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# *The Attitudes of Executives towards the Internal Auditing of Corporate Secretary's Office at Airports of Thailand Public Company Limited (AOT)*

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**Pisit Chaiyanarasingha**

*Airports of Thailand Public Company Limited (AOT)*

*Bangkok, Thailand*

*E-mail: nichaphat.jit@gmail.com*

**Thuchapon Yodthong**

*National Researcher, National Research Council Thailand*

*67/80 Moo 12, Bangmaenang, Bangyai, Nonthaburi 11140 Thailand*

*E-mail: thuchapon.yodthong@gmail.com*

**Prapas Siripap**

*National Researcher, National Research Council Thailand*

*178/1 Moo 1 Nakhonchaisi, Nakhonpathom, Thailand 73120 Thailand*

## **Abstract**

The purposes of this research are 1) to study the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) in the aspect of the working direction of internal auditor, the working performance of internal auditor, the auditing report, and the recommendation and consultation, 2) to compare the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) about the working direction of internal auditor between the executives and the auditing organization. The researcher applied the quantitative research in conducting this study. The research results show that in total the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) is in the high level. In particular, the working performance of internal auditor has the highest mean, followed by the auditing report, the working direction of internal auditor, and the recommendation and consultation respectively. The results of hypotheses testing show that the executives who have different age have the different attitudes towards the internal auditing; while the executives who have different gender, work position, or work experience have the same attitudes towards the internal auditing.

**Keywords:** Attitudes, Executives, Internal Auditing, Corporate Secretary's Office, Airports of Thailand Public Company Limited (AOT)

## 1. Introduction

Good governance is important to the success of the company because it shows the well-organized managing system which is effective, transparent and can be verified. This helps create the reliability and trust towards the shareholders, investors, stake holders, and brings about the prosperity. It can be said that good governance is a tool to create added value and support the sustainable growth of the company. In 2006, the principles of good governance for the listed company was enhanced by correlating with the governing principles of The Organization for Economic Co-Operation and Development (OECD Principles of Corporate Governance year 2004), and the suggestion of World Bank to participate in the project of Corporate Governance - Reports on the Observance of Standards and Codes (CG-ROSC) (The Principles of Good Corporate Governance for Listed Companies, 2012). Then, after Airport of Thailand was changed to be a public company, it has a commitment to operate business under the law and the regulations of The Stock Exchange of Thailand who launched the regulations for the committee, the executives and the officers in every level to work with honesty, morality, ethics, and the responsibility to the shareholders and other stake holders to realize the reputation and honor of Airport of Thailand in managing the stable international airport for more than 30 years.

The policy of good governance of Airport of Thailand indicates about the internal auditing that the committee of Airport of Thailand would set the system of internal auditing in every dimension; the finance, the operation, the law enforcement, the involved system, and the effective mechanic to verify and to balance for protecting the investment finance of the shareholders and the asset of Airport of Thailand. In addition, there would be the order of the approval power and the responsibility of the executive and the officers, which can be verified and balanced; the written discipline; the independent auditing office to work directly to the auditing committee of the business sector or supported sector (The Principles of Good Corporate Governance for Public Companies, 2012). The internal auditing is an important tool of the administrative section to assess the operating results and the internal controlling system of the organization. One of the important factors to drive the internal auditing to be successful is that the executive can effectively apply the result of the internal auditing to create the added value and the success for the organization. Therefore, those who are responsible to the work of the internal auditing such as the internal auditors or the appointed auditors should understand the overall image of the internal auditing, know the principles and the methods and also to work along with the acceptable standard both the international and the organizational standard, so that the auditors can choose the appropriate auditing techniques to each mission and the surroundings of the organization (The comptroller General's Department, 2003). In addition to the occupational professionalism, the qualification of the internal auditors; to work under the professional ethics, to have vision, good relationship, the diligence, the fairness, and the responsibility, and also to be acceptable and the role model to personnel in the organization (Srisai, 2011).

Moreover, the problem about the internal auditing is about the negative reaction from the customers for the reason that the perception and the opinion of the customers towards the process of the internal auditing that they authority who is responsible to the auditing and the assessment find fault and think that the internal auditor lacks the knowledge and ability to audit. This affects the efficacy of the overall working. Thereby, the researcher, as the internal auditor, considered the importance of the internal auditing which can be used to develop the organization to reduce the gap in working, and also the loss of fund and expense for increasing the effectiveness of the organization; and is interested in studying about the attitudes of the executives of Airport of Thailand towards the internal auditor for obtaining the direction for

the executives of the auditing office to improve the internal auditor to have good performance, knowledge, abilities, vision, and experiences to be acceptable of the organizations for strengthen the auditing office to create the good image and the competitiveness, the prosperity and the sustainability of Airport of Thailand.

### **Purposes of Research**

1. To study the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) in the aspect of the working direction of internal auditor, the working performance of internal auditor, the auditing report, and the recommendation and consultation.

2. To compare the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) in the aspect of the working direction of internal auditor, the working performance of internal auditor, the auditing report, and the recommendation and consultation classified by demographic profiles.

### **Hypothesis of Research**

1. To study the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) in the aspect of the working direction of internal auditor, the working performance of internal auditor, the auditing report, and the recommendation and consultation.

2. To compare the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) in the aspect of the working direction of internal auditor, the working performance of internal auditor, the auditing report, and the recommendation and consultation classified by demographic profiles.

## **2. Literature Surveys**

### **Concepts about attitudes**

Royal Institute Dictionary (2009) defined that attitudes means the opinion, the feeling of agreeing or not agreeing to something or someone. In the same way, Suwannachat (2004, as cited in Atsawaratchanan, 2012) said that the component of the attitudes consisted of 3 parts; Cognitive Component, Affective Component, and Behavioral Component. Wongsawaddiwat (1995) stated about the duty of the attitudes in 4 points; 1) Adjective Function, 2) Ego-Defending Function, 3) Value Expressive Function, and 4) Knowledge Function. The process of changing attitudes consisted of 3 levels (Rodkhadee, as cited in Sirichusap, 2009) that 1) the changing of thought, 2) the changing of feeling, 3) the changing of behavior. The measurement of attitudes consisted of various methods; 1) the observation of the behavior, 2) the verbal report by using the questionnaire or the interview, 3) the interpretative method from the subjective attitudes.

### **Concept about the internal auditing**

The Ministry of Finance (2008) defined the word internal auditing that the activity to create the confidence, and the fair and independent consultation, this is in order to increase the value and to improve the working of the government. The internal auditing would help the government to reach the goal and the purposes which is assigned by the auditing and the improvement of the efficiency of the process of risk management, the control, and the systematic governance. The types of the internal auditing, in general, are divided in 6 types (Sakhakorn, Henchokechaichana, and Srijanpetch, 2005); 1) Financial Auditing, 2) Performance Auditing, 3) Management Auditing, 4) Compliance Auditing, 5) Information

System Auditing, and 6) Special Auditing. In addition, the internal auditor should rely on these principles (Ministry of Finance, 2008); 1) Having strong standing point, 2) Keeping secret, 3) Fairness, and 4) Capability on the internal auditing. The internal auditing office, Ramkhamhaeng University (2011) presented the process of the internal auditing that; 1) the planning of the internal auditing, including the searching for the basic information, the assessment of the auditing system also the risk, and the planning of the operation; 2) the auditing operation, including the process before, during and after the operation; and the last 3) the auditing report and the follow-up.

### **Concept about good governance**

The Stock Exchange of Thailand (2013) presented that good governance means the system of setting the structure and the process of the relationship between the committee and the shareholders in order to create the business competitiveness which will lead to the prosperity and also to increase the long-term value to the shareholder, including the other stakeholder. Office of the Rector, Pathumthani University (2012) presented the components of good governance that there should be the appropriate power balance, the explicit assignment of the duty of each personnel, the exact regulation and the handbook, the good information system and report, the stakeholder should be informed, and the appointment of the rules and the ethics for the personnel in every section. Corporate governance has been broadly used in the private section due to the reason that the organization has the effectiveness and the acceptance and also the reliability from the society.

### **3. Research Methodology**

This research used quantitative method as a technique to analyze demographic profile, the attitudes of executives towards the internal auditing of corporate secretary's office at airports of Thailand public company limited (AOT) in the aspect of the working direction of internal auditor, the working performance of internal auditor, the auditing report, and the recommendation and consultation. The primary data were derived from the research questionnaires, which were responded by the samples of population of 222 people. Secondary data were derived from books, academic articles, journals, previous researches, and other reliable references. Statistics used in this research included frequency, percentage, analysis of mean and standard deviation, t-test, F-test, and LSD (Least Significant Difference) for analyzing only the aspect with the statistical significance.

### **4. Research Results**

#### **4.1 Demographic profiles**

The research findings show that a total of participants in this research were 222 people, which 65.80% were male and 34.20% were female. As for age, 56.30% aged between 41 – 45 years old, followed by 28.40% aged more than 45 years old, and 15.30% aged between 36 – 40 years old. As for work position, 59.50% worked as director of section, followed by 24.30% were deputy director, and 16.20% were director. As for work experience, 35.60% have worked for 1 – 5 years, followed by 33.20% have worked for more than 20 years, 18.50% have worked for 6 – 10 years, 6.80% have worked for 11 – 15 years and 5.90% have worked for 16 – 20 years.

#### 4.2 The attitudes of executives towards the internal auditing of Corporate Secretary's Office at Airports of Thailand Public Company Limited (AOT)

With regard to the attitudes of executives towards the internal auditing, the results show that in total the attitudes of executives towards the internal auditing is in high level ( $\bar{X} = 3.92$ , S.D. = .690). In particular, the working performance of internal auditor has the highest mean ( $\bar{x} = 4.05$ , S.D. = .697), followed by the auditing report ( $\bar{x} = 3.94$ , S.D. = .689), the working direction of internal auditor ( $\bar{x} = 3.90$ , S.D. = .792), and the recommendation and consultation ( $\bar{x} = 3.79$ , S.D. = .815) respectively (see table 1).

**Table 1: Mean and standard deviation of the attitudes of executives towards the internal auditing in total and in particular**

Factors	$\bar{X}$	S.D.	Interpretation	Ranking
The working direction of internal auditor	3.90	.792	High	3
The working performance of internal auditor	4.05	.697	High	1
The auditing report	3.94	.689	High	2
The recommendation and consultation	3.79	.815	High	4
<b>Total</b>	<b>3.92</b>	<b>.690</b>	<b>High</b>	

#### 4.3 The Hypotheses Testing Results

With regard to the attitudes of executives towards the internal auditing classified by gender, analyzed by t-test, the results show that the p-value of attitudes of executives towards the internal auditing in total is more than .05, which means that the different gender does not have the influence on the attitudes of executives towards the internal auditing (see table 2).

**Table 2: Comparison results of the attitudes of executives towards the internal auditing classified by gender**

Factors	gender	n	$\bar{X}$	S.D.	t	df	P-Value
Total	Male	146	3.96	.681	1.311	148.159	.192
	Female	76	3.83	.702			

With regard to the attitudes of executives towards the internal auditing classified by age, work position, and work experience, and analyzed by t-test, the results show that the p-value of attitudes of executives towards the internal auditing classified by age in total is less than .05, which means that the executives who have different age have different attitudes towards the internal auditing, while the p-value of attitudes of executives towards the internal auditing classified by work position, and work experience in total is more than .05, which means that executives who have different work position, and work experience have no different attitudes towards the internal auditing (see table 3).

**Table 3: Comparison results of the attitudes of executives towards the internal auditing classified by age, work position, and work experience**

Factors	Source Variance	SS	df	MS	F	p
Age	Between Groups	6.934	2	3.467	7.732*	.001
	Within Groups	98.203	219	.448		
	Total	105.136	221			

Work position	Open Groups	1.560	2	.780	1.649	.195
	Within Groups	103.577	219	.473		
	Total	105.136	221			
Work experience	Open Groups	.829	4	.207	.431	.786
	Within Groups	104.307	217	.481		
	Total	105.136	221			

\*Significance at 0.05

## 5. Discussion

From the research about the attitudes of executives towards the internal auditing of Corporate Secretary's Office at Airports of Thailand Public Company Limited (AOT), there are the interesting aspects which can be discussed as follows: with regard to the working direction of internal auditor, the total attitudes of executives are in high level, which are relevant to the concept of Sakhakorn, Henchokechaichana, and Srijanpetch (2005) about the performance auditing that it is the process to assess the working according to the working plan and the project of the organization to reach the goal and the principle of the internal auditing to emphasize the efficiency and effectiveness and the cost-effectiveness; by that there should be the product and the results that are relevant to the purpose or the goal, which is evaluated by the appropriate criteria. However, this should realize the sufficiency and the performance of the management auditing of each section in the organization that the management system in the aspect of planning, control, and the evaluation about the budget, finance, and asset must be appropriate and relevant to the mission of the organization. This is according to the principles of good governance in the aspect of the reliability, the accountability, the fairness, and the transparency. With regard to the working performance of internal auditor, the total attitudes of executives are in high level. This is relevant to the concept of the internal auditing office, Ramkhamhaeng University (2011) which presented that the working of the internal auditing means the process of checking, controlling, and collecting the evidence in order to analyze and to evaluate the working condition of each organization to make sure that it works according to the policy, planning, and the regulation of the organization, including the related law; also, presenting the results from the internal auditing and the recommendation to the executives to be used in making decision in the management. Moreover, the performance of the internal auditing consisted of the process before the auditing operation, the process during the auditing operation, and the process after the auditing operation. With regard to the auditing report, in total is in high level. This is also relevant to the concept of the international office, Ramkhamhaeng University (2011) about the report to explain the results of the internal auditing and to summarize the defects found in the organization, which presented the risk and the controlling system that the executives should recognize, and the recommendation should be presented to the executives. Thus, the criteria of the good auditing report consisted of accuracy, clarity, conciseness, timeliness, constructive criticism, and pursuance. The form of the auditing report depends on the results of the internal auditing and the requirement of the executives. In general, there are 2 types of the report; written report, and oral report for both formal and informal, including the follow-up process which is the last important step of the internal auditing. With regard to the recommendation and the consultation, in total is in high level. This is relevant to the concept of the Ministry of Finance (2008) which presented the purposes of the internal auditing that the working should be free of any intervention in the process of operation or the evaluation in the organization. The internal auditing is concerned about



analyzing, evaluating, consulting, informing and giving the recommendation in order to support the working in every level of the organization according to the law, regulation that is relevant to the good performance. The auditing results would be beneficial to the decision making process of the executives, and also to support the working performance of the internal auditing office.

