INTERNATIONAL BUSINESS: NEW CHALLENGES, NEW FORMS, NEW PRACTICES.

The Academy of International Business (UK and Ireland Chapter)

38th Annual Conference
14th - 16th April 2011

University of Edinburgh Business School
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Welcome

The University of Edinburgh Business School is delighted to welcome you to the 38th Annual Conference of the Academy of International Business (UK & Ireland Chapter). The continuity and change we see in international business is reflected in our setting—an historical building extensively renovated to become a 21st century business school. Many of the forces and pressures within international business—the shift of production and economic power towards the emerging economies, the increasing exchange of people, goods, services and capital throughout the world, and the transfer of knowledge between territories and peoples within and outwith organisations might have been discussed at the very founding of the University in the 16th Century. Indeed, pressures of international business were among those that lay behind its founding.

This continuity and change remain for us to manage. New technological development, in which Edinburgh University pioneers still, has always driven international business change, but specific new technologies drive it in new and sometimes different ways. Long-standing driving forces in the capital markets, many pioneered within this city, have played their part in the evolution of international business over the centuries, but recent disruptions are leading managers in the financial services industry, amongst others, to find new management models for their international business activities. This leads us to our conference theme this year: International Businesses – New Challenges, New Forms, New Practices.

This ongoing evolution led us to innovate with a new idea of keynote interviews, and we are grateful for the courage shown by our pioneers in this experiment. The number, scale and complexity of large, complex, collaborative projects and programmes is increasing, presenting new challenges for those practicing international business. Our first keynote interviewer is Tamer Cavusgil of Georgia State University, who will interview three managers working at the heart of this challenge: Hillary Sillitto from the THALES Group, Paul Holbourn from Selex Galileo S.p.A, and Hermine Schnetler, from the UK Astronomy Technology Centre. The process of internationalization was a challenge for the Scottish state and for its entrepreneurs in the 16th century; so it is today. Now, however, we see very different types of firms rising to the challenge, and our second keynote interviewer Pervez Ghauri of Kings College at the University of London will interview individuals at the heart of the internationalization process from within very different types of businesses. We are delighted to hear from Carla Mahieu of Aegon N.V., Arten Moussavi of Biofoodnutrition, SE, Ian Stevens of Mpathy Ltd, and Paul D’Arcy of Raytheon, UK.

This annual conference allows scholars of the UK and Ireland Chapter to share their work and their ideas, and to learn. The atmosphere, as always, will be of learning, and of exchange, characterised by a spirit of generosity. The outcome is an exceptional number of presenters from around the world. With almost half of the presentations being from scholars from elsewhere in the world, this UK and Ireland Chapter event is very much an international conference. Knowledge exchange and growth of capability, as we know, requires generosity.
of spirit from all those involved, facilitated by social interaction. We hope that we have set a good scene for interaction – focussed as well as social.

Our spirit of learning and development is reflected in the Doctoral Colloquium, organised as in previous years by our colleagues at the University of Glasgow Business School - managed by Anna Morgan-Thomas, supported tirelessly by Jane Britton. The popularity of the colloquium grows year by year. This year 59 students are being supported by the generosity of 58 senior colleagues who have given up their own time before and after the conference to help these young scholars. Thanks to all.

We have relied also on the generosity of so many who made the conference a possibility, who I would now like to acknowledge. Double blind reviewing, and the contribution of helpful comments by reviewers is a selfless task on which we all rely, and they are acknowledged within the programme. Our keynote interviewers and the individuals participating in the panels have given up their time to provide this new approach. My academic colleagues here at Edinburgh have done a lot of last-minute reviewing, and I have relied on members of the executive committee of our chapter for advice and support. Thanks to our PhD students, the papers have been organized into a programme, the papers put into packs, and we are being guided around the Business School. Thanks to the support of Nick Oliver, Head of the University of Edinburgh Business School, the conference itself has been underwritten. Goodwill is powerless without good management, and here I am profoundly grateful for the work of Sandra Peddie, Conference Manager, and the organising team that made it possible, Sarah Anderson, Hazel Parker and Nicola Sukatorn.

I hope that you enjoy the conference and that we might see you next year in Liverpool.

Simon Harris
AIBUKI 2011 Conference Chair
University of Edinburgh Business School
Sponsors

The Academy of International Business (UK and Ireland Chapter) acknowledges the support of the following sponsor of the 38th Annual Conference hosted by the University of Edinburgh Business School.

Palgrave Macmillan is a generous long-time supporter and sponsor of the AIBUKI annual conference

Palgrave Macmillan is a global academic publisher, serving learning and scholarship in higher education and the professional world. Palgrave Macmillan publishes textbooks, journals, monographs, professional and reference works in print and online, focusing on the Humanities, the Social Sciences and Business. As part of the Macmillan Group, the company represents an unbroken tradition of 150 years of independent academic publishing, continually reinventing itself for the future.
University of Edinburgh Business School

The University of Edinburgh Business School enjoys a long tradition of teaching and research. The School offers undergraduate, postgraduate and executive education programmes in business and management and provides a platform for research, discussion and debate on a wide range of business issues.

Part of the University of Edinburgh one of the world’s top 40 universities with a rich heritage of delivering education for over 400 years, the Business School has an international student body typically representing more than 25 countries.

In August 2010 the School relocated to a new building at Buccleuch Place, located at the heart of the University campus. This state-of-the-art space features eight lecture theatres, multiple syndicate rooms, an executive education suite, student study centre and online resource, cafe and significant flexible space for staff and students. The building has been designed and specified to meet the current and anticipated future needs of the School’s portfolio of activities and represents an investment of £17m by the University.

The School’s teaching and research covers six main subject areas – accounting & finance, entrepreneurship & innovation, management science & business economics, marketing, organisational studies and strategy & international business. An emerging area of expertise for the Business School is carbon management through an innovative partnership with the School of GeoSciences.

The School is accredited by EQUIS and AMBA and consistently ranked in the Financial Times and Economist MBA Rankings – reflecting not just a long history of business teaching but also the substantial experience of a faculty comprising more than 80 teaching staff. Core to the School’s philosophy is a close interaction with the corporate world through industry-based research and consultancy.

The School aims to attract excellent staff and students from around the world; to provide an intellectual environment which fosters debate and world-class research and to build strong connections to the world of business.
Conference Organisation

The AIBUKI Conference 2011 was organised by the University of Edinburgh Business School:

Simon Harris  
Conference Chair

Sandra Peddie  
Conference Manager

Sarah Anderson, Hazel Parker and Nicola Sukatorn  
Conference Secretaries

Kenneth Amaeshi  
Chris Carr  
Jose Godinez  
Steven Harwood  
Omaima Hatem  
Jia Li  
Ling Liu  
Shubo Liu  
Brad MacKay

Volker Mahnke (Copenhagen Business School)  
Sheetal Patel  
Sacha Rawlence  
Thor Sigfusson  
Veselina Stoyanova  
Konstantinos Tsanis  
Alessa Witt  
Rick Woodward
Doctoral Colloquium Organisation

The Convenor of the Doctoral Colloquium is Dr Anna Morgan-Thomas, and she was assisted by Jane Brittin. Both at the University of Glasgow.

The purpose of the Doctoral Colloquium is to provide doctoral researchers in International Business with the opportunity to improve their research skills. Students present and discuss their research with a panel of distinguished scholars in the field, in interactive sessions that are open to all conference delegates. This year the Colloquium has been expanded to include formal training sessions, for example, a hands-on workshop on how to publish in top journals with Professor Ulf Andersson.

The Colloquium also provides doctoral researchers with an opportunity to interact with colleagues from other institutions working on International Business topics, and to join and feel part of the AIB community of researchers. There are two streams in the Doctoral Colloquium. Stream A is the competitive stream and is for students who have made progress in the development of their research, or who have recently completed their doctoral thesis.

Papers submitted for Stream A are eligible for both the Neil Hood and Stephen Young Prize for the Most Original New Work and the Michael Z Brooke Doctoral Prize. Stream B is for students who are in the earlier stages of their doctoral research, usually before data collection. Papers submitted for Stream B may be considered for the Neil Hood and Stephen Young Prize for the Most Original New Work, but will not be eligible for the Michael Z Brooke Doctoral Prize.

59 papers were accepted this year, 15 papers for presentation in Stream A and 44 papers for presentation in Stream B.
Reviewers

We would like to thank the many reviewers who volunteered their time to help out with our double blind peer review process:

Frederick Ahen, Turku School of Economics, Finland
Eva Alfoldi, University of Manchester, UK
Kenneth Amaeshi, University of Edinburgh Business School, UK
Yasemin Bal, Yildiz Technical University, Turkey
Ödül Bozkurt, Lancaster University Management School, UK
Trevor Buck, Loughborough University, UK
Hanni Candelin-Palmqvist, University of Turku, Finland
Chris Carr, University of Edinburgh Business School, UK
Yi-Ying Chang, National Taiwan University of Science and Technology, Taiwan
Jennifer Chang, Feng Chia University, Taiwan
Shao-Chi Chang, National Cheng Kung University, Taiwan
Charles Chen, University of Phoenix, United States
Jeremy Clegg, University of Leeds, UK
Gary Cook, University of Liverpool, UK
Carla Costa, Technical University of Lisbon, Portugal
Mike Crone, University of Strathclyde, UK
Louise Curran, Toulouse Business School, France
Pavlos Dimitratos, Athens University of Economics and Business, Greece
Nigel Driffield, Aston Business School, UK
Jun Du, Aston Business School, UK
Thambi Durai, Precision Infomatic(M) Private Limited-IT Industry, India
Stefano Elia, Politecnico di Milano, Italy
Taina Eriksson, Turku University, Finland
Natasha Evers, National University of Ireland Galway, Ireland
Diana Andreea Filipescu, Autonomous University of Barcelona, Spain
Fragkiskos Filippaios, University of Kent, UK
Andrew Finger, Unisinos Business School, Brazil
Margaret Fletcher, University of Glasgow, UK
Peter Gabrielson, University of Vaasa, Finland
Mika Gabrielson, Aalto University, Finland
Axele Giroud, University of Manchester, UK
Sougand Golestorkhi, Manchester Metropolitan University, UK
Ray Griffin, Waterford Institute of Technology, Ireland
Calin Gurau, GSCM - Montpellier Business School, France
Brigit Hagen, University of Pavia, Italy
Simon Harris, University of Edinburgh Business School, UK
Stephen Harwood, University of Edinburgh Business School, UK
Omaima Hatem, University of Edinburgh Business School, UK
Pia Hurmelinna-Laukkanen, University of Oulu, Finland
Elaine Hutson, University College Dublin, Ireland
Rhona Johnsen, Audencia School Of Management, France
Alexandra Kaar, Johannes Kepler University, Austria
Igor Kalinic, University of Groningen, Netherlands
Oskar Kayasan, European Research Centre, UK
Colm Kearney, Trinity College Dublin, Ireland
Breda Kenny, Cork Institute of Technology, Ireland
Mari Ketolainen, Turku School of Economics at University of Turku, Finland
Rebecca Chung Hee Kim, Nottingham University, Malaysia
Alina Kudina, University of Warwick, UK
Olli Kuivalainen, Lappeenranta University of Technology, Finland
Nishant Kumar, Stockholm University, Sweden
Hyun-Jung Lee, London School of Economics, UK
Edward Lee, University of Hertfordshire, UK
Yong Kyu Lew, University of Manchester, UK
Xiaoping Li, Northumbria University, UK
Yun Li, Standard and Poor's, United States
Ling Liu, University of Edinburgh Business School, UK
Sharon Loane, University of Ulster, UK
Robert MacKay, University of Edinburgh Business School, UK
Alex MacKinnon, University of Stirling, UK
Volker Mahnke, Copenhagen Business School, Denmark
Tuija Mainela, University of Oulu, Oulu Business School, Finland
Prizes

There are four awards presented at the AIBUKI Annual Conference:

- The Palgrave Award for the Best Competitive Paper.
- The Emerald Critical Perspectives on International Business Prize.
- The Michael Z Brooke Doctoral Prize, awarded to the doctoral researcher who presents the best paper in the competitive stream (Stream A) of the Doctoral Colloquium.
- The Neil Hood and Stephen Young Prize for the Most Original New Work, awarded to the doctoral researcher from either stream (A or B) of the Doctoral Colloquium who presents the ‘best new research’.

Publishers

The following publishers have stands at the 2011 Conference in the Business School Concourse:

- Edward Elgar Publishing
- Euromonitor International
- Emerald Group Publishing
- Palgrave Macmillan
- Pearson Education
- Sage
General Information Regarding The Conference

Conference Reception Desk

We have a dedicated Conference Reception Desk located on the Concourse Level (Ground) of the Business School.

It will be open at the following times:

- Thursday, 14 April 1800 to 1930 hrs
- Friday, 15 April 0800 to 1800 hrs
- Saturday, 16 April 0830 to 1800 hrs

Completion of Registration

All registration fees and other charges must be paid in full in order to complete your Registration. At this time, you will receive your Delegate bag, as well as a Conference Badge. Please wear your badge at all times during the Conference, as only delegates with official Conference ID will be allowed into any of the Conference Sessions and functions.

Dress Code

The dress code for the entire Conference, including the Conference Gala Dinner, is smart casual.

Catering

Tea, and coffee will be served during the breaks in the Business School Concourse.

Lunches are served at Teviot Row House and then tea and coffee back at the Business School Concourse.

Conference Gala Dinner

The Conference Gala Dinner will be held at the Hub on Castle Hill at 6.30pm.

Parallel Sessions

All presenters may upload their presentations in either a Microsoft Powerpoint file, 93-2007 version as latest, Microsoft Word, 93-2007 version as latest, or as a .pdf file. They are responsible for ensuring that that their presentations are uploaded onto the computer in the room in advance of the start of their Session. Assistance will be available to assist in the process. Presentations may of course be uploaded during any of the breaks prior to the allocated session, however please do so only on the same day that you will present.
During the Parallel Sessions, each Presenting Author will make a 15 minute presentation on their paper. The Session Chair is responsible for directing any Q&A and for ensuring that the Session ends on time. Any time left at the end of the each Session will be devoted to general Q&A on all papers presented during the Session. Presenting Authors are therefore asked to remain in their rooms until the end of the Session if possible.

**Papers**

In the Conference Bag, you will receive a CD containing all the conference papers presented during the Parallel Sessions. The papers are saved under the Presenting Author’s last name and paper title (or a part of it). If you can’t find the paper you’re looking for, please feel free to contact the Presenting Author directly using the email provided in the Delegate Listing at the back of this Conference Programme & Book of Abstracts.
Keynotes

Professor S. Tamer Cavusgil

S. Tamer Cavusgil is Fuller E. Callaway Professorial Chair and Executive Director, CIBER, Georgia State University, Atlanta, GA. Tamer holds MBA and Ph.D. degrees in business from the University of Wisconsin. Tamer specializes in the internationalization of the firm, global strategy, emerging markets, and buyer-seller relationships in cross-border business. Tamer’s professional career spans teaching, research and administrative responsibilities in international business at Michigan State University, Bradley University, University of Wisconsin, and the Middle East Technical University (Turkey).

Tamer has authored more than a dozen books and over 190 refereed journal articles. His work is among the most cited contributions in international business. His books include *International Business: The New Realities, 2nd Ed.*, co-authored with G. Knight and J. Riesenberger.

Professor Pervez N Ghauri

Professor Ghauri completed his PhD at Uppsala University in Sweden and is at present Professor of International Business at King’s College London. He is a Fellow of European International Business Academy and was Vice President for Academy of International Business during the period 2008 – 2010. Recently, he was awarded an honorary Doctorate by Turku School of Economics and Management, Finland in recognition of his contributions towards the field of International Business.

