson 1961; Helmich and Brown 1972; Chung and Luo 2013) to the CEO significance (Quigley and Hambrick 2015; Sakano and Lewin 1999). Nonetheless, as Quigley and Hambrick (2012) counter, an ex-CEO, by holding on to their position as a board chair, restricts the discretion and influence of a new CEO in strategic decision-making, which in turn can hinder improved firm performance. This is one of the reasons why firms can face difficulties in responding to change in their

environment and even to their competitors' actions. Moreover, there is clear evidence that long CEO tenure can impact negatively on firm performance (Miller 1991; Xueming, Kanuri and Andrews 2013). Miller (1991) uses the term "stale in the saddle" to describe the situation and impact of long tenure CEOs. Although UE theory pays more attention to executive groups or teams than individuals (such as the CEO) (Hambrick 2007) in looking at the significance of top manager collectiveness in strategic processes and firm performance, prior studies have given greater prominence to country/context-specific and historical variations: CEO succession does not matter in Japan while it does matter in the US (Sakano and Lewin 1999); the CEO effect on firm performance is greater in the US than in German and Japan (Crossland and Hambrick 2007, 2011); the TMT rather than the CEO alone matters in the UK (Balogun, Bartunek and Do 2015); CEO significance increased in the US in the 1990s and beyond (Quigley and Hambrick 2015).

Since organisation and industries are embedded within institutional systems and the environment in which they operate (Halinen and Törnroos 1998; Lewin, Long and Carroll 1999), their structure and behaviour are coupled to a degree to the institutions and systems under isomorphic pressures (DiMaggio and Powell 1983). Organisational characteristics are antecedents/internal influences of CEO/TMT-outcome relationships (Carpenter, Geletkanycz and Sanders 2004; Wang 2015). Carpenter et al. (2004) highlighted organisational characteristics such as globalised firm/MNC and TMT/board heterogeneity, while Wang (2015) drew attention to firm attributes such as size, age, life cycle, ownership and the industry in which the firm operated. Behavioural integration (collective/sub-group) between the CEO and some TMT members contributed to better-quality strategic decisions (Carmeli and Schaubroeck 2006), impacted positively firm performance by enabling sharing of information, resources and decisions (Hambrick 2007) and improved SME adaptation capability through strategic decision comprehensiveness (Friedman, Carmeli and Tishler 2016). Structural interdependence (horizontal, vertical, and reward) within the TMT also improves firm performance (Hambrick, Humphrey and Gupta 2015). However, a more nuanced understanding of the effects of firm structure as structural determinants on CEO/TMT behaviour and firm outcomes is still needed.

3.3.2. Top Management Teams and Firm-level Outcomes

Previous studies that emphasised executives' background and attributes were the impetus for the emergence of UE theory. In accordance with the concept of top managers' important roles in strategic decision-making, strategic choices are generally reflective of decision-makers based on a set of 'givens' (knowledge about a specific decision topic) they have under the conditions of bounded rationality (limited information, cognition, and time) (March and Simon 1958). Moreover, strategic choices are the outcomes of a structural decision-making process exercised by the 'dominant coalition' of an organisation (Child 1972, 17). According to Miles et al. (1978), firms' strategic choices rely significantly on their top executives' beliefs (in line with their background and experience), making this an important instrument for analysing an organisation's ability to adapt to its environment.

Theorising and synthesising prior literature in several fields that favours managerial characteristics as an instrument, Hambrick and Mason (1984) drew on the UE perspective that contends "the organisation is a reflection of its top manager" and "the organisational outcomes can partially be predicted from managerial backgrounds" (p.197). Specifically, UE theory is rooted in the concept that strategic choices are outcomes of top executives' cognition and idiosyncratic values (in accordance with their background and experience) in relation to a specific situation and potential dynamics emergent both intra-organisationally and in the environment. Almost all UE studies have used reliably executive demographic attributes as a valid proxy construct for psychological cognition and values. In respect of upper-level manager heterogeneity in knowledge and values delimited by their personal attributes (e.g., age, functional/career experiences, education, and team characteristics), their strategic choices (or decisions) are varied and so lead to differences in organisational performance (Hambrick and Mason 1984). As such, UE theory reveals the patterns of association between top executives' managerial (background) characteristics and their strategic choices and organisational efficiencies. Hambrick and Mason (1984) also propose extending the focus of the organisational research theme from a micro-perspective (CEO/individual managerial influences) to a macro-perspective (a coalition of top managers' attributes).

As primary researcher, Hambrick (2007) updated the proposition that studies in this field should focus on TMT characteristics rather than the characteristics of individuals or the CEO alone, to gain a better understanding of a complex organisation in which shared, integrated and collective actions and capabilities are commonly involved in strategic decision-making. Hambrick further suggested measurement of certain assertions and changes within complex organisations, such as TMT composition, managerial discretion, job demands, power distribution and behavioural integration as moderators for future UE studies (Hambrick 2007). By employing the UE perspective, one can gain a better understanding of strategists (decision-makers) and greater awareness of their strategies/actions, even to the extent of being able to predict an organisation's moves.

In a similar way, variation in top managers' distinctive attributes, mindsets, and desires reflects directly organisational change (adaptation to the environment) and development, as these organisations interpret situations they face through the lens of top managers' "experiences, values, personalities, and other human characteristics" (Finkelstein, Hambrick and Cannella 2009, 4). Moreover, as it is people (not organisations) that make decisions, decision-making is thus a process of descriptive, normative and perspective interactions undertaken by individual decision-makers or executive teams (Bell, Raiffa and Tversky 1988). Researchers in other theoretical domains/disciplines have presented the same concept and idea—e.g., board composition and its effects on board actions and firm performance (Adams, Hermalin and Weisbach 2010) in *corporate governance*; strategic choices being the outcomes of executives' perceptions of their environment and organisational capabilities (Miles et al. 1978; Miles and Snow 1986) in the fields of *strategy, structure, and process*; strategic choices (decisions) representing the results of bargaining and power interaction (influence) among individuals and coalitions (French and Raven 1959; Pfeffer 1981; Shafritz, Ott and Jang 2005) under the *political model of organisation*; executives' demographic preferences (UE perspective) being in accordance with their structural position (agency perspective) shaping corporate strategies (Jensen and Zajac 2004); the impact of political skill (relational leadership/celebrity) (Darren et al. 2014) and executive leadership (Nathan and Marie-Michèle 2014) in producing firm strategy, culture and performance in the field of *organisational psychology*. Recently, research interest in the field of TMTs and CEOs, their roles in making strategic

decisions and impacts on the firms' outcomes – strategic choices and performance – has risen dramatically among scholars in the strategic leadership, organisation and management sciences.

This extensive walk-through of the literature in this field notes that there has been much research on the connections between *TMT characteristics* (e.g., Agnihotri and Bhattacharya 2014; Jensen and Zajac 2004); *TMT capabilities* (e.g., Butler 2009; Hermano and Martín-Cruz 2016); *TMT composition* (e.g., Acar 2015; Bantel and Jackson 1989; Carpenter, Geletkanycz and Sanders 2004); *TMT heterogeneity* (e.g., Alexiev et al. 2010; Hambrick, Cho and Ming-Jer 1996; Li, Zhang and Zhang 2015) and collective strategic decisions and performance. Following Hambrick's UE perspective, several scholars have extended the theoretical frontier to explore the linkages between TMT characteristics and *organisational creativity* (Yoon, Kim and Song 2016), *firm innovation* (e.g., Alexiev et al. 2010; Bantel and Jackson 1989), *strategic orientation* (e.g., Chaganti and Sambharya 1987; Jensen and Zajac 2004), and *firm decisions on internationalisation* (e.g., Aharoni, Tihanyi and Connelly 2011; Lin and Cheng 2013).

3.3.3. External Effects

A wider range of theoretical perspectives in organisation and management sciences has already explained the external factors influencing top executives' strategic choices. Prior theorists in the fields of organisation, strategic management, and institutional theory have highlighted these factors in multiple themes and domains. Factors that have already been identified and those still requiring more empirical evidence are presented in this section. Firms operating within a specific system in a field become more isomorphic with (or adapted to) their institutional environment under the phenomenon of high institutionalisation; institutional pressures are dynamics that lead to organisational isomorphism (or homogeneity) in terms of firms' strategic choices, structures and operating activities (DiMaggio and Powell 1983; Meyer and Rowan 1977). The concept is that in such highly institutionalised/regulated circumstances, firms have less chance to employ rationality in making strategic choices and instead reflect the influence of institutional constraints.

Under the theme of external environmental factors impacting on strategic decision making, Balta, Woods, and Dickson (2009) assert that environmental dynamism (market, competitor, and customer) and complexity (product life cycles, changes in market practices and technology and consumer demand) are the predominant influences on the strategic decision-making process. They also contend that Greece's integration into European Union, which brought with it new institutional environmental pressures, motivated Greek firms to advance modernisation and innovation in order to compete with firms in developed EU member countries and thus enhanced the role of the decision-maker (Balta, Woods and Dickson 2013). Moreover, in his work on CSR-related strategic decision making in Chinese firms, Wang (2015) states that stakeholder interests, in general, influenced firms' CSR decisions significantly. More specifically, top Chinese executives were most concerned with shareholder's needs (in private firms) and government 'encouragement' (in state-owned enterprises) when making decisions. Customers and competitors alone had no positive impact on TMT decision-making in the context of Chinese SMEs, but had considerable power in larger enterprises. Moreover, through their empirical study of the emerging market of Jordan, Anchor and Aldehayyat (2016), found that the degree of influence of institutional contexts or deficiencies (both political and economic) in strategic decision-making was more significant than in strategic decision implementation. They mentioned that institutional deficiencies in the emerging market incorporated a lack of reliable information, government regulations focused on political goals rather than economic efficiency, and weak judicial systems. Building on Balta, Woods, and Dickson's focus on market situations and Anchor and Aldehayyat's work on institutional contexts, there is a need to extend the theoretical frontiers by investigating other potential environmental factors that influence upper echelons' strategic choices.

3.3.4. Internal Effects

According to Child (1972, 17-18), strategic choices are the outcome of a firm ('dominant coalition') power-holders'/executives' cognition and evaluation of organisational goals (deriving from all stakeholders' expectations) and antecedent performance, as well as environmental conditions. However, Child's strategic choice

model only constructs a strategic orientation process for firm structural (size, structure) and performance (technology, human capital) optimisation that leads to the goodness of fit with the firm's environmental strategy, e.g., market efficiency. Child also claims that his model incorporates a reciprocal interaction between a firm's environment and top managers' strategic choices derived through evaluation of environmental and organisational stimuli.

According to Bird (1988), however, both individual (personal traits and abilities in the past and present) and environmental (social, economic, and political) factors, as well as their interactions with the ways critical and intuitive thinking influence individual intention (or 'state of mind') drive an organisation's strategic actions and subsequent outcomes. Hitt and Tyler (1991) propose an integrated strategic decision model incorporating and focusing on three perspectives: the strategic choice perspective (Child 1972; Montanari 1978), the external control perspective (Romanelli and Tushman 1986) and the executive rational normative perspective (Andrews 1987; Ansoff 1968; Hofer 1978). Their models, however, only emphasise industry characteristics and market conditions as external control factors, thus missing many other potentially influential institutional, social, political, economic and technological factors.

Under the cognitive science domain, Macdonald (2004) in his book *Matters of Consequence* contends that almost all decisions are made through unconscious processes. He argues convincingly that strategic decisions are driven by two factors: human knowledge and experience or 'deep understanding' of relevant phenomena and the complex situations that dynamically impact on human consciousness. Extensive literature review reveals clearly that almost all UE theorists look only at human cognition based on their background characteristics (as measurable variables) and linkages to firms' strategic choices and performance. However, there is a broader - but still limited - range of theoretical paradigms in organisation and management science that explores the factors that are influential on human perspectives in decision-making. Such influence is not, however, linear and unidirectional. In reality, within the vein of corporate co-evolutionary perspectives in organisation and management science, humans, especially top executives, are able to face challenges that are

complex in terms of interaction by employing myriad resources, including their own capabilities and knowledge.

Using a model of organisational formation in entrepreneurial business, Mazzarol et al. (1999) found that social, political and economic environmental (contextual) factors; infrastructure development and the condition of the market (Specht 1993); and human factors such as personal traits and background are all influential either as triggers for or barriers to individual intention in making strategic decisions. Nonetheless, in accordance with the reality and nature of an individual's bounded rationality (limited by information, time, and cognition) in decision making under a complex phenomenon, their strategic choices ended up only satisfying rather than optimising.

Furthermore, as top managers' idiosyncratic values and cognitive base knowledge are individually distinctive, their rationalities (vision, perception, and interpretation of specific internal and external conditions) in strategic decision-making are also uniquely different and bound by limitations generally based on the characteristics of their managerial background. Under this concept, Hambrick and Mason (1984), in their classic review paper, asserted that firms' strategic choices and performance reflected top managers' managerial background attributes as a UE perspective. According to their original work as well as a subsequent update (Hambrick 2007), organisational performance can be predicted partially by its UE characteristics in terms of psychological perception, cognitive values, observable demographic attributes (age, functional tracks, experience, education, etc.) and social and behavioural moderators (managerial discretion, job demands, power distributions and behavioural integration). They also suggest that external (environment) and internal (firm) objectives are the most influential core drivers of a firm's strategic choices. This means that environmental factors such as population-level (industry) or community-level (environment) objectives/interests, in a specific context, can shape and define a firm's strategic choices directly and restrict its upper echelon's decision-making abilities. However, almost all scholars of UE theory subscribe to a common theme in terms of the degree that a TMT/CEOs' measurable background characteristics (causes) influence firms' outcomes (effects).

Chattopadhyay et al. (1999) make the argument that, as an intra-organisational factor, executives' beliefs in relation to strategic decision-making can be influenced by other members' beliefs through social interaction within the upper-echelon team. However, these scholars' social influence framework was constructed to focus on only three similarities (measurable variables) – functional background, age and tenure – as influential factors on beliefs. It would be reasonable, though, to also examine the strength of an impression regarding another member's abilities such as functional expertise, achievements, leadership capability as an influential social factor; such empirical work has yet to be done, owing to possible difficulties in measuring variables. Alternatively, behavioural integration (Hambrick 1995, 2005) – mutual/bilateral relations rather than collective interaction among TMT members – or corporate coherence (Hambrick 1997) (between a CEO and his or her selected/favoured barons/representatives) or factional groups (Li and Hambrick 2005) possessing higher demographic similarities influence positively firm performance. However, Li and Hambrick (2005) suggest that the larger the demographic dissimilarity among fragmented groups, the greater the incidence of conflict and behavioural disintegration, leading to lower organisational performance. Butler and Purchase (2004), in their study on the importance of human networking/relationships in doing business in post-Soviet Russia, claim that 'blat' or 'favours of access' gained by way of both formal and informal relationships among business partners and even with the government influences strategic decision-making aimed at enhancing competitiveness and achieving mutual benefits. Moreover, Butler (2009) asserts that decentralisation or power distribution (from senior managers to mid-level managers or even low-level employees), information sharing and collaboration in decision-making leads to sound business efficiency and a smoother-flowing chain of command when responding to contingencies and the dynamic challenges of environments.

3.3.5. Insider and Outsider CEO

There is a traditional stream in the UE literature in which prior studies focused mainly on CEO profile-specific variance, especially CEO insider/outsider effects, in organisational level performance (e.g. Helmich and Brown 1972; Karaevli 2007; Lindvall and Rueda 2014). Grünh et al. (2016) argued that outsiders are hesitant to

explore new strategic directions or paths in the short term and that their strategic actions are path-dependent since they need more time to become familiar with their roles and so prioritise stability. Moreover, insiders are more likely to explore and make new ways forward, i.e. path creation (see Garud and Karnøe 2001; Garud, Kumaraswamy and Karnøe 2010). However, this argument is in opposition to the notion that outsiders are more strategically oriented (see Chaganti and Sambharya 1987; Karaevli 2007).

This thesis aims to extend knowledge on CEO profile-specific variances in terms of their activeness in development initiatives (external/internal focus); harmonisation with industry actors; and advice-seeking behaviour and power distribution by examining the ‘insiderness’ and ‘outsiderness’ of the MPA’s CEOs. This dissertation draws on CEOs’ ex-military relationships with powerful state actors, their industry experience, and insider/outsider status. Chaganti and Sambharya (1987) classify insiders and outsiders by tenure; CEOs with total tenure in previous positions ≥ 5 years are insiders; otherwise, they are outsiders.

3.4. Business Networking Perspectives

The concept of business networking by the International Marketing and Purchasing (IMP) group appearing in the literature focus mainly on inter-firm relations and address these in terms of structure, process, and dynamics (Ford and Mouzas 2013; Olsen et al. 2014; Håkansson and Ford 2002; Håkansson and Snehota 1995). Looking through the IMP lens, a complex *process* (i.e., interaction or exchange of relations) takes place among interconnected network actors significant to each other within a heterogeneously webbed *structure* in response to the evolving *dynamics* of the business landscape.

3.4.1. Power Relationships in Inter-organisational Studies

In the field of business networking, “power is an attribute of position in a network structure” (Cook and Emerson 1978, p. 721), i.e. power and position shape the structure of a network. Power is studied in the process of interactions among participating actors in a business network (Ekström and Danermark 1991; Cook 1977; Olsen et al. 2014). Moreover, specialising resources (Cook 1977), investing in relationships (Salmi 1996) and socialisation (Cook and Emerson 1978; Grandori and Soda 1995) improves an actor’s network position and power to influence counterparts in pursuit of individual/group interests. For decades, power has been viewed as a key theme in business network and inter-organisational research (e.g. Ekström and Danermark 1991; El-Ansary and Stern 1972; Halinen and Törnroos 1998; Johnston and Lawrence 1988; Provan, Beyer and Kruytbosch 1980; Welch and Wilkinson 2005). Drawing on social power (French and Raven 1959) and social exchange theory (Cook 1977; Emerson 1976; Cook and Emerson 1978), studies on power in these fields have primarily paid attention to exchange of social relations (and resources) and interactions among actors via activities and through resource constellations within a social network context (Håkansson and Snehota 1995, 2000). However, the weakness of studies on power is that they fail to look beyond a dyadic (one-to-one) exchange, i.e. they fail to employ a broader system approach (Cook and Emerson 1978; Olsen et al. 2014). In this domain, furthermore, business relationships are viewed in terms of resources, activities, and actors (Welch and Wilkinson 2004; Partanen and Möller 2012; Håkansson and Snehota 1995) within spatial, social and temporal dimensions (Ford and Mouzas 2013; Ekström and Danermark 1991).

Power has long been central to studies on inter-organisational relationships and business networking (e.g. Ekström and Danermark 1991; El-Ansary and Stern 1972; Halinen and Törnroos 1998; Johnston and Lawrence 1988; Provan, Beyer and Kruytbosch 1980; Welch and Wilkinson 2005). El-Ansary and Stern (1972) introduced a model to measure power relationships within a specific distribution network based on *dependence* (who: actors—powerful or powerless; influencer or being influenced) and *power sources* (what: resources). Cook (1977) extended the understanding of *inter-firm interaction* (how: activity/process) as an exchange of relations among firms across B2B activities in response to power and position in the network. Empirically, power is used as a tool exploited in interactions among *network*

actors, i.e. *individuals or groups* according to Cook (1977), in pursuit of their individual/collective interests. From the resource-based view, as power is generated from resources, firms increase their power by *attaining control over resource-flow* within networks (Cook 1977) and *maintaining strong community connections* (Provan, Beyer and Kruytbosch 1980). Ekström and Danermark (1991) introduced the *process-oriented case study* strategy to study power mechanisms in power creation and interaction and insisted that it depended on specific geographical, social and historical contexts. Studies on inter-organisational relations first focused on, as a primary determinant, a narrow social environment (or milieu) in which firms are embedded (Cook 1977) and relationship development in business networks (Håkansson and Snehota 1995). Following Håkansson and Snehota (1995) and Håkansson and Ford (2002), actors develop relationships (socialisation) as a specialised function for resource constellation/mobilisation to strengthen their power. Moreover, Welch and Wilkinson (2005) looked beyond the dyad, reflecting associating actors in the network rather than only two conflicting actors, to understand the sources of conflict and the crucial roles of relationships and indirect power (as a catalyst for change) in conflict resolution.

Further, employing development and network perspectives, some scholars extended knowledge of government-business relationships. Building trust between state actors and private actors through interpersonal ties and iterative interactions is an effective way to reduce transition costs such as political and policy risks (Haggard, Maxfield and Schneider 1992). Industry evolution (success/failure) varies due to the government-business relationships and reflects state structures (predatory/captured or developmental/coordinated state) (Evans 1995, 1997). Effective government-business relationships developed through transparency, accountability, reciprocity, autonomy, and embeddedness (public and private each other) are drivers of economic performance (Lemma and Velde 2017).

3.4.2. Business Network Emergence and Evolution

However, the most intense focus in this field has been on structure, process and dynamics emanating from a narrow social system or milieu as a primary determinant, rather than from a broader system setting (argued by Gonçalves, da Silva and Teixeira

2019; Olsen et al. 2014; Welch and Wilkinson 2004). Although Håkansson and Waluszewski (2013) recently contributed a research model focused on relationships between influencing factors, types of interactions and outcomes, they drew attention to social, political, and technological influences, firm strategies and past patterns of interaction (path dependence). While the IMP group has constantly promoted theoretical development in industrial marketing and management drawing upon multiple theoretical perspectives from diverse domains (see Butler and Batt 2014; Halinen and Törnroos 1998; Peters et al. 2013), there is—with some exceptions (see Salmi 1995; Welch and Wilkinson 2005)—a paucity of studies on power relationships and interactions evolving over time at a network level and within a broader business ecosystem. This reflects a general lack of understanding of how prior work relates to a broader business ecosystem incorporating institutional environment (i.e. nation-state system and setting) and non-institutional environment (i.e. socioeconomic conditions and technology). Moreover, while IMP researchers have drawn from developed and emerging contexts (Kooli and Wright 2016) to progressively develop understanding of the changing dynamics of B2B relationships with regard to the contemporary challenges of economic turbulence and innovation, what we do know so far about the dynamics of business relationships and networking in wider world and especially in developing contexts. A call for further research by Håkansson and Snehota (2000) to deepen knowledge within the broader macro-environmental setting in the IMP field has been elevated by Nyström, Ramstrom, and Törnroos (2017), Gonçalves, da Silva, and Teixeira (2019), and Massey, Wang, and Kyngdon (2019). Regarding these motives, this study bridges the two interconnected theories of business network management and co-evolution to reflect a great need for better understanding of macro-environmental impacts on power relationships and business network evolution. Halinen and Törnroos (1998) identified three perspectives of network embeddedness (actor-network, dyad-network, and micronet-macronet) and six forms of embeddedness (historical, geographical, social, political, market, and technological) through which the evolution of business networks could be studied.

According to co-evolutionary perspectives, “change may occur in all interacting populations [i.e. networked industry] of organisations, permitting change to be driven by both direct interactions and feedback from the rest of the system” (Volberda and Lewin 2003). According to Child, Rodrigues, and Tse (2012), a focal

firm's development initiatives and evolution, in turn, can impact industry and even go so far as to affect the development of the entire country. Likewise, a business network can be influenced by a powerful actor's strategies and managerial actions (Koza and Lewin 1998, 1999), which reflect its top managers (Hambrick and Mason 1984).

3.4.3. Asymmetric Interaction

Asymmetries of power in business relationships have traditionally attracted the attention of management and IMP scholars (e.g. Cowan, Paswan and Van Steenburg 2015; Johnsen and Ford 2002; Rindt and Mouzas 2015), who have advanced knowledge of how dependent firms (with less power) can mitigate power and structural asymmetry. According to Johnsen and Ford (2002), firms can retain symmetric relationships by improving their capability. Also, firms can mitigate power asymmetry by improving relationships (Cowan, Paswan and Van Steenburg 2015). Rindt and Mouzas (2015) insist that firms can influence their counterparts by using their own rules for strengthening contract terms and conditions. Political embeddedness helps us understand the dynamics of power relationships by which business network evolve and political processes that take place among network actors/groups (Halinen and Törnroos 1998; Welch and Wilkinson 2004). Further, dependent organisations are highly tolerant and resilient in interactions with powerful counterparts within an uncertain environment that is associated with higher potentials (Heidenreich, Mohr and Puck 2015), because they have no other options and are expecting a better situation in the future. This statement supports to the work of Cowan, Paswan, and Van Steenburg (2015) in which it is posited that firms tolerate power-benefit imbalance at first when they have no alternative options and expect higher perceived benefits. However, these scholars mainly paid attention to inter-firm (business-to-business) relationships, whereas this study aims to study government-business relationships (Welch and Wilkinson 2004).

3.5. Empirical Approaches in Co-evolutionary literature

This section reviews selected case studies on corporate coevolution to explore relevant context areas and suggest prospects and challenges for further theory development. Recent studies (e.g. Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003) have revealed why and how organisations and their environments coevolve over time and the dynamics influencing these processes. Most of these studies fall outside the boundaries of the coevolution theoretical framework of Lewin, Long, and Carroll (1999). However, they have advanced in-depth knowledge and contributed fresh insights to the field by exploring influential dynamics, examining the consistency and variation in coevolution in accordance with differences in geopolitical contexts: locations and the developmental maturity of countries' economies and business industries. The four selected case studies most relevant to this research are reviewed as a means to discuss the dynamics of corporate coevolution and to advance knowledge on how firms coevolve within a business network, how organisational changes coevolve with rapid institutional changes and how upper echelons influences corporate decisions and strategic choices.

In their longitudinal case study of Telemig, a Brazilian telecommunications company, Rodrigues and Child (2003, 2008) focused mainly on the driving forces of coevolution within a highly institutionalised environment from a political perspective and multi-theoretical lens. Their study addresses how co-evolution can take place when an organisation is presented with opportunities that arise by way of radical changes in institutional systems and rules of competition and via coalitions of network actors across levels. The organisation they investigated was a highly regulated SOE in an emerging country and the investigation was undertaken during Brazil's transition from military rule to a democratic regime. The case is about the telecommunications business in South America, especially in Brazil, an emerging market. Telemig's transformation was from a monopolised SOE to a privatised public company, The main distinction between Rodrigues and Child's framework and others is that it is organised based on the case, with regard to "the relationships between the institutional regime, policies, political dynamics, and performance" (Rodrigues and Child 2008, 254). At the firm level, the authors point out that the restructuring and transforming of the TMT notably reflected the firm's strategic choices and management practices vis-a-vis its development path. Furthermore, they provided evidence for the role and

power, including regulation and policies, of state-level institutions as potential driving forces in encouraging firm organisational change and, in turn, the role and ability the firm's TMT can have in shaping institutional policies at the macro level. Additionally, one of the study's key theoretical contributions is that the dynamics influencing a firm's strategic choices and managerial practices (at the micro level) and core competencies and performance (at the meso level) are relatively varied with regard to the distinct intentionality (e.g. regulation, values, and norms) of the two regimes at the macro level.

Likewise, Child, Rodrigues, and Tse (2012, 2013) recognise that power plays a vital role in building relationships between an organisation and its external institutions at the macro-level and that this is a driving force and influential dynamic for corporate evolution. The authors concluded empirically this theoretical insight by using the case study of the Yantian International Container Terminals (YICT), the largest container terminal in China, a booming economy. The business model and functions are undertaken by YICT as a joint venture port terminal operator whose functions include port operation and services. Through the study, the authors were able to argue that coevolution takes place as an outcome of power interactions between the entities within the relationship's framework, developed by supporting resources. The results of the study support the consistent theme of the power and ability of a firm's leaders being crucial in responding to the dynamic forces between firms and their environments and, in turn, shaping the institutional environments.

Similarly, in her case study researching the Salim Group of Indonesia (Dieleman 2007; Dieleman and Sachs 2008), Dieleman explores the strategic orientation of a large Chinese family-owned business in response to the complex nature and institutional changes of Indonesia. Her results are concordant with the findings of the Telemig Case; she concludes that the institutional context and regime changes at the macro-level impacted strongly on Salim's strategies at the micro-level. The Salim Group founder, Liem, responded to institutions by building up relationships with an Army ethos in the Sukarno era and forming close relationships with Suharto. By doing so, Salim could mobilise external resources such as capital, and licenses for lucrative businesses. Depending on the regimes' favour via cronyism, Salim in return was able to shape Indonesia' economic policies and regulatory matters. Nonetheless,

facing serious coercion from the new regime after Suharto had stepped down, Salim lost most of its businesses in Indonesia along with the favour of institutions. In order to survive under the new generation leadership, the Salim Group changed its strategy to focus more on professional-based, international and independent business and move away from crony relationships. The author noted that, as a characteristic of coevolution, institutional factors influence a firm's evolution in a non-linear manner, depending on the distinct regime. However, Jiang et al. (2016) pointed out that the Salim case focused only on a single lens - the political strategy domain within firm-institution coevolution – and so had limited application.

More recently, in the case study of the Geely group, a private Chinese car manufacturer, Jiang et al. (2016) explored how and why firms in economies in transition attain speedy growth even within a complex and highly institutionalised environment. Unusual empirical evidence they found was that a positive firm performance result vis-à-vis innovation and political-business strategy, as a new mechanism of managerial intentionality, affected changes in the institutional environment. Moreover, by examining firm-institution coevolution, they concluded that strategic ambidexterity – a strategic action that achieves both political and business goals – is a key tool for coevolution of a private firm in an economy undergoing transition and with a highly regulated environment. The Geely case study shows that private firms, by applying effective resource allocation under matrix strategies, can respond to and interact with highly regulated institutions in an economy in transition to achieve their strategic goals.

The above four cases studies have contributed to the advancement of co-evolutionary theory by extending knowledge on institutional and political dynamics operating across contextual and historical dimensions.

3.6. Implications of Co-evolution for Development of Port Business Networks

Port industries, because of their business ecosystem features, are studied as business networks (van der Lugt, Dooms and Parola 2013) in which different actor-groups such as public port authorities, private terminal operators, shipping lines, freight

forwarders, and other port users interact to provide a range of logistical services. Among port actors, the port authority, as a public body, is a focal actor; the development of the entire industry and the various actors involved is thus underpinned by the port authority's strategic actions in response to the evolving environment. From a port management and development perspective, performance can be improved by better fitting firms strategies and structures to the environment (Brooks and Baltazar 2007; Vieira, Kliemann Neto and Amaral 2014). The potential effects of the environment comprise changes in global trends (e.g. trade, and technological innovation); government systems, policies and decisions relating to port reform; and firm-level strategies, especially of the port authority, reflecting top management decisions that underly selections and adjustments of incumbent institutions at the state level (Brooks and Cullinane 2007; Brooks and Pallis 2008). Moreover, the port governance structure is country-specific (Brooks 2004), depending on the extent of devolution allowed by the state and prevalent in the industry. Port authorities operating under a landlord port management model are hybrid organisations (van der Lugt, Dooms and Parola 2013) that account for both regulation and commercialisation and pursue interests of their own in addition to those of the entire industry. Such organisations are still firmly embedded in the public domain (Brooks and Cullinane 2007) in terms of structure and regulation. This dense, structurally-based connectedness and corporate coherence between public enterprises (e.g. SEEs) and the government is denoted as "embedded autonomy" by Peter Evans (Evans 1995)—successful industry development is associated with effective state involvement through this robust structure. Hence, SEEs' strategic directions and development paths are influenced substantially by institutional constraints and arrangements (Brooks and Cullinane 2007; Doctor 2016). Moreover, studies on port environment-governance-strategy-performance highlight recursive and feedback-driven strategic processes (e.g. Brooks and Pallis 2008; van der Lugt, de Langen and Hagdorn 2015). Brooks and Pallis (2008) portrayed a feedback mechanism that evaluates the outcome (performance) of certain strategic processes which then generate (new) and adjusted strategic actions for the next cycle of the process. Such effects are called feedback loops in co-evolutionary theory (Lewin and Volberda 1999). That being said, port governance-performance studies have focused mainly on the unidirectional effects of port governance authorities on port performance and vice versa as a loop, paying less

attention to empirical research on multidirectional interactions and mutual causality between state actors, public actors and private actors.

There have been exceptions to the above-mentioned focus, with some studies having looked at government-business (institution-firm/public-private) interactions from policy (e.g. Ferrari, Parola and Tei 2015) and co-evolutionary (e.g. Child, Rodrigues and Tse 2012; Hatani 2016) perspectives. Ferrari, Parola, and Tei (2015) first shed light on port management models (public, landlord, tool, and private port) and their strengths and weaknesses, looking at how European port authorities employing the landlord model could achieve their goals by using concession agreements as regulating tools in interactions with private actors. However, private actors' strategic responses to the port authority and institutions were not clear in this work. From the viewpoint of strategic management, organisations are not always passively influenced by institutions, but can strategically respond to institutional pressures and in turn influence institutions (Oliver 1991) when they have "certain opportunities" and "sufficient power" (Child 1972, 4). Child, Rodrigues, and Tse (2012) highlighted mutual and multidirectional interactions and influences (between organisation and government institutions) in which relationships developed through utilising an organisation's leadership capacity as a source of opportunity and power were used to influence counterparts. Hatani (2016) found that private actors are unlikely to influence institutions when institutional plasticity is limited, resulting in the failure of industry reform. Child, Rodrigues, and Tse (2012) and Hatani (2016) both used co-evolutionary theory to research interactions between (public) institutions and (private) firms in the port industries of China and Japan, respectively. Their case studies aided understanding of the factors contributing to the success (in China) and failure (in Japan) of government-business co-evolution in port clusters. Additionally, prior empirical studies on port industry development focused mainly on developed and emerging economies. Thus, researching ports in developing economies has great potential to contribute new insights drawn from the different patterns of interaction and evolution that occur in the different contextual setting (as suggested by van der Lugt, de Langen and Hagdorn 2015) of a developing economy. Therefore, this thesis uses co-evolution as a central theory to explore reciprocal interactions within a government-business network of the port industry in a developing economy.

Further, some scholars have explored evolution in the strategic orientations of port actors using the integrated lenses of co-evolution theory and network theory (e.g. van der Lugt, Doooms and Parola 2013; van der Lugt, Rodrigues and van den Berg 2014). Bridging network and co-evolutionary perspectives enriches understanding of co-evolutionary dynamics (e.g. external forces, interdependence and interrelationships among actors) and co-evolutionary processes (e.g. evolution of a networked industry, especially ports) at the networked industry level. Therefore, network theory is added as a complementary framework in the theoretical setting.

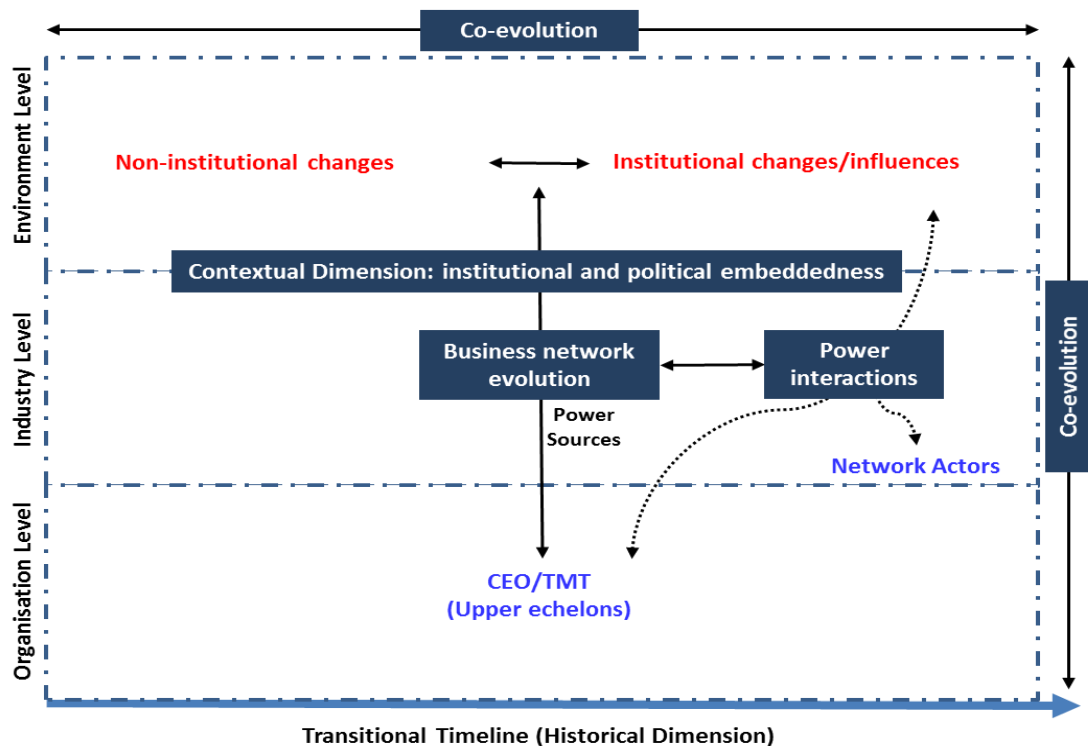
Additionally, from the viewpoint of the UE perspective, an organisation's outcomes (strategies and performance) reflect its top managers, especially the TMT (Hambrick and Mason 1984; Hambrick 2007). In his review paper, Verhoeven (2010) suggested that assessment of the balancing of power between government and port authorities could be tackled through TMT composition and strategic processes in which government was actively involved. Child, Rodrigues, and Tse (2012) shed light on an organisation's leadership in influencing government institutions. Hence, to enhance understanding of the leadership roles of an organisation's top managers in balancing power and relationships with government institutions, especially state actors (individuals), with private actors in the industry and within the organisation, this thesis adds the UE perspective to the theoretical setting as a complementary framework.

3.7. Analytical Framework

Reflecting on the above discussion of the extant literature and the selected case studies, a two-dimensional analytical framework was developed to guide studies of this kind. The framework comprises two dimensions: a contextual dimension that covers three analytical levels, i.e. organisation, industry and environment; and a historical dimension comprising a 30-year timespan (1988-2018) that covers the four regimes that have most recently ruled Myanmar. The three interrelated theories - co-evolutionary theory, UE theory, and business networking perspective - were deployed across levels: co-evolution theory as a core and UE theory and business networking perspective as complementary theories, so as to examine the selected case within a

multi-lens focus. At the environment level, two external factors - institutional factors and non-institutional factors – as well as institutional and political embeddedness of the industry and organisations, are included; at the industry level, business network evolution and power interactions among actors is included; and at the organisation level, CEO/TMT effects will be investigated.

Figure 3.1 Analytical Framework



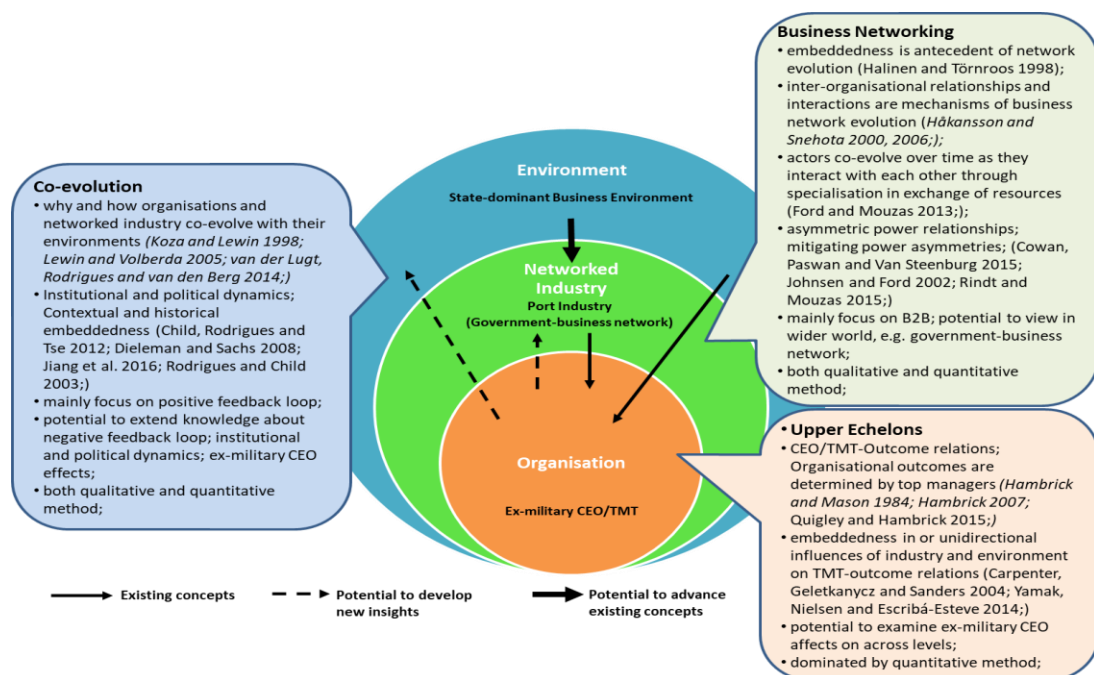
3.8. Chapter Conclusion

This review paid specific attention to co-evolution as a principal theory in order to digest prevailing insights and identify new research potential while at the same time intertwining this theory with the complementary UE and business networking perspectives for the purpose of enhancing co-evolution’s theoretical robustness and extending its application to yield the advantages of an integrated theoretical lenses approach. This literature review highlights theoretical connections and problems arising from critical review within and across the three theories, as well as research potential defined by cross-fertilisation of the three theoretical perspectives within the

chosen case setting discussed in the background (Chapter 2). Figure 3.2 illustrates the theoretical connections and research potential arising from the interaction between the three theoretical pillars. Co-evolution theory covers interactions across three analytical levels: organisation, networked industry, and the environment. It enables us to address why and how organisations and networked industry co-evolve with their environments (Koza and Lewin 1999; Lewin and Volberda 2005; van der Lugt, Rodrigues and van den Berg 2014). Co-evolution theory has been advanced in terms of developing knowledge about institutional and political dynamics viewed through contextual and historical dimensions (Child and Rodrigues 2011; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003), and pays particular attention to positive feedback loops as enhancing mechanisms of co-evolution. Studies in the field of business networking focus mainly on B2B relationships and network evolution resulting from inter-organisational interactions (Håkansson and Snehota 2000, 2006) and the influence of the evolving contextual and historical settings in which they are embedded (Halinen and Törnroos 1998). On the premise of network theory, studies of asymmetric power relationships and mitigation of power asymmetries are attracting increasing interest (Johnsen and Ford 2002; Cowan, Paswan and Van Steenburg 2015; Rindt and Mouzas 2015). There has been a common view or connection between co-evolution and business networking perspectives. Since business networking is a series of interaction processes among network actors, they co-evolve over time as they interact with each other through specialisation in exchange of resources (Ford and Mouzas 2013). Drawing from this common essence, one can conclude that business networking is a co-evolutionary process at the network-level, and thus, the concept of business networking can help improve understanding of network-level co-evolution. Further, for taking into consideration of power and influence in interaction, both co-evolution and business networking pay attention to actors, i.e. individual or group. An organisation or a business network can be influenced by a powerful actor's strategies and managerial actions (Koza and Lewin 1998, 1999), which reflect top managers (Hambrick and Mason 1984). Drawing from this connection, UE theory is applicable to study of CEO/TMT-outcome relations at the organisational level (Hambrick and Mason 1984; Hambrick 2007) and embeddedness in or unidirectional influences of relevant industry and institutional environment on such relations (Carpenter, Geletkanycz and Sanders 2004; Yamak, Nielsen and Escribá-Esteve 2014). Reviewing the key themes related to each theory, the significant connection among

them is that they all view development/change processes within contextual and historical dimensions, following Pettigrew (1990). They also highlight embeddedness as an influential force for development/change. However, they are originally grounded in occidental, developed, emerging economies. Since co-evolutionary phenomena and outcomes are country-specific (Lewin, Long and Carroll 1999) and country-specific effects are salient in developing economies (Makino, Isobe and Chan 2004), conducting a co-evolutionary study within a developing context has significant potential for developing new insights as well as advancing existing knowledge. Regarding theoretical problems and research potential, this review aims to pique interest in developing knowledge on relations between negative feedback loops and co-evolution and ex-military CEO effects on corporate co-evolution across levels, as well as extending knowledge on country-/context-specific variances in institutional and political dynamics of corporate co-evolution and business network emergence and evolution. Methodologically, the review recommends a qualitative inquiry-based predominantly on corporate co-evolutionary studies and motivated to investigate the complex phenomenon of the co-evolution of a port authority, port industry and multiple other stakeholders.

Figure 3.2 Theoretical connection and research potential between three theoretical pillars



Chapter 4. Research Methodology and Design

4.1. Introduction

This chapter aims to describe the research methodology and design implicated in this study. This chapter is divided into three parts. First, it discusses the underlying philosophical assumption (basic beliefs and approach) pertaining to this research. Second, the chapter discusses research methodology (mode of research inquiry) that includes qualitative research methodology and design, case study strategy, longitudinal study, and studying one's own backyard. Third, the chapter details methods (techniques and procedures implicated in the research inquiry) it adopts. In the third part, the chapter outlines the research setting and sampling, data collection, data management, coding and data analysis, and achieving rigour and establishing quality.

A qualitative case study spanning a longitudinal time horizon (1988-2018) was selected as the research method to achieve three main purposes. Firstly, the research examines the institutional and non-institutional changes and influences (co-evolutionary forces) that shape the co-evolutionary development (co-evolutionary outcomes) of organisations and relevant industry and, in turn, how organisations respond to these influences within a state-dominated business (SDB) environment (context). Secondly, the research investigates the impact of an organisation's upper echelons with military experience on co-evolutionary processes. Thirdly, the research explores patterns of interaction among corporate actors within a networked industry over time. In addition to theoretical contribution, the research aims to make practical suggestions drawn from managerial implications of the research findings. The research setting for this study is the port industry of Myanmar, a developing country, which serves as the vehicle for identifying the 'how' and 'why' of the partnering and development process between a public port authority (in this case, the Myanmar Port Authority, or MPA) and key private actors (terminal operators, shipping lines, port users, and international development partners) under a state-dominated or highly institutionalised environment.

4.2. Rationale for Choosing Qualitative Research Philosophy and Approach

Contemplating and choosing a ‘best fit’ research philosophy and approach in accordance with one’s personal beliefs and views on a research project to develop or extend knowledge in a specific field is a preliminary element of the research process (Creswell 2016). The rationale for selecting an appropriate qualitative research paradigm is underpinned by, but not limited to, the consistency between one’s research ideas/questions and the philosophical assumption upon which the study rests. Creswell and Poth (2018) note that the research philosophical assumptions (a synonymous term for paradigms or worldviews) underlying qualitative research represent four basic beliefs (ontological, epistemological, axiological, and methodological assumptions). Within a selected philosophical boundary, an assumption informs/shapes one’s ontological (nature of reality: objective \leftrightarrow subjective; external \leftrightarrow socially constructed), epistemological (constitution of acceptable knowledge: observable \leftrightarrow subjective; researcher-researched relationships) and axiological (role of values: value free \leftrightarrow value bound; researcher’s and participants’ positions) assumptions, as well as choices of methodology (approach and method to research) (cf. Creswell 2016; Saunders, Lewis and Thornhill 2012). These philosophical beliefs represent qualitative researchers’ choices of theoretical or interpretive frameworks that, in turn, enact beliefs and guide the process/design of their research (Creswell and Poth 2018). According to Creswell and Poth, the research process/design includes conceptualisation through literature review (theoretical orientation) of the fields relevant to the study; generating research questions; collecting and analysing data; interpreting of results; and reporting findings. In doing all of this, however, the study must first select a suitable research paradigm.