## **6. Recommendations**

1. The research results should be extended to each section for both that passed and never passed the internal auditing in order to understand more about the direction of the internal auditing.

2. The internal auditing of Corporate Secretary's Office at Airports of Thailand Public Company Limited (AOT) should apply the research results to make the good understanding with each section about the duty, and responsibility and the purposes of the internal auditing. For example, the director of section of the internal auditing may have a meeting, or make the circular letter, or inform employees through intranet in the organization in order to publicize and to make the good understanding with every section in the organization so that this would lead to the acceptance and the cooperation with the internal auditor about the process of the internal auditing in the future.

3. The director of the section of Corporate Secretary's Office at Airports of Thailand Public Company Limited (AOT) should confer with the board of the executives in the organization to create the curriculum about the internal auditing for the orientation of the new officers in order to cultivate the understanding and the good attitudes towards the internal auditing and also to realize the benefits from the internal auditing.

4. The Corporate Secretary's Office at Airports of Thailand Public Company Limited (AOT) should create the inspiration to new officers with many methods; such as the game about answer the question about the internal auditing for prizes, this is the method to cultivate and to improve the attitudes to the officers in every section to participate in searching the data and to learn the process of the internal auditing by themselves.

5. The Corporate Secretary's Office at Airports of Thailand Public Company Limited (AOT) should develop the internal auditor to have more knowledge and abilities, especially about the process of the internal auditing for the aviation; such as to permit the internal auditor to participate in the seminar with The Institute of Internal Auditors of Thailand (IIAT) of Civil Aviation Training Center, and also to study about the working performance in the reliable and acceptable area of aviation industry. This would be the good benefit to the internal auditor to have knowledge and various aspect of attitudes, the working would be more professional and in high performance. The director of section should use the auditing results to develop the working performance to reach the goal.

6. There should be more study about the process of the recommendation and the consultation to other sections so that the internal auditing can reach the highest performance.

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# *The Causal Relationship between the Factors of the Corporate Social Responsibility and Business Capability of Smes: A Case Study of a Service Business in Bangkok*

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**Phimphan Mansinthorn**

*Thai Packaging Industry Public Co., Ltd*

*Samut Sakhon Province, Thailand*

*E-mail: [siam3ddd@gmail.com](mailto:siam3ddd@gmail.com)*

**Assoc. Prof. Ornpapha Chutikorntaweasin**

*National Researcher, National Research Council Thailand*

*67/80 Moo 12, Bangmaenang, Bangyai, Nonthaburi 11140 Thailand*

*E-mail: [ornpapha.chu@gmail.com](mailto:ornpapha.chu@gmail.com)*

**Assoc. Prof. Thuchapon Yodthong**

*National Researcher, National Research Council Thailand*

*67/80 Moo 12, Bangmaenang, Bangyai, Nonthaburi 11140 Thailand*

*E-mail: [thuchapon.yodthong@gmail.com](mailto:thuchapon.yodthong@gmail.com)*

## **Abstract**

The purposes of this research are 1) to find and study the development of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs of a service business in Bangkok; and 2) to verify the compatibility of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs of a service business in Bangkok. The results showed that in total, the factors of corporate social responsibility are in high level. In particular, accountability is in high level, followed by organizational culture, cost effectiveness, and policy principle respectively. Business capability of SMEs is in high level in total. The hypothesis results show that the form according to the hypothesis has the compatibility with the empirical data in the good level by considering the testing statistics value such as  $\chi^2 = 0.01$ ; p-Value = 0.910; df = 1; SRMR = .0013; RMSEA = .000; GFI = 1.00; NFI = 1.00; CFI = 1.00; AGFI = 1.00; PNFI = .100. The factors of corporate social responsibility and the business capability of SMEs are relevant to the empirical data.

**Keywords:** causal relationship, corporate social responsibility, business capability, SMEs, Bangkok, SEM

## 1. Introduction

In the world of globalization, brand and image have become important factors to a consumer's decision in selecting a piece of goods. People are becoming more aware of ethic, not just how the goods are produced but also how the goods are sourced. This has raised concern to many large firms to take consumers' ethical trend for consideration into developing strategy and drive it into what they term 'sustainability'. The concept of corporate social responsibility (CSR) is born to address the fact of consumers' ethical concerns. Over the years, the concept of CSR has evolved from a situation where firms goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law" (McWilliams and Siegel, 2001) to a more matured concept and the definition has taken another step further, not only from the social perspective but also from the perspective of how their product is brought to the society. There is no denial that CSR has attained a rising recognition as a promising form of business governance. As trading all over the world is influenced by globalization, many companies are seeking international opportunities. CSR is another aspect that is established in the global context and set as international standards. Many international firms have adopted CSR as part of their business strategy if not into their risk management. There is no doubt that CSR has become more than just a well intended social act but in a way, it is a long term investment to a sustainable business. It is the simplest form of CSR in general. At the bottom line of all business, it is always about profit and the priority of this realm of CSR is increasing business opportunity and profitability. The initiatives in reengineering the value chain, while contributing to social and environmental benefits, it is also in a way increasing business opportunity and profitability through operation effectiveness. CSR concept seems clear and understandable for firms with large capital and under the scrutiny of the society. Many large firms in Thailand have taken their initiatives in CSR activities and many more are following suit, while the concept is not yet widely practiced although made aware among SMEs in Thailand. As the number of SMEs in Thailand continues to rise as well as the competition to stay ahead of the business line, the question would be if an investment for CSR activity is needed for the SME in order to obtain a sustainable growth and eventually improvement of business capability. The study investigates the causal relationship between the factors of the corporate social responsibility and business capability of SMEs: a case study of a service business in Bangkok in the following areas: (a) Policy principle, (b) Cost effectiveness, (c) Organizational culture, and (d) Business capability, has been carried out and hope to use the results from this research to increase the SMEs business capability in the future.

## Purposes of Research

1. To compare the difference of corporate social responsibility classified by the demographic profiles of SMEs entrepreneur: gender, age, education level, work experience, types of business, and types of business organization.
2. To compare the difference of the business capability classified by the demographic profiles of SMEs entrepreneur: gender, age, education level, work experience, types of business, and types of business organization.
3. To find the causal relationship between the factors of the corporate social responsibility and business capability of SMEs: a case study of a service business in Bangkok.
4. To study the development of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs: a case study of a service business in Bangkok.

5. To verify the compatibility of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs: a case study of a service business in Bangkok, developed with the empirical data.

### **Hypotheses of Research**

1. SMEs service entrepreneurs who have different genders, age, education level, work experience, types of business, and types of business organization, have different opinion about the factors of corporate social responsibility.

2. SMEs service entrepreneurs who have different genders, age, education level, work experience, types of business, and types of business organization, have different opinion about the business capability of SMEs: A case study of service business in Bangkok.

3. The factors of corporate social responsibility have the relationship with the business capability of SMEs: A case study of service business in Bangkok in the positive way.

4. The causal relationship between the factors of the corporate social responsibility and business capability of SMEs: a case study of a service business in Bangkok is relevant to the empirical data.

## **2. Literature Surveys**

### **Corporate Social Responsibility**

Wongprasert (2009) said that Corporate Social Responsibility (CSR) covers the key element from the meaning, structure, type, and level of social activities. Also including good practices for corporate to achieve the CSR goal. CSR is the concept for corporate strategy which can drive any business to achieve the objectives, and make it sustainable in the high competitiveness market. Working definition (2007) defined social responsibility that it (is the) responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that is consistent with sustainable development and the welfare of society. It is also important to bear in mind that there are two separate drivers for CSR. One relates to public policy. The second driver is the business driver. Hohnen & Potts (2007) pointed out that many factors and influence have led to increasing attention being devoted to the role of companies and CSR. Business undertakes CSR, not necessarily out of a need to act benevolently, but more for survival in a globally competitive and legally complex modern environment (Moeti, 2000).

### **Policy Principle**

The basis of strategic management is the notion that strategy creates an alignment between the enterprise's internal strengths and weaknesses on the one hand and its opportunities and threats (SWOT) in its external environment on the other (Andrews, 1987). Schendel and Hofer (1979) identified the following six "major tasks" of strategic management: 1) goal formulation, 2) environmental analysis, as well as the 3) formulation, 4) evaluation, 5) implementation and 6) control of strategies. Strategic management deals with how enterprises develop sustainable competitive advantages resulting in the creation of value (Ramachandran et al., 2006). Strategic management research is for a large part concerned with identifying differences among enterprises performance by examining their efforts to develop sustainable competitive advantages as determinants of their ability to create value (Ireland et al., 2003). SMEs possess such capabilities as niche filling, speed and flexibility that allow them to exploit certain opportunities faster and more effectively than established enterprises (Li, 2001). A major differentiation in strategic management

is between content and process (Stacey, 1993). Gadiesh, A. and Gilbert, J. (2001) said that strategic planning is part of the strategic management process. Strategic management entails both strategic planning and implementation, and is “the process of identifying and executing the organization’s strategic plan, by matching the company’s capabilities with the demands of its environment.”

### **Cost Effectiveness**

Productivity Commission (2013) defined cost effectiveness as a measure of the extent to which the cost of resources, used to produce a specified output or outcome, has been minimized. Cost effectiveness involves comparisons of the costs of alternative ways of producing the same or very similar effect; or comparisons of the effect produced by alternative ways with the same or very similar cost. COAG’s Principles and Guidelines for National Standard Setting and Regulatory Action (2004) state that the term cost effectiveness is frequently used to cover the case of achieving the maximum level of output for a stated level of inputs or cost. Thus, a method of delivery of a government service could be judged to be more cost effective than another when it produces more of the output for the same cost. Productivity Commission (2013) explained that cost effectiveness analysis is often used as an alternative to cost-benefit analysis where it is easier to estimate the desired outcomes, than it is to value them. The beneficial effect, although achieved as cheaply as possible, may not be worth the cost. Charlebois (2013) said that SMEs want to integrate sustainability into their core businesses, but find that sustainability objectives pull them in different directions. SMEs seek to harmonize environmental and social objectives as the bottom line. They endeavor to improve understanding of the impact and benefits of their sustainability initiatives, so they can translate their investments into concrete financial results.

### **Organizational Culture**

Schein (1992) stated organization culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and integral integration. Trice and Beyer (1993) have also connected culture with environment, seeing organization culture as a collective response to uncertainty and chaos. Gagliardi (1986) argues that every organization’s primary strategy is to protect the organizational identity that assumptions and values create and maintain and found that culture significantly influenced organizational performance when it either helped the organization to anticipate or adapt to environmental change or interfered with its adaptation. According to Strautmanis (2007), social responsibility is part of organizational culture and a value in the organizational culture environment. Development of social responsibility is a change in values orientation, whose task is shaping the attitudes, transformation of the personal position so that it matches individual and public interests. NBS SME Council. (2013) said that SMEs wish to establish a corporate culture of sustainability, but face organizational realities such as a high turnover and disparities in employee awareness levels or willingness to act. Organizational culture refers to the “underlying values, beliefs, and principles that serve as foundation for the organization’s management system as well as the set of management practices and behaviors that both exemplify and reinforce those basic principles” (Denison, 1995). The four traits of organizational culture in Denison’s (2000) framework are as follows: Involvement, Consistency, Adaptability, and Mission.

### **Accountability**

Macdonald (2011) stated that the term corporate accountability is commonly used instead to refer to more confrontational or enforceable strategies of influencing corporate

behavior. Corporate accountability typically implies that corporate behavior is influenced by pressure exerted by social and governmental actors beyond the company itself. Schmitter and Karl (1991) contended that accountability was the central key to most definitions of democracy; their claim was met with overwhelming indifference and occasional expressions of hostility. A decade and a half later, a quick search with any of the academic search engines using 'accountability' in combination with 'democracy' or 'democratization' generates literally hundreds of results. Whitty (2008) also pointed out that two points should be noted. First, the meaning of the term "accountability" has gradually expanded. Traditionally, it was linked to an agent rendering account to his or her principal for the activities carried out on the principal's behalf. The second point concerns the word "stakeholder". The field of "corporate stakeholder analysis" argues that a corporation has a variety of stakeholders beyond simply the shareholders who have formally "bought into" the company (Freeman, 1984).

### **Business Capability**

Makadok (2001) refers to business capabilities are so closely related to competencies this has ultimately become a strategic issue. Most organizations want to be able to build strategic capabilities. A fundamental question in the field of strategic management is: how do firms create and sustain a competitive advantage. Adapting Hauknes' (2000) classificatory scheme we can distinguish between five dimensions of organizational capabilities (see also Edquist and Johnson 1997), which can be expected to have many-faceted impacts on innovation efforts: • Selective or strategic capabilities; • Organizational or integrative capabilities; • Technical or functional capabilities; • Capabilities and understanding of market and demand characteristics; and • Ability to learn. A business capability is an element of the business architecture layer (Barroero et al., 2010). Business capability can be defined as a functional building block of the business which supports the business models and the business strategy, i.e. it defines the organization's capacity to successfully perform a unique business activity. Rosen (2010) also added that the capability view of the business provides the high-level foundation for alignment between them. Capability models don't reduce the complexity; rather they illustrate it in ways that provide new insight to the business.