Professor Ghauri has published more than 23 books and numerous articles in Journals such as: Journal of International Business Studies, British Journal of Management, Journal of World Business, Management International Review and Journal of Business Research. He is Editor in Chief for International Business Review and Editor (Europe) for the Journal of World Business.
Programme Summary

Thursday 14th April 2011

16.00 – 18.00  Executive Committee Meeting (Exec C’ttee Members Only)
   Business School Roof Terrace

18.00 – 19.30  Drinks Reception & Registration (All welcome)
   Business School Concourse

19.30 – 20.00  Doctoral Panellists’ Briefing Meeting (Panellists only)
   Business School Lecture Theatre 1

Friday 15th April 2011

From 08.00  Registration
   Business School Concourse

08.30 – 10.30  Doctoral Stream A/B
   Business School

10.40 – 11.00  Conference Welcome
   George Square Lecture Theatre

11.00 – 12.30  Keynote Interviews:
   Managing Complex Cross-Border Collaborative Projects and
   Programmes.
   (Prof. Tamer Cavusgil)
   George Square Lecture Theatre

11.00 – 12.30  Parallel sessions/panels 1
   Business School

12.30 – 14.00  Lunch Break
   Teviot Row House

14.00 – 15.30  Keynote Interviews:
   Managing the Process of Internationalisation
   (Prof. Pervez Ghauri)
   George Square Lecture Theatre

14.00 – 15.30  Parallel sessions/panels 2
   Business School

15.30 – 16.00  Tea/Coffee Break
   Business School Concourse

16.00 – 17.30  Parallel sessions/panels 3
   Business School

18.30 –  Drinks Reception followed by Dinner and Ceilidh
   The Hub
Saturday 16th April 2011

09.00 – 10.30  Parallel sessions/panels 4
   Business School

10.30 – 11.00  Tea/Coffee Break
   Business School Concourse

11.00 – 12.30  Parallel sessions/panels 5
   Business School

12.30 – 14.00  Lunch Break
   Teviot Row House

13.30 – 14.00  AIB Members Meeting
   Business School Auditorium

14.00 – 15.30  Parallel sessions/panels 6
   Business School

15.30 – 16.00  Tea/Coffee Break
   Business School Concourse

16.00 – 18.00  Doctoral Stream B
   Business School
# Conference Programme at a Glance

## Location of Rooms

<table>
<thead>
<tr>
<th>Room</th>
<th>Location</th>
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<tbody>
<tr>
<td>Concourse</td>
<td>Business School Ground Floor</td>
</tr>
<tr>
<td>George Square Theatre</td>
<td>See Map provided.</td>
</tr>
<tr>
<td>Auditorium</td>
<td>Business School Ground Floor</td>
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<tr>
<td>Lecture Theatre 1</td>
<td>Business School Lower Ground Floor</td>
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<td>Lecture Theatre 2</td>
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<td>Lecture Theatre 3</td>
<td>Business School Lower Ground Floor</td>
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<td>Lecture Theatre 4</td>
<td>Business School Lower Ground Floor</td>
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<td>Lecture Theatre 5</td>
<td>Business School First Floor</td>
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<td>Lecture Theatre 6</td>
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<td>Lecture Theatre 7</td>
<td>Business School First Floor</td>
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<tr>
<td>Roof Terrace</td>
<td>Business School Fourth Floor</td>
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<tr>
<td>Teviot Row House</td>
<td>See Map provided.</td>
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## Thursday 14th April 2011

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<tr>
<th>Time</th>
<th>Roof Terrace</th>
<th>Concourse</th>
<th>Lecture Theatre 1</th>
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<tr>
<td>16.00-18.00</td>
<td>Executive Committee Meeting</td>
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<td>(Executive Committee Members only)</td>
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<td>18.00-19.30</td>
<td>Drinks Reception &amp; Registration</td>
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<td>Doctoral Panellists’ Briefing Meeting</td>
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Friday 15th April 2011

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<th>Time</th>
<th>Location/Session</th>
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<tr>
<td>08.30-10.30</td>
<td>Registration (Concourse)</td>
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<td>08.30-10.30</td>
<td>Exhibition &amp; Break-out</td>
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<td></td>
<td>Doctoral A1: Foreign Investment, Co-operation and Innovation</td>
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<td>Doctoral A2: Internationalisation all-on of Service Firms</td>
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<td>Doctoral A3: Management in a Cross Cultural Environment</td>
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<td>Doctoral A4: Entrepreneurial Processes, Resources and Outcomes</td>
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<td>Doctoral A5: Contexts and Modes of Internationalisation</td>
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<td></td>
<td>Doctoral B1: Foreign Entry Mode Decisions: Implications for Knowledge, Innovation and Performance</td>
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<td>Doctoral B3: The Process and Context of Internationalisation</td>
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<tr>
<td>From 9.30am</td>
<td>Tea/Coffee Available in Concourse (until 11am)</td>
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<td>10.40-11.00</td>
<td>Conference Welcome (George Square Theatre)</td>
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<td>11.00-12.30</td>
<td>Exhibition &amp; Break-out</td>
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<td></td>
<td>Keynote Interviews – Managing Complex Cross-Border Collaborative Projects and Programmes Tamer Cavusgil</td>
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<td>Session 1A: No papers.</td>
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<td>Session 1B: SPECIAL PANEL International Entrepreneurship</td>
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<td>Session 1C: No papers.</td>
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<td>Session 1D: No papers.</td>
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<td>Session 1E: No papers.</td>
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<td>Session 1F: Internationalisation all-on from Emerging Markets</td>
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<td>Session 1G: Firm Networks and Social Relations</td>
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<td>Session 1H: Methods For Research in International Business</td>
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<td>12.30-14.00</td>
<td>Lunch Break (Teviot Row)</td>
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<td>Tea/Coffee from 1.15pm Business School Concourse</td>
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### Friday 15th April cont’d

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<th>Time</th>
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<th>Sessions</th>
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<tr>
<td>14.00-15.30</td>
<td>Concourse – Ground Floor</td>
<td><strong>Keynote Interviews – Managing the Process of Internationalisation</strong>&lt;br&gt;Pervez Ghauri  &lt;br&gt;<strong>Session 2A</strong> Financial Performance in Emerging Markets  &lt;br&gt;<strong>Session 2B</strong> Knowledge Transfer Within and Outwith The MNC  &lt;br&gt;<strong>Session 2C</strong> No papers.  &lt;br&gt;<strong>Session 2D</strong> No papers.  &lt;br&gt;<strong>Session 2E</strong> Corporate Governance and Finance  &lt;br&gt;<strong>Session 2F</strong> Foreign Direct Investment From Emerging Markets  &lt;br&gt;<strong>Session 2G</strong> No papers.  &lt;br&gt;<strong>Session 2H</strong> Strategic Change - The International Dimension</td>
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<tr>
<td>15.30-16.00</td>
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<td>Tea/Coffee Break (Concourse)</td>
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<td>16.00-17.30</td>
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<td><strong>Session 3A</strong> SPECIAL PANEL International Business Theory  &lt;br&gt;<strong>Session 3B</strong> SPECIAL PANEL International Entrepreneurship  &lt;br&gt;<strong>Session 3C</strong> International Strategy  &lt;br&gt;<strong>Session 3D</strong> Outsourcing and Off-shoring  &lt;br&gt;<strong>Session 3E</strong> Re-<em>internationalisation</em> -on and De-<em>internationalisation</em> -on  &lt;br&gt;<strong>Session 3F</strong> International Business and Emerging Markets  &lt;br&gt;<strong>Session 3G</strong> Internationalisation -on Process and Dynamic Capabilities  &lt;br&gt;<strong>Session 3H</strong> Technology and Internationalisation</td>
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<td>18.30</td>
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<td>Drinks Reception at The Hub followed by Conference Dinner and Ceilidh</td>
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<td>09.00-10.30</td>
<td>Concourse</td>
<td><strong>Session 4A</strong></td>
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<td>Auditorium</td>
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<td>Lecture Theatre 7</td>
<td><strong>Session 4C</strong></td>
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<td>Lecture Theatre 4</td>
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<td>Lecture Theatre 5</td>
<td><strong>Session 4H</strong></td>
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<td>11.00-12.30</td>
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<td><strong>Session 5A</strong></td>
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Tea/Coffee Break (Concourse)

Lunch Break (Teviot Row)
Tea/Coffee from 1.15pm Business School Concourse
AIB Members Meeting (Auditorium)
### Saturday 16th April 2011 cont’d

<table>
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<th>Time</th>
<th>Location and Details</th>
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| **14.00-15.30** | Exhibition & Break-out  
Session 6A: SPECIAL PANEL Catalysts for PhD Excellence and International Business Research Methods Training  
Session 6B: Human Resource Management in Asia  
Session 6C: Knowledge Creation and Transfer  
Session 6D: Corporate Governance  
Session 6E: Foreign Direct Investment in Emerging Economies  
Session 6F: SME Internationalisation: The Decision Process  
Session 6G: Culture and Praxis in the International Firm |

| **15.30-16.00** | Tea/Coffee Break (Concourse) |

| **16.00-18.00** | Exhibition & Break-out  
Doctoral B4: Knowledge, Capabilities and Internationalisation  
Doctoral B5: Institutional Environment and its Impact on Internationalisation  
Doctoral B6: Managing Culture and Cross-Cultural Management  
Doctoral B7: Emergent Patterns of International Development  
Doctoral B8: Dynamic Patterns of International Development  
Doctoral B9: Internationalisation on, Capabilities and Entrepreneurial Strategies  
Doctoral B10: International Marketing, Finance and Performance  
Doctoral B11: Corporate Social Responsibility and International Branding |
Programme Sessions

Please note the underlined author is the presenting author.

Friday 15th April 2011

Doctoral Colloquium A1 - Foreign Investment, Co-operation and Innovation
8.30am - 10.30am Auditorium

Panellists: Peter Buckley, University of Leeds, UK, Alan Rugman, University of Reading, UK and Bruce Hearn, University of Leicester, UK

R&D Spillovers from Foreign Direct Investment (FDI) in the Republic of Korea: The Role of Firm-Level Heterogeneity
Yoo Jung Ha
Manchester Business School, University of Manchester, Manchester, UK

Foreign Direct Investment in Emerging Market: Multiple Approaches to Complement Dunning's Ownership-location-internalization Paradigm
Helen Cai
The University of Hull, Hull, UK

National and International Innovative Cooperation: Effects and Complementarities. Evidence from Spanish Firms
Juan Fernandez-Sastre
Spanish National Research Council (CSIC), Madrid, Spain, Universidad Autónoma de Madrid (UAM), Madrid, Spain

Doctoral Colloquium A2 - Internationalisation of Service Firms
8.30am - 10.30am Lecture Theatre 7

Panellists: Lawrence Welch, Melbourne Business School, Australia, Olli Kuivalainen, Lappeenranta University of Technology, Finland and Frank McDonald, University of Bradford, UK

An Investigation into the Market Entry Mode Choices of International Retailers into the Developing Nigerian Market. (An Institutional and Transaction Cost Perspective)
Mathew Analogbei
University of Strathclyde, Glasgow, UK

How SMEs Internationalise: A Study of the Internationalisation of Irish Architecture Firms
Deirdre Canavan
Dublin Institute of Technology, Dublin, Ireland

Flexibility and Commitment When Entering in Foreign Countries Through Acquisitions: A Case Study
Leonidas Quadros da Paixao
Universidad Autonoma de Barcelona, Barcelona, Spain
Doctoral Colloquium A3 - Management in A Cross-Cultural Environment
8.30am - 10.30am Lecture Theatre 4
Panellists: Ulf Andersson, Copenhagen Business School, Denmark, Denice Welch, Melbourne Business School, Australia and Hyun-Jung Lee, London School of Economics, UK

Subsidiary Ambidexterity: A New Lens Through Which Subsidiary Bargaining Power can be Examined?
Marty Reilly
Dublin Institute of Technology, Dublin, Ireland

Reverse Diffusion of HRM Practices in MNCs: How and Where does it Occur?
Michal Lemanski
WU Vienna, Vienna, Austria

Understanding Chinese and Western Cultures within the Internationalised Academic Working Environment
Xiaozheng Zhang
Loughborough University, Loughborough, UK

Doctoral Colloquium A4 - Entrepreneurial Processes, Resources and Outcomes
8.30am - 10.30am Lecture Theatre 2
Panellists: Tamer Cavusgil, Georgia State University, United States, Jim Love, University of Birmingham, UK and Breda Kenny, Cork Institute of Technology, Ireland.

Dynamic Capability - Management of the Capability Base of an International Technology-based SME
Taina Eriksson
Turku University School of Economics, Turku, Finland

The Importance of Information and Planning Processes for SMEs Entrepreneurial Orientation and International Performance
Edith Olejnik
Trier University, Trier, Germany

An Investigation into the Formation and Nature of Entrepreneurial Teams in the Video Games Industry
Isobel Cunningham
University of Ulster, Derry, UK

Doctoral Colloquium A5 - Contexts and Modes of Internationalisation
8.30am - 10.30am Lecture Theatre 3
Panellists: Colm Kearney, Trinity College Dublin, Ireland, Pervez Ghauri, King’s College London, UK and Witold Wilinski, Warsaw School of Economics, Poland

Bank Foreign Direct Investment: A Russia Perspective
Grant Webber
Kingston University, London, UK
Subsidiary Strategy and the Role of the Subsidiary Manager: Integrating the Middle Manager Perspective  
**Dónal O’Brien**  
*Dublin Institute of Technology, Dublin, Ireland*

Antecedents and Outcomes of Corporate Social Entrepreneurship at the BOP  
**Misagh Tasavori**  
*Manchester Business School, Manchester, UK*

Doctoral Colloquium B1 - Foreign Entry Mode Decisions: Implications for Knowledge, Innovation and Performance  
8.30am - 10.30am Lecture Theatre 1  
Panellists: Roger Strange, University of Sussex, UK, Nigel Driffield, Aston University, UK and Dimitros Tsagdis, University of Hull, UK

- The Choice between Cross-border M&As and Greenfields and Their Strategic Implications: The Case of Chinese MNEs  
  **Ziyi Wei**  
  *University of Reading, Reading, UK*

- Key factors Influencing Learning Process in IJV Network in Chinese Service Market  
  **Nan Jia**  
  *Manchester Business School, Manchester, UK*

- The Determinants of Foreign Direct Investment (FDI): A Panel Data Study of Developed and Developing Countries  
  **Oi Yan Kam, Bruce Hearn**  
  *University of Leicester, Leicester, UK*

- Knowledge Transfer, Organisational Learning and the Performance of International Strategic Alliance: Evidence from Taiwanese Information and Communication Technology Industries  
  **Mia Ho**  
  *King’s College London, London, UK*

Doctoral Colloquium B2 - International Strategy: Processes and Outcomes  
8.30am - 10.30am Lecture Theatre 6  
Panellists: Jeremy Clegg, University of Leeds, UK, Gary Cook, University of Liverpool, UK and Yi-Ying Chang, National Taiwan University of Science and Technology, Taiwan

- British Multinationals in South East Asia: Strategy, Subsidiary and Performance  
  **Quyen Nguyen**  
  *University of Reading, Reading, UK*

- Dynamics of Exchange Governance Mechanisms and Innovation Capabilities in International Strategic Technology Alliances  
  **Yong Kyu Lew**  
  *Manchester Business School, The University of Manchester, Manchester, UK*
Political Processes in Partnerships
Konstantinos Tsanis
University of Edinburgh, Edinburgh, UK

Retailers’ Strategic Responses to Institutional Pressures and the Effect on Legitimacy and Performance: The Case of Finnish Multinational Retailers in Baltic States
Alphonse Aklamanu
University of Vaasa, Etelä Pohjanmaan, Finland

Doctoral Colloquium B3 - The Process and Context of Internationalisation
8.30am - 10.30am Lecture Theatre 5
Panellists: Sami Saarenketo, Lappeenranta University of Technology, Finland, Heinz Tuselmann, Manchester Metropolitan University, UK and Stephen Chen, Macquarie University, Australia

An Alternative Approach to Marketing in High-tech INVs
Gabriela Gliga
National University of Ireland, Galway, Ireland

Small and Medium Enterprises’ Selection of International Mode of Market Entry: Proactive and Reactive Motivators and Mode of Entry Choice.
Vasilios Stouraitis
Henley Business School, Reading, UK

An Investigation on China’s Exporting Trading Companies
Jia Li
University of Edinburgh, Edinburgh, UK

The Strategic Corporate Responsibility of Pharmaceutical Companies in Emerging Economies: A Comparative Institutional Perspective
Frederick Ahen
Turku School of Economics, Turku, Finland
Conference Welcome
10.40am - 11.00am  George Square Theatre

Nick Oliver, Head of School, University of Edinburgh Business School

Simon Harris, Conference Chair, AIB-UKI Conference 2011

Keynote Interview - Managing Complex Cross-Border Collaborative Projects and Programmes - Tamer Cavusgil, Georgia State University, United States

11.00am - 12.30pm  George Square Lecture Theatre  Chair: Volker Mahnke, Copenhagen Business School, Denmark

Panellists:

Hillary Stilitto, The THALES Group, France, Paul Holbourn, Selex Galileo S.p.A, Italy and Hermine Schnetler, UK Astronomy Technology Centre, UK

This session will examine the management challenges faced by those managing large, complex, collaborative projects and programmes, and how they address them. The interviews will be followed by a panel discussion and will conclude with an open discussion.

1B - Special Panel - International Entrepreneurship
11.00am - 12.30pm  Lecture Theatre 7  Chair: Sharon Loane, University of Ulster, UK

Developing High-Tech INVs - Acting at Three Levels
Tuija Mainela, Elina Pernu, Vesa Puhakka
University of Oulu, Oulu, Finland

The Impact of Internationalisation on Small Firms’ Choice of Location and Propensity for Relocation
Per Servais, Jan Møller Jensen, Erik S Rasmussen
University of Southern Denmark, Odense, Denmark

Knowledge Assimilation Processes of Rapidly Internationalising Scottish SMEs
Margaret Fletcher, Shameen Prashantham
University of Glasgow, Glasgow, UK

International New Ventures in ‘Low Tech’ Sectors: A Dynamic Capabilities Perspective
Natasha Evers
NUI Galway, Galway, Ireland

International Performance of High Tech SMEs: The Role of Network Resources
Breda Kenny¹, John Fahy²
¹Cork Institute of Technology, Cork, Ireland, ²University of Limerick, Limerick, Ireland
1F - Internationalisation from Emerging Markets

11.00am - 12.30pm  Lecture Theatre 1  Chair: Yue Xu, Hull Business School, UK

UK Universities’ Entry into the Chinese Market: A Stages Approach to the Internationalization of Higher Education?
Xiaoqing Li, Joanne Roberts
Northumbria University, Newcastle, UK

New Forms of Internationalization: Strategic Asset Seeking Motives
Ayse Akcal
King’s College, London, UK

Productivity Performance of Export Entry and Exit: Evidence from Indian Firms
Sushanta Mallick¹, Yong Yang²
¹Queen Mary University of London, London, UK, ²Essex University, Southend-on-sea, UK

Does Policy matter? The Chinese Outward FDI into Africa
Yue Xu¹, Leilei Tang¹,², Akamavi Raphaël³
¹Hull Business School, Hull, UK, ²Strathclyde Business School, Glasgow, UK

1G - Firm Networks and Social Relations

11.00am - 12.30pm  Lecture Theatre 6  Chair: Rauni Seppola, University of Jyväskylä, Finland

The Influence of Culture on the Adoption of Social Network Sites
Rotem Shneor¹, Kalanit Efrat²
¹Ruppin Academic Center, Emek Hefer, Israel, ²University of Agder, Kristiansand, Norway

A Re-Examination of the Stages Model of Internationalization: A Theory for Born Globals?
Viveca Sasi
Aalto University School of Economics, Helsinki, Finland

The International Relationship Portfolio Strategies Of High-Tech INV Entrepreneurs: The Influence Of Domestic Industry Context.
Thor Sigfusson¹, Simon Harris²
¹University of Iceland, Reykjavik, Iceland, ²University of Edinburgh, Edinburgh, UK

Investigating the Relationship of Companies, Associations and Federations in European Union Lobbying Activities: the Case of Energy Sector
Robert Kennedy, Fragkiskos Filippaios, John Sharp
University of Kent, Kent, UK

Importance of Social Capital in Internationalization of the Firm A Business Network View
Rauni Seppola
University of Jyväskylä, Jyväskylä, Finland
1H - Methods For Research in International Business

11.00am - 12.30pm Lecture Theatre 5

Chair: Anna Morgan-Thomas, University of Glasgow, UK

Research Methodology in International Business: A Review of Articles Published in the Recent Decade (2000-2008) in JIBS

Stephen Chen¹, B. Elango²
¹Macquarie University, Sydney, Australia, ²Illinois State University, Normal, USA

Critical Review of Methodological Issues in Dynamic Capabilities Research

Taina Eriksson
Turku University School of Economics, Turku, Finland

Reflections on Using Case Studies and Qualitative Methods in IB research on MNE-Government Relations

Sigrun M. Wagner¹,²
¹Royal Holloway, University of London, Egham, UK, ²Loughborough University Business School, Loughborough, UK

Common Method Variance in IB Research: Truth or Urban Legend?

