

THE GLOBAL MANAGEMENT SERIES

# **Enterprise and its Business Environment**

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Robert MacIntosh**

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# Contents

	<b>Biographies</b>	<b>vi</b>
	<b>Preface</b>	<b>xi</b>
<b>1</b>	<b>Business Organizations: The Internal Environment</b> Julie McFarlane and Ross Curran	<b>1</b>
<b>2</b>	<b>Creativity, Innovation and Entrepreneurship</b> Julie McFarlane	<b>21</b>
<b>3</b>	<b>The Legal Function: Starting a New Business – Getting the Structure Right</b> Josephine Bisacre	<b>41</b>
<b>4</b>	<b>Employment Law</b> Josh McLeod and Yvonne McLaren	<b>59</b>
<b>5</b>	<b>Research to Create Enterprise Value</b> Geraldine McKay and Linda Phillips	<b>77</b>
<b>6</b>	<b>Marketing to Create Value</b> Geraldine McKay	<b>95</b>
<b>7</b>	<b>The Human Resource Management Function</b> Kehinde Olowookere and Katherine Sang	<b>117</b>
<b>8</b>	<b>Gender and Work-life Balance</b> Steven Glasgow and Katherine Sang	<b>135</b>
<b>9</b>	<b>Porter’s Five Forces and Generic Strategies</b> Norin Arshed and Jaydeep Pancholi	<b>151</b>
<b>10</b>	<b>Operations Management</b> Umit Bititci and Stavros Karamperidis	<b>169</b>
<b>11</b>	<b>Logistics and the Supply Chain</b> Christine Rutherford and Christian König	<b>195</b>
<b>12</b>	<b>Corporate Social Responsibility and Corporate Governance</b> Julie McFarlane and Keith Gori	<b>215</b>
	<b>Index</b>	<b>231</b>

### **Dedications**

I would like to thank all my colleagues who helped in writing this book.

NA

Your strength of will and your fortitude are where I got the strength to keep going even when, at times, it looked like I wanted to give up. You endured so much in this life, and it is seeing that strength of character that drives my own, so for that, I thank you. It's because of you I started, and for you that I finish. I just hope that wherever you are, you're proud of me. I miss you.

JMcF

To my beautiful wife Anne and our children Euan, Eilidh and Eva. Thank you for your patience and your company.

RMacI

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*NA, JMcF & RMacI*

## Biographies

**Norin Arshed** is Programmes Director for the Leadership and Organizational Performance suite of MSc programmes in the Department of Business Management at Heriot-Watt University. She is an economist by background with professional experience in both the public and private sectors. Her work concentrates on enterprise policy, in particular, the role and contribution from those closely linked to the formulation process (ministers and civil servants), whilst also examining how enterprise policy is implemented (national, regional and local economic development agencies), and how entrepreneurs/SMEs experience and utilise such policy initiatives. Institutional theory is the theoretical lens used to highlight the dynamics of the enterprise policy process in her work.

**Josephine Bisacre** is an Associate Professor of Business Law and is the Director of Undergraduate Studies in the School of Management and Languages at Heriot-Watt University. She formerly worked as a solicitor in private practice in the field of corporate law. She is the author of various book chapters in the area of business law, the latest being in the third edition of Black, G (ed) (2015) *Business Law in Scotland* (2015) and the second edition of Johnson, D and Turner, C (2015) *European Business*.

**Umit Bititci** is the Professor of Business Performance at the Heriot-Watt University, School of Management and Languages, Edinburgh, UK. Until December 2013 he was the Director of Strathclyde Institute for Operations Management and the Professor of Technology and Enterprise Management at the University of Strathclyde. In the past he served as the Chairman of IFIP's Working Group on Advanced Production Management Systems and the Vice Chairman of the Institute of Operations Management. Currently he is a member of the Scottish Manufacturing Advisory Board. He has a blend of industrial and academic experience that spans across 35 years. He has dedicated his career to understanding what makes high-performing companies different. He has worked with an international portfolio of companies and public sector organizations. He has led several international research and development projects. He has published over 200 papers and regularly appears at international conferences and workshops as guest speaker.

**Ross Curran** is a PhD student at Heriot-Watt University, Edinburgh, where he is an active member of the Intercultural Research Centre. His primary research interests focus on improving volunteer management practises in

the third sector, while he has published papers exploring PPT in the developed world, and authenticity consumption at tourist sites in Japan. His PhD thesis is concerned with fostering greater utilization of the heritage inherent in many third sector organizations.