Overall, out of four research paradigms—post-positivism, critical theory, interpretivism (or constructivism) and the participatory paradigm—categorised by Lincoln, Lynham, and Guba (2018), interpretivism is most aptly associated with this research because of the qualitative nature of researching natural settings/contexts (Creswell 2016). Specifically, social constructivism aims to explicate “social processes and interaction” (Schwandt 2007, p. 40) and the subjective meanings of realities of co-evolutionary processes and interactions among individuals/

organisations across a specific time horizon (Gergen 1985; Flick 2014a). Accordingly, the ontological aspect of the dominant research philosophy is associated with subjectivism (Saunders, Lewis and Thornhill 2012) due to the nature of realities being socially and subjectively constructed and changed over time and because subjectivism discloses multiple views/perceptions of individuals from different interest groups. In other words, this study intended to uncover corporate actors' views of co-evolutionary (port industry development) processes and interactions; external influencing factors such as institutional and non-institutional effects; and consequences/changes that took place within a specific case context over time. Likewise, regarding the epistemological aspect, knowledge is developed via drawing subjective meaning from participants' voices, focusing on specific details and valuing rich insights attained through researching complex, but natural, settings and contexts, sensitive to people and places (cf. Creswell 2016; Saunders, Lewis and Thornhill 2012). In the axiological perspective, the researcher's stance is a part of the research, as there is a need to become familiar with the study setting or 'become an insider' (Brannick and Coghlan 2007; Chapman, Mattos and Antoniou 2004; Creswell 2016). While optimising the advantages of being an insider or 'native', a researcher pays more attention to balancing intimacy and distance (Breen 2007; Leckie 2008; Probst 2016) and enhancing reflexivity (Creswell and Miller 2000; Whiting et al. 2018). According to Brannick and Coghlan (2007) and Chapman, Mattos, and Antoniou (2004), there is no inherent issue in conducting research in one's 'own backyard' and there are both pros and cons for either closeness to or distance from research. As Brannick and Coghlan (2007) advocate - countering the argument of Morse (1998) - 'insider' researchers conduct qualitative research within three dominant research philosophies—positivism, interpretivism and action. Conducting such a study under the social constructivism (or interpretivism) paradigm is in line with prior research in the international business and management fields (Butler and Soontiens 2015; Karra and Phillips 2008; Khan and Lew 2018; Meyer and Thein 2014).

According to Doz (2011) and Vukanović (2016), however, the chosen philosophical assumption may vary in accordance with imagined research ideas or 'frames of meaning' (Spender 2008, p. 57) and research questions to be addressed in a study. Both scholars argue that not having a single central research question dominate research design in the field of international business and management

enables freedom from any single core philosophical assumption. Creswell and Poth (2018) take the stance that key assumptions can change over time and multiple assumptions can be incorporated in a specific study relating to the researcher's research experiences and motivation to explore context/setting via multiple philosophical beliefs. The essence of their argument is seen clearly in addressing of the three research questions of the current study. RQ1 explored the realities shaped by external (institutional and macro-environmental) influences - including social, economic and transitional political - in which organisations operate and the ability of these organisations to respond to such external influences. RQ2 examined patterns of corporate interaction between public and private actors within a specific industry: the port industry. RQ3 looked into the roles and influence of ex-military executives of a public organisation, a port authority, in setting strategic direction and make decisions in the organisation. In addressing these research questions, especially RQ1, this study took a pragmatic approach, cognisant that realities are shaped subjectively by a country's transitional (social, political, and economic) events, as well as institutional (external) factors. As such, this study looked for evidence of how transitional events had affected both the port industry and its actors. Through a triangulation process (Creswell and Miller 2000), individual subjective opinions were validated by others' opinions, as well as by other sources of data, including statistical data such as annual trade, FDI inflow and cargo handling figures; archived documents; and academic and news articles. When researchers in this way seek both convergence and divergence through own-lens/orientation (Creswell and Miller 2000; Cronbach and Meehl 1955) systematically among various information sources, the values and roles of the researcher are inevitably present.

Adding to these philosophical assumptions, the participatory paradigm is integrated to some extent as complementary to the constructivist paradigm in order to fill gaps in experiential knowledge and address any lack of participatory mindset of both the researcher as an insider and participants (Heron and Reason 1997; Whiting et al. 2018). Using credible multiple sources of evidence (Yin 2018) to evaluate and validate every single phenomenon across the case (e.g. Butler and Soontiens 2015; Khan, Rao-Nicholson and Tarba 2018), any potential bias, especially researcher bias from the data collection stage to the analysis and interpretation stage, can be neutralised (Eisenhardt and Graebner 2007). Hence, this study contributes to the

debate on using multiple philosophical assumptions by investigating a complex setting in which multiple phenomena are engaged and interlinked.

Regarding methodological approach, this study used an abductive inference in which the processes of developing an interpretive/theoretical framework and establishing patterns and themes through data analysis intertwine (cf. Creswell 2016; Saunders, Lewis and Thornhill 2012). It started with conceptualisation to develop an initial theoretical/conceptual framework devised from intensive review of the existing theories of corporate co-evolution as the ‘trunk’ and institutional effects, public-private collaboration, the UE perspective and port management as ‘branches’ (see chapter 2). Following Brooks and Baltazar (2007) suggestions for a theoretical approach in the field of port devolution, governance, and performance, this study used institutional theory (Scott 1995, 2014) and the co-evolutionary perspective (Dijksterhuis, Van den Bosch and Volberda 1999; Lewin and Volberda 2005). Using the co-evolutionary perspective is also in line with the suggestions of Van de Ven (1992) for process research. Using these theoretical conceptions as interpretive lenses (Creswell and Poth 2018), but not limiting exploration to the natural setting/context, it sought to address the first and second research objectives mentioned above. The UE perspective (Hambrick and Mason 1984; Finkelstein, Hambrick and Cannella 2009) was added in order to discuss the third objective that deals with ex-military TMT members and their role and influence in determining the strategic direction of a public organisation. The initial theoretical framework highlighted the research design and scope for data collection. There has been a debate on the use of theory/theories in qualitative research (Creswell 2016; Wrona and Gunnesch 2016). However, as Creswell insists, theory can be used (deductively) as an interpretive lens or a theoretical/conceptual framework initially developed by conceptualisation through literature review at the beginning of a study in order to help structure research questions and evaluate patterns and themes identified from subsequently collected data. Then, through abductive (both data- and theory-driven) process analysis iterated simultaneously between theoretical/conceptual framework and interpretative sense-making of the longitudinal data, the study can generate new or modified theories, and refine the conceptual framework (e.g. Butler and Soontiens 2015; Child, Rodrigues and Tse 2012; Meyer and Thein 2014; Rodrigues and Child 2003). Table 4.1 outlines the philosophical assumption, beliefs and methodological choices associated with this

research. The rationale for the choice of qualitative methodology and design is explained in the next section.

Table 4.1 Research philosophical assumptions, beliefs, and methodological choices

Philosophical Beliefs	Social Constructivism	Pragmatism	Participatory
Ontology: nature of reality	Subjective and based on individual perceptions	Subjective and shaped by external factors such as transitions and influences of the state	Subjective and shaped by different interest groups of actors
Epistemology: acceptable knowledge	Subjective opinions of participants in details of specific phenomenon	Subjective views but bounded by transitional context, and validated by multiple sources of data.	Insider researcher's, experiential knowledge and closeness to setting
Axiology: roles of values	Researcher is part of research	Researcher's roles and values in interpretation and validation	Values of both participants and researcher are important
Approach: reasoning	Abductive, both deductive (theory-driven) and abductive (data-driven)		
Methodology: mode of inquiry	Qualitative case study		
Methods: data collection techniques	Multiple methods: semi-structured interviews, focus group discussions, archived documents and statistical datasets		

Source: Adapted from Creswell (2016) and Saunders, Lewis, and Thornhill (2012)

4.3. Research Methodology

This section provides a comprehensive picture of research planning for this study. It articulates the explicit orientation of the research methodology adopted by the study, from the stage of choosing an appropriate philosophical assumption and approach to formulating a comprehensive research design. This research planning process comprised philosophy adjustment, approach, methodological choice and strategies; defining the time horizon; and choosing techniques and procedures in relation to the research ideas, focusing on the specific context/setting and research questions to be addressed by this study Saunders, Lewis, and Thornhill (2012).

4.3.1. Qualitative Research Methodology and Design

Following the logic of philosophical positions being associated, this study adopts a qualitative methodology and design consisting of the case study strategy as the research strategy and multiple methods for data collection. In general, qualitative research 'prices and handles' non-numeric data such as words, documents, and images

while quantitative research values and manipulates numeric data such as frequencies and measures the study of things, (cf. Liamputtong 2013; Saunders, Lewis and Thornhill 2012). Pursuant to the approach of Creswell and Poth (2018), a structured design was employed for this qualitative research, starting with philosophical assumptions and adopting initial conceptual/theoretical frameworks that informed research questions/problems in order to address the meaning of investigative phenomena/realities as per individual or groups perceptions.

The rationale behind the decision to adopt qualitative methodology and design in this research centred on three motives, the first of which related to the investigative case context. The study aims to achieve in-depth understanding of the realities of how complex phenomena happen and change over time within the investigative context/setting of port devolution and development through public-private (both local and foreign partners) collaboration under a highly institutionalised environment (in this case, state-dominated governance) in a developing economy. Pettigrew (1985) noted that research lacking a holistic approach limits comprehensive understanding of the contextually and historically sensitive phenomena that are the subject of enquiry (Child, Rodrigues and Tse 2013; Rodrigues and Child 2008). This research therefore adopted a qualitative way of interpreting phenomena and a flexible approach (cf. Denzin and Lincoln 2018; Liamputtong 2013; Saunders, Lewis and Thornhill 2012) to making sense, in a holistic way, of the socially constructed and subjective meanings of the natural setting being researched. Additionally, in order to embrace as fully as possible the information-rich but to date little-touched upon context, as Pick and Their (2010) mentioned in their case study of international businesses in Myanmar, a qualitative methodology was considered to be most appropriate for encouraging individuals from marginalised groups to raise their previously silenced voices (Creswell 2016). Besides, since the selected setting and the participants being studied still remained outside the mainstream of academic research, such an approach was highly favourable to a theoretical and managerial contribution in terms of contextual variation (Doz 2011; Fainshmidt et al. 2018; Poulis, Poulis and Plakoyiannaki 2013).

The second motive is associated with the nature of acceptable knowledge and data sources. With the intention of better interpreting participants' descriptions and perceptions of the research circumstances and to enhance validity—trustworthiness

and authenticity (Lincoln and Guba 1985) - multimethod qualitative research was determined as fitting for gathering and analysing participants' voices using an interpretive/theoretical framework (Creswell and Miller 2000; Creswell 2016). As Pick and Thein (2010) have pointed out, there are limitations and difficulties associated with gathering accurate and reliable quantitative data such as official economic and social indicators for Myanmar. Therefore, this research focused mainly on qualitative information, such as semi-structured interviews in the first phase of data collection and focus group discussion in the second phase of data collection. Pursuant to the suggestion of Doz (2011) to aim for high standards in qualitative research, it then triangulated with secondary data gathered from multiple data sources including datasets and archival documents to achieve validity and rigour (e.g. Butler and Soontiens 2015; Pick and Thein 2010; Walker et al. 2018). Although it was challenging to organise participants, especially government officials, as well as to gather primary data in Myanmar owing to the politically sensitive environment (see Meyer and Thein 2014), the researcher being an 'insider' made such data gathering easier than it might otherwise have been.

Thirdly, the adoption of a qualitative approach for this research responds to the general call for more qualitative studies, which are still relatively scarce in international business and management (Cavusgil and Knight 2015; Doz 2011; Khan and Lew 2018). It also aimed to endorse use of the popular case study strategy as an appropriate qualitative research methodology in the field of co-evolutionary process studies, especially for examining organisation-environment interactions at multiple levels—from macro (contextual/environmental) through meso (sector/industry) to micro (organisation)—as employed by Child and Tsai (2005), Child, Rodrigues, and Tse (2012) and Olsen (2017). Dieleman and Sachs (2008), it should be noted, have also used quantitative analysis (data drawn from qualitative data) as a complement to qualitative inquiry, while Pacheco, York, and Hargrave (2014) used a purely quantitative analysis for their case study.

Given the terminology of co-evolution as a development/change process and “an interactive... process” (Norgaard 1984, p. 161) between organisations and their environments (Lewin and Volberda 1999), this research, as a co-evolutionary study, was conducted as process research. By definition, process research is study

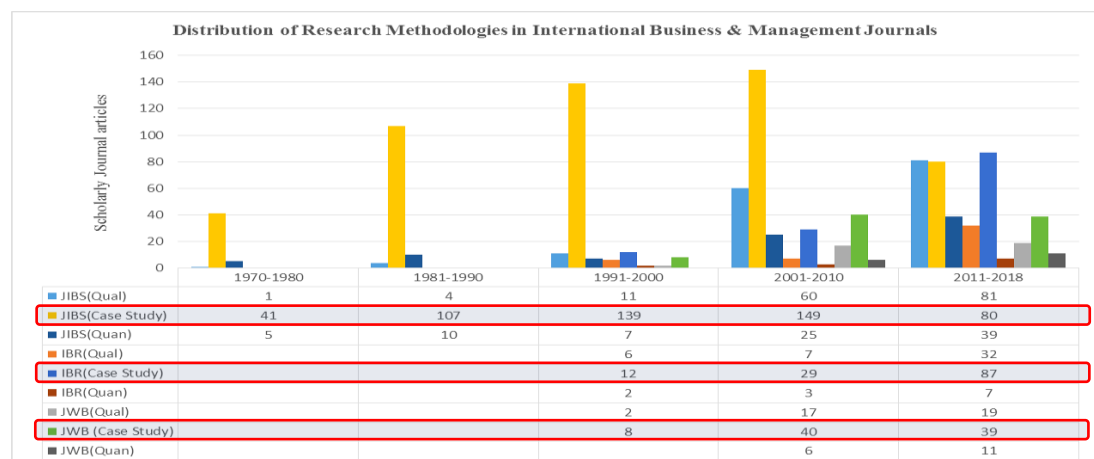
researching a process involving continuation or evolution (changes/development) of individuals or organisations interacting with or in response to other involved actors and changing environments—social, political, economic and business—over a specific time period (Pettigrew 1985, 1990; Van de Ven 1992). In accordance with its complex case setting composed of multiple interest/functioning groups of actors; manipulating exogenous factors such as state mediation and dominance; and diverse/dynamic capabilities of actors for responses and interactions, this co-evolutionary process study was conducted employing a qualitative research methodology and design that inquired into the given setting over an extended period. The literature review on methodology of both classical (e.g. Pettigrew 1985; Van de Ven 1992) and contemporary (Butler and Soontiens 2015; Hewardine and Welch 2013; Saouré and Ann 2018) studies of process research shows that qualitative inquiry can provide in-depth understanding of the research processes. As such, qualitative research is entirely appropriate for opening the ‘black box’ of state-mediated port development and business-state interaction in an economy undergoing transition by unpacking the realities of “how” and “why” the co-evolutionary process among corporate actors and their environment is shaped over time within the case context.

4.3.2. Case Study Strategy

In accordance with the philosophy that reality is socially constructed (Creswell and Miller 2000; Schwandt 2007), from within the range of qualitative methodological choices, this research applied the case study strategy as its research strategy, while it avoided the other research strategies such as action research. In this study, the action research strategy is not favourable to be applied since this dissertation aims to research the selected case almost in a retrospective way to cover a three-decade-long development story of the port industry in Myanmar. Moreover, time limit for a PhD thesis does not allow the researcher to conduct this study under the action research strategy for that insider researcher has to engage in all phases of the study process (Bartunek 2008). Further, in line with qualitative methodology selected for this study, any quantitative research strategies are not appropriate. In accordance with the research focus/purpose and questions/problems to be addressed, the research employed case study as an appropriate qualitative research strategy. Case study is a

popular methodological strategy that is used widely across a variety of disciplines, including international business and management (see Figure 4.1). Although a single case study strategy is recommended in co-evolutionary process studies by Lewin, Long, and Carroll (1999) and has been applied in some contemporary studies (Child, Rodrigues and Tse 2012; Dieleman 2007; Olsen 2017; Rodrigues and Child 2003; Zhang 2016), such an approach lacks generalizability. However, the case study strategy does offer a unique opportunity to gain an in-depth and holistic understanding of the research context (Creswell and Poth 2018; Yin 2018). Although it is a single case study as recommended by Lewin, Long, and Carroll (1999), it will ensure a gathering of rich information and an in-depth understanding of the unique case in less studied environments (Creswell and Poth 2018; Yin 2018). To deepen understanding of organisations, their endogenous and exogenous environments and mechanisms and consequences of their interactions within the context of a specific case, a comprehensive qualitative analysis (e.g. van der Lugt, Rodrigues and van den Berg 2014; Gamie 2015), along with the social constructivism research paradigm (Flick 2014a; Gergen 1999), can be used. Moreover, most case study research within the corporate coevolution paradigm uses an abductive approach to examine similarities and differences based on existing theoretical perspectives framed in an initial conceptual frameworks and to provide fresh insights (e.g. Avrichir and MacLennan 2015; Olsen 2017; Rodrigues and Child 2003, 2008). As a case study intends to address the “how” and “why”, it focuses critically on a set of social events rather than behavioural events that have occurred historically and contemporarily within a setting, over which the investigator has little or no control (Yin 2018).

Figure 4.1 Distribution of Research Methodologies in International Business and Management



4.3.3. Longitudinal Time Horizon

As highlighted by Norgaard (1984b, 1984a), the co-evolutionary (harmony with environments) process should be examined through scientific studies, as its consequences are both more realistic under complex interactive relationships and unpredictable. The literature review revealed that a longitudinal – retrospective or prospective (Beins 2012) – study and time series data analysis can uncover the dynamics, patterns and trends of change associated with the coevolution that occurs between organisations and their environments (Lewin and Volberda 1999). In addition, Kieser (1994) asserts that historical analyses can enrich understanding of change in an organisation. Linking the historical context and reductionism (theorising) is a key role of a longitudinal qualitative research (Burgelman 2011).

4.3.4. Studying One's Own Backyard

The researcher conducted this study on his own working environment with the vested interest that findings from such a research-to-practice study would not only promote useful academic outcomes but could also be shared with the marginalised communities of participants who contributed to this research (e.g. Joseph and Chad 2017; Trainor and Bal 2014). Given the fact that international business and management research underlies the research-practice continuum, this study needed to both advance academic rigour, i.e. contribute to existing theoretical and methodological knowledge and be of practical relevance, i.e. have applicability in addressing managerial problems and business issues (Saunders, Lewis and Thornhill 2012). Moreover, optimising both academic rigour and practical relevance was crucial to the researcher's dual roles of PhD student and practitioner studying the port industry. As such, this research planned to follow the lead of methodological literature. In management studies, following Shotter (1993) notion of 'managers as practical authors', in which he explored how managers socially constructed their experiences and realities, Cunliffe (2001) extended the idea to point out how researchers as participants can be involved in the process of retrospective construction of realities experienced and creating a shared sense of the research process. There are both pros and cons for 'insider' and 'outsider' researchers. While constructing themes

from what the participants talk about in detail, qualitative researchers place themselves right in the middle of the context to enhance ‘reflexivity’ and ‘verisimilitude’ in exploring absolute realities and the ‘big picture’ of the research context (Creswell 2015). In fact, this researcher almost always positioned himself as both an ‘outsider’ and an ‘insider’. While exploring knowledge via hearing participants’ stories spanning 30 years, he was an ‘outsider’ for 20 of those years since his bounded knowledge and lived experience covered just 8 of those years; at the same time, in being able to access and select easily informants across his social network within the study context, he was also an ‘insider’ (Chapman, Mattos and Antoniou 2004; Zulfikar 2014). Further, while optimising the advantages of being an ‘insider’ or ‘native’, this researcher paid meaningful attention to balancing intimacy and distance (Breen 2007; Leckie 2008; Probst 2016), and enhancing reflexivity (Creswell and Miller 2000; Whiting et al. 2018).

4.4. Methods

In order to address the research questions examining the process and patterns of corporate co-evolution (how) in the port industry and influencing institutional factors (why) accompanying a country’s transition, in-depth understanding of the phenomenon being investigated is crucial. To gain such understanding, the researcher gathered information-rich cases and learned about the diverse experiences and perceptions of five groups of key industry actors. In order to assure data saturation and rigour in developing a complex understanding of the issues being addressed, this study employed the strengths of multiple methods to gathering myriad perspectives on the phenomenon from various groups and levels of participants. Being able to draw from the subjective responses of individual participants from different groups and levels lent this study rich information in terms of commonalities and contrasts depicting the key themes. Additionally, to improve the robustness of participants’ responses, triangulation and validity checking procedures were conducted by matching responses with several types of archival documents, including reports and statistical data such as annual port and trade performance figures. Importantly, ensuring participants’ anonymity and that their authentic voices would be heard appeared to trigger informant’s willingness to disclose their experiences and

perceptions openly. In summary, individual and group interviews followed by triangulation with archival documents and datasets constituted the paramount research method for this study.

Qualitative data collection and analysis was employed along with an exploratory research design (Saunders, Lewis and Thornhill 2012; Denzin and Lincoln 2018). Focusing on subjective and socially constructed meanings, this research investigated the reality (how and why coevolution happens) behind the specific phenomenon (MPA case) (Creswell and Poth 2018; Saunders, Lewis and Thornhill 2012). Additionally, time series data and information spanning a period of 30 years (from 1988 to 2018) was gathered in order to conduct retrospective observations about the developmental history of the MPA case (see Flick 2014b; Van de Ven and Huber 1990).

Practically, this research explores how actors in the port industry in Myanmar have coevolved, revealing the patterns and influencing dynamics, as well as associated changes and development processes. The research proposes port development strategies and governance policies for policymaking.

4.4.1. Setting up and Sampling

This section discusses in detail preparation of research processes in accordance with the predefined research plan and design. Having systematic procedures in place is essential to ensuring methodological rigour. As such, this step included drawing up protocols for interviews and focus group discussions, putting in place appropriate safeguards to deal with potential ethical issues, categorising potential participants, and utilising the network with industry actors that the researcher had built up during his time as an official of the state-run port authority in Myanmar to organise informant interviews.

4.4.1.1. Preparing Protocols for Interviews and Focus Group Discussions

To examine the patterns and processes of corporate co-evolution in the relatively untouched context of the port industry in Myanmar, this study first employed an initial conceptual framework (Figure 3.1) developed out of an intensive literature review (Butler and Soontiens 2015; Möller, Rajala and Svahn 2005; Saouré and Ann 2018) in the subject areas of co-evolution, institutional theory, public-private partnering and the UE perspective. Based on the initial framework and themes incorporating the research ideas that emerged from the researcher's contextual knowledge and lived experience in the industry, data collection protocols for both interviews and focus group discussions, as well as a protocol matrix to be used in control questions for each participant group were set up (see Appendix D). Based on the setting (context), the interview protocol - composed of an introduction, seven key open-ended questions and 32 probes – was drawn up. The questions and probes were categorised into four groups that aligned with the main research topics: 1) institutional and non-institutional factors that influenced corporate co-evolution; 2) public-private interactions in partnering; 3) the roles of ex-military upper echelons (TMTs) in co-evolution; and 4) a better way forward for all industry actors. The core questions and probes were revised several times by testing them on the researcher himself and in accordance with feedback and guidance received via a series of discussions with supervisors. The interview guide was prepared assuming individual interviews of 60 minutes in length while the focus group discussion (FGD) guide assumed 120-minute sessions, including time for establishing interviewer-interviewee rapport. The protocols were submitted to and approved by the university's ethics committees prior to the planned fieldwork.

4.4.1.2. Ethical Considerations and Implementation

Ethical issues are sensitive and can potentially surface in any or all phases of the qualitative research process, but especially from the data collection stage to the publication stage. Researchers must therefore consider potential ethical issues right from the planning and designing phases of the research project and need to have a comprehensive plan in place to address any issues that arise (Creswell and Poth 2018).

As this study included face-to-face engagement with participants and thus needed to meet certain standards of human research ethics and codes of conduct, this researcher completed a compulsory course on Curtin University's Ethical Principles that complies with the Australian Code for the Responsible Conduct of Research. In accordance with a suggestion by Creswell and Poth (2018), prior to conducting data collection, a comprehensive Human Research Ethics application was submitted to Curtin University's Human Research Ethics Committee (HREC). The HREC approved this research project as a low risk project on 21st February 2017 granting it Approval Number HRE2017-0057. Specifically, to avoid possible ethical issues arising during the phase of data collection from human participants, the following considerations and implementation processes were conducted: 1) preparation for HREC's approval of documentation on planned data collection techniques and protocols, recruitment materials including an information sheet outlining the purpose of this study and a consent form (Appendix C) explaining in detail to participants their rights and that they would be voluntary respondents (see Appendix A and B); 2) recruitment of prospective participants via email and telephone conversations utilising the researcher's good working relationships and regular contact with said prospects. Recruitment activity including informing prospective participants in brief about the research by sending recruitment materials, including an information sheet and a consent form, prior to the researcher's travel to Myanmar to conduct fieldwork (consisting of interviews and focus group discussion), and then securing appointments with prospective participants at their preferred/available time and location; 3) informing of prospective participants of their right to, at any stage, decline to answer or to be involved in the research; 4) provision of assurances to prospective participants that the privacy, anonymity and confidentiality of their responses would be protected; 5) obtaining of consent from the participants; 6) acknowledgement of participant's participation and support in a manner appropriate within Myanmar culture (in this case, the provision of small souvenirs to interviewees and a light lunch for participants involved in focus group discussions). Since the interviews were conducted in English (with international partners) and in the local language, Burmese, both English and Burmese versions of documents were prepared. Finally, as per participants' wishes, individual transcripts and an abstract of the results of the study were made available to them. Thus, with meticulous consideration and a comprehensive plan, this study aimed to minimise the possibility of any serious ethical issues arising.

In addition to ethics approval, the researcher applied for permission from the respective school of faculty, the School of Management of Curtin Business School, to undertake fieldwork-related travel to the researcher's home country of Myanmar. The researcher conducted two fieldwork visits, the first to conduct interviews and gather archived documents and statistical data and the second to conduct focus group discussions and collect updated information. Moreover, as a scholarship student and a government official, the researcher officially requested the fieldwork travel permission of respective work organisations, including the MPA and the ministry, (the Ministry of Transport and Communications, MOTC), to conduct the fieldwork studies, providing these organisations with copies of relevant documentation, including fieldwork plans and other supporting documents from research supervisors and Curtin University.

During individual interviews and group discussions, to avoid emergence of moral or ethical issues and guard against tension between the researcher and participants, who are senior executives of their organisations, the researcher conducted hypothetical interactive interview and question-asking exercises. In so doing, the researcher asked questions to garner an effect or make a statement rather than to elicit information.

4.4.1.3. Categorising Potential Participants

In order to develop a complex and in-depth understanding of a specific issue, the study, as a qualitative inquiry, has to unpack multiple perspectives of the phenomenon being investigated. In this regard, the study attempted to explore participants' experiences and views based on their diverse functions and the length of time they had been working in the industry, as well as their ability to interact with each other and in response to institutional change. Moreover, in order to understand clearly the whole picture of the corporate co-evolutionary process within the Myanmar port industry and circumstances underlying changes made by institutional regimes, key actors operating in the port industry were categorised into five groups: 1) MPA—retired and current TMT members; 2) Terminal Operators—private terminal operators at both foreign and local invested terminals; 3) Shipping Lines—local representatives

of feeder operators and main line operators (MLOs) and executives members of the Myanmar Mercantile Marine Development Association (MMMDA); 4) Port Users—Central Executive Committee (CEC) members of the Myanmar International Freight Forwarders Association (MIFFA); 5) International Partners—international organisations and business institutions in both government-backed and private organisations. These groups were categorised purposefully to cover the full spectrum of their functional boundaries and the public-private boundary. Under the category of international partners, the research planned to approach the Japanese International Cooperation Agency (JICA) and the German Federal Enterprise for International Cooperation (GIZ) as government-backed organisations, and Nippon Koei Co. Ltd. and Mitsubishi Research Institute (MRI) as Japanese private consultancy firms. These all international partners have been working with the MPA on development projects and knowledge and technology sharing programs. To achieve data saturation with high accuracy through matching and triangulating data from multiple sources, the researcher also planned to gather information from archival documents including: 1) reports, statistical datasets, notifications and orders issued by the MPA and by local and international organisations both publicly and internally (in the case of the latter, only those without access or referral restrictions); 2) newspaper articles on developments and events relevant to the MPA and its actors.

In addition, the following eligibility and selection criteria were established for the three methods of data collection (interviews, FGD, and archival documentation and data):

- *Interviews*: top level executives/managers from each group (five groups in total) should be the main focus since high-ranking managers more accurately reflect an organisations' strategic directions;
- *Focus group discussions (FGDs)*: mid and top-level executives/mangers (different participants to those taking part in interviews) from all groups, EXCEPT the international partners group, which is a small group from which members taking part in individual interviews would have already been selected; in the case of the MPA group, almost all mid-level officials to take part to gather their views vis-a-vis similarities and differences with TMT members;

- *Working tenure*: for both interviews and FGDs, key informants with longer working tenure (more than five years) in the industry and thus possessing rich industry knowledge are preferred, since the study has been set up within a longitudinal approach and for the purpose of obtaining information-rich cases,
- *Experts and new entrants*: for the international partner group, professionals with a relatively shorter working tenure in Myanmar. Mid-level managers rich in theoretical and practical field knowledge and new entrants in terminal operators and shipping lines groups to also be included to create diverse perspectives of the phenomenon,
- *Archived documents and datasets*: published and unpublished (but only those for which there are no access or referral restrictions) documents including reports, orders and notifications, news articles and datasets such as annual port handling volumes and country trade volumes from local sources and international sources such as the World Bank.

4.4.1.4. Selecting and Organising Participants

In this study, purposefully heterogeneous sampling techniques were mainly used, in alignment with Patton (2002) argument that heterogeneity and variation in participant responses for a specific purpose are strengths. However, snowball sampling was incorporated partially in recruiting port users (MIFFA CECs) and shipping lines personnel (MMMDA executives). In recruiting MIFFA CECs, the key contact was the Chairman of the MIFFA, who has a close relationship with the researcher. The MIFFA Chairman was also a key informant and interviewee from the port user group and introduced the researcher and the study to his MIFFA colleagues. Upon his recommendation, the Head of the MIFFA Office also assisted with making appointments with MIFFA CEC members for both interviews and FGDs. In convincing shipping line representatives to participate in interviews, the researcher approached a range of people included in a contact list received from the MPA's Shipping Agency Department (SAD). Moreover, the researcher's Head of Department at Curtin University assisted with establishing contact with the MMMDA vice chairman and two executive members for the purpose of a group discussion with

shipping lines' local representatives. Eventual participants in the other three groups were approached and recruited via the researcher's own contact list. Overall, all participants for both interviews and group discussions were carefully selected on the basis of the selection standards and criteria outlined in the previous section. For interviews, the researcher planned to meet: 1) fifteen current and ex-TMT members of the MPA; 2) six executives of private terminal operators, including two terminals with foreign investment; 3) six local representatives and executives of shipping lines; 4) six MIFFA CECs; 5) four to five country representatives and consultants from international organisations that had been working with the MPA. In total, the researcher expected to recruit about 35 participants that met the guidelines of Guest, Bunce, and Johnson (2006) (more than 12 interviewees), the suggestions of Creswell and Poth (2018) (25-30 interviewees) and the advice of Saunders, Lewis, and Thornhill (2012) (12-30 interviewees making up a heterogeneous population composed of 4-12 interviewees from each group) for a non-probabilistic heterogeneous sampling to reach saturation. That being said, the researcher placed more emphasis on quality (the possibility of getting rich and valuable information) than quantity (the number of participants) in the participant selection process. Moreover, the researcher planned to interview almost all of the MPA's six managing directors (MDs), who had worked for the MPA within the 30-year period, as well as all current TMT members, given the MPA's status as a core actor group and, pursuant to addressing the third research question, the role and influence in organisational evolution over time of its military-experienced upper echelons. In conducting successfully this qualitative longitudinal inquiry, organising key informants respected for their industry/working experience and contextual knowledge or field expertise was crucial to being able to access reliable and information-rich cases of corporate co-evolution emergent in the past and present.

In organising potential participants, communication in relation to invitations to participate was conducted in two stages: prior to fieldwork and during fieldwork. Prior to travel to Myanmar to conduct fieldwork, the researcher communicated via email with prospective participants followed by telephone conversations to those who did not reply to the email. In particular, as a courtesy prior to travel for fieldwork, the researcher communicated via telephone with the MD of the MPA and the head of department to brief them on the research project and request interviews with them.

Additionally, in the case of some ex-MDs and TMT members, the MIFFA Chairman, and some private terminal operators and shipping line representatives, the researcher contacted them via email prior to departure for fieldwork and sent them recruitment materials, participant information sheets and consent forms. However, only one ex-MD and the Chairman of the MIFFA responded promptly to this communication and accepted the request for interview; one possible explanation for this is that email as a communication tool is not used actively by some potential participants. As a result, just after arriving to Myanmar to conduct fieldwork, the researcher communicated directly via telephone with the rest of the participants, sending them follow-up emails and making appointments for interview based on participants' preferred dates, times, and locations that had been ascertained via the direct telephone calls and follow-up emails. Typically, telephone contact followed up by email was made to secure responses from participants as to their preferred appointment date, time and location. The small size of the group, with some members working at the MPA's head office, meant that the researcher was able to contact and organise key informants of the international partners group by email and in person at their offices during the fieldwork. In the interests of avoiding in the second phase of data collection (FGDs) recruitment issues experienced during the first phase (interviews), the researcher contacted some prospective FGD participants during the first fieldtrip (for interviews) in an attempt to secure in advance their participation in FGDs. The researcher was able to conduct three FGDs, with the MPA, MMMDA and MIFFA, but not with terminal operators, who raised privacy concerns surrounding open discussion of their development stories and strategies and relationships with the MPA and state-level institutions in the presence of their competitors. Associated with this concern, even terminal operators had not organised an association, distinct from other service providers such as shipping lines and freight forwarders. Instead of FGDs for terminal operators, the researcher met them separately but included their answers in FGD results since mid-level manager input was focused around FGDs.

4.4.1.5. Relationships between Researcher and Participants

As a mid-level manager of the MPA having regular contact with the MPA's MD and TMT members, attending and hosting regional meetings such as ASEAN Ports

Association (APA) meetings together with private terminal operators and exchanging information and sharing knowledge with private actors, especially the MIFFA Chairman, the researcher was able to build a strong network with industry actors. In this regard, having such good relationships contributed to a smooth data collection process and successful securing of interviews with over 90% - 36 out of 39 - of those approached. In the case of FGDs, almost 85% of prospective participants were involved actively in the subsequent discussions, with 16 out of 19 approached eventually participating in one of four groups. The most important success was achieving sufficient responses and getting rich information - even reports and documents – from key representatives and informants in both data collection phases of interviews and FGDs. Besides this, in conducting interviews and group discussions, the researcher found that almost all respondents, even MPA executives, were prepared to discuss openly their experiences and perceptions, likely a consequence of changes to – and relaxation of - the country’s political situation and governance system under the National League for Democracy Party (NLD)-led government. Almost all participants appeared more than happy to open up, bringing to light previously unknown stories and cases relating to the Myanmar port industry.

4.4.2. Data Collection

The researcher conducted two fieldwork visits to collect data and archival documents. In the first phase, which took place in the second year of the study, 36 interviews with key informants from five participant groups were conducted successfully. Additionally, document collection gathering together both published and unpublished (for the latter, only those for which there were no access restrictions nor requirements to obtain authorization to use the document as a reference) reports; statistical datasets; orders and notifications; and news articles was completed during the fieldwork. The second phase of data collection was undertaken in the third year of the study and comprised four FGDs involving 16 participants, excepting the small group of international partners. The methods and processes and the successes and difficulties experienced in the data collection phases are illustrated in detail in the following sub-sections.

4.4.2.1. Interviews

Recruiting and interviewing were carried out in parallel throughout the fieldwork since the strategy of recruiting participants prior to the fieldwork had not worked well. During the course of the first fieldwork visit, there was substantial two-way communication—via telephone and follow-up email sending recruitment materials, participant information sheets and consent forms—with potential informants from the private sector. Being an official of the MPA and having a good connection with these stakeholders helped the researcher to obtain positive responses from almost all prospective participants on being involved in the study, with many making appointments for interviews on the spot. Moreover, the researcher made courtesy calls on the MPA’s current MD and TMT members with the aim of securing interviews with them. With the support of the Chairman of the MIFFA and the assistance of its Head of Office, the researcher was able to schedule interview appointments with six CECs including the chairman. In organising and securing appointments with international partners for interviews, it was a good deal easier; five interviews were conducted in total. The researcher contacted some interviewees by email and telephone; the rest were met in person at the interviewee’s offices at MPA headquarters. Additionally, in order to cover the whole period of JICA experts’ consulting with the MPA on port and transport sector development, the outgoing JICA expert was recruited by email and interviewed via a Facebook Messenger voice call. However, out of six current or former MPA MDs, the researcher was not able to interview one ex-MD owing to the ex-MD being away from Yangon at that time; in addition, two MPA TMT members (out of 11) were unable to be interviewed on account of their very tight schedules. Fortunately, the researcher was able to gather sufficient information from other informants, including MPA TMT members and industry actors, to compensate for the three-year gap attributable to the missing MD. From the MPA group, five MDs plus nine TMT members (14 participants in total) were involved. In the terminal operator group, to mitigate the impact of one private terminal executive director avoiding any interview, the researcher interviewed the deputy general manager, who had worked for the terminal since 1998. The researcher also obtained supplementary information on this terminal from an interview with an ex-managing director of the MPA who was at the time of interview the General Manager of the terminal. In this way, pertaining to the terminal operators group, the

researcher was able to hear experiences and stories from six terminals. In the shipping lines group, representatives of four foreign lines and one local line (MFSL) were interviewed. Importantly, because the researcher adhered closely to planned sampling strategies and selection criteria in approaching prospective participants, the mix of participating interviewees in terms of their positions and working tenure in the industry aligned well with the selection criteria (Table 4.2 and Table 4.3). In total, top-level executives represented 89% of interviewees while mid-level executives accounted for 11% of interviewees. In terms of working tenure in the industry, 44% of interviewees had been working in the industry for more than 20 years while those participants with more than five years of tenure accounted for 83%; only 11% of participants had less than five years of tenure.

Table 4.2 Composition of interviewees (by position)

Groups	MDs(Ex-MDs)/ GMs/Chairman	HoDs/Directors/ Executives/ Country Directors/	Consultants	Country Managers/Program Coordinators/ Team Leaders	Pilots/ Deputy Directors/ Divisional Managers	Total
MPA	5	9				14
Terminal Operators	3	3				6
Shipping Lines	3			1	1	5
Port Users	1		5			6
Int'l Partners			3	2		5
Total (by positions)	12	20		3	1	36
% (by positions)	33%	56%		8%	3%	100%

*MD: Managing Director; GM: General Manager; HoDs: Head of Departments

Table 4.3 Composition of interviewees (by working tenure)

Groups	Tenure <5	Tenure 5-10	Tenure 11-20	Tenure >20	Total	% of Total
MPA		2	7	5	14	39%
Terminal Operators	1	1	2	2	6	17%
Shipping Lines	1		1	3	5	14%
Port Users				6	6	17%
International Partners	4 (in Myanmar)		1		5	14%
Total (by tenure)	6	3	11	16	36	100%
% (by tenure)	17%	8%	31%	44%	100%	

Face-to-face interviews were conducted at participants' offices. The researcher was able to complete almost two interviews per day throughout the fieldwork period. There were no problems in obtaining signed consent from participants, since the researcher took time (about ten minutes) to explain in person to each participant the details of the study and to establish rapport with them before moving on to the interview questions. The local language, Burmese, was used in interviews except in the case of participants in the international partners group, for which English was used. However, in the case of a Japanese consultant interviewee who responded to interview questions in the Japanese language (apparently being too shy to speak English, a characteristic seen commonly in Japanese culture) the researcher used the interviewee's two interpreters' (also close to the researcher through having worked together on an ongoing project) to assist with precise interpretation from Japanese to Burmese and vice versa. In order to avoid biased responses being made in the researcher's presence on account of his background as MPA staff, the researcher reminded interviewees to regard him as a research student rather than an MPA staff member. Moreover, taking the time to establish rapport and build good relationships with interviewees ensured that they responded openly and in a straightforward manner to questions. As a result, interviews were at minimum over 30 minutes and sometimes ran as long as 107 minutes (67 minutes was the average interview length) although the anticipated time had been 60 minutes (Table 4.7, below). Out of 36 interviews, 22 i.e. 61% ran for more than 60 minutes. The reasons for the longer interviews were: 1) almost all informants had previously been prevented from participating in research interviews or even media interviews because of government restrictions on media freedom before 2011, 2) interviewees themselves displayed a strong willingness to disclose their experiences and perceptions, particularly through an academic channel, 3) almost all senior personnel showed unwillingness to interrupt their conversations. The positives, on the one hand, of longer interviews was that they yielded information-rich cases and stories. Moreover, by being a good listener and allowing interviewees to share freely and in-depth their individual experiences and perspectives, the researcher became a learner and could gain an 'out of the box' perspective unbounded by existing knowledge. On the other hand, such long interviews also produced an excessive amount of indirect or irrelevant information. In accordance with a suggestion by Creswell (2016), the researcher tried to keep interviewees 'on track' by often calling them back to the topic being discussed at that moment so as to better control the time

and address all the interview objectives. Examples of recall sentences included: “Thank you for these points. Let me interrupt you here and recall you to the *topic being discussed*.”; “Thanks for these points. Could you please explain more about *the topic being discussed*?” Interviews were digitally recorded, with the permission of interviewees to record the interview requested beforehand. Using two modes for recording aimed at preventing complete loss of interview material in the event of unexpected technical failures of the electronic recorders. No interviewee refused recording of their answers, although some did request that recording be paused to allow them to talk about private and confidential matters ‘off the record’. In such cases, the researcher complied with the interviewee’s request and paused recording, resuming recording only with the interviewee’s express permission. In this way, the researcher was able to gain a deeper understanding of the hidden circumstances and realities of the phenomenon being researched, which is an advantage of the qualitative one-on-one interview.

Interviews, as the first phase of qualitative data collection, kicked off with introductions (greeting as interviewer, albeit the interviewer already knowing almost all interviewees), with the interviewer explaining the purpose of the project and the interviewee’s rights in participating, ensuring that each interview party had a consent form signed by both parties and clarifying any questions raised by the interviewee. In addition, to get specific demographic information such as working tenure in the industry and military experience (MPA ex-military personnel only), interviewees were asked some demographic questions. e.g., “What is (was) your position and role in the MPA (or organisation/company)?”; “How long have (had) you been in this position and in the MPA (or organisation/company)?”; “How long did you serve in the military (for ex-military personnel only)?”, etc. Although these questions were for the purpose of gathering demographic information, they also served as ‘ice-breakers’, showing the interviewer’s interest in the participant and creating a friendly meeting atmosphere. Starting with ice-breaking questions is recognised as a good practice in a qualitative interview for ensuring the interview gets off to a smooth start (Creswell 2016). Controlling the interview with pre-established protocol, the researcher then used research sub-questions i.e., content questions (Creswell 2016) to encourage the interviewee to open up regarding their individual experiences and perspectives relevant to the overall research objectives. As the questions could not

always be asked in the same order or phrased in exactly the same way as the sentences stated in the protocol, the researcher memorised questions as discussion points and posed them to interviewees as part of the natural flow of conversation. Furthermore, in order to ask for more detailed information or a clearer explanation of a topic, probes were used to follow up key questions. Following are some of the key questions and follow-up probes used in the interviews:

Key question: What kinds of changes have taken place in the port industry since 1988? (*content question*);

Probe: Tell me more about regime changes that affected the port industry and the MPA. (*asking for more information*);

Probe: If there were any state restrictions and/or interventions, please explain. (*asking for an explanation*);

Key question: How has the MPA transformed and restructured? (*content question*);

Probe: Tell me more about the implementation of port development in the Yangon and Thilawa areas. (*asking for more information*);

Key question: How has the introduction of private participation in our port industry worked out so far? (*content question*);

Probe: Please continue about the introduction of local investment in the port industry. (*asking for more information*);

Probe: Please explain more about public and private interactions. (*asking for an explanation*);

Key question: How has the MPA's top management team managed the decision flow? (*content question*);

Probe: Tell me more about MPA's executives who have military experience. (*asking for more information*);

For each interview, the researcher used a new copy of the interview protocol incorporating some blank space on one side. During the interview, the researcher took note of key points and unclear facts to be clarified with the interviewee later on in the interview or in interviews with others (in the case that that an interviewee did not possess the specific information being sought). Adhering to this practice was very helpful in recalling the interviewee to clarify unclear points and in transcribing the recorded interview. Importantly, it also served as an alternative to recorded

information if the audio recording ended up not working well, as was the researcher's experience with one participant who asked to move the interview location at the very beginning of the interview prompting the researcher to pause the recorder, with the researcher then (unfortunately) forgetting to restart the recording. Owing to the researcher having taken written notes of the whole conversation, these, together with the researcher's memory, were able to serve as an adequate record of the whole conversation.

In interviews, asking participants insightful questions, as Jean J. Boddewyn advocated in the vignette section of Doz (2011, xvi), engendered willingness to tell the truth and elicited not only confidential information but also information from counterparts—e.g. “Some answered like that, what is your opinion?”: “Please clarify the information that I received from others”. The context pertaining to a research project can influence researcher-participant relationships, access to informants and research opportunities (Subedi 2006; Trainor and Bal 2014) either positively or negatively. Despite attempts at reflexivity, researchers can be easily biased. As reciprocity for participants, this researcher gave participants a small souvenir such as a ballpoint pen on which was printed the name of Curtin University or a gift featuring Australian icons and symbols, in addition to exchanging business cards.

4.4.2.2. Focus Group Discussions

This study added four FGDs as a supplementary source of data to validate findings from interviews as well as a combination of different perspectives (Liamputtong 2013) generated by interactive discussion between participants on specific topics (Saunders, Lewis and Thornhill 2012). Exchanging perceptions among participants stimulated them to disclose information that would not surface in one-to-one interviews. The researcher's role as a moderator was also very important in sparking interaction wisely. In this study, the researcher initiated the Myanmar custom of tea party, i.e. treating participants to hot milk-tea and a light refreshment, for 15 minutes prior to discussion commencing. The researcher opened the discussions by raising a current 'hot topic' in the industry, e.g. the impact of the Yangon regional government's daylight ban on container truck access to routes near the downtown port area. While

almost all interview data came from executive-level participants, the researcher focused on mid-level executives' perceptions and experiences in the FGDs. The composition of participant groups in terms of members' positions and their working tenure in the industry was in line with the selection criteria (Table 4.4 and Table 4.5). In total, top-level executives represented 56% of participants while 44% of participants were mid-level executives. In term of their working tenure in the industry, 69% of participants had been working more than 20 years, 25% had more than five years of tenure while only 6% had less than five years of tenure.