Anna Morgan-Thomas¹, Agnieszka Childlow²
¹University of Glasgow, Glasgow, UK, ²Manchester Metropolitan University, Manchester, UK

Lunch Break
12.30pm - 2.00pm Teviot Row House/Concourse

Keynote Interview - Managing the Process of Internationalisation - Pervez Ghauri, Kings College London, UK

2.00pm - 3.30pm George Square Theatre

Chair: Simon Harris, University of Edinburgh, UK

Panellists:

Daba Carla Mahieu, Aegon N.V., Arten Moussavi, Biofoodnutrition SE, Ian Stevens, Mpathy Ltd, and Paul D'Arcy, Raytheon UK

This session will examine the business and management challenges faced by those leading a process of internationalisation, whether from large mature companies or from new or younger businesses. The interviews will be followed by a panel discussion and will conclude with an open discussion.
An Analysis of the Chinese Stock Market during the Global Financial Crisis
Su Qian Kong, Joseph Coughlan, Lucia Morales
Dublin Institute of Technology, Dublin, Ireland

Internationalization through Warsaw Stock Exchange - an Empirical Analysis.
Witold Wilinski
Warsaw School of Economics, Warsaw, Poland

Bank Characteristics and Liquidity Transformation: The Case of GCC Banks
Ritab Al-Khouri
Qatar University, Doha, Qatar

Structural Breaks and Financial Volatility: Lessons from BRIC Countries
Lucia Morales, Esmeralda Gassie
Dublin Institute of Technology, Dublin, Dublin, Ireland

Equity Culture Development in Central and Eastern European Countries: A Conceptual and Empirical Examination
Zita Stone1, Fragiskos Filippaios2, Carmen Stoian1
1University of Kent, Canterbury, UK, 2George Mason University, Washington, United States, -

It Takes Two To Tango: Joint Effects of Expatriates' Competencies to Transfer and Subsidiary Absorptive Capacity on Subsidiary Performance
Yi-Ying Chang1, YaPing Gong2, Mike Peng3
1National Taiwan University of Science and Technology, Taipei, Taiwan, 2Hong Kong University of Science and Technology, Hong Kong, China, 3University of Texas at Dallas, Texas, USA

Can Cultural Difference Affect Supplier Innovativeness in International Customer-Supplier Relationships?
Ruey-Jer Jean1, Rudolf Sinkovics1, Daekwan Kim1
1National Chengchi University, Taipei, Taiwan, 2Manchester Business School, Manchester, UK, 3Florida State University, Tallahassee, USA

Intra-firm Trade, Embeddedness and International Knowledge Transfer in the MNE
Nigel Driffield1, Jim Love2, Stefano Menghinello1
1Aston University, Birmingham, UK, 2Birmingham University, Birmingham, UK
Managerial Compensation Structure in Chinese PLCs

Larry Su
University of Greenwich, London, UK

The Corporate Governance and Valuation Effects of Alliance Investments

Jung-Ho Lai¹, Sheng-Syan Chen², Shao-Chi Chang³
¹National Taipei College of Business, Taipei, Taiwan, ²National Taiwan University, Taipei, Taiwan, ³National Cheng Kung University, Tainan, Taiwan

Multinational Corporate Financing And Parity Relations

M. Shahid Ebrahim⁴, Ike Mathur⁵
⁴Bangor University, Bangor, Gwynedd, UK, ⁵Southern Illinois University, Carbondale, Illinois, USA

The Indirect International Diversification Benefits of Investing in US Based Multinationals

Colm Kearney, Jenny Berrill, Martha O'Hagan Luff
Trinity College, Dublin, Ireland

The Political Economy of Infrastructure MNEs: the Case of Chinese Investment in Africa

Yuxuan Tang⁶, Robert Pearce⁷
⁶University of Reading, School of Economics, Reading, UK, ⁷John H Dunning Centre for International Business, Reading, UK

Motives for Outward FDI: A Case Study of Chinese SMEs

Rose Quan, Joanne Roberts
Northumbria University, Newcastle Upon Tyne, UK

Russian Outbound Investments – Towards a New Perspective?

Andrey Yukhanev, Joanne Roberts
Northumbria University, Newcastle-upon-Tyne, UK


Richard B. Nyuur, Yaw A. Debrah
Swansea University, Swansea, UK

Surviving China: MNC Capability Development and Equifinality

Markus Paukku, Paula Kilpinen
Aalto University, Helsinki, Finland
Business Restructuring In A Transition Economy: A General Equilibrium Analysis With Firm-Type Costs' Differences
María C. Latorre
Universidad Complutense de Madrid, Madrid, Spain

Bounded Reliability, Transaction Costs, and the Organizational Structure Change of Barclays Bank’s International Business in Malta 1975-1979
Qing Lu, Debra Johnson
University of Hull, Hull, UK

International Business Research And Game Theory: Looking Beyond The Prisoner's Dilemma
Ursula Ott
Loughborough University, Loughborough, UK

Switching Operation Mode - a Strategic Approach
Niina Nummela¹, Sami Saarenketo²
¹Turku School of Economics, Turku, Finland, ²Lappeenranta University of Technology, Lappeenranta, Finland

Tea and Coffee Break
3.30pm - 4.00pm  Concourse

3A - Special Panel - International Business Theory
4.00pm - 5.30pm  Auditorium  Chair: Simon Collinson, University of Warwick Business School, UK

Evolving Conceptualizations of MNC Structure and Strategy in International Business
Björn Ambos
Vienna University of Business and Economics, Vienna, Austria

The Theory of International Business Pre-Hymer
Peter Buckley
Leeds University, Leeds, UK

Fifty Years of International Business Theory and Beyond
Alan Rugman, Quyen Nguyen
University of Reading, Reading, UK

3B - Special Panel - International Entrepreneurship
4.00pm - 5.30pm  Lecture Theatre 7  Chair: Margaret Fletcher, University of Glasgow, UK

Value Creation of an Internationalizing Entrepreneurial Firm - The Business Model Perspective
Niina Nummela¹, Liisa-Maija Sainio², Sami Saarenketo³, Taina Eriksson¹
¹University of Turku, Turku, Finland, ²Lappeenranta University of Technology, Lappeenranta, Finland

How Does the Internet Influence the Internationalisation Process and International Customer Relationships of UK Manufacturing SMEs?
Ko-Min Kevin Tseng¹, Rhona Johnsen²
¹Commerce Development Research Institute, Taipei, Taiwan, ²Audencia School of Management, Nantes, France
Entrepreneurship and Urban Growth: Dimensions and Empirical Models
Mizan Rahman¹, Nafeez Fatima²
¹University of Lincoln, Lincoln, UK, ²University of Waterloo, Ontario, Canada

Decision-Making in Born Globals - Effectuation or Causation?
Svante Andersson
Halmstad University, Halmstad, Sweden

3C – International Strategy
4.00pm - 5.30pm
Lecture Theatre 4
Chair: Chris Carr, University of Edinburgh, UK

The Relationship Between Global Strategies, Strategic Group and Performance
Wen-Kang Hsieh², Chi-Yu Huang¹,², I-Pin Lu³
¹National Chianghua University of Education, Chianghua, Taiwan,
²Hua-Nan Bank, Taipei, Taiwan, ³I-Shou University, Kaohsiung, Taiwan

East, West, Home is Best: Regional Strategies, Liability of Foreignness, and Firm Performance
Alina Kudina
Warwick Business School, Coventry, UK

Low Cost Airlines: Just Regional or Are We Seeing the Emergence of a New Paradigm?
Chris Carr, Nora Weisskopf
University of Edinburgh Business School, Edinburgh, UK

3D - Outsourcing and Offshoring
4.00pm - 5.30pm
Lecture Theatre 2
Chair: Mike Crone, University of Strathclyde, UK

The Role of Crowdsourcing Intermediaries and Firms' Motives for Using Them: an Exploratory Study
Eva Alfoldi¹, Krystallia Moysidou²
¹University of Manchester, Manchester, UK, ²Technische Universität München, München, Germany

Off-shoring and Outsourcing for Shareholder Value: Now You See It Now You Don't
Colin Haslam¹, Tord Andersson², Edward Lee¹, Ya Ping Yin¹
¹University of Hertfordshire, Hatfield, UK, ²Swedbank, Stockholm, Sweden

Practicing International Business: Business Relationships and the Development of the International Knowledge Base of SMEs
Alexandra Kaar
Johannes Kepler University, Linz, Austria

Service Offshoring and Cultural Differences: Evidence from a US Financial Services Multinational's Operations in Three EU Countries
Mike Crone¹, Paul McCoy²
¹University of Strathclyde, Glasgow, UK, ²Queen's University Belfast, Belfast, UK
3E - Re-internationalisation and De-internationalisation
4.00pm - 5.30pm Lecture Theatre 3 Chair: Lawrence Welch, Melbourne Business School, Australia

De-internationalization: A Conceptualization
Romeo Turcan
Aalborg University, Aalborg, Denmark

Determinants of Motives, Process, and Success of Re-internationalization: A Theoretical Framework
Huu Le Nguyen, Soren Kock
Hanken School of Economics, Vaasa, Finland

Organizational Failure Research Revisited: Antecedents, Moderators and Post-Exit Effects
Joseph Amankwah-Amoah
Bristol University, Bristol, UK

Expanding Perspectives on Re-internationalisation
Susan Freeman1, Catherine Welch2, Lawrence Welch3
1University of Adelaide, Adelaide, Australia, 2University of Sydney, Sydney, Australia, 3Melbourne Business School, Melbourne, Australia

3F - International Business and Emerging Markets
4.00pm - 5.30pm Lecture Theatre 1 Chair: Cristina Stoian, Autonomous University of Barcelona, Spain

Trade in East Asia: An Analysis of the Structure and Dynamics of Intermediates and Final Goods Trade by Technology
Louise Curran1, Soledad Zignago1
1Toulouse Business School, Toulouse, France, 2Banque de France, Paris, France

Across the Strategic Divide
Alex Mackinnon, Markus G Kittler
University of Stirling, Stirling, UK

A Resource-based view of the determinants of foreign expansion by emerging country multinational firms
Peter Buckley1, Peter Enderwick2, Nicolas Forsans1, Surender Munjal1,2
1University of Leeds, Leeds, -; 2University of Delhi, Delhi, India, 3Auckland Technical University, Auckland, New Zealand

Judith Shuqin Zhu, Chris Nyland
Monash University, Melbourne, Victoria, Australia

Time to Have a Look at Export Behaviour in CEE Emerging Markets? Internal Export Determinants in the Romanian SMEs Context
Esteban Lafuente, Cristina Stoian
Autonomous University of Barcelona, Barcelona, Spain
3G - Internationalisation Process and Dynamic Capabilities
4.00pm - 5.30pm Lecture Theatre 6  Chair: Adam Steen, Australian Catholic University, Australia

International Diversification and the Market Value of New Product Introduction
Chi-Feng Wang¹, Li-Yu Chen², Shao-chi Chang³
¹National Yunlin University of Technology, Yun-Lin, Taiwan, ²Fo Guang University, I-Lan, Taiwan, ³National Chenn Kung University, Tainan, Taiwan

A Value Chain Configuration Perspective on the Internationalisation Process of Emerging Country MNCs
Rasha Rezk, Jagjit Singh Srai
Institute for Manufacturing, Cambridge University, Cambridge, UK

Corporate Ownership and Internationalisation: The Effects of Family, Bank and Institutional Investor Ownership in the UK and in Continental Europe
Antonio Majocchi¹, Vincenza Odorici², Manuela Presutti³
¹University of Pavia, Pavia, Italy, ²University of Bologna, Bologna, Italy

The Role of Dynamic Capabilities in International Expansion
Saba Khalid
University of Vaasa, Vaasa, Finland

Internationalisation in the Tourism Industry: A Case of Australian Based Backpacker Accommodation Operators.
Adam Steen¹, Vicki Peel²
¹Australian Catholic University, Melbourne, Australia, ²Monash University, Victoria, Australia

3H - Technology and Internationalisation
4.00pm - 5.30pm Lecture Theatre 5  Chair: Gary Cook, University of Liverpool, UK

International Strategic Technology Alliances - A Framework for Governance Mechanisms and Innovation Capabilities
Yong Kyu Lew, Rudolf R. Sinkovics
Manchester Business School, Manchester, UK

Outsourcing as an Internationalisation Path: The Case of UK Biopharmaceutical SMEs
Calin Gurau
GSCM - Montpellier Business School, Montpellier, France

International technology acquisition and its impact on innovation
Suma Athreye¹, Yong Yang²
¹Brunel University, Uxbridge, UK, ²University of Essex, Essex, UK

Clustering, MNEs and Innovation: Who Benefits, and How?
Gary Cook¹, Naresh Pandit², Hans Loof³, Borje Johansson¹,³
¹University of Liverpool, Liverpool, UK, ²University of East Anglia, Norwich, UK, ³Royal Institute of Technology, Stockholm, Sweden
Saturday 16th April 2011

4A - Special Panel – Quantitative Research Methodologies
9.00am - 10.30am Auditorium Chair: Nigel Driffield, Aston University, UK

Financial Risk and the Operating Strategies of FDI
David Schmidt¹, Nigel Driffield¹, Jim Love²
¹Aston University, Birmingham, UK, ²Birmingham University, Birmingham, UK

Investing in China - Is What You See What You Get?
Nigel Driffield, Jun Du
Aston University, Birmingham, UK

Location Choices of FDI and Multinational Performance: First Evidence from Matched Firms
Nigel Driffield¹, Yong Yang²
¹Aston University, Birmingham, UK, ²Essex University, Essex, UK

Merger Momentum of International Mergers and Acquisition Activities and Value Implications of Indian Multinationals
Aysun Ficici, Bulent Aybar
Southern New Hampshire University, Manchester, USA

Fuzzy Sets in International Business Research: Application to a Qualitative Study in Rural China.
Sacha Rawlence
University of Edinburgh, Edinburgh, UK

4C - Management In International Organisations
9.00am - 10.30am Lecture Theatre 4 Chair: Fiona Moore, Royal Holloway, University of London, UK

Dealing With The Translation Task Within MNCs: The Role Of Social Networks
Rebecca Piekkari¹, Denice Welch², Lawrence Welch², Jukka-Pekka Peltonen¹, Tiina Vesa¹
¹Aalto University, Helsinki, Finland, ²Melbourne Business School, Melbourne, Australia

Managerial Attitudes in Russian Organizations: A Study of 8 Geographic Regions and 14 Industries in Russia
Alexei Koveshnikov¹, Mats Ehrmrooth¹, Azer Efendiev², Evgeniya Balabanova²
¹Hanken School of Economics, Helsinki, Finland, ²Higher School of Economics, Moscow, Russia

Ambivalence, Anthropology and Business: The Problems and Potentials of Ethnographic Research in International Organisations
Fiona Moore
Royal Holloway, University of London, London, UK
4D - Knowledge Transfer Practices by Firms From Emerging Markets and Transition Economies
9.00am - 10.30am Lecture Theatre 2
Chair: Richard Woodward, University of Edinburgh, UK

Foreign Presence and Local Firms’ Decisions on Export and Domestic Sales in Chinese Manufacturing
Yingqi Wei¹, Xiaming Liu², Chengang Wang³, Jue Wang⁴
¹University of York, York, UK, ²Birkbeck College, London, UK,
³University of Bradford, Bradford, UK, ⁴Southwestern University of Finance and Economics, Chengdu, China

Learning from International Markets: Facilitators and Barriers for Firms in Transition Economies
Laila Kasem, Kevin Ibeh
University of Strathclyde, Glasgow, UK

Exports, Innovation and Cooperation. Case of Russian Firms
Maria Smirnova⁵, Daria Podmetina⁶, Vera Rebyazina⁶, Juha Väätänen⁷
⁵Lappeenranta University of Technology, Lappeenranta, Finland,
⁶Saint-Petersburg State University, GSOM, Saint-Petersburg, Russia

Knowledge Source Preferences as Determinants of the Entrepreneurial Orientation of Knowledge-Based Firms in Emerging Markets
Richard Woodward¹, Esin Yoruk², Slavo Radosevic²
¹University of Edinburgh Business School, Edinburgh, UK, ²School of Slavonic and East European Studies, University College London, London, UK, ³CASE – The Centre for Social and Economic Research, Warsaw, Poland

4E - Special Panel - Corporate Responsibility and Governance Across Institutional Contexts
9.00am - 10.30am Lecture Theatre 3
Chair: Kenneth Amaeshi, University of Edinburgh, UK

Need to Implement the Human Rights Laws and Policies in the International Business Environment for Sustainable Development: A Case Study on Business School
Noor Mohammad
Multi Media University, Melaka, Malaysia