### **3. Research Methodology**

This research used quantitative method as a technique to analyze demographic profile, the factors of corporate social responsibility, and the business capability of SMEs. The primary data was derived from the research questionnaires, which were responded by the samples of populations of 359 people. Secondary data was derived from books, academic articles, journals, previous researches, and other reliable references. Statistics used in this research included frequency, percentage, analysis of mean and standard deviation, t-test, Analysis of Variance (ANOVA), Pearson Correlation, and Structural Equation Model (SEM).

### **4. Research Results**

#### **4.1 Demographic profiles**

The research finding showed that a total of participants in this research were 359 people, of which 73.00% were male, and 27.00% were female. As for age, 59.90% of participants were aged between 30 – 39 years, 15.10% below 30 and 11.10% were older than 39. Lastly 7.20% were aged between 50-59 years. As for educational level, 70.90% of participants had received bachelor's degree. As for type of organization, 47.10% of participants worked in public and enterprise organizations. As for work experience, 23.70% of participants had work experience of less than 10 years. Among the research group, 138 people

or 38.40% were high school graduates, 25.20% had received Bachelor degree, 24.20% received Diploma and 12.30% had Master degree or higher. 120 people had worked experience of 6-10 years or 33.50%. followed by 25.10% with work experience of 11-15 years and 18.90% were those having work experience between 1-5 years. Lastly 18.90%, 17.50% and 5% for 1-5 years, 16-20 years and more than 20 years of working experience respectively. Business in health sector were 30.40%, followed by 21.70% in Food industry. Construction business had percentage of 15.90%. Beauty business had 10.00%.and 8.90% were from Tourism. Logistic and Education had 8.90% and 5.00% respectively. Among the group, 78.80% were sole owners and 9.20% were of company limited. 6.70% were in partnership and 5.30% were franchise business.

#### 4.2 Analysis result of the factors of corporate social responsibility

With regard to the factors of corporate social responsibility, the results showed that in total, the factors of corporate social responsibility are in high level ( $\bar{X} = 3.92$ , S.D. = .290). In particular, accountability is in high level ( $\bar{X} = 4.04$ , S.D. = .522), followed by organizational culture ( $\bar{X} = 4.00$ , S.D. = .421), cost effectiveness ( $\bar{X} = 3.87$ , S.D. = .471), and policy principle ( $\bar{X} = 3.81$ , S.D. = .408) respectively (see table1).

**Table 1: Mean and standard deviation of the factors of corporate social responsibility in total and in particular**

Factors	$\bar{X}$	S.D.	Interpretation	Ranking
1. Policy Principle	3.81	.408	High	4
2. Cost Effectiveness	3.87	.471	High	3
3. Organizational Culture	4.00	.421	High	2
4. Accountability	4.04	.522	High	1
<b>Total</b>	<b>3.92</b>	<b>.290</b>	<b>High</b>	

#### 4.3 Analysis result of business capability of SMEs

With regard to business capability of SMEs, the results showed that in total, business capability of SMEs is in high level ( $\bar{X} = 3.97$ , S.D. = .504). In particular, to create consumer's loyalty to the organization is in high level ( $\bar{X} = 4.09$ , S.D. = .777), followed by the responsibility to the society has an effect on organization image ( $\bar{X} = 4.04$ , S.D. = .785), to create the reliability to the consumer and the sale agent ( $\bar{X} = 4.04$ , S.D. = .806), the effectiveness of working and product ( $\bar{X} = 3.97$ , S.D. = .730), and to increase the opportunity to world market ( $\bar{X} = 3.71$ , S.D. = .980) respectively (see table 2).



**Table 2: Mean and standard deviation of business capability of SMEs in total and in particular**

Factors	$\bar{X}$	S.D.	Interpretation	Ranking
1. the responsibility to the society has an effect on organization image	4.04	.785	High	2
2. to increase the opportunity to world market	3.71	.980	High	5
3. to create the reliability to the consumer and the sale agent	4.04	.806	High	3
4. to create consumer's loyalty to the organization	4.09	.777	High	1
5. the effectiveness of working and product	3.97	.730	High	4
<b>Total</b>	<b>3.97</b>	<b>.504</b>	<b>High</b>	

#### 4.4 The Hypotheses Testing Results

Considering the correlation analysis between 5 visible variables, the correlation is positive showing the relevant relationship. Almost the visible variables have the relationship with the statistical significance at the level of .01 except policy principle which does not have the relationship with business capability, which demonstrate that these variables are relevant to the research paradigm of the causal relationship with business capability of SMEs (see table 3).

**Table 3: Correlation analysis between the visible variables in the form of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs**

Variables	POP	COF	ORC	ACC	BUC
POP	1	.300*	.206*	.158**	.094
COF		1	.160*	.145**	.165**
ORC			1	.358**	.204**
ACC				1	.378**
BUC					1

\*\* Statistical significance at the level of .01

The analysis of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs : a case study of a service business in Bangkok

shows that the influence weight of cost-effectiveness accountability and policy principle have an influence on business capability of SMEs with weight between 0.11 – 0.34. (see Figure 1).

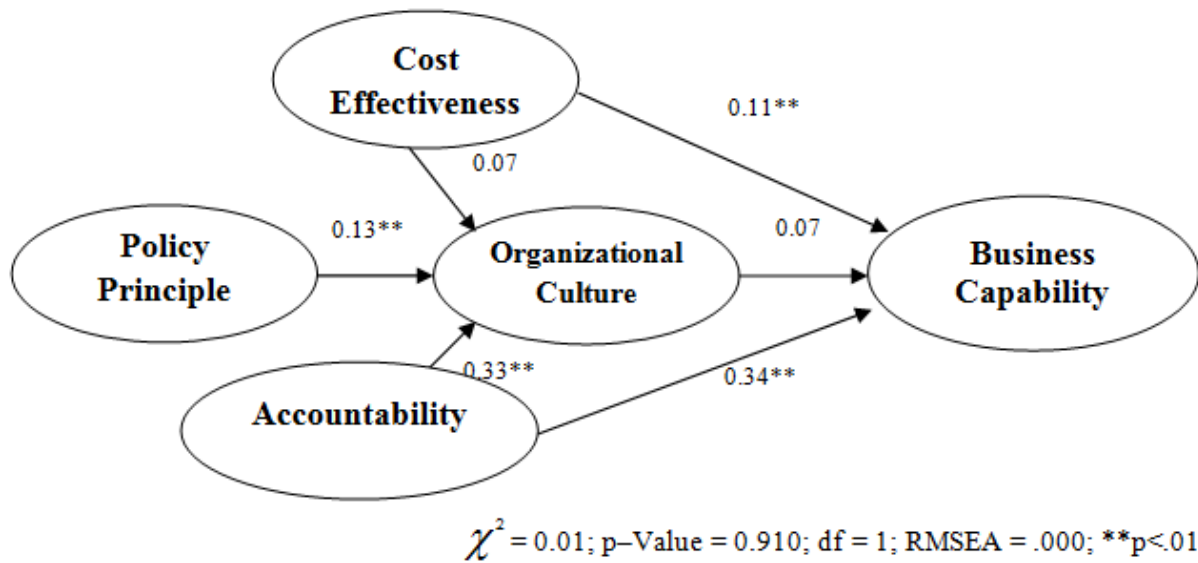


Figure 1: The structure of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs

The results show that the form according to the hypothesis has the compatibility with the empirical data in the good level by considering the testing statistics value such as  $\chi^2 = 0.01$ ; p-Value = 0.910; df = 1; SRMR = .0013; RMSEA = .000; GFI = 1.00; NFI = 1.00; CFI = 1.00; AGFI = 1.00; PNFI = .100 (see table 4).

**Table 4: the correlation of the direct, indirect and total influence of the form of the causal relationship between the factors of the corporate social responsibility and business capability of SMEs**

Controlled Variables	R <sup>2</sup>	Relationship	Independent variables			
			Policy principle	Cost effectiveness	Accountability	Organizational culture
Organizational culture	.16	DE	.13**	.07	.33**	
		IE				
		TE	.13**	.07	.33**	
Business capability	.16	DE		.11**	.34**	.07
		IE	.01	.00	.02**	
		TE	.01	.11**	.36**	.07

$\chi^2 = 0.01$ ; p-Value = 0.910; df = 1; SRMR = .0013; RMSEA = .000; GFI = 1.00; NFI = 1.00; CFI = 1.00; AGFI = 1.00; PNFI = .100; \*\*p<.01

## 5. Discussion

From the research results, it was found that the samples prioritize the accountability followed by the organizational culture, the cost effectiveness and the policy principle. With regard to the accountability, the executive has the intention in operating business with social and environment responsibility and has the highest mean. The executive realizes the problems and participates in finding solution, he has leadership and participates in the activities and he gives importance to the benefit of the society and the environment more than the profit of the organization. This is relevant to the concept of Macdonald (2011) who stated that the term corporate accountability is commonly used instead to refer to more confrontational or enforceable strategies of influencing corporate behavior. Often, the term corporate responsibility is used to indicate voluntary approaches. Corporate accountability typically implies that corporate behavior is influenced by pressure exerted by social and governmental actors beyond the company itself. This is also relevant to Whitty (2008) who summarized four principles of accountability: 1) Participation, 2) Evaluation, 3) Transparency, and 4) Feedback.

With regard to the organizational culture, the responsibility to the society and the environment is relevant to the local culture has the highest mean, followed by the responsibility to the society and the environment is relevant to the working operation. There is the transmission and the cultivation of the concept to the personnel since starting work, to support, to have the learning about social responsibility with an explicit method. The personnel provides cooperation in practicing the policy and the practice direction which is acceptable by the personnel, and to create the continuity of the social activity. This is relevant to the study of Übüs & Alas (2009) about organizational culture types as predictors of corporate social responsibility and found that clan, hierarchy and adhocracy culture types predict two facets of corporate social responsibility. Organizational culture is influenced on national culture where organization is operating. According to Strautmanis (2007), social responsibility is part of organizational culture and a value in the organizational culture environment. Condition for the development of social maturity is intelligence, unity of professionalism, social competence and human relations. Development of social responsibility is a change in values orientation.

With regard to the cost effectiveness, the personnel realize the importance and the value in practicing and has the highest mean, followed by to have the indicator of the operation assessment, to have the regular assessment, and the business operation does not focus on short-term profit but the long-term result. This is relevant to the study of Iturrioz et al. (2009) about the association between various dimensions of social responsibility and the business value. The outcomes of this research suggest that value chain and internal community CSR actions exhibit the strongest association with business value. Charlebois (2013) also said that SMEs want to integrate sustainability into their core businesses, but find that sustainability objectives pull them in different directions.

With regard to the policy principle, to support the personnel to be a good role model to the society has the highest mean, followed by to permit the personnel to participate in presenting useful activities, to always declare the policy, the target, and the operation plan to the personnel. There is the public relation for the personnel to explain the importance of the corporate social responsibility. The policy is explicit in the long-term, to receive the support from the public and private organization, and to participate in being a member in the seminar of the related organization. This is relevant to Working definition (2007) that there are two separate drivers for CSR. One relates to public policy. The second driver is the business driver. Secchi (2007) accordingly explained that its existence in the corporate chains: 1) Centrality measures the way CSR is compatible with mission of the core goals;

2) specificity gauges the advantages CSR; 3) pro-activity that measures the degree of reaction to external demands; 4) voluntarism that accounts for implementing CSR; and 5) visibility refers to the way the responsible behavior is perceived by community of stakeholders.

With regard to business capability, to create consumer's loyalty to the organization has the highest mean, followed by the responsibility to the society has an effect on organization image, to create the reliability to the consumer and the sale agent, the effectiveness of working and product, and to increase the opportunity to world market respectively. This is relevant to the principles of CSR (Thai Industrial Standards Institute, Ministry of Industry, 2009; as cited in Wongprasert, 2009) about 1) fair operating practices; it is the demonstration of the business organization to be responsive to the society with fairly open competition, 2) consumer issues; the business organization should permit the consumers to be appropriately informed about the product and service, and 3) Contribution to the community and society; the cooperation in developing community and society by recognizing the welfare of the world society in the present and in the future. In today's highly competitive market environment, many companies have used CSR as a strategic tool to respond to expectations of various stakeholders such as media, public opinion, nongovernment organizations and even consumers, to thus create a favorable corporate image (Jones, 2005). It is also relevant to the study of Lai, Chiu, Yang, & Pai (2010) which empirical results support the study's hypotheses and indicate that CSR and corporate reputation have positive effects on industrial brand equity and brand performance. In addition, corporate reputation and industrial brand equity partially mediate the relationship between CSR and brand performance.

## **6. Recommendations**

1. The research results should be used in developing the SMEs entrepreneurs of service business in the aspect of corporate social responsibility, especially the accountability and the cost effectiveness in order to increase the business capability.

2. There should be the support to generate the accountability in the organization of the service business and to apply more policy principles as this will influence a good organizational culture.

3. There should be a qualitative research conducted in order to obtain the in depth information to support the results of the quantitative research.

4. There should be a study about the organization influencing the business capability.

5. There should be a comparative study about the social responsibility between the entrepreneurs of large enterprises and the SMEs entrepreneurs.

