

ISOMS/JOMSA Plenary Lecture 2

Foreign Ownership and Domestic Supply Base of Manufacturing Plants: Implications for Performance under Different Environmental Conditions



Prakash J. Singh
Professor and Head of Department
Department of Management and Marketing
The University of Melbourne, Australia

Abstract

In this presentation, we examine how foreign ownership and domestic supply base affect manufacturing plant performance under four distinct environmental contexts presented by short-term demand volatility and long-term macroeconomic instability. A large-scale dataset was assembled for the purpose of this research investigation by combining plant-level survey data on practices and performance with secondary macroeconomic data for 14 countries from multiple sources. The results from multi-level regression analyses indicate that foreign ownership helps when the plants face high macroeconomic instability and low demand volatility whereas domestic supply base is beneficial when demand volatility is high and macroeconomic condition is stable. Notably, when plants face high demand volatility and high macroeconomic instability, foreign ownership and domestic supply base complement each other for improved plant performance. These results suggest that foreign ownership structure and domestic supply base affect plants' performance distinctively, depending on the environmental context that they face. We also establish instances where foreignness is more likely to be an asset than a liability. We discuss the theoretical and managerial implications of these findings and offer directions for future research.

Biography:

Dr Prakash J. Singh is Professor of Operations Management with the Department of Management and Marketing at the University of Melbourne. He obtained his PhD from the University of Melbourne and undergraduate degrees in engineering and business from Queensland University of Technology.

Prakash's expertise is in operations and supply chain management fields. Specifically, his research into operations management focuses on operations strategy, process innovation and quality management. In the area of supply chain management, his research looks at procurement, supplier management, contract design, relationship management, and analysis and design of supply networks. His studies have been based in transport and logistics, healthcare, pharmaceutical, manufacturing, business consulting, public sector as well as the not-for-profit and voluntary sectors. His research has been published in many leading journals including Journal of Operations Management, Journal of Business Ethics, and International Journal of Operations and Production Management. He has obtained over \$6 million of research grants to support his research. These include Australian Research Council Discovery, Linkage and Industrial Transformation Training Centre grants. He has been awarded three Dean's Certificates for Excellent Research. Prakash has supervised ten PhD students to completion and seven postdoctoral research fellows to date.

Prakash has engaged extensively with industry, government and the NGO sector. In the pharmaceutical manufacturing sector, he worked with four postdoctoral research fellows on operational productivity improvement projects in three leading companies, GlaxoSmithKline, CSL and Hospira. He has advised the Australian Government on nationally significant issues such as processes for managing an immigration program and governing an international aid project. Another project investigated the business models of organisations involved in creating social and economic value in poor communities in the Philippines and Indonesia (funded by German Government Aid Agency). In other projects, he has investigated optimisation of supply chains for a railway company and advised a professional services firm on its corporate structure. He has also provided pro-bono service to a community legal service and an indigenous business development agency.