Are Corruption and Ease of Doing Business Correlated? An Analysis of 172 Nations
Jorge Mongay, Diana Andreea Filipescu
Autonomous University of Barcelona, Barcelona, Spain

Value destruction and competitive disadvantage: emotional manipulations and corporate irresponsibility in disintegrated marketing communications
Frederick Ahen
Turku School of Economics, Turku, Finland
4F - International Business and Local Economies
9.00am - 10.30am Lecture Theatre 1

Chair: Robert Pearce, Reading University, UK

Mark Cook¹, Grahame Fallon¹, Graham Hall¹
¹University of Wolverhampton, Wolverhampton, UK, ²University of Northampton, Northampton, UK, ³UWIST, Cardiff, UK

The FDI and Trade Relationship Revisited under Structural Change: Evidence from a Sector-Based Analysis
Fragkiskos Filippaios¹, Constantina Kottaridi¹
¹University of Kent, Canterbury, UK, ²University of Peloponesse, Tripolis, Greece

National Innovation System and Globalization: The Implication for Technological Catching-up
Feng Zhang¹, Robert Pearce²
¹St. Mary’s University, Texas, USA, ²Reading University, Reading, UK

4G - SME Internationalisation: Resources and Management
9.00am - 10.30am Lecture Theatre 6

Chair: Alfredo D’Angelo, University of Glasgow, UK

Modeling the Resource Generation Potential: Locational and Cognitive Insights in Small Firms’ International Entry Mode Choice
Zahid Majeed, Evgeny Polyakov, Eleanor Davies
University of Huddersfield, Huddersfield, UK

Managing SMEs Survival and Growth during Financial Crisis in Transition Economy: A Chaos Theory Approach
Huu Le Nguyen, Soren Kock
Hanken School of Economics, Vaasa, Finland

Rapidly Internationalising Small Firms: Are Human Resources the Missing Part of the Puzzle: Towards an Understanding of the Implications for IE Research and Practice
Sharon Loane, Trevor Morrow, Laura Bradley
University of Ulster, Londonderry, UK

Exploring SMEs Internationalization: Institutional Barriers, Market Drivers and Entrepreneurial Orientation
Daria Volchek, Kaisu Puumalainen, Sami Saarenketo, Ari Jantunen
Lappeenranta University of Technology, Lappeenranta, Finland

What Drives SMEs Beyond Regional Markets?
Alfredo D’Angelo¹, Antonio Majocchi², Antonella Zucchella²
¹University of Glasgow, Glasgow, UK, ²University of Pavia, Pavia, Italy
Context Matters! How the Business Network Context Influences the Extent to Which Subsidiaries Embed Locally

Philip C. Nell, Ulf Andersson
Copenhagen Business School; Center for Strategic Management and Globalization, Frederiksberg, Denmark

How does Subsidiary Network Structure Matter?
Zhaleh Najafi Tavani¹, Axele Giroud², Rudolf Sinkovics²
¹University of Strathclyde, Glasgow, UK, ²University of Manchester, Manchester, UK

Networks, International Market Selection, and Export Performance
Xinming He¹, Yingqi Wei¹
¹Newcastle University, Newcastle upon Tyne, United Kingdom, ²University of York, York, United Kingdom

High Tech Clusters: Factors, Formation and Forms
Brian Massey
Trinity College Dublin, Dublin, Ireland

Tea and Coffee Break
10.30am - 11.00am Concourse

Editorial Area for Journal of International Business
Ulf Andersson
Copenhagen Business School, Copenhagen, Denmark

Editor of International Business Review and European Editor of Journal of World Business
Pervez Ghauri
King’s College London, London, UK

Editor-in Chief of The Multinational Business Review
Alan Rugman
University of Reading, Reading, UK

5B - International New Ventures
11.00am - 12.30pm Lecture Theatre 7  Chair: Mika Gabrielsson, Aalto University, Finland

Conceptualizing Rapid Internationalization in the Biotechnology Industry - A Finnish Point of View
Mari Ketolainen
University of Turku, Turku, Finland

The International Growth of Born Global Firms: Tracking Drivers and Dimensions Along Time
Birgit Hagen, Antonella Zucchella
University of Pavia, Pavia, Italy

International Pathways of SMEs - Case of Two Software Born Globals
Olli Kuivalainen, Sami Saarenketo
Lappeenranta University of Technology, School of Business, Lappeenranta, Finland

Global Growth and Performance of International New Ventures: Configuration and Coordination
Mika Gabrielsson1, Peter Gabrielsson2
1Aalto University School of Economics, Helsinki, Finland, 2University of Vaasa, Vaasa, Finland

5C - International Human Resource Management
11.00am - 12.30pm Lecture Theatre 4  Chair: Markus Pudelko, Tübingen University, Germany

The Impact of Foreign Ownership on Gender and Employment Relations in Large Japanese Companies
George Olcott1, Nick Oliver2
1University of Tokyo, Research Center for Advanced Science and Technology, Tokyo, Japan, 2University of Edinburgh Business School, Edinburgh, UK

Expanding vs. Surpassing The National Sphere: Organizational Identity Narratives Of Multinational Corporate Employees
Ödül Bozkurt
Lancaster University, Lancaster, UK

Perceived homophily climate in an environment of violent ethnic conflict: assessing the impact of workgroup ethnic diversity, quality of work relationships and employee sensitivity to ethnic conflict
Hyun-Jung Lee1, Carol Reade1
1London School of Economics, London, -, 2San Jose State University, San Jose, -

Foreign Subsidiaries as Sites of Self-Actualization for Career-Minded Japanese Women
Markus Pudelko, Helene Tenzer, Eriko Varkey
Tübingen University, Tübingen, Germany
5D - Special Panel - New Multinational Enterprises From Emerging Economies
11.00am - 12.30pm Lecture Theatre 2
Chair: Xiaoahui Liu, Loughborough University, UK and Ling Liu, University of Edinburgh Business School, UK

How do Dynamic Capabilities and Institutions Influence the Post-Internationalisation Performance of Chinese State-Owned Enterprises (SOEs)?
Lan Gao¹, Huan Zou², Lisen Tu³
¹Loughborough University, Loughborough, UK, ²University of London, London, UK, ³CITIC Securities Co., Ltd., Hong Kong, Hong Kong

"Learning at Home How to Invest Abroad": Domestic Diversification, Top Management Teams and International Expansion of Firms from Emerging Markets
Xiaohui Liu¹, Jiangyong Lu², Igor Filatotchev³, Mike Wright⁴
¹Loughborough University, Loughborough, UK, ²Peking University, Beijing, China, ³City University London, London, UK, ⁴Nottingham University Business School, Nottingham, UK

Direction of Outward FDI of EMNEs: Evidence from the Indian Pharmaceutical Sector
Sumon Bhaumik, Nigel Driffield
Aston University, Birmingham, UK

Top Executive Compensation, Subnational Institutions and Internationalization
Xiaohui Liu¹, Jiangyong Lu², Amon Chizema³
¹Loughborough University, Loughborough, UK, ²Peking University, Beijing, China

The Spillover Effects of Foreign-owned Exporters and Locally-owned Exporters: Evidence from Firm Level Data in China
Ting Zhao¹, Ling Liu²
¹Zhejiang Gongshang University, Hangzhou, China, ²University of Edinburgh, Edinburgh, UK

5E - Special Panel - Corporate and Social Responsibility in Developed and Emerging Market Contexts
11.00am - 12.30pm Lecture Theatre 3
Chair: Chung Hee Kim, University of Nottingham, Malaysia

Actualizing Global Sustainability: CSR, Second Best Institutions and the Political Power of MNCs in Developing Economies
Frederick Ahen
Turku School of Economics, Turku, Finland

Determining the Extent of the Responsibilities of MNCs in Human Rights Violations
Stephen Chen
Macquarie University, Sydney, Australia
CSR in Transition Economies: A Study of SMEs in the Bulgarian Wine Industry

Veselina Stoyanova, Kenneth Amaeshi
University of Edinburgh, Edinburgh, UK

Making Sense of Global and Local Pressures on Corporate Social Responsibility Across Institutional Contexts
Chung Hee Kim, Kenneth Amaeshi, Simon Harris
1University of Nottingham, Selangor, Malaysia, 2University of Edinburgh, Edinburgh, UK

5F - Location in Emerging Markets
11.00am - 12.30pm Lecture Theatre 1  Chair: Denice Welch, Melbourne Business School, Australia

Subsidiary Ambidexterity: A New Lens Through Which Subsidiary Bargaining Power can be Examined?
Marty Reilly, Pamela Sharkey Scott
Dublin Institute of Technology, Dublin, Ireland

Gaining Influence on Headquarter Decisions in the Networked MNC
Volker Mahnke
Copenhagen Business School, Copenhagen, Denmark

Distance and MNC Strategic Decisions
Taieb Hafsi, Gwyneth Edwards, Mehdi Farashahi, Rick Molz
1John Molson School of Business, Concordia University, Montreal, Quebec, Canada, 2HEC, University of Montreal, Montreal, Quebec, Canada

In Search of Theory: Towards an Integrating Conceptual Framework for Subsidiary Research
Donal O’Brien, Pamela Sharkey Scott, Pat Gibbons
Dublin Institute of Technology, Dublin, Ireland

Repositioning International Staff Transfers as Strategy-In-Action
Denice Welch, Adam Steen
1Melbourne Business School, Melbourne, Australia, 2Australian Catholic University, Melbourne, Australia

5G - SME Internationalisation: Learning and Strategy
11.00am - 12.30pm Lecture Theatre 6  Chair: Eriikka Paavilainen-Mäntymäki Turku School of Economics, Finland

The Type and Number Resources and the Performance of Early Internationalization Korean SMEs?
Taekyung Park, Frank McDonald
1University of Bradford, Bradford, UK, 2Yeungnam University, Gyeongsangbuk, Republic of Korea

SME Internationalization to Emerging Economies: Institutional Pressures and the Impacts of Market Knowledge from Strategic Suppliers
Markku Heiskanen, Ahmad Arslan
University of Vaasa, Vaasa, Finland
New Adventures in Explaining Internationalisation: A Consideration of Usefulness of the Uppsala Process of Model of Internationalisation in the Case of an Irish Born Global

Gavin Hanley¹, Jim Bell¹, Ray Griffin¹

¹Waterford Institute of Technology, Waterford, Ireland, ²University of Ulster, Derry, Ireland, ³Google, Dublin, Ireland

Commitment and Learning in the Internationalisation Process: A Comparative, Longitudinal Multiple-Case Study of SMEs in Australia and Finland

Eriikka Paavilainen-Mäntymäki¹, Catherine Welch², Neil Palagedara³

¹Turku School of Economics, Turku, Finland, ²University of Sydney, Sydney, Australia

5H - Entrepreneurship Creativity and International Business
11.00am - 12.30pm Lecture Theatre 5  Chair: Heidi Kreppel, University of Erlangen-Nürnberg, Germany

Creativity in International Entrepreneurship

Tuija Mainela¹, Vesa Puhakka²

¹University of Oulu, Department of International Business, Oulu, Finland, ²University of Oulu, Department of Management, Oulu, Finland

The Role of State-Business Pragmatism to Encourage a New Form of Entrepreneurship

Oskar Kayasan

European Research Centre, University of London, London, UK

Core Values, Perceptions and Opportunity-Seizing among Local Entrepreneurs in Turkey-Canakkale

Murat Kasimoglu, Atul Mishra, Lynne Butel, Daba Chowdhury

Dr. University of Plymouth, Plymouth, UK

Brand Personality and Country-of-Origin Effects - A Comparative Analysis of Chinese and Indian Brands in Germany

Heidi Kreppel

University of Erlangen-Nürnberg, Nuremberg, Germany

Lunch Break
12.30pm - 2.00pm Teviot Row
House/Concourse

6A - Special Panel - Catalysts for PhD Excellence and International Business Research Methods Training
2.00pm - 3.30pm Auditorium  Chair: Jeremy Clegg, University of Leeds, UK

Catalysts for PhD Excellence and IB Research Methods Training (Discussion)

Jeremy Clegg¹, Eva Alfoldi², Olli Kuivalainen³

¹University of Leeds, Leeds, UK, ²Manchester Business School, Manchester, UK, ³Lappeenranta University of Technology, Lappeenranta, Finland
6B - Partnerships and Alliances
2.00pm - 3.30pm Lecture Theatre 7 Chair: Huu Le Nguyen, Hanken School of Economics, Finland

Can International Marketing Strategic Alliances Add Value to the Firm? Short and in Long Term Analysis
Desislava Budeva¹, Stoyan Stoyanov²
¹Ramapo College of New Jersey, Mahwah, USA, ²University of Edinburgh, Edinburgh, UK

Control in Cross-Border Acquisitions - The Role of M&A Teams and the Integration Manager in Cross-Border Acquisitions
Melanie Raukko
Turku School of Economics, University of Turku, Turku, Finland

Middle Managers as Opportunity Seekers in International Partnerships: A Process Approach
Konstantinos Tsanis, Simon Harris
University of Edinburgh, Edinburgh, UK

The Impact of Partner and Unit Characteristics on Determinants of Conflict Management Strategies in International Joint Ventures
Huu Le Nguyen¹, Jorma Larimo¹
¹Hanken School of Economics, Vaasa, Finland, ²University of Vaasa, Vaasa, Finland

6C - Human Resource Management in Asia
2.00pm - 3.30pm Lecture Theatre 4 Chair: Chin-Ju Tsai, Royal Holloway, University of London, UK

Women's Career Opportunities in Japanese Organizations: From a Feminist and an Emic View
Markus Pudelko, Helene Tenzer, Eriko Varkey
Tübingen University, Tübingen, Germany

Hotel Practitioners' Expectations and Perceptions toward Interns' Internship Program Satisfaction
Chi-Yu Amy Huang¹,², Fu-Yuan Cheng², I-Pin Lu²
¹National Chuanghua University of Education, Chuanghua, Taiwan, ²I-Shou University, Kaohusiung, Taiwan, ³Toko University, Chiayi, Taiwan

Paternalistic Leadership and Organizational Commitment in Collectivist Context
Tasneem Fatima, Sadia Jahanzeb, Fouzia Syed
International Islamic University, Islamabad, Pakistan

A Study of Employees' Perceived Performance Appraisal Accuracy in Chinese State-Owned Enterprises
Chin-Ju Tsai, Wen-Lai Wang
Royal Holloway, University of London, Surrey, UK
6D - Knowledge Creation and Transfer
2.00pm - 3.30pm  Lecture Theatre 2  Chair: Pia Hurmelinna-Laukkanen, University of Oulu, Finland

The Transition from Product to Service-Centric Manufacturer: A Network View of Taiwanese Manufacturing Firms
Ko-Min Kevin Tseng¹, Rhona E. Johnsen²
¹Commerce Development Research Institute, Taipei, Taiwan, ²Audencia School of Management, Nantes, France

Value Creation through the Firm or the Community? New Forms of Collaboration
Bjørn-Tore Flåten
University of Agder, Kristiansand, Norway

Need for Speed?: MNE’s R&D Spillovers in High Velocity Environments
Ha Yoo Jung, Giroud Axèle
University of Manchester, Manchester, United Kingdom

Competitive Performance of Internationalized Firms - the Roles of Appropriability Regime and Rival Absorptive Capacity
Pia Hurmelinna-Laukkanen
University of Oulu, Oulu, Finland

6E - Corporate Governance
2.00pm - 3.30pm  Lecture Theatre 3  Chair: Bruce Hearn, University of Leicester, UK

The Impact of Founder on Corporate Governance in UK IPOs
Ying Liu, Jenifer Piesse, Igor Filatotchev
Bournemouth University, Bournemouth, UK

The Contrasting Effects of Board Composition and Structure on IPO Firm Underpricing in a Developing African Context
Bruce Hearn
University of Leicester, Leicester, UK

Product Market Competition, Corporate Governance and Legal Origin
Dominic Chai¹, Simon Deakin², Prabirjit Sarkar³, Ajit Singh²
¹University of Manchester, Manchester, UK, ²University of Cambridge, Cambridge, UK, ³Jadavpur University, Kolkata, India

The Performance and the Effects of Family Control in North African IPOs
Bruce Hearn
University of Leicester, Leicester, UK

6F - Foreign Direct Investment in Emerging Economies
2.00pm - 3.30pm  Lecture Theatre 1  Chair: Roger Strange, University of Sussex, UK

European Integration and Ownership of Companies in European Transition Economies. A Research Report.
Miglena Naydenova-Bocheva, Michal Lemanski, Barbara Stöttinger
WU Vienna, Vienna, Austria
Domestic and Foreign Direct Investors in Oman: Economic, Institutional, and Policy Patterns
Ahmed Al-Maimani1,2, Dimitrios Tsagdis3
1 Ministry of Commerce and Industry, Muscat, Oman, 2University of Hull Business School, Centre for Regional and International Business, Scarborough, UK

The Restructuring of African Mobile Telecommunications: Towards a Sustainable Structure?
Peter Curwen, Jason Whalley
University of Strathclyde, Glasgow, UK

Foreign Direct Investment in China: a City Level Spatial Effects Model
Frederic Blanc-Brude4,1, Grahame Cookson1, Jenifer Piesse5, Roger Strange3
1King’s College London, London, UK, 2Bournemouth University, Bournemouth, UK, 3University of Sussex, Brighton, UK, 4Infrastructure Economics Ltd, London, UK, 5University of Stellenbosch, Cape Town, South Africa

6G - SME Internationalisation: The Decision Process
2.00pm - 3.30pm Lecture Theatre 6 Chair: Jim Love, University of Birmingham, UK

SMEs Internationalization and Organizational Implications: What Changes when a SME Internationalize the Production?
Igor Kalinic1, Cipriano Forza2
1University of Groningen, Groningen, Netherlands, 2University of Padova, Padova, Italy