Table 4.4 Composition of participants in focus group discussions (by positions)

Groups	MDs(Ex-MDs)/GMs	HoDs/ Directors/ Executives/ Country Directors/	Pilots/ Deputy Directors/ Divisional Managers	Total
MPA			4	4
Terminal Operators		1	3	4
Shipping Lines		3		3
Port Users		5		5
Total (by positions)		9	7	16
% (by positions)		56%	44%	100%

As discussed in sub-section 4.4.1.4, the researcher conducted three FGDs, excepting terminal operators on account of their privacy concerns. Liamputtong (2013) recommends organising homogeneous groups for FGDs. The researcher's experience in this study, however, suggested that qualitative researchers should consider all sorts of potential conflicts that may arise, even in a homogeneous group. Participants' diverse views and voices were included in FGDs since almost all mid-level managers were recruited for FGDs.

Table 4.5 Composition of participants in focus group discussions (by working tenure)

Focus Group Discussions	Tenure <5	Tenure 5-10	Tenure 11-20	Tenure >20	Total Participants	% of Total
MPA		1	1	2	4	25%
Terminal Operators			2	2	4	25%
Shipping Lines				3	3	19%
Port Users			1	4	5	31%
Total (by tenure)		1	4	11	16	100%
% (by tenure)		6%	25%	69%	100%	

4.4.2.3. Collecting Archival Documents and Secondary Data

As a retrospective longitudinal case study, significant transitional events and changes in institutional and non-institutional environments such as changes in governance and regulation as well as at the industry level and within the port authority were filtered out to narrow down the scope for gathering archival documents spanning the period 1988-2018. The research extracted key events and timelines from the information contained in the archived history of the MPA, which is updated periodically whenever CEO succession occurs. The study period includes four regime-periods: the SLORC (1988-1997), the SPDC (1997-2010), the USDP-led quasi-civilian government (2011-2015) and the NLD-led democratic government (2016-2018). There were 24 archival documents in both hardcopy (books) and digital (PDF and MS Word) versions of reports. Some, shared by participants, were gathered from the interview site. The researcher extracted important information from the hardcopy report and used it to create text files in NVivo, a computer-assisted qualitative data analysis (CAQDAS) software package. Additionally, the collected documents and annual performance datasets were used in the analysis by triangulating them with findings from the interviews and FGDs. As such, collected archival documents both provided concrete evidence and improved data integrity.

4.4.2.4. Fieldwork Memos

Human brains are limited in their ability to memorise information. Thus, whatever came up as a theme, concept, pattern or trend while reading and reviewing the data before and during coding of it, the researcher took notes in a reflective diary as well as an analytical memo in the Nvivo application (this will be discussed further in sub-section 4.4.4.1). Writing memos encouraged brainstorming ideas that reflected the researcher's bracketed perceptions and thoughts (Adu 2019). In this study, these notes served as important guides and a roadmap for the researcher when coding and data analysis took place (Saldaña 2012). Soon after each interview, the researcher created fieldwork memos based on the notes taken during the interview and complementary to the interview transcription, as Saldaña (2012) has suggested researchers do. The detailed memo entries for this study will be discussed in sub-section 4.4.3.2.

4.4.2.5. Recording and Transcribing

All interviews and FGDs were digitally recorded. During interviews and discussions, taking notes manually on the blank side of an interview questions and discussion topics sheet was a helpful to data processing and harvesting, striking themes while conducting coding and analysis. This practice also helped the researcher in verifying with interviewees prior to the interview concluding any information that was still unclear. Since most of the interviewees (33 out of 36) and all FGDs were conducted in the Burmese language and, for ethical reasons, the researcher having no chance to obtain assistance with transcription, the researcher transcribed the entirety of the 42 recordings himself (Table 4.6 and Table 4.7). Although the transcription process took more time than expected, it was done verbatim. During transcription, irrelevant, meaningless or repetitive answers were deliberately discarded. A total of 40.5 hours of audio recording and approximately 280 pages of single-line text obtained from the interviews, together with a total of 9.5 hours of audio recordings and approximately 65 pages of single-line text obtained from the FGDs, contributed to the primary data corpus. All transcripts complied with privacy guidelines identified in the ethics application.

Table 4.6 List of Interviews

No.	Participant Code	Group Code	Position	Tenure	Date	Time (h:mm)	Mins	Remark
1	A01	A	Executive	9	22/03/2017	1:47	107	
2	A02	A	Executive	20	9/03/2017	1:43	103	
3	A03	A	Executive	13	12/03/2017	0:54	54	
4	A04	A	Executive	10	15/03/2017	1:19	79	
5	A05	A	Executive	18	24/03/2017	0:55	55	
6	A06	A	Executive	19	14/03/2017	1:15	75	
7	A07	A	Executive	22	8/03/2017	0:58	58	
8	A08	A	Executive	26	21/03/2017	1:15	75	
9	A09	A	Executive	35	17/03/2017	1:38	98	
10	A10	A	Executive	25	21/03/2017	1:02	62	
11	A11	A	Executive	19	13/03/2017	1:10	70	
12	A12	A	Executive	13	14/03/2017	1:14	74	
13	A13	A	Executive	22	13/03/2017	1:10	70	
14	A14	A	Executive	18	22/03/2017	0:56	56	
15	B01	B	Executive	7	8/03/2017	1:14	74	
16	B02	B	Executive	21	23/03/2017	1:04	64	
17	B03	B	Executive	16	20/03/2017	0:59	59	
18	B04	B	Executive	18	24/03/2017	1:26	86	
19	B05	B	Executive	2	23/03/2017	0:31	31	
20	B06	B	Executive	22	24/03/2017	0:30	30	
21	C01	C	Executive	17	16/03/2017	1:05	65	
22	C02	C	Executive	18	16/03/2017	1:00	60	
23	C03	C	Executive	20	21/03/2017	1:16	76	
24	C04	C	Manager	31	28/03/2017	1:10	70	
25	C05	C	Manager	4	17/03/2017	0:51	51	
26	D01	D	Executive	40	11/03/2017	1:23	83	
27	D02	D	Executive	28	20/03/2017	0:58	58	
28	D03	D	Executive	23	15/03/2017	1:13	73	
29	D04	D	Executive	24	14/03/2017	0:51	51	
30	D05	D	Executive	18	21/03/2017	0:55	55	
31	D06	D	Executive	21	23/03/2017	1:04	64	
32	E01	E	Executive	2	23/04/2017	1:22	82	Tenure in Myanmar
33	E02	E	Manager	2	17/03/2017	0:40	40	Tenure in Myanmar
34	E03	E	Executive	2	10/03/2017	1:45	105	Tenure in Myanmar
35	E04	E	Executive	18	13/03/2017	0:36	36	Tenure in Myanmar
36	E05	E	Manager	3	10/03/2017	1:13	73	

Table 4.7 List of Focus Group Discussion

No.	Group Code	Participants	Date	Time (h:mm)	Mins	Remark
1	AF	4	3/01/2018	1:48	108	
2	BF1	2	27/12/2018	1:22	82	
	BF2	1	27/12/2018	1:34	94	
	BF3	1	2/01/2018	1:07	67	
3	CF	3	28/12/2017	1:59	119	
4	DF	5	26/12/2018	1:24	84	

By transcribing each interview audio recording soon after each interview had concluded, the researcher could minimise the time between the interview and the conversion into text of information obtained from the interview, maximising the accuracy of information recalled from memory that was added to the interview record, improving overall data accuracy. Indeed, this iterative interview transcription process enhanced the flexibility that is so essential in qualitative research, especially with regard to data collection and analysis (Mills, Durepos and Wiebe 2010). Almost all participants interlarded some English words in their predominantly Burmese-language answers, as is usual practice for those who frequently engage with international contacts, which was helpful for the researcher in choosing key words with high accuracy in translations. Hence, translations of all transcripts were true to what was said in the interviews. Also, transcribing the interviews himself, followed by review of each transcript several times helped the researcher to become acquainted with the interview contents, which in turn facilitated coding and analysis afterwards. As Bloor and Wood (2006, 167) have previously concluded, a researcher “becomes more familiar with and immersed in the data, thereby gaining a more detailed understanding of the data” through self-transcription. Hence, the researcher made jottings about passages that struck him and pre-coded the initial work beforehand. To help examine the research questions, the researcher decided to use NVivo 12 as a CAQDAS tool.

4.4.3. Data Management

This sub-section first explains the data storage and management plan this study followed throughout the project and post-completion period. Second, it expresses how transcripts, archival documents and statistical data were imported to the data analysis tools.

4.4.3.1. Storage and Management

During the study period, all physical data sheets such as notes taken during interviews and FGDs were sorted by date and organised by interview and FGD group and stored in a place under the control of the researcher. Archival documents were sorted on an event/content basis and kept in the same place. Digital audio recordings were

organised by group and stored in Curtin's University's R-Drive. NVivo data analysis files were named using an MPA-Coevolution.nvp naming convention that was updated periodically. Recovery files were created weekly and each file was date stamped for easy identification (e.g., MPA-Coevolution_Date.nvp). For the period beyond study completion, in accordance with the data storage and management plan, data was stored electronically in Curtin University's electronic storage system, R-Drive, to which the researcher's supervisors had full access. The maximum length of time that data can be stored in this system is 7 years from the date of publication or completion of the project, whichever is later. As the researcher only planned to co-author with their supervisors in future paper development, data from the present study could continue to be accessed via the researcher's supervisors. In addition to this, the researcher planned to backup data electronically in an online cloud system, Dropbox, to facilitate sharing and easy access among this group.

4.4.3.2. Importing Transcripts, Memos, and Archival Documents and Datasets

This study used Nvivo 12 software to facilitate data analysis. As discussed in subsection 4.4.2 on data collection, all transcripts, analytical memos and digital versions of archival documents and datasets were imported to NVivo 12 under the project name "MPA-Coevolution". Although this software assisted the iterative process of data manipulation, review and analysis, all procedures were under the control of the researcher and interpretations fully underpinned by the researcher's knowledge, experience and understanding. This study also retained archival datasets in Excel format for visualisation. Figure 4.2 shows a sample of the list of interview transcripts. Participants were created as cases, to which their individual demographic attributes such as tenure, age, position, organisation, were added.

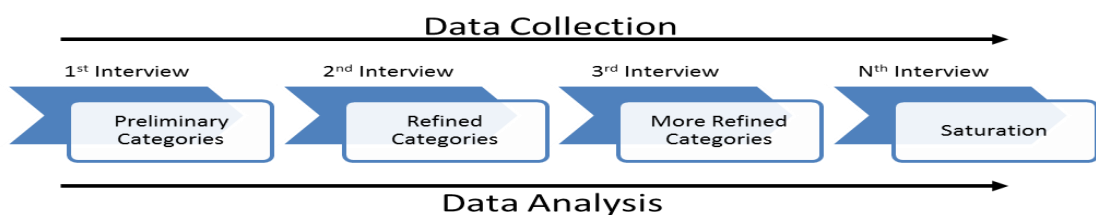
Figure 4.2 Interview Transcripts

Name	Codes	References	Modified On	Modified By	Classification
A01	186	945	30/01/2020 6:11 PM	AK	Interview
A02	188	1037	30/01/2020 6:11 PM	AK	Interview
A03	104	458	30/01/2020 6:11 PM	AK	Interview
A04	106	572	30/01/2020 6:11 PM	AK	Interview
A05	61	238	30/01/2020 6:11 PM	AK	Interview
A06	63	288	30/01/2020 6:11 PM	AK	Interview
A07	186	945	30/01/2020 6:11 PM	AK	Interview
A08	71	177	30/01/2020 6:11 PM	AK	Interview
A09	104	458	30/01/2020 6:11 PM	AK	Interview
A10	105	421	30/01/2020 6:11 PM	AK	Interview
A11	160	743	30/01/2020 6:11 PM	AK	Interview
A12	70	171	30/01/2020 6:11 PM	AK	Interview
A13	162	811	30/01/2020 6:11 PM	AK	Interview
A14	48	156	30/01/2020 6:11 PM	AK	Interview
B01	107	652	30/01/2020 5:29 PM	AK	Interview
B02	162	786	30/01/2020 5:29 PM	AK	Interview
B03	107	441	30/01/2020 5:29 PM	AK	Interview
B04	71	177	30/01/2020 5:29 PM	AK	Interview
B05	106	432	30/01/2020 5:30 PM	AK	Interview
B06	70	171	30/01/2020 5:30 PM	AK	Interview
C01	110	443	30/01/2020 5:29 PM	AK	Interview
C02	92	401	30/01/2020 5:29 PM	AK	Interview
C03	108	390	30/01/2020 5:37 PM	AK	Interview
C04	90	323	30/01/2020 5:37 PM	AK	Interview
C05	186	945	30/01/2020 6:11 PM	AK	Interview
D01	122	702	30/01/2020 5:28 PM	AK	Interview
D02	112	455	30/01/2020 5:28 PM	AK	Interview
D03	120	678	30/01/2020 5:55 PM	AK	Interview

4.4.4. Coding and Data Analysis

Coding and data analysis is an iterative process by which salient themes and concepts can be generated to develop theoretical insights (Saldaña 2012; Adu 2019). Following Yin (2018), this study used general analytical strategies in combination with theory-focused and data-focused analysis, in line with the abductive reasoning exercised in this study. Hence, throughout the coding and analysis process, the researcher compared constantly (Glaser, Strauss and Strutzel 1968) theoretical propositions and empirical insights in general, and themes, categories and even codes in particular. This study focused mainly on meaning (why and how) in relation to case phenomenon rather than the frequency of specific content/events implicated in the case. In order to address questions of “why” and “how” or cause-effect relations, this study employed deliberately an explanation building analytic technique (Yin 2018). However, the coding process followed a general iterative process rule, as shown in Figure 4.3.

Figure 4.3 Flow of Data Collection and Analysis



The coding process does not need to be progressive linearly. However, it was framed from the basic/direct (code) through the intermediate (concept/theme) to the advanced (theory) level of interpretation (Saldaña 2012).

4.4.4.1. Using NVivo as a CAQDAS Tool

To facilitate the coding and analysis process efficiently, this study used NVivo 12 as a CAQDAS tool. Using such a tool can strengthen the researcher's ability to organise and manipulate complex, evolving, coded data in the forms of hierarchies and relationships (Saldaña 2012). However, this technical tool is an aid rather than a substitute for employing a general analytical strategy (Yin 2018). Although the NVivo 12 software has advanced facilities and functions such as auto coding, it is still limited in application to complex forms and flows of transcripts. This researcher found it to be helpful in the current study.

4.4.4.2. First Cycle Coding

First cycle coding is direct and fairly simple (Saldaña 2012). In this stage, the researcher manipulated data at a low level of interpretation, e.g. reading and reviewing transcripts, filtering key chunks of information. In accordance with the exploratory nature of this research, emerging chunks of information provided by participants were coded, e.g. 'lack of autonomy', 'state-led reform', rather than centred on the pre-defined conceptual framework and themes (Burgelman 2011; Li et al. 2016). Tracing and scrutinising individual transcripts, fieldwork memos and reports line-by-line and scrutinising for salient concepts and events, key words of quotes were selected and organised under the same codes as 'first-order coding' (Gioia, Corley, and Hamilton 2013) or 'initial coding' (Saldaña 2012). Initially, the selected excerpts or chunks were coded as descriptive or 'in vivo' codes. In a coded datum, the code used directly from the participants' expression is called 'In Vivo Code, and the code named by the researcher to reflect the meaning of selected text is called 'Descriptive Code' (Saldaña 2012). Following are examples:

Table 4.8 Sample of first cycle coding

Excerpt/chunk	In Vivo Code
After 2010, under the U Thein Sein government, trade volumes increased dramatically in accordance with <i>policy relaxation</i> and a series of <i>reforms</i> .	- Policy relaxation - Reform
Excerpt/chunk	Descriptive Code
[The] investor with the assistance and recommendation of the MPA prepared the project proposal and submitted it to the MOTC, UAG, and National Economic Coordination Committee, previously the Trade Council under the military regime, through proper bureaucratic channel on a step-by-step basis. With their approval, for BOT or JV investment matters, investors have to get approval from the MIC on the MPA's recommendation.	Institutional complexity

Such initial codes were grounded directly in the data. The degree of fitness and codes' reflection of data depends on the extent of the researcher's understanding of the data (Creswell 2015). Through iterative processes, codes are codified as categories in consolidated forms or patterns based on their aggregate meanings and explanations. Such a process of grouping codes on the basis of their similarity in terms of meaning or shared characteristics is called 'Pattern Coding'; hence, the coding process is not just for labelling, but also for linking and organising (Saldaña 2012). Examples of categorising codes to categories and themes are shown in Figure 4.4 and Figure 4.5.

4.4.4.3. *Triangulation*

In this study, triangulation by data sources aims to improve both rigour and the validity and credibility of findings by aggregating multiple sources of data in a multi-method design (Creswell and Miller 2000; Pauwels and Matthyssens 2004). The basic assumption of triangulation is that the weaknesses in each single data collection method/source are compensated by the counter-balancing strengths of another method/source (Jick 1979). To triangulate, in addition to the interview transcripts as

a core, this study used complementary data such as FGDs, archival documents and annual trade growth, FDI inflow and port performance data. In this study, triangulation helped fill information gaps that participants could not on account of some of them not being able to remember details, especially quantitative information such as numbers and years. Generally, triangulation confirmed the data evidence. For example, one of the participants answered in a general way that “under US and international sanctions, trade growth was not that high.” Following up this answer, the researcher checked with annual country trade data for the specific period. Such triangulation matching information provided by participants with statistical data from archival reports occurred frequently at the very beginning stage of initial coding. Over time, as long as no new codes emerged because of similar information, the frequency of triangulation reduced. The following table shows examples of triangulations. In this study, triangulation almost always took place at the initial coding stage.

Table 4.9 Sample of Triangulation

Code	Excerpt	Data & Document
US-EU sanctions 1996-1997	Myanmar was suffering the impact of international sanctions incurred due to the country’s political and human rights record.	US, Department of Treasury’s Burma Sanctions Program, 2015 update; EU-Myanmar Relations Factsheets
Trade decreased	As a consequence, trade was hardly growing at all during this period.	According to the WTO, Myanmar’s annual garment exports dropped in 2000-2010;

4.4.4.4. *Second Cycle Coding*

Since coded information is rarely perfect in the first attempt at coding, a second cycle (or more) of recoding was conducted as a repeated process. In this cycle of recoding, qualitative data was further manipulated by way of filtering, highlighting and focusing on significant features of the data to recode or rename for better meaning (Saldaña 2012). Following this, codes were filtered and organised as categories to identify themes and concepts (Morse 2008) as shown in and.

Figure 4.4 Streamlined codes to theory (institutional factors)

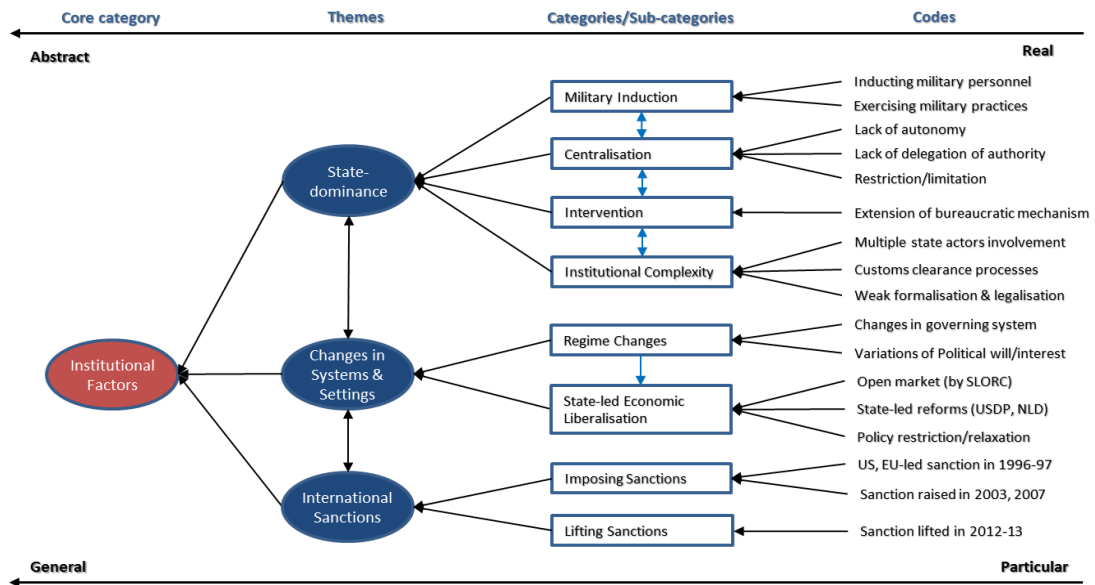
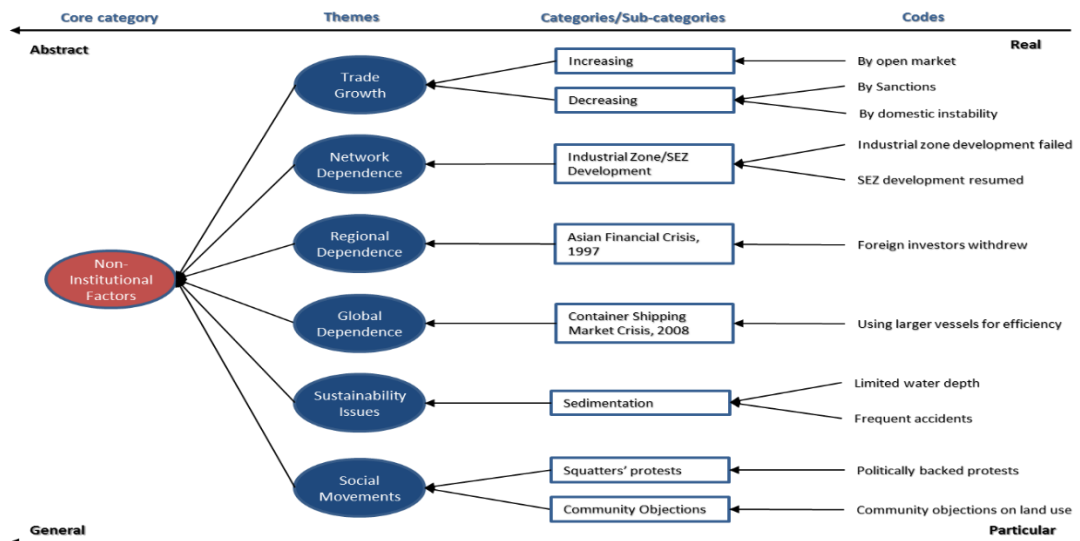


Figure 4.5 Streamlined codes to theory (non-institutional factors)



4.4.4.5. Data Analysis

As a case study, this study used explanation building analytical techniques to trace corporate co-evolution processes by attaching meaning to the emerging concepts and themes (Yin 2018). The processes include data familiarisation, initial coding, recoding and categorising, pattern matching between predefined and emerging themes (why

and how), identifying relationships between themes for explanation building (why and how) and generation of project maps (Figure 4.6) and concept maps (Figure 4.7) to develop a clear picture of the case phenomenon being researched for addressing each research question (Flick 2014b; Guest, MacQueen and Namey 2012; Yin 2018). To be more precise, this process grasped the meaning of surfacing themes and concepts through an iterative comparative process to build theory.

In sub-sections 4.4.4.2, 4.4.4.3, and 4.4.4.3, this study discussed coding, triangulation and recoding and categorising processes, focussing throughout on co-evolutionary forces, processes, pattern of interactions and outcomes. As an example, this chapter discussed emerging themes and their inter-relationships with regard to Research Question-1. The two external forces, institutional and non-institutional factors; their impacts on the industry and organisations and organisations' responses; state actors' involvement; organisations' CEO effects on strategic actions; and relations between them that emerged, addressed Research Question-1. The same effort was undertaken for the other two research questions.

Figure 4.6 Project Maps

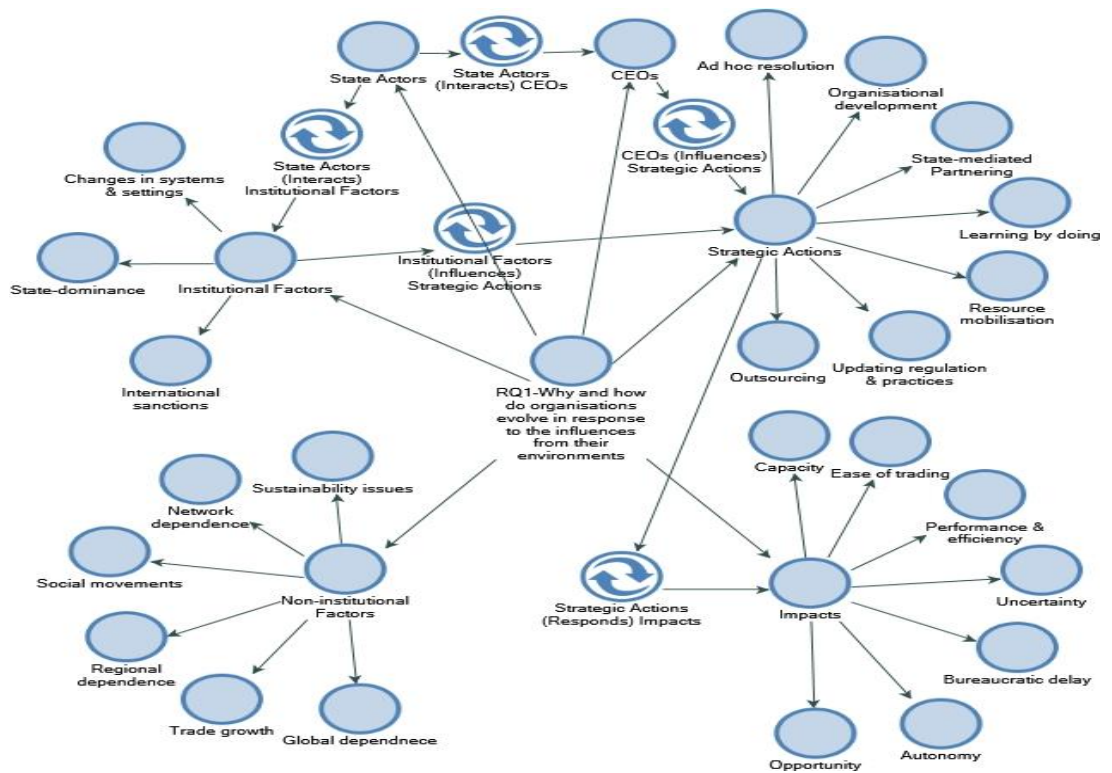
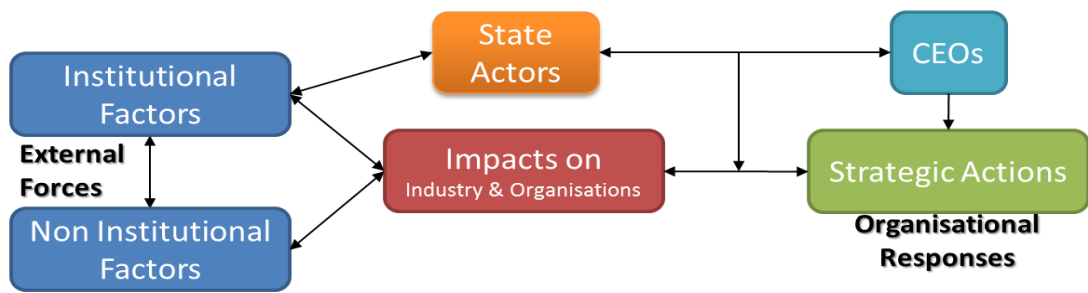


Figure 4.7 Concept Maps



This chapter depicts conversion of emerging codes, categories and themes into co-evolutionary forces, impacts, processes, strategic actions and outcomes, as shown in the Table 4.10.

Table 4.10 Co-evolutionary forces, their impacts, interaction processes, strategic choices, and outcomes

Forces	Aspects of Forces	Details of Forces	Impacts	Processes/Interactions	Strategic Actions	Outcomes	
Institutional Factors	Changes in systems/settings	Regime changes	<ul style="list-style-type: none"> Harmonisation & communication Policy risk 	<ul style="list-style-type: none"> Mobilisation through relationships 	<ul style="list-style-type: none"> Tolerance 	<ul style="list-style-type: none"> Better harmonisation & communication 	
	State-dominance	State-led economic liberalisation	<ul style="list-style-type: none"> Open market (by SLORC) State-led reforms (by USDP and NLD) Policy restriction/relaxation 	<ul style="list-style-type: none"> Gained partnership/development opportunities Ease/difficulty of trading & communication 	<ul style="list-style-type: none"> Asymmetric interactions through regulation Mobilisation through relationships Cooperation (financial, technical) with international partners Partnering with private actors 	<ul style="list-style-type: none"> Learning by doing Changed management model Partnership/development initiatives Restructuring, outsourcing (IT) Updating regulation 	<ul style="list-style-type: none"> Low/high performance & efficiency Development Network expansion Increased competition
		Military induction into civil services	<ul style="list-style-type: none"> Inducting (ex-)military personnel Exercising military practices 	<ul style="list-style-type: none"> Pervasiveness of military norms 	<ul style="list-style-type: none"> Asymmetric interactions through regulation Relationship development (ex-military) Mobilisation through relationships Partnering with private actors Horizontal/vertical integration (private actors) 	<ul style="list-style-type: none"> Tolerance Ad hoc resolution Partnership/development initiatives 	<ul style="list-style-type: none"> Network expansion Better harmonisation & communication Development Increased competition
		Centralisation	<ul style="list-style-type: none"> Lack of autonomy Lack in the delegation of authority Restriction & limitation 	<ul style="list-style-type: none"> Loss of autonomy Capacity shortage Low performance & efficiency 	<ul style="list-style-type: none"> Partnering with private actors 	<ul style="list-style-type: none"> Ad hoc resolution Partnership/development initiatives 	<ul style="list-style-type: none"> Network expansion & communication Development Increased competition
		Intervention	<ul style="list-style-type: none"> Expansion of bureaucratic mechanism (e.g. Speedy Committee) 	<ul style="list-style-type: none"> Loss of autonomy 	<ul style="list-style-type: none"> Asymmetric interactions through regulation Mobilisation through relationships 	<ul style="list-style-type: none"> Tolerance Ad hoc resolution Advanced port facilities (x-ray) 	<ul style="list-style-type: none"> Performance & efficiency return
	International sanctions	Institutional Complexity	<ul style="list-style-type: none"> Multiple state actors involvement Weak formalisation, legalisation Customs clearance processes 	<ul style="list-style-type: none"> Bureaucratic delays Low performance & efficiency 	<ul style="list-style-type: none"> Asymmetric interactions through regulation Mobilisation through relationships 	<ul style="list-style-type: none"> Tolerance Ad hoc resolution Advanced port facilities (x-ray) 	<ul style="list-style-type: none"> Performance & efficiency return
		Imposing sanctions	<ul style="list-style-type: none"> Imposed in 1996-1997, raised in 2003 & 2007 Foreign investors & partners withdrew 	<ul style="list-style-type: none"> Lost partnership/development opportunities Difficulty in trading 	<ul style="list-style-type: none"> Partnering with local private actors 	<ul style="list-style-type: none"> Promoting local investors Ad hoc resolution Operating in low-profile 	<ul style="list-style-type: none"> Network contraction Operated in loss (Thilava terminals)
	Trade growth	Lifting sanctions	<ul style="list-style-type: none"> Lifted in 2012-2013 Foreign investors & partners resumed 	<ul style="list-style-type: none"> Gained partnership/development opportunities Ease of trading 	<ul style="list-style-type: none"> Cooperation (financial, technical) with international partners Partnering with private actors 	<ul style="list-style-type: none"> Partnership/development initiatives 	<ul style="list-style-type: none"> Network expansion Increased competition
		Decrease	<ul style="list-style-type: none"> Decreased for domestic instability 	<ul style="list-style-type: none"> Low performance & efficiency while low tariff limited by government 	<ul style="list-style-type: none"> (Asymmetric interactions through regulation 	<ul style="list-style-type: none"> Reviewed and updated tariff 	<ul style="list-style-type: none"> Performance & efficiency return
	Network dependence	Increase	<ul style="list-style-type: none"> Increased after open market 	<ul style="list-style-type: none"> Capacity shortage (port congestion) 	<ul style="list-style-type: none"> Partnering with private actors 	<ul style="list-style-type: none"> Partnership/development initiatives 	<ul style="list-style-type: none"> Development Network expansion
Suspension of industrial zone development		<ul style="list-style-type: none"> Industrial zone development suspended in Thanlyin-Kyauktan 	<ul style="list-style-type: none"> Lost partnership/development opportunities Lost location advantages 	<ul style="list-style-type: none"> Partnering with local private actors 	<ul style="list-style-type: none"> Promoted local investors Marketing (by outer harbour terminals) 	<ul style="list-style-type: none"> Network contraction Operated in loss (Thilava terminals) 	
SEZ development		<ul style="list-style-type: none"> SEZ development resumed in Thilava 	<ul style="list-style-type: none"> Gained partnership/development opportunities Location advantages returned 	<ul style="list-style-type: none"> Cooperation (financial, technical) with international partners Partnering with private actors 	<ul style="list-style-type: none"> Development/partnership initiatives Marketing (by terminals) 	<ul style="list-style-type: none"> Development, Regained profit Increased competition 	
Asian financial crisis, 1997		<ul style="list-style-type: none"> Foreign investors withdrew 	<ul style="list-style-type: none"> Lost partnership/development opportunities 	<ul style="list-style-type: none"> Partnering with local private actors 	<ul style="list-style-type: none"> Promoting local investors 	<ul style="list-style-type: none"> Promoting local investors 	<ul style="list-style-type: none"> Network contraction
Sustainability issues	Container shipping industry crisis, 2008;	<ul style="list-style-type: none"> Using larger vessels for efficiency 	<ul style="list-style-type: none"> Increased risk (for using larger vessels, and shallow water) Location advantage shifted (to outer harbour) 	<ul style="list-style-type: none"> Horizontal/vertical integration (private actors) Symmetric interactions (port authority-private actors) 	<ul style="list-style-type: none"> Contracting (terminals and shipping lines) Marketing (by terminals) Outsourcing for dredging Operation & management practices changed 	<ul style="list-style-type: none"> Increased competition Reduced risk Development Network expansion 	
	Sedimentation	<ul style="list-style-type: none"> Limited water depth Frequent accidents 	<ul style="list-style-type: none"> State actors intervention Asymmetric interactions Mobilisation through media 	<ul style="list-style-type: none"> Partnering with private actors 	<ul style="list-style-type: none"> Operation & management practices changed 	<ul style="list-style-type: none"> Network contraction 	
Social movements	Squatters' protests	<ul style="list-style-type: none"> Squatters' protests in Thilava Backed by political groups 	<ul style="list-style-type: none"> Development project delay/loss Uncertainty 	<ul style="list-style-type: none"> State actors intervention Asymmetric interactions Mobilisation through media 	<ul style="list-style-type: none"> Ended up by paying higher compensation 	<ul style="list-style-type: none"> Financial loss for higher compensation 	
	Community objections	<ul style="list-style-type: none"> Community objections to land use for port expansion and development 	<ul style="list-style-type: none"> Cancelled project 	<ul style="list-style-type: none"> Cancelled project 	<ul style="list-style-type: none"> Cancelled project 	<ul style="list-style-type: none"> Lost project 	

4.4.4.6. Data Saturation

This study continued sampling; coding and categorising; and data analysis by constant comparison of themes and patterns until findings reached theoretical saturation, i.e. no new patterns emerged (Flick 2014b), followed by the appearance of a sense of closure (Strauss & Corbin, 1998). Data saturation is the key to excellent qualitative research (Morse 1998). Simply stated, data saturation is considered to have been reached when no new code emerges from the data and repetition of information comes out of all data sources. This study found that data saturation occurred after 17 interviews and 2 FGDs since first-round participants had been carefully selected on the basis of being information-rich and experienced. This finding of sample size for data saturation supports the classic work of Guest, Bunce, and Johnson (2006), who recommended based on their evidence that data saturation was reached within 12 interviews out of 60. Further, since triangulation took place whenever new code emerged, followed by codifying and constant comparison of themes and patterns, this researcher recognised that all emergent themes and their interrelationships had been identified and illustrated the case phenomenon being researched as well as addressing all three research questions. The data saturation occurred in such a condition as defined by Guest, Bunce, and Johnson (2006). Although no new code was obtained from the rest of transcripts, they were also coded to improve evidence quality and validity.

4.4.4.7. Post-coding: The Write-up

Once the study had reached the goal of data saturation, i.e. the examining case phenomenon had been properly identified and the research questions had been well addressed, write-up of the research findings began. Prior to writing a report of the findings, this chapter converted codes, categories and themes into a comprehensive relationship table encompassing five components: forces, impacts, processes, responses, and outcomes. These components reflect emergent themes, categories and codes and constituted an integrated set of concepts and themes that addressed how corporate co-evolution took place at all three levels of organisation, industry and environment within a state-dominant business environment. Based on this table and

its components, the next chapter will present research findings, including concepts and themes linked to participants' quotes. Following this, theoretical discussion of the findings and comparison with the extant literature will be made. In the final chapter, empirical and theoretical implications of this study; the limitations of this research; and recommendation for future research in this field will be presented.

4.4.5. **Achieving Rigour and Establishing Quality**

Rigour is the most important criterion for ensuring qualitative research's reliability and validity (Morse et al. 2002). Without rigour, research findings will not achieve their full contribution value. However, some scholars argue that reliability and validity are not accounted for by qualitative studies, but are more associated with numbers, and thus, quantitative studies (Lincoln and Guba 1985; Richards and Morse 2012). So what makes research rigorous and establishes the quality of a study? Creswell and Poth (2018) define five aspects of rigour: credibility, authenticity, transferability, dependability, and confirmability. Steering clear of this literature debate, this study will discuss how it attempted to improve and ensure rigour in the three phases of research project that Richards and Morse (2012) define to be the preparation phase, the implementation phase and the completion phase. For any research project, intellectual rigour is essential at all stages.

As Richards and Morse (2012) suggest, being well-prepared from the start of the project can help ensure rigour. During the preparation phase of the project, this study ensured rigour through (but not limited to):

- a feasible and applicable research proposal that encompassed well-structured design, achievable research objectives and sensible research questions;
- an intensive literature review that not only expanded the extant knowledge but also identified potential to fill gaps and holes in the present body of knowledge;
- systematic preparation and planning for data collection, fieldwork travel, ethics approval and data management. Importantly, the study assembled a strong group of participants who were information-rich and experienced in the industry of intended study; and
- securing supervisors' guidance and support through regular meetings with them.

During the implementation phase of the project, this study ensured rigour through (but not limited to):

- making firm appointments with participants for interviews and FGD meetings;
- audio recording interviews using a quality recording device as well as an extra recording mode and taking notes;
- verbatim transcription to ensure accurate depiction of participant perceptions;
- balancing intimacy and distance and enhancing the researcher's reflexivity;
- compliance with ethical guidelines before, during and after interviews;
- the extent and depth of data collection, using multiple sources—thirty-six interviews, four focus group discussions, twenty-four documents, and twelve archival datasets;
- triangulating with multiple data sources: interviews, FGDs, archival documents and datasets;
- adhering to set goals in methods, abductive reasoning, and explanation building analytical technique, as well a constant comparison between theoretical propositions and empirical insights;
- meeting regularly with supervisors to discuss research progress and obtain feedback and comments on the research process and research outcomes;

During the completion phase, this study ensured rigour by: 1) confirming the legitimacy of research findings that were applicable and workable when applied in a practical setting; 2) confirming the research outcomes as a suitable foundation or model for subsequent future studies that aim to extend or replicate this study; 3) confirming conduct of further investigation and testing in the event that recommendations and results of this study does not work or provide proof of this study's findings.

4.5. Chapter Conclusion

This study adopted a multi-method qualitative case study strategy that interpreted corporate co-evolution as a socially constructed phenomenon and sought to address gaps in the field by examining the development path of a port industry and its actors within the unique context of the SDB environment of a developing economy,

Myanmar. The case study strategy offered a unique opportunity to provide an in-depth and holistic understanding of the research context (Yin 2018). This approach was consistent with prior work in corporate co-evolution (e.g. Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003), which explicated 'social processes and interaction' (Schwandt 2007, p. 40) and the subjective meanings of realities of the co-evolutionary processes and interactions among individuals and organisations across a longitudinal time horizon (Gergen 1985; Flick 2014a). The chapter justified the methods, techniques and procedures employed for data collection, explaining how the researcher approached, selected and organised participants and how data was collected and manipulated. The chapter also explained the importance of the three sources of data: interviews as core sources, FGDs as complementary sources and archival documents and datasets for triangulation. To address each of the three research questions, coding and data analysis was conducted iteratively by using Nvivo 12, a CAQDAS software package that enhanced data validity, the researcher's interpretation of findings and theoretical development of constructs and concepts (Saldaña 2012; Adu 2019). Employing abductive reasoning along with thematic analysis allowed constant comparisons between data-driven insights and theory-driven propositions. In this way, this thesis improved the validity and credibility of findings, by which the quality and rigour of the study was enhanced. Detailed findings are presented in the next chapter.

Chapter 5. Findings

5.1. Introduction

This chapter presents the empirical findings of this thesis. The results are drawn from a comprehensive data analysis presented in Chapter 4: Research Design and Methodology. The outcomes described in this chapter, Chapter 5, reflect individual perceptions and lived experiences of the participants who contributed to interviews and focus group discussions; secondary data; and archival documents. Specifically, the findings illustrate the central phenomenon of research: corporate co-evolution of port actors within a state-dominated business (SDB) environment in a developing economy in transition, Myanmar. According to the results, co-evolutionary forces; patterns of interactions; processes; and outcomes are underpinned by the development paths of the port industry and government-business network evolution. Co-evolutionary development processes took place, under the active involvement, even excessive control of the state, in response to the country's transitions across a longitudinal time horizon. The results are presented along with relevant quotes taken from participants' responses that were triangulated with evidence from archival documents and data. Participants are described using coded names – pseudonyms - to preserve their anonymity and assure confidentiality.

The research findings reflect the almost 30-year (from 1988 to 2018) development trajectory of the port industry and its actors that occurred in parallel with institutional changes in Myanmar. The findings also reflect transitional events and changes that took place during a period spanning four regimes: the SLORC military government (1988-1997), the SPDC military government (1997-2011), the USDP-led quasi-civilian government (2011-2016) and the NLD-led civilian government (2016-2018). The findings reveal two stages of corporate co-evolution in which negative outcomes were forces for co-evolution. They also show the prevalence across three analytical levels (environment, industry, and organisation) of military-experienced CEOs impact. The findings highlight how asymmetric interactions were preserved prominently across levels and structure of the government-business network and throughout the co-evolutionary development trajectories of this case study. However, they also show that organisations can mitigate institutional constraints and influence institutions by mobilising state actor commitment to the organisations' strategic

intentions through political ties garnered by ex-military CEOs' vast industry experience and connections to powerful state actors. Additionally, the study unpacks how network actors mitigate power exchange asymmetries and influence their counterparts. Thus, in the context of an SDB environment, although corporate co-evolution took place by way of the opportunities facilitated by the favourable environment of a country in transition, management commitment of powerful state actors controlled moderately organisations' strategic directions. These findings provide new insights into both theory and practice on corporate co-evolution.

This chapter aims to: 1) discuss co-evolutionary forces and their impacts on the port industry; 2) link them to co-evolutionary processes, organisations' strategic actions and outcomes; and 3) conceptualise an empirical framework. Accordingly, the chapter is composed of three parts. The first part discusses the external influential factors that shape co-evolution or development of the port industry and its actors. In the second part, the chapter looks at co-evolutionary processes, strategic choices and outcomes. The third part concludes with findings and conceptualises empirically data-driven constructs, concepts and processes into a relationship framework that provides a clear picture of the researched phenomenon: corporate co-evolution among port actors within the SDB environment in Myanmar.

5.2. External Factors of Corporate Co-evolution

Since the port industry and its multiple groups of actors is embedded in the environment in which it operates, its evolution reflects changes in the environment over time. A promising avenue for gaining a better understanding of the co-evolutionary phenomenon of such a complex case study is to investigate a range of dimensions, including institutional/political, historical and socioeconomic. In the absence of observations of the overall contextual atmosphere, the research analyses and results would be immature. Based on the data evidence, effects of the external environment were key influential factors or change drivers by which co-evolution took place within the port industry of Myanmar. This section reveals these and discusses their impacts on the development of the port industry and its actors. Specifically, it links the causes of corporate co-evolution (external factors—*what* changes in the

institutional and non-institutional environment drive organisations and industry to evolve) and their effects (impacts—*why* organisations and industry evolve in response to those changes).

There are two types of factors that stimulate externally organisations and a networked industry such as a port to evolve: institutional and non-institutional. Both are transitional, dynamic, and context-specific, as depicted in Figure 5.1 and Table 5.1. They are associated notably with the country transitions in Myanmar and dynamic changes in global and regional systems and settings. Among institutional and non-institutional factors, those related to nation-state systems and settings are categorised as institutional factors whereas changes in socio-economic aspects are categorised as non-institutional factors, as shown in Table 5.1. There are three institutional factors: state-dominance; changes in nation-state systems/settings; and international sanctions and four non-institutional factors: trade growth; global, regional and network dependence, sustainability issues; and social movement. The black arrows represent categorisation while the blue arrows indicate the interrelationships between factors. Table 5.1 summarises causal relationships, i.e. institutional and non-institutional factors as co-evolutionary forces and their effects on the MPA and the port industry as impacts. Details of each core factor are discussed in sub-section 5.2.1 and sub-section 5.2.2.

