

Comparative analysis of external and internal ceo appointment in vietnam research...

[Business](#), [Company](#)



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Theoretical Framework

This study will apply control theory to make a comparison between internal and external appointed CEOs in Vietnam and come up with a conclusion on whether performance of CEOs is dependent on the mode of appointment, and the motivation factors that lead to the choice of mode of appointment.

The theory states that performance of any company depends on the mode of CEO appointment embraced by a company. Companies with internally appointed CEO are known to be more profitable than companies with externally appointed CEOs. Researchers relates this to the accountability and competence of internally appointed CEOs compared with externally appointed CEO who are mostly appointed based on the political power and influence.

A thorough analysis by researchers' shows that most multinational companies operating in Vietnam understands the impact of the method of appointing their senior management staff hence most have opted to embrace internal CEO appointment. Parastatals in Vietnam rely on external

appointment of CEOs which is mostly done by politicians hence the poor performance of these organizations. Companies with externally appointed CEOs are reporting less profit compared to companies with internally appointed CEOs in Vietnam.

Data Collection

This research will use secondary data sources to come up with findings and analysis of the comparison between the performance of companies with internally appointed CEOs and those with externally appointed CEOs. The financial records of these companies will be reviewed and a comparison will be made. Also, historic data will be derived from the archives of various companies to look at the trend of the performance of the company, the mode of CEO appointment used by these companies and any amendments made on the CEO appointment policy (Olive, 2012). The research will use data from annual general meeting news report of the companies with internally appointed CEO and externally appointed CEO to come up with a decision on the best management in these companies. Information from the Tax Authority of Vietnam will also be used in comparing the companies with internally appointed CEOs and those with externally appointed CEO since the companies with more tax return in a given financial year will be considered to be having more profits before tax compared with a company with less tax return. A lot of profit before tax is an indicator of good management of a company. The audited annual reports of the companies with internally and externally appointed CEOs will be reviewed and the findings will be used to draw a concrete decision on the best managed companies. Annual reports

with unqualified opinions will indicate that the company is well managed and those companies with qualified will mean that the management is questionable (Olive, 2012).

Legal requirement

Confidentiality

This research will keep the information provided by the interviewees confidential in order to uphold legal requirement of Vietnam and appropriate research ethics as illustrated by Bryman, (2007). The researcher and the interviewees who are in this case the staff and CEOs of some famous Vietnamese companies will be required to sign a privacy and anonymity agreement document as proposed by Creswell & Clark (2009). These signatures will act as proof of the participant's consent to provide information while the researcher upholds the privacy of the interviewees' information.

Informed Consent

The interviewees are highly recognized people in Vietnam hence the research will ensure that that they consent to be interviewed. These individuals may share information which is not very pleasing and this would make them vulnerable while answering interview questions. According to the law of Vietnam, research of any kind is not supposed to conflict with the human rights hence this research will ensure that it is within the legal requirement.

References

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