Omaima Hatem, Simon Harris
University of Edinburgh Business School, Edinburgh, Scotland, UK

From Microfoundations to Organisational-level Capabilities: An Integrated View on the Born Globals’ Accelerated Internationalisation
Quan Anh Nguyen, Gillian Sullivan Mort
La Trobe University, Melbourne, Victoria, Australia

Decision-making and International Entrepreneurship: An Effectuation Theory Perspective
Igor Kalinic1, Cipriano Forza2
1University of Groningen, Groningen, 2University of Padova, Padova, Italy

Export Propensity, Export Intensity and Firm Performance: The Role of the Entrepreneurial Founding Team
Panagiotis Ganotakis1, Jim Love2
1Aston University, Birmingham, UK, 2University of Birmingham, Birmingham, UK
6H - Culture and Praxis in the International Firm
2.00pm - 3.30pm Lecture Theatre 5 Chair: Carmen Stoian, Kent Business School, UK

National Culture's Consequences on Corporate Political Activity in the European Union
Andrew Barron, Strathclyde Business School, Glasgow, UK

Gaining Legitimacy Through Alliance Formations as a Strategic Response to Liberalization: Some Preliminary Evidence from the Airline Industry in Africa
Joseph Amankwah-Amoah, Bristol University, Bristol, UK

Twice as Smart? The Role of CEO Biculturalism in International Acquisition Decisions
Dorota Piaskowska¹, Grzegorz Trojanowski²
¹ University College Dublin, UCD Business School, Management Group, Dublin, Ireland, "XII Centre for Finance and Investment, University of Exeter Business School, Exeter, UK

A Social Capital Approach to the Inter-Cultural Differences Management in a MNEs: Empirical Evidence from the Tourist Sector
Manuela Presutti, Lucrezia Zambelli
Department of Bologna, Bologna, Italy

Divided We Stand: Cultural Differences within Europe and their Impact on International Collaborative Arrangements
Jeanette Hexter, Carmen Stoian, Paul Phillips, Kent Business School, Canterbury, UK

Tea and Coffee Break
3.30pm - 4.00pm Concourse

Doctoral Colloquium B4 - Knowledge, Capabilities and Internationalisation
4.00pm - 6.00pm Auditorium

Panellists: Ling Liu, University of Edinburgh Business School, UK, Markus Pudelko, Tübingen University, Germany and Antonella Zuchella, Università degli Studi di Pavia, Italy

Towards Open Ecosystems: Mapping Cultural Constraints to Open Innovation Variability in Multinational Companies in the United Kingdom and Germany
Norman Mueller, Anglia Ruskin University, Cambridge, Cambridgeshire, UK

Developing Capabilities for Internationalization in Knowledge-intensive Companies
Mari Ketolainen, Turku School of Economics, Turku, Finland

The Knowledge Economy: Are MNEs Reluctant to Allocate (more) Asset-Seeking FDI in Emerging Economies? The Case of Brazil
Christopher Kramer, Manchester Metropolitan University Business School, Manchester, UK
Enhanced Outward Internationalisation Through Strategic Suppliers’ Market Knowledge
Markku Heiskanen
University of Vaasa, Vaasa, Finland

Doctoral Colloquium B5 - Institutional Environment and it’s Impact on Internationalisation
4.00pm - 6.00pm Lecture Theatre 7
Panellists: Pavlos Dimitratos, Athens University of Economics and Business, Greece, Rudolph Sinkovics, University of Manchester, UK and Alfredo D’Angelo, University of Glasgow, UK

Predicting Corporate Failure in Germany and UK: A Stakeholder Theory Perspective
Kingsley Appiah
Loughborough University, Loughborough, Leicestershire, UK, Kwame Nkrumah University of Science and Technology, Kumasi, Ghana

Influence of Institutional Environment on the Process and Outcome of SME’s Internationalization Between Developed and Emerging Economies: Case of Finnish-Russian Cross-border Area
Daria Volchek
Lappeenranta University of Technology, Lappeenranta, Finland

Host Country Determinants of FDI in Central America
Jose Godinez
The University of Edinburgh, Edinburgh, UK

The Competence Development of Korean Subsidiaries: Firm-Specific Advantages vs. Location-Specific Advantages
Junghoon Lee
Manchester Business School, Manchester, UK

Doctoral Colloquium B6 - Managing Culture and Cross-Cultural Management
4.00pm - 6.00pm Lecture Theatre 4
Panellists: Amon Chizema, Loughborough University, UK, Dorota Piaskowska, University College Dublin, Ireland and Joseph Amankwah-Amoa, University of Bristol, UK

The Job Demands-Resources model and its relationship with international assignment effectiveness.
Lucy Rattrie
University of Stirling, Stirlingshire, UK

Appraising the Role of Cross-Cultural Communication in International Management in Developing Countries
James Abugre
University of Swansea, Swansea, UK

Repair Processes of Intercultural Superior-Subordinates Relationships
Jörg Büechl
Tübingen University, Tübingen, Germany

Building Bridges across Psychic Distance: Cross-Border Networks and the Internationalisation of Scottish SMEs in a ‘Guanxi’ Context
Carole Couper
University of Glasgow, Glasgow, UK
Doctoral Colloquium B7 - Emergent Forms and Patterns of Internationalisation
4.00pm - 6.00pm Lecture Theatre 2
Panellists: Marian Jones, University of Glasgow, UK, Per Servais, University of Southern Denmark, Denmark, and Peter Gabrielsson, University of Vaasa, Finland

Hidden Champions: Critical Review and Investigation Proposal
*Alessa Witt*
*University of Edinburgh, Edinburgh, UK*

The Emergence of Southern Multinationals
*Rasha Rezk, Jagjit Singh Srai*
*Institute for Manufacturing, Cambridge, UK*

Internationalisation of High-Tech SMEs: The Case of German Biotech Firms
*David Freund*
*Manchester Metropolitan University, Manchester, UK*

The Boundary and Location Decision of Born Global Firms: Re-Examining FDI, MNE and International Trade Theories
*Masahiro Kotosaka*
*Said Business School, University of Oxford, Oxford, UK*

Toddlers from emerging markets: A study of transnational entrepreneurs from Russia, Bulgaria and Poland
*Stoyan Stoyanov*
*University of Edinburgh, Edinburgh, UK*

Doctoral Colloquium B8 - Dynamic Patterns of International Development
4.00pm - 6.00pm Lecture Theatre 3
Panellists: Kevin Ibeh, University of Strathclyde, UK, Niina Nummela, University of Turku, Finland and Anthony Roach, University of Manchester, UK

The Evolution and Patterns of Firm-level Internationalisation Over Time
*Lisa Spencer*
*Trinity College Dublin, Dublin, Ireland*

The Internationalization of Family Owned Nigerian Small and Medium Enterprises: Evidence From the Nigerian Manufacturing SME's
*Wasiu Basit Ajani*
*Southern Cross University, Gold Coast, Australia*

The Factors Influence the Stability of International Joint Ventures: An Integration of Transaction Cost View and Knowledge-base View of the Firm
*Lu-Yun Cheng*
*The York Management School, University of York, York, UK*

International Entry Modes: A Multi-Theoretical Approach and Empirical Investigation
*Emmanouil Sofikitis*
*Athens University of Economics and Business, Athens, Greece*
Doctoral Colloquium B9 - Internationalisation, Capabilities and Entrepreneurial Strategies
4.00pm - 6.00pm Lecture Theatre 1
Panellists: Margaret Fletcher, University of Glasgow, UK, Eva Alfoldi, University of Manchester, UK, and Glenn Richey, University of Alabama, United States

Exploring the Deliberate and Emergent Internationalization Strategies in the Context of Born Global Firms
Burak Tunca
University of Agder, Kristiansand, Norway

Market-driving Strategies and International entrepreneurial Firms: The Effects of Market-driving Network and Entrepreneurial-marketing Organization on its Competences and Strategic Choices
Tanyaporn Soontornthum
Manchester Business School, Manchester, UK

The Role of Dynamic Capabilities on Internationalisation in the Digital Content Industry (DCI) - a Cross-National Study
Jonathan Twinem
University of Ulster, Belfast, Northern Ireland, UK

An Exploration of the Diffusion of Mobile Banking in the Retail Banking Sector
Jennifer Mullan
University of Ulster, Magee Campus, UK

Doctoral Colloquium B10 - International Marketing, Finance and Performance
4.00pm - 6.00pm Lecture Theatre 6
Panellists: Mika Gabrielsson, Aalto University, Finland, Susan Freeman, University of Adelaide, Australia and Mo Yamin, University of Manchester, UK.

Role of Learning in Networks on Firm Upgrading in Polish Food-processing and Clothing Industries
Deniz Yoruk
Science and Technology Policy Research (SPRU), University of Sussex, Brighton, UK

Customer Retention in Cross-border Acquisitions
William Degbe
University of Turku School of Economics, Turku, Finland

Exploring the Challenge of Marketing Metrics
Markus Lamest
School of Business, Trinity College Dublin, Dublin, Ireland

Textual Sentiment Analysis of International Financial Markets
Sha Liu
Trinity College Dublin, Dublin, Ireland
Doctoral Colloquium B11 - Corporate Social Responsibility and International Branding
4.00pm - 6.00pm Lecture Theatre 5

Panellists: Colin Wheeler, University of Portsmouth, UK, Stan Paliwoda, University of Strathclyde, UK and Anna Morgan-Thomas, University of Glasgow, UK

The extent of CSR Strategy Integration By The Subsidiaries of MNCs in A Developing Country Context Highlighting Parent-Subsidiary Relationship
Monalisa Hague
University of Bradford, Bradford, UK

How Institutional Entrepreneurs Develop their Innovative Capabilities: Construction of Corporate Social Responsibility in the Transition Economy of China
Shubo Liu
University of Edinburgh, Edinburgh, UK

Corporate Branding in Multinational Corporations - Giving Sense to a Corporate Brand
Riitta Birkstedt
Turku School of Economics, Turku, Finland
Developing High-Tech INVs - Acting at Three Levels

This session brings together a panel of international scholars to share their knowledge of contemporary International Entrepreneurship (IE) issues. The topics included in this session include: the processes of international entrepreneurship; technological innovation and opportunity recognition; SMEs and locational/relocational factors; organisational learning, absorptive capacity and knowledge assimilation; how INVs in low-tech sectors develop competitive advantage and a multi-dimensional approach to the network resource view. The session will have an opportunity for discussion among audience members and the participants, facilitated by the panel session chair(s).

Tuula Mäkelä, Elna Premu, Vesa Puhakka, University of Oulu, Oulu, Finland

The purpose of this research is to analyze the development of high-tech international new ventures as an acting process by individuals in relationship networks. The study cross-fertilizes research on internationalization of international new ventures, opportunity development of entrepreneurs and innovation development in technology-based firms. A longitudinal case study on the development process of an international new venture operating in the software business is used as a basis for analytical generalization and theory development. Statistical generalization based on common patterns experienced by several firms was not sought in this study. Using the process research approach with event based analysis the study, however, provides an in-depth analysis of international new venture development through acting of individuals at the level of key events.

The study illustrates events at three intertwined levels of acting on the development of an international new venture. It defines internal problem solving, external solution creation, opportunity selling and opportunity organizing as the behaviors driving the emergent, multi-level process and embedding the venture in various networks. From the business practice viewpoint the study illustrates how the complexity of building high-tech international new ventures is, to a great extent, due to the necessity of handling the process at three levels simultaneously and in connection to each other. Since international new ventures are often based on business opportunities that have a short window of opportunity, the timeline creates further challenges. Embedding the business into various resourcing, legitimizing and otherwise assisting networks is crucial.

The originally value of the study is based on its provision of insight to the ways of acting in networks that interwines the internationalization, opportunity and technology development in development of a high-tech international new venture. The study follows the development process in real time, something that is quite rare in previous international entrepreneurship research. The methods for examining a complex development process over time can be utilized by other process researchers.

The Impact of Internationalisation on Small Firms' Choice of Location and Propensity for Relocation

Per Sørensen, Jan Møller Jensen, Erik S Rasmussen, University of Southern Denmark, Odense, Denmark

Purpose - The primary focus of this article is on the international (import and export) activities of the firm and the impact on the firms' criteria for choice of location and the propensity for relocation.

Design/methodology/approach - A web survey was carried out among small- and medium sized Danish firms. Data used in the present study is based on responses from 622 firms. The analysis is conducted in two sub-sections. The first section focuses on how export/import intensity is related to the location motives of the firm and the propensity to relocate the firm to another national location or abroad. Pearson's correlation with corresponding test of significance is used to explore the possible relationships between the international engagement and the firm's criteria for choice of location. In the second section the responding firms are classified into one of four categories as suggested in a local/global typology. ANOVA is conducted in order to assess whether there exists any significant differences between the four types of firms with regard to the location motives and relocation propensity for the firms.

Findings - The study shows that the international engagement of the firm influences the need for better location in respect to infrastructure (especially airport and highways) and to a lesser degree other types of infrastructure (railways and harbours). Interestingly firms put less emphasis on the direct economic factors (infrastructure) compared with access to customers/suppliers, local network and above all access to research institutions. The study shows that international firms put significantly more emphasis on the relationship with research institutions than more local firms. The study also indicates that a higher international engagement increases the firm's intention to relocate abroad, which could be one of the unwanted sides of firms' internationalisation.

Originality/Value - Guided by insights from location and relocation theory and international entrepreneurship theory, the connection between firms' export and import engagement and the reasons for relocation are explored. The article also suggests an internationalisation typology of firms that can be used in future research on the internationalisation of the firm.

Keywords - Location, International activities, Small-firm, Local firms, Denmark

Paper type - Research Paper

Knowledge Assimilation Processes of Rapidly Internationalising Scottish SMEs

Margaret Fiechter, Shameen Prashantham, University of Glasgow, Glasgow, UK

The accumulation of knowledge and learning by firms has been identified as critical to their internationalisation. This article explores knowledge assimilation processes of rapidly internationalising SMEs. The process is a qualitative enquiry in two stages. First, four case-studies were selected from firms that were participating in an internationalisation programme run by Scottish Enterprise, the regional development agency. Data collection involved semi structured interviews with CEOs and programme providers, and archival data. Second, two focus groups were held with six CEOs participating in the programme. Our findings indicate that knowledge sharing is important for rapidly internationalising SMEs and that firms adopted high levels of formality in assimilating knowledge. Two key aspects of formality were identified as important: formal planned events to share explicit and tacit knowledge and the codification of tacit to explicit knowledge. Knowledge may be assimilated less formally by the retention of tacit knowledge as tacit, while utilising elements of formality. We find that learning for internationalisation can be transferred to support domestic growth.

It is important for firms to develop appropriate knowledge assimilation processes within their management systems to support internationalisation. The CEO and management team need to take the lead in marshalling commitment to learning processes and to cultivate an organisational culture that is supportive of learning. This research contributes to international entrepreneurship by providing insights into the knowledge assimilation processes employed by rapidly internationalising SME to manage the tensions between the need for greater formality to be efficient at learning, and informally to enable speedy decision making.

International New Ventures in 'Low Tech' Sectors: A Dynamic Capabilities Perspective

Natasha Evers NUI Galway, Galway, Ireland

Purpose – Drawing on the Dynamic Capabilities Perspective and the Resource Based View of the firm (RBV), this paper seeks to further our understanding of international new ventures operating in a traditional low technology sector - an understudied context in international entrepreneurship.

Design/methodology/approach – Exploratory research using qualitative research as the chosen methodology. Multiple case study design and critical incident technique were the main qualitative techniques employed.

Findings – The case entrepreneurs’ objective and subjective capabilities emerge as a critical key resource for strategically managing and developing the dynamic capabilities of the firm in areas of R&D, logistics and production. The firms’ capability to adapt and renew themselves through product diversification strategies was also critical for sustainable competitive advantage in a highly turbulent and competitive sector of seafood.
Research Limitations/Implications – The study is sector specific and while the sample size is small, findings are consistent. The paper presents a conceptual research framework for exploring further dynamic capabilities theory across diverse empirical high and low-tech industry contexts.

Practical Implications – Low technology sectors are considered a ‘forgotten sector’ of innovation policies in small-developed economies (Hirsch-Kreinsen, 2008). Findings from this study identify a number of important implications of relevance to policy-makers and managers.

Originality/Value – This study contributes to the knowledge and understanding of how INVs in traditionally low-tech sectors develop competitive advantage on international markets. The study presents an entrepreneurial perspective to the dynamic capabilities theory of the firm and presents a conceptual research framework to further our understanding on INVs.

International Performance of High Tech SMEs: The Role of Network Resources

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This study identifies and examines the relationship between network resources and international performance of High Tech SMEs (HTSME) in the telecommunications industry in Ireland. The network resource construct for this paper comprises three dimensions: network human capital resources, network resource combination and information sharing. Empirical research was carried out using a mail survey in which 154 firms completed and returned the questionnaire. Three hypotheses were analysed using structural equations modelling using LISREL. The study’s main finding suggests a positive relationship between a firm’s network human capital resources and international performance. However, no support was found for the relationship between network resource combinations, information sharing and international performance. This study is cross-sectional, confined to a single industry and focused on the role of networks in the HTSME context only. Results from this study provide policy makers and practitioners with additional insights into specific network resource based factors that are associated with international performance for HTSMEs. Such an assessment would help identify specific areas of relationship strengths and weaknesses in terms of the level of network capital available to firms and the extent and level of information exchange between firms. The paper concludes with a discussion of these findings and the overall implications for policy makers and managers.

Specifically, it is necessary to identify and review the types of resources that are critical to the international performance of firms and develop and implement business strategies building on those resources in order to enhance the likelihood of international success. This study offers a multiple dimensionality to the network resource concept by measuring the direct effect of the type of network resources in terms of human capital, information and network resource combinations on international performance of High Tech SMEs (HTSMEs) in the telecommunications industry. These findings advance network research by highlighting the trade-offs that networks impose on firms that seek to manage and leverage their network resources.