Figure 5.1 External factors of corporate co-evolution

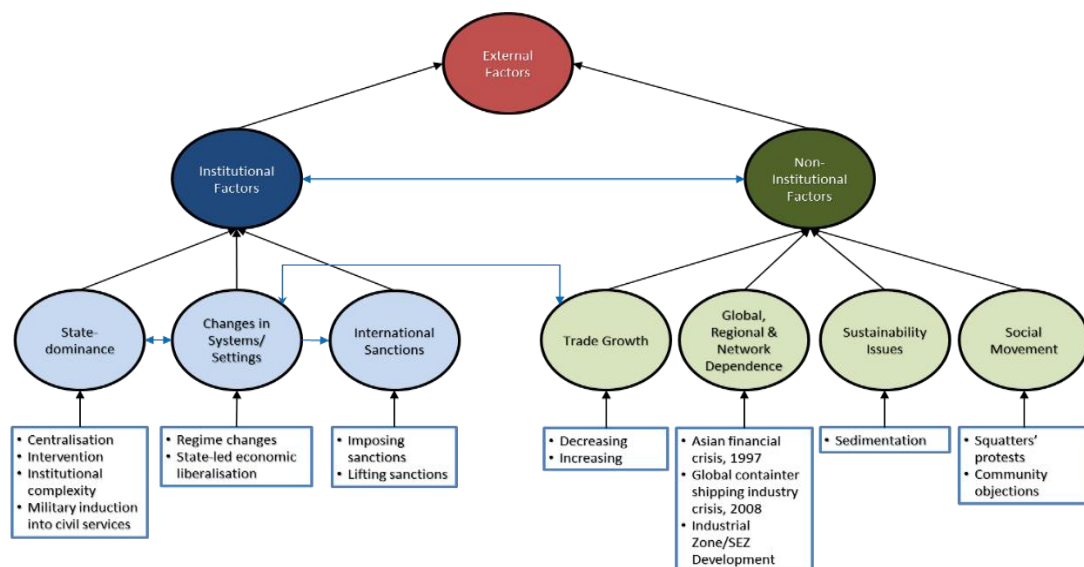


Table 5.1 Summary of external factors and their impacts

		Forces	Aspects of forces	Details of forces	Impacts
External Factors	Institutional Factors	Changes in systems & settings	<i>Regime changes</i>	<ul style="list-style-type: none"> • Changes in governing system • Variations of political will/interest 	<ul style="list-style-type: none"> • Harmonisation & communication • Uncertainty
			<i>State-led economic liberalisation</i>	<ul style="list-style-type: none"> • Open market (by SLORC) • State-led reforms (by USDP and NLD) • Policy restriction/relaxation 	<ul style="list-style-type: none"> • Gained partnership/development opportunities • Network expansion • Ease/difficulty of trading & communication
		State-dominance	<i>Centralisation</i>	<ul style="list-style-type: none"> • Lack of autonomy • Lack in the delegation of authority • Restriction & limitation 	<ul style="list-style-type: none"> • Loss of autonomy • Capacity shortage • Low performance & efficiency
			<i>Intervention</i>	<ul style="list-style-type: none"> • Extension of bureaucratic mechanism 	<ul style="list-style-type: none"> • Loss of autonomy
			<i>Institutional Complexity</i>	<ul style="list-style-type: none"> • Multiple state actors involvement • Weak formalisation, legalisation • Customs clearance processes 	<ul style="list-style-type: none"> • Bureaucratic delays • Low performance & efficiency
		International sanctions	<i>Military induction into civil services</i>	<ul style="list-style-type: none"> • Inducting (ex-)military personnel • Exercising military practices 	<ul style="list-style-type: none"> • Pervasiveness of military norms
	<i>Imposing sanctions</i>		<ul style="list-style-type: none"> • Imposed in 1996-1997, raised in 2003 & 2007 • Foreign investors & partners withdrew 	<ul style="list-style-type: none"> • Lost partnership/development opportunities • Network contraction • Difficulty in trading 	
	Non-institutional Factors	Trade growth	<i>Lifting sanctions</i>	<ul style="list-style-type: none"> • Lifted in 2012-2013 • Foreign investors & partners resumed 	<ul style="list-style-type: none"> • Gained partnership/development opportunities • Network expansion • Ease of trading
			<i>Decreasing</i>	Decreased for domestic instability	<ul style="list-style-type: none"> • Low performance & efficiency
		Network dependence	<i>Increasing</i>	Increased after open market	<ul style="list-style-type: none"> • Capacity shortage
			<i>Industrial zones/SEZ development (Thilawa)</i>	<ul style="list-style-type: none"> • Industrial zone development failed • SEZ development resumed 	<ul style="list-style-type: none"> • Lost partnership/development opportunities • Network contraction • Lost location advantages (outer harbour) • Gained partnership/development opportunities • Network expansion • Location advantages returned
		Regional dependence	<i>Asian financial crisis, 1997</i>	<ul style="list-style-type: none"> • Foreign investors withdrew 	<ul style="list-style-type: none"> • Lost partnership/development opportunities • Network contraction
		Global dependence	<i>Container shipping industry crisis, 2008</i>	<ul style="list-style-type: none"> • Using larger vessels for efficiency 	<ul style="list-style-type: none"> • Increased risk • Location advantage shifted (to outer harbour)
		Sustainability issues	<i>Sedimentation</i>	<ul style="list-style-type: none"> • Limited water depth • Frequent accidents 	<ul style="list-style-type: none"> • Location advantage shifted (to outer harbour)
Social movements		<i>Politically backed protests</i>	<ul style="list-style-type: none"> • Squatters' protests 	<ul style="list-style-type: none"> • Development project delays 	
	<i>Community objections</i>	<ul style="list-style-type: none"> • Community objections on land use 	<ul style="list-style-type: none"> • Uncertainty 		

5.2.1. Institutional Factors

Institutional factors refer to the influences of evolving nation-state systems and settings and influences of state actors as powerful institutions and individuals involved actively in business. This sub-section presents the institutional influences surfaced from data analyses of transitional events and participants' experiences and perceptions of said events. Institutional factors acted as change drivers since they constituted either constraints on or opportunities for the development of the Myanmar port industry and its actors. Institutional factors included changes in nation-state systems/settings; state-dominance; and international sanctions (Table 5.1). These factors, interconnecting with non-institutional factors (as illustrated in Figure 5.1), shaped the corporate co-evolution of the actors involved in the Myanmar port industry. The following sub-sections explain in detail each factor incorporated with case events and participants' responses and their impacts on the MPA and the entire Myanmar port industry.

5.2.1.1. State Dominance

In this study, according to the data, the term “state-dominance” in business simply refers to the “active involvement and direct influence of government institutions and agencies in businesses”. In fact, it is characteristic of a centralised government structure that businesses operate under the tight, even excessive, control of the ruling administration and strong government-business connectedness is prevalent. Accustomed to operating within the environment of top-down decision flows that have persisted culturally within Myanmar’s institutions, government agencies such as the MPA and private port actors have continued to evolve even under the strong regulatory pressure and influence of state-level institutions. This study’s findings provide clear evidence of overwhelming state dominance across the entire transitional period of the four administrations governing Myanmar between 1988 and 2018, albeit with some differences in policy and regulatory approach under each regime. Participants attributed state dominance to four factors: 1) *centralisation*; 2) *intervention*; 3) *institutional complexity*; and 4) *military induction in civil services*. Sifting through the legacy of this state dominance, which has persisted over the decades that the military was in power, it is evident that decision and policy flows were almost always ‘top-down’ even under the present democratic government. Connected to aspects of state dominance in the macro context of the developing economy of Myanmar, this sub-section presents in detail four patterns of institutional forces (*what* forces) and their impacts (*why* co-evolve) on the port industry and port actors.

5.2.1.1.1. Centralisation

The findings identified three forms of “centralisation”: lack of autonomy; insufficient delegation of authority; and restriction and limitation. Since SLORC practiced centralised administration and paternalistic governance, government agencies, including the MPA, lost both management and budgeting autonomy. To recover from economic recession and negative GDP growth, in 1989, SLORC enacted the State-owned Economic Enterprises (SEEs) law. In line with this law, SLORC changed all semi-autonomous corporations (which were governed by boards) into SEEs (following which boards were soon dissolved) on 1st April 1989. From this date, all

SEEs were under government control. In accordance with this change, the Burma Port Corporation (BPC) became the Myanmar Port Authority (MPA). The MPA *lost its financial autonomy* and the *delegation of authority* in management, which led to a *capacity shortfall*, e.g. inadequate port facilities, as well as *lower performance and efficiency*, e.g. port and yard congestion for growing traffic. A participant who experienced this change related the following:

For budget matters, even the BPC [...] could use our savings after contributing to the state fund with the approval of the President. Under the military regime, since 1989, all government-run corporations were [...] cut off from their financial autonomy. It looked like a family in which parents withheld all sorts of income earned by their children and allocated it equally or based on each child needs. The MPA had no authority in financial management and budget allocation. Its development projects also depended on the government's prioritisation (A02).

Additionally, the *Report for Port Development 2007*, a consultant's report prepared for the minister at the time by a local advisory team led by an ex-Managing Director and composed of field experts from both public and private sectors, described the evolution of the port authority's autonomy as follows:

After 1972, although the BPC became a state-run corporation, it still had appropriate financial autonomy. It could reinvest and spend budget based on its revenue and borrow from the government bank. [...] Since 1989, the MPA became a budgeted entity in that it relied on government-allocated budget (Report for Port Development 2007, Page-42, written in Burmese).

A pre-feasibility study for the fourth port project at Thilawa conducted in 1992 by France's BCEOM under the United Nations Development Programme (UNDP) and with World Bank funding, recommended promoting the MPA's autonomy and authority:

The Port has no financial autonomy. It has no control over its revenue and very little over its expenditure. Although it earns foreign currency,[...] The Port has no control over the appointment of its personnel; higher staff are appointed by the Public Selection and Training Board [now Union Civil

Services Board] and the Port cannot object (BCEOM Report June 1992, page 27)

This study found that state dominance in terms of centralisation persevered in all regime systems. Under this highly centralised governance, the MPA was required to get approval via “proper bureaucratic channels” for any development initiatives it wanted to pursue. This meant that proposals required permission not only from the line ministry - the MOTC - but also from ‘higher authorities’, including state-level institutions such as the Myanmar Investment Commission (MIC), established in May 1989; the Trade Policy Council (TPC) that was in place 1997-2010; the National Economic Coordination Committee (NECC); and the Parliamentary Joint Public Accounts Committee, founded in 2011. As some participants described below, operating in a centralised governing system in this context meant having to complete complicated bureaucratic procedures and processes, inevitably causing delays:

The centralised and complex governing practices and procedures took time and caused some delays, and sometimes there wasn't even any action because of the [un]availability of the main decision-maker, usually the Chairperson of the TPC and lack of awareness of and attention to the proposals of government agencies including the focal ministry that was accountable and responsible for submitting the proposal (A02).

The trend is not much different in the current government [NLD], almost the same [as its predecessors]. [...] The contracts are made directly between MPA and JICA. However, MPA needs approvals from higher authorities. Even MOTC cannot decide. It also needs to get approval from the Cabine, and other government agencies such as MNPF and UAG, because of the top-down bureaucratic system (E03).

As seen below, other participants from multiple groups also pointed out that centralisation and leader-centric governance persisted throughout all four government transitions to the extent that it became ‘part of the culture’ in the bureaucracy; they suggested that there should be more delegation of authority to government agencies to give them greater autonomy:

The practice of working under command and control became our culture. We cannot do without any push and force, commands and instructions and without commitments from higher authorities. The culture and belief strongly rooted among employees in the public sector was that working only on enacted orders from above was safe and secure. The government should give more autonomy and authority to its departments and agencies (D02).

The new government is also following the same trend as previous governments. [...] They enjoy flattery, in a servile way, a person who leads them. They are working only for a top leader. Nothing has changed under this new government [NLD]. Moreover, top-down decision flows and authoritarian leadership is dominantly influential as a culture and the usual practice among the government institutions (A02).

The persistence of the top-down decision-making practice, accompanied by complex bureaucratic procedures and processes throughout government agencies from the state level to the operational level saw centralisation became a culture in Myanmar, albeit regime changes happening a further three times to arrive at today's NLD-led government. For example, the approach to government budget allocation to SEEs, relatively unchanged, remained under the control of several state bodies, although some SEEs, including the MPA, have been operating as budget-independent entities since FY2012-2013. The MPA still needed to submit its budget and project proposals, including for foreign aid and assistance, to several authorities in the bureaucratic channel to receive their permission and approval. Even MOTC, the line ministry, was merely a facilitator in budgeting and development project initiative matters. As such, in the Myanmar context, the practice of centralisation and leader-centric flow of command became the norm in the institutional environment over time. Regarding this centralised governing system, the MPA felt the *loss of autonomy*, which had a negative impact on the organisation's *capacity and performance and efficiency*.

In this context, "restriction/limitation" refers to "ruling government's restriction/limitation on the organisation's ability and capacity to change/evolve". SLORC's excessive control over state-run enterprises resulted in a stronger bureaucracy and greater institutional complexity. Both constraints limited

organisations' managerial intentions and caused lower performance and efficiency. Although the MPA was administered by the MOTC, the Ministry of Finance's (MOF) fixed exchange rate policy and restricting of the MPA's ability to adjust tariffs to cover its expenses caused the MPA to experience a financial loss in FY1989-1990. The World Bank's third port project completion report talked about this experience:

During the project period [...] the Ministry of Finance was unwilling to allow tariff adjustments. [...] appropriate tariff levels are essential for the financial health of MPA and to provide adequate funds for future investments; [...] and unrealistic exchange rates produced distortions within the economy with significant implications for government enterprises involved in foreign trade. As a result, [...] financial objectives were not met [...] incurring a net loss of MMK 30 million in 1989/90.

At that time, the market (usually black market) rate of MMK (Myanmar Kyats) 70 = USD 1 was about 12 times the government's official exchange rate of MMK 6 = USD 1. The MPA's foreign currency income was based on the official exchange rate until FY2011-12. Moreover, all port terminals were state-owned, with the state-run shipping line, MFSL, the main port user during that time. Government concerns focused on raising consumer prices by increasing port tariffs. Such conditions were the result of bureaucratic inertia—the perpetuation of socialist practices that saw state corporations operating almost at a loss—during Myanmar's transition period to an open-market economy. According to MPA annual statistical data, as a result, net profit margins in 1989-1990 were actually negative (-22%), although this increased to 14% in the following year after adjustment of the port tariff. Financial losses persisted for seven consecutive financial years (2005-2006 through 2011-2012) as a result of using the official government exchange rate when presenting the MPA's foreign currency income. However, after a managed float of the exchange rate by the USDP government, the MPA was able to demonstrate an approximately 70% net profit margin from FY2012-2013.

Excessive government control and budget restrictions led to the port industry and its actors facing a capacity shortfall. Even though the MPA was achieving healthy profit margins by partnering with private entities in port operations, government budget limitations meant that it was not able to upgrade terminals it operated by itself.

In spite of the MPA being a budget-independent body since FY2012-2013, restrictive government practices have continued in the present parliament democracy era; in fact, there are now even more bureaucratic requirements – specifically, a Parliamentary Public Account Committee examination and parliamentary approval. In such an environment, the MPA’s strategic intention to advance its port facilities and technology has become almost latent and its responses to urgent issues reactive rather than proactive. Its managerial intentions continue to be limited under government controls, as was pointed out by some participants:

Although MPA’s revenue dramatically increased, its terminals were declining in both numbers and efficiency, as reinvestment is quite difficult under limited budget controlled by the state (A13).

For MPA-run terminals, due to budget limitations, they could not upgrade the necessary equipment and facilities for the advancement of SHE [Safety Health and Environment] matters (E02).

State-run agencies are associated with limitations and bounded in strict rules and regulations. They can do nothing by their own strategic decisions and beyond the boundaries of regulations and governing procedures. Since they have limited resources, power and autonomy in accordance with the practising devolution level, they cannot promptly respond or adapt to their environments that change over time (A02).

Moreover, reflecting the government’s lack of trust in its agencies, the MPA was subject to budget restrictions in relation to fuel expenses for daily dredging to maintain the river channel, which affected detrimentally channel depth. A participant discussed this situation:

The amount of diesel for daily dredging was reduced [by the government]. [...] It caused reduced channel depth. During my period, I could argue to get more fuel and the channel depth reached up to 18-19 feet. Later, the lack of trust in fuel consumption for dredging caused some mismanagement (A02).

As can be seen in the data presented above, state dominance over port industry business brought about an inescapable vicious cycle, as participants from the terminal operator and port user group pointed out:

It seems that we are expected to operate in a virtuous cycle, though the government is administering us in a vicious cycle (B02).

The situation looks like operating in a vicious cycle (D01).

To conclude, government centralisation in terms of insufficient delegation of authority and autonomy; restriction/limitation of the MPA's strategic goals; and restriction of the MPA's budget impacted negatively MPA's capacity, performance and efficiency. Moreover, the MPA was reduced to making almost reactive responses to its changing environment. In this regard, reform and development under bounded rationales of government such as restrictions and limitations led to stalled reform and development of the firm and the industry in which it was involved.

5.2.1.1.2. Intervention

Under the state-dominated governance system, the ruling administration utilised intervention as a method for short-term resolution of urgent issues rather than delegating more autonomy and authority to incumbent agencies, including the MPA. However, these intervention in some cases lasted for over a decade due to the government's lack of trust in its agencies. According to the data, government intervention influenced the port industry and its actors. In this context, the government exercised intervention by way of a) extension of bureaucratic mechanism; b) intervention in the absence of cooperation with incumbent authorities/agencies; c) involvement/influence in resource allocation.

As noted in the discussion on centralisation, the MPA's loss of autonomy led to capacity shortfalls and lower performance and efficiency. Myanmar's trade had been undergoing dramatic growth prior to the imposition of international sanctions due to the momentum of SLORC's open-market policy. According to MPA's annual cargo handling statistics, cargo traffic reached a level of 2.5 times port capacity in 1996. However, insufficient port infrastructure and facilities at the time prior to

private terminals being operational—these were still under construction in 1996—led to port congestion. The MPA alone could not handle the growing traffic. Apart from the growth in trade, Customs’ manual clearance procedures led to delays in port and yard operations. To resolve this issue, rather than delegating power and authority to Customs and the MPA, SLORC formed the Committee for Ensuring Prompt and Regular Freight-handling and Operating at Full Capacity (also known as ‘the Speedy Committee’) made up of high-ranking military officials to speed up both customs and port operations. According to the data, the Speedy Committee’s interventions had both pros and cons for the port industry and its actors. On the one hand, as a powerful body, the committee could speed up port operations and reduce port and yard congestion by meeting twice a week to make decisions and execute actions in relation to port operations. However, on the other hand, bypassing standard operating procedures (SOPs) and controlling excessively port operations, from daily berth allocation through to releasing cargo, led to the committee *becoming an extra gate* and a reduction in the *managerial discretion* of the incumbent MPA CEOs. Quoted below are some participant perceptions on the said point:

As the committee [led by the Minister for SLORC’s office] had full power and authority, it made decisions beyond the laws and regulation. [...] In terms of trade flow, on the one hand, it could speed it up by making decisions and undertaking actions promptly. On the other hand, it ignored standard procedures and functions. At that time, MPA’s CEO had no power and authority. Instead, the committee controlled everything. If we had a good relationship with the committee, everything would go well including berth allocation, delivery permission, and decisions on demurrage. [...] Under its intervention, the industry’s development and growth stagnated and even dropped. In terms of development, my personal conclusion is that there was no progress or change; there was downgrading instead (D01).

It was formed by the decision of the Vice-Chairman of SLORC with the intention of resolving vessel and commodity congestion in terminals due to increasing trade volumes. However, the chairman and members of the committee had no experience in port operation and management. It became an extra gate instead of [a mechanism for] facilitating speedy trade flow since it

mainly controlled customs processes and even approval of daily berth allocations and vessels movements. Ignoring professionals in each field was a big issue for our country (A02).

The committee was formed as it was needed to speed up port operation and customs' procedures. [...] As it had full power and authority, rules and regulations were neglected, even though it could make decisions and give orders promptly in order to resolve port and yard congestion. It could manage beyond laws and rules. That did not mean that it was responsible and accountable for whatever it did. However, nobody could make complaints at that time (A13).

Under the Speedy Committee's intervention, the MPA lost its roles. The committee even controlled berth allocation (AF).

According to the data, moreover, this governing system with a *lack of legalisation and formalisation* led to frequent interventions by way of *extending bureaucratic mechanisms* rather than enforcing and updating rules and regulation and advancing formalisation in line with the country's transition. There was a general lack of formal legal infrastructure in the port industry, as evidenced by the fact that while the *Rangoon Port Act 1905* and the *Port Act 1908* had been amended to facilitate private participation in ports in Myanmar, which began in 1998, they were not reconstituted until 2015. This phenomenon was seen not only in the port sector but also in other sectors, e.g., the *Burmese Companies Act 1914* and the *Special Company Act 1950* were used until 2017. In 2006, after ten years of the Speedy Committee's interventions, to tackle corruption issues among Customs staff, the Speedy Committee formed a Combined Inspection Team comprising staff from three departments - Customs, the MPA and the Trade Department - in every two-month cycle, instead of exercising a 'carrot or stick' approach, as participant A02 said, or acknowledging and leaning on professionalism. The reason for this initiative was lack of trust in the Customs staff operating in the port area. According to a Speedy committee internal report issued in 2008, the teams worked well by reducing fines while increasing tax. However, most participants viewed things differently, seeing the teams working in the same way as Customs had been by itself; thus, these teams actually represented a new kind of red tape. In this regard, the extension of the bureaucratic mechanism was not

efficient and led to institutional complexity, as some participants pointed out:

We operated terminal operations [...] under the supervision of two bodies: normally, the MPA's rules and regulation and, additionally, the Speedy Committee's instructions. We also needed to have a relationship with the committee. From 2011 onwards [since the previous USDP-led Government], the Committee and its administration have been abolished (B01).

The Committee formed a special inspection team [...] to work on Customs' inspection procedures because the government didn't trust Customs alone. Actually, the inspection of goods is the professional work of Customs. Later, this special group followed the same ways as Customs did. In reality, the special group became an additional layer of red tape. Besides, staff and even top management saw that involvement in this team was a chance to receive 'welfare' [extra money]. The main problem was that because there were no incentives and no encouragement. The government did not trust its employees and could not implement well a 'carrot or stick' approach (A02).

Furthermore, government involvement/influence led to misallocation of resources, including land for private terminals in the Thilawa area. Without having any strategic port 'master plan', the military SPDC government allocated Thilawa plots to local investors, just before transferring power to the USDP-led government. In this case, the MPA, as an incumbent authority and key professional in the port industry, had no right to respond to the government's action. Under the government's asymmetric influence, the MPA lost its rights and position, as the following participants noted:

I mean in port development standards. Present terminal allocation in Thilawa is a big problem, [done] without following safety standards. Terminals are not organised group-by-group, we can see mixed allocation of green terminals and container terminals among oil and gas and hazardous cargo terminals. It is very dangerous. I think this problem happened due to the lack of a port development plan for the MPA and so plots were allocated to local investors who submitted their investment proposals. In doing so, MPA itself also had difficulty in exercising its rights and position in allocating Thilawa plots under

government involvement (E04).

Another point I would like to suggest is that the MPA separate the area for dangerous/hazardous cargo. At the time, as we did not have separate terminals for hazardous cargo, we were discharging mid-stream. It led to a higher cost for us. In the Thilawa terminals area, we need to re-allocate terminals in terms of cargo types they intend to handle (C01).

Intervention by a state-level institution in the absence of cooperation with incumbent agencies/institutions resulted in distortions in the port industry. According to the data, differentiating between regimes, one could see better cooperation between government and businesses during the two military governments and the USDP-led government compared to the present NLD-led government, although formalisation was lacking under all administrations. Under the current NLD government, the Yangon regional government took action in relation to container trucks to reduce road congestion, without any cooperation from the MPA or even the MOTC, neglecting to consider the consequences of its action. On this point, the participants commented:

Recently, [...] the Yangon Regional government banned container trucks from using the new strand road in the daytime for the reason of road congestion. [...] it affected transport costs and port charges increased for night shift work, causing distortion in container operations (A06).

Since two years ago, the congestion at both terminals and road access has been a big issue. To resolve this, the MPA, regional and state-level institutions were involved. However, the problem was resolved [only] temporarily by the Yangon regional government, since the solution was considered on a short-term and ad hoc basis. The direction not to use container trucks in daytime negatively impacted the port industry in terms of wasting time for operations and raising the cost of the night shift (B02).

To sum up, government intervention by extending bureaucratic mechanisms was not effective in resolving dynamic issues. By bypassing standard operating procedures, rules, and regulations while working only on assigned objectives (to speed up port and customs operations in this case), moreover, intervention reduced legalisation and formalisation, as well as the managerial discretion of MPA's CEOs.

The extended authority became an extra gate that promoted institutional complexity. Furthermore, government involvement/influence in resource allocation that neglecting professional advice caused inevitable misallocation that was hard to fix later. Moreover, intervention without appropriate cooperation among government agencies led to distortion in the relevant industry and its actors suffered from time and cost inefficiencies.

5.2.1.1.3. Institutional Complexity

In this context, according to the data, “institutional complexity” refers to “the situation in which firms and the industry in which they are involved operate under multifaceted pressures and influences from several authorities/agencies at the state level”. As discussed above, extending the bureaucratic mechanism rather than enforcing legalisation and formalisation promoted institutional complexity. Apart from this, triggering factors for more institutional complexity were: a) the organisational structure of government agencies even at the state level forming on a functional basis rather than a matrix structure; b) lack of cooperation/integration and information sharing among institutions; and c) perpetuation of complex procedures and paperwork with a hesitancy to use advanced technology.

In this context, government agencies from the state level to the operational level were almost always structured on a functional basis rather than a combined matrix structure. In particular, legal functions were not included in their structure. They generally requested legal support and assistance from the Union Attorney General’s Office (UAGO), although purposes were specific to the sector in which the agency was involved. In partnering with private investors both locally and internationally, the MPA also had to get UAGO’s and other government agencies’ comments and approval for on every project proposal, concession agreement and contract agreement. Figure 5.2 shows the process flow diagram for a partnering initiative in the port industry. Figure 5.3 illustrates the roles of state actors in MPA’s budget allocation. An ex-CEO of the MPA explained the process flow:

MPA and private investors initially started an investment project for a location that they owned, or had done a feasibility study, or that MPA allocated. Then, the investor, with the assistance and [upon the] recommendation of MPA

prepared the project proposal and submitted it to MOTC, UAGO, and the National Economic Coordination Committee (previously the Trade Council under the military regime) through proper bureaucratic channels in a step-by-step manner. With their approval, for BOT or JV investment matters, the investor has to get approval from MIC with MPA's recommendation (A04).

This complex procedures and processes caused port industry actors to experience delays. International development partners suggested forming an internal legal division within the MPA or MOTC organisational structure:

Of course, we prepared tender documents and discussed [these] with MPA many times. Then, we submitted them to MPA, then MOTC, MOTC to the Ministry of National Planning and Finance and Union Attorney General's Office that gave us some comments, we revised it, then submitted it to JICA and the MPA. So many steps we had to pass and comments and approvals to get. It caused delays. MPA and MOTC should have an internal legal firm to reduce the steps for legal advice (E04).

Yes, it was also the reason for [things] taking time. I had to wait for the decision from the highest authorities because they have a step-by-step reporting system. That is why the decision is delayed. [...] It is very complicated. I also felt that procedures took too long (E01).

Although we started the program in Sep 2013, we could [only] sign the Letter of Cooperation (LoC) in May 2014. Normally, for technology cooperation, GIZ used to sign an MoU with a recipient country's governing body. In Myanmar, since the procedures for an MoU are cumbersome and it is time-consuming to get approvals from the government and involved state-level agencies, we signed an LoC under ministry approval (E02).

Moreover, in addition to the complex flow of command, lack of cooperation and information sharing among government agencies led to distortion and inefficiency in the port industry as the following participants pointed out:

We found a lack of collaboration between government agencies. Although the MPA and terminals were concerned with safety and health, which are

important and needed to improve, environment matters were ignored. Waste management is under the supervision of the Yangon City Development Committee (YCDC) and port-related environmental management is under the Department of Marine Administration. For the said matter, inter-organisational cooperation is rather weak. Since all parties are government bodies, one does not interfere with others. The important point is that port SHE rules and regulations need to be in line with national-level environmental laws and rules. In this regard, integration and collaboration with other government agencies are also important (E02).

I informed him [present minister for MOTC] about Yangon Regional Government's intervention [restriction on container trucks]. Even he could not solve that. [...] lack of a coordinated plan among government agencies and even among ministries. Apparently, under the new government, they are working in desultory style and approaching the solution on an ad hoc basis without cooperating with each other since they hold the administrative power (A02).

Furthermore, in some cases, institutional complexity led to avoidance of cooperation with international partners.

After the completion of this program, ASEAN member states agreed to continue regional cooperation and contribution in order to strengthen SHE awareness. However, MPA could not participate or even become a member since MPA did not sign MoUs because it needed several government organisations' approval and budget contributions (E02).

Figure 5.2 The roles of state actors in public-private collaboration

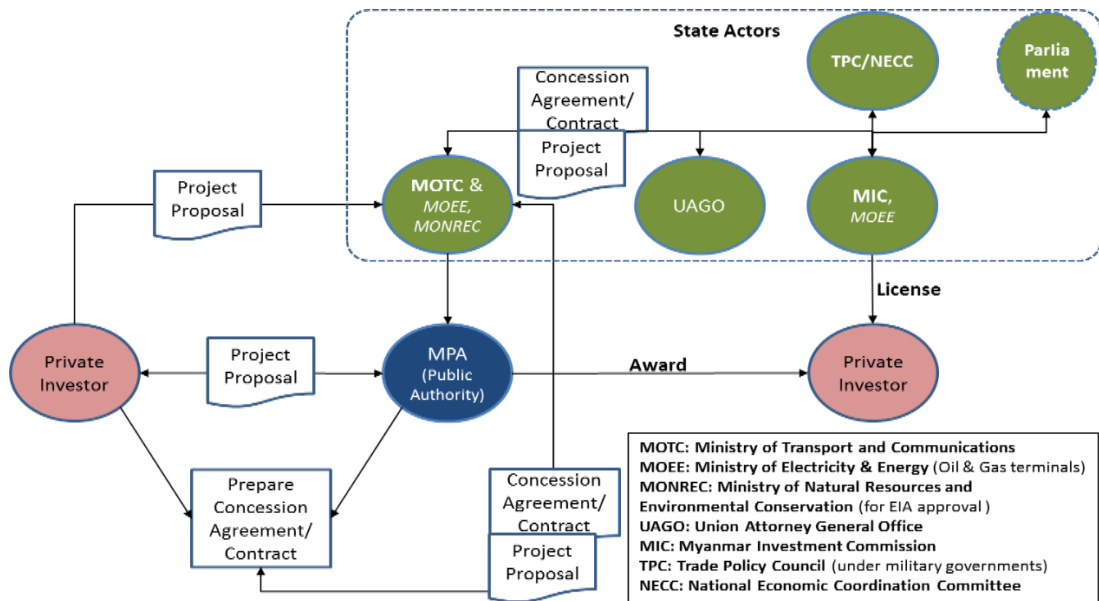
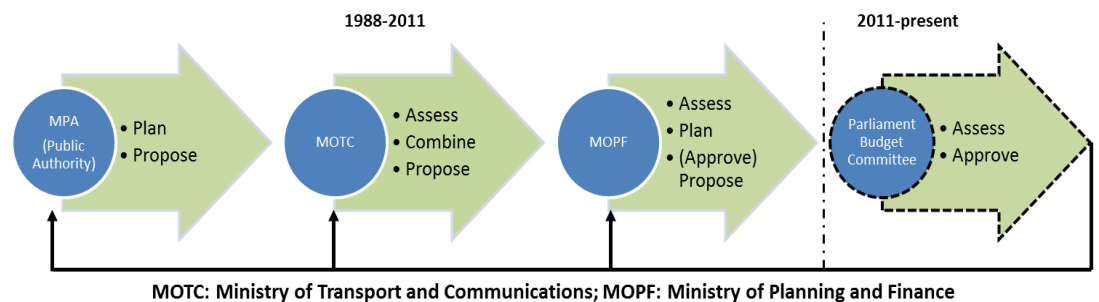


Figure 5.3 The roles of the state in budgeting



5.2.1.1.4. Military induction in civil services

Military induction refers to the practice of military-personnel allocation to the civil services. Military induction has occurred since the socialist government period prior to 1988. According to analyses, state-dominated governance associated with military induction in civil services has taken place more often under the two military governments, both SLORC and SPDC. It has persisted, albeit to a reduced extent, under the present government to fulfil needs for skilled human capital. From the participants' perspective, there are two obvious reasons for military induction: transferring human resources (HR) and building loyalty. For example, in the MPA, officials from the navy were allocated to marine-pilot positions in order to reduce time and costs associated with training pilots, with civilian mariners having much less

interest in working for a public organisation with its low salary. Both pros and cons surfaced in participants' comments on military induction. Regarding HR and loyalty matters, some participants responded:

Their ex-military relationship, brotherhood ties and senior & junior communication led to better coordination and cooperation among departments and even ministries (E03).

Government agencies gained HR capacity and [we] were closer to each other in interacting and working together, employing our existing brotherhood relationships (A04).

[T]he obvious change that happened more after 1988, frankly speaking, was the allocation of ex-military personnel into management positions in public services (A13).

Since it took time for HR development, the military government effectively employed its skilled HR [...]. We can share knowledge and skills in civil services. Under the military-ties, we had healthy communication and relationships (B01).

Additionally, some participants perceived that military practices and norms such as leader-centric (top-down) decision-making, no-complaint and an accomplishment-focused culture at work were adopted into the civil services alongside the military induction. Based on these perceptions, state dominance was associated with the adoption of military customs such as working under command and control. They also noted *pervasiveness of military norms* through military induction, as follows:

The top-down [decision-making] system was, maybe, transferred from military practice (E03).

In order to maintain operational conditions under the said [budget] limitations, we solved the issues of inadequate materials and spare parts by using one's parts in another. [...] their nature of military might and a stimulus

of building the country under their motto “Do Concisely, Correctly, and Quickly” (A02).

[A]dopting military practices, resolving issues promptly and focusing on accomplishment in the short-run without any consideration for the long-run, did not work well in civilian work. The practice of working under command and control became our culture (D02).

Concluding on the point of state dominance, increasing coercive isomorphism and the prominence of state-dominance, together with changes in institutional systems and arrangements, were core influencing, rather than mediating, factors of the co-evolution of firms and industries within their environments.

5.2.1.2. Changes in Nation-State Systems and Settings

The analyses suggest that changes in the country’s governing and economic systems and settings are the first and foremost factors affecting the development of the port industry, followed by the other factors. Based on the data, this theme was constructed by grouping two intertwined forces: *regime change*, and *state-led economic liberalisation*. The detailed aspects of each force and the relationship to their effects are discussed below.

5.2.1.2.1. Regime changes

The findings suggest that “regime change” refers to the “*the replacement of one government or administrative body to/by another and replacement of individuals, the so-called state actors*”. This study covers four regime changes from: a) the socialist BSPP to the military SLORC (1988-1997); b) the SLORC to the military SPDC (1997-2011); c) the SPDC to the quasi-civilian USDP (2011-2016); and d) the USDP to the liberal democratic NLD (2016-2018). This study does not cover the present NLD-led government period beyond 2018. More precisely, in terms of political and administrative systems, it covers two military governments, a quasi-civilian government led by ex-military personnel, and a democratic but still a hybrid (civilian-

military) government. Regime change in terms of political and administrative systems (structure and process) was one of the principal influential factors on port industry development. The effects of a regime change led to changes in governing systems and settings that prevailed across systems and at all levels. Regime change had institutional and political repercussions on Myanmar's administrative systems and practices and these effects spread to the port industry and its actors. The effects of regime changes were significant in the politically unstable and highly state-dominated Myanmar.

According to the data, there were two cascading forces associated with regime change: *changes in the governing system* and *variation of political will and interest*. The obvious change in the governing system was a change from a military to a civilian administration at the state-level that has been ongoing since 2016. While politicians became ministers, public enterprises, including the MPA were led by ex-military CEOs. Military induction (as discussed above) was more prevalent up to the previous government period. Thus, in the MPA, more than half of its top executives (seven out of eleven) and all CEOs included in this study were ex-military personnel. Among four regimes, the SLORC, the SPDC and the USDP were almost all military or military-backed governments. All transport and communication ministers except in the present NLD-led government were ex-military personnel. Since patron-protégé (i.e. senior-junior or master-disciple) relationships were well developed by way of shared military service experience among ministers and senior officials of government agencies/ departments, there was no significant hesitancy within the flows of command between ministers and CEOs apart from bureaucratic delays due to institutional complexity and dominance. Ex-military ministers could execute well their roles and power conferred in accordance with their positions in leading relevant agencies. In return, CEOs were aware of the flows of command from their ministers and even how to approach or mobilise ministers for their own interests under such a “boss is always right”, leader-centric culture. However, the present government is a civilian government led by politicians of the former opposition party, the NLD, whose cabinet members in general had weak exposure to and relevant experience in the sectors they lead. Therefore, this study observed better *harmonisation and communication* between state actors and CEOs of the MPA during the previous three regimes compared with the present civilian government. As some participants stated:

Their ex-military relationship, brotherhood ties and senior & junior communication lead to better coordination and cooperation among departments and even ministries (E03).

I could contact and inform the minister promptly by fax and phone [...]. Since we could even complain to the minister, the flow of command was very smooth. And, [it was] the same in MIC meetings, we could argue with the Chairman (A02).

Under the military regime, we could work well together with state-level institutions since we already have had good relationship ties with ministers and higher authorities (A03).

Generally, they [military regimes] can drive and push their staff and organisation well in order to accomplish the objectives assigned by the higher authorities. That is why, under the new government led by civilian ministers, some departments did not move well since they could not drive them (B02).

Before, the flow of command between the government and the MPA was high[-level]. In order to resolve urgent issues, decisions came from the top, on the spot. At present, we cannot see such a decision flow. Almost all actions are hesitant, and they respond at the stage of approaching a crisis (DF).

Further, this study found that regime change caused *variations of political will and interest* in state-level administration. Having distinct interests, awareness and exposure, high-ranking government officials such as ministers more or less paid attention to the national economy and ongoing development projects. The SLORC exercised centralisation and paternalistic governance. The SPDC elevated centralisation and practised authoritarian governance under international sanctions imposed on Myanmar. The USDP-led quasi-civilian government introduced a series of far-reaching reforms and democratisation. The NLD-led civilian government, in its first two years, was still looking for its own way to build the country, although it promoted reforms in some areas such as peace and integration of some ministries. This study found that regime change caused variations in state actors' political will and interest. Participants attributed the effects of regime changes:

Democratisation and a series of reforms has been taking place since the previous government period [the USDP] (E03).

[A]lthough the new minister is aware of rail and road transportation, he lacks knowledge of the maritime sector. Therefore, we cannot expect many changes in maritime transportation. We expect a leader, decision-maker, who is expert in our field to reform the industry effectively (D01).

According to the analyses, the replacement of political elites in power following regime succession led to variations in political will and interest. Having distinct individual/group interests, including in development initiatives, as well as field awareness, state actors undoubtedly paid attention to the country's economy and ongoing development projects. Such variations led to increasing uncertainty in doing business for all participating actors in the specific industry. State actors with strong political will and interest promoted and supported development projects in the port industry. However, lack of political will and interest resulted in much less attention being paid to new projects, caused delays and hindering the port industry and its actors' development. From participants' experiences and perceptions, it was seen that the SLORC government paid the greatest amount of attention to public-private partnerships and international cooperation to build the country along with globalisation. However, it did not reach this goal due to the US-EU led international sanctions imposed in 1996-1997, which pushed Myanmar into a de-globalised and isolated state. SLORC's successors, the SPDC and the USDP, initiated two multibillion-dollar deep seaport and special economic zone (SEZ) development projects in Dawei (with Thailand and Japan) and Kyaukphyu (with a Chinese consortium) to develop mega multimodal transport hubs for linking economic corridors. However, the present NLD government in its first two years was much more focused on peacebuilding and so paid less attention to economic development, especially to continuing the two abovementioned projects. Participants, including international development partners spoke openly on these differences:

Honestly, it was the best time to deal with the [Myanmar Investment Commission] MIC, led by the Ex-Navy Chief during the SLORC period. They were very interested in and paid more attention to the process. [...] Later on, since the SPDC period, it was floppy (A02).

Now the Dawei [deep seaport and SEZ] project has no progress. This project is very important and beneficial for all parties. [...] During the previous government [USDP] period, Myanmar persuaded the Japanese government to partner in the Dawei project together with an existing partner, Thailand. However, the current government has not touched that. Perhaps they have no interest in that. So, I am a little bit afraid of how to deal with the new government on the project (E01).

Since auto-manufacturing is a very large business, Dawei and even Myanmar have great potential, and Dawei is the best location for industrial development in Myanmar. [...] After the NLD came to power, when we discussed the Dawei project, they responded not to think about it and said that it is useless (E03).

Under the new NLD led government, [...] they didn't touch infrastructure development but focused more on education, rural area development, and peace, etc. [...] After one year of their term, we understood them well. As they are just politicians, they are not aware of the organisations and departments they are leading and even they couldn't control things well (E04).

Further, the internal political dynamics in terms of power interactions occurring among the higher echelons at the state-level led to a succession of state actors in Myanmar. The analyses suggest successors' interest in and willingness to continue development projects that had been introduced by their predecessors changed with each succession. The tension between heads of Infantry and Intelligence in the top echelons of the SPDC that had been ongoing since the 1990s caused state actor changes in 2004. Secretary-1 of the SPDC and the Prime Minister cum Chief of Military Intelligence, General Khin Nyunt, was replaced by General Soe Win. This succession saw the government lose interest in the Thanlyin-Kyauktan Industrial Zone Project and the Thilawa Port Project that had been promoted by General Khin Nyunt. He tried to invite Chinese investors to invest in these projects, even under international sanctions. Within an environment of such institutional uncertainty, characterised by erratic policy and successors failing to ensure continued support or basic infrastructure (road and rail access) development that had been championed by predecessors, both projects were relegated to the backburner until 2010. Some participants elaborated on these developments:

Actually, the [Thilawa] area should be booming and more developed than that. [...] There was no follow up action to fulfil basic infrastructure needs. In this regard, state support is crucial for infrastructure-related projects. In our country, it is very erratic. Today's policy and regulation can be changed tomorrow. [...] It is a succession matter. Successors changed previous ways, not committed to their predecessors' pledges (A02).

The changes in policy and strategic direction relying on the regime and political system change is usual and a big hindrance for our country's development, including the port industry (A04).

It can thus be seen that regime change is an influential primary factor shaping evolution at all three analytical levels: environment, industry, and firm. Following this, changes in *governing systems/settings* surfaced within the institutional environment and spread out to the industry and organisation levels. In this specific context associated with military induction to civil services, it affected the extent of *harmonisation and communication* between state actors and top managers of public organisations. Furthermore, it raised *uncertainty* in doing business in such a state-dominated business environment. In this context associated with a culture highly centred on the people in power, policies changed along with succession of state actors due to these actors' distinctive individual interests and political will.

5.2.1.2.2. State-led economic liberalisation

The military regime, SLORC, ended the socialist economic system of the BSPP, instituting an open-market economy and introducing state-led economic liberalisation and other reforms to rescue Myanmar's drowning national economy. Under its newly enacted *FDI Law 1988* and *SEE Law 1989*, SLORC invited private investors, both foreign and local, to invest in Myanmar in the form of 100% investment or a joint-venture. Moreover, SLORC released state-run businesses, including ports, to run their own business operations, with the exception of 12 business areas in which government planned to retain control through sole operation or partnering with private entities in joint-ventures. Under the *SEE Law 1989*, SLORC formed the Myanmar Investment Commission in 1994, led by a Deputy Prime Minister who was an ex-navy chief.

Following the implementation of economic liberalisation by SLORC, both the MPA and private investors perceived *partnership/development opportunities* to be exploited in implementing their strategic goals. The MPA considered it critical to change its port operation and management model from that of a public port (state-run operation) to that of a landlord port (private-run operation) to overcome budget and capacity shortfalls in an environment of limited government budget allocations. A participant who led the partnerships with private entities from initiative to implementation explained his experiences:

Since the amount of investment in a port is typically very high, the government allowed MPA [to take the] initiative to invite private [entities] to participate in the port industry, primarily investing in terminal operations, in order to overcome the financing issues around 1995. [...] At that time, the Thilawa area had not been developed yet. Secretary-1 of SLORC, General Khin Nyunt, came [to the project area] several times and led coordination for the development of this area that was close to his native Thanlyin. They [a local investor] approached the Ministry of Commerce to expand the backup area and commerce removed its rice mills and transferred land to them. Later, after they had seen operational achievement with Alone-2, they met Secretary-1 of the SPDC and requested to transfer Alone-1. At that time, the terminal was very weak in its facilities and performance due to lack of maintenance and advancement. Thus, we transferred it to them (A02).

On the other hand, economic liberalisation, even though steered by the state, favoured the MPA with partnership and development opportunities to resolve its financial needs for port development and expansion by partnering with private entities. A participant who was part of the MPA's TMT talked about regime change and state-steered economic liberalisation in the port industry under the SLORC regime:

In 1995-96, under the SLORC period, Secretary-1 General Khin Nyunt started economic liberalisation and invited foreign and local private investment. Singaporeans were very interested in investing in Myanmar. Therefore, the Thilawa port area started with two foreign-investment terminals. That is one

of the examples of how the port industry was affected by regime change followed by policy changes (A06).

A terminal operator at a terminal with foreign investment also explained their entry under the new regime's system and policy changes:

After 1988, the military government SLORC introduced a market economy and invited both foreign and local investors. We also entered and requested appropriate allocations. The MPA already had a port development plan in Thilawa at that time (B02).

Moreover, the SLORC allowed private participation in port-related services such as customs clearance and freight forwarding. Customs issued licenses for customs clearance service providers while freight forwarders could operate as service providing companies under companies legislation; in 1999 freight forwarders formed an association, Myanmar International Freight Forwarders' Association (MIFFA) with the approval of the MOTC under the SPDC regime. Local shipping line representatives also entered the industry under the supervision of the MOTC. Participants from the port user group narrated the story of their entry:

Just after the 1988-89 revolution, the military government allowed private companies in 1990-91. I founded my company in 1993 to deliver services, including customs clearance, trading and handling especially diplomatic shipments. That is why I am familiar with the industry and continuing my business in connection with international freight forwarders associations and joined as a member (D02).

We entered the industry to deliver freight forwarding services in both sea and air transport modes when the MPA started containerisation in 1990-1991. In 1999, with support and encouragement from the deputy minister of the MOT, we formed the MIFFA (DF).

SLORC's active approach to economic liberalisation and democratisation, saw a boost (somewhat) to its legitimacy among the global community and even persuaded investors to place their money in development projects in Myanmar. The momentum of economic liberalisation during the SLORC era resulted in significant growth in the

country's trade and economy during its administration. This positive trend had a significant impact on the port industry, given maritime trade's dominant position in the country's trade overall.

A general manager of a foreign car carrier line attributed the government's policy relaxation as part of economic liberalisation under the USDP regime with creating an environment that fostered their business's healthy condition and promoted trade growth and competition in the industry. This participant also ascribed the current NLD-led government's restrictions and policy inconsistency towards car imports with affecting detrimentally trade patterns, the foreign car carrier line's business and the port industry in Myanmar, resulting in a reduction in the number of cars imported into the country:

At present, we are handling [...] car carrier. [...] I can say the potential impacts of policy changes. Our business had been quite good since 2011-12 after relaxation of the car import policy [by the USDP government]. Consequently, competition was also higher, and it led to lower freight rates. Recently, however, the new government introduced some restrictions and erratic changes on car import policy [in response to road traffic congestion in Yangon]. Therefore, this situation will affect our business in reducing numbers of car import from now on (C02).

Hence, state-led economic liberalisation in terms of opening the market; economic reforms; and policy relaxation provided partnership and development opportunities to the MPA and private actors. By grasping opportunities made available by the radical changes in their environment, the evolution of the port business network happened.