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# *Diversity in Transnational Flows of Film: A Case Study of Malaysian Films in the Global Market Place*

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**Hizral Tazzif Hisham**

*University of Malaya*

**Azizah Binti Hamzah**

*University of Malaya*

*wazagha@gmail.com*

## **Abstract:**

Hollywood's dominance of the international film industry took hold after World War 2, and today, it churns out movies that are screened in almost 150 countries across the world. Its enduring grip was the result of World War 1 and 2, which effectively killed off Europe's film industry. Statistics show that between 40 and 90 percent of films screened around the world are either produced in Hollywood or by United States-owned transnational company. In the European continent, Hollywood films controlled 53 % of the French film industry; Canada (87 %); and the United Kingdom (73.5 %) in 2003. The scenario is changing especially with advancement of information communication technology (ICT), the one way film direction gradually transform into multidirectional where Hollywood is not the only centre of creative industry. The emergence of many center of creative industry such as Bollywood, Hong Kong, South Korea, Japan and China, Thailand, Phillipines and Malaysia pave the way for flowing of Asian film among Asian and Asean countries. South Korea for example with its strong local film industry and association with big conglomerates launches its Hallayun (Korean Wave) campaign to export film to Asean and Asian countries. The success of South Korea gives inspiration to other countries to adopt and adapt similar strategy. The contra flow of film has opened an opportunity for local film producers to export local films. Merong Mahawangsa and Vikingdom are among films produced by local movie studio – KRU Studio for export and some local film producers were invited to participate in the international film festivals such as Cannes in France and Sundance in America. This shows our local film is gaining international recognition and acceptance. To become film exporter Malaysia needs a strong and vibrant film industry and for that purpose the government has introduced many incentives to spur the growth of local film industry. Among the incentives are allocation of RM200 million fund for local players, rebate for local and international production house which used Malaysia as shooting location. Government has introduced two policies such as National Film Policy and National Creative Industry Policy to give impetus to local film industry.



## Introduction

Hollywood's strength in marketing and distribution allows the US ongoing dominance over the global film industry. Although competitive film hubs have emerged in other world regions where local film industries produce compelling and highly popular films, it is difficult for new players to penetrate Hollywood's long-cultivated transnational network of marketers and distributors. Of the 31 territories claiming more than 20 million cinema sales tickets per year, US films accounted for more than 50 percent of admission in 24 of them, including 90 percent in Singapore and Mexico, 88.5 percent in Canada, and 65 percent in Spain and Netherlands (Hesmondhalgh, 2013). Among the factors contributing to Hollywood's dominance are a huge local market (the United States), the use of the English language (opening doors to the international market), the inability of smaller domestic film makers in developing and poor countries to compete on a global scale, and the efficiency of the Hollywood studio system.

Hollywood's dominance over the global culture industry reaches beyond economic impact to include cultural influences. Hollywood films such as *The Lord of the Rings* trilogy, the *Harry Potter* series, the *Matrix* trilogy and the *Star Wars* franchise not only reaped profits running into billions of US dollars from all over the world, they also dominate the global world of fantasy (Lim and Har, 2007). The global successes of Hollywood films, according to Katz and Leibes (Thussu, 2006:168) in Lim and Har (2007) boils down to five factors: the universal themes and ideas which make them widely accepted and give them mass appeal; the varied and flexible storylines that boost family values; the availability of these films on the market; the growth of television networks across the world; and the aggressive marketing strategies employed by American media conglomerates.

In many countries, response to Hollywood films and revenue generated from the export of Hollywood films rival that of local films (Lim and Har, 2007). The American cinema is now seen as a yardstick for achievements in filmmaking. This has caused the influence of Hollywood films to seep into global cultures, making Hollywood a Trojan horse for America's cultural invasion of the minds of the younger generation. Today, Mickey Mouse, Donald Duck, Snoopy and Garfield are not just popular toys; they are the source of children's happiness. Meanwhile Spiderman, Superman and Batman, already immortalised in film, are firmly imprinted on young minds as manufacturers come up with superhero-based merchandise such as posters, clothes and books.

Sardar (2008:121) is of the opinion that the United States as an empire is using Hollywood films to promote itself as a nation that prioritises the good of mankind, presenting the country as a global power that fights against evil. Through Hollywood's war films, viewers are told of American soldiers who are always inevitably on the side of the "good guys" -- fighting tyranny, cruel dictators oppressing the people and denying them their human rights -- and encouraging viewers to make life choices based on the Western values of consumerism, democracy, gender equality and technological edge to help boost the United States' chances of winning all wars to emerge as the world's sole superpower. According to Neal Gabler (Sardar, 2008), the United States is a republic based on entertainment, and film is its main weapon. Gabler states, film provides escapism and is instrumental to the creation of the mythology of the great American dream, which has become in reality a nightmare for the other countries of the world. Meanwhile Swann (1991) says the slogan 'American lifestyle' which portrays development and a high quality of life, is now widespread thanks to Hollywood films. Swan also points out the close working relationship between the United States Department of State and the Hollywood film industry. A large number of former United States Department of State employees have joined the Motion Picture Association of American (MPAA) as top officials,

including Eric Johnston who was United States Special Ambassador to West Asia in the 1950s, before serving as president of the MPAA. Meanwhile Griffith Johnson who was the vice president of the MPAA, was also a top official in the United States Department of State. His last post was Under Secretary for State Department from the 1950s to the 1960s. By planting former United States government officials in the MPAA, Hollywood's trade association, the U.S. government is able to control all filming activity in Hollywood, which includes using it for its war propaganda campaign.

### **History of Malaysia's Local Film Industry**

Hollywood's cultural influence and market domination in other countries, however, occurs in parallel with the emergence and growth of local film industries. A case in point is Malaysia, whose film industry dates back to 1933 prior to Singapore's split from the country, making one of oldest film industries in the southeast Asian region.

Malaysian cinema was traditionally dominated by Malay films. The emergence of Chinese, and English-language films and to a much smaller extent, local Tamil films, only occurred later at the turn of the century<sup>1</sup>. Although the number and impact of English-language and Chinese-language films, as well as multilingual films is growing, these are still smaller in number compared to Malay films.

The first Malay feature film, *Laila Majnun*, which was directed by B S Rajhans was produced in 1933. It reached its peak with a studio system pioneered by the Shaw Brothers who set up Malay Film Productions, and the charisma of actor, comedian, songwriter, director and scriptwriter of the late P Ramlee (who was posthumously awarded a highly respected title, *Tan Sri*). *Tan Sri P Ramlee* wrote 360 songs, acted in 63 films (40 in Singapore, 23 in Malaysia), and directed 34 films (16 films in Singapore between 1955 and 1964, and 18 films between 1966 and 1973 in Kuala Lumpur). He won the Best Male Actor award at the Asia Film Festival 1957 for his role as both a son and a father in *AnakkuSazali*; the Best Asian Comedy Film award in 1959 for the self-directed *Pendekar Bujang Lapok*; and was named The Most Versatile Actor for *Ibu Mertuaku* at the same film festival in 1963 (Millet, 2006). P. Ramlee is not the only Malay actor of the time who enjoyed international exposure. Ibrahim Pendek, a comedian and contemporary of P. Ramlee also made his name in an international film industry when he starred together with Rock Hudson in 1961 western film, *The Spiral Road* ([www.arkib.gov.my](http://www.arkib.gov.my)).

Much of the development of Malaya's film industry at the time was contributed by film directors from India. Among them were B S Rajhans, L Krishnan, S Ramanathan and B. N Rao. Aside from B S Rajhans who was famous for directing his first film in Malaya (*Laila Majnun*), another famous director who produced high-grossing box office films was B. N Rao. Rao was the individual responsible for introducing the horror genre to Malaysia through his *Pontianak* series, which made *Maria Menado* a household name for films of this genre in 1957. Rao who was born in 1908 in Kerala, India joined the Shaw Brothers' Malay Film Productions in 1953. He then joined *Cathay – Keris* in 1956 (Millet, 2006: 44-45).

But as with many industries, including Hollywood, the golden era of the Malay film industry began to lose its lustre. The fall of the Malay film industry from its glory days was due to the dwindling number of cinema-goers, the introduction of television in 1963, the rising cost of production, fallout between studio employees and their bosses, the separation of

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<sup>1</sup>This predominance of Malay cinema reflects the country's demographic history wherein Chinese and Tamil Indian communities were brought in by the British colonial government in the 1800's. Today, Malaysia's citizenry consists of roughly 62.3% Malays, 22% Chinese, and about 6.7% Indians (mostly of Tamil descent).

Malaysia and Singapore, and the flooding of the local market with films produced in Indonesia, Hong Kong, Bollywood and Hollywood (William, 2002).

### **Asia Contraflow**

Today, the flow of information between Asian countries is more balanced. This is because more information about Asia and the world is written or analysed through the eyes of Asia, and the region's voice is being heard across the world.

Competition from the in-flow of films from Hollywood, Bollywood, Hong Kong and Indonesia, continues to impact the local Malaysian film industry. However, from a global perspective, the in-flow of non-Hollywood films into Malaysia represents a new development in transnational film flow, wherein the emergence of strong film industries in non-Western and South regions (e.g. India, Hong Kong, South America, Nigeria) present a challenge to Hollywood market dominance and cultural hegemony.

In this 21st century, the development of information technology and communication, satellites, video-on-demand, online newsportals, trade liberalisation and the deregularisation of laws have hastened the contraflow process.

Thussu (2006) is of the opinion that this increased contraflow from the North to the South, East to the West, and the South - South, is due to the appearance of global media companies which prioritise marketing and revenue from advertising. Global media companies spearheaded by the United States and other Western countries monopolised the global media industry. This is especially true with the United States, backed by the strength of its political power.

Keane (2006: 835-853), explains that Asian countries established themselves in the international film industry via three waves: firstly through buying Western media companies and ICT giants, for instance the purchase of Lenovo by China, the setting up of Sony Pictures by Sony, and Samsung's grip on the hardware industry; secondly, the creation of content that is interesting and well-accepted, spurring Hollywood to produce remakes of films such as *The Ring* (2002) and *Dark Water* (2004); and thirdly the emergence of famous Asian directors and actors such as Zhang Yimou, John Woo, Ang Lee, Jackie Chan, Gong Li, Jet Li and Chow Yuen Fatt who have made a name for themselves in Hollywood.

Hong Kong directors and actor are famous for their action flicks involving swordfights as featured in *Crouching Tiger, Hidden Dragon* and *kung-fuin Hero*. Keane (2006) states, to develop its potential in the culture industry particularly in film, Asia launched five development models which have given it an edge to compete with Hollywood. According to Keane, among the approaches used by Asia are:

#### **a) Outsourcing for lower labour costs**

The cost of filming is high in Hollywood, forcing studios and producers to search for cheaper, alternative locations to shoot. This search for an ideal location has many countries clamouring for the attention of Hollywood's studios, in hopes of becoming the next 'it' location. Among the developed countries angling for Hollywood are Australia, New Zealand, Canada, South Africa and Romania, while the developing countries actively seeking the attention of Hollywood producers are China, Thailand, Mexico and Malaysia. To attract these filmmakers, a plethora of incentives are offered by these countries such as tax exemptions, subsidies, equity investments, and filming fee exemptions, in addition to the necessary equipment for filming, which includes cheap labour.

Otmazgin (2005:499) states that the low production costs in China, Thailand and Malaysia make them suitably attractive as production hubs. Malaysia became the focus of Hollywood studios when Sean Connery and Catherine Zeta Jones starred in *Entrapment*, which in one scene was filmed with the Petronas twin towers in the background. The same went for *Anna and The King*, which starred Chow Yuen Fatt and Judie Foster, and was filmed at a golf resort in Batu Gajah which served as the grounds of the King of Siam's palace.

#### **b) Copying Hollywood's production techniques**

Keane explains that among the factors that contributed to the boom in the growth of China and India's culture industry was their readiness to copy successful business models and film techniques from Hollywood. This copying was extended to software and equipment, which saw costs slashed as there was no need for research and development. At the same time, according to Otmazgin (2005), East Asia also began promoting regional culture through the establishment of music television network Channel V, which was inspired by music and youth entertainment channel MTV. This programme consistently introduces Asian music genres.

#### **c) Joint production and franchise**

The current international film trend is the recycling and adaptation of Asian films. The successes of films like *The Ring* (2002: Japan), *Dark Water* (2004: Japan), *My Sassy Girl* (2001: Korea), *My Wife is A Gangster* (2001: Korea), *Infernal Affairs* (2001: Hong Kong) and *The Eye* (2003: Hong Kong), attracted the interest of Hollywood film makers who produced features based on these Asian flicks, with a Hollywood twist.

#### **d) Specific market**

All the different ethnicities and their cultures can now be presented to the international market. Cowan (2002) in Keane (2006:845) explains:

*"Traditional African drumming remains as tradition, but it has developed its marketability through the fusion of African rhythms with acoustic and electric guitars."*

With the array of channels, thanks to the development of information technology and communication, the global audience is more quick and open to accepting different cultural products.

#### **e) The development of media industry clusters**

Industry clusters have long been recognised as an effective way of developing a sector because of the emergence of many specific industries that need select policies to ensure competitive growth.

Yusof (2003) in Keane (2006: 846) states:

*"clusters have existed for some time in East Asia. Low-tech manufacturing clusters in Japan produce everything from auto parts to eyeglass frames, while high-tech clusters are often co-located close to universities."*

Keane (2006) asserts media industry clusters in Japan, Hong Kong, China, Seoul and Taipei (Taiwan) have an edge because of the creative synergies of the local community and the availability of international funds. Talents honed in universities and colleges merge with international ideas and tastes, and the existence of solid financial and advertising industries have helped foster the growth of the cultural and creative industries. As a result, these clusters

have been able to export high-tech handheld devices, software, hardware, corporate financial services, movies and television series.