Parallel session 1F - Internationalisation from Emerging Markets

Chair: Yue Xu, Hull Business School, UK

UK Universities’ Entry into the Chinese Market: A Stages Approach to the Internationalization of Higher Education?

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The Higher Education (HE) sector has become increasingly commercial and international in scope. Higher Education Institutes (HEIs), and in particular universities, make a significant contribution to economic activity and they are an important and growing source of overseas revenue. Yet there is little research into HEIs as international businesses. This paper seeks to contribute to understandings of the internationalization of HEIs by assessing the extent to which an evolutionary approach is evident in their overseas business activity, beginning with exports before moving on to contractual arrangements, then joint ventures and finally the establishment of wholly owned subsidiaries. Do HEIs traverse a number of stages during their entry into overseas markets, becoming more involved and committed to foreign location as they pass through such stages?

Drawing on primary and secondary research the paper focuses specifically on the internationalization of UK universities as they expand into the Chinese market. In particular, the findings of primary research from case studies of ten UK universities operating in China are reported. Primary data was gathered through 41 face-to-face interviews with senior executives involved in HE internationalization practices. This research reveals that the internationalization of the UK universities in relation to the Chinese market is still at a low commitment stages. In addition, UK universities do not follow a uniform pattern. Nevertheless, in terms of the level of commitment and mode of service delivery this study does identify a common developmental route with the key stages of internationalization for most UK universities in China being firstly exporting followed by the establishment of contractual arrangements (including validation, franchise and joint program). To date only two universities have developed joint ventures, and currently government regulation prevents the establishment of wholly owned campuses in China. The characteristics of each mode of internationalization are presented, providing their underlying principles and offering strategic options for future practitioners seeking to achieve international ambitions in higher education.

New Forms of Internationalization: Strategic Asset Seeking Motives

Ayse Alcalı, King’s College, London, UK

Increased levels of internationalization from emerging markets has led to discussions and questions on the motives of these firms and their behavior. This paper aims to highlight the debates on the internationalization motives of the emerging market firms, and point out the contradictions arising from such motives and international business theories. The proposed research is an in-depth analysis of the firm specific asset composition of emerging market firms, international and domestic, in order to examine changes in the asset composition of such firms over time and also to contribute to the theories of internationalization with respect to strategic asset seeking motives and emerging market firm structure. The main focus of the paper and the research is to ascertain whether emerging market firms are solely internationalizing and also performing on the basis of their specific abilities such as the ability to function in institutionally weak environments and the ability to manufacture at low cost or whether such firms are developing firm specific assets similar to those of their counterparts in developed countries. Another focus of this research is to look at the domestic firms and inquire whether such firms are accumulating strategic assets parallel to the increasing liberalization levels in emerging markets. Such results will contribute to the discussion of the mainstream international business theories such as the eclectic paradigm or the internationalization theory, which focus on firm specific advantages as a prerequisite of internationalization. Another aspect of the research is to improve the understanding of strategic asset seeking motives, analyzing whether this motive is prevalent on a larger set of companies or not. The proposed research is a longitudinal analysis of Turkish firms, quoted in the stock exchange, over a period of 10 years, in order to identify the performance indicators of such firms and to observe the changes in such indicators through time. Data is gathered from the independently audited financials of the 320 firms quoted on the Istanbul exchange over a period of 10 years.

Productivity Performance of Export Entry and Exit: Evidence from Indian Firms

Sushanta Mallick1, Yong Yang1 Queen Mary University of London, London, UK, 1Essex University, Southend-on-Sea, UK

This paper contributes to the literature on exporting and firm productivity, focusing on export entry (efficiency), learning (post-entry growth) and exit (inefficacy) by Indian firms. Using firm-level data covering over 9,000 firms from India over the period 1998–2009, our main objective is to examine the effect of exporting on firm productivity, correcting for selection bias using propensity-score matching, which allows an adequate ‘like-for-like’ comparison between new exporting firms and non-exporters. Robust to different matching estimators, we find evidence of learning-by-exporting that new exporting firms acquire rapid productivity growth after entry, relative to non-exporters. We also find that exporters on average are more productive than non-exporters; 2) productive firms tend to self-select in entering the exporting market, and 3) least productive exporters are found to exit the export market as these firms experienced an adverse productivity effect for up to five years prior to the year of exit.
Does Policy matter? The Chinese Outward FDI into Africa

Yue Xu, Leilei Tang, Akamavi Raphael, Hull Business School, Hull, UK, Strathclyde Business School, Glasgow, UK

Chinese firms have been unprecedentedly active in making direct investment into the African countries in recent years. In this paper, we explore the key determinants of Chinese Outward Direct Investment into Africa by using a comprehensive panel dataset of Chinese OFDI in 48 Africa countries over the period of 2003-2007. The analysis based on Generalised Method of Moments (GMM) estimation suggests the positive and reinforcing effect of Chinese OFDI on itself. The findings support the view that market size, natural resource endowments, and labour participation rate, among others have positive effects on Chinese OFDI. Surprisingly, our hypotheses on negative effect caused by poor infrastructure, capital market, and corruption in Africa are not supported. Taken together, our results show to some extent policy does not matter for the Chinese OFDI in Africa.

Parallel session 1G - Firm Networks and Social Relations
Chair: Rauni Seppola, University of Jyväskylä, Finland

The Influence of Culture on the Adoption of Social Network Sites
Rotem Shporer, Ruppin Academic Center, Emek Hefer, Israel, University of Agder, Kristiansand, Norway

Global e-commerce is on the rise. According to a recent JP Morgan report, global online revenues in 2011 are expected to reach USD 680 billion, further growing up to USD 963 billion in 2013 (Rao, 2011). Accordingly, online ad spending continues its double digit annual growth, and expected to reach USD 40.5 billion in 2014 in the USA alone, up from USD 25.8 billion in 2010 (eMarketer.com, 2010). More specifically, marketing investments directed at social networking sites were estimated at USD 7 billion in 2010, and are expected to further grow up to USD 38 billion by 2015 (Marketingcharts.com, 2010). Such growth prospects correspond well with findings of a survey by Forrester Research, showing that most marketing managers pursue social technology applications for marketing, with 95 percent of which planning to either maintain or increase their investments (Li & Bernoff, 2009).

The introduction of the Internet into daily lives of people facilitated the emergence of various social network sites, also often referred to as ‘virtual communities’. Members of such communities represent highly interesting groups for marketers from a commercial point of view. They form relatively homogeneous groups through self-selection, they are highly involved in the community, they produce large amounts of interesting information, and they tend to be loyal to their virtual community (VC) throughout. Therefore, in marketing terms, engaging members of VCs in viral marketing becomes the main attraction of social networks, as members are connected to each other in a way that increases trustworthiness of the messages transferred among them due to their potential impact on marketing performance and effectiveness.


Although the rise in attention, it must be acknowledged that VCs commercial exploitation remains a relatively new phenomenon most companies are still learning about and experimenting with.

While the previous discussion regarding the characteristics of VCs’s impact on marketing performance, refer to the individual’s engagement level in the community, segmentation along more fundamental social factors, such as national culture, have been unexplored. Since cultural values have a direct impact on behavior (Baack & Singh, 2007, Franke & Nadler, 2008, Soares, et al., 2007, Taras, et al., 2010), one can assume that individuals’ participation in VCs in general, and relationship-oriented (RO) social network sites in particular, is a behavior which may be facilitated, amongst other factors, by cultural values.

The current study explores the influence of culture on national user engagement levels in social network sites. More specifically, it examines the impact of Hofstede’s four cultural dimensions on the share of Facebook users in total online population (POPE) in the specific context of developed economies. The study shows that POPE is negatively impacted by the cultural dimensions of uncertainty avoidance and masculinity dimensions, as well as by the control variable of share of online population out of total population. The study concludes with some practical segmentation recommendations for marketers aiming for more effective social network marketing efforts.

A Re-Examination of the Stages Model of Internationalization: A Theory for Born Globals?
Viveca Sasi, Aalto University School of Economics, Helsinki, Finland

According to Madsen and Servais (1997) the current research on INVs tends to be purely descriptive without a well-developed theoretical frame of reference. It appears that we lack a uniform theory explaining INVs ability to rapidly become international and global.

One can argue that the traditional international business theory would be suited to explain the phenomenon of the INVs. Yet, according to McDougall et al. (1994) the international business theory cannot fully explain the new international venture or the born global phenomenon because it assumes a slower and more gradual international growth of the firm.

This study applies network and INV theories in examining the relationship formation of international software entrepreneurs to make an original contribution to understanding the relationships that entrepreneurs in INVs develop and use. We find marked differences in the relationship they develop, depending on whether or not there is a strong domestic presence for their industry. The study supports three conjectures: that domestic industry presence influences the strength of the entrepreneurs’ relationships, it influences the location of the relationship networks, and it influences the entrepreneur’s activism in forming international relationships. A strong local industry can help INV firms to start-up, but it can act to constrain subsequent international relationships formation. The differences analysed here help us develop an analytical framework that helps understanding of the different relationships of international entrepreneurs.

Investigating the Relationship of Companies, Associations and Federations in European Union Lobbying Activities: the Case of Energy Sector
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This paper investigates the importance of corporate, business lobbying activities through organisations engaging in Industry Associations and Federations in order to influence the legislative decision making process at the European Union (EU). We are addressing a gap identified in the literature regarding the importance of lobbying coalitions and their influence in the EU (Kluver, 2010). A sample of companies, associations and federations belonging to the energy sector were identified, contacted and interviewed with a focus on a better understanding of the process of lobbying and its underlying dynamics in the EU. The importance that companies place on the involvement with their industry association is related to the effectiveness that a common position, from an association’s perspective, has to the relevant EU institutional bodies. This can be also seen when looking at the EU level associations that are often federations of associations. Companies do see their membership to an association as an active position. Companies see value to add to the associations’ efforts towards the EU institutions. Although associations are seen as an important element to a company’s corporate political activities at the EU, it is important to point out that the large companies from the power and energy industry see associations as being a component in a wider array of channels available to them. On the other hand even for those companies which possess the resources and capabilities to undertake corporate political activities at the EU level entirely on their own, this relationship with relevant associations is a desirable one.
Importance of Social Capital in Internationalization of the Firm A Business Network View

Rauni Seppola, University of Jyväskylä, Jyväskylä, Finland

This paper examines the internationalization process as a social learning process. Internationalization is seen as a process of interactive, cumulative relationship development and learning. Learning is based on experiences of current activities which start with interaction. The outcomes of successful interactions are long-term relationships characterized by trust. Trust is social capital that increases knowledge, and decreases uncertainty and the psychic distance perceived by the actors involved. Experience of diverse markets and institutional knowledge are also important to firms seeking access to foreign markets. Social capital defined as trust is the most important factor influencing knowledge acquisition between actors. Hence, the proposition of this paper is that there are positive associations between social capital, knowledge and access to foreign markets.

Keywords: social capital, trust, commitment, experience, knowledge, business relationships, internationalization

Parallel session 1H - Methods For Research in International Business

Chair: Anna Morgan-Thomas, University of Glasgow, UK

Research Methodology in International Business: A Review of Articles Published in the Recent Decade (2000-2008) in JIBS

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The field of international business is multidisciplinary in nature and attracts scholars from a variety of backgrounds. While this multitude of talent from related disciplines offers IB a unique position in the business literature, it is not evident if particular research methodologies predominate in this field. Therefore, we content analyze papers published in the recent 10 Volumes (Vol. 31 to 40) of the Journal of International Business Studies. This journal is the flagship journal of the Academy of International Business and is widely accepted as the dominant journal in the field. Our analysis provides a snapshot of extant methodologies and insights into the evolution of the field and offers several implications for future research.

Critical Review of Methodological Issues in Dynamic Capabilities Research

Taina Eriksson, Turku University School of Economics, Turku, Finland

Even though the methodological perspective has remained nearly unexplored in the domain of dynamic capabilities research, it is often claimed that dynamic capabilities have been studied only with qualitative research methods. It is important for the advancement of the dynamic capabilities approach that increasing attention is paid to the research methods. This paper presents an extensive review of 142 empirical studies on dynamic capabilities that was carried out to find out what kinds of research strategies have been used.

The initial search yielded 373 articles, of which 232 are empirical studies. The quality of the articles was carefully evaluated, which led to the final set of 142 articles. The screening of the articles in terms of quality showed that there are various sources of problems in the study design. Inconsistencies in the research strategy could be found, for example, in conflicting research purpose and data or conflicting data and conclusions. On the other hand, there could be found studies where the operationalisation had led to over simplification of the concept.

The review shows that the number of both conceptual and empirical studies has been rising steadily since the inception of the discussion in the 1990’s, and that conceptual papers continue to be a notable part of the dynamic capabilities discussion. Among the empirical studies, there are, in addition to qualitative case studies a considerable number of quantitative studies. A third of all the empirical studies are actually quantitative studies based on large number of responses or other data. Another third, however, are single-case studies. An interesting finding is that the single-case studies mainly focus on examining large firms, whereas studies combining quantitative and qualitative methods focus more on SME’s.

With regard to the data used in the studies, it was discovered that only around one third of the studies utilise more than one source of data. Moreover, only one in ten of the quantitative studies utilised multiple data sources, whereas nearly half of qualitative studies used more than one type of data. Therefore, there would definitely be room for more studies (especially quantitative ones) combining different data to achieve better understanding of the phenomenon. Additionally, there would be need for an increasing number of mixed methods studies. Finally, narrative studies seem to be lacking in the domain of dynamic capabilities, even though narratives could bring important insights into the questions of how dynamic capabilities develop and how they operate.

Also the time frame of the data used in the studies was examined. Great majority of the studies contain longitudinal elements. Despite processes being much emphasised in the dynamic capabilities approach, it was found that also carefully designed cross-sectional studies can inform the development of theory on dynamic capabilities. It can be clearly seen in the results that quantitative studies form the largest part of the cross-sectional studies. Nonetheless, it is important that the cross-sectional data is not misused for processual analysis.

Reflections on Using Case Studies and Qualitative Methods in IB research on MNE-Government Relations

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This paper reflects on the methodological challenges in an IB research project investigating MNE-government relations in the area of environmental regulations in the European Union for the automotive industry, where data had to be treated confidentially, and where access to interviewees was difficult to negotiate. The initial research design of a case study with semi-structured interviews is presented and then the modifications that were made based on the first set of data collection are discussed, including changing the terminology used with interviewees and extending the cases of environmental regulations to three. The method of analysis and the format of writing-up are then presented and discussed, which were also changed. Additionally, some of the terminology and the code to identify the anonymised interviewees were modified as well. The paper finishes with a reflective conclusion and methodological recommendations for qualitative research in IB on MNE-government relations.

Key Words: Research design, qualitative methods, case study, semi-structured interviews, data collection, flexibility, coding, MNE-government relations

Common Method Variance in IB Research: Truth or Urban Legend?

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In a recent editorial Chang et al. (2010) draw attention to common method variance (CMV) as a source of bias in IB field. CMV refers to the variance within measures that is due to measurement method: method may produce a degree of variance in all measures that are assessed with the same method. CMV affects variance having inflammatory effect on the variance captured. The authors note that this problem might be particularly severe in studies using single-source primary data collected through self-reported questionnaires, that is, in situations where both the dependent and independent explanatory variables are collected at the same time, from the same respondent and through one method. There is some debate on severity of the CMV within the context of IB. The review of articles published in JIBS leads Chang et al. (2010) to a conclusion that CMV might affect a significant proportion of publications. The authors point to the high incidence of articles based on self-reported questionnaires and the number of potential sources of CMV identified within these articles. The paper acknowledges that this evidence shows how frequently the risk of CMV appears in JIBS articles and not the magnitude of CMV in these articles. The current paper extends the empirical assessment of CMV beyond JIBS with an aim to provide empirical evidence for the effects of CMV on IB research.
Parallel session 2A - Financial Performance in Emerging Markets
Chair: Fragiskos Filipaioos, University of Kent, UK

An Analysis of the Chinese Stock Market during the Global Financial Crisis
Su Qian Kong, Joseph Coughlan, Lucia Morales, Dublin Institute of Technology, Dublin, Ireland

The recent global financial meltdown has strongly affected developed economies, which have seen how the collapse of some of their large financial institutions has negatively affected the performance of their stock markets. On the other hand the crisis seems to only have had some minor effects in emerging economies that appear to be quite unscathed by the financial turmoil. In particular, the Chinese economy is showing signs of great strength with a solid 10 per cent of GDP growth, which can be considered to be a key driving force of the world economic recovery. As a result, Chinese economic and political influence is becoming more relevant as time passes. Therefore, the aim of this paper is to investigate the relationship between the Chinese stock market, the U.S. stock market, and the linkages between these stock markets and one macroeconomic fundamental variable that is the Chinese overnight repo rate. This initial framework will help us to shed some light with regard to US stock market behaviour and its potential impact on the Chinese stock market and monetary policies during the global financial crisis.

The Chinese economy is characterised by capital control regulation and a unique dual stock structure that can influence foreign investment activities in the country. Moreover, the People's Bank of China (PBC) sets up its interbank interest rate (i.e. repo rate) to affect investment activities in China and abroad. This study uses daily time series of the Shanghai Composite (SHC) index, S&P 500 index, and the Chinese overnight repo rate spanning April 2003 to May 2010. In addition, structural tests are conducted by using the series residuals to identify a common breakpoint for the current crisis.

The Johansen and Engle-Granger approaches are used to identify cointegration relationships between the variables, and a VAR and VECM model are applied to analyse the short-run and causal relationship. The main findings show evidence of cointegration in the long-run and short-run between the Shanghai Composite and the repo rate. Additionally, the causal analysis reveals a unidirectional running from the SHC --> repo rate --> S&P500 --> SHC during the pre-crisis period (April 2003 to September 2007). On the other hand, the causal effects changed their direction to repo rate --> S&P500 --> SHC during the financial crisis (October 2007 to May 2010), which suggests the PBC can use its monetary policy to stabilise its stock market during the crisis period (for example during 2008-2009 the Chinese government intervened in its economy through a variety of stimulus packages).