**Steven Glasgow** is a PhD student in the School of Management and Languages at Heriot-Watt University. His research primarily focuses on how gender inequalities within the workplace are produced, maintained and disrupted. He has published a book review in *Feminism & Psychology* and is currently guest editing a special issue for the journal *Interdisciplinary Perspectives on Equality and Diversity* (IPED). Steven received his MA (Hons) in Business Management from Heriot-Watt University in 2014. His teaching commitments include Research Methods and Employee Relations.

**Keith Gori** is a doctoral student in SML at Heriot-Watt University. His doctoral research engages with Consumer Culture Theory and narratives of life on the British Home Front during World War Two. More widely his research interest lies in consumer and marketing history, the historical development of thought surrounding the social responsibilities of business, and in experiential marketing and consumption. He has presented both historical and contemporary research outputs at international marketing conferences and has published work in the *Journal of Marketing Management*. He teaches on global management and marketing courses in the Department of Business Management.

**Stavros Karamperidis** is an Assistant Professor in Shipping and International Logistics, in the School of Management and Languages at Heriot-Watt University. Stavros is also a Visiting Lecturer at Newcastle University and Associate of the Prime Maritime Transport Group (Newcastle University). Prior to joining Heriot-Watt, he has conducted research funded by research councils in various UK universities. His primary research interests are in maritime transport systems and logistics, indices development, container flows and transshipment. Before joining academia, Stavros worked in various companies ranging from SMEs to multinational companies. Stavros is a member of the Chartered Institute of Logistics and Transport.

**Christian König** is a PhD student in the School of Management and Languages at Heriot-Watt University, Edinburgh. He is an active member of the Logistics Research Centre and his primary research interests focus on the outsourcing strategies of focal firms and the continuous development of service providers. In his doctoral thesis, he investigates the role of systems integrators in the logistics industry using an exploratory approach.

Christian received an MSc. in Logistics and Supply Chain Management with distinction from Heriot-Watt University in Edinburgh in 2012.

**Julie McFarlane** is an Assistant Professor for the School of Management and Languages at Heriot-Watt University, teaching areas in business, marketing and enterprise. She recently completed a PhD in Entrepreneurial Business Models in the Creative industries at the University of Strathclyde's Hunter Centre for Entrepreneurship. Prior to her PhD Julie received a Master of Science award (with Distinction) in Innovation, Commercialization and Entrepreneurship from the University of Stirling as well as a Bachelor of Arts (with Honours) in Business Studies and Marketing. She has over 10 years' experience working closely with entrepreneurs. Julie also has an interest in dynamic business models, specifically the process of entrepreneurship in the music industry.

**Geraldine McKay** is an Associate Professor in Marketing and a Chartered Marketer with a special interest in the impact of branding across stakeholder groups. Following a career in marketing (financial services, publishing, industrial branding and enterprise development) she became a university lecturer, developing and leading a number of postgraduate, undergraduate and professional programmes. She moved to New Zealand where she managed an International project between a consortium of New Zealand universities and the Ministry of Higher Education in Oman. On returning to the UK she became Academic Head for the globally delivered Heriot-Watt Management Programmes. She is currently undertaking a PhD in Education investigating transnational education and the student experience.

**Robert MacIntosh** is Professor of Strategy and Head of the School of Management and Languages at Heriot-Watt University. He trained as an engineer and has worked at the Universities of Glasgow and Strathclyde. His research on the ways in which top teams develop strategy and on organizational change has been published in a wide range of outlets. He has a long-standing interest in research methods for business and management studies and has published on the relevance of management research using methods that include ethnography and action research. He has consulted extensively with public and private sector organizations and sits on the board of the charity Turning Point Scotland.

**Yvonne McLaren** is an Aberdeen University Law School Graduate currently based within The School of Management and Languages at Heriot-Watt University. In addition to her role as a director in Safeguard Technical Services Ltd., Yvonne has a variety of roles within the department, including



Course Leader in International Human Resource Management, Commercial Law and Marketing and Consumer Law. Pastoral duties include being the Third year co-ordinator and engaging with students in the role of Super Mentor. Yvonne has previously taught a variety of law subjects at Paisley University and Glasgow College of Commerce.

**Joshua McLeod** is a PhD student in the School of Management and Languages at Heriot-Watt University, where he teaches in Business Law and Global Management. His research focuses on the corporate governance practices of professional football clubs in Scotland. Further to this, his research interests include organizational change in the football industry, the feasibility of the supporter ownership model and football finance in a broader context.