According to Otmazgin (2005:507), Bollywood is the biggest producer of films in the world, with 800 films made a year and exported to South and Central Asia, including Southeast Asia. It wields a strong influence in Singapore, Hong Kong and Malaysia because of these countries' multi-racial population. Otmazgin also states that Hong Kong has the third largest film industry in the world after India and the United States. In 2003, for instance, it produced 79 films that reaped US\$419 million at the box office, and US\$1,050 million from exports in the form of video tapes, DVDs and VCDs.

Keane (2006) concludes that the 'peripheral' term that has been linked to Asia is no longer relevant because of reasons that include the emergence of the cable television and satellite market; the increase in international joint production activities; the exchange of genres and formats between the Western and Asia; and the boom in Asia's middle class. Asia is no longer a region that accepts U.S. films wholesale; it now exports its own cultural products.

Cahdha and Kavoori (2000: 416) state that the same phenomenon is taking place in countries such as Brazil, Mexico and Egypt, which through their exports of cultural products to the rest of the world, have not only changed the course of the cultural product flow, but also the hegemonic model that was represented through cultural imperialism.

AnnebelleSreberny (2000:96) states:

*"...Indeed the flow of televisual materials from Brazil to Portugal is one example of how contemporary cultural flows reverse the historic roles of imperialism, while Latin American telenovelas on Spanish television channels in the USA has been called 'reverse cultural imperialism'."*

Bollywood, with its annual production of some 800 films a year is Asia's biggest film producer, and beats the United States which produces over 700 films over the course of the same period. But Bollywood's influence is limited to the Indian subcontinent and its diaspora around the world. It is no match for the United States despite the sheer number of films it produces. In 1993, Hollywood raked in a staggering 750 times the profit earned by Bollywood studios (Lim and Har, 2007).

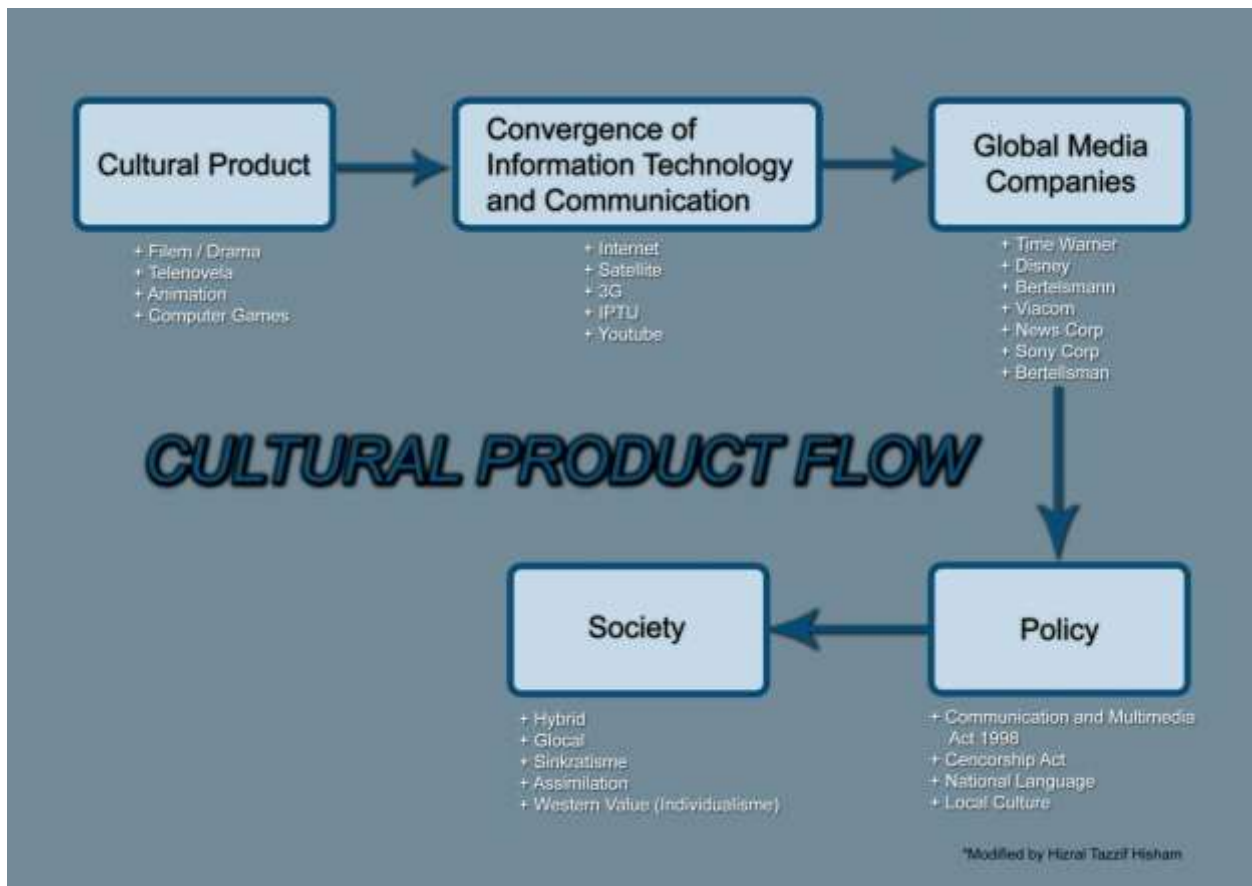
Since Dadasaheb Phalke (whose real name is Govind Dhundiraj Phalke and is known as the father of film in India) produced the first film in India titled "Harishchandra" in 1913, India ploughed full steam ahead, and has toiled endlessly to produce films for its domestic market and the Indian diaspora. Among the countries importing films from India are Tanzania, Kenya, Uzbekistan, Tunisia, Cote d'Ivoire, Mauritius, Guinea, Morocco, Tajikistan, the United Arab Emirates, Russia and Malaysia (Lim and Har, 2007) whereas popular Indian films that have proven a hit internationally are Dharti Kalal (1946), Shri 420 (1955), Perdesi (1957), Mother India (1957), Do Binge Zameen (1953), Jagte Raho (1957), Pather Panchali (1955), Shantata! Court Chalu Aahe (1971), Sholay (1975), Aapke Hain Koun (1994), Kuch Kuch Hotai Hai (1998) and Ham Saath Hain (1999). The strength of Bollywood films lie in the melodramatic storyline, the beautiful backdrops and the good-looking heroes and heroines. Many of the films are family-oriented, or based on history or mythology, or fall into the genres of comedy or romance, particularly across the caste divide.

With the pressure on to produce so many films a year, Bollywood studios have taken to adapting storylines from Hollywood films for its local market. According to the editor of Trade Guide, Tarun Adarsh, 60 percent of Bollywood films are based on old Indian and Hollywood

features. He is of the opinion that Bollywood screenwriters only copy the characters, plots and storylines from these older films.

H.I Schiller (1992) in his book, Mass Communications and American Empires stated the flow of cultural products is one-way, that is from the West (the United States) to developing nations (Third World) and poor countries without there being a counterflow. Schiller is of the opinion that communication can be capitalised on and used as a way to control the world because the United States has succeeded in dominating the globe in terms of culture, politics and economics by using communication as a conduit to spread its culture across the world.

Figure 1. Cultural Product Flow



The chart above is a model to explain the flow of cultural products from the United States (as the main exporter of culture) to this country as explained by Schiller. The combination of information technology and communication such as Internet, satellite and third generation wireless technology developments (3G) as well as the role played by global media companies like TimesWarner and Viacom enables the said content to be accessed by local society via television or personal computer via the internet.



There are two forms of significant media globalization phenomena taking place in Asia. According to Kim (2008:2), the first is the flow of cultural products from the West to Asia, where the United States is still dominant; and the second where Asian transnational media companies have taken on a role as regional players, which, with the rise of the region's middle class, have become the agents of cultural globalisation in Asia. Kim states, Asia including India and China have become a target market for these transnational media companies, and a place to test out hybrid films that combine global and local values..

Even though viewers in Asia prefer local films and television programmes, the widespread availability of American film and television shows remains the main aspect of the media globalisation process. The export value of American films and television programmes is estimated at US\$1.835 billion, making Asia among the important regions for Hollywood to market its products. Among the agencies responsible for spearheading the process of media globalisation in Asia are Hollywood, MTV, Disney, CNN and Google. In Japan, China and South Korea, Hollywood films control 62 percent, 45 percent and 41 percent of the respective countries' film industries. And the figure would have been higher had these countries lacked the capacity to produce their own films, considering the high cost of making these features instead of just screening Hollywood movies.

Asian media companies are able to manufacture cultural products because of the support of their respective governments. The governments of Japan, South Korea, Taiwan and Hong Kong identified this industry as one that is able to generate revenue and contribute to the economy. This is in line with the ambition of all Asian countries to shift from being manufacturing-based economies to knowledge and innovation-based nations.

Even though global transnational media companies, particularly from the United States, still dominate the flow of information from the West to Asia, there also exists such a flow between the Asia-Asean-West Asia region, bound together by culture, language and history. According to Keane (2006) in Kim (2008), the existence of media capitals which serve as film productions in countries in East, Southeast and South Asia have boosted the flow of cultural products in the region.

Meanwhile Asia is witnessing the emergence of the middle class as a result of government policies which has enabled its people to further their studies. This particular segment of society, according to Thomas (2005) in Kim (2008), is closely linked to the global economy and culture as this group has been educated in the West and is serving with Western transnational firms. They are cosmopolitan and information technology-savvy and enjoy seeking out entertainment as they have the means for it compared to the working class.

This new breed of lifestyle consumers are able to enjoy different cultural products because they are capable of doing so, and the rise of the middle class in Asia, including Malaysia, as a result of education opportunities and strong economic growth, has enabled these consumers to make their entertainment choices from a wider array of entertainment programmes, be they in the form of film, television, internet or DVD.

## **Conclusion**

Malaysia has a great potential to become one of the main film exporters in Asean and Asia considering herself situated in Malay Archipelago which is geo culturally link to 300 million population who speak Malay. The vast opportunity for local film to be exported to Asean and Asia lies with strong and vibrant local film industry. The Malaysian government has put a lot of effort to build local film industry, and one of the strategy is to give RM200 million fund to local producers. The fund will give impetus to local film industry to produce



more quality film and revive the industry to its glory day. The Korean Wave is a good example how Asian country can penetrate international market with its music, films and Opah Gangnam dance style. The diverse culture in Malaysia is an opportunity for local film producers to tell the world about our culture richness.

Government support and strategic planning is vital in the growth of local film industries, and particularly so when new films industries must compete with Hollywood and other flows .

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# *The End of the Cold War: An American Victory or a Soviet Loss?*

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**Frederick O. Kumolalo**

*Department of History, Morgan State University*

*Baltimore Maryland, United States*

[olumidekumolalo@gmail.com](mailto:olumidekumolalo@gmail.com)

## Introduction

Starting just as the Second World War came to an end, the Cold War lasted for a little less than half a century. During this period, the Contemporary World was practically held hostage to the living possibilities of a nuclear holocaust hanging over mankind like a sword of Damocles. In different parts of the world, the Cold War became very warm as the two superpowers fought each other by proxy. It however came close to an all-out shooting nuclear war when the two brought themselves to the brink of war with the 1962 Cuban Crisis. There have been debates as to how the Cold War started, why it did not end with the death of Stalin in 1953, why détente failed, and why the Cold War ended with the unraveling and ultimate extinction of one of the two superpowers even though there was no shooting war. Did the war end in an American victory or was it because the Soviets lost?

John Gaddis suggested that Soviet Union's Stalin was a cold warmonger who was primarily responsible for the Cold War because it was Stalin's disposition to wage cold wars having done so many times over.<sup>2</sup> Melvin Leffler argued otherwise, stating that despite the almost overwhelming cloud of mutual suspicions that characterized the alliance of the United States and the Soviet Union during the war with France and Britain practically prostrate, "Stalin did not want a rift with the Western powers."<sup>3</sup> According to Leffler, not even the victorious United States wanted any altercation with her erstwhile ally when he stated that neither Truman nor Stalin wanted a cold war.

The Cold War was "fought" on every continent, in every sphere and it produced weapons in such a massive scale never witnessed in human history. Nuclear weapons were produced in such massive scales as to destroy the planet several times over. However, when it ended, no shots were fired, armies were not amassed even though an entire ideology was vanquished and one superpower ceased to exist. Why was this so?

Ultimately, just like it started, the Cold War ended the way it did fundamentally as a consequence of the leaders who ruled the world in the last quarter of the twentieth century. Leadership was decisive in the outbreak of the Cold War as it was vital to its sustenance and ultimately central to its ending. The leadership of the Soviet Union and the United States were rabidly committed to the uprightness of their respective causes. At the outset of the war, President Harry Truman "believed in American power and American righteousness"<sup>4</sup> His confidence was buoyed by the news of the successful test of the Atomic weapon (the secret of its development was not shared with the Soviets, who however knew of it via their vast spy network) and ordering its use would not only save American lives but also give America a big leverage in the Peace negotiations. Conversely, Stalin saw threats everywhere. His "ideological preconceptions and personal paranoia made him suspect enemies everywhere." Stalin, leading the only extant communist nation in the world lived in suspicion. "Suspicion, distrust, and an abiding cynicism were not only his preferred but necessary environment; he could not function apart from it."<sup>5</sup> Even though Stalin may not have wanted a falling-out with his wartime allies as Leffler argued, Gaddis opined: "conciliation struck Stalin as naive."<sup>6</sup> These two individuals, Truman and Stalin were more or less personifications of a deeper problem that plagued the international system as the Second World War drew to a close. This was well

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<sup>2</sup> John Lewis Gaddis, "Dividing the World" in *We Now Know: Rethinking Cold War History*, (Oxford: Clarendon Press, 1997) 21-22.