5.2.1.3. International Sanctions

Led by the EU and US, comprehensive international sanctions imposed in 1996-1997 due to political, human rights and labour issues in Myanmar under the control of military regimes also affected the partnering process not only in the port industry but also in its networked industries. Under international sanctions, the MPA suffered *lost*

partnership/development opportunities (alternatively, partner abandonment) as foreign investors withdrew from terminal operations and took their business elsewhere. As a result, only 6 plots out of 37 received investment and were developed by two foreign investors in Thilawa during the first phase of Thilawa area development in 1995-1997. Moreover, the MPA suffered from a shortage of international aid and assistance from the global community. This external factor forced the military regime to promote crony capitalism and local entrepreneurs/tycoons. Since then, Myanmar became closer to the ASEAN and the ASEAN plus three countries of China, Korea and Japan, particularly in relation to trade via its border with China and Thailand. Partner abandonment also saw the MPA promote local investment and regional connectivity and allocate local firms in the inner harbour area at a time of commitment to not allocate new entrants in Thilawa. International sanctions impacted negatively on private actors, who faced increasing difficulties in trading. Participants from both public and private actor groups stated how the port industry and individual actors suffered from the impacts of international sections:

In Myanmar, the first private investor in terminal operations was C&P Singapore. Not Myanmar International Terminals Thilawa (MITT owned by Hutchison Hong Kong). C&P built the terminal ([agreement] signed on 28-06-1995) and sold it to Hutchison. As a world-leading terminal operator, Hutchison bought the terminal just to get into a new market. However, they operated the terminal under a figurehead name, MITT, and did not disclose it as their subsidiary terminal owing to the international sanctions. The investors' withdrawal was affected by the Singaporean investors' withdrawal from the Thilawa Industrial Zone development project in response to the Asian Financial Crisis 1997 and the US and EU sanction [imposed] on Myanmar since the early 1990s (A02).

The Thilawa area development project began as the Singapore-Myanmar Development Project to develop both ports and an SEZ (special industrial zone). We also constructed a JV terminal named Sinmadev. However, it was not completed and transferred to a local private recently. The dynamics that influenced the project's failure were: 1) the 1997 Asian financial crisis that hit

the Singapore side and led to the Thilawa SEZ being unsuccessful; 2) political dynamics on our side [related to] international sanctions imposed due to democracy and human rights issues [under military regimes] and the impact on trade and investors; and 3) location disadvantages, since the area is far from industrial zones, warehouses, and government/private agents' offices, which increased costs and time (A04).

Around 1999, when I entered the shipping industry, it was not booming that much and operating just a small number of feeder lines. [...] Since the number of operators was less, it caused unbalanced supply and demand. For us, it was quite challenging to get space for shipping. However, the shipment volume was quite stable in a steady growth trend and our business situation was rather good until 2003, before the US and EU sanctions (C02).

During the sanctions period, terminals with foreign investment worried about using “Myanmar” in the terminal name and avoided using their well-known names, operating under a low-profile.

Under international sanctions, instead of using Myanmar Integrated Port Limited, we just used 'MIPL terminal' (B04).

However, they [terminal with Hutchison investment] operated the terminal under a figurehead name - MITT - and did not disclose it as their subsidiary terminal owing to international sanctions (A02).

Moreover, the sanctions decelerated suddenly the growing trade and economy momentum that had been created by state-led economic liberalisation. Ports, who are heavily trade-dependent, saw their handling volumes stagnate while national trade barely increased after the international sanctions were imposed. According to MPA annual statistical data, from 2003 to 2004, total seagoing export volumes declined 12% and 11%, respectively for two consecutive years. A participant from the shipping line group explained the impact of international sanctions:

After sanctions [went into] effect, we lost orders from the US side; this affected our shipment volume, [which saw] falling numbers. It also caused negative financial impacts. The sanctions destroyed abruptly the momentum of the open

market and the boom in maritime shipping and trade. We also faced the flow-on effects of US sanctions in the European sector. Therefore, we only worked inter-Asian routes. As an international shipping line, we had to work under more restrictions due to the sanctions list and needed to undertake additional documentation processes. To do so, we had to scrutinise every single shipment carefully to see whether it was related to sanction-listed organisations and parties. It also affected currency exchange and payments internationally (B02).

The effects of sanctions on Myanmar's socio-economic conditions were presented in Chapter 2: Background. Under the comprehensive sanctions, the port industry and the MPA faced a *shortage of international aid and assistance*. During the period of both the SLORC and SPDC military regimes, MPA received no grants or Official Development Assistance (ODA) except human resource development training by way of Myanmar's ASEAN membership and assistance provided by JICA for urgent rehabilitation of the Yangon port and inland water resources following cyclone Nargis hitting the country in 2008. The World Bank stopped its loan program for port development after the completion of the Third Port Project (1983-1993). This situation pushed Myanmar, its government agencies and even the private sector to promote local and regional connectivity, Myanmar being closer with ASEAN and the plus three countries, especially China. For a developing economy, financial and technological aid and assistance are crucial to developing its infrastructure and advancing standards and procedures. However, lack of engagement and communication with the international community during the sanctions period reduced the ability of the MPA and even its private partners to adapt to and adopt international standards and practices. The country program coordinator of the Safety Health and Environmental (SHE) management program implemented by the German Society for International Cooperation (GIZ) explained the reason for the deferred involvement of the MPA and private terminal operators:

This GIZ's SHE management program was a part of the ASEAN – German Technical Cooperation (GIZ) project “Sustainable Port Development in the ASEAN Region” in cooperation with the ASEAN Ports Association (APA) that supports selected ports in the ASEAN region to improve the quality and

efficiency of their Safety, Health and Environmental management. The project [...] is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ). The project started in August 2009 and actively involves 12 ports in 7 countries as well as relevant national level transport ministries/departments in these countries. Although Phase I was conducted in 2009-12, Myanmar couldn't join Phase II (2012-15) of the program in 2013 because of EU sanctions (E02).

The international sanctions on Myanmar led by the EU and US increased difficulties in trading. Since direct trade with the international community was restricted, traders/port users suffered from unfair and unbalanced trade with China and Thailand. In response to the restrictions under sanctions, traders and port users overcame these issues by any means possible and on an ad hoc basis. They took big risks in using unofficial exchange systems and brokers and opened offices in Singapore. As such, they suffered from increasing costs and even experienced losses. Participants from the port user group and the shipping line group described their experiences:

For all of us, the worst period of struggle was from after [the imposition of] international sanctions in 2002-2003 [banning individuals] to the lifting of sanctions (2012-13). Trade growth from 1990-91 started to decline after sanctions. In the region, we could not trade with India; [this trade] almost stopped. Therefore, we were only able to focus more on border trade with neighbours China and Thailand, which was unfair and unbalanced trade [in favour of China]. Also, for its banking system, we used Singapore for payment and exchange. Our companies needed to operate in Singapore to overcome the sanction restrictions or took risks by using unofficial exchange systems, [such as] hundi money transfer, to operate our businesses since we had no choices. Instead of direct trading, using brokers, we suffered some losses (D02).

Under the military regimes, as we were under US and EU (international) sanctions, it was quite difficult to remit from other countries port charges to the MPA account opened at the Myanmar Foreign Trade Bank (MFTB). Sometimes, we experienced delays. To overcome this problem, we even carried money in person by plane. Shipowners were still concerned when their vessels

called at Yangon. Similarly, investors were reluctant to enter our port industry (C01).

However, after the US and EU lifted/suspended sanctions in response to the USDP government's series of political and economic reforms, trading with the global community resumed. The MPA also received aid and assistance from the international community such as from JICA (Japan), and GIZ (Germany). JICA supported a port information system (Port-EDI) project and a new terminal construction project under JICA's ODA loan program that involved secondment of a JICA expert to the MPA. GIZ delivered the Safety, Health and Environmental Management (SHE) awareness program. A Japanese terminal operator entered into JV operations at the new Thilawa terminal. Therefore, lifting sanctions increased partnership and development opportunities and caused business network expansion. Some international participants narrated the story:

We have started cooperation, especially technical cooperation, between Myanmar and the Japanese government. [...] in particular, a port development project and a port Electronic Data Interchange (EDI) project. [...] and are involved in the very beginning stage of the Thilawa development project, especially consulting for the port project and the Thilawa SEZ development project (E01).

We are continuing the Thilawa port development project under the ODA loan program (E03).

5.2.2. Non-institutional Factors

Influencing factors not associated with the country/state are defined as extra-institutional factors. There are six extra-institutional factors: trade growth; global dependence, regional dependence, and network dependence; sustainability factors and social movements (Figure 5.1 and Table 5.1). These factors influenced the evolution of the MPA and the port industry. In response to these influencing factors, firms and relevant industry considered that they had to implement changes or undergo adaptation to their changing environment to be in line with environmental effects.

5.2.2.1. Trade Growth

The country's domestic instability in 1987-1988 affected Myanmar's trade and economic growth—a negative trend in 1988-89. According to World Bank indicators, for annual GDP Growth, Myanmar experienced a sharp economic downturn at this time—GDP growth had been declining dramatically since 1985 and showed two-digit negative growth in 1988—resulting in the country almost becoming bankrupt. Moreover, according to World Trade Organisation (WTO) indicators, Myanmar's Total Merchandise Trade, experienced negative growth for three consecutive years from 1987 to 1989. In Myanmar, trade by sea is a core transport mode for foreign trade that is interdependent with the country's economy. Hence, as a result of its embeddedness in the port industry and being the industry's one and only operator in Myanmar at that time, the MPA suffered lower performance and efficiency, experiencing financial losses in 1989-90 during the period of socioeconomic turbulence triggered by domestic instability.

However, SLORC was able to achieve reform and implement open-market policies well before the EU and US-led sanctions were imposed. Its state-steered economic liberalisation attracted investors; hence, Myanmar's economy and FDI inflows reached an acceptable level within the period under the military regimes: the country's GDP signalled dramatic growth, increasing from USD 7.5 billion in 1988 to USD 11.3 billion in 1996 and 5.3 %pa on average. According to the Department of Investment and Company Administration (DICA), total approved FDI during 1988-1997 reached USD 6.3 billion and the number of registered foreign companies and branches rose from only two in 1988 to 202 in 1996. Moreover, WTO's total merchandise trade indicator showed that the value of total trade grew five-fold, from USD 413 million in 1988 to USD 2104 million in 1996. Notably among manufacturing industries, the garment sector – usually associated with low labour costs - experienced a bull run, reaching in 2000 70 times the level of garment exports of 1990. Cargo volumes handled by the MPA-run terminal reached in 1996-1997 approximately six times the level of 1988-1989. Before terminals with private investment were operational, the MPA faced *capacity shortfalls, and port congestion* due to increasing trade flows. A participant from the port user group mentioned:

The momentum of international trade growth extended until 2000. During this period, port terminals were always busy and even congested (D02).

Before private terminals were operational, MPA-run terminals were facing port congestion, with growth in traffic accelerating via the momentum of SLORC's open-market policy (A06).

Under the comprehensive sanctions imposed by the US and EU in 1996-1997, as a consequence of foreign investor withdrawal and hesitant FDI inflows, Myanmar's trade barely grew. Some participants stated:

However, under the US and international sanctions, trade growth was not that high, just steady (B03).

Actually, the (Thilawa) area should be booming and more developed than that. [...] Another reason is the hesitation of the country's economy after international sanctions were imposed (A02).

5.2.2.2. Global, Regional, and Network Dependence

Since ports are connected to the regional and global business arena, the Asian Financial Crisis of 1997 hit emerging special industrial zones in Myanmar and spread out to the port industry and involved actors. Singaporean investors withdrew from the Thilawa special industrial zone project even though both governments keenly supported the project. Due to the network effect between the industrial zone and the port, there was also a negative impact on the partnership between the MPA and Singaporean investors. C&P Holdings, the first private investor in terminal operations, transferred its developing terminal MITT to Hutchison Hong Kong before the terminal became operational. The Singapore-Myanmar (MPA) jointly developed terminal Simadev (Singapore-Myanmar Development) project also stalled during construction and was transferred to a local terminal operator in 2015. These influencing factors of regional and network embeddedness also forced the MPA to promote local private entities to compensate for abandonment by foreign partners. Consequently, the MPA allocated local firms to the inner harbour area since there was a commitment not to allocate new entrants in Thilawa:

In Myanmar, the first private investor in terminal operation was C&P Singapore. Not MITT owned by Hutchison Hong Kong. C&P built the terminal and sold it to Hutchison. As a world-leading terminal operator, Hutchison bought the terminal just to get into a new market. However, it operated the terminal under a figurehead name - MITT - and did not disclose it as their subsidiary terminal on account of international sanctions. Investors' withdrawal was also associated with Singaporean investors withdrawing from the Thilawa Industrial Zone development project in response to the Asian Financial Crisis in 1997 and the US and EU-led sanctions that had been imposed on Myanmar since the early 1990s.

Additionally, they also have opportunities in the booming Thilawa SEZ [after 2013]. Apparently, they will develop this very soon (A02).

As discussed in sub-section 5.2.1.2.1 on regime change, institutional uncertainty and erratic policy affected the development of the Thanlyin-Kyauktan Industrial Zone, which ended up failing at that time. Since ports rely on trade and industrial zone development, this impacted the port terminals in Thilawa up until 2010. Regarding these effects, both the industrial zone and the port stagnated due to lack of government support for basic infrastructure needs.

Since shipping lines, in the interests of greater efficiency, started using larger vessels following the container shipping industry crisis in 2008 (*global dependence*), port operation and management practices in the industry were justified on the basis of alignment with port actor group interests such as reducing risk for the MPA; to allocate vessels fairly in both inner and outer harbours; and to promote fair competition among terminals.

Hence, evidence from this study demonstrated that regional dependence (Asian Financial Crisis); network dependence (failed industrial zone, but SEZ development); and global dependence (container shipping industry crisis) all affected the networked port industry and its actors' evolution.

5.2.2.3. Sustainability Issues

The Myanmar government's limited budget did not allow the MPA to update its dredging facilities and reduce fuel allocation for dredging activities, leading to accidents happening more frequently in the channel. The channel thus became too shallow for the pilots who navigated vessels in and out of its waters. This in turn, posed a significant risk to Myanmar, a country whose trade relies on the sea as its main transport mode. Almost all participants pointed out this sustainability factor as a critical issue. Among them, an MPA TMT member mentioned:

[...] they (MPA TMT) knows well the way to resolve the sedimentation issues in the river channel. Vessels were stuck frequently, at least once every two weeks. Since the government did not allocate sufficient budget for that matter, we could not dredge the channel enough and construct river training bars and walls, following the evidence-based survey results and systematic simulation for three seasons (a whole year) (A13).

Since Yangon port is a river port, it faces sustainability issues that affect the industry and its actors, increasing risks and safety problems. Sedimentation across the Yangon River navigation channel is a perennial issue for the MPA and industry actors. Only at high tide can vessels call at both the inner harbour and Thilawa area of the Yangon port. To reach sufficient water depth to accommodate vessels with a 9-metre draft, the MPA carried out daily maintenance dredging almost every day in the summer season using outdated dredging machinery. Dredging with technologically outdated equipment was inefficient and represented a poor management of resources (fuel) and led to higher authorities losing trust in the MPA. In this regard, the SPDC cut off fuel supplies for dredging and consequently, even more accidents happened in the channel. The MPA as the incumbent authority undertook initiatives to improve the Yangon River access channel. To resolve the capacity shortfall in dredging, it intentionally changed its practice of self-dredging with outdated equipment and since 2015, under an outsider CEO with close ties to the MOTC minister, has been outsourcing dredging work, teaming up - for the first time - with a Singapore-based dredging company to dredge in the inner sand bar area. For a short period with the company, this was done at the company's own expense to demonstrate its capacity for

the upcoming contract. The company was then awarded five years of dredging rights in 2018 at a project cost of USD 4.95 million per annum.

Another point is the dredging matter. The MPA collects conservancy charges for dredging to retain enough water depth. The summer is riskier than the rainy season. On paper, (insufficient) dredging is very risky for pilots (B01).

MAP is not able to do dredging effectively with its outdated equipment since it has limited budget allocation and more terminals coming out at present. MPA itself has hired and contracted with private international companies for channel dredging since March 2016 and allowed us to use private dredging services for our terminals. [In summer 2016, dredging projects cost USD 1.6 million.] Before, we had to request MPA's dredging as a fee-paying service. Sometimes, we needed to wait to get MPA dredgers since they were more in demand as long as the number of terminals was increasing. Now, we can work with private entities. It is also a transition effect on the industry. However, MPA has to supervise the private dredging companies since it has sole responsibility for improving and maintaining the channel and MPA only has technology, equipment, and experts for surveying and plotting channel depth and navigation routes. For its supervision, MPA can collect fees and charges (B02).

We used to request MPA dredging when we needed their paid dredging services. Now MPA allows private dredging since its [own] capacity and equipment became insufficient (B04).

5.2.2.4. Social Movements

Farmers that were landowners of Thilawa plots demanded more/higher compensation in 2012 (USDP period) when the Thilawa Special Economic Zone restarted under Japan-Myanmar joint investment, even though they had received one-off compensation at the government rate of MMK 20,000 per acre since the SLORC period. The negotiation process delayed project implementation, including MPA's new terminal in Thilawa constructed under a JICA loan program. Following a USDP

government decision, the MPA and private terminals paid farmers a new rate of MMK 7,000,000 per acre. This change, which was supported by the media, was likely linked to the political interests of the incumbent USDP government, aiming to retain power in the face of agitation by the opposition seeking to bring about the USDP's defeat. Moreover, community opposition to the MIP terminal negatively affected perceptions of its legitimacy and caused delays in its expansion. Some participants provided further details:

Although the project started during the period of the previous government, land acquisition took time - more than 2 years – because of various social issues, mainly farmers who said they were landowners and demanded higher compensation for their farms. It caused project delays. It took time because of an emergent problem of farmers claiming more and more compensation per acre. Therefore, in the end, port area compensation was higher than that for the SEZ area. I think it was not just farmers, there were also political interests behind this promoting the problem, because it happened in July-Aug of 2015, just before the 2015 election (Nov 2015). I think this is, in general, a usual way to defeat an incumbent government politically by inciting social movement against any government project in Myanmar. Regarding land acquisition, the Myanmar side included protestors and some officials who did not understand that land acquisition was not JICA's responsibility, only the MPA's and the Myanmar side's responsibility. JICA is just a helper and assistant for the project (E03).

The power interaction during previous government administration between the MOTC minister and the Yangon Regional Chief Minister affected [land allocation for port expansion]. The MOTC minister agreed and committed to getting 400 m more [land] while the Chief Minister objected. At present, under the NLD government, although the Yangon Chief Minister understands our plan and agrees with it, our new MOTC minister didn't allow port expansion for the reason of social and community protection (B03).

Recently, the new government, with parliamentary approval, cancelled the Thein Phyu terminal project [that had been] already awarded to a local

private tycoon by the outgoing government in March 2016, just ahead of the transfer of power. [Due to DICA, 48 projects were permitted in a one-day sitting, a record.] MPA invited international bids for this project. MPA awarded the company with MIC approval. And, the company had already paid a premium for the first part of the land for the project. However, it was all cancelled since the new government judged that the project was not appropriate. Moreover, cancellation of the project was influenced by social issues associated with people being removed from the area and the possibility of container loading shaking the Botahtaung Pagoda and disrupting worship there (A13).

In the case of the Thilawa ODA terminal, the Japanese side expected at least a wharf to be operational within two years when we discussed [the project] in 2011. Regime change effects, social issues (farmer protests) and centralised and complicated bureaucratic procedures caused delays. That is why the terminal is still under construction. Policy and strategic direction changes that happen as a result of the regime/political system changing are usual but a big hindrance for our country's development, including the port industry (A04).

5.3. Co-evolutionary Processes, Strategic Actions, and Outcomes

Section 5.2 of this chapter discussed the external forces of corporate co-evolution and their impacts. These forces provide both opportunities and constraints regarding the development of the MPA and the entire port industry. This section discusses empirical findings regarding co-evolutionary processes; organisations' strategic actions; and outcomes at all three levels. Table 5.3 illustrates these in relation to external forces.

5.3.1. Organisation-Institution Co-evolution

As discussed in section 5.2, under strong state dominance, the MPA had less chance to respond proactively to the influences of a changing environment, its responses instead being almost always passive and reactive. However, when it had opportunities,

as well as state actor support, it could develop. This study found that for this case, there were two stages of co-evolution: a buffering stage and a transforming and amplifying stage. Table 5.2 depicts some examples:

Table 5.2 Two stages of co-evolution

Buffering Stage			Transforming and Amplifying Stage		
Institutional Constraints	Organisational Responses	Negative Outcomes	Specialisation & Mobilisation	Institutional Commitments & Support	Positive Outcomes
Restriction on tariff update (MoPF);	No response;	Financial loss;	Engagement by CEO's ex-military ties;	Allowed tariff update;	Profit return;
Budget limitation;	Ad hoc resolution;	Capacity shortage; Port congestion;	CEO's ex-military ties and industry experience; Private participation initiatives;	Allowed private participation;	Infrastructure development; Performance and efficiency improved;
	Inadequate dredging;	High risk; Frequent accident in the river channel;	Engagement by CEO's ex-military ties; Outsourcing initiatives;	Budget reallocation; Allowed outsourcing;	Performance and efficiency improved;
	Lack in technology advancement;	Low performance and efficiency;	Collaboration with international partners for technical and financial assistance (grant);	Facilitated;	Performance and efficiency improved;
Customs manual procedures;	Enforced manpower by forming teams;	Delay in port operation;	Technology advancement, X-ray scanning machine installed by terminal expense;	Facilitated;	Performance and efficiency improved;
Intervention and restriction by regional government;	No response;	Distortion in the industry;	Engagement by coalition of actors;	Released restriction;	Retained industry stability;

5.3.1.1. Buffering Stage

This sub-section explains the first stage of the co-evolutionary process under state dominance by using selected examples, as shown in Table 5.2. Since the Ministry of Planning and Finance (MoPF) restricted tariff updates, the MPA faced financial losses in 1989-1990. The resulting negative outcome forced the MPA to engage with the MoPF through CEO ex-military ties. Under budget restrictions, the MPA and port industry suffered from capacity shortfalls and consequent port congestion. Inadequate dredging because of budget limitations led to shallow water depths that increased risk associated with navigating the river channel, resulting in accidents occurring more frequently. Lack of technological advancement and reliance on manual processes lowered performance and efficiency. At port terminals, Customs' manual (i.e., non-automated) clearance procedures led to delays in port operations. The intervention of the regional government, e.g. daytime truck ban, caused distortion in the port industry. At this stage, the MPA and other port actors responded with either tolerance or ad hoc resolution, in order to maintain stability and buffer the impacts of external forces in the short term. These negative outcomes forced not only the MPA but also the MOTC

as an incumbent line ministry to resolve matters proactively. Under these pressures, the MPA and port actors began to respond more actively to these influences. Relevant participants' quotes are presented throughout section 5.2 in illustration.

5.3.1.2. Transforming and Amplifying Stage

Due to frequent experience of negative outcomes, the MPA became active in seeking out opportunities and attempting to mobilise relationships with state actors facilitated by ex-military CEOs and these CEOs' vast industry experience. Some participants talked about their own experience in this regard:

[W]e, public service enterprises, needed to engage the government budget committee professionally for its approval of our proposed budget. [...] In the port business, investment or financing is indeed crucial. It was very hard to work under the government's limited funding – the government could not allocate resources efficiently and adequately. [...] Therefore, the SLORC government decided to allow our initiative for private participation in the port industry to reduce financial needs and risks (A02).

[W]e could work well together with state-level institutions since we already had good relationship ties with ministers and higher authorities. [...] We could say that professional career plays a vital role in a specific field. [...] I could undertake more initiatives in international cooperation and joint activities (A04).

Moreover, the MPA and port actors attempted specialisation such as collaboration with international development partners for technical and financial assistance; private terminal technological advancement, such as installing x-ray machines at their own expense to speed up Customs' procedures; and coalition among port actors to mitigate regional government intervention and maintain industry stability.

In my opinion, in the port industry, government agencies—Customs, the MPA-SAD (Shipping Agency Department), Trade, Forests, Police and even the

Special Branch [an Intelligence Bureau]—are controlling about 90% of the process in terms of import and export licensing and inspection for illegal commodities while we operators are just responsible for about 10% of process by way of cargo handling and terminal operation. In order to speed up the process, under the said security-oriented condition, we installed an international standard X-ray system at our own expense (B03).

The Por-EDI system developed by the Japanese government grant through JICA helps us improve performance and efficiency. The system transformed our paper-based systems to an IT-based systems (AF).

The Yangon government's truck-ban time was reduced and faded out after trucker protests and engagement of port-related associations (BF).

Table 5.3 Co-evolutionary forces, processes, and outcomes

Forces	Aspects of Forces	Details of Forces	Impacts	Processes/Interactions	Strategic Actions	Outcomes	
Institutional Factors	Changes in systems/settings	Regime changes	<ul style="list-style-type: none"> • Changes in governing system • Variations of political will/interest 	<ul style="list-style-type: none"> • Mobilisation through relationships 	<ul style="list-style-type: none"> • Tolerance 	<ul style="list-style-type: none"> • Better harmonisation & communication 	
	State dominance	State-led economic liberalisation	<ul style="list-style-type: none"> • Open market (by SLORC) • State-led reforms (by USDP and NLD) • Policy restriction/relaxation 	<ul style="list-style-type: none"> • Gained partnership/development opportunities • Ease/difficulty of trading & communication 	<ul style="list-style-type: none"> • Asymmetric interactions through regulation • Mobilisation through relationships • Cooperation (financial, technical) with international partners • Partnering with private actors 	<ul style="list-style-type: none"> • Learning by doing • Changed management model • Partnership/development initiatives • Restructuring, outsourcing (IT) • Updating regulation 	<ul style="list-style-type: none"> • Low/high performance & efficiency • Development • Network expansion • Increased competition
		Military induction into civil services	<ul style="list-style-type: none"> • Inducting (ex-military) personnel • Exercising military practices 	<ul style="list-style-type: none"> • Pervasiveness of military norms 	<ul style="list-style-type: none"> • Asymmetric interactions through regulation • Relationship development (ex-military) 	<ul style="list-style-type: none"> • Tolerance 	<ul style="list-style-type: none"> • Network expansion • Better harmonisation & communication • Development • Increased competition
		Centralisation	<ul style="list-style-type: none"> • Lack of autonomy • Lack in the delegation of authority • Restriction & limitation 	<ul style="list-style-type: none"> • Loss of autonomy • Capacity shortage • Low performance & efficiency 	<ul style="list-style-type: none"> • Mobilisation through relationships • Partnering with private actors • Horizontal/vertical integration (private actors) 	<ul style="list-style-type: none"> • Ad hoc resolution • Partnership/development initiatives 	<ul style="list-style-type: none"> • Network expansion • Better harmonisation & communication • Development • Increased competition
		Intervention	<ul style="list-style-type: none"> • extension of bureaucratic mechanism (e.g. Speedy Committee) 	<ul style="list-style-type: none"> • Loss of autonomy 	<ul style="list-style-type: none"> • Asymmetric interactions through regulation • Mobilisation through relationships 	<ul style="list-style-type: none"> • Tolerance • Ad hoc resolution • Advanced port facilities (x-ray) 	<ul style="list-style-type: none"> • Performance & efficiency return
	International sanctions	Institutional Complexity	<ul style="list-style-type: none"> • Multiple state actors involvement • Weak formalisation, legalisation • Customs clearance processes 	<ul style="list-style-type: none"> • Bureaucratic delays • Low performance & efficiency 	<ul style="list-style-type: none"> • Asymmetric interactions through regulation • Mobilisation through relationships 	<ul style="list-style-type: none"> • Tolerance • Ad hoc resolution • Advanced port facilities (x-ray) 	<ul style="list-style-type: none"> • Performance & efficiency return
		Imposing sanctions	<ul style="list-style-type: none"> • Imposed in 1996-1997, raised in 2003 & 2007 • Foreign investors & partners withdrew 	<ul style="list-style-type: none"> • Lost partnership/development opportunities • Difficulty in trading 	<ul style="list-style-type: none"> • Partnering with local private actors 	<ul style="list-style-type: none"> • Promoting local investors • Ad hoc resolution • Operating in low-profile 	<ul style="list-style-type: none"> • Network contraction • Operated in loss (Thilava terminals)
	Non-institutional Factors	Trade growth	Lifting sanctions	<ul style="list-style-type: none"> • Lifted in 2012-2013 • Foreign investors & partners resumed 	<ul style="list-style-type: none"> • Gained partnership/development opportunities • Ease of trading 	<ul style="list-style-type: none"> • Cooperation (financial, technical) with international partners • Partnering with private actors • (A) symmetric interactions through regulation 	<ul style="list-style-type: none"> • Partnership/development initiatives • Development • Network expansion • Increased competition • Performance & efficiency return
			Decrease	<ul style="list-style-type: none"> • Decreased for domestic instability 	<ul style="list-style-type: none"> • Low performance & efficiency while low tariff limited by government 	<ul style="list-style-type: none"> • Reviewed and updated tariff 	<ul style="list-style-type: none"> • Performance & efficiency return
		Network dependence	Increase	<ul style="list-style-type: none"> • Increased after open market 	<ul style="list-style-type: none"> • Capacity shortage (port congestion) 	<ul style="list-style-type: none"> • Partnering with private actors 	<ul style="list-style-type: none"> • Partnership/development initiatives
Suspension of industrial zone development			<ul style="list-style-type: none"> • Industrial zone development suspended in Thanlyin-kyauktan 	<ul style="list-style-type: none"> • Lost partnership/development opportunities • Lost location advantages 	<ul style="list-style-type: none"> • Partnering with local private actors 	<ul style="list-style-type: none"> • Promoted local investors • Marketing (by outer harbour terminals) 	<ul style="list-style-type: none"> • Network contraction • Operated in loss (Thilava terminals)
SEZ development			<ul style="list-style-type: none"> • SEZ development resumed in Thilava 	<ul style="list-style-type: none"> • Gained partnership/development opportunities • Location advantages returned 	<ul style="list-style-type: none"> • Cooperation (financial, technical) with international partners • Partnering with private actors 	<ul style="list-style-type: none"> • Development/partnership initiatives • Marketing (by terminals) 	<ul style="list-style-type: none"> • Development • Network expansion • Regained profit • Increased competition
Asian financial crisis, 1997			<ul style="list-style-type: none"> • Foreign investors withdrew 	<ul style="list-style-type: none"> • Lost partnership/development opportunities 	<ul style="list-style-type: none"> • Partnering with local private actors 	<ul style="list-style-type: none"> • Promoting local investors 	<ul style="list-style-type: none"> • Network contraction
Sustainability issues		Container shipping industry crisis, 2008; Sedimentation	<ul style="list-style-type: none"> • Using larger vessels for efficiency • Limited water depth • Frequent accidents 	<ul style="list-style-type: none"> • Increased risk (for using larger vessels and shallow water) • Location advantage shifted (to outer harbour) 	<ul style="list-style-type: none"> • Horizontal/vertical integration (private actors) • Symmetric interactions (port authority-private actors) 	<ul style="list-style-type: none"> • Contracting (terminals and shipping lines) • Marketing (by terminals) • Outsourcing for dredging • Operation & management practices changed 	<ul style="list-style-type: none"> • Increased competition • Reduced risk • Development • Network expansion
		Squatters' protests	<ul style="list-style-type: none"> • Squatters' protests in Thilava • Backed by political groups 	<ul style="list-style-type: none"> • Development project delay/loss • Uncertainty 	<ul style="list-style-type: none"> • State actors intervention • Asymmetric interactions • Mobilisation through media 	<ul style="list-style-type: none"> • Ended up by paying higher compensation • Cancelled project 	<ul style="list-style-type: none"> • Financial loss for higher compensation • Lost project
Social movements		Community objections	<ul style="list-style-type: none"> • Community objections to land use for port expansion and development 				

5.3.2. Strategic Processes within the Focal Organisation

5.3.2.1. *The Role of Ex-military CEOs*

5.3.2.1.1. *Ex-military relationships and state actors' commitments*

Generally, CEOs' individual capabilities, beliefs, and interests reflected the MPA's strategic choices and decision processes. In addition, CEOs' level of discretion was associated negatively with interventions and restrictions of state-level institutions and management commitments they received also shaped their strategic directions and processes. They received management commitments from higher authorities through relationships, especially ex-military ties with higher authorities.

Except for the NLD-led government, since MOTC ministers were also ex-military persons, for MPA CEOs, having ex-military ties with ministers was important in mobilising their (state actors/ministers) commitments that helped implement the MPA's strategic intentions. An insider, with his minister and government's support during the SLORC period, could create a new path initiating and allowing private participation in terminal operations in order to resolve financial and technological shortfalls and so enable port development and expansion. An insider CEO who was acknowledged by the minister for his professionalism and vast industry experience; and an outsider who was close to the minister could implement some of their managerial intentions. The insider CEO initiated reform activities to corporatise the MPA, transforming it from a budgeted to a budget-independent entity under quasi-civilian government administration that promoted democratisation and liberalisation. He formed a new department with MOTC approval to handle growing international cooperation and collaboration and HR development. He also initiated a JICA grant-supported port information system development project and a new terminal construction project under JICA's ODA loan program, as well as German GIZ's SHE awareness program. The MPA established new laws and formed a management board with MOTC approval to construct an offshore pilot station, and JV contracts for terminal operation with a Japanese terminal operator and a new local investor. He introduced outsourcing of channel dredging and operations and maintenance of JICA grant-supported information systems. In the absence of management comments from institutions, almost all the changes made by the MPA were path-dependent, in accordance with its experience and institution-guided paths.

5.3.2.1.2. *Industry experience, insiderness/outsiderness, and harmonisation*

This sub-section explains participants' perceptions of the relationship between CEO insiderness/outsiderness and industry harmonisation. A number of participants commented on CEOs' insiderness/outsiderness; their industry knowledge; and relationships with the industry actors in terms of how these connected to industry development:

I personally noticed that the MPA changed a lot since [...] period as he [...] has shipping knowledge and experience. Since then, the MPA has been more harmonised with industry actors. As he introduced and initiated development trends, his executives and successors could implement development projects and improve the MPA and industry as well. At present, the MPA is focusing more on regulation and facilitation. As he worked as GM for so long and was promoted internally, he knew everything about our difficulties and could drive the MPA and industry. Since his GM period, as his CEO was an outsider, he led daily berth allocation meetings and listened to our voices (C01).

In the port and shipping industry, several actors are engaged and involved in several activities and functions. When an air force minister led the ministry, [...] the minister was not familiar with the port business. [...] Recently, under the new government, although the new minister is aware of rail and road transportation, he lacks knowledge about the maritime sector. Therefore, we cannot expect many changes/reforms in maritime transportation. We expect a leader/decision-maker who is expert in our field to reform the industry effectively (D01).

Actually, being rich in field knowledge and experience helped us to present professionally and confidently. This point is very important in interacting with higher authority and private partners (A04).

Some of them who were first appointed at a mid-level position and promoted internally to the executive level based on their field knowledge and experience are very good. However, the others who lack industry knowledge and were appointed directly to top management positions were not in harmony with the industry and its players (A13).

Based on this evidence, insider CEOs were more highly harmonised with industry actors since they had more, higher-level industry experience, while outsider CEOs were less harmonised with industry actors during the early stages of their succession owing to their lack of industry knowledge. Hence, the transition of an insider CEO after succession was rather smooth. However, due to their interest and capabilities in adapting to a new working environment/position, outsiders became familiar with the industry quickly.

5.3.2.2. *Decision-Making Practices*

Outsider CEOs more often sought the advice of TMT members and professionals and shared power, while insider CEOs were hesitant to acknowledge professionals and to distribute power within their team since they had attained enormous power through leader-centric decision-making practices. Almost all MPA TMT members accepted that regular MPA TMT meetings were only for CEOs to obtain legitimacy for their decisions, with some CEOs intentionally seeking out TMT members who would agree with/support them (self-advocacy or behavioural integration). An insider looked outside of the box, at external activities, in an attempt to engage/cooperate more with international partners and development activities. Since insider's roles and power were more significant in decision-making, their decisions and choices reflected their interests to a high degree.

Whether an insider or an outsider, a CEO's communication skills, beliefs, interests and interpretation of specific circumstance reflected their strategic choices and decisions. Some CEOs were xenophobic owing to language limitations in communication and their belief that international partners approached them only for information gathering. Moreover, under institutional intervention and limitations and lack of management commitment, such CEOs interpreted investment in HR and technological advancement/innovation as expensive, neglecting the consequences of not doing so. However, Table 5.4 shows that when an outsider CEO had dense political ties, e.g. master-disciple relationship, with state actors e.g. ministers, they may have the highest level of commitments from them. In such a situation, the CEO can implement intended development activities or new strategic paths such as

outsourcing for dredging and shortage of IT professionals, introducing a new business model—from landlord port to tool port, and capital-intensive projects.

Table 5.4 Timeline for CEO-changes in the port industry

Year	Events	CEOs' Period	CEOs
1989	- Introduced market economy by the military regime; - State-led economic liberalisation - Reorganised from Burma Port Corporation to Myanmar Port Authority (MPA)	1980-1991	Insider
1992	- Bo Aung Kyaw container yard - Prefeasibility study for Thilawa port area with World Bank & UNDP assistance;	1991-1993	Insider
1995	- Launched Port Development Plan and invited local & foreign investors; - MITT Thilawa Terminal with Hutchison Port Holdings; - Alone-2 Terminal with AsiaWorld;	1993-1997	Insider
1996	- JV Contract for MPA-SMD terminal at Thilawa area; - JV contract for MPA-Allied Inland Container Depot (ICD);		
1997	- Bo Aung Kyaw Wharf-3, USD 27.1 M loan from China;		
1998	- Alone-1 Terminal with AsiaWorld;	1998-2011	Outsider
1999	- Botahtaung ICD; - MIPL Thilawa Terminal, APEO (land used);		
2001	- Alone-3 Terminal with AsiaWorld;		
2003	- MIP terminal & ICD;		
2005	- Joined ASEAN Ports Association (APA);		
2006	- Alone-4 Terminal with AsiaWorld;		
2010	- Transferred Bo Aung Kyaw to UMEHL(Lann Pyi Marine) - Dawei deep sea port framework agreement with Italian-Thai - Thilawa Plots allocation;		
2012	- Reform/corporatisation initiative under quasi-civilian government; From budgetted to budget independent entity; - JICA Grant and ODA loan initiative; - MIP 3,4,5; - Thilawa Plots allocation and BOT contracts;		
2013	- GIZ (German)'s SHE programs; - Formed IR & HRD department;		
2015	- New MPA law, rules and regulations; restructuring MPA; - Thilawa terminal, plot 25,26 with JICA ODA loan; - JV contract with a Japanese operator; - JV contract for Sule 1-4 wharves with local investors; - Continue BOT contracts in Thilawa; - Outsourced for dredging (initiative), for operation and maintenance of IT project; - Offshore pilot station initiative;	2013-2016	Outsider
2016	- Continued outsourced dredging; - Continued Offshore pilot station project; - Continued BOT contracts in Thilawa;	2016-present	Insider

5.3.3. Interactions within the Networked Industry

This section illustrates findings that reveal how a public port authority -the MPA - and its local and international partners co-evolved via alternately reciprocal interactions with each other across the partnering trajectories for port development and

advancement. Partnering is a part of reform and development processes in the Myanmar port industry and is also an effective - even ideal - way for a public port authority seeking financial and technological support to advance and expand its ports. Partnering with private entities locally and internationally, the MPA reformed its port management model from that of a public port to that of a landlord port. Since the port business is a part of Myanmar's national economy and embedded in the incorporating regime system, the transitional and contingent/dynamic factors evolving across the thirty-year timespan of the country's transition to democracy shaped the strategic directions of the partnering process between the public authority and private actors.

Furthermore, depending on the MPA's CEOs rather than its TMT with its leader-centric decision-making practice enabled partnering initiatives and processes to evolve. Although the port authority (MPA) and external institutions influenced the partnering process and its path, private actors were barely able to respond or shape the influences exploiting their capabilities. As such, both public and private actors co-evolved within the port industry across their partnering trajectories. The MPA, holding regulatory power and exercising the bureaucratic legacy of state-dominated governance, saw the pattern of asymmetric interaction dominate its partnering paths.

5.3.3.1. Power relationships

Within the port industry in Myanmar, the MPA as a focal actor and as a regulator has the upper hand due to its position and power as a community or an industry manager (Verhoeven 2010) that accounts for regulation, facilitation and operations; indeed, it is still a monopoly for some services. As a public body, the MPA enjoys the backing of government institutions and leads the port industry. Using this absolute power, within the regulatory interface, MPA's CEOs could influence both local and international private actors within regulatory channels. Both public and private entities exploited sources of power in interacting reciprocally with each other to mobilise their counterparts in pursuit of their interests. Table 5.5 presents sources of power used by each port actor in exchange of resources, and interactions.

Table 5.5 Power Sources of Network Actors

		Terminal Operators	Shipping Lines	Port Users	Int'l Development Partners
Institutions/State Actors	<ul style="list-style-type: none"> • Reward: resources (e.g. land), commitment and support; • Coercion: regulation, centralisation, intervention; • Legitimacy: the highest regulatory and administering bodies; 	<ul style="list-style-type: none"> • Reward: resources, capacity • Coercion: reputation (e.g. Hutchison), vertical integration with shipping lines; • Legitimacy: contracts, concession agreements; • Reference: interpersonal relationships with public/state actors; 	<ul style="list-style-type: none"> • Reward: resources, capacity; • Coercion: local & international integration and collaboration; • Legitimacy: MMMDA* (a state recognised association); • Reference: interpersonal and inter-organisational relationships with public/state actors and international/regional associations; Integration with terminal operators; 	<ul style="list-style-type: none"> • Reward: resources, capacity; • Coercion: local & international integration and collaboration; • Legitimacy: MIFFA# (a state recognised association); • Reference: interpersonal and inter-organisational relationships with public/state actors, and international/ regional associations; 	<ul style="list-style-type: none"> • Reward: financial (grant/loan), and technical assistance; • Coercion: standard terms and conditions, G2G scheme; • Legitimacy: G2G scheme; • Reference: G2G relationships, interpersonal and inter-organisational relationships with all local actors;
Public Authority	<ul style="list-style-type: none"> • Reward: resources (e.g. land), facilitation; • Coercion: regulation; • Legitimacy: public authority, regulator, facilitator; • Reference: government body, state actors' commitments, CEOs' ex-military ties with state actors; • Expertise: CEOs' vast industry experience; 	<ul style="list-style-type: none"> • Expertise: professionalism; 	<ul style="list-style-type: none"> • Expertise: professionalism; 	<ul style="list-style-type: none"> • Expertise: professionalism; 	<ul style="list-style-type: none"> • Expertise: professionalism;
			* MMMDA: Myanmar Mercantile Marine Development Association;	# MIFFA: Myanmar International Freight Forwarders' Association;	

As a government body, the MPA has regulatory power, resources (land and infrastructure assets) ownership rights and institutional legitimacy (government backing). In the port industry, the MPA is a core actor with simultaneous regulatory, facilitation and operations/commercialisation functions. This acts to give the MPA the upper hand over private partners with regard to administrative power. However, operating under state-dominated governance caused bureaucratic inertia and limited the MPA's autonomy and capabilities. Therefore, the MPA also needed to mobilise higher authorities to acquire their management commitment and support, which it did by specialising its relationships and performance.

For private actors, funding is their core resource. Additionally, they use their competencies, such as expertise and experience, as well as their reputation to obtain bargaining power in their negotiations and interactions with the MPA. For example, Hutchison's reputation meant that its MITT terminal was the only one for which the MPA allowed direct payment of terminal operation and cargo handling charges while others received payment through the MPA- SAD. International government-backed partners, e.g. JICA (Japan) and GIZ (Germany), also exploited their reputation and institutional legitimacy in dealing with the MPA and state-level authorities.

5.3.3.2. Asymmetric interactions

Although partnering initiatives started at the firm-level (MPA and international partners) in accordance with both sides' managerial intentions, a series of documentation process via state-mediation was needed to get approvals from multiple state-level organisations. Such a deal with an international partner took place as G-to-G cooperation through diplomatic channels. Lack of awareness of and experience in development projects on the Myanmar side, as well as institutional complexity associated with state-dominated governance led to project delays. The Myanmar side, including the MPA, commonly focused on the short-term and project-based planning while it looked at the longer term based on the data/information-driven evidence. Participants from the international partner group were quite aware of Myanmar's bureaucratic culture and practices and thus knew that they needed to be patient/tolerant regarding bureaucratic delays since it was the only way forward. In addition to bureaucratic delays, the language barrier was also an issue in communication. International respondents remarked that almost all MPA CEOs and TMT members were quite friendly and easy to approach, but that some of them who were weak in industry knowledge and lacked international exposure appeared xenophobic, avoiding meeting with international partners. Coercion was a way to resolve such issues; approaching these people through a key person from each side as well as via diplomatic channels and securing the assistance of high-ranking officials with bilingual skills.

Local and foreign investors developed institutional legitimacy by specialising in relationships with the MPA and institutional agents. They also exploited their financial power; competence; and reputation in mobilising resources, e.g. land allocation. Having a close relationship with institutional agents, including the MPA, was the most important factor in creating legitimacy for resource mobilisation under a military regime that promoted national entrepreneurs or tycoons in response to international sanctions. In doing so, investors created better communication and relationship channels by approaching via key persons; recruiting ex-MPA -executives (including CEOs); and using local representatives. The MPA's SAD monopolised agency services and all vessels needed to use SAD as their agent. SAD controlled excessively the payment system between shipping lines and terminals (shipping lines must deposit in advance) and the market by controlling daily berth allocation for the

reasons of channel safety and to prevent port congestion. Such practices were not the international standard. The MPA's retention of 'the upper hand' and excessive control led to unfair vessel allocation between MPA-run and privately-run terminals, reducing inter-terminal competition. Since 2010, vertical integration between shipping lines and terminals and the drawing up of contracts in response to the MPA's daily berth allocation had forced the MPA to allocate specific lines to their requested berths. However, the MPA only allowed this for container vessels since it was still operating general cargo terminals (6% by quay length of all terminals). Shipping lines were not satisfied with the SAD's advance payment system, which estimated on the basis of fixed tariff rates as opposed to terminals, who marketed themselves using discounted rates. Inter-terminal competition has increased dramatically since 2011 as a result of the regime change that occurred at that time, accompanied by growing trade volumes due to the economic liberalisation initiated by the USDP government. Moreover, the global maritime shipping downturn and declining freight rates have led to lower tariff rates. Although terminal operators were secure about payment, they considered indirect payments through SAD to be overly complicated and delayed refund to shipping lines. Although the MPA-SAD was the sole government agent for shipping lines, it was only responsible and accountable for operational matters. Thus, in commercial matters, the principal shipping lines needed to appoint a local representative. Internationally, agency services are operated by private entities and shipping lines issue the delivery order (DO). In Myanmar, SAD issued DOs for shipping lines. This practice made the process complicated and inefficient. Industry actors lobbied the MPA and the MOTC to relax the excessive regulatory controls. Shipping lines complained constantly via horizontal integration through the Myanmar Mercantile Marine Development Association (MMMDA). Also, port users, especially freight forwarders through the Myanmar International Freight Forwarders Association (MIFFA), asked repeatedly for MPA-SAD to be released from its involvement and intervention with an eye to improving efficiency by reducing the number of process steps. The Euro Chamber of Commerce-Myanmar's (Eurocham-Myanmar) White Book 2018 suggested two changes to the MPA's approach to resolve the issues: allow direct payment; and recognise tariffs at market rates instead of advance payment using MPA set rates. However, the MPA responded to these pressures by making only a slight change - reducing container handling fees - with the MOTC's approval, in July 2018. At the same time, the MPA increased its previously low conservancy charges

to cover the cost of recently outsourced channel dredging and maintenance (reactive actions). In practice, MPA collected land rent (e.g., annual land rent = % n of revenue; revenue = fixed port tariff rates x handling volume and vessel size) from private terminal operators by setting rates at a periodically increased percentage of terminals' revenue. All vessels had to inform SAD of their cargo manifest, including cargo and container volume, prior to their arrival at port. MPA's intention in setting fixed port tariff rates was to prevent private entity fraudulence while the country's financial system - including taxation; banking; and auditing systems - was still weak. Besides, some terminal operators were operating their own vessels. The MOTC is still backing the MPA-SAD monopoly on agency services for its annual income account for 38% of MPA's total service income and 20% of total income. Although there has been ASEAN pressure to establish an ASEAN single shipping market and for its members to allow entry of other members' agents and ensure freedom in agent choice, the MOTC-led delegation was able to negotiate postponed action by Myanmar. Under its regulatory power, the MPA assigned daily its labour/stevedoring gangs to private terminals. The annual income from stevedoring accounted for 37% of the MPA's income from services and 19% of its total income in 2012-2013. However, because of the inefficient performance of the MPA-assigned labour gangs, terminals used their owned labour; however, they still had to pay stevedoring charges to the MPA. Terminals complained that the MPA issued stevedoring licenses without providing any effective, up-to-date training for its stevedoring crews.