Even though Chinese monetary policy can influence US stock market in stable period, it has not affected the US stock market during the crisis period. Then, the results confirm that the US stock market has a predictive power over Chinese stock market for the whole sample period.

Finally, the contagion analysis based on the Forbes and Rigobon (2002) methodology did not find evidence of contagion between the Chinese and US stock market. These results are confirmed after improving the test by adding an extra explanatory variable (repo rate). Consequently, our results indicate the existence of diversification opportunities among these markets.

Internationalization through Warsaw Stock Exchange - an Empirical Analysis.
Witold Wilinski, Warsaw School of Economics, Warsaw, Poland

The main objective of this article is to present the results of empirical research relating to internationalization of Polish companies. The analysis that has been carried out relates mainly to motives for undertaking investments, methods of their financing, ownership structure and one aspect of institutional environment, i.e. the Polish mandatory pension fund system.

The research was based on a sample of 400 large and medium-sized companies listed on the Warsaw Stock Exchange, out of which 96 companies conducting international activities have been selected. The companies at their early stage of internationalization, i.e. conducting export activities only, have not been taken into account. Additionally, all companies registered and located outside of Poland and not controlled by Polish capital have been eliminated with the aim of concentrating on Polish businesses. The companies conducting their activities abroad in order to optimize their tax results have not been taken into consideration either.

Unlike most articles concerning research on emerging multinationals, the analysis that has been carried out was based on "first-hand" primary data, including among others quarterly and annual financial statements of the companies, and on the information contained in issue prospectuses, also those concerning issues of shares related to the purchase of specific foreign companies. The time range covers the years 2000-2010, and in case of annual financial statements, 2009 is the last year of the research period. The main positive features of the applied methodology are: (1) full availability of financial data due to the fact that the companies are listed on the public stock market; (2) full comparability of input data based on uniform financial data in accordance with International Financial Reporting Standards; (3) coherent and comparable period of publication of the data; (4) full, i.e. 100% range of the information obtained (as opposed to survey research method).

The findings of the research show clear differences in internationalization strategies applied, depending on the sector in which the company operates. The conclusions presented in the study also relate to the role of the pension system functioning in Poland, which is an important source of capital for the companies listed on the Stock Exchange, as well as the role of the Stock Exchange itself, as an important tool enabling the companies to gain capital for their foreign expansion. The research results may be helpful both in further theoretical analyses of internationalization of the companies from CEE and other emerging markets, and may also represent a significant practical value for the management staff of the companies.

Bank Characteristics and Liquidity Transformation: The Case of GCC Banks
Ritab Al-Khouri, Qatar University, Doha, Qatar

This paper uses a simple measure of liquidity creation to examine empirically the effect of bank capital and other micro and macro - characteristics on liquidity creation. We apply the analysis to data from a sample of 43 banks operating in 6 of the countries comprising the GCC (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) market over the period 1998-2008. Large banks with high capital seem to produce most of the liquidity by the banking sector in the GCC market. However, the negative relationship between profitability and liquidity created by banks indicate either high loan losses or high cost of intermediation.

Structural Breaks and Financial Volatility: Lessons from BRIC Countries
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While there is a substantial literature on the analysis of volatility spillovers between stock returns and domestic economic rates, surprisingly, little empirical research has examined volatility spillovers between oil prices and emerging economies, where a clear gap of research have been found regarding to the BRIC financial markets and the effects of the 2007-2009 World economy crisis. This lack of research might appear as surprising given that energy markets are of particular interest as they are considered a fundamental reference for economic recovery and growth. Therefore, this work aims to address this gap on the literature by focusing at the BRIC financial markets and their co-movements with regard to some energy markets (oil, natural gas and electricity) and also to the international pressures that may arise from fluctuations originated in the US oil markets. This research major findings show compelling evidence highlighting the weak integration levels that exist among the Chinese financial markets, energy markets and the US stock market. On the other hand, the Brazilian, Indian and Russian markets are found to be more sensitive to international shocks arisen from US markets and also to energy markets instability, especially with regard to oil market uncertainty.
Equity Culture Development in Central and Eastern European Countries: A Conceptual and Empirical Examination

Zita Stončič1, Fragiskos Filipiopulos1, Carman Stoian1, University of Kent, Canterbury, UK, 2George Mason University, Washington, United States, -

This paper serves as a theory building discussion of the concepts of equity culture and its creation mechanism. We believe that the conceptualisation itself can be regarded as a valuable theoretical contribution in its field. The combination of the theoretical concepts and consequently arranged into a single theory building block is also innovative. Equity culture is a less popular source of finance in the CEECs but yet developed in a number of developed economies. The way these economies, i.e. CEECs, will proceed is a dynamic and challenging issue to observe.

We graphically display ten CEECs from our research sample and four benchmarks in terms of their macro-economic, institutional and managerial characteristics and thus cumulatively, we believe, portray the status of their financial system development and equity culture creation. The Co-Plot applied to create the exhibits, enable us firstly, to identify indicators leading to debt financing and equity financing; and secondly, to place individual CEECs not only in terms of their general financial system development credibility but also in relation to equity culture creation.

Parallel session 2B - Knowledge Transfer Within and Outwith the MNC
Chair: Nigel Driffield, Aston University, UK

It Takes Two To Tango: Joint Effects of Expatriates’ Competencies to Transfer and Subsidiary Absorptive Capacity on Subsidiary Performance

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Drawing upon the organizational learning perspective and the knowledge-based view, we examine when and how expatiate competencies to transfer knowledge may enhance subsidiary performance. Integrating the literature on expatriation and absorptive capacity, we propose that subsidiary absorptive capacity moderates the influences of expatriates competencies (i.e., ability, motivation, and social capital) to transfer knowledge on subsidiary performance, and that the moderating effect is manifested into the actual knowledge flow into the subsidiary. We draw on qualitative data gathered from 86 interviews of expatriates and quantitative data based on surveys of 324 expatriates and 324 local managers from 162 Taiwanese multinationals operating in the UK. Results largely supported the proposed framework.

Can Cultural Difference Affect Supplier Innovativeness in International Customer-Supplier Relationships?

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The increasing competitive pressures and speed of R&D and product innovation have many multinational enterprise (MNE) customers to outsource their core activities to suppliers. Despite organizational challenges due to cultural and physical separation from their partners, these are now charged with supplier-driven innovation. This study looks at key drivers to supplier innovativeness, examines the role of national culture in shaping supplier innovativeness and examines the impact of this dimension on relationship performance in international customer-supplier relationships. Our findings from a large-scale survey of Taiwanese electronics suppliers provide evidence for the contribution of antecedents such as customer orientation, customer's control and technological uncertainty to the enhancement of supplier innovativeness. Innovativeness contributes to increased customer dependence and improves relationship performance. The role of differences in masculinity is also tested in this study, and while there is no statistically significant effect on supplier innovativeness, we find that a performance and achievement-oriented culture may be detrimental to relationship development in international exchange relationships.

Intra-firm Trade, Embeddedness and International Knowledge Transfer in the MNE

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This paper examines knowledge transfer between parent firms and their international affiliates using a unique official dataset of MNE affiliates which distinguishes between technology and other managerial knowledge flows. Particular attention is paid to the role of intra-firm trade among multinationals as a conduit for international knowledge transfer. We find that intra-firm trade and knowledge transfer are closely linked. Affiliates which are embedded into the parent's (physical) supply chain are more likely to receive and impart flows of new knowledge than those which are not, consistent with the transfer of ‘core’ technology and other knowledge. We also find that affiliates’ intangible knowledge capital is linked to reverse knowledge transfers (from affiliates to parents), and that being exposed to export markets makes affiliates less technologically dependent on their parent.

Parallel session 2E - Corporate Governance and Finance
Chair: Martha O’Hagan Luff, Trinity College, Ireland

Managerial Compensation Structure in Chinese PLCs

Larry Su 1University of Greenwich, London, UK

Using unbalanced panel which consists of a total of 43626 executives in 1362 publicly listed corporations (PLCs) in China during 1999 and 2007, this paper empirically examines whether and to what extent intra-firm compensation structure affects managerial incentives and firm performance. The paper finds that pay increases as executives move up the corporate hierarchy into higher versus lower ranks. In addition, pay gap is the largest between the first and second research sample.

The Corporate Governance and Valuation Effects of Alliance Investments

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Based on agency theory, this study examines the role of corporate governance mechanisms in explaining the valuation impact of corporate alliance investments. In considering the importance of corporate governance in mitigating the agency hazard in alliances, we investigate three sources: the board of directors, managerial incentive plans, and the external takeover market. Using a sample of 1,743 U.S. firms engaged in announced alliances between 2001 and 2007, we find that board meetings, managerial ownership, and managerial equity-based compensation have significantly positive effects on alliance outcomes. Active boards are effective in supervising and advising alliance investment decisions, and incentive plans align manager and shareholder interests by curbing executive opportunism and encouraging risk aversion. The results from the Co-Pilot applied to create exhibit, enable us firstly, to identify indicators leading to debt financing and equity financing; and secondly, to place individual CEECs not only in terms of their general financial system development credibility but also in relation to equity culture creation.
Multinational Corporate Financing And Parity Relations

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Multinational corporations play a vital role in the enhancement of global welfare. This is the reason why financial economists have endeavored to analyze the feasibility of undertaking and financing foreign projects. We extend this literature for multinational corporate financing by modeling the agency perspective of equity and debt in a rational expectations framework to: (i) derive conditions for at most nine equilibria under which lending would occur, (ii) demonstrate the endogeneity of bankruptcy, (iii) derive an interior optimal capital structure contingent on the risk of expropriation, and (iv) derive a set of pricing conditions different from the well-known foreign exchange parity relationships under risk aversion and market imperfections such as taxes. We illustrate that irrespective of the form of debt used, the optimal capital structure of a multinational corporation entails the pareto-efficient design of securities.

The Indirect International Diversification Benefits of Investing in US Based Multinationals

Colm Kearney, Jenny Berrill, Martha O'Hagan Luft, Trinity College, Dublin, Ireland

This paper investigates if the home bias puzzle can be partially explained by indirect international diversification via investment in home based multinational firms in the US. Using firm level data on the Russell 1000 firms between 1994 and 2007, it tests if the addition of portfolios of international firms to portfolios of domestic firms offers diversification benefits. Rather than using a single measure to rank firms by internationalisation, this paper uses a novel approach combining three measures to take the level, dispersion and location of a firm's foreign sales into account. This provides a more robust measure of internationalisation. Firms are classified on a dynamic basis, looking at the average level and growth in internationalisation over three periods between 1994 and 2007. Mean-variance spanning and Sharpe ratio test results provide strong evidence that home based international diversification benefits exist in the US, providing a partial explanation for investors' preferences for domestic equity investments.

Parallel session 2F - Foreign Direct Investment From Emerging Markets

Chair: Richard Nyuur, Swansea University, UK

The Political Economy of Infrastructure MNEs: the Case of Chinese Investment in Africa

Yuxuan Tang, Robert Pearce, University of Reading, School of Economics, Reading, UK; John H Dunning Centre for International Business, Reading, UK

The paper begins with an attempt to formalise the broad parameters of infrastructure MNEs (derived within established modes of IB analysis) and applies aspects of this to discussion of Chinese FDI in the Construction and ICT sectors in Africa. From this background it is suggested that Chinese IMNEs expanding into Africa are serving to mediate between the needs and potentials of two differently-based and differently-phased processes of economic development.

The capacities of the Chinese IMNEs are seen to reflect their position in the achieved developments of the Chinese economy. Firstly, in the form of country-specific advantages that reflect this growth (access to capital and foreign exchange). Secondly, as firm-specific advantages (technologies and skills) learnt in playing a role in infrastructure creation in China.

From the point of view of African development a major constraint on the ability to realise developmental potentials (most notably in resource-based sectors) is the lack of necessary infrastructure and the capacities to finance and create it locally. Then Chinese IMNEs are well placed to overcome these restraints and implement major infrastructure projects in Africa. This, of course, correlates, precisely with China's growing need for resource access.

Motives for Outward FDI: A Case Study of Chinese SMEs

Rose Quan, Joanne Roberts, Northumbria University, Newcastle upon Tyne, UK

The motives stimulating foreign direct investment (FDI) is a topic of intense interest in the field of international business. Studies predominately focus on multinational enterprises (MNEs) from the Western developed countries. However, in the recent years outward FDI from developing countries, such as China and India, has been increasing. In addition, the fast changing global business environment and technology advances have increased the ease with which small and medium sized enterprises (SMEs) can access customers and suppliers both domestically and internationally. Although attention has been paid to the outward FDI from developing countries firms, further in-depth investigation of this phenomenon is required, especially, in relation to SMEs.

Given the increased Chinese outward investment in the recent years, this paper sets out to advance knowledge of the internationalisation of Chinese SMEs (CSMEs). The main research objective is to explore the motives of outward FDI with specific focuses of why CSMEs managers decided to enter the North England? In what sense does the home country context of China influence such outward investment decisions? Addressing these questions will contribute to the existing understandings of the motives driving OFDI by CSME directed towards developed countries.

This study employs a social constructionist approach to interpret the CSME decision makers’ unique experiences and perceived values in determining their international business decisions. We empirically examined the motivations behind CSMEs’ decisions to investing in the North of England via semi-structured interviews. 15 CSME managers in the North of England participated. The qualitative interview data was analysed through template analysis.

Drawn largely from the primary interviews of CSMEs operating in the North of England, this paper concludes that the decision of CSMEs to initiate its internationalization (especially entering the Western developed countries) can be explained by combining different international theories. The results indicate three elements underpinning a CSMEs decision to enter the North of England: 1) the institutional environment in the home country (China) play an important role in promoting CSMEs international expansion, 2) government support and networks in the host country are crucial factors in attracting CSMEs to the North of England, and 3) CSME managers’ personal traits, such as risk-taking, ambitions and experience, along with strategic intentions, have significant impact on the existence of new international ventures for CSMEs.

The findings of this qualitative study imply that new international ventures are fuelled increasingly by SMEs. Although those SMEs have limited resources, they still attempt to discover business opportunities in different countries. It is believed that this study provides valuable insights for international researchers, practitioners, and policy makers. It offers alternative understanding of the international experience of SMEs and contributes to practice grounded in an Asian-SME context. It is hoped that the findings and insights drawn from this research paper provide practical guidance for SMEs managers engaged in international expansion decisions.

Russian Outbound Investments – Towards a New Perspective?

Andrey Yukhanov, Joanne Roberts, Northumbria University, Newcastle-upon-Tyne, UK

The purpose of the paper is to review the current theoretical understanding of the foreign direct investment (FDI) activities of the Russian transnational corporations (TNCs) with a view to assessing the appropriateness and applicability of classical theoretical concepts in accounting for Russian outward FDI. Propositions for alternative analytical perspectives are also considered. The internationalisation strategies and global expansion of TNCs from the developing and transitional economies is a rapidly evolving field of international business research, yet there remains scope for further critical discussion and theoretical contributions. The first part of the paper will review existing studies in the field of Russian outbound FDI. The second part will analyse the nature and peculiarities of the Russian OFDI in the light of the leading internationalisation theories. In the final part, the LLL model (linkage, leverage, learning) will be discussed in the context of Russian TNC’s investment activities together with ‘political risk mitigation’ strategies. Particular attention will be given to the motivations stimulating the foreign investment activities of Russian companies.

Richard B. Nyuur, Yaw A. Debrah, Swansea University, Swansea, UK

The issue of firms internalising their ownership advantages in foreign countries has been extensively researched in international business literature. One important area in the literature is the determinants of FDI inflow. This literature, covering both developed and developing countries, suggests that countries with attractive investment environments are likely to attract investors. However, firms’ future strategic decisions in the host country after the initial investment which is an important issue worth extensive academic enquiry, is under-researched; and the scant literature that does exist is focused on developed countries. The paucity of studies on this issue in developing Sub-Saharan African (SSA) countries is surprising, especially when considering efforts made by governments in these countries to attract and retain foreign investors in their economies. This study attempts to close this gap in the literature, as it explores the conditions under which foreign firms’ strategic choices, i.e. expansion, downsizing, relocation and termination of their operations in Ghana will become a dominant and priority item in the organisation’s agenda. These choices were examined through the lens of international business strategy.

Foreign firms operating in the country were surveyed about their strategic decisions and the factors that will precipitate such decisions. The data collected was analysed using correlations and standard multiple regression. We observed that many foreign companies found factors within the business environment to be favourable, and plan to expand their operations within the next three to five years. The study found a positive relationship between foreign firms’ satisfaction with the business environment and expansion; no relationship between satisfaction and downsizing; and a negative relationship between satisfaction and relocation, as well as satisfaction and termination. We therefore argue that host countries’ business environments play an important role in foreign firms’ strategic decisions. Favourability of the business environment is likely to precipitate expansion, while unfavourability will influence firms to terminate or relocate their operations from the host country. The study particularly found that good market access, favourable government policies and low labour cost are important in retaining foreign firms, as well as motivating them to expand their operations. The implication from this study is that, governments in SSA countries seeking to attract and retain foreign firms, and encourages them to expand, will need to ensure that the business environment is favourable.

Parallel session 2H - Strategic Change - The International Dimension
Chair: Niina Nummela, Turku School of Economics, Finland

Surviving China: MNC Capability Development and Equifinality
Markus Paukku, Paula Klipinen, Aalto University, Helsinki, Finland

This empirical study of organizational change in the multinational company (MNC) context aims to contribute to the dynamic capability discussion by emphasizing the context of the focal firm. A contextualized analysis of a firm’s capability development, organizational change and contextualized performance in a specific market allows for an understanding of the interplay between the internal and external environment and puts this capability research in a position to make an empirical contribution in line with the co-evolution logic.