<sup>3</sup> Melvyn P. Leffler, *For the Soul of Mankind: The United States, The Soviet Union, and The Cold War*, (New York: Hill and Wang, 2007) 53.

<sup>4</sup> *Ibid.*, 44.

<sup>5</sup> Gaddis, "Dividing the World" in *We Now Know: Rethinking Cold War History*. 25.

<sup>6</sup> *ibid.*

summarized by Leffler when he stated: “the Cold War came because conditions in the international system created risks that Truman and Stalin could not accept and opportunities they could not resist.” Change in the immediate post war leadership did not result to an ending of the war but on the contrary, its intensification.

When the war came to an end however, it ended in the dramatic unraveling of one of the two Superpowers, the Soviet Union. Thus within a spate of less than half a century, the contemporary world moved from multi-polarity to bipolarity and eventually to hyper-polarity. Why was it so? Why did the war end the way it ended? Why was détente unsuccessful?

Several factors have been advanced for the end of the Cold War. A crucial issue that cannot possibly be overemphasized remains the question of leadership. Gaddis was very persuasive in arguing for the role of individuals. In Gaddis’ opinion, détente must be destroyed if the Cold War must end. This was achieved, he continued, thanks to an act of defiance against the forces of historical determinism by a few key individuals – Reagan, Margaret Thatcher, Pope John Paul II, Lech Walesa and Mikhail Gorbachev – who Gaddis calls “actors.”<sup>7</sup> Gaddis stated that the last decade of the Cold War was “an age of leaders who through their challenges to the way things were and their ability to inspire audiences to follow ... confronted, neutralized, and overcame the forces that had for so long perpetuated the Cold War ...”<sup>8</sup> these leaders were more or less novelties during their time. Margaret Thatcher became, in 1979, the first female Prime Minister of the United Kingdom. She revealed her toughness and worked assiduously to undo the welfare state in her country. Polish Cardinal Karol Józef Wojtyła, a very charismatic figure, became Pope in 1978 as John Paul II and was acclaimed as one of the most influential leaders of the 20th century. He is credited with helping to end Communist rule in his native Poland and was a source of inspiration to anti-communist Lech Wałęsa and the Polish Solidarity Movement. Ronald Reagan, the 40th President of the United States was the first actor ever to become president while Mikhail Gorbachev was the only Soviet leader ever to have been born, not in the days of the Tsars but in the era of the Soviet Union

Reagan was a principal figure, perhaps the principal figure, in the final scenes of theatrical Cold War. Reagan had a personal disdain for communism and was a harsh critic of détente. He called communism a vicious system that is neither economic nor political but a form of insanity, a temporary aberration which will one day disappear from the earth because it is contrary to human nature.”<sup>9</sup> Furthermore, he was supremely confident about the superiority of the American system and way of life. According to Reagan, “the West won’t contain communism, it will transcend communism.”<sup>10</sup> Reagan had a long history of anti communism. Before he ran for and became the governor of the State of California, Reagan had been building his anti-Soviet credentials in the actors’ league, in the public lecture circuits and on the campaign trail. Leffler argued that Reagan’s uniqueness could be seen in his determination to work with “those he loathed, a leadership that he abhorred, men whose values he detested, to appreciate the concerns of his adversaries, and to learn from experience.”<sup>11</sup> Reagan played a principal role in the chain of events that eventually led to the end of the Cold War. He did not however, emerge in isolation of the evolving political and economic forces of the time. According to Fraser J. Harbutt, in *The Cold War Era*, the “diplomatic failure of Nixonian

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<sup>7</sup> John Lewis Gaddis, *The Cold War: A New History*, (New York: Penguin, 2005) 197.

<sup>8</sup> *ibid.*

<sup>9</sup> Kiron K. Skinner, Annelise Anderson, and Martin Anderson, (editors), *Reagan, In His Own Hand: The Writings of Ronald Reagan that Reveal His Revolutionary Vision for America*. New York, The Free Press, 2001

<sup>10</sup> Leffler, 340.

<sup>11</sup> *Ibid.*, 341.

détente and Carter's international humanism ... helped create the conservative revival that led to the Reagan presidency."<sup>12</sup> In any case, "detente was designed, not to end the Cold War but a necessary invention of the Kissinger-Brezhnev years, to manage it. Unstable alliances required both adversaries to understand each other better." Reagan, Fraser argues, turned out to be an effective leader that successfully marshaled the energy of competing factions and interests in the American right to create a somewhat formidable political machine that was so crucial in creating an enabling environment at home to pursue what turned out to be an aggressive anti Soviet policy. Harbutt alluded to the argument of Gaddis concerning the role of Reagan. According to him, "Gaddis has been prominent in applauding Reagan for a modulated performance – focus on America's strength in the first term, willingness to deal constructively with Soviet leader Gorbachev in the second – that was a crucial element in preparing for the final unraveling of the Cold War."<sup>13</sup> He also made allusion to Frances Fitzgerald's *Way Out There in the Blue: Reagan, Star Wars, and the End of the Cold War* where she had argued that Reagan's views of communism, American exceptionalism, national mission, and missile defense had its roots in 19th century evangelical Protestantism. Fitzgerald was unflattering in undercutting Reagan's toughness and his push for the Strategic Defense Initiative as the ultimately factor in ending the Cold War, arguing to the contrary that his surprising flexibility and appreciation of Gorbachev's reforms were much more important.

While crediting Reagan and his personal contributions to ending the Cold War the way it ended, Leffler conceded that other factors were also crucial in effectuating the Reaganesque change. This, (ending the Cold War), "was made possible by time, circumstances, and the personal qualities and beliefs of the new man who ruled the Kremlin."<sup>14</sup> Here, Leffler agreed with the actors' thesis by Gaddis. The ascension of Mikhail Gorbachev to leadership of the Soviet Union would, as it turned out, be a major turning point in the history of the defunct Soviet Union and would be crucial to the ending of the Cold War in the way and manner it ended. In what would be one of the ironies of the time, the oldest man ever to campaign for and win the American presidency had to parley with the youngest ever and the only Soviet Leader to have been born after Communist was established. He reportedly told his wife after the death of and burial of his predecessor that "we cannot continue like this." In his first meeting after the in burial of his predecessor, Gorbachev stated that his country had no expansionist ambition, referring to having such tendencies as belonging to madmen.<sup>15</sup> Gorbachev averred that "this was a unique moment," and reiterated the need to return Soviet-American relations to "normal channels."<sup>16</sup> Gorbachev's choice of words was remarkable. His submission that expansionist ambitions were tendencies belonging to madmen was either a clear repudiation of his predecessors' worldview or an embrace of the reality that there was neither the space to expand to nor the means to pursue expansionism even if there were opportunities. Westad implied this when he suggested that "the increasing discrepancy between Moscow's international aims and the means available to achieve them would have been easier to adjust if there had been a younger and more energetic leadership."<sup>17</sup> Gorbachev wasted no time in recognizing this and voicing the adjustment to expansionist ambitions. According to Leffler, Gorbachev was determined to provide leadership for his country. His

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<sup>12</sup> Fraser J. Harbutt, *The Cold War Era*, (Malden, Mass.: Blackwell Publishers, 2002), 267.

<sup>13</sup> *ibid.*, 269.

<sup>14</sup> Leffler, 341.

<sup>15</sup> *Ibid.*, 338.

<sup>16</sup> *Ibid.*, 339.

<sup>17</sup> Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Time*, (New York: Cambridge University Press, 2007), 336.

twin policy of glasnost and perestroika were crucial, not only in helping the Soviet Union adjust to the realities of the times but was priceless in assisting the outside world, especially the United States and its NATO allies, to understand, or at least appreciate Soviet thinking. In the previous decades especially the so-called missed opportunities at détente after the death of Stalin, the Soviet Union was unabashedly secretive. The Soviet Union of that period thrived on secrecy. At a time when the Soviet Union badly needed to be understood its policy of secrecy undercut its aspirations. Glasnost was Gorbachev's prescription to the timeworn and decrepit policy of secrecy.

It was Gorbachev, according to Leffler, who actually ended the Cold War. The fundamental shift in the thinking of Gorbachev was the all-important factor that led to the end of the Cold War, ending, as it were, without any military confrontation yet in the complete obliteration of the power structure of the post war world. Gorbachev came to believe that "Soviet security was not endangered by capitalist adversaries."<sup>18</sup> This shift in worldview, coupled with the reality of little or no opportunity for advances abroad gave Gorbachev the confidence to embark on restructuring the Soviet Union. The Soviet Union had been stretched thin, not only in its effort to compete with the United States in the arms race but also in its support for its allies and cronies elsewhere in the world. Its decision to intervene in Afghanistan was premised on fear, or better still, threat, not opportunity. The Soviet leadership was determined not to give Afghanistan to the Americans.<sup>19</sup> Even though the Soviet system was underperforming at home and facing danger abroad, and détente would have been a welcomed breather that would have enabled the Soviets to address domestic economic problems, any existential threat must be combated at any cost. Brezhnev was convinced that the United States wanted to blackmail the Soviets and coerce concession.<sup>20</sup> The failure of détente then was the setting stage that gave Carter's successor, Ronald Reagan sufficient room to justify the massive increase in defense spending including his 'innovative' Strategic Defense Initiative in his first term in office. It is important to note here that Reagan actually continued the Soviet policy he inherited from Carter and his election "signified a change in methods rather than aims, especially concerning Third World policies"<sup>21</sup> which was a significant chapter in the Cold War. The much-vaunted view that he wanted the United States to engage with the Soviets from a position of strength was not an original idea. As early as the 1950s, Eisenhower and his team were sold on the premise that America must negotiate only from a position of strength and, as such, should and must do all that was possible to maintain the military, economic, and strategic edge over the Soviets.<sup>22</sup> This was the philosophy behind the "peace through strength perspective"<sup>23</sup> and faith in this perspective endured to the very end of the Cold War. As a matter of fact, when Yuri Andropov became the Soviet leader in 1984, especially considering his previous role as head of the KGB, he sensed the dangers of "overstretch"<sup>24</sup> and having no remedy to the prevailing challenges, he extolled the virtues of diligence at home (for Soviets) and prudence abroad (among Soviet beneficiaries).<sup>25</sup>

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<sup>18</sup> Leffler, 448.

<sup>19</sup> *ibid*, 332.

<sup>20</sup> *Ibid.*, 334.

<sup>21</sup> Westad, 331

<sup>22</sup> Leffler, 145-146

<sup>23</sup> Charles W. Kegley, "How Did the Cold War Die? Principles for an Autopsy." *Merston International Studies Review*, 38, 1, 1994, 13

<sup>24</sup> Westad, 336

<sup>25</sup> *ibid*, 337



Apart from the roles of persons, personalities, and the uniqueness of the historical period, a major factor, crucial to our understanding of why the Cold War ended the way it did was the stability of American presidential politics in the last two decades of the twentieth century. In what must have concerned the Soviets, the hitherto predictable succession of the American presidency was in troubled waters in the two decades before Reagan. Between 1960 and 1980, the United States had five presidents. Brezhnev (1964-1982) had to work with Presidents Johnson, Nixon, Ford, Carter and Reagan. He, Brezhnev was particularly frustrated in dealing with a hitherto powerful Nixon as he watched the latter's stature eroded by the Watergate scandal and the limitation put on him by Congress to make economic concessions.<sup>26</sup> Perhaps it would be apposite to point out that the Cold War finally came to an end when the American presidency became stable with Reagan spending two full terms in office (the first since Eisenhower) and was succeeded by Bush (41st) who was Vice President for eight years. Conversely, the Soviet system suffered from paucity of strong leadership in the final build up to the end of the Cold War. The high rate of turnover in Soviet leadership was astounding. In the five years before the ascension of Gorbachev whose twin policies of glasnost and perestroika were instrumental to the final unraveling of the Soviet Union, they had three different leaders who could be described as members of the 'old guard.' There were Brezhnev, Andropov, and Chernenko. Thus at a time when the United States had vigorous, proactive, and visionary leadership, the Soviet leadership, for the most part was made up of a tired, reactive, and gerontocratic brigade who had nothing new to offer.