One shipping line's local representative added that, based on his own experience and perception, that there had not been much change in the regulatory practices of the MPA, although there had been an improvement in communication with the agency and its SAD, concurrent with the reforms and liberalisation introduced by the USDP government.

As a shipping line local rep, I think that not much change happened in the industry. E.g., we must request pilot allocation 24 hours in advance for both calling in to port and departing port. It is still the same. However, regarding communication with MPA and SAD, it is better than before. We can make known and discuss our opinions and make requests regarding our requirements openly. This condition has changed since the period of the

previous government. Before, we had to follow and work with the MPA's instructions. We can negotiate with them now. They also respond promptly to our requests. For berth allocation, we submitted a request letter to get our preferred berth to the MPA with attention to the CEO. But we could get only the CEO nominated berth. I think, since 2014, the MPA has relaxed the berth allocation process more and its arrangement is better and faster as it allocates depending on the vessels' LOA and size (C01).

5.4. Chapter Conclusion: Corporate Co-evolution within the Port Business Network

This section concludes and conceptualises empirically findings from this research. The port industry in this case — comprised of institutions; a port authority; and private actor groups (both local and international) such as terminal operators, shipping lines, port users, and development partners in interplay with each other—is characterised as a government-business network. Hence, in this study, the terms *business network* and *networked industry* are used interchangeably, with government institutions and influential individuals such as ministers represented as state actors, while the port authority is a focal organisation that administers and regulates the industry. Conceptualising the findings from this research, an empirical framework for corporate co-evolution within this state-dominated port business network was developed (Figure 5.4). This framework was developed to provide an overview of the co-evolutionary dynamics, processes, outcomes, and interplay between network actors in an attempt to address empirically three research questions: 1) why and how organisations evolve in response to the influences from their institutional and non-institutional environment; 2) how upper echelons with military backgrounds influence corporate co-evolution; and 3) how public authorities co-evolve with private actors in the industry. It reflects the specific context of the port reform and development trajectories experienced under the highly centralised, complex, and erratic institutional environment of a transitional developing economy, Myanmar. This co-evolutionary framework includes five parts: a) external influential factors; b) felt changes/impacts; c) strategic processes; d) strategic actions/responses; and e) outcomes.

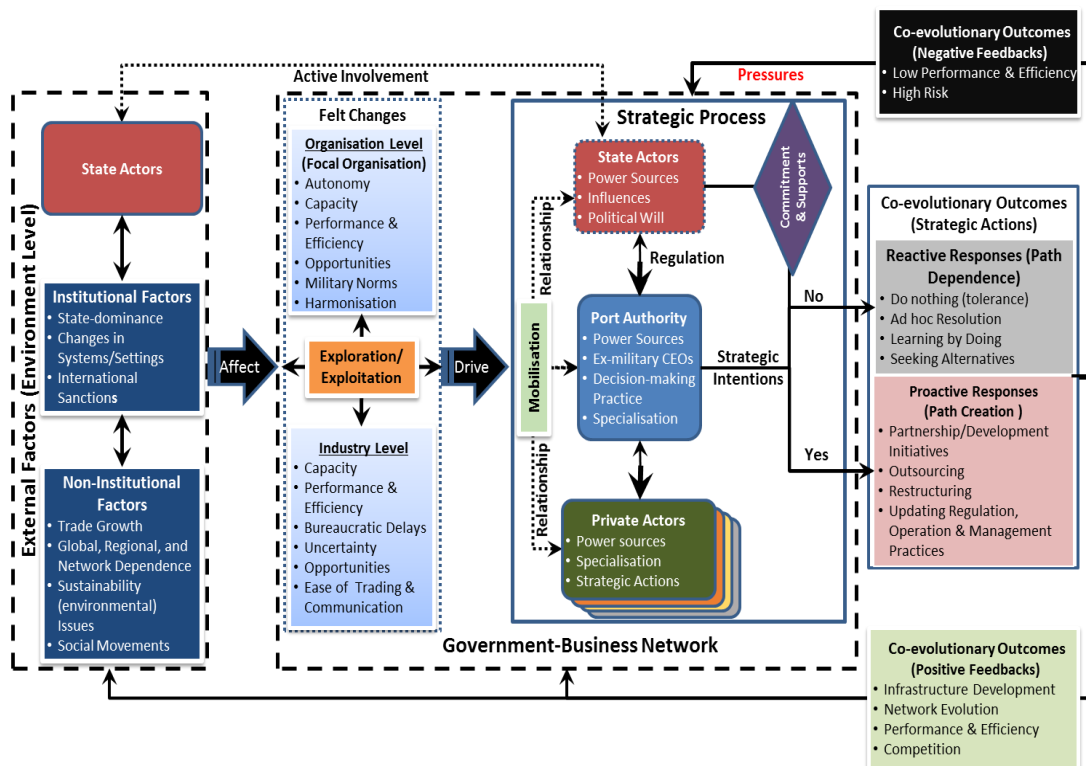
As shown in the framework, dashed-line rectangular boxes represent the boundaries of the industry and environment levels. The leftmost rectangular box presents the influential external factors at the environment level. There are two types of interrelated influential factors, *institutional factors*, and *non-institutional factors*. Based on the data, institutional factors include *state-dominance; changes in (the country's) systems/settings; and international sanctions*, while non-institutional factors comprise *trade growth; the interdependence of global, regional, and network, sustainability issues; and social movements*. These factors surfaced and evolved over time and caused felt changes as consequences across levels from the entire industry to its participating actors. The dotted rectangular box inside the government-business network indicates felt changes at the organisation level and networked industry level. Felt changes can be either opportunities or constraints in relation to development of both organisations and the industry. Actors became cognisant of impacts through learning (for knowledge acquisition) processes by which they explored new resources, opportunities and pathways for further development and/or exploited/kept existing resources and pathways for better stability in line with the evolving environment. Due to the external stimuli for change, network actors, using their power sources, interacted with each other through strategic processes that took place in pursuance of their individual interests and for the entire network's evolution. The strategic process is portrayed in the solid lined rectangular box in the figure. The two channels of interaction, regulatory and relationship, are disclosed from the data and analyses. Through interactions with others, the port authority as a focal organisation generated strategic intentions at both the organisation level and the industry level. In this context, multiple state actors were involved actively in businesses (see Figure 5.2 and Figure 5.3). Their powerful and imbalanced influence through the regulatory channel was significant in strategic processes. Nothing could be done without their approval and permission. Since institutional constraints are resistant to change, achieving state actors' commitment to and support of the organisations' business strategies was important in such a state-dominated business landscape. Such restrictive conditions led to delays in response to the changing environment and resulted in negative outcomes. Thus, the port authority and private actors undertook specialisation, especially relationship building with powerful state actors, as well as power enhancement, e.g. horizontal/vertical integration among private-actor groups, to mobilise state actors. By doing this, while mitigating institutional constraints and

influences, the port authority and private actors tried to obtain state actor commitment to and support for a political strategy. In so doing, the role and background of the port authority's CEOs (MDs in this case) were crucial. The findings suggest that they mobilised state actors using relationships established through the *ex-military ties* between them and trust in CEOs' *vast industry experience*.

Further, cascading the legacy of the leader-centric decision-making culture in Myanmar, the strategic directions of the public port authority in this case was underpinned mainly by its CEOs' abilities rather than those of the TMT. At the industry level, the port authority and four groups of private actors with distinct interests interacted reciprocally with each other within a regulatory framework. However, such interactions between them were almost always asymmetric due to the persistence of centralisation and state dominance. Therefore, solid-line, double-headed arrows with different thicknesses illustrate such imbalanced interdependence of regulatory ties. Nonetheless, private actors also conducted specialisation to fortify their power and mobilise the port authority through relationship channels, presented as dotted line arrows. Their interactions affected corporate co-evolution and resulted in the port industry reform and development trajectories. Within this SDB environment, however, private actor participation and influence in corporate co-evolution was still limited. Patterns of strategic actions (as responses) and pathways are portrayed in the rightmost rectangular box. The analyses informed that, in the context of the SDB environment, organisations could create new development pathways in the long run aligned with their top managers' strategic intentions when/if ruling state actor commitment to and support for their choices persisted. Such conditions favoured organisations in influencing policymaking at the level of the institutional environment and making changes proactively at the organisation and industry levels. In this way, corporate co-evolution took place across levels. Regardless of institutional recognition and support, as a focal actor, the MPA' strategic choices were almost always path-dependent. In such situations, they maintained stability in the short run by adaptation, in which they exploited experiences and capacity they already had, as well as by accepting and tolerating, at least temporarily, external influences. Such conditions restricted organisations' strategic intentions and make them respond in a reactive, even inactive, rather than proactive manner. The rectangular boxes at the bottom-right and top-right corners depict the co-

evolutionary outcomes that surfaced as feedback from co-evolutionary processes. As the findings suggest, the framework portrays a feedback loop, i.e. the recursive and iterative pattern of co-evolution. Positive feedback amplified co-evolutionary processes whereas negative feedback forced actors to increase specialisation efforts to alter outcomes from negative to positive. Since the port industry generates the Myanmar's economy—more than 80% of the country's normal trade—and the port authority is a public service enterprise, experiencing negative performance and high risk became a huge pressure for the incumbent state actors and forced them to pay more attention to emerging issues and provide more support to the incumbent authority, the MPA, and even intervene in some cases. Based on this empirical framework and Table 5.1 composed by data-driven concepts/themes, and interplays between these concepts/themes, theoretical discussion will be conducted in the next chapter.

Figure 5.4 Empirical framework for corporate co-evolution within a state-dominated port business environment



Chapter 6. Discussion

6.1. Introduction

This chapter shows how this thesis can help understand theoretical and empirical knowledge about corporate co-evolution in a state-dominant business (SDB) environment of a developing economy. It discusses key findings presented in the previous chapter, Findings (Chapter 5), as well as the extant theoretical standpoints reviewed in the Literature Review (Chapter 3). In doing so, this chapter first characterises the case context of the Myanmar port industry as an SDB environment. This is an attempt to be aware of the co-evolutionary dynamics, which underpin this specific context. This chapter highlights the crucial roles and influences of state actors, i.e. individuals such as ministers and government institutions, in corporate co-evolution. It then discusses three key interconnected concepts, mapping them with relevant significant themes in order to conduct assessments against each research question and objective. Throughout the discussions, the key themes that emerged from the data are connected to the extant literature in the fields of co-evolution, upper echelons, and business networking. Based on the key concepts and findings, which surface from this research, the study then offers the primary theoretical construct, *the corporate co-evolution within an SDB environment*. Following this, it develops an integrated conceptual framework as an effort to improve theoretical understanding of the central phenomenon of the case and to induce further research.

6.2. State-Dominant Business (SDB) Environment

This study first defines the case setting as a *state-dominant business (SDB) environment* whereby it extends knowledge about the country-/context-specific effects (Makino, Isobe and Chan 2004; Makino 2014) as significant co-evolutionary forces (Lewin, Long and Carroll 1999; Lewin and Volberda 2005). Based on the empirical data, the chosen context of the Myanmar port industry is identified as an SDB environment. As denoted in the previous chapter, an SDB environment is a business landscape in which state actors are involved actively in business events and appreciate prerogatives in excessively controlling over strategic business sectors such as port. In this context, strong relations, embeddedness, and interdependency between

government and businesses are salient. The institutional environment in such a context is a path-dependent system (Hatani 2016; Notteboom, De Langen and Jacobs 2013), which is associated with high levels of the tenacity of past beliefs and values such as policies and practices, and with strong resistance to change. Thus, the features of an SDB environment are analogous to a highly institutionalised environment (Oliver 1992), which is subject to the direct involvement of high-level institutions through regulatory channels (Child, Rodrigues and Tse 2012; Rodrigues and Child 2003). In particular, it is somewhat distinct regarding government intervention and its status as a state-managed business landscape. This accords with Than (2007) interpretation of state-led industrialisation in Myanmar in light of the political economy. Hence, the term state-dominant business (SDB) environment is used in this study as it strongly reflects the fact that unique forms of state supremacy were pervasive across the case setting. As categorised in Table 6.1, state dominance is one of the key institutional factors that critically influence corporate co-evolution in this context. Four patterns of state dominance surfaced from this case study: *centralisation*, *intervention*, *institutional complexity*, and *military induction into civil services*. Discussion of these patterns will be provided in detail below. In relation to state dominance, *changes in nation-state systems and settings* such as regime changes and state-led economic liberalisation, and *international sanctions* surfaced as institutional factors. These dynamics of the institutional environment show the focal context to be an SDB environment. The persistence of state dominance has occurred under all four regimes: the State Law and Order Restoration Council (SLORC, military regime, 1988-1997), the State Peace and Development Council (SPDC, military regime, 1997-2011), the quasi-civilian government (led by the Union Solidarity and Development Party-USDP), and the present civilian government (led by the National League for Democracy-NLD).

How does the state dominate the port industry and its actors, especially the MPA? The MPA is a focal actor embedded at the nexus of the institutional environment and competitive environment. It is represented as an agency within the government administrative structure, while it acts as a regulator, an operator, and a facilitator within the structure of the port network. This study found *centralisation* of the state for example in budgeting, resource allocation (e.g. land), and even staff recruitment, which is done by the Union Civil Service Board (UCSB), and state actors'

intervention in port management, operation, and development. Both limit the MPA's autonomy and authority in financing and management, and capacity shortages and low performance are a result of these institutional constraints. Due to the institutional embeddedness within (and dependence on) the state (Joel and Oliver 1992; Oliver 1991) in terms of budget allocation, the MPA could not implement necessary reforms, new projects, and partnership deals for the infrastructure development without approvals from several ministries and government institutions. Although such involvement of multiple state actors is a deliberate method in pursuit of collective interest and consensus, it increases *institutional complexity* and bureaucratic delays. Equally, weak formalisation and legalisation including a lack of government guarantees increase policy risks and bureaucratic delays. Likewise, strong institutional constraints also limit the development of other transport modes such as road and rail that hinder port-land connectivity and increase transport cost and time. In addition to the poor port infrastructure and facilities, the development of the whole industry was limited (van der Lugt, Doooms and Parola 2013). The inefficient and complex (almost manual) operating procedures of other government agencies such as the customs clearance processes result in adverse outcomes such as port congestion. Myanmar Customs practised 100% physical, manual inspection on all import and export cargo until 2010 (Thant 2010). However, after the installation of x-ray scanning machines in all container terminals, the full inspection rate dropped to 10% while 30% undergo x-ray scanning and 60% go through immediate release (ADB 2016a). In Australian ports, in 2016-17, about 5% of containers ($\leq 101,500$ TEU) were targeted for x-ray check, and about 1% underwent physical inspection (Commonwealth Ombudsman 2018). According to the World Bank's Logistics Performance Index (LPI) 2018 (World Bank 2019a), Myanmar's LPI and six key measures of LPI—customs, (transport) infrastructure, international shipments, logistics competence, tracking and tracing, and timeliness—are less than the ASEAN and global averages. Additionally, due to the deliberate allocation of (ex-)military personnel into the civil services including the port authority under the military regimes, military norms and practices such as leader-centric, top-down decision-making, and working with accomplishment-focus are pervasive across all systems and structures. Indeed, state actors' intervention for a short term to resolve urgent issues such as port congestion is an effective way, e.g. appointing a state-level committee. However, the perpetuation of such intervention to the port industry over the long term (1996-2010), rather than

promoting delegation of authority and autonomy to the incumbent port authority, resulted in the committee becoming an extended bureaucratic mechanism, i.e. increased red tape. It is similar to the case of Hatani (2016), which insisted that the Japanese port reform failed due to lack of institutional plasticity, i.e. the government's excessive control and high resistance to change. However, in the case of Yantian Container Terminal in China (Child, Rodrigues and Tse 2012), the government's facilitation and support saw the rapid development of the terminal. Recruiting ex-military personnel due to their professions, e.g. employing ex-navy officials as marine pilots, helped reduce human resource shortages efficiently. Concluding the effects of state dominance in this context, despite some achievements such as a growing number of private terminals and port facilities, it is not an effective and successful intervention.

Unlike the other cases of emerging economies such as China, Brazil, and Indonesia (see Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Rodrigues and Child 2003), the impacts of international economic sanctions imposed in 1996-1997 and raised in 2003 and 2007 are significant in this case. Suffering from international sanctions as a response to the political and social oppression under the military regimes diminished the momentum of economic liberalisation and international collaboration introduced by the SLORC, the first military regime. As this effect spread over the port industry, the MPA lost partnership and development opportunities. The 1997 Asian Financial Crisis elevated this situation. Some of the international investors and development partners left the port industry and industrial zone project in Thanlyin-kyauktan, including abandoning the implementation of port development by way of private participation. The only two foreign-invested terminals remaining included Hutchison Holdings Hong Kong, which however operated under a low profile. The main (shipping) line operators (MLOs) ran their businesses by hiring local representatives instead of opening their offices. Consequently, due to the loss of partnership opportunities, the MPA and port industry also lost learning opportunities such as exploration and acquisition of knowledge and technology. In this way, the international sanctions paused the state-led outward orientation (Than 2007) and pushed Myanmar back towards de-globalisation and to a pariah state. The country had less involvement in and interaction with the global community, and thus, much fewer isomorphic pressures (DiMaggio and Powell 1983) from advanced

economies were applied on its systems and practices to be globalised and modernised. Instead, crony capitalism emerged, and government-business connectedness became stronger (Ford, Gillan and Thein 2015; Jones 2014); more institutional constraints such as export first policy were imposed; and bureaucratic and business practices were intertwined. In line with these situations, more local investors were allocated to the port industry without any proper tendering processes under the second military regime, the SPDC. As Professor Ian Holliday (2011) concludes, therefore, sanction and isolation strategies, rather than interactive intervention practices, imposed by the international community could not make Myanmar improve its socioeconomic status as well as political standards. Because of democratisation, far-reaching political and economic reforms, and re-engagement with the international community supported by the previous USDP-led government, the international sanctions were lifted and suspended in 2012-2013. After that, the MPA regained partnership and development opportunities. The international investors and development partners resumed collaboration with the port industry, and subsequently, business deals went through proper tendering processes with the assistance of international consultants. However, structural reforms such as corporatisation of state-owned economic enterprises (SEEs) including the MPA in order to reduce structural embeddedness and to propel their autonomy and authority has not yet been implemented. Hence, the past legacies of dirigisme economy, i.e. state active control and involvement in businesses, remains in this context.

As discussed above, this study confirms that the two interconnected external factors, i.e. institutional and non-institutional factors transitioned over time are significant change drivers of co-evolution (Lewin, Long and Carroll 1999; Child, Rodrigues and Tse 2012), while state dominance limits organisations' abilities and options for their strategic actions, but boosts managerial inertia (Oliver 1992; Rodrigues and Child 2003). These two external factors offer opportunities or constraints for implementing their intended strategies. Hence, these two factors as salient country-/context- specific forces (Makino, Isobe and Chan 2004; Makino 2014) of co-evolution, their impacts, patterns of interactions, strategic actions, and outcomes are identified and contribute to the co-evolutionary literature as shown in Table 6.1. Three forces, i.e. changes in nation-state systems and settings, state-dominance, and international sanctions, are recognised as institutional factors,

whereas six forces, i.e. trade growth, other networks dependence, regional dependence, global dependence, sustainable issues, and social movements, are categorised as non-institutional factors. This chapter covers a detailed discussion of these dynamics of corporate co-evolution.

The findings from this study confirm that state dominance is rooted historically and consistently to some degree across all four regimes that have ruled Myanmar. Despite regulatory and policy relaxation in line with state-led economic development that has been implemented by all regimes, and raised by the SLORC and the previous government, not much has changed in the administrative structure and flow across levels, i.e. state-level institutions, the port industry led by the MPA, and private actors. Although the MPA plays as a focal actor, the power and roles of state actors are central determinants across the government-business structure (as argued by Steinberg 1991, 2001). Such practices became Myanmar business culture in line with the country's high power distance culture (Rudkin and Erba 2018). This study, following Evans (1995, 1997), argues that perpetuation of state dominance and failure to promote the delegation of authority (autonomy) are the root causes of resulting stalled port reform and development. This argument agrees with prior studies (e.g. Taylor 2009; Than 2007; Jones 2014) of state dominance in Myanmar in view of the political economy in which they insisted that continuation of state dominance leads to stalled economic development and industrialisation. However, they mainly focus on the unidirectional effects of state dominance and government-business nexus. In contrast, looking through the lens of the co-evolutionary perspectives (Lewin and Volberda 1999, 2005), this study extends knowledge of corporate co-evolution as an outcome from the multidirectional interactions within a government-business network. The evidence is that the Myanmar port industry even under strong state dominance has gradually developed in terms of growth for example in private participation and cargo handling volume, and in the advancement in regulatory and operational practices. These changes happen because of optimising specialisation (Lewin and Volberda 1999) and manipulation (Oliver 1991) orchestrated by the MPA's leadership, especially its CEOs, in interactions with powerful state actors, and private participation. Based on these findings, the study insists that corporate co-evolution can take place even within a state-dominant business environment of a developing economy, as it does within a highly institutionalised environment of emerging economies (cf. Child, Rodrigues and

Tse 2012; Dieleman and Sachs 2008; Rodrigues and Child 2003). Both common and unique insights, especially co-evolutionary dynamics, surfaced from this distinct contextual setting while addressing why, how and when corporate co-evolution takes place across levels within an SDB environment.

Table 6.1 Co-evolutionary forces, processes, and outcomes

Forces	Aspects of Forces	Details of Forces	Felt Changes (Impacts)	Processes/Interactions	Strategic Actions	Outcomes	
Institutional Factors	Changes in systems/settings	<ul style="list-style-type: none"> Changes in governing system Variations of political will/interest Open market (by SLOC) State-led reforms (by USDP and NLD) Policy restriction/relaxation 	<ul style="list-style-type: none"> Harmonisation & communication Policy risk Gained partnership/development opportunities Ease/difficulty of trading & communication 	<ul style="list-style-type: none"> Mobilisation through relationships Asymmetric interactions through regulation Mobilisation through relationships Cooperation (financial, technical) with international partners Partnering with private actors 	<ul style="list-style-type: none"> Tolerance Learning by doing Changed management model Partnership/development initiatives Restructuring, outsourcing (IT) Updating regulation 	<ul style="list-style-type: none"> Better harmonisation & communication Low/high performance & efficiency Development Network expansion Increased competition 	
	State-dominance	<ul style="list-style-type: none"> Inducting (ex-military) personnel Exercising military practices Lack of autonomy Lack in the delegation of authority Restriction & limitation Expansion of bureaucratic mechanism (e.g. Speedy Committee) 	<ul style="list-style-type: none"> Pervasiveness of military norms Loss of autonomy Capacity shortage Low performance & efficiency Loss of autonomy 	<ul style="list-style-type: none"> Asymmetric interactions through regulation Relationship development (ex-military) Mobilisation through relationships Partnering with private actors Horizontal/vertical integration (private actors) 	<ul style="list-style-type: none"> Tolerance Ad hoc resolution Partnership/development initiatives 	<ul style="list-style-type: none"> Network expansion Better harmonisation & communication Development Increased competition 	
	International sanctions	<ul style="list-style-type: none"> Institutional Complexity Multiple state actors involvement Weak formalisation, legalisation Customs clearance processes 	<ul style="list-style-type: none"> Bureaucratic delays Low performance & efficiency 	<ul style="list-style-type: none"> Asymmetric interactions through regulation Mobilisation through relationships 	<ul style="list-style-type: none"> Tolerance Ad hoc resolution Advanced port facilities 	<ul style="list-style-type: none"> Performance & efficiency return 	
	Trade growth	<ul style="list-style-type: none"> Imposing sanctions Lifting sanctions Decrease Increase 	<ul style="list-style-type: none"> Imposed in 1996-1997, raised in 2003 & 2007 Foreign investors & partners withdrew Lifted in 2012-2013 Foreign investors & partners resumed Decreased for domestic instability Increased after open market 	<ul style="list-style-type: none"> Lost partnership/development opportunities Difficulty in trading Gained partnership/development opportunities Ease of trading Low performance & efficiency while low tariff limited by government Capacity shortage (port congestion) 	<ul style="list-style-type: none"> Partnering with local private actors Cooperation (financial, technical) with international partners Partnering with private actors (A)symmetric interactions through regulation Partnering with private actors 	<ul style="list-style-type: none"> Promoting local investors Ad hoc resolution Operating in low-profile Partnership/development initiatives Reviewed and updated tariff Partnership/development initiatives 	<ul style="list-style-type: none"> Network contraction Operated in loss (Thilava terminals) Network expansion Increased competition Performance & efficiency return Development Network expansion
	Network dependence	<ul style="list-style-type: none"> Industrial zones development failed in Thailayin-kyauktan SEZ development resumed in Thilava 	<ul style="list-style-type: none"> Industrial zone development failed in Thailayin-kyauktan SEZ development resumed in Thilava 	<ul style="list-style-type: none"> Lost partnership/development opportunities Lost location advantages Gained partnership/development opportunities Location advantages returned 	<ul style="list-style-type: none"> Partnering with local private actors Cooperation (financial, technical) with international partners Partnering with private actors 	<ul style="list-style-type: none"> Promoted local investors Marketing (by outer harbour terminals) Development/partnership initiatives Marketing (by terminals) Promoting local investors 	<ul style="list-style-type: none"> Network contraction Operated in loss (Thilava terminals) Development, Regained profit Increased competition Network contraction
	Regional dependence	<ul style="list-style-type: none"> Asian financial crisis, 1997 	<ul style="list-style-type: none"> Foreign investors withdrew 	<ul style="list-style-type: none"> Lost partnership/development opportunities 	<ul style="list-style-type: none"> Partnering with local private actors 	<ul style="list-style-type: none"> Promoting local investors 	<ul style="list-style-type: none"> Network contraction
	Global dependence	<ul style="list-style-type: none"> Container shipping industry crisis, 2008; 	<ul style="list-style-type: none"> Using larger vessels for efficiency 	<ul style="list-style-type: none"> Increased risk (for using larger vessels and shallow water) 	<ul style="list-style-type: none"> Horizontal/vertical integration (private actors) 	<ul style="list-style-type: none"> Contracting (terminals and shipping lines) Marketing (by terminals) Outsourcing for dredging Operation & management practice changed 	<ul style="list-style-type: none"> Increased competition Reduced risk Development Network expansion
	Sustainability issues	<ul style="list-style-type: none"> Sedimentation 	<ul style="list-style-type: none"> Limited water depth Frequent accidents 	<ul style="list-style-type: none"> Location advantage shifted (to outer harbour) 	<ul style="list-style-type: none"> Symmetric interactions (port authority-private actors) 	<ul style="list-style-type: none"> Operation & management practice changed 	<ul style="list-style-type: none"> Network expansion
	Social movements	<ul style="list-style-type: none"> Squatters' protests Community objections 	<ul style="list-style-type: none"> Squatters' protests in Thilava Backed by political groups Community objections to land use for port expansion and development 	<ul style="list-style-type: none"> Development project delay/loss Uncertainty 	<ul style="list-style-type: none"> State actors intervention Asymmetric interactions Mobilisation through media 	<ul style="list-style-type: none"> Ended up by paying higher compensation Cancelled project 	<ul style="list-style-type: none"> Financial loss for higher compensation Lost project
	Non-Institutional Factors						

6.3. Key Findings and Concepts that Address Research Questions

This section addresses the three research questions: a) why and how organisations co-evolve with their (institutional and non-institutional) environments, b) how the upper echelons with military backgrounds influence the corporate co-evolution, and c) how a public authority co-evolves with private actors in a networked industry. In addressing these research questions, this study develops three key concepts, a) *dynamics of organisation-environment co-evolution*, b) *the effects of ex-military CEOs on the corporate co-evolution*, and c) *dynamics of power relationships and business network evolution* within an SDB environment. They are mapped with key findings and aggregate themes that reflect the co-evolutionary dynamics such as forces, processes, and outcomes, which emerged from the data. In addressing each research question comprehensively, some empirical and conceptual aspects are restated intentionally. By synthesising these concepts, the study then theorises the primary construct of *the corporate co-evolution within an SDB environment* in section 6.4.

6.3.1. Why and how do organisations co-evolve with their (institutional and non-institutional) environments?

This sub-section discusses theoretical contributions drawn from the key findings that address Research Question-1: why and how organisations co-evolve with their (institutional and non-institutional) environments. The overarching aim is to theorise organisation-environment co-evolution within an SDB environment in the light of co-evolution (Lewin and Volberda 1999, 2005). In doing this, the study discusses findings in the context of extant literature in corporate co-evolution and explicates their implications for developing a conceptual framework for this level of co-evolution. In this part, the co-evolution theory that encompasses multiple theoretical lenses (Lewin and Volberda 1999, 2005) assist in understanding the co-evolutionary forces internal and external to organisations, patterns of processes, and outcomes. Precisely, the study describes the interplay between organisations and institutional environments. Within this part, this study contains two theoretical contributions: *opportunities- and commitment-driven corporate co-evolution* and *two stages of corporate co-evolution* discussed below. A conceptual framework for organisation-

environment co-evolution within an SDB environment, reflecting these theoretical contributions, is also developed.

6.3.1.1. Opportunity and commitment-driven co-evolutionary development process

This study argues that organisation-environment co-evolution within an SDB environment is *opportunity and commitment-driven*. It means that when organisations have certain *opportunities* and *commitments* as a complement to sufficient power (Child 1972), they can strategically respond to institutional pressures and reshape their environments (Oliver 1991), through which co-evolution can take place for long-term development (Lewin and Volberda 1999, 2005). Otherwise, organisational adaptation only takes place for short-term stability. In this case, the radical changes in organisations' embedded environments make available development and partnership *opportunities*, whereas the organisational leadership, i.e. CEOs, induce powerful state actors' *commitments* to implementing development and partnership activities. Prior studies (e.g. Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003) in international business and management fields have empirically advanced the concepts of having opportunities and improving (political) power as co-evolutionary antecedents and the ways organisations respond to institutional constraints and influence institutions. According to these studies, opportunities (or constraints) are engendered by systems and settings evolving at the environmental level, while power as a political resource is complemented by improving macro-micro relationships among individuals of government institutions and businesses. Conceptually, this thesis agrees with their work. However, it extends the literature by identifying distinct co-evolutionary forces, processes, and outcomes (see Table 6.1 in section 6.2), which address why, how, and when corporate co-evolution happens in an SDB context.

As discussed in section 6.2, state dominance limits the MPA's ability in response to the influences and pressures from its changing environment and restricts its strategic options to reform and develop itself and the entire port industry, as it is a focal actor. Under such institutional constraints, the MPA's responses to the environment are almost passive and reactive rather than proactive or manipulative. Hence, the institutional embeddedness or institutional dependence (Joel and Oliver

1992; Oliver 1991) of organisations is a root cause of organisations' lagged responses to change (Lewin and Volberda 2005). The MPA suffered from lack of autonomy followed by the capacity shortage issues, such as port congestion. To cope with the impacts of strong institutional constraints, similar to the prior cases (Rodrigues and Child 2003; Child, Rodrigues and Tse 2012; Jiang et al. 2016), the MPA seeks opportunities engendered by nation-state systems and settings evolving over time. Taking these opportunities, it can introduce new business models and development initiatives for the organisation and the entire port industry. Three external factors-state-led economic liberalisation, lifting international sanctions, and network dependence on the special economic zone (SEZ) development- offer opportunities for implementing new business strategies (Jiang et al. 2016) or new path creation (Garud and Karnøe 2001). In line with the state-led economic liberalisation (open market) introduced by the first military regime (SLORC), the MPA established public-private partnership opportunities to transform its management model from a public port (state-run) to a landlord port that allows private participation. Both foreign and local investors entered the industry. In this way, the MPA could resolve its capacity shortage and improve performance. Moreover, with the opportunities given by a series of widespread reforms and policy relaxation along with democratisation under the third, quasi-civilian government (2011-2016), it could partially implement financial, legal, and structural reforms as a part of corporatisation, a policy advocated by the government. However, partnership opportunities were lost when international economic sanctions led by the US and EU were imposed. International investors and development partners withdrew from the port and industry zone development. By lifting international sanctions, followed by the Thilawa SEZ development, the opportunities for international cooperation have resumed to date.

The distinct argument of this study is that having opportunities and business strategies alone were not workable under strong state dominance. Any changes at the levels of organisation and industry can be implemented by powerful state actors' commitments and their support as a complementary power. Following Child, Rodrigues, and Tse (2012) who analysed sources of power (French and Raven 1959) and power relationships in firm-institution co-evolution, this study examines the exchange of power between the MPA and state actors. The MPA derives state actors' commitments as a reward power in exchange for ex-military relationships between

CEOs and state actors as reference power and CEOs' vast industry experience as expert power. Achieving state actors' commitments or support becomes a political strategy (Jiang et al. 2016) of organisations operating under state dominance. By using this political strategy, the MPA can enable implementing its business strategy stimulated by the opportunities that come out from radical changes within institutional and non-institutional environments. Based on these findings, the study sheds light on the unique organisational ability and resources that were used in mobilising commitments from higher authorities. To do so, the MPA's CEOs used relationship channels to bypass the regulatory channel in which imbalanced structural and functional interdependence prevails. They employ ex-military relationships with state actors, by which they advance trust. Improving political ties in this way, the focal organisation can mitigate institutional constraints, improve its legitimacy, and strengthen power, and thus, can influence institutions in reform and policymaking. Moreover, with backing from state actors and by exploiting its position as a focal actor in the port network, the MPA can influence private actors. In this way, corporate co-evolution takes place across all levels. However, in the absence of opportunities and commitments, its strategic intentions are restricted and are unable to be implemented. Instead, it goes through adaptation to be in line with the changing environment, in order to maintain stability in the short term. Based on this empirical evidence, this dissertation insists that co-evolution can take place when firms have opportunities favoured by radical changes in their environment and achieve dominant state actors' commitments and support. More precisely, this statement contributes to the co-evolutionary literature by stressing why and when co-evolution can take place (McKelvey 2002; Kallis 2007) in a specific context of the SDB environment. In the light of opportunity- and commitment-driven corporate co-evolution, this study develops knowledge about two stages of corporate co-evolution that pay attention to both negative and positive feedback loops.

6.3.1.2. Two stages of corporate co-evolutionary development processes

The two stages of organisational responses to the external change forces are significant in this SDB environment, as portrayed in Figure 6.1 and Figure 6.2. They are the *buffering stage* and *transforming and amplifying stage*. The extant literature

identifies that co-evolutionary outcomes can be positive or negative (see Garud and Karnøe 2001; McKelvey 1999) across the iterative processes of co-evolution (Lewin and Volberda 2005, 1999; Jiang et al. 2016). However, prior studies in international business and management domains paid attention merely to positive feedback (outcome) loops as enabling and enhancing mechanisms of co-evolution, especially between organisations and their institutional environments (e.g. Child, Rodrigues and Tse 2012; Jiang et al. 2016). Departing from this conventional stream of co-evolutionary studies that focus on positive feedback loops as growth generating mechanisms, this dissertation fills the gaps by showing positive as well as negative feedback loops and their effects on co-evolutionary processes. Investigating the development trajectories of a port industry led by a public port authority under strong state dominance contributes insightful knowledge about both negative and positive feedback loops. Conceptualising these feedback loops in co-evolutionary processes associated with an SDB environment, this study develops a co-evolutionary model as shown in Figure 6.1. This model updates the work of Jiang et al. (2016) that focuses only on positive feedback loops. Distinct from their model, this proposed model illustrates two stages of co-evolutionary processes: the *buffering stage* and *transforming/amplifying stage* that represent negative and positive feedback loops respectively.

6.3.1.2.1. The buffering stage

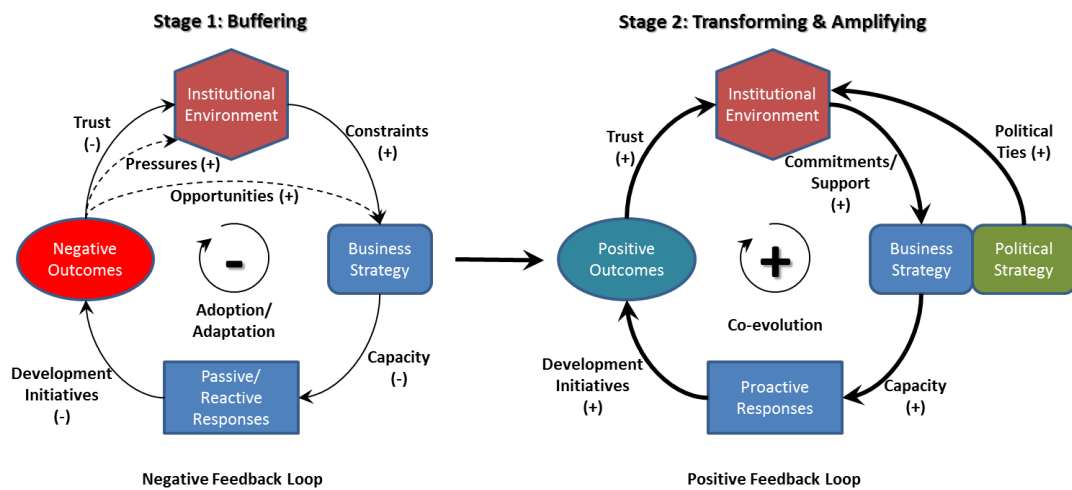
Generally, under state dominance, this stage comes first in a co-evolutionary process in order to establish stability and mitigate external influences in the short run. As discussed in section 6.2, the norms and practices of state-dominated governance persist in the Myanmar context. Therefore, under the excessive controls of the state, the financial and operational capacity of the MPA as a SEE is limited, and its business strategies are restricted. Therefore, its managerial intentionality and strategic actions are latent, but managerial inertia is encouraged by the institutional constraints (Oliver 1992; as cited in Rodrigues and Child 2003). Hence, under strong institutional constraints, the focal organisation has less chance to respond proactively to the challenges of the external environment, e.g. trade growth and sustainability issues, and to implement development initiatives, e.g. port infrastructure and facility development and outsourcing. Instead, it accepts passively (i.e. adoption) or adapts

reactively (i.e. adaptation) to the external changes, by which to buffer the possibility of negative impacts of its capacity shortage and to establish stability in the short term. By using available resources and abilities, i.e. exploitation, the MPA's initial responses, e.g. inadequate dredging, and reinforcement rather than technology and regulatory improvement, are almost on an ad hoc basis. They are usually insufficient to reach intended business strategies or resolutions of facing issues. Therefore, the initial strategic actions the MPA goes through are path dependence, a process of locking into an existing but inefficient path and thus into a vicious cycle, rather than path creation, a process of constructing a new path to generate a virtuous cycle (cf. Garud, Kumaraswamy and Karnøe 2010; Vergne and Durand 2010). Indeed, within the SDB environment, for a public enterprise, inactive/passive or reactive responses (Child and Tsai 2005) are predominant. However, such actions are ineffective and insufficient in the long term. Subsequently, negative outcomes, e.g. low performance and even distortion in the port industry such as port congestion and frequent accidents in the river channel (see Table 6.1), surface due to the focal organisation's inactive, lagged, and insufficient responses. The focal organisation for that suffers from lack of trust of institutions, and thus, receives higher institutional pressures, e.g. intervention, rather than delegation of authority, e.g. allocation of more power and authority. Hence, the more the institutional constraints are imposed, the lower the performance firms achieve, and vice versa. Such a recursive pattern of a negative relation between institutional constraint, business strategy, and performance conforms a negative feedback loop, as exhibited in Figure 6.1. In the buffering stage, therefore, such a negative feedback loop weakens change initiatives (Campbell 1994) and manifests a vicious cycle (see Figure 6.2) in which the development of co-evolution is unlikely (Garud and Karnøe 2001; Rodrigues and Child 2008).

Nonetheless, feedback loops can transform into one another under certain conditions (Maruyama 1963), e.g. by adding interactive activities (Forrester 1968), or by employing damping mechanisms (McKelvey 2002). Drawing on the SDB context, this study develops a more nuanced understanding of how such transformation happens. In this study, negative feedback loops become forces for the MPA shifting into co-evolution. Experiencing negative outcomes increases pressures that push the MPA, on the one hand, to opt-out of the loop. As a public entity, the negative outcomes such as low productivity affect the objectives of relevant institutions, e.g. line

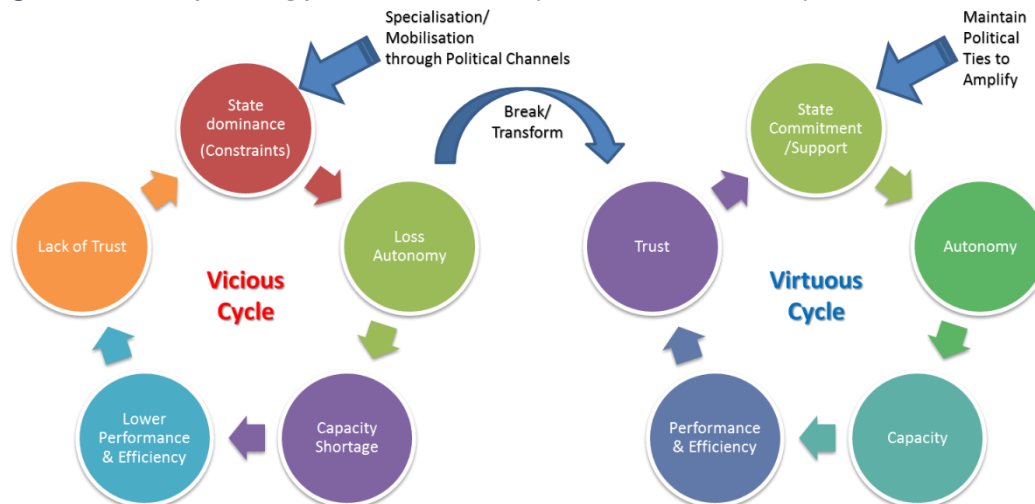
ministry, and even the country's economy. For this reason, the line ministry also faces pressures, and thus, pays greater attention to resolving negative outcomes. This situation turns pressures into opportunities for the MPA to break out of the negative feedback loops and move into the next stage or positive feedback loops. In the face of frequent undesirable outcomes, the MPA becomes active in exploring more resources and opportunities to escape. Its responses are gradually elevated from passive or reactive to proactive, i.e. from conformity to manipulation (Oliver 1991; Child, Rodrigues and Tse 2013). Therefore, it then commences the second stage, the *transforming and amplifying stage*.

Figure 6.1 Two stages of corporate co-evolutionary processes under state dominance



Source: author, adapted from Jiang et al. (2016)

Figure 6.2 Transforming from the vicious cycle to the virtuous cycle



6.3.1.2.2. *The Transforming and Amplifying Stage*

This sub-section discusses the second stage of the co-evolutionary development process, the *transforming and amplifying stage* in which specialisation and mobilisation to achieve a political strategy are added as enabling and enhancing mechanisms. As discussed above, in the face of experiencing adverse outcomes and higher institutional pressures, the MPA becomes proactive and seeks more resources and opportunities, i.e. exploration. The MPA adds nonlinear, multidirectional, and interactive activities to break out of a feedback loop and shift into another, as suggested by Forrester (1968). Alternatively, it attempts to survive by optimising specialisation strategically (Lewin and Volberda 1999) and by manipulation (Garud, Kumaraswamy and Karnøe 2010). Business strategies aligned with opportunities alone cannot work well in this SDB environment. As shown in Figure 6.1 and Figure 6.2, the MPA thus employs specialisation as an enabling mechanism of business strategies reflecting managerial intentionality to realise positive outcomes and subsequent co-evolution. The MPA adds political strategies and improves political ties with higher authorities, especially state actors. The cross-level structural and functional dependence on institutions can be reduced through patron-protégé or senior-junior relationships developed by having shared military service experience among CEOs and state actors. Also, CEOs' industry experience favours them in gaining state actors' trust. As discussed in sub-section 6.3.1.1, this study follows Child, Rodrigues, and Tse (2012) in examining the exchange of power (French and Raven 1959). CEOs mobilise state actors' commitments as a reward power in exchange for ex-military relationships with state actors as reference power and vast industry experience as expert power. Maintaining good relationships and trust through political channels, the CEOs can influence institutions in policymaking and mobilise state actors' commitments and support for their managerial intentionality and business strategies. By doing so, the MPA has a greater chance to implement development initiatives, and thus, can improve their financial and operational performance, and institutions' trust. The more the commitments from state actors MPA receives, the higher the performance they achieve, and vice versa. Through nonlinear and multidirectional interactions with state actors, the focal organisation can develop a positive relationship between institutional support, business strategies, and performance. In this way, the negative feedback loop is halted and transformed into a

positive feedback loop. Maintaining positive feedbacks and outcomes amplifies co-evolutionary processes recursively. Hence, in this stage, such a positive feedback loop manifests a virtuous cycle in which co-evolution is likely to take place (Garud and Karnøe 2001; Rodrigues and Child 2008).