**Jaydeep Pancholi** is a PhD student within the School of Management and Languages at Heriot-Watt University, Edinburgh. His PhD thesis is investigating business strategy within the context of conflict zones, reviewing stakeholder influences on strategic decision and conflict resolution. Prior to this Jaydeep had gained a BA (hons) in International Business and Marketing at the University of Strathclyde, Glasgow, including an exchange at Nanyang Technological University, Singapore, studying courses in management and culture. This was followed by working at a leading automotive manufacture in corporate fleet. Jaydeep's academic interests have been rooted from his extensive voluntary work in personal development and corporate sustainability while being a trainer for a global NGO.

**Linda Phillips** is the Academic Group Leader for Enterprise, Marketing and Services and Principal Lecturer at Staffordshire University. She is responsible for a team of marketing, tourism and events academic staff and has strategic responsibility for undergraduate Business, Marketing, Tourism and Events courses. Linda began her career working in industry with the BBC in London, the Australian government in Canberra, and for GEC in the Midlands, where latterly she worked as Senior Marketing Executive and Head of Marketing. Linda is a Chartered Marketer and since becoming a lecturer has taught, led and developed a range of courses at undergraduate level and also delivered postgraduate and professional level programmes.

**Kehinde Olowookere** is a PhD Student in the School of Management and Languages at Heriot-Watt University, Edinburgh. Her current research investigates the management and experiences of mental health conditions within the workplace, with particular focus on how difference is constructed within normative organizational contexts. She holds an MSc in International

Human Resource Management from Sheffield Hallam University (2013). More generally, her interests include the management of diversity in the workplace and identity construction at work.

**Katherine Sang** is an Associate Professor of Management in the School of Management and Languages, Heriot-Watt University. Her research examines the workplace as a site where gender and associated inequalities are (re)produced. In addition, her research examines posthumanism as a framework for understanding human/nonhuman relations in organizations. She teaches the sociology of work and research philosophy. Currently, Katherine is the Chair of the Feminist and Women's Studies Association UK & Ireland.

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## Preface

When Isaac Newton wrote to his contemporary Robert Hooke, he claimed to have seen a little further by standing on the shoulders of giants. In that same spirit we would acknowledge that this book builds on the contributions of many prior works by towering figures in the field of management and organization. In the last two decades, the fields of business and management, enterprise and entrepreneurship have developed rapidly, with the results that critics argue that business enterprise is merely a broad label under which a hodgepodge of loosely affiliated, sometimes contradictory research is housed. This book attempts to bring some structure to the field by organizing basic ideas and introducing them to those new to the study of business enterprises.

Often when we think of a business enterprise we default to those brand name, global businesses that are woven into the fabric of our everyday life. Google, Amazon, Apple and their contemporaries are amongst the most valuable businesses in the world, employing many thousands of people across developed and developing economies. Yet now, for the first time in history, more than half of the world's businesses are small in size. For example, in the UK alone 99% of the 5.2 million business registered are extremely small indeed. Small businesses have always played a vital role in the economy but the technological revolution of the last 20 to 30 years has meant that some small firms are 'born global', i.e. they operate in multiple markets and/or geographies from foundation. Business enterprises are creative, innovative and technology-savvy centres of excellence that challenge our traditional views. Many firms are larger than nation state economies. Some have better technological know-how than most governments. A few house art collections, employ security staff or know more about their customers than any political regime could imagine. As the global economy develops, firms large and small are at the heart of rapid and radical transformations in the way that we live our lives. The role of the business enterprise is to create value – value for the consumer, value for the market and value for those stakeholders who have a vested interest in the company. In a turbulent economy, businesses large and small must keep abreast of the external business environments where new competitors emerge, customer tastes change and new opportunities arise. Thus, to introduce new readers to the fascinating world of business enterprise, this book provides an insight into the inner workings of the firm.

This book touches upon the many challenges which organizations of all types need to consider today. This allows for a holistic approach to understanding businesses, their environment and, critically, the relationship between the two. Our aim is to examine globalization and its significance to organizations. We look at how organizations have been changed by evolving attitudes and cultures in the world economy. There are issues relating to the internal workings of the firm, external environments, legal issues, marketing (both planning and researching), human resource functions, strategies, business operations, logistics and finally, corporate governance and corporate social responsibility. Each represents an important area for business enterprises and chapter by chapter, we offer a comprehensive overview of these fundamental aspects of business. We explore the role of entrepreneurs, consumers and businesses, to understand how their roles affect the production and allocation of goods and services. Ultimately, such an overview can convey only a glimpse of the rapid changes facing business enterprises today. We hope however, to provide a solid base from which those new to the study of business can develop their own interests in relation to the most powerful economic and entrepreneurial forces shaping the world in which we live.

*Norin Arshed, Julie McFarlane and Robert MacIntosh*