### **Conclusion**

A recurring theme by scholars in explaining the end of the Cold War is the almost larger than life role played by individual leaders who, in a sense were all products of a Cold War World and were uniquely placed by the force of time and history to shape the trajectory of the twentieth century world. The important roles played by these leaders cannot possibly be overemphasized. These individuals saw their moments and made the maximum use of the opportunities they presented. This is quite important. Despite their individual abilities, personal qualities and strength of character however, the particular historical juncture of their world presented them with unique opportunities. Without the opportunities presented, these "actors" would not have any historical possibility to widen (to borrow Gaddis' description) and perhaps would have found themselves incompetent and unable to overcome the forces that defied others before them. These were the same forces that practically held leaders before them hostage and/or captive. In the first instance, a major advantage shared by these leaders over their predecessors was a comparatively long observation of the geopolitical world of their time. While Truman was thrust into the murky waters of the international political, economic, ideological and military intrigues almost without preparing for it, Ronald Reagan was thirty years old when the United State enter World War II and as such had about four decades on dispassionate hatred and disdain for communism and as such, his views were well-formed and rather matured than any other American president before him. Leffler and Gaddis imputed so much ability into individual leaders as the greatest historical drama of the modern age unfolded. What should not be ignored however is the fact they were products of larger historical forces over which they had no control and the making of which they had no part. Leffler was not particularly sympathetic to previous leaders especially Eisenhower and the Dulles brothers. He practically blamed the American president and his advisers for not understanding the Soviet Union, an understanding that Reagan presumably had. Perhaps it

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<sup>26</sup> Leffler, 245

would be interesting to note that Eisenhower, while intensifying the Cold War with his policy of Massive Retaliation (which could be argued was the appropriate decision for the times) actually had as one of its objects (at least for his second term in office) an easing of tension between the United States and the Soviet Union. In his article titled "Who Won the Cold War", Henry Williams Brands opined that "Eisenhower, in the late 1950s, had taken the easing of superpower tensions to be his primary goal"<sup>27</sup>

Thus, the Cold War ended, in a decisive win for capitalism and the United States. Leffler argues that Gorbachev should have the credit for ending the Cold War<sup>28</sup> He however undercuts his own argument by suggesting that Bush (41st) had a great relationship with Gorbachev with the latter as a supplicant, adding that the Soviets were in a weak position domestically and internationally. If this were the case, had Gorbachev any other choice or actionable recourse? Perhaps it is reasonable to suggest that ending the Cold War was the consequence of an unlikely coalition between leaders in Moscow and Washington, D C and a convergence of circumstances beyond the making of an individual leader. The Cold War ended partly as a consequence of the fact that the Soviet Union did not have the financial means to continue the arms race. Similarly, this paucity of resources had weakened its resolve concerning internationalism and expansionist policies. This was not helped by the disastrous intervention in Afghanistan where the United States further succeeded in bleeding the dwindling resources of the Soviet empire. While the larger American public, despite sizeable dissensions, were in support of the American policies (Reagan's decisive reelection victory was a clear indication) centrifugal forces were becoming stronger in the Soviet Union. Invariably, a country that had serious challenges in holding itself together could not possibly succeed in challenging the United States with its resources and an enduring spirit of nationalism. Gorbachev must have realized the when he described the pursuance of old policies as madness. The Cold War had run its course. The "actors" were well positioned by the forces of history and time, forces, the creation of which they had no input. They were however well positioned in the intersection of the force of history and time. The Cold War must become a thing of the past.

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# *The Question of Leadership in Africa: A Kantian Contribution*

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**Godwyns Ade' Agbude, PhD**

*Department of Political Science and International Relations  
School of Human Resource Development, College of Leadership Development Studies  
Covenant University, Ota, Ogun State.*

[Godwyns.agbude@covenantuniversity.edu.ng](mailto:Godwyns.agbude@covenantuniversity.edu.ng)

**Elizabeth I. Olowookere**

*Department of Psychology, School of Human Resource Development  
Covenant University, Ota, Ogun State, Nigeria*

[elizabeth.olowookere@covenantuniversity.edu.ng](mailto:elizabeth.olowookere@covenantuniversity.edu.ng)

**Joy GODWYNS-AGBUDE**

*Charis Center of Leadership Development, Ado-Ekiti, Ekiti State.*

[joygodwyns@yahoo.com](mailto:joygodwyns@yahoo.com)

**Ebikaboere. OVIA, PhD**

*Department of Languages, College of Development Studies  
Covenant University, Ota, Ogun State, Nigeria*

[ebikaboere.ovia@covenantuniversity.edu.ng](mailto:ebikaboere.ovia@covenantuniversity.edu.ng)

## **Abstract**

The leadership question has become one of the recurrent issues in African politics. It is a truism that everything rises and falls on leadership. Among several factors that have been adduced for the failure of post-colonial African states and governmental apparatuses is the concept of weak, corrupt and incompetent leadership experiment on the continent. It has been argued that if Africa gets its leadership right, the socio-eco political ambiance of the continent and its citizenry would benefit from it. Therefore, this paper engages the necessary theoretical underpinnings of leadership, opting for the concept of ethical leadership using Kant's Categorical Imperative as a model for ethical values in the process of governance in the continent. This paper engages secondary sources of data in marshalling its point for ethical leadership based on the proposal of the German Philosopher. It argues that it would be a disservice to the continent if its intelligentsia underplay the central place of ethical values in its pursuit of an ideal form of leadership that is a prerequisite for national/continental development. From this paper, one can conclude that ethical leadership based on the Kantian paradigm is a necessity for development and true democracy in Africa.

**Keywords:** Leadership; Ethics; Development; Categorical Imperative; and Citizenship

## Introduction

The importance of leadership is so central in all human organizations. The nature and effects of leadership remain one of the most researched topics in organizational behavior (Barling, Christie,

& Hopton, 2010; Kelloway, Weigand, McKee and Das, 2013: 1). Not just within organizational behaviour, even in the realm of political institutions. Also, Leadership is central to the growth and the development of any nation. This possibly explains the multifarious researches on leadership in our today's world. As noted by James Hunter, a search on Amazon.com reveals more than 280,000 titles on leadership and management! Tens of thousands of pages are written about leadership in magazines and journals each year. Three-quarters of American corporations send people off to leadership classes each year and spend an estimated \$15 billion on training and consulting for those on their leadership teams Hunter (2004: 14). While we could argue that one of the major crises in Africa is the crisis of leadership, Rosenthal, Pittinsky, Purvin, & Montoya, (2007) hold that more than 7 in 10 Americans agree or strongly agree that there is a leadership crisis in the United States too. Therefore, we cannot agree less with Woolley, Caza and Levy (2011), that there is a widespread perception of a profound crisis in modern leadership. They posit further that "this perception of crisis has prompted scholars and practitioners alike to call for more positive approaches to leadership and organizational studies" (Woolley, et. al, 2011: 438).

These several studies of leadership have produced one dynamic but positive problem, which is the absence of a univocal definition of leadership. It was the leadership guru, Bennis (1989) who holds that to an extent, leadership is like beauty; it's hard to define, but you know it when you see it. Owen (2011) holds that everyone recognizes a good leader when they see one, but no one agrees on a common definition.

Avolio and Gardner (2005: 316) hold that Leadership has always been more difficult in challenging times, and that the unique stressors facing organizations throughout the world today call for a renewed focus on what constitutes genuine leadership. Public, private and even volunteer organizations are addressing challenges that run the gamut from ethical meltdowns to terrorism and SARS.

On this note, it is important we turn to review literature on leadership with the ultimate goal of discussing the concept of leadership within the purview of the political world.

### 2.1. Review of Literature

It is important to note that no matter how difficult it seems for us to have a univocal definition of leadership, there are certain identified components of leadership.

- i. Authority: This is the right a leader has to make decisions and enforce obedience without necessarily appealing to force or coercion. However, it also includes the right to take action to compel the performance of duties and to punish default or negligence.
- ii. Power: This refers to the ability of a leader to influence the behaviour of others with the use of power. The following kind of powers can be distinguished (i) Legitimate power, (ii) power of reward (iii) referent power and (iv), expert power.

- iii. Influence: It is the ability of the leader to alter the behaviour of the followers or some set of people within the scope of leadership.
- iv. Delegation of Authority: This is the process of the leader's deferment of his power and authority to a person or a group of persons to act on his behalf.
- v. Responsibility and Accountability: It entails accepting responsibility for performing a task according to orders, and be accountable for every action and decision taken

Leadership is the exercise of power, and the quality and consequences of leadership depend on the ability to exercise power (Kets de Vries, 1993). The implication of this is that special attention has to be placed on the manner with which power is exercised by the leader given that there is a possibility of abusive use of power. The ultimate place of power is underscored by Harold Laski when he argued that every government must submit itself to the judgment of those who feel the consequences of its acts. The reason for such submission is the simple historical fact that unconditional power has always proved, at least ultimate, disastrous to those over whom it is exercise (Laski, 1967).

Therefore, the explanation and definition of leadership in relation to use of power and authority must include the manner of the exercise of such power and authority so as to ensure that it is not to the detriment of the lives of the people.

Katz & Kahn (1978) define leadership as the influential increment over and above mechanical compliance with the routine directives of the organization. With this definition, they meant that leadership elicits obedience from the followers without the application of force. This implies that a leader has a natural influence over the followers without forcefully compelling them to pursue a set goal.

In the same vein, Jacobs & Jacques (1990) define leadership as a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose. With this definition, leadership creates vision, inspires its pursuit and ensures the fulfillment of organization goals.

Richards & Engle (1986) see leadership as all about articulating visions, embodying values, and creating the environment within which things can be accomplished. From this definition too, the question is not just about the achievement or realization of organizational or national goal but also the environment created by the leader must be investigated to ensure that leadership power and influence were not used to elicit high performance from the people whether they (the people) were willingly or unwillingly. In other words, true leadership does not include the use of strategic bullying and managerial tyranny.

Ricketts (2009) defines leadership as a process whereby an individual influences a group of individuals to achieve a common goal. From this definition, leadership has four components:

- i. is a process
- ii. involves influence
- iii. occurs in a group context (you need to have at least one constituent)
- iv. Involves goal attainment.

Even though this definition of leadership is inclusive, the nature of the influence is not defined again. What is important here is that any definition of leadership must capture the nature of the process of governance whether it includes voluntary followership or not.

Ayodele (2006) defines a leader as an individual appointed to a job with authority, and accountability to accomplish the goals and objectives of the society. For him, a leader must be astute with both man and material. A leader must possess the ability to create in the followers the necessary enthusiasm/motivation to put in every necessary effort to deliver on set goals. Thus, the ability not only to conceive but also to communicate a vision or idea is of utmost importance as an attribute of leadership. Above all, a leader must first and foremost be a member of his own team, internalize their feelings and galvanize their potentials towards reaching the goal (Ayodele, 2006 cited Ebegbulem, 2012).

In the same vein, Eze (2002) holds that all over the world, leadership is the most important number one factor that determines whether a nation can develop. According to him, the leadership that is free, brave, patriotic, people-oriented, destination-bound; the leadership that understands the psychology of leading and applies it to the development of the people must be at the affairs of men (Eze, 2002).

### **3.1. Development and Leadership Crises in Africa**

Underdevelopment has been the reality of Africa over the past 50 years (Gatune, 2010). Poverty has become an identity of Africa since independence. The most recent estimates indicate that approximately 47% of sub-Saharan Africans live on less than US\$1 per day and more than 50% of them are from East Africa and Nigeria (World Bank, 2001, 2008). Africa is rich in gold, diamonds, oil and many other coveted natural resources. Yet it has not managed to capitalize on its wealth: its infrastructure is underdeveloped, its economies are small and unsophisticated, and its people languish in poverty (Endres, 2012: 2). On average, poor Africans were estimated to earn US\$0.85 (85 cents) per day during the latter part of the 1990s (Bread for the World Institute, 1997; Hope, 2004:129). Since 1990, income poverty has fallen in all regions of the world except SSA, where there has been an increase both in the incidence and absolute number of people living in income poverty. This sees some 300 million people in SSA – almost half of the region’s population – living on less than US\$1 a day (UNDP, 2006: 269). Africa holds 60% of the world’s platinum deposits, more than 40% of the world’s gold and almost 90% of the world’s diamonds, not to mention substantial oil reserves that remain largely unexplored—yet it remains the world’s poorest continent, with 47% of the population living on less than \$1.25 per day. No wonder there is a constant refrain in Africa: “If we are so rich, why are we so poor?” (Lawson-Remer and Greenstein, 2012: 21)

The largest economy, the United States, with 4.6% of the global population, accounts for 24% of global GNP and exercises 17.17% voting power in the World Bank, compared to 3.71% voting rights for 50 African countries. In contrast, 50 African countries, home to 10.3% of the human population, account for 1% of global GNP and 3.71% of the voting rights in the World Bank...

Switzerland, with less than 0.1% of the global population, accounts for about 1% of global GNP; same as 50 countries with 10.3% of the global population (Garba, 2003: vii-viii).

The challenge of Africa is indeed that of political will by the political leaders in transforming the state of this continent. A further reflection on the idea of leadership confirms the genuineness of the claim that everything rises and falls on leadership.

Chinua Achebe’s master-piece on leadership crisis in Nigeria continues to stare us in the face. Achebe claimed that there is nothing wrong with the Nigerian climate, water or

airspace. And that the problem with Nigeria is that of leadership. The same can be said of all African countries.

In his words:

*The Nigerian problem is the unwillingness or inability of its leaders to rise to the responsibility, to the challenge of personal example which are the hallmarks of true leadership. I am saying that Nigeria can change today if she discovers leaders who have the will, the ability and the vision (Achebe, 1983:1).*

Though Achebe's submission is over 30 years old, the crisis of leadership is still very fresh in our daily memory today in Nigeria and almost in all African countries.

Lee Kuan Yew, in his book, *From Third World to First: The Singapore Story, 1965 – 2000*, holds that we need good people to have good government. That no matter how good the system of government, bad leaders will bring harm to their people. On the other hand, he said he had seen several societies well governed in spite of poor systems of government, because good, strong leaders were in charge.

At this juncture, it is important to state that one of the problems of leadership in Africa is the exploitative character of the leaders. In early independence of the African states, the new leaders who inherited the colonial state from their colonial masters retained the status of the state as an exploitative apparatus in the hands of the leaders. Some of these leaders held on to power tenaciously – arrested and jailed opposition parties. Most of them became life rulers.

In Nigeria, for instance, ethnic politics was introduced at independence; political parties were formed along ethnic cleavages. The people became tools in the hands of these political leaders as a means of ascending the political thrones (Agbude, 2011). Most times, promises made are not fulfilled because the intention was never to fulfill them in the first place.