This assertion reflects on both public enterprises and private firms operating in this context. By achieving specific political strategies, e.g. state actors commitment for development initiatives, organisations can realise their business strategies, e.g. performance growth (as insisted by Jiang et al. 2016). Jiang et al. (2016) advanced the concepts of firm-institutional environment co-evolution enabled by intertwining business strategies and political strategies. Their co-evolution model for firm-institutional environment focuses only on positive feedback loops. Since the co-evolutionary outcomes can be positive or negative (see Garud and Karnøe 2001; McKelvey 1999), this dissertation is an attempt to develop knowledge about resulting negative outcomes and their consequences. In support of Jiang et al. (2016)'s finding, this study also finds that organisations can enable business strategy, i.e. performance improvement, by attaining political strategy, i.e. commitments and support of state actors through relationships or political ties. However, beyond Jiang et al. (2016)'s work, this thesis advances organisation-environment co-evolution within an SDB environment in order to highlight the organisational leadership as organisational ability. Furthermore, this study also extends their co-evolution model by considering both negative and positive feedback loops associated with two stages of co-evolutionary processes— *Stage 1: buffering* and *Stage 2: transforming and amplifying*, as exhibited in Figure 6.1 and Figure 6.2.

The proposed model explains that negative feedback loops are associated with passive or reactive responses to the external influences under the intense institutional pressures. In the first stage, the *buffering stage*, the adaptation takes place in order to maintain stability in the short term. Frequently experiencing the pressures of negative outcomes, the focal organisation becomes proactive; it seeks necessary resources and opportunities, i.e. exploration, made available by radical changes in the embedded environment; and it attempts to progress from the buffering stage to the transforming/amplifying stage. In doing this, the study sheds light on the political dynamics. The focal organisation improves political ties especially interpersonal

relationships with powerful state actors through which to attain their commitments and support for its business strategies. Adding this nonlinear, multidirectional, and interactive political strategy/activity, it can break out of negative feedback loops and shift into positive feedback loops (Forrester 1968). Optimising specialisation (Lewin and Volberda 1999) and manipulation (Garud, Kumaraswamy and Karnøe 2010) strategically as a mean of a new path creation, e.g. allowing private participation and outsourcing in this case study, it tries to survive from stalled or failed development. The resources and ability used to achieve political strategies in this case also differ from the Geely case studied in Jiang et al. (2016). In the Geely case, as the CEO of a private automotive company of China used financial incentives and political ties gained through helping government and political engagement. Reflecting the prolonged military induction into civil services in the Myanmar context, this research highlights the importance of CEOs' ex-military relationships with state actors such as ministers and CEOs' industry experience.

Concluding this sub-section, this thesis extends the co-evolutionary literature by unfolding two stages of a co-evolutionary development process and linking them with negative feedback loops and positive feedback loops. The thesis also contributes to the co-evolutionary literature in terms of how organisational leaderships, especially CEOs, can endorse organisational ability in co-evolutionary processes. Specifically, the study extends knowledge of political dynamics (Rodrigues and Child 2003; Child, Rodrigues and Tse 2012) by stressing the importance of political ties garnered by CEOs' shared military service experience with state actors and industry experience as unique organisational abilities used to achieve both political and business strategies. The dissertation also confirms that organisations can succeed in their business strategies by achieving their political strategy of attaining institutional support (Jiang et al. 2016); and specialisation and mobilisation as an enabling mechanism of managerial intentionality and co-evolution while positive feedback loops enhance the recursive process of co-evolution (Lewin and Volberda 1999, 2005). However, it argues that negative feedback loops are co-evolutionary forces; they spark specialisation and mobilisation and drive the process towards co-evolution. This thesis proposes a new co-evolutionary model that exhibits both negative and positive feedback loops across the two stages of co-evolutionary development processes. Besides this, it distinguishes between short-term adaptation and long-term co-

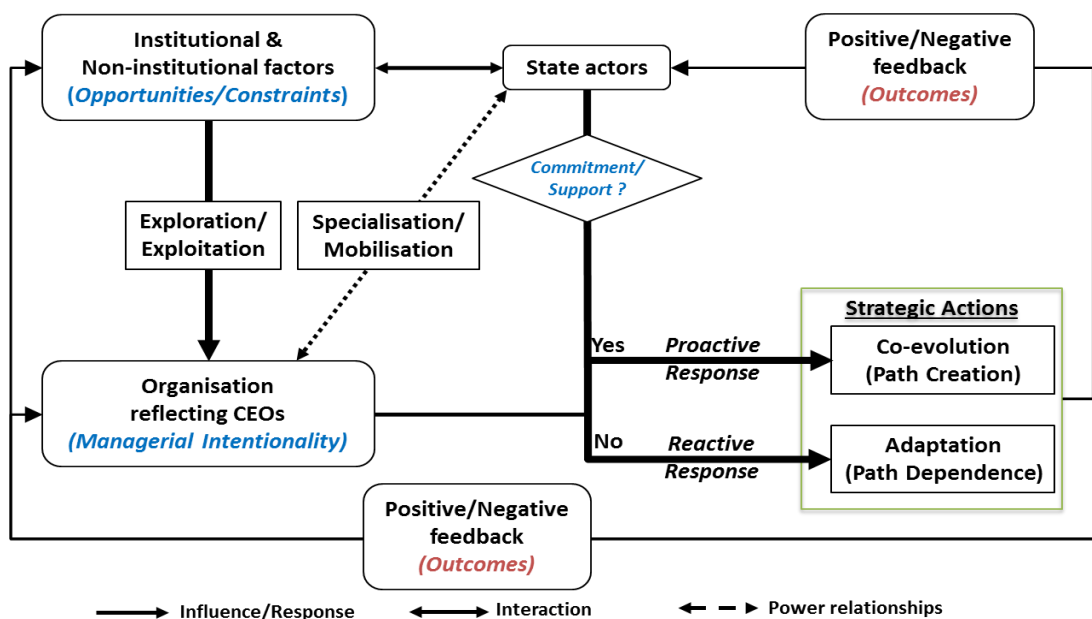
evolution based on organisational learning, i.e. exploitation or exploration; the organisational responses, i.e. passive, reactive, and proactive; strategic choices, i.e. path dependence or path creation; and feedback or outcome loops, i.e. positive or negative.

6.3.1.3. The conceptual framework for organisation-environment co-evolution within an SDB environment

Concluding the contributions discussed in the above sub-sections, this study adds the enabling and restricting effects of state actors to the definition of co-evolution taken from Lewin, Long, and Carroll (1999) and Lewin and Volberda (2005). Hence, the study defines the corporate co-evolution in a state-dominant business environment as *a joint outcome of the organisation's managerial intentionality committed to by state actors, and influences of the institutional environment and non-institutional environment*. In light of the proposed definition and theoretical contributions under RQ1, the study develops a conceptual framework (see Figure 6.3) to illustrate a clear picture of organisation-environment co-evolution within an SDB environment. Additionally, the framework is a way of integrating the concepts that emerged from this study and fragmented in the extant literature. The framework is organised into three co-evolutionary forces: institutional and non-institutional factors, the organisation's managerial intentionality, and state actors' commitments and support; two processes: exploration/exploitation, specialisation/mobilisation; two strategic actions: co-evolution by path creation, and adaptation by path dependence; and outcomes: positive/negative. Since the institutional and non-institutional factors influence firms' strategic actions (Child and Tsai 2005), they provide opportunities and constraints (Child 1972; Rodrigues and Child 2003). The institutional constraints limit managerial intentionality and encourage managerial inertia (Oliver 1992), but opportunities favour managerial intentionality. Managerial intentionality is elaborated more by exploration and less by exploitation (Dasí, Iborra and Safón 2015). It is also less associated with adaptation, but more significant for co-evolution (Lewin and Volberda 2005). In view of the strategic process, adaptation is achieved by exploitation rather than exploration and "effective in the short run but self-destructive in the long run" (March 1991, 71). In pursuit of state actors' commitments and

support, the organisation undertakes specialisation and mobilisation through power relationships or political ties. With state actors' commitments, the organisation becomes proactive and can create new development paths, by which co-evolution takes place. Otherwise, its strategic choice is path-dependent, by which adaptation takes place. Path dependence is associated with the exploitation of gained knowledge while path creation is realised by exploration, power manipulation, and resource mobilisation for co-evolution (Garud and Karnøe 2001; Garud, Kumaraswamy and Karnøe 2010). This thesis departs from the debate on path dependence or path creation (cf. Garud, Kumaraswamy and Karnøe 2010; Vergne and Durand 2010). Instead, it portrays them both as two stages (i.e. buffering and transforming/amplifying) of co-evolution due to their notions: path dependence is a process of locking into an existing but inefficient path and thus into a vicious cycle, but path creation is a process of constructing a new path that generates virtuous cycle. Positive feedback loops amplify the co-evolutionary development process recursively, but negative feedback loops force the organisation and incumbent state actors to alter the process. Drawing on these theoretical aspects, this study develops the following conceptual framework for organisation-environment co-evolution within a state-dominant business environment.

Figure 6.3 Conceptual framework for organisation-environment co-evolution within a state-dominant business environment



6.3.2. How do upper echelons with military backgrounds influence the corporate co-evolution?

This sub-section discusses theoretical contributions drawn from the key findings that address Research Question-2: how upper echelons with military backgrounds influence the corporate co-evolution across levels within the context of state-dominant business (SDB) environment. In the view of upper echelons (UE) perspectives (Hambrick and Mason 1984; Hambrick 2007), this study first addresses whether the CEO or top management team (TMT) play a decisive role in making corporate decisions and strategic choices at the organisation level. The study then discusses the effects of ex-military CEOs on the corporate co-evolution across levels and in turn the influences of the organisation's environment on the CEOs effects, in the light of co-evolutionary perspectives (Lewin and Volberda 1999, 2005). In this way, this study conceptualises the effects of CEOs with military backgrounds on the corporate co-evolution, which takes place in an SDB environment of a developing economy, Myanmar. Prior UE studies pay attention to the unidirectional influences of external factors on TMT-outcome relations, and especially to the occidental and developed contexts (see Carpenter, Geletkanycz and Sanders 2004; Yamak, Nielsen and Escribá-Esteve 2014). By bridging with the co-evolutionary perspectives, this study sheds light on the multidirectional influences and interactions evolving over time across levels, i.e. organisation, industry, and environment. Precisely, it stresses how CEOs with military experience as a unique characteristic can influence corporate co-evolution. In doing so, centring on the focal organisation, this thesis views the focal case within the political and historical standpoints and highlights the leadership, institutional, and political dynamics of corporate co-evolution. The following theoretical insights surfaced from this part.

6.3.2.1. The CEO alone matters within decision making

This study continues a lengthy debate on whether the CEO alone or the TMT matters in organisational level strategic decision-making processes (Cao, Simsek and Zhang 2010; Quigley and Hambrick 2015; Sakano and Lewin 1999). By highlighting the dominant roles of CEOs and their influences on organisation-level management and decision processes, the study argues that the CEO alone, rather than the TMT, matters

specifically for a public enterprise, the MPA, within the SDB environment in Myanmar. This contribution reflects on the organisational characteristics of imbalanced power and authority that prevails across the structural interface of the management team, especially between the CEO and TMT members. This organisational culture has a strong relationship with leader-centric and top-down bureaucratic culture prevailing in the Myanmar context as discussed in section 6.2. Additionally, this contribution is associated with a lack of board governance as an organisational attribute, owing to unclear strategic policies and indecisive decisions on SEEs' corporatisation at the state level and conflicts of interest in the board formation between predecessor- and successor-CEOs at the organisation-level. Hence, in this context, CEOs can profoundly influence decision-making at the organisation-level and thus, strategic choices reflect CEOs' managerial intentionality. It agrees with the point that both organisational characteristics as internal influences and environmental effects as external influences are antecedents of organisation-level strategic decision-making processes and outcomes (Carpenter, Geletkanycz and Sanders 2004; Wang 2015).

This study sheds light on how CEO's dominance on the CEO-TMT interface (Ling et al. 2008) affects the organisation-level decision-making processes that are still scant in the literature (as argued by Bromiley and Rau 2016). Alternatively, to understand the patterns of interactions among top managers at the organisational level, this thesis examines the structural interdependence within the TMT, following the prior work of Hambrick, Humphrey, and Gupta (2015), in which they argued that stronger interdependence is associated with higher rates of executive-departure. Similarly, this study insists that strong vertical interdependence leads to less satisfaction of other TMT members with decision processes and practices. The study found that within the CEO-TMT interface of the MPA, CEOs have the ultimate power, whereas the autonomy and authority of other TMT members, i.e. department-heads, are limited under the organisation's hierarchical and functional structure. The vertical interdependence and communication between the CEO and other TMT members are significant while horizontal interdependence and communication among TMT members are limited. Associated with weak board governance practices, three forms of decision-making processes emerge from this study: *TMT collective*, *sub-grouping*, and *leader-centric* decision making. First, decisions are generally made in a collective

way through regular TMT meetings, but the CEO's decision is final in resolving the emergent conflicts. Second, certain types of decisions for the needs of hastiness or specific purposes are made by functional sub-groups (Hambrick 2007), but all decisions need CEO's approvals in this MPA case. Third, for the CEO's preferred choices, however, TMT meetings are just for the recognition of the CEO's decisions. In some important activities, apart from seeking advice from professionals, behavioural integration (Hambrick 2007) of an interest group, especially between the CEO and some TMT members, takes place. Such integration is CEO self-advocacy to garner support in legitimising and strengthening the CEO power. Hence, although functionally sub-grouping provides efficiency and effectiveness as positive outcomes (as argued by Carmeli and Schaubroeck 2006; Friedman, Carmeli and Tishler 2016), behavioural integration, strong vertical interdependence, and weak horizontal communication cause TMT members' discontent with the organisation-level management and decision-making practices. This contribution is drawn from sensitive observations of TMT members' perceptions and reaches beyond the UE traditional stream of TMT-performance relations. Besides this, this thesis sheds light on the effects of imbalanced structural interdependence within the TMT and the effect of the CEO as a central determinant of TMT decision-making behaviours and organisation-level outcomes. Under these circumstances, therefore, the asymmetric interactions are dominant within the CEO-TMT interface of such an organisation. Thus, the CEO's managerial intentionality is significant in strategic processes at the organisation-level, and spread over the port industry, since the MPA is a focal regulating authority within the port network. These findings contribute to the UE literature with a country-specific variation. The CEO alone does matter. Other studies show the CEO effect does not matter in Japan while it does matter in the US (Sakano and Lewin 1999); the CEO effect on firm performance is higher in the US than in Germany and Japan (Crossland and Hambrick 2007, 2011); and the TMT rather than the CEO alone matters in the UK (Balogun, Bartunek and Do 2015).

One of the most significant outcomes of this study is that the CEO's effects on organisation-level outcomes may vary over time in line with the evolving institutional and political dynamics. Under the second military regime, the SPDC, raising institutional constraints and state involvements in businesses increased pressures on the MPA and reduced CEOs' managerial discretion and thus limited development

initiatives. Under the rest, however, the MPA experienced less institutional pressures and greater discretion along with the momentum of reforms and economic liberalisation. Nonetheless, under the military and quasi-civilian regimes, ex-military CEOs could develop and maintain political ties with state actors who were also ex-military personnel through relationship channels and thus could introduce more initiatives in partnering, restructuring, and outsourcing. However, such political ties faded out during the first two years (2016-2018) of the present civilian government led by politicians, the so-called state actors' learning period. Since the momentum of state-led reform declined, policies and strategic directions were unclear, harmonisation with state actors became weak and ex-military CEOs conducted fewer development initiatives. These findings support prior work which shows that the CEO's significance differs over time, i.e. in the US by the 1990s and beyond (Quigley and Hambrick 2015), institutional and environmental factors affect upper echelons' perception (Carpenter and Fredrickson 2001); and nation-state systems differ in their constraints on CEO effects (Crossland and Hambrick 2007, 2011). Concluding with the relations between institutional pressures, CEO's managerial discretion, and CEO's effects, this dissertation argues that the more the CEO is at liberty in decision-making on behalf of their organisation, the higher their impact on the organisation. Precisely, the more managerial discretion is available, the higher the CEO effects result in positive outcomes (as asserted by Wei and Ling 2015).

Further, this thesis extends knowledge about the CEO's profile-specific characteristics (Karaevli 2007; Ting, Azizan and Kweh 2015) in development initiatives, advice-seeking behaviour, and power distribution, drawing from the insidership and outsidership of the MPA's CEOs. This study confirms findings of Grünh et al. (2016)'s argument that outsiders are hesitant to explore new strategic directions or paths in the short term and their strategic actions are path-dependent since they need more time to become familiar with their roles and prioritise stability. It also supports the notion that insiders are more likely to explore and make new paths, i.e. path creation (see Garud and Karnøe 2001; Garud, Kumaraswamy and Karnøe 2010). However, this argument opposes the viewpoint that outsiders look for more strategic orientations (see Chaganti and Sambharya 1987; Karaevli 2007). Co-evolutions or developmental changes such as private participation, corporatisation initiatives, restructuring, and international cooperation were introduced by the two

insider CEOs who were promoted internally, had international exposure, and had extensive experience of leading operations on behalf of CEOs. However, an exceptional finding is that when an outsider CEO had dense political ties, e.g. master-disciple relationship, with state actors e.g. ministers, they may have the highest level of commitments from them. In such a situation, the CEO can implement intended development activities or new strategic paths such as outsourcing for dredging and shortage of IT professionals, introducing a new business model—from landlord port to tool port, and capital intensive projects. From this evidence, this study argues that the effects of state actors are prior to the effects of CEOs in the co-evolutionary development in such an SDB context. Additionally, outsider CEOs are more likely to seek internal professional advice and allow more power distribution with other TMT members. Interestingly, this study characterises the ex-military CEOs' behaviour as being reluctant in compliance with standard operating procedures (SOPs) since they are working with military norms such as an accomplishment focus and hasty decision-making.

6.3.2.2. CEO's effects at the networked industry level

This thesis extends knowledge about the effects of the focal organisation's CEO beyond the organisation level, i.e. at the networked industry level. It argues that the CEO of the focal organisation can influence the entire network and its actors by taking advantage of imbalanced power derived from the prerogative power and position within the structure of port-networked industry, in which the port authority, terminal operators, shipping lines, port users, and international development partners are interacting with each other. Within the industry, the MPA as a focal actor as well as a regulator has the upper hand due to its position and power as a community or an industry manager (Verhoeven 2010) which accounts for regulation, facilitation, and operation. It is still monopolising some services. As a public body, the MPA has backing from government institutions and leads the port industry. Using this absolute power, within the regulatory interface, its CEOs can influence private actors, both local and international ones, within the regulatory channels. In the view of co-evolutionary and UE perspectives, this study asserts that an alliance network can be influenced by a powerful actor's strategies and managerial actions (Koza and Lewin

1998, 1999), which reflect its top managers (Hambrick and Mason 1984). However, since firms' responses are not always passive (Oliver 1991; Child, Rodrigues and Tse 2013), this study, in sub-section 6.3.3.2, further discusses how other network actors can mitigate power asymmetry and mobilise support from powerful influencers in the network.

Further, distinct from the traditional UE studies (e.g. Carpenter, Geletkanycz and Sanders 2004; Yamak, Nielsen and Escribá-Esteve 2014), which emphasise the industry effects on TMT strategic processes and outcomes, this study sheds light on CEO profile-specific effects at the networked industry level. Based on the CEO profile variances, this thesis contributes to the UE literature by elaborating on the effects of CEO insiderness and outsiderhood on inter-organisational relationships especially between public and private actors at the networked industry level. It posits that insider CEOs are proactive in external affairs and thus have better relationships and harmonisation with network actors, drawing on the relations between private actors' satisfaction with relationships with the MPA, and CEO insiderness/outsidehood. These contributions of CEO effects at the networked industry level are added to the traditional stream in the UE literature in which prior studies mainly focus on relations between insider/outside CEO succession and firm-level performance (e.g. Beatty and Zajac 1987; Karaevli 2007; Bjornali, Knockaert and Erikson 2015).

6.3.2.3. The CEO's effects at the level of the institutional environment

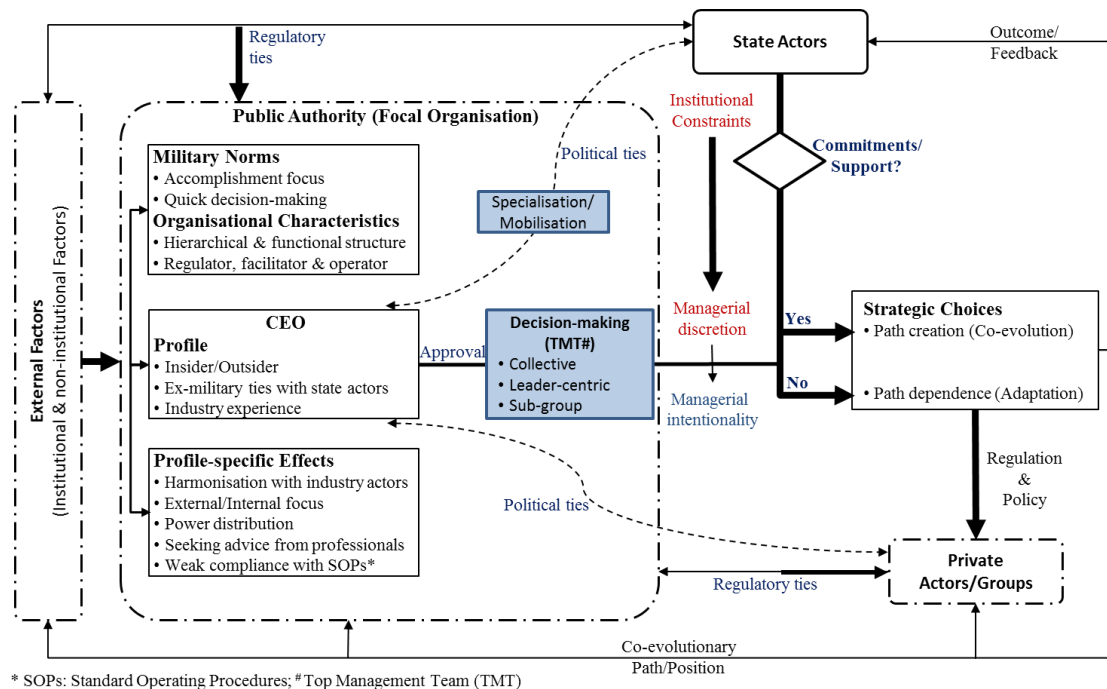
As discussed in detail in sub-section 6.3.1, by developing and maintaining healthy relationships or political ties with powerful state actors in order to secure their commitments and support, the MPA's CEOs can influence the institutional environment and thus can shape corporate co-evolution. Prior studies in international business have signalled the importance of relationships with state actors in strengthening organisation-level performance and competency, and garnering favour of access, e.g. macro-micro interpersonal ties (Peng and Luo 2000), personal networking and alliances with government (Butler and Purchase 2004), aligning with and then influencing politicians (Dieleman and Sachs 2008); and institutional relatedness (Sun, Peng and Tan 2017). Additionally, in their co-evolutionary study on China's largest container terminal, Child, Rodrigues, and Tse (2012) advanced the

political dynamics of firm-institution co-evolution by shedding light on the five sources of social power: coercive, referent, reward, expert, and legitimate (French and Raven 1959). However, this thesis contributes to the extant literature by elaborating on the distinct sources of CEOs' power, and the ex-military relationships with state actors and industry experience, used in pursuit of their commitments and support.

Furthermore, this study argues that by knowing the sources of CEOs' power, one can probably predict how CEOs can achieve receiving commitments, support, and legitimacy from state actors, and those organisations' strategic actions, i.e. path creation or dependence. In this context, the public port authority as a public agency is still strongly coupled to the public domain (Brooks and Cullinane 2007; van der Lugt, Doms and Parola 2013) and thus cross-level structural interdependence between the MPA and government institutions is rather strong. Active state involvement and intervention in businesses are significant characteristics of the SDB environment, as discussed in section 6.2. Hence, the MPA's autonomy, managerial intentions, and strategic actions are restricted under the constraints of multiple dominant institutions and powerful state actors within the regulatory and formal relationship structure. To mitigate institutional constraints and gain favours which may be used in its business strategies, the organisation adds political strategies of developing relationships with state actors, for which it conducts specialisation and mobilisation processes. Through cross-level relationships and interactions between the organisation and institutions, CEOs employ their referent power, i.e. ex-military relationships with state actors, and expert power, i.e. vast industry experience, in building relationships or political ties. By doing this, the MPA is rewarded with power, i.e. necessary resources, and commitments and support for their intended business strategies, and legitimate power, i.e. legitimacy, from state-actors while mitigating coercive power, i.e. institutional constraints. In this way, the MPA can influence state actors in policymaking and thus can shape the co-evolution of the organisation-institutional environment. Based on this finding, this thesis contributes to the UE and co-evolutionary literature by showing how, improving cross-level political ties, CEOs can mitigate institutional constraints and power asymmetry established by the structural positions of those organisations and institutions.

Conceptualising the theoretical aspects of the CEO's effects on the corporate co-evolution, dynamics of the CEO-TMT interface, and the external influences, this thesis develops a comprehensive conceptual framework, as shown in Figure 6.4. The framework exhibits interrelationships between the leadership dynamics, institutional dynamics, and political dynamics of corporate co-evolution. Mainly, it highlights the roles and effects of ex-military CEOs that prevail at all three analytical levels, i.e. organisation, industry, and environment. Additionally, the study portrays how institutional constraints restrict managerial discretion and managerial intentionality and how the organisation's CEO can mitigate them. The dark arrows represent the imbalanced influences and asymmetric interactions, whereas the dotted arrows represent interpersonal relationships. This framework extends the theoretical and empirical understanding of the influences of upper echelons with military backgrounds in corporate co-evolution, their profile-specific effects, and decision-making practices.

Figure 6.4 The effects of CEOs with military backgrounds in corporate co-evolution within an SDB environment



6.3.3. How does a public authority co-evolve with private actors in a networked industry?

This sub-section discusses theoretical contributions drawn from the key findings that address Research Question-3: how a public authority co-evolves with private actors in a networked industry such as a port. Due to the heterogeneous nature of participating actors/groups, a port is a business network (Brooks and Cullinane 2007; van der Lugt, Doms and Parola 2013). The port business network in this study is a government-business network that comprises the MPA as a public actor and private actors/groups, and state actors since they are actively involved in business activities. Private actors include both foreign- and locally-invested terminal operators, shipping lines, port users, and international development partners as they have both political and business interests. This research question is addressed in the light of the two interconnected theoretical pillars: business networks in the field of Industrial Marketing and Purchasing (IMP) group (Håkansson and Snehota 2006; Halinen and Törnroos 1998) and co-evolution (Lewin, Long and Carroll 1999; Lewin and Volberda 2005). The network theory allows for examining relationships and interdependency among network actors and their embeddedness in contextual settings as forces of business network evolution (Halinen and Törnroos 1998; Welch and Wilkinson 2004). The co-evolution theory pays attention to interactions beyond the network or population level, i.e. environment or community level (Lewin and Volberda 1999; Rodrigues and Child 2003). The common views in these two theories are that embeddedness is an antecedent of corporate co-evolution and network evolution (cf. Halinen and Törnroos 1998; Lewin and Volberda 1999, 2005; Welch and Wilkinson 2004), and continuous interactions are the key mechanisms of the co-evolutionary and network development processes (cf. Child, Rodrigues and Tse 2012; Håkansson and Waluszewski 2013). Cross-fertilisation between the two perspectives helps this thesis examine the dynamics of business network emergence and evolution, and of power relationships among actors participating in the port industry of a state-dominant business (SDB) environment. In doing so, this thesis pays attention not only to the interrelationships and interactions among the network actors but also to the changes in their external environments that shape the evolution of the entire networked industry. The study also develops an understanding of how corporate co-evolution takes place. Further, viewed through contextual, historical, and political dimensions, this study contributes a) *the*

external effects on the emergence and evolution of a business network, and b) asymmetric interactions and mitigation of asymmetries among network actors/groups to the extant literature in the fields of co-evolution and business network.

6.3.3.1. The external effects on the emergence and evolution of a business network

As discussed in section 6.2 and sub-section 6.3.1, changes in both institutional and non-institutional environments over time are the external forces of corporate co-evolution. Likewise, these forces categorised in Table 6.1 are salient in shaping business network evolution, and the extent of competition within the networked industry. In the light of embeddedness found in both co-evolution and business networking fields (cf. Geels 2014; Halinen and Törnroos 1998; Lewin and Volberda 1999, 2005; Welch and Wilkinson 2004), this study attempts to address how a corporate network is formed and shaped by the evolving contextual setting in which it is embedded. In doing so, the study advances knowledge of the two external factors of corporate co-evolution at the networked industry level associated with the specific SDB environment. These are institutional factors: state-led economic liberalisation; state involvement and intervention; imposing or lifting international sanctions, and non-institutional factors: trade growth; network, regional, and global dependence, sustainability issues, and social movements (see Table 6.1). Taking a broad view of the network formation and development in the port industry, this study sheds light on the importance of these country-specific contextual factors (Makino, Isobe and Chan 2004; Makino 2014) in network emergence and evolution. These factors generate both opportunities and constraints for the formation and development of the port business network. As discussed in section 6.2, managerial intentionality and strategic actions at the organisation and industry levels are restricted under the excessive controls of multiple dominant state actors across the formal structural interface, i.e. the regulatory channel between the institutions, MPA, and private actors. Business activities always need approvals from multiple state actors within this state-dominant immature market. Nonetheless, the MPA as industry manager can enable development initiatives in line with the opportunities made available by the radical changes within the environment and state actors' support. Table 6.1 illustrates the dynamics of port network formation and evolution.

State-led economic liberalisation favours opportunities for private participation in the port industry, as shown by other cases (see Child, Rodrigues and Tse 2012; Rodrigues and Child 2003). Employing available opportunities and state actors' commitments, the MPA transformed its port management model from a public port to a landlord port, i.e. from a state-run to a private-run port. Thus, a government-business network emerged and expanded over time. Variations of network evolution such as expansion or contraction are joint outcomes of organisations' responses to the influences of an evolving environment over time and the extent of state actors support. Drastic growth in foreign trade, after the market opened up while the port handling capacity was insufficient, under state dominance led to port congestion, which forced the MPA to grab the opportunity for private participation in terminal operation. However, the international sanctions imposed in 1996-1997 and raised in 2003 and 2007 obstructed such opportunities. After lifting sanctions in 2012-2013, international investors and development partners have resumed collaboration. Additionally, the suspension of industrial zoned development as a consequence of sanctions and the Asian Financial Crisis 1997 led to network contraction because foreign investors left both port and industrial zone projects. By allocating more local investors in terminal operations and allowing the private sector to engage in operating port services such as freight forwarding and local representatives for shipping lines, the port business network has gradually expanded. The total number of international wharves has grown from 13 in 1988 to 38 in 2018, while public-private ownership ratio has altered to 6:94, and the ratio of cargo throughput shared between the MPA and private terminals changed to 10:90 in 2018. The total annual cargo handling volume has reached over 26 million metric ton. Following the World Bank and the United Nations Development Programme (UNDP)'s recommendations (BCEOM 1992), in 1991-1992, private operators were allowed to run freight forwarding and shipping lines' local representatives. They formed the Myanmar International Freight Forwarders' Association (MIFFA) and Myanmar Mercantile Marine Development Association (MMMDA) under the supervision and recognition of the Ministry of Transport and Communication (MOTC) in 1999 to strengthen their power. Such a business network evolution in terms of private participation in the industry stresses the embeddedness effects of societal changes (Geels 2014; Halinen and Törnroos 1998; Welch and Wilkinson 2004), especially economic liberalisation and the extent of international engagement. However, private shipping agencies have never been allowed to date,

despite the local representatives for the international shipping lines, since the MPA monopolises and operates the shipping agency services under its Shipping Agency Department (SAD). This is because of a lack of institutional plasticity (Notteboom, De Langen and Jacobs 2013; Hatani 2016) towards releasing such a lucrative business to the private sector.

Additionally, as a river approach channel, sedimentation for inadequate dredging is a risky issue for sustainability. Since frequent accidents occurred in the channel subsequently and the MPA's dredging equipment and facilities were outdated, the MPA has outsourced dredging since 2015-2016, including at private terminals. Since shipping lines have been using larger vessels for efficiency after the container shipping industry crisis in 2008, the port operation and management practices in the industry were justified in order to align with all port-actor groups' interests such as to reduce risk for the MPA, to allocate vessels fairly in both inner and outer harbours, and to promote fair competition among terminals. Further, social movements such as squatters' protests in Thilawa port plots and community objections for land use that are backed by political interest groups raised uncertainty for investors such as project delay and loss, and even financial loss. These findings advance the knowledge of institutional, social, and historical embeddedness of the port network evolution and contribute to both fields of co-evolution (Lewin and Volberda 1999, 2005; Volberda et al. 2017) and business networking (Halinen and Törnroos 1998; Welch and Wilkinson 2004; Geels 2014).

These contributions surface from the same vein of prior studies on inter-firm relationships and industrial networking, especially in the fields of industrial marketing and purchasing (IMP) and international business (e.g. Grandori and Soda 1995; Halinen and Törnroos 1998; Heidenreich 2012; Welch and Wilkinson 2004). They focused on and advanced the role of embeddedness in the formation and/or development of business networks: institutional embeddedness (Grandori and Soda 1995; Heidenreich 2012) and political embeddedness (Welch and Wilkinson 2004). Halinen and Törnroos (1998) categorised six types of network embeddedness (i.e. social, political, spatial, market, historical/ temporal, and technological), their aspects, and impacts on network evolution. By using their work on embeddedness in network evolution, this thesis enhances understandings of how a corporate network is formed

by the broader institutional and social contexts within a specific time horizon. However, the intense focus of network studies came from a narrow social system in which they paid attention to structure and dynamics of relationships among actors rather than from a broader system and setting, i.e. between actors and their environments (as argued by Gonçalves, da Silva and Teixeira 2019; Olsen et al. 2014; Welch and Wilkinson 2004). Apart from Halinen and Törnroos (1998), they did not consider the effects of changes in non-institutional environments. Hence, by bridging the co-evolutionary and business networking perspectives, this thesis looks beyond the network- and population-level which receives the most attention in the IMP field. By doing this, this thesis responds to the call for research to deepen knowledge within broader setting in the field of IMP (elevated by Håkansson and Snehota 2000; Massey, Wang and Kyngdon 2019; Nyström, Ramstrom and Törnroos 2017). Using this case of a developing economy, moreover, this study departs from the saturated research focus in this field of conducting studies in mature markets of developed and emerging economies (see Chakrabarti, Ramos and Henneberg 2013; Di Benedetto and Lindgreen 2018; Kooli and Wright 2016). Thus, this study contributes to the IMP literature by conceptualising the effects of external forces on the industrial network emergence and evolution, and on the degree of competition among actors. More specifically, it advances the understanding of network embeddedness by stressing the significance of contextual (i.e. institutional, social, etc.) and historical embeddedness as forces of corporate co-evolution while actors' managerial intentionality and strategic actions are limited under state dominance. Thus, viewed through contextual and historical dimensions (Pettigrew 1990), this study makes sense of the evolutionary processes of an industrial network. Apart from the contextual and historical dimensions, the study also views the industrial network evolution through its political dimension, as discussed below.

6.3.3.2. Asymmetric interactions and mitigation of asymmetries among network actors/groups

As discussed in section 6.2, sub-section 6.3.1 and 6.3.2, the business organisations involved in a government-business network are structurally and functionally dependent on powerful authorities within the regulatory interface. However, this study

found that they interact with one another through the relationship interface in response to the influences of their external environment. Focusing on this set of interactions, this study advances knowledge of political embeddedness of network actors that highlights the roles and influences of powerful actors, and the ways organisations mitigate asymmetries and institutional constraints. Political embeddedness helps understand the dynamics of power relationships and political processes that take place among network actors/groups by which the network evolves (Halinen and Törnroos 1998; Welch and Wilkinson 2004). As discussed above, the MPA as a port authority is still highly coupled to the public domain (Brooks and Cullinane 2007; van der Lugt, Doms and Parola 2013) in terms of administrative structure and functions, i.e. regulatory ties. Such dense regulatory ties spread over the entire networked industry due to the strong institutional isomorphism (DiMaggio and Powell 1983) that prevails in this context. In the view of political embeddedness common in both fields of co-evolution and business networks (cf. Halinen and Törnroos 1998; Lewin and Volberda 1999, 2005; Welch and Wilkinson 2004), this study sheds light on asymmetric interactions among actors across levels, the importance of interpersonal relationships especially for private actors in asymmetric interactions with powerful state actors and public authority. Additionally, it addresses how private actors can mitigate imbalanced power, cross-level structural dependence, political risk, and regulatory uncertainty, depicting political strategies and context-specific mechanisms used to improve relationships and power. Prior studies on asymmetric/symmetric interactions advanced knowledge of how dependent firms (with lower power) can mitigate power and structural asymmetry (e.g. Cowan, Paswan and Van Steenburg 2015; Johnsen and Ford 2002; Rindt and Mouzas 2015). According to these studies, firms can retain symmetric relationships by improving their ability (Johnsen and Ford 2002), can mitigate power asymmetry by improving relationships (Cowan, Paswan and Van Steenburg 2015), and can influence their counterparts using their own rules of strengthening contract terms and conditions (Rindt and Mouzas 2015). However, they paid attention mainly to inter-firm (business-to-business) relationships. This study examines government-business relationships (Welch and Wilkinson 2004) rather than business-to-business relationships. In such an SDB environment, dependent private firms' tolerance and resilience in the face of uncertainty are highly significant in interactions with powerful state actors and focal actors, for higher potentials associated with uncertainty (Heidenreich, Mohr and Puck 2015), for having no alternatives and

expecting better situations. It agrees with the prior work of Cowan, Paswan, and Van Steenburg (2015) in which they posit that firms tolerate power-benefit imbalance at first when they have no alternative option and expect higher perceived benefits. Moreover, drawing from public-private interactions, this study contributes to the extant literature by arguing that the business network emergence and evolution is influenced by the powerful focal actor's strategic orientations since power imbalances prevail across the structural positions of the network. In this context, a public authority as a focal actor can asymmetrically influence private actors within the given network structure, in which they have the upper hand in terms of regulatory, facilitative, and (monopolised) operational power. These contributions support the point that a business network evolution depends on its actors' strategic portfolio effects (Halinen and Törnroos 1998; Koza and Lewin 1999). However, maintaining and improving relationships with the upper echelons of focal actors', private actors can mitigate their influences and power asymmetry. Furthermore, when private actors' responses or corporate initiatives meet/help public actor's interests, their interactions are symmetric, and with these shared interests and mutual benefits, co-evolution can take place. Following Child, Rodrigues, and Tse (2012) as they analysed sources of power (French and Raven 1959) and power relationships in co-evolution, this study examines the exchange of power between the public actor, private actors, and state actors as shown in Table 6.2.

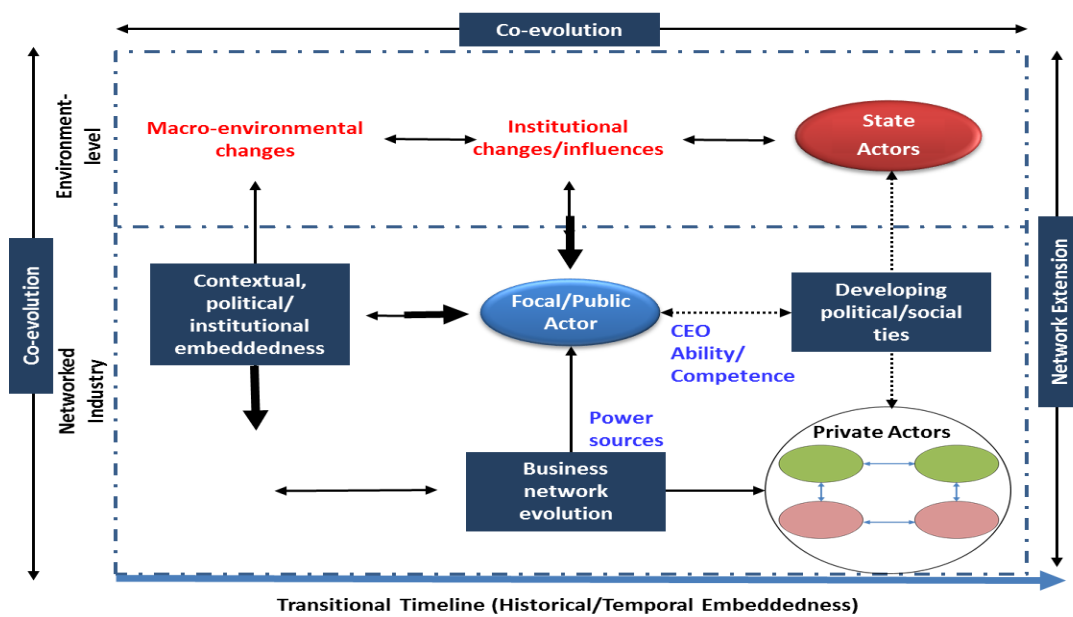
Table 6.2 Power Sources of Network Actors/Groups

		Private Actors			
		Terminal Operators	Shipping Lines	Port Users	Int'l Development Partners
State Actors	<ul style="list-style-type: none"> • Reward: resources (e.g. land), commitment and support; • Coercion: regulation, centralisation, intervention; • Legitimacy: the highest regulatory and administering bodies; 	<ul style="list-style-type: none"> • Reward: resources, capacity • Coercion: reputation (e.g. Hutchison), vertical integration with shipping lines; • Legitimacy: contracts, concession agreements; • Reference: interpersonal relationships with public/state actors; Integration with shipping lines; • Expertise: professionalism; 	<ul style="list-style-type: none"> • Reward: resources, capacity; • Coercion: local & international integration and collaboration; • Legitimacy: MMMDA* (a state recognised association); • Reference: interpersonal and inter-organisational relationships with public/state actors and international/regional associations; Integration with terminal operators; • Expertise: professionalism; 	<ul style="list-style-type: none"> • Reward: resources, capacity; • Coercion: local & international integration and collaboration; • Legitimacy: MIFFA# (a state recognised association); • Reference: interpersonal and inter-organisational relationships with public/state actors, and international/regional associations; • Expertise: professionalism; 	<ul style="list-style-type: none"> • Reward: financial (grant/loan), and technical assistance; • Coercion: standard terms and conditions, G2G scheme; • Legitimacy: G2G scheme; • Reference: G2G relationships, interpersonal and inter-organisational relationships with all local actors; • Expertise: professionalism;
	Public Authority	<ul style="list-style-type: none"> • Reward: resources (e.g. land), facilitation; • Coercion: regulation; • Legitimacy: public authority, regulator, facilitator; industry leader; • Reference: government agency, state actors' commitments, CEOs' ex-military ties with state actors; • Expertise: industry experience; 			

* MMMDA: Myanmar Mercantile Marine Development Association;
MIFFA: Myanmar International Freight Forwarders' Association;

To sum up, this study extends the understanding of a) external forces which affect network emergence and evolution, b) power asymmetry and asymmetric interactions across levels in a government-business network of an SDB environment, and c) when and how private actors can mitigate power asymmetries and influence institutions and public actors. Furthermore, it sheds light on the importance of having interpersonal relationships with state actors and top managers of the focal authority in doing business in such a context.

Figure 6.5 Empirical Framework for business network co-evolution with/within an SDB environment

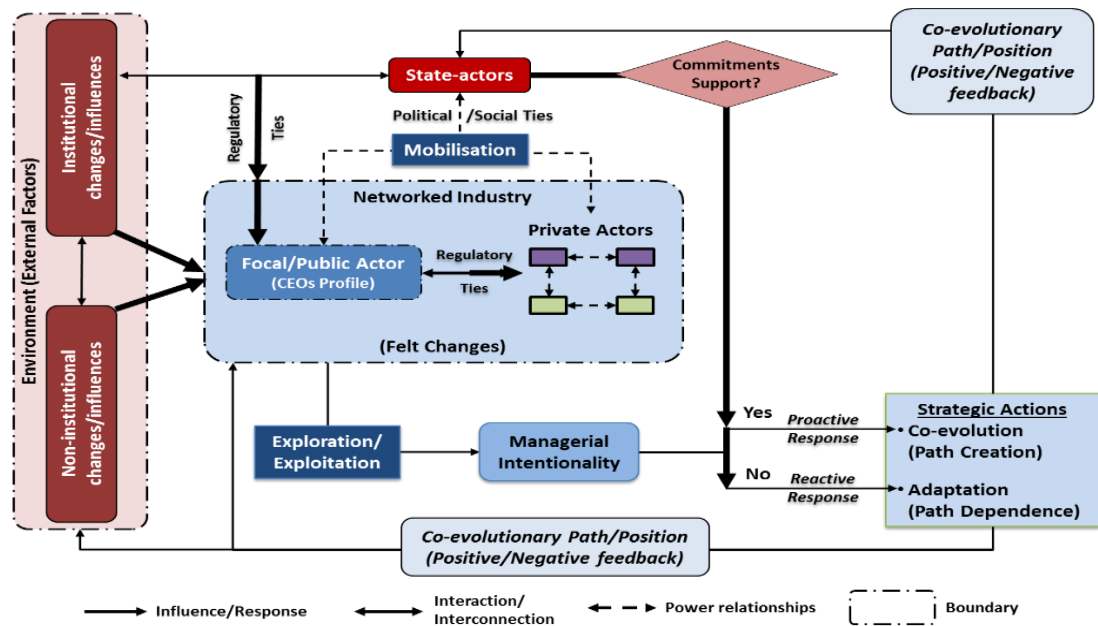


6.4. Corporate Co-evolution within a State-Dominant Business (SDB) Environment

Refraining from making context-free sweeping claims, this study helps enlighten understandings of corporate co-evolution that manifest in an SDB environment of a developing and transitional economy. As discussed in section 6.3, the study markedly develops both unique and common (diverged and converged) theoretical perspectives from those surfaced in developed and emerging contexts. This supports the classical proposition asserted by Lewin, Long, and Carroll (1999) that co-evolutionary forms differ in accordance with the variations of nation-state systems and settings.

Moreover, the findings from this study align with the arguments of previous work: co-evolution can take place within a highly institutionalised (state-dominant in this study) business environment (Rodrigues and Child 2003), albeit firms can influence institutions regarding the opportunities they possess (Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008) and commitments complemented as reward power by powerful state actors. However, the significant unique insights from this research are the dynamics of corporate co-evolution, and mechanisms and patterns of interactions among actors/groups within a government-business network (public-private partnerships) reflecting the distinct contextual setting of an SDB environment. This study highlights the unique institutional and macro-environmental changes/influences as change drivers rather than mediating factors, the roles of the state (represented by institutional/state-actors) and their commitments mediate firms' managerial intentionality, and asymmetric interactions and reactive/adaptive responses dominated in this context. As such, this study sheds light on the country-specific effects (Lewin and Volberda 1999; Makino, Isobe and Chan 2004; Makino 2014; Mazzarol et al. 1999) and several forms of embeddedness (Geels 2014; Halinen and Törnroos 1998; Welch and Wilkinson 2004) found in international business and strategic management studies. This means that dynamics, structures, processes, and outcomes of corporate co-evolution potentially diverge and converge over time regarding the context/country-specific variants of the business ecosystem in which they are embedded. Moreover, this study argues that country-specific effects are more significant on firms' performance in developing contexts (Makino, Isobe and Chan 2004) and agrees with Papadakis, Lioukas, and Chambers (1998) work that a strategic choice is a joint outcome of specific characteristics of managerial intents, top management characteristics, and contextual factors. Based on its uniqueness and similarity in key themes and concepts developed from the significant findings, a variation of definition for corporate co-evolution emerges. Elaborating on the mediating roles of state-actors, this study modifies (for a specific context, an SDB environment) the classical definition of co-evolution defined by (Lewin and Volberda 1999). Hence, the term "corporate co-evolution" as it is associated with the SDB environment is "*a joint outcome of the organisation's managerial intentionality committed by state actors and influences of the institutional environment and non-institutional environment.*" The following comprehensive conceptual framework (Figure 6.6) elucidates the definition of corporate co-evolution in an SDB setting.

