CHAPTER THREE

RESEARCH METHODOLOGY

3.1   SURVEY QUESTIONAIRE

Primary data was collected via structured questionaire from 28 companies in Wilayah Persekutuan Kuala Lumpur for the purpose of this study. Due to time constraints, the author enlisted the aid of research assistants who were assigned to conduct personal interviews with the respondent companies which had business involvement in China. All 28 questionaires were therefore found to be complete, giving a response rate of 100%.

The questionaire consisted of 3 main categories of questions:

In Part One - the author used 22 statements marked 1a - 1v in an attempt to find out the main reasons for Malaysian business involvement in China, with regard to its macro and micro environment.

From the 22 statements, a total of ten statements (1a, 1e, 1f, 1I, 1m, 1n. 1p, 1q, 1r, 1s) were used to measure if the respondent companies' preference for business involvement in China was due to the vast potential of the Chinese consumer market. Respondents were asked to indicate the degree to which they agreed or disagreed with each statement as a description (reflection) of their company's main critirea for business involvement in China. Each statement

was to be rated on a 5 point Likert Scale in which 1 = "strongly disagree" and 5 = "strongly agree". An aggregate score was then computed for each respondent by summing up the scores of the ten statements.

A further set of three statements (1c, 1u, 1v) were developed to measure if the respondent companies' preference for business involvement in China was due to the legal framework, technological standards and/or infrastructure. The remaining nine statements (1b, 1d, 1g, 1h, 1j, 1k, 1l, 1o, 1t) were clustered into another set to measure if the respondent companies' preference for business involvement in China was influenced by the role of the Chinese government and its policies. The same Likert Scale as mentioned in the paragraph above was used for these two purposes. The aggregate score for each of these two sets of statements was then computed for each respondent company by summing up the scores of each of individual statements in the respective sets.

In Part Two - the author attempts to ascertain the main risk factors for Malaysian business involvement in China. Ten business risk factors were listed and the respondent companies were asked to rank in order of importance(with 1 = most risky and 10 = least risky) the risks they faced when conducting business with or in China.

In Part Three the author attempts to draw up the company profile of the Malaysian companies involved in business in China. Information gathered pertaining to the profile of the respondent companies were in respect of: (a) type of business involvement by industry, (b) type of business involvement in China, (c) extent of business involvement in China (in RM), (d) the form of business ownership and (e) the tenure of business involvement.

A copy of the questionaire is provided in the Appendix.

3.2 SAMPLE COLLECTION

Based on the listing of firms obtained from the Ministry of Trade and Industry, out of a total of 35 companies in Kuala Lumpur, 28 companies who had business involvement in China, agreed to participate in the survey. Research assistants who were assigned to personally interview the 28 companies were briefed on the objective and details of the questionaire and the procedure for completing it so that in turn, they could provide explanation to the respondent companies (should the need arise). The duly completed questionaires were then collected back via the research assistants.

3.3 DATA ANALYSIS

The data obtained was anlaysed using the SPSS system to compute the mean scores and standard deviation , frequency and percentage figures. As the sample size was small, t-tests and anova tests were not applied.