Even in the Fourth Republic, political power is sought with reference to the peoples' votes. But as soon as these political leaders get into power, the people are almost neglected and policies are made that do not directly impact on their well-being but that of the leaders and their bureaucratic compatriots.

Many years ago, Dukor underscored the nature of the state in Nigeria as run by military leaders. Since then till date, such description is still very valid even in our democratic setting. According to him, "it is significant that the present Nigerian socio-economic formations are one of conflicts between the state and the society. The state, instead of being means of executing the will of the people, becomes a representative of selfish, ethnic, and narrow interests and, inevitably becomes coercive machinery. The coercive and violent nature of the state suggests that there is an inherent weakness in the concept as bequeathed to us by the colonial masters" (Dukor, 1991).

It has become a truism that the African continent is a victim of three principal forms of corruption. The first is Political Corruption which takes place at the highest levels of political authority. It occurs when the politicians and political decision-makers, who are entitled to formulate, establish and implement the laws in the name of the people, are themselves corrupt. It also takes place when policy formulation and legislation is tailored to benefit politicians and legislators (NORAD, ch.4, Jan. 2000; *The Encyclopedia Americana*, 1999). The second is Bureaucratic Corruption which occurs in the public administration or the implementation end of politics. This kind of corruption has been branded low level and street level. It is the kind of corruption the citizens encounter daily at places like the hospitals, schools, local licensing offices, police, taxing offices and on and on (see NORAD, ch.4, 2000). The third is Electoral



corruption which includes purchase of votes with money, promises of office or special favors, coercion, intimidation, and interference with freedom of election. Corruption in office involves sales of legislative votes, administrative, or judicial decision, or governmental appointment. Disguised payment in the form of gifts, legal fees, employment, favors to relatives, social influence, or any relationship that sacrifices the public interest and welfare, with or without the implied payment of money, is usually considered corrupt (The Encyclopedia Americana, 1999).

Other forms of corruption are bribery, fraud, embezzlement, extortion, favouritism and nepotism.

Almost all of these forms of corruption are present on the continent of Africa. Though, the argument is not that corruption is peculiar to the continent but that the underdevelopment nature of the continent is due to corruption as displayed in the corridor of power in Africa.

#### **4.1. Kant's Categorical Imperative**

Kant differentiates between hypothetical imperative and categorical imperative. The Kantian project in Section of Two of his work, under which the categorical imperative falls is to present the practical faculty of reason from universal rules of determination to the point where the concept of duty as the basis of all moral imperatives is seen to spring (Kant, 1878/1949: 5).

Kant began his moral proposals by opting for universality of morality. According to him, what determines the morality of an act is its universality. The word 'ought' is prior to experience telling us what actions reasons expect all rational being to perform.

Kant points out that moral struggle is an indication of man not being purely rational. Man's nature is thwarted with sentiments, passion, emotions, inclination and natural tendencies. Reason intervenes, telling man what he ought to do. Thus, the moral law is seated in practical reason. According to Kant, everything in nature works according to laws. Rational beings alone have the faculty of acting according to the conception of laws, that is according to principles i.e. have a will. Since the deduction of actions from principles requires reason, the will is nothing but practical reason. If reason infallibly determines the will, then the actions of such a being which are recognized as objectively necessary are subjectively necessary also, i.e. the will is a faculty to choose that only which reason independently of inclination recognizes as practically necessary, i.e. as good (Kant, 1878/1949: 17).

In other words, a rational being is always struggling to do what ought to be done as against just acting from inclinations and self-interest.

*The conception of an objective principle, in so far as it is obligatory for a will, is called a common (of reason), and the formular of the command is called imperative. All imperative are expressed by the word ought (or shall), and thereby indicate the relation of an objective law of reason to a will, which from its subjective constitution is not necessarily determined by it (an obligation) ((Kant, 1878/1949: 17).*

The imperatives are meant to help man act morally. They are only formulae to express the relation of objective laws of all volition to the subjective imperfection of the will of this or that rational being, e.g the human will (Kant, 1878/1949: 18).

According to him, all imperative command either hypothetically or categorically. A hypothetical imperative commands us to do that which is a means to an end: thus it is conditional. He further distinguished between problematic hypothetical imperative and

assertoric hypothetical imperative. The latter commands one to act in certain ways or do certain things in order to be happy while the former commands one to do certain thing in order to achieve an end. For example, if you want to become a lawyer, you must study law.

On categorical imperative, Kant writes:

*...there is an imperative which commands a certain conduct immediately, without having as its condition any other purpose to be attained by it. this imperative is categorical. It concerns not the matter of the action, or its intended result, but its form and the principle of which it is itself a result; and what is essentially good it consists in the mental disposition, let the consequence be what I may. This imperative may be called that of morality ((Kant, 1878/1949: 19).*

On the contrary, categorical imperative is based on what is expected of rational beings. This imperative is different from hypothetical that is characterized by rules of skill or counsels of prudence. It is categorical because it applies to all rational beings and it is imperative because it is a principle on which we ought to act. From the combination of this two (categorical imperative), Kant posits thus:

*When I conceive a hypothetical imperative, in general I do not know beforehand what it will contain until I am given the condition. But when I conceive a categorical imperative, I know at once what it contains. For as the imperative contains besides the law only the necessity that the maxims shall conform to this law, while the law contains no conditions restricting it, there remains nothing but the general statement that the maxim of the action should conform to a universal law, and is the principle on which it ought to act that is an imperative (Kant, 1878/1949: 22).*

The distinction between a maxim and a principle in Kantian ethics is that a maxim is a subjective principle on which a person is acting (whether consciously or unconsciously, while a principle is an objective law of morality on which man ought to act.

All rational beings must act with maxims that will be in consonant with the objective principle of morality – categorical imperative.

### **The first formulation:**

**Act only according to that maxim by which you can at the same time will that it should become a universal law.**

Immanuel Kant cited this example under to illuminate his postulation of this formulation of the categorical imperative.

“Another man finds himself forced by need to borrow money. He well knows that he will not be able to repay it, but he also sees that nothing will be loaned him if he does not firmly promise to repay it at a certain time. He desires to make such a promise, but he has enough conscience to ask himself whether it is not improper and opposed to duty to relieve his distress in such a way. Now, assuming he does decide to do so, the maxim of his action would be as follows: When I believe myself to be in need of money, I will borrow money and promise to repay it, although I know I shall never do so. Now this principle of self-love or of his own benefit may very well be compatible with his whole future welfare, but the question is whether it is right. He changes the pretension of self-love into a universal law and then puts the 2 question: How would it be if my maxim became a universal law? He immediately sees that it

could never hold as a universal law of nature and be consistent with itself; rather it must necessarily contradict itself. For the universality of a law which says that anyone who believes himself to be in need could promise what he pleased with the intention of not fulfilling it would make the promise itself and the end to be accomplished by it impossible; no one would believe what was promised to him but would only laugh at any such assertion as vain pretense”.

Followed from his argument that everything in nature works according to the laws of nature, he reframed the categorical imperative to show that it is the law of nature as it relates to human behaviour.

*Since the universality of the law according to which effects are produced constitutes what is properly called nature in the most general sense (as to form), that is the existence of things so far as it is determined by general laws, the imperative of duty may be expressed thus: Act as if the maxim of thy action were to become by thy will a universal law of nature (Kant, 1878/1949: 23).*

For Kant, the categorical imperative becomes the moral test of all human action. If a maxim passes the test of the C.I, then the action is morally permissible, but if otherwise, the action is morally forbidden. I opt for deception as a way of life, can I will deception as a universal rule of behaviour? Will I be happy if others use this same principle I endorse against me? If the answer is a no, then such principle of behaviour is fundamentally wrong.

### **The Second formulation:**

*So act as to treat humanity, whether in thine own person or in that of any other, in every case as an end withal, never as means only.*

The second formulation is derived from Kant’s conception of all rational beings as ends in themselves. Man should not treat another man as a means because in every man there exists the principle of ‘end-in-themselves’.

*If then there is a supreme practical principle or, in respect of the humans will, a categorical imperative, it must be one which, a being drawn from the conception of that which is necessarily an end for everyone because it is an end in itself, constitutes an objective principle of will, and can therefore, serve as a universal practical law (Kant, 1878/1949: 23).*

The foundation of this principle is man’s conception of himself as an end. This must then become an objective principle of all human actions. It is again the moral law to use man as means to an end only because men are ends in themselves. It is thus against man’s nature to be used as mere means to an end no matter how desirable or good the end is. All human activities (or action) must not violate the humanity that is conceived as an end in itself.

Beyond this, Kant argues:

*It is not enough that the action does not violate humanity in our own person as an end in itself, it must also harmonize with it. For the ends in himself ought as far as possible to be my ends also, if that conception is to have its full effect with me (Kant, 1878/1949: 28-29).*

The implication of this is that one must not only preserve the humanity in others, one must also act such that one’s actions will enhance the humanity of other rational beings. We must add value to the dignity of the other persons. For Kant, even if we cannot add value to the life of any man, we must not at anytime subtract from it.

In his words:

...although, no one should contribute anything to the happiness of others, provided he did not intentionally withdraw anything from it (Kant, 1878/1949: 29)..

Kant goes on to describe the third formulation thus:

*The conception of the will of every rational being as one which must consider itself as giving in all the maxims of its actions from this point of view – this conception leads to another which depends on it and is very fruitful, namely that of a kingdom of ends. A rational being must always regard himself as giving laws either as member or as sovereign in a kingdom of ends which is rendered possible by the freedom of will (Kant, 1878/1949: 30-31).*

The implication of this third formulation is that as human persons, we must recognize the interpersonal relation as members of the same human community. Therefore, at any point one has to take a decision or make a policy, it must be that that recognizes the humanity in others.

All rational beings are united in this kingdom of ends and are bound by common laws. The effect is that we as members of the kingdom of ends must always give universal laws to which we ourselves are subjected to. Acting from duty, for Kant, implies the obligation of every rational being towards the need to enhance their both individual and collective well being.

According to Kant, the three modes of presenting the principle of morality are as follows:

1. A form, consisting in universality: and in this view the formula of the moral imperative is expressed thus, that the maxims must be so chosen as if they were to serve as universal laws of nature.
2. A matter, namely, an end, and here the formula says that the rational being, as it is an end by its own nature and therefore an end in itself, much in every maxim serve as the condition limiting all merely relative and arbitrary ends.
3. A complete characterization of all maxims by means of that formula, namely that all maxims ought by their legislation to harmonize with a possible Kingdom of ends as with a kingdom of nature (Kant, 1878/1949: 30).

For Kant, in all our actions, our maxim – the underlying principle could be view as a legislation for all human beings without contradiction.

### **5.1. Application of the Categorical Imperative to Leadership Studies**

For Kant, at any point a leader or policy maker is to make a decision or formulate a policy, he/she should opt for a decision or policy he/she will wish should be universalized. In other words, such a leader or policy maker should put him/her self in a situation whereby he/she is at the receiving end of such policy or decision and see whether he/she can still wish the policy. If he can wish such a policy to be made a universal policy – also having an effect on

him/her – then such policy may be good. The principle of our behaviour should be tested against the categorical imperative – the universability of our principle.

In the same vein, the second formulation holds that men should not be treated as means only, but as ends in themselves. In the realm of political leadership and bureaucratic practice, it could be argued on the basis of this second formulation that the masses should not just exist as an ideological appendage in our political lexicon – only needed to gain political power and then discarded as soon as the purpose is achieved.

In contemporary politics in Nigeria, this seems to be the case. The president, governors, senators and some members of elected offices only remember the people as necessary imperative when they are at the tail end of their tenure as public office holders and they need to vie for second tenure in office. It is at this point they begin to initiate and formulate policies that have human-face just to appease and get the vote of the people. This is an example of leadership treatment of the people as means to an end and not ends in themselves. This also takes place in corporate bodies and the private sectors.

Again, Kant argues that *“although, no one should contribute anything to the happiness of others, provided he did not intentionally withdraw anything from it...”*. The implication of this position is that if political leaders, for instance, cannot add any value to the lives of the citizens, they should not devalue them also. In other words, if the policies cannot make the lives of the people better, it should not make them worse. It is better that the people remain stagnated due to unfavourable policies by their political leaders than for them to become retrogressive by their policies. To put it simply: ‘if you cannot help me, do not hurt me’; ‘if you cannot build me, don’t break me’; ‘if you cannot raise me, don’t ruin me’.

The third paradigm in the Kant’s categorical imperative is: *“A rational being must always regard himself as giving laws either as member or as sovereign in a kingdom of ends which is rendered possible by the freedom of will”*. We are to treat all human beings as belonging to the same class of people or what is known in leadership studies as social or group identity. As noted by some scholars that evidence shows that the greater the similarity between leaders’ and followers’ values, the more satisfied followers are with their leaders (Meglino, Ravlin & Adkins, 1991; Woolley, Caza & Levy, 2011). One of the problems in Africa today is a total disconnection between the leaders and the led. As soon as power gets into their hands, most political leaders in Africa disconnect themselves from the people who elected them into power. In major issues that bother on their well-being, the people are not consulted because the so-called representatives believe they have an epistemic access into what the preferences of the people are in terms of policies and programmes to be initiated and implemented for them. Thus, the gap between the leaders and the led gets wider daily both physically and materially.

## Conclusion

With the three formulations of Kant’s categorical imperative, leadership can take a new turn in Africa. We have to begin to have respect for citizenship not just as an idea or a concept in our politics but as having objective reality. We should ensure that we do not henceforth treat the people as instruments needed for the achievement of leaders’ goals. Our leaders must begin to treat us as ends in ourselves and not as a means to an end only. And importantly, the process of group or social identification is extremely important to our polity – the leaders identifying with the masses.

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