Figure 6.6 Conceptual framework for corporate co-evolution within an SDB environment



The framework reflects key themes and concepts which emerge at three analytical levels (organisation, industry, and environment) and the iterative and recursive nature of co-evolutionary processes that take place across a longitudinal time horizon. It illustrates the two external driving factors (*what*) that include 1) institutional changes/influences associated with institutional/state-actors' dominance and 2) macro-environmental changes. These external factors cause felt changes (consequences/impacts) (*why*) that drive the networked industry and its actors to respond accordingly. In response to the external influences, strategic adaptation or co-evolution processes (*how*) take place at the industry and firm-level. Within the SDB industry, asymmetric interactions between the state-actors, focal firm/public actor, and private actors mostly take place through change-activities/processes. Given inequality of power bases (especially in regulation, legitimacy, and resource allocation) distributed in such an oligopolistic/monopolistic industry, public actors asymmetrically influence their private partners. Under unilateral controls of the state, co-evolutionary interactions between firms and institutions are almost asymmetric; firms have less chance to respond to their institutional environment. However, at the network-level, their interactions are somewhat symmetric if the co-evolutionary initiatives align with the public authority's managerial intentionality supported by and

committed to by state-actors. In this context, firms' responses to their institutional environment are almost reactive (adaptation) and path-dependent. At the environment-level, however, firms can proactively respond (co-evolution) when 1) having (opportunities) better alignment between institutional changes/arrangements in terms of their economic system/policy and their managerial intentionality, and 2) having (power) commitments and support for their strategic intents from state-actors mobilised by their CEOs (specialisation). To respond to their counterparts through the process of power interactions, both public and private actors advance their power by specialising in resources (integration/sub-networking) and mobilising state-actors (building political/social capital) who are in the position of power. Since having and maintaining good relationships is essential in Myanmar business culture, collectivism and high context (see Rudkin and Erba 2018), private actors need to build political/social capital (interpersonal relationships) with both state- and public-actors.

According to the findings, state-centric/leader-centric and top-down bureaucratic culture and state dominance/state-prevails (Than 2007) in businesses are highly associated with the Myanmar context. As it is a country and industry-specific matter (Lewin et al., 1999), in this context, changes in institutional systems in both governance and economic policy strongly influence, rather than mediate, the evolution of firms and their industries. In such contexts, the changes in strategic choice and management logic at all analytical levels (institution, industry, and firm) confirm that the top management is in the position of power. This finding is a distinct contrast from prior work: motivated group loyalty matters in the case of the Confucian culture of Korean firms (Lee and Miller 1999), and senior management teams' sensemaking for strategic change-making in the case of UK firms (Balogun, Bartunek and Do 2015). In addition to the influences of changes in the institutional environment, the findings portray a micro-macro relationship (Peng and Luo 2000) in which the mediating role of state-actors, the degree of commitment and support that enable and limit a firm's ability and strategic intentions, and political/social capital employed by firms' CEOs in mobilising state-actors can be observed. In this context, an obvious resource developed in raising political/social capital is ex-military ties between firms' CEOs and state-actors. Another resource used in creating political/social capital is the professionalism of firm CEOs. Focusing on the political/social capital developed among individual actors at both an institutional and firm level, this study adds a

mediating variable: the degree of state-actors' commitments and support that restrict or enable firms' strategic intentions, into the definition of "co-evolution as a joint outcome of managerial intentionality, environment, and institutional effects" as defined by Lewin and Volberda (1999, 526).

Examining institutional effects on the individual, organisational and environmental levels, the significant add-on is that having strong political/social ties between the upper echelons of firms and state-level institutions, firms can shape the management logic of the macro context and receive more commitments and support from state-actors in proceeding towards their strategic intentions. However, in a broad sense, the key findings from this study still conform to Lewin and Volberda's classical definition of co-evolution. Moreover, agreeing with what Lewin et al. 1999 say about country-specific outcomes, the research findings present both differences from and similarities to prior studies (e.g. Child, Rodrigues and Tse 2012; Dieleman and Sachs 2008; Jiang et al. 2016; Rodrigues and Child 2003) in the field of corporate co-evolution. Furthermore, looking into the co-evolutionary process, the findings show a complex mechanism of bureaucratic control while weakness in legalisation and formalisation is firmly rooted in this context. In addition to the definition of co-evolution, firms' responses, in the context of a highly state-dominant business network in a transitional economy, vary from passive to reactive and proactive depending on the opportunities given by the radical changes in the nation-state systems and settings and commitments and support from state actors.

6.5. Chapter Conclusion

This thesis contributes both common and unique insights to the extant literature. Supporting the prior work in the field of co-evolution, this study argues that corporate co-evolution can take place at all three analytical levels and within the SDB environment of a developing economy. The study confirms that organisations can influence institutions through the political channel and shape corporate co-evolution. However, corporate co-evolution in such a context is opportunity- and (state actors') commitment-driven. Paying attention to both positive and negative feedback loops, this study insists on two stages: the buffering, and transforming and amplifying of

corporate co-evolution associated with the SDB environment. This study sheds light on the CEOs effects that prevail across all three levels of organisation, industry, and environment. In line with the strong structural interdependence within the CEO-TMT interface, CEOs alone matter as opposed to the top management team's collectiveness in decision-making at the organisational level. While concentrating on the organisation-environment co-evolution, it sheds light on the political dynamics of co-evolution, i.e. power relationships and exchange of power between CEOs and state-actors at the individual level. It extends the research scope to cover the networked industry level, in which both public and private actors, including local and international actors, co-evolve with their environment (institutional and macro environments) over time. Further, this thesis proposes a research framework for understanding the corporate co-evolution of such an SDB network and its actors. The study discusses asymmetric power relationships and interactions prominent in such SDB landscapes and sheds light on how network actors mitigate power imbalances and institutional constraints in pursuit of their strategic interests.

Chapter 7. Conclusion

7.1. Introduction

This chapter presents the significant contributions of this dissertation, followed by managerial and policy recommendations and suggestions for future research. In terms of empirical contributions, it provides a clear and concise summary of key findings, which cover the dynamics of corporate co-evolution within the SDB of a developing economy, Myanmar. Connected to the major findings, this chapter then summarises theoretical contributions. Theoretically, the study advances knowledge on country/context-specific co-evolutionary forces; two-stage co-evolutionary processes; the effects of CEOs with military backgrounds; and asymmetric interactions and mitigation of power asymmetries among actors. In terms of practice, this study enlightens the MPA; its local and international partners; and policymakers regarding promoting and confining factors for port development through private participation, as well as the importance of power in relationships in business networks within the context of a state-dominated business environment.

7.2. Empirical Contributions

This study's findings offer unique insights into the co-evolutionary phenomenon, especially co-evolutionary forces, processes and outcomes associated with the specific networked industry of a port within the state-dominant business environment of a developing economy, Myanmar. To address RQ-1, the study examined why, when, and how organisation-environment co-evolution take place in this context. It disclosed the country's transitions, especially institutional and non-institutional changes, as external forces that generated opportunities and constraints for the development of the MPA and the entire port industry. Changes in the institutional environment included state-led economic liberalisation; state dominance; and imposing/lifting of international sanctions, whereas changes in the non-institutional environment were trade growth; network dependence (failed industrial zone development, SEZ development); regional (Asian Financial Crisis) and global dependence (container shipping industry crisis); sustainability issues (sedimentation); and social movements (squatters' protests, community objections). This study contributes empirically to the

co-evolutionary literature country and context-specific variations (Makino, Isobe and Chan 2004; Makino 2014) of co-evolutionary forces, such as several forms of state dominance, as well as international sanctions.

Why and when does an organisation co-evolve with its environment? The radical changes in its environment made available *opportunities* for Myanmar's port authority, the MPA, to take action on its business strategies. However, in this SDB context, having opportunities alone was not enough for the MPA to implement its strategic intentions, e.g. development initiatives and regulatory and policy reforms. This is because, under strong institutional constraints, its managerial intentions were latent and capacity low. The important enablers, in this case, were state actors. As a public agency with limited delegation of authority in both management and financing, the MPA needed commitment and support from multiple state actors such as ministers/cabinet members, to implement any development initiatives and changes. Hence, by securing state actor commitment, the MPA could implement development initiatives such as partnering, outsourcing and restructuring and could influence institutions such that policy and regulatory reforms would be in line with the implementation of its development initiatives.

How does organisation-environment co-evolution take place? In addressing this question, this study identified two stages of the co-evolutionary process: the buffering stage and transforming and amplifying stage. With limited access to resources and capacity, the MPA at first passively accepted external influence and adapted reactively to external changes that were dynamic and contingent. To that end, it exploited existing or available resources and capacity to buffer the challenges of external effects and to maintain stability in the short term. Its strategic actions were almost on an ad hoc basis and took place within existing pathways. Hence, the MPA could not implement new development initiatives in a timely and effective manner. Such inefficient, delayed responses led to *negative outcomes*. Example of such outcomes included port congestion as a result of inadequate infrastructure and handling facilities; frequent accidents in the channel due to limited budget for dredging; and operating at a loss because of institutional restrictions on updating reasonable tariff and exchange rates. The more negative the outcome, the less state actors trusted the MPA's achievements and the higher the institutional pressure (e.g. interventions) on the MPA. As such, a negative feedback loop manifested as a vicious

cycle unfavourable to co-evolution taking place. Through repeated experiential learning in relation to these negative outcomes, the MPA became proactive or interactive and began exploring possibilities for creating new pathways. It commenced specialisation by mobilising state actors to provide commitment. At the same time, negative outcomes increased pressure on the line ministry, since the MPA is a public agency and ports are a major transport mode in Myanmar. In mobilising state actors, the role and leadership of the MPA's CEOs were significant. In addition to formal regulatory ties, they developed informal political ties harnessed by ex-military relationships with state actors and vast industry experience that was favourable to gaining state actor trust. Improving already-healthy relationships, they could obtain state actor commitments to and support for their proposed development initiatives and influence state actors to ensure policy transformation was in line with new development paths. Once the MPA had secured state actor commitment, it could implement path creation (e.g. partnering, outsourcing, restructuring and tariff upgrading) for development. Transforming its approach from passive/reactive to proactive/interactive brought about positive outcomes, e.g. infrastructure development; and better performance and efficiency and enabled co-evolutionary development to take place. The more positive outcomes surfaced, the more state actors trusted the MPA's achievements and the higher the commitment obtained by the MPA. Such a positive feedback loop formed a virtuous cycle in which co-evolution further amplified co-evolutionary processes recursively.

RQ-2 scrutinised CEO effects on organisation-level management and decision processes and communication within the institutional environment and industry. *Is it the CEO alone or the TMT that matters?* This study found that *the CEO alone matters*; specifically, within a public enterprise such as the MPA. This finding reflects the organisational characteristic of unbalanced power and authority that prevailed across the structural interface of the MPA's TMT, especially between the CEO and TMT members. Within the MPA's functional organisational structure, vertical interdependence and communication between the CEO and the other TMT members (department-heads) were high while horizontal interdependence and communication between TMT members were low. Hence, asymmetric interactions are dominant within the CEO-TMT interface of such organisations and CEO's effects are reflected in managerial intentionality and strategic processes at the organisation level. There

was a strong relationship between organisational culture and leader-centric and top-down bureaucratic culture salient in the Myanmar context. Additionally, this finding was associated with the MPA's weak board governance as an organisational attribute, since corporatisation was still far off. Hence, in this context, CEOs could influence profoundly decision-making at the organisational level and strategic choices thus reflected CEO managerial intentionality.

However, the findings indicate that *CEO effects on organisation-level outcomes vary over time* due to changing nation-state systems and settings, e.g. regime changes. The stronger state dominance under the first two regimes (SLORC and SPDC) increased pressure on the MPA, reducing CEO managerial discretion and limiting development initiatives, as discussed above. However, through political ties harnessed by ex-military relationships and their own industry experience, CEOs could maintain harmony with state actors. Under the quasi-civilian government, the third government led by the USDP, CEOs experienced less institutional pressure and higher discretion along with the momentum of reform and economic liberalisation. At the same time, they could improve harmonisation with state actors, who were also ex-military personnel, through relationship channels and as a result, could introduce more initiatives in partnering, restructuring and outsourcing. However, during the first two years (2016-2018) of the present NDP civilian government, politicians became state actors and harmonisation between ex-military CEOs and civilian state actors became weak, meaning that CEOs were able to conduct fewer development initiatives.

Further, this study highlights *CEO profile-specific effects at the networked industry level*, especially the effects of CEO insiderness and outsidersness on inter-organisational relationships, e.g., between the MPA and private actors within the port industry. The study found that insider CEOs were proactive in external affairs and therefore had better relationships and achieved harmonisation with network actors. Besides this, coupled with military norms of working with an accomplishment focus and making decisions quickly, *ex-military CEOs* were more likely to be reluctant to comply with standard operating procedures (SOPs).

In addressing RQ-3, this study examined a) the effects of external forces on business network emergence and evolution; and b) asymmetric interactions and mitigation of asymmetries within a government-business network by which co-

evolution takes place. As discussed above, changes in nation-state systems and settings were change drivers in network emergence and evolution. These factors generated both opportunities and constraints regarding the formation and development of the port business network. State-led economic liberalisation, under which markets were opened up in 1989 and far-reaching reforms were implemented post-2011, created a favourable environment for private participation and international engagement in the port industry. However, interestingly, international sanctions imposed in 1996-1997 and strengthened in 2003 and 2007 reduced opportunities for international partnerships and collaboration. Imposing sanctions led to business network contraction as partners withdrew from Myanmar while lifting sanctions favoured business network expansion as partners returned.

Furthermore, this study shed light on the importance of having interpersonal relationships with state actors and top managers of the focal authority in doing business in such a context. Private actors involved in the government-business network were structurally and functionally dependent on powerful authorities, the MPA and state actors. As a focal authority, the MPA had the upper hand in terms of regulatory power. The interface and mechanisms such as a coordination and collaboration committee for better public-private engagement and collaboration were weak or even absent. Hence, private actors interacted asymmetrically with public/state actors within the administrative interface. Dependent private actors' tolerance and resilience in the face of uncertainty was highly significant in this case. This study found that they could mitigate asymmetries and imbalances in regulation through the exchange of power comprised of their vested power such as resources and expertise; and manipulated power such as relationships; coalitions; and having standard contract frameworks (international partners).

7.3. Theoretical Contributions

This study contributes to the extant literature details of the advantages of cross-fertilisation between the three pillars of co-evolutionary, upper echelons (UE), and business networking perspectives. The findings highlighted above offer both common and unique theoretical contributions to the extant literature in these three fields. In

addressing Research Question-1, *why and how organisations co-evolve with their environments*, this study developed two theoretical insights. First, the study argued that corporate co-evolution in such an SDB environment is *opportunity and commitment-driven*. In this context, opportunities favoured by the country transition (Dieleman and Sachs 2008; Rodrigues and Child 2003) alone is not sufficient for organisations to implement new development paths. However, when the organisation achieves state actors' commitment to its strategic intentions (Child, Rodrigues and Tse 2012; Jiang et al. 2016), it enables a co-evolutionary development path.

Second, the study identified two stages of co-evolutionary processes: the *buffering stage of adaptation* to maintain stability in the short term and the *transforming and amplifying stage of co-evolution* for development in the long term. As discussed empirically in the section above, the findings portrayed the buffering stage as being associated with the organisation's adaptive responses to external influences and changes. The transforming and amplifying stage was associated with proactive responses or interactions between the organisation and the institutional environment. Moreover, the findings confirmed that temporary adaptation by *exploitation* at the buffering stage was less or not associated with *managerial intentionality* (Lewin and Volberda 1999), since it was latent under strong institutional constraints. However, *managerial intentionality* was elaborated by *exploration* (Dasí, Iborra and Safón 2015) and more significant in co-evolution (Lewin and Volberda 2005) at the transforming and amplifying stage in which the organisation becomes proactive and attempts to reduce institutional constraints. The two stages of co-evolution were linked to negative and positive feedback (outcome) loops, respectively. The co-evolutionary literature (e.g. Child, Rodrigues and Tse 2012; Jiang et al. 2016; Lewin and Volberda 1999) has discussed positive feedback loops and the enhancing or amplifying nature by which co-evolution can take place, but had previously discounted negative feedback loops. Distinct from other previous work, this study shed light on how negative feedback loops push actors towards positive feedback loops. While positive feedback loops enhance co-evolution iteratively, negative feedback loops diminish co-evolution (Baum and Singh 1994). However, this study argues that negative feedbacks are the driving forces of co-evolution by forcing actors to be proactive and maximise specialisation. The essence of this argument agrees that co-evolution as an iterative process is "driven by both direct interactions

and feedback from the rest of the system” (Lewin and Volberda 1999, p. 523). The co-evolutionary outcomes are not planned- or set-goals, but more unpredictable under complex, interactive/reactive processes (McKelvey 2002; Norgaard 1984; Porter 2006). Thus, co-evolution is distinct in perspective from organisational self-regulation (Binswanger 1991; Neal, Ballard and Vancouver 2017) and control theories (Ouchi 1979; Hodgkinson et al. 2009), in which negative feedbacks are controls in eliminating goal-performance discrepancies. This study advances knowledge of *specialisation* and *manipulation* (Garud, Kumaraswamy and Karnøe 2010; Lewin and Volberda 1999) by which transformation from the negative vicious cycle toward the positive virtuous cycle can occur. It shed light on advancing political ties between ex-military CEOs and state actors since specialisation requires nonlinear, multidirectional and interactive activities (Forrester 1968). In this way, this thesis supports work by Jiang et al. (2016) which posited that by attaining the political strategies of state actors’ commitments, an organisation could achieve its business strategies of successfully implementing co-evolutionary initiatives.

In addressing RQ-2, this study offers two theoretical contributions. First, it continued a long debate on whether it is the CEO alone or the TMT that matters in organisational-level strategic decision-making processes (Balogun, Bartunek and Do 2015; Crossland and Hambrick 2007, 2011; Sakano and Lewin 1999) arguing that, in this context, the *CEO alone matters*, since the influence of the CEO was determinant in TMT decision-making behaviours and organisation-level outcomes. This thesis also shed light on the effects of imbalanced structural interdependence within the CEO-TMT interface (Ling et al. 2008), in which strategic choices reflected CEO managerial intentionality. This contribution agrees with the point that both organisational characteristics (as internal influences) and cultural and institutional effects (as external influences) are antecedents of organisation-level strategic decision-making processes and outcomes (Carpenter, Geletkanycz and Sanders 2004; Wang 2015). However, this study posited that *CEO effects on firm-level outcomes vary over time* due to changing nation-state systems/settings (e.g. regime change). These findings agree with prior work, e.g. CEO significance increased in the US in the 1990s and beyond (Quigley and Hambrick 2015); institutional and environmental contexts affect upper echelons’ perception (Carpenter and Fredrickson 2001); and nation-state systems differ in their constraints on CEO effects (Crossland and Hambrick 2007, 2011). Second, distinct

from traditional UE studies (e.g. Carpenter, Geletkanycz and Sanders 2004; Yamak, Nielsen and Escribá-Esteve 2014) that emphasised industry effects on TMT strategic processes and outcomes, this study revealed *CEO profile-specific effects on the networked industry*. It insists that insider CEOs are proactive in external affairs and thus have better relationships and harmonisation with network actors.

In addressing RQ-3, this study contributes two theoretical insights. First, in light of embeddedness found in both co-evolution and business network fields (cf. Geels 2014; Halinen and Törnroos 1998; Lewin and Volberda 1999, 2005; Welch and Wilkinson 2004), this study attempted to address how a corporate network is formed and shaped by the evolving contextual setting in which it is embedded. In doing this, the study advanced *country- and context-specific variations* (Makino, Isobe and Chan 2004; Makino 2014) of co-evolutionary forces that shape business network emergence and evolution. Further, business network evolution in terms of private participation in the industry stressed the embeddedness effects of societal changes (Geels 2014; Halinen and Törnroos 1998; Welch and Wilkinson 2004), especially economic liberalisation and, in this case, the extent of international engagement. Second, in the view of political embeddedness common to the fields of co-evolution and business networks (cf. Halinen and Törnroos 1998; Lewin and Volberda 1999, 2005; Welch and Wilkinson 2004), this study shed light on asymmetric power interactions among actors across levels within the SDB environment. However, the study stressed that dependent actors could retain symmetric relationships with powerful actors by improving their ability (Johnsen and Ford 2002); can mitigate power asymmetry by improving relationships (Cowan, Paswan and Van Steenburg 2015); and could influence their counterparts using their own rules of strengthening contract terms and conditions (Rindt and Mouzas 2015). Further, this study highlighted the importance of interpersonal relationships as a manipulating power, especially for private actors involved in asymmetric interactions with powerful state actors and public authorities.

7.4. Methodological Implications

This dissertation is associated with a qualitative research methodology. This study used primarily qualitative information such as primary data collected via semi-structured interviews in the first phase of data collection and focus group discussions

in the second phase of data collection. As multimethod research that followed the suggestions of Doz (2011), the study employed triangulation with archival data comprising documents and datasets as a complement to achieve validity and rigorousness (e.g. Butler and Soontiens 2015; Pick and Thein 2010; Walker et al. 2018). Being an insider allowed the researcher to ease the challenges on account of political sensitivity associated with organising participants, especially government officials, and gathering primary data in Myanmar (see Meyer and Thein 2014). This study was an attempt to respond to the call for more qualitative studies, which are still relatively scarce in international business and management (Cavusgil and Knight 2015; Doz 2011; Khan and Lew 2018). Likewise, this study endorsed the qualitative case study strategy as a valid research methodology in the field of corporate co-evolution, departing from traditional quantitative methods and the measurable demographic characteristics often used in UE studies to avoid the difficulty of measuring human factors. Instead, this study, using qualitative methodology, analysed participant perceptions of managerial discretion, power distribution and sub-grouping, as well as the effects of such factors on organisation-level decision-making and strategic choices.

7.5. Managerial Implications and Policy Recommendations

The findings from this thesis possess practical value in terms of managerial implications since they provide an understanding of the co-evolutionary development phenomenon of the MPA and the entire port industry in Myanmar, which is under strong state dominance. As such, the findings stand to be beneficial to the MPA; its local and international partners; and policymakers.

To the MPA and the line ministry, the MOTC, it signals:

- the impacts of dependence on the state and lack of autonomy and thus, the need to corporatise the MPA to decouple it from its dependence on the state and to increase its autonomy while maintaining its assets as public assets;
- the need for board governance practices to be adopted and internal structural/organisational reforms to be in line with a corporatised entity;

- the need for an evidence-based port master plan, templates/frameworks for partnership contracts and concession agreements;
- the need for a systematic interface and mechanisms that allow better communication between the public and private actors, as well as more private participation; and
- a need to promote international cooperation for knowledge sharing and to obtain technical and financial assistance.

To local and international partners, this study offers:

- knowledge about the dominant role of the state actors (both individuals and institutions) and public authorities;
- evidence supporting the importance of having relationships (interpersonal and inter-organisational) with state actors; and knowledge of business practices in such a business landscape,
- information on processes for influencing decision-makers in asymmetric power relationships, and
- insight into how the standard contract framework can limit the power of natural monopolies and so encourage cooperation and partnerships and collective (vertical/horizontal integration) interactions and how responses can strengthen market-driven competition.

To policymakers, it offers the following recommendations:

- create a better business environment by improving legalisation and formalisation in line with the evolving environment;
- increase decentralisation and devolution across all levels, e.g. corporatisation and board governance;
- promote private sector participation; and
- conduct effective intervention rather than ad hoc intervention.

7.6. Limitations and Suggestions for Future Studies

This thesis introduced the under-researched context of the state-dominated business environment of a developing economy, Myanmar, through study of the phenomenon of co-evolutionary development that takes place within an economic-generating industry, a port. Interestingly, this study also focused on a unique research field, examining the role of (ex) military personnel and its effects on business relationships and development. Using a single case, the scope of the current study provided only a snapshot of this complex concept. All research has strengths and limitations. For this study, although the strengths could be improved in several ways such as by minimisation of researcher and participants' biases and maximisation of credibility and rigour, the limitations in terms of available time, context, participants and researcher's identity as an insider cannot be completely avoided.

Although this study covered three decades of port development trajectories, most parts of the case study were underpinned by retrospective views due to limited time for postgraduate research. However, using archival documents such as MPA history minimised this limitation. The researcher should extend this study longitudinally throughout the development of the Myanmar port industry by testing and improving study findings. This study was limited to a single case, the port industry, as well as a specific contextual setting, Myanmar. Future studies should extend the chosen topic and bring the investigation to other sectors or cross-sectors in the same context, or to cross-country (with similar or different socioeconomic backgrounds) comparative studies. Although the researcher's identity as an insider was an inevitable limitation, conducting this research as a dissertation under the intensive and extensive supervision of two academic supervisors, one with a background in Myanmar, improved the quality of this study. This study was also limited with regard to its participants, focusing on only five key actor groups: the MPA; terminal operators; shipping lines; freight forwarders as port users; and international development partners. This study did not include customer brokers; truckers; or end-user importers and exporters. A large-scale qualitative study including all port-related actors should be conducted to examine the generalisability of this study's findings. Finally, this study examined the effects of six CEOs with military experience who had worked for the MPA during the 1988-2018 period covered by the case study. According to Steinberg (2015)'s observations, about 70%

of top executives (at the CEO level) in Myanmar's civil service have a military background. Hence, extending the study scope into other sectors or cross-sectors that are led by ex-military CEO/Directors General/Managing Directors has great potential to replicate (or repudiate) the framework proposed by this study and to test this study's results.

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Appendices:

Appendix A

RECRUITMENT MATERIAL

1. Research Project Title

Corporate Co-evolution in State-dominant Business Networks: the Case of the Myanmar Port Authority

2. Investigators

This research project is a PhD thesis of Ar Kar, a student of Curtin University supervised by Dr. Htwe Htwe Thein (the principal investigator), and Dr. Bella Butler (co-investigator).

3. Purpose of the Study

The Myanmar Port Authority (MPA) is a state-owned enterprise (SOE) in Myanmar and is functioning as a regulator, a facilitator and an operator. Since 1995, the MPA has promoted private participation, both foreign and local investors in terminal operation and services, by practicing public private partnership (PPP) on a build-operate-transfer (BOT) basis. In order to promote commercialisation, collaboration with private sector, and to stand as an autonomous entity, the MPA is currently moving towards restructuring and devolution/corporatisation in accordance with the new law promulgated in April 2015. To do so, the MPA as an incumbent authority, critically needs strategic reorientation and governance policy reform. This study aims to open up a clear understanding of how a public port authority and its corporate environments has cooperated (interacted) and moved forward to promote the maritime transport business during the period of 1988-present (from military regime to democratic regime). The study will also recommend port development strategies and governance policies for policymaking drawing from all players' perceptions and intentionality for the sake of common interest and benefit.

4. Invitation

As you are working (worked) in a role as an executives/experts/mid-level executives of port authority, terminals, shipping lines, and port users, we invite you to participate in this research. We will ask to contribute your knowledge and experience in the Myanmar port industry during the period from 1988 to present in general, and internal governance (MPA executives only), institutional/environmental effects, regulation, operation, public-private collaboration in specific. We will then ask you about issues in regards to participating in the port industry. Finally, we will also ask you about your perception, suggestion, and prospect. The interview will be about one hour long, and at most two hours for focus group discussion. Participation is voluntary and there is no financial payment to you for your time and participation in the study.

5. Date, Time & Location

The interview will take place at a mutually convenient location. The focus group discussion will be conducted on Date, Time at Location.

6. Contact Information

If you are interested to attend in the interview and the focus group discussion, kindly contact Ar Kar at +61426756001, +9595146637 (mobile) and ar.kar@postgrad.curtin.edu.au (email).

Appendix B

PARTICIPANT INFORMATION STATEMENT

HREC Project Number:	<i>HRE2017-0057</i>
Project Title:	<i>Corporate Co-evolution in State-dominant Business Networks: the Case of the Myanmar Port Authority¹</i>
Principal Investigator:	<i>A/Prof Htwe Htwe Thein Associate Professor, School of Management, Curtin University; +61 8 9266 1295</i>
Co-Investigator:	<i>Dr. Bella Butler Senior Lecturer, School of Management, Curtin University; +61 8 9266 3091</i>
Student researcher:	<i>Ar Kar PhD Candidate, Curtin University +61 426756001; +9595146637</i>
Version Number:	<i>1</i>
Version Date:	<i>12/12/2016</i>

Introduction

Since 1995, the Myanmar Port Authority (MPA) has promoted private participation to both foreign and local investors in terminal operation and services, by practicing public private partnerships (PPP) on a build-operate-transfer (BOT) basis. In order to promote commercialisation, collaboration with the private sector, and to stand as an autonomous entity, the MPA is currently moving towards restructuring and devolution/corporatisation in accordance with the new law promulgated in April 2015. To do so, the MPA as an incumbent authority, critically needs strategic reorientation and governance policy reform. This study aims to open up a clear understanding of how a public port authority and its corporate environments has cooperated (interacted) and moved forward to promote the maritime transport business during the period of 1988-present (from military regime to democratic

¹ Myanmar Port Authority: a state-owned enterprise, www.mpa.gov.mm; the usage of ‘Myanmar’ is a form to express possession, i.e., Myanmar’s; e.g., The Myanmar Airway, The Myanmar Railway.

regime). The study will also recommend port development strategies and governance policies for policymaking drawing from all players' perceptions and intentionality. We will conduct minimum of thirty interviews including executives (including ex-MDs) from the MPA, terminal operators, shipping lines, and Myanmar International Freight Forwarders' Association (MIFFA), followed by four focus group discussions involving three to four experts/mid-level executives per group.

Funding Source

Ar Kar is conducting this research. He is a Ph.D. student at the Curtin University. A/Prof Htwe Htwe Thein and Dr. Bella Butler are supervising this research. Ar Kar will use this research to obtain a Doctor of Philosophy at the Curtin University. The Australia Awards Scholarship Program and the University funds this project.

Invitation and Procedures

We invite you to participate in this research because of your experience in working in/with the MPA. We will ask about your knowledge and experience of the Myanmar port industry in the past and present in general, and internal governance (MPA executives only), institutional/environmental effects, regulation, operation, public-private collaboration in particular. We will then ask you about your experience of working in the port industry. Finally, we will also ask you about your perception, suggestion, and understanding of the future prospects of the MPA in particular and the Myanmar port industry in general. The study will take place at a mutually convenient location. The interview will be about one hour long, and at most two hours for focus group discussion. With your permission, we will make a digital audio recording so we will not distract ourselves with taking notes. After the interview, we will make a full written copy of the recording of your interview and can be made available to you upon request.

Benefits

There is no financial payment to you for participating in this project. We hope the outcomes from this research can contribute to the development of Myanmar port industry in the future, and accordingly all players would also be beneficial.

Risks/Discomforts and Inconveniences

There are no foreseeable risks from this research project. We do not expect that there will be any risks or inconveniences apart from the time you have generously given us to participate in the interview/focus group.

Confidentiality

We will remove the information that could identify you and replace it with a code. Only the research team have access to the code. We will treat any information that we collect as confidential. We will use the data only in this project. Only the research team will have access to the information. The staff from the Curtin University Office of Research and Development can access the data in the event of an audit or investigation. Electronic data will be protected using a password. Hard copy data including any written answers you would provide will be in locked storage. We will keep the data under secure conditions at Curtin University for seven years after the research has accomplished. We will destroy it afterward. You have the right to access, and request correction of, your information in accordance with relevant privacy laws. The results of this research may be presented at conferences or published in professional journals. You will not be identified in any results that are published or presented. The de-identified/coded data may be made publically available if required by journals. All care will be taken to maintain your privacy and confidentiality. However, in the focus group discussion, you may feel embarrassed or upset if one of the group members repeats things said in a confidential group meeting. To minimise the possibility of this issue emerging, we will request all the participants that all matters discussed in the focus group discussions are kept confidential, and will seek participants' assurance that this will be adhered to.

Reporting Results to Participants

The doctoral thesis will be completed in 20202, a summary of the findings can be sent to you upon request.

Alternatives to Participation

It is voluntary to take part in this research project. It is your choice to take part or not. You do not have to agree to take part if you do not want to. If you decide not to take part the researcher will fully respect your wishes. You can withdraw from the

project. You do not have to give us a reason; just tell us that you want to stop. If you chose to leave the study, we will destroy any information we have collected from you. The decision not to participate will have no impact on the relationship with the researchers. There will be no comment or penalty for withdrawal.

Consent Process and Researcher and Institution contact details

If you decide to take part in this research we will ask you to sign the consent form. By signing it is telling us that you understand what you have read and what has been discussed. Signing the consent indicates that you agree to be in the research project and have your information used as described. Please take your time and ask any questions you have before you decide what to do. You will be given a copy of this information and the consent form to keep. If you have any further questions, please contact Ar Kar at +61426756001, +9595146637 and ar.kar@postgrad.curtin.edu.au. Curtin University Human Research Ethics Committee (HREC) has approved this study (HREC number *HRE2017-0057*). Should you have any matters concerning the conduct of the study or your rights as a participant, or you wish to make a confidential complaint, you may contact any of the following:

A/Prof Htwe Htwe Thein

Associate Professor,

School of Management

Curtin University

Telephone: +61 8 9266 1295

Email: htwehtwe.thein@curtin.edu.au

Dr Bella Butler

Senior Lecturer,

School of Management

Curtin University

Telephone: +61 8 9266 3091

Email: Bella.Butler@cbs.curtin.edu.au

Ethics Officer

Curtin University

(08) 9266 9223

hrec@curtin.edu.au

Manager

Research Integrity

(08) 9266 7093

Appendix C

CONSENT FORM

HREC Project Number:	<i>HRE2017-0057</i>
Project Title:	<i>Corporate Coevolution in State-dominant Business Networks: the Case of the Myanmar Port Authority</i>
Principal Investigator:	<i>A/Prof Htwe Htwe Thein Senior Lecturer, School of Management, Curtin University; +61 8 9266 1295</i>
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Version Number:	<i>1</i>
Version Date:	<i>12/12/2016</i>

- I have read (or had read to me in my first language) the information statement version listed above and I understand its contents.
- I believe I understand the purpose, extent and possible risks of my involvement in this project.
- I voluntarily consent to take part in this research project and that I may refuse or withdraw at any time.
- I have had an opportunity to ask questions and I am satisfied with the answers I have received.
- I understand that this project has been approved by Curtin University Human Research Ethics Committee and will be carried out in line with the National Statement on Ethical Conduct in Human Research (2007).
- I understand I will receive a copy of this Information Statement and Consent Form.

Participant Name	
Participant Signature	
Date	

Declaration by researcher: I have supplied an Information Letter and Consent Form to the participant who has signed above, and believe that they understand the purpose, extent and possible risks of their involvement in this project.

Researcher Name	Ar Kar
Researcher Signature	
Date	

Note: All parties signing the Consent Form must date their own signature.

Appendix D

Project Title: *Corporate Co-evolution in State-dominant Business Networks: the Case of the Myanmar Port Authority*

Institutions: _____

Interviewee (Title and Name): _____

Interviewee's Position: _____

Interviewer: Ar Kar

Interview Topic/Domain Check List:

_____ A: General Questions

_____ B: Public-private Interactions

_____ C: External Effects

_____ D: Intra-organisational Effects

_____ E: Perceptions on Future Port Development and Prospects

Other Topics Discussed: (additional points discussed beyond check-list noted above)

Documents Obtained: (copies of documents that participants would show as evidence during the interview)

Post Interview Comments or Leads:

Interview Protocol (Semi-structured Questions)

General Questions:

1. What is/was your position and role in the *MPA/firm/organisation*?
2. How long have/had you been in this position and in the *MPA/firm/organisation*?
3. How long has the *firm/organisation* been in the Myanmar port industry?
4. How long did you serve in the military? (*MPA executives who have military experience only*)

External Effects (Environmental-/Macro-level Coevolution)

5. Please explain the kinds of changes that took place in the port industry after 1988.
 - a. To what extent did regime change (Socialist to Military/Military to Democratic) affect the port industry and the MPA?
 - b. During the 20 years of military rule, to what extent did the government's economic liberalisation open up foreign and local investment in the port industry?
 - c. For Thilawa port area development, what contingencies/dynamic issues caused project delays?
 - i. How were those issues addressed?
 - d. After 2011, to what extent did the government's SOE corporatisation policy affect industry reform and MPA reform?
 - i. If there were any restrictions and/or pressures, please explain.
 - ii. How did the MPA/firms respond?

Public-private interactions (Industry-/Meso-level Coevolution)

6. Please explain the MPA's roles and functions in the Port Industry.
 - a. How did the MPA govern/facilitate interactions with private actors – terminals, inland container depots (ICDs), shipping lines, and port users?
 - b. How did the MPA facilitate/promote international (external actor) collaboration?
 - c. What forms of collaboration between MPA and private actors (your firm/organisation) developed and why? What worked better and why?

- d. Which factors affect public-private collaboration? e.g., regulation, policies, political changes, economic reforms and social forces.
 - e. What are the consequences/impact (whether positive and/or negative) – in terms of governance, finance, and social matters – of public-private collaboration?
7. How did MPA promote private investment (including foreign investment) during the 20-year period of military rule?
- a. Please explain a specific organizational deal (a specific event – leasing/transferring properties, making joint venture contract) that you experienced.
 - i. What was/were your (or organisation's) objectives/intentions/strategies in that deal?
 - ii. What was your role/responsibility/sphere of influence in that deal?
 - iii. How did you mobilise/negotiate with your counterpart for that deal?
 - iv. What were criteria (value/capacity of partner firm) you looked at in making that deal? (only MPA executives)
 - v. Please explain the consequences/outcomes/trajectory of that deal.
 - b. To what extent did MPA cooperate with international partner organisations and why?
 - c. What was the role of government (state-level institutions) (government institutions involvement) in such a deal?
 - d. As a private actor/international organisation, how did you respond to restrictions/pressures if any?
 - e. To what extent do relationships (interpersonal and organisational ties) matter in public-private collaboration (among the MPA, government institutions, private actors, and int'l partners)?
 - i. Can you illustrate with an example?
 - ii. How did you build those relationships?

Intra-organisational Effects (Organisation-/Micro-level Coevolution)

8. Please describe the MPA's top management team (TMT) composition and how decisions were made.
- a. How did TMT plan and implement the MPA's periodical goals, mission and vision?

- b. To what extent and why did CEO/MD (you) seek TMT members' advocacy/advice with respect to specific tasks?
 - c. If there was conflict in meetings, was it resolved, if at all?
 - d. In what situations, did you feel restrictions on your discretionary power?
 - i. How did it affect your decision choices?
 - ii. How did you respond?
 - e. What kind of conditions increased the demands of your job?
 - i. How did it impact on your decision-making?
 - ii. How did you react?
 - f. To what extent was the MPA's image (performance/ability) important in interactions with state-institutions?
 - g. To what extent was the CEO's ability important in interactions with state-institutions?
9. What is your opinion of MPA executives who have military experience?
- a. How does having military experience influence your daily work? (*MPA ex-military executives only*)
 - b. How do their practice, behaviour, and capabilities affect in decision-making?
 - c. How did their taking a leading role impact on the MPA and related industry?
 - d. To what extent do you (they) value human resource development and technology advancement?
 - e. To what extent do you (they) value positive relationships with private sector, and international partners?
10. Please explain your experience of the effects of CEO/MD succession.
- a. How does a new CEO/MD impact on strategic reorientation and restructuring?
 - b. How does a new CEO/MD impact on operations and services in the industry?
 - c. What kind of dynamic forces/pressures cause CEO/MD succession?

Perceptions on Future Port Development and Prospects

11. Please explain your perception of the future prospects of the MPA and port industry.
- a. In which role should the MPA play in the industry? (as a regulator and facilitator; or regulator, facilitator, and operator)
 - i. How should the MPA effectively govern and facilitate?

- ii. How should the MPA motivate private operators to improve their performance and competencies?
- b. What is your expectation of the private sector's role and involvement in the future of the industry?
- c. What is your opinion of the needs of human resources, technology advancement, and participating regionally and internationally? What has to be done?
- d. Any other comments, suggestions, and advice you would like to offer with respect to the topics we have discussed?

Project Title: *Corporate Co-evolution in State-dominant Business Networks: the Case of the Myanmar Port Authority*

Group: _____

Participants (Title and Name): _____

Participants' Positions: _____

Investigator: Ar Kar

Topic/Domain Check List:

_____ A: General Questions

_____ B: Public-private Interactions

_____ C: External Effects

_____ D: Intra-organisational Effects

_____ E: Perceptions on Future Port Development and Prospects

Other Topics Discussed: (additional points discussed beyond check-list noted above)

Documents Obtained: (copies of documents that participants would show as evidence during the interview)

Post Interview Comments or Leads:

Focus Group Discussion Topics

External Effects (Environmental/Macro-level Co-evolution)

1. Please discuss the kinds of changes that took place in port industry after 1988.
 - a. To what extent did regime changes (Socialist to Military/Military to Democratic) affect the port industry and the MPA?
 - b. During the 20 years of military rule, to what extent did the government's economic liberalisation open up foreign and local investment in the port industry?
 - c. For the Thilawa port area development, what were the contingencies/dynamic issues that caused project delay?
 - i. How those issues were addressed?
 - d. After 2011, to what extent did the government's SOE corporatisation policy affect industry reform and MPA reform?
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 - ii. How did the MPA/firms respond?

Public-private interactions (Industry-/Meso-level Coevolution)

2. Please discuss the MPA's roles and functions in the Port Industry.
 - a. How did the MPA govern/facilitate interactions with private actors – terminals, inland container depots (ICDs), shipping lines, and port users?
 - b. How did the MPA facilitate/promote international (external actor) collaboration?
 - c. What forms of collaboration between MPA and private actors (your firm/organisation) developed and why? What worked better and why?
 - d. Which factors affect public-private collaboration? e.g., regulation, policies, political changes, economic reforms and social forces.
 - e. What are the consequences/impact (whether positive and/or negative) – in terms of governance, finance, and social matters – of public-private collaboration?
3. How did the MPA promote private investment (including foreign investment) during the 20-year period of military rule?
 - a. Please explain a specific organizational deal (a specific event – leasing/transferring properties, making joint venture contract) that you experienced.

- i. What was/were your (or organisation's) objectives/intentions/strategies in that deal?
 - ii. What was your role/responsibility/sphere of influence in that deal?
 - iii. How did you mobilise/negotiate with your counterpart for that deal?
 - iv. What were criteria (value/capacity of partner firm) you looked at in making that deal? (only MPA executives)
 - v. Please explain the consequences/outcomes/trajectory of that deal.
- b. To what extent did the MPA cooperate with international partner organisations and why?
 - c. What was the role of government (state-level institutions) (government institutions involvement) in this deal?
 - d. As a private actor/international organisation, how did you respond to restrictions/pressures if any?
 - e. To what extent do relationships (interpersonal and organisational ties) matter in public-private collaboration (among the MPA, government institutions, private actors, and int'l partners)?
 - i. Can you illustrate with an example?
 - ii. How did you build those relationships?

Intra-organisational Effects (Organisation-/Micro-level Coevolution)

4. Please discuss the MPA's top management team (TMT) composition and how decisions were made.
 - a. How did the TMT plan and implement the MPA's periodical goals, mission and vision?
 - b. To what extent and why did the CEO/MD (you) seek TMT members' advocacy/advice for a specific task?
 - c. If there was conflict in meetings, was it resolved, if at all?
 - d. In what situations, did you feel restrictions on your discretionary power?
 - i. How did it affect your decision choices?
 - ii. How did you respond?
 - e. What kind of conditions increased the demands of your job?
 - i. How did it impact on your decision-making?
 - ii. How did you react?

- f. To what extent was the MPA's image (performance/ability) important in interactions with state-institutions?
 - g. To what extent was the CEO's ability important in interactions with state-institutions?
5. What is your opinion of MPA executives who have military experience?
 - a. How does having military experience influence your daily work? (*MPA ex-military executives only*)
 - b. How do their practice, behaviour, and capabilities affect in decision-making?
 - c. How did their taking a leading role impact on the MPA and related industry?
 - d. To what extent do you (they) value human resource development and technology advancement?
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 6. Please discuss your experience of the effects of CEO/MD succession.
 - a. How does a new CEO/MD impact on strategic reorientation and restructuring?
 - b. How does a new CEO/MD impact on operations and services in the industry?
 - c. What kind of dynamic forces/pressures cause CEO/MD succession?

Perceptions on Future Port Development and Prospects

7. Please discuss your perception of the future prospects of the MPA and port industry.
 - a. In which role should the MPA play in the industry? (as a regulator and facilitator; or regulator, facilitator, and operator)
 - i. How should the MPA effectively govern and facilitate?
 - ii. How should the MPA motivate private operators to improve their performance and competency?
 - b. What is your expectation of the private sector's role and involvement in the future of the industry?
 - c. What is your opinion of the needs of human resources, technology advancement, and participating regionally and internationally? What has to be done?
 - d. Any other comments, suggestions, and advice you would like to offer with respect to the topics we have discussed?

Data Collection Protocol Matrix

Corporate Coevolution	Environmental/Macro Level		Industry/Meso Level		Firm/Micro Level	
Domains	Institutional/Extra-institutional Effects		Public-private Interactions		Upper Echelons Perspective	
Themes	Political,economic,social dynamics		Political dynamics, governance		CEO/TMT effects, military experience	
Participants	Interview	Focus Group	Interview	Focus Group	Interview	Focus Group
MPA MD/Ex-MD	5, 6(d), 7(c,d,e)		6,7,10,11,		1,2,4,8,10, 9(a,d,e)	
MPA Top Management Team(TMT)/Ex-TMT;			5(c,d)		1,2,4,8,10, 9(a,d,e: ex-military)/ 9(b-e: non-military)	
MPA-TMT/Mid-level Executives (Expert Group)		1, 2(d), 3(c,d,e)		2,3,6,7, 1(c,d)		4,6, 5(a: ex-military)/ 5(b-e: non-military)
Terminal Operators, Inland Container Depots	5,	1,	6,7,10,11,	2,3,6,7,	1,2,3,10	6,

Shipping Lines	6(d), 7(c,d,e)	2(d), 3(c,d,e)	5(c,d)	1(c,d)	9(b-e),	5(b-e: non-military)
Port Users (MIFFA)						
Interational Partner Organisations						
Archived Documents and Data (publicly issued)	<ul style="list-style-type: none"> • Investment law and guides. • Rules and regulations. • Orders and notifications (event-based). 		<ul style="list-style-type: none"> • MPA history, reports, presentations; • Port acts, rules and regulations. • Orders and notifications (event-based) for changes in tariff and dues, operating procedures, and rules and regulations. 		MPA's performance dataset (Excel): to retrieve annual cargo/container handling volume and revenue; (publicly published).	