We follow four case firms through a period of organizational change as they develop strategies and capabilities to deal with the rise of China as a lead market within their respective industries. Based on negotiated access to both managers at the headquarters and the Chinese subsidiaries we find several different strategies by which to approach the Chinese market. These range from a negative case of failing to adapt, reactively adapting, actively engaging and aggressively shaping the market.

As a result, we put forward the concept of equifinality and call for capabilities scholars and International Business research to explicitly recognize the heterogeneity both within their researched firms and their environments and the multiple paths that can lead to the same outcome.

Business Restructuring In A Transition Economy: A General Equilibrium Analysis With Firm-Type Costs' Differences
Maria C. Laterno, Universidad Complutense de Madrid, Madrid, Spain

This paper takes a new perspective to study the business restructuring that the arrival of multinationals enterprises (MNEs) produces on host economies. Its main novelty is the use of a computable general equilibrium (CGE) model to evaluate the performance of national firms and MNEs. Intuitively, both types of firms should behave differently. Further, many studies support this empirically. However, very few offer quantitative evidence based on a general equilibrium methodology, i.e., an approach that takes into account the interaction among all sectors in the economy, together with goods and factor markets, the demand and production side of the phenomenon, as well as micro and macroeconomic variables.

The model is applied to the case of the Czech Republic, which has been a very attractive foreign direct investment location in the last three decades. Thus, there is an important presence of MNEs in most sectors of the economy. We replicate the strong arrival of MNEs to the Motor vehicles sector of this country and analyse the responses of both types of firms in the short run. The study offers quantitative estimations for production, prices and costs of national firms and MNEs within the 20 broad sectors in which the Czech economy has been split.

One important feature of the model is that it reproduces the differential cost structures of both national firms and MNEs in each of the 20 sectors. Based on real data (OECD, 2009 and Czech National Bank, 2004), we reflect the fact that national firms are generally more labour intensive and rely more on domestic (instead of imported) intermediates than their MNEs' counterparts operating in the same sector. The scarce CGE models with MNEs do not include such features. They tend to characterise the presence of MNEs by their share in the capital of the different sectors, without differentiating the input mix of both types of firms. However, the differential cost structures, present in our model, have important implications for the results. In fact, the higher labour intensity of national firms is the key for their higher levels of production, compared to MNEs.

Regarding prices, the differential pattern between both types of firms seems weaker. In general, national firms tend to charge slightly higher prices, but some exceptions arise. The latter can be understood by analysing the intermediate cost structures of firms in those sectors that do not follow the general trend in prices.

We also offer an estimation of the impact of the arrival of MNEs on the GDP, welfare (measured as the change in aggregate private consumption), capital rate of return, wages and aggregate trade of the host economy. In accordance with the literature, MNEs from Motor vehicles have a rather limited impact on GDP and welfare from the Czech Republic in the short run. Aggregate trade flows increase strongly. The production of MNEs in Motor vehicles themselves and in two upstream sectors rises heavily. But this is not the case in the rest of sectors.

These results could be of interest for the policy maker. They transmit the idea that there may be other sectors in which the arrival of MNEs is more beneficial for consumers and firms of the host economy.

Bounded Reliability, Transaction Costs, and the Organizational Structure Change of Barclays Bank's International Business in Malta 1975-1979
Qing Lu, Debra Johnson, University of Hull, Hull, UK

This working paper (WP) analyses the impact of the Maltese government's bounded reliability on Barclays Bank's transaction costs and how Barclays Bank dealt with it in light of the insight provided by Williamson on 'transaction cost economics', by Henisz and Zeller on 'transaction cost politics' and by Verbeke and Greidanus on 'bounded reliability'. We find that the bounded reliability of the Maltese government, closely related to its policy, political incidents and the economic situation, caused transaction hazards which further influenced Barclays Bank's transaction costs. Bounded reliability is thus a dynamic concept rather than a static one. To offset the bounded reliability, Barclays Bank adopted both generalised and special governance structures. The generalised structure included the organizational structure of Barclays Bank's international business in Malta, specified by related contractual terms complying with the relevant Maltese government banking legislation and regulations and Barclays Bank's rules; the specialised structure comprised not only commitment and coordination but also resistance. We also find that the nature of this interaction between the generalised governance mechanism of organizational structure and the specialized governance mechanism: the change of the organizational structure led to the change of specialised governance mechanism; the failure of specialised governance mechanism led to the change of organizational structure.
International Business Research And Game Theory: Looking Beyond The Prisoner's Dilemma

Ursula Ott, Loughborough University, Loughborough, UK

This article outlines the un-mined potential of Game Theory for International Business research. Game Theory has been only rarely used in International Business. Although its applications to International Business problems do exist, there is considerably more potential for its refinements to be related to topics of uncertainty and dynamics in strategic interactions in International Business.

Game Theory offers a strategic tool to look forwards by reasoning backwards which can be very useful for decision-makers in multi-person decision-making situations. Schelling (1960) showed as much in the Strategy of Conflict a rational analysis of international political conflict - as did Axelrod (1984) in the Evolution of Co-operation, which showed how cooperation can emerge in a world of self-interested egoists (superpowers, businesses and individuals) without central authority to police action. Both conflict and cooperation are crucial parts of Game Theory and the strategic treatment of decision-making situations has contributed to a better understanding of behavior in social, political and economic settings.

In addition to the Prisoner's Dilemma, this paper outlines the three key equilibrium concepts developed to attend to time and information dimensions - Subgame Perfect Equilibrium, the Bayesian-Nash Equilibrium and the Perfect Bayesian Equilibrium. Consistently choosing this structure, the paper shows the background of these equilibrium concepts in the Game Theory literature, its application to International Business so far and the future directions to be explored. This article discusses the strength and weaknesses of game theory in international business and comes up with useful examples for tackling the challenges of International Business by using game theoretical reasoning in the future.

Switching Operation Mode - a Strategic Approach

Nina Nummela1, Sami Saarenketo1, Turku School of Economics, Turku, Finland,2 Lappeenranta University of Technology, Lappeenranta, Finland

This study aims at describing the internationalisation process of an international new venture, a small software firm, from the viewpoint of foreign operation modes and strategic decision-making. It is a longitudinal single case study, the case being a small international new venture in the software industry. In the case study data triangulation was used to capture a holistic picture of the subject matter. The study confirms that foreign operation modes are used as mode combinations but also points out several issues that contradict with earlier studies. It highlights the fact that instead of market-level evaluation in a small, international new venture mode change may be based on a strategic decision on the company level. However, the timing of the change may be determined by market-level factors. The drivers of mode change may be related to the desire for increasing control and commitment but more importantly to the company's desire to manage its international growth and geographically spreading value network. Company's financial situation and changes in ownership and management may be significant drivers for the strategic decisions leading to change of foreign operation mode.

Parallel session 3A - Special Panel - International Business Theory

Chair: Simon Collinson, University of Warwick Business School, UK

Evolving Conceptualizations of MNC Structure and Strategy in International Business

This panel will examine the evolution of international business theory over the past 50 years (1960-2010) and beyond. As well assessing the current state-of-the-art in IB theory, we will examine the theoretical heritage underlying past and current IB theory. Two sets of questions will be addressed in keynote presentations and discussion:

(1) What themes and debates, constructs, units of analysis, measures, methods and underpinning theoretical approaches have characterised the field across half-a-century of scholarship?

(2) Which of these will be the most (and least) relevant over the next 50 years?

Clearly we will not present a comprehensive review. Panellists will selectively highlight what they consider to be significant, particularly as regards the appropriateness of our theories to answer current and future questions.

Bilpin Ambos, Vienna University of Business and Economics, Vienna, Austria

An MNC's organizational architecture, i.e. its formal structure, the strategy-structure connex, and the relationships of individual units, has been a long standing theme of IB research for the last half century. In my presentation I will pinpoint some key developments in this field, departing from more general notions on corporate strategy and structure, towards more 'contemporary' conceptualizations of MNCs as differentiated networks. A particular emphasis will be put on our understanding of the value-creating roles of organizational units (i.e. headquarters, subsidiaries, Centers of Excellence) for the crafting of corporate strategies and how such evolving conceptualizations determine where we are today and what might be missing in the future.

The Theory of International Business Pre-Hymer

Peter Buckley, Leeds University, Leeds, UK

This paper examines the theory of international business before 1960 when Stephen Hymer wrote his seminal thesis. It is shown that there existed a considerable amount of theory, but this was uncodified, unsystematic, fragmented and not institutionalised in a single academic discipline. Hymer achieved his insights in a parsimonious fashion, but this has resulted in some interesting and relevant theory being subsequently ignored. It is of considerable benefit to international business theorists to revisit this earlier theory and to recognise its insights.

Fifty Years of International Business Theory and Beyond

Alan Rugman, Ouyen Nguyen, University of Reading, Reading, UK

As the field of international business has matured, there have been shifts in the core unit of analysis. First, there was analysis at country level, using national statistics on trade and foreign direct investment (FDI). Next, the focus shifted to the multinational enterprise (MNE) and the parent firm specific advantages (FSAs). Eventually the MNE was analysed as a network and the subsidiary became a unit of analysis. We untangle the last fifty years of international business theory using a classification by these three units of analysis. This is the country-specific advantage (CSA) and firm-specific advantage (FSA) matrix. Will this integrative framework continue to be useful in the future? We demonstrate that is likely as the CSA/FSA matrix permits integration of potentially useful alternative units of analysis, including the broad region of the triad.
Parallel session 3B - Special Panel - International Entrepreneurship
Chair: Margaret Fletcher, University of Glasgow, UK

Value Creation of an Internationalizing Entrepreneurial Firm - The Business Model Perspective

This session brings together researchers from four countries to share their knowledge of contemporary International Entrepreneurship (IE) issues and will consist of four parts, which focus on the value creation of internationalizing entrepreneurial firms from the perspective of the business model: the Internet, SME internationalisation, international customer interactions and the degree of technological innovation; the role of cities and (international) entrepreneurship as a mechanism by which a city can grow dynamically; and finally, INV’s early internationalization process and the entrepreneurs as effectuators. The session will have an opportunity for discussion among audience members and the participants, facilitated by the panel session chair(s).

Niina Nummela1, Lisa-Maja Sainio2, Sami Saastamoinen2, Taina Eriksson1,1, University of Turku, Turku, Finland, 2Lappeenranta University of Technology, Lappeenranta, Finland

Purpose: In order to respond to the call for a broader perspective on the internationalization of entrepreneurial firms, this study brings the business model concept to the context of international entrepreneurship, with special emphasis on the notion of value formation and value exchange at company interfaces.

Design/methodology/approach: This is a cross-case study based on qualitative data from business model workshops with key company informants in each case firm.

Findings: The findings of the study indicate that although the business models of firms with comparable positions may appear similar, there are fine-grained differences both in their activities and their value formation. In addition, the data collection workshops revealed that firms tend to neglect the inspection of their incentives to their partners, as they concentrate on value formation to end customers.

Practical implications: From the managerial point of view, the study shows how the managers of international entrepreneurial firms may describe and analyze their business model including the whole value chain systematically from the perspective of value exchange. Firms may gain insights from examining the business models of similar organizations.

Originality/value: Even though the role of the business model has also been discussed in previous studies, it has not been that explicitly pronounced in the domain of international entrepreneurship. The paper contributes to previous business model conceptualizations by adding the notion of value exchange at the company interfaces.

How Does the Internet Influence the Internationalisation Process and International Customer Relationships of UK Manufacturing SMEs?

Ko-Min Keve Tseang1, Bhona Johnson2, Commerce Development Research Institute, Taipei, Taiwan, 2Audencia School of Management, Nantes, France

Purpose: The purpose of this paper is to empirically examine the influence of the Internet on the internationalisation process and international customer relationships of UK manufacturing SMEs. The paper is positioned at the interface of the literature on entrepreneurship and the Internet.

Design/methodology/approach: The paper discusses the findings from multiple case studies of ten UK manufacturing SMEs from a variety of UK sectors, producing high-tech, medium-tech and low-tech offerings. In-depth interviews with directors or managers of the SMEs were conducted. Individual and cross-case analysis was carried out using coding frameworks to reduce and analyse the data and capture patterns in the findings.

Findings: The findings reveal how the influence of the Internet in the internationalisation process and international customer relationship interactions differed in the high-tech, medium-tech or low-tech SME categories. The influence of the Internet differed across three main dimensions: the way in which the SMEs invested in and used different Internet applications for internationalisation and customer relationship support, the SMEs’ perception of the Internet as a tool to support communication with international customers; the SMEs’ reliance on more personal and interactive forms of contact with international customers.

Practical implications: The results demonstrate that the level of technological advancement of an SME’s offerings has an important bearing on how these firms adopt the Internet in their internationalisation process and gain advantages in their international customer interactions. The managerial implications of the study are relevant for manufacturing SMEs, their customers and government agencies involved with SMEs.

Originality/value: This research is amongst the first empirical contributions to examine the themes of the Internet, internationalisation and international customer interactions in UK manufacturing SMEs and to highlight the importance of the level of technological advancement of an SME’s offerings in distinguishing the ways in which the Internet is used by entrepreneurial small firms in their internationalisation process.

Entrepreneurship and Urban Growth: Dimensions and Empirical Models

Mizan Rahman1, Nafeez Fatima1,2, University of Lincoln, Lincoln, UK, 2University of Waterloo, Ontario, Canada

Purpose The purpose of this paper is to look at various dimensions of entrepreneurship and the empirical models that try to explain the relationship between entrepreneurship and growth in cities for both developed (USA and Europe) and developing countries.

Design/Methodology/Approach This paper provides an in-depth and extensive review of the existing literature on entrepreneurship and economic growth in cities. Most empirical studies in the field of entrepreneurship and growth combine employment rate or unemployment rate with employment growth as the dependent variable to analyze the effect of entrepreneurship on development. The important independent variables other than entrepreneurship (new start ups) are localization, urbanization, level of education, age, industry structure (specialization vs. competition), monopoly or competition. The economic units considered for cities are labor market areas (LMAs), standard metropolitan areas (SMAs) and consolidated metropolitan statistical areas (CMSAs). The majority of studies have utilized discrete dependent variable models such as Tobit or Probit to calculate the probability of the effect of entrepreneurship on economic growth. Other studies have applied ordinary least square estimation to find the cross sectional variation of employment growth that accounts for entrepreneurial activities. Panel data are employed in a number of models to control for region specific and country specific fixed effects.

Summary of Findings In this paper, four important dimensions of entrepreneurship are identified. First, for entrepreneurial studies on economic growth, cities are considered to be appropriate economic units rather than states or countries. Second, there are several definitions and measurements of entrepreneurship available in the literature. Hence, empirical models and their results may vary depending on the model specification. Third, the relationship between employment growth (a proxy for economic growth) and innovative activity is dynamic in nature and thus the problem of endogeneity needs to be addressed. And, finally, entrepreneurship has a spatial dimension and that characteristic must be incorporated into the urban and regional models of entrepreneurship. Three different types of urban models are chosen to reflect these four central dimensions of entrepreneurship. All three urban models confirm the hypothesis that there exists a statistically significant and positive relationship between entrepreneurship and growth in cities. However, the causality of the relationship is not well established.

Practical and/or Social Implications A city’s economic growth (measured by percentage increase in city level per capita real Gross Domestic Product over time) is one of the key determinants of standard of living for its inhabitants. The cities with higher growth rates are likely to experience more rapid reduction in poverty and have more equal distribution of income. Therefore, economic growth in cities can contribute positively in reducing poverty and inequality among city dwellers. Then, it is vital that economic units like cities grow over time. One of the mechanisms by which a city can grow dynamically is entrepreneurship. Knowledge that is created in an economic unit such as cities is translated into profitable market venture by entrepreneurs. The social implications of entrepreneurial activity can be summarized as creating new employment opportunities and employment growth in cities and thus improving the quality of life of city dwellers.

Originality A critical and in-depth summary of existing quantitative work on entrepreneurship and economic growth in different cities - is the original contribution of the paper.
Decision-Making in Born Globals - Effectuation or Causation?

Suante Andersson, Halmstad University, Halmstad, Sweden

Purpose The purpose of this study is to enhance the understanding of the born global firm's early internationalization process and the entrepreneur's decisions regarding internationalization by using effectuation theory.

Design/methodology/approach An explorative case study is used to explore if effectuation theory is a fruitful alternative perspective compared with the dominant paradigm (causation), which is primarily used in earlier studies on born global firms.

Findings The study shows how a born global company could enter many markets in short time, by co-operating with local network partners. The founders' prior knowledge and networks were important to understand the rapid international expansion. Effectuation theory focuses on the entrepreneurs' ability to create opportunities together with network partners and is a useful tool to understand the development in the born global firm.

Research limitations/implications The study shows that effectuation theory holds promise for developing the international entrepreneurship area. Future research is recommended to focus not only on the entrepreneur's competencies but also on the entrepreneur's behaviour, including during the time before they started the firm.

Practical implications Decision-makers in the early development of born global firms are recommended to use his/her own and his/her company's resources and network. Also advantage should be taken of opportunities when they are recognized or created, instead of focusing on traditional planning activities.

Originality/value There are few studies which have used effectuation theory as a basis for understanding the early development of a born global firm.

Parallel session 3C – International Strategy

Chair: Chris Carr, University of Edinburgh, UK

The Relationship Between Global Strategies, Strategic Group and Performance

Wee-Kang Hseuh, Chi-Yu Huang1,3, I-Pin Lu1, National Chung Hua University of Education, Chuguhua, Taiwan, 2Hua Nan Bank, Taipei, Taiwan, 3I-Shou University, Kaohsiung, Taiwan

Recently, companies in Taiwan in order to maintain their competitive advantages for growth and survival, they would select going out and take global strategy. However, these companies have to face the hindered of Taiwan's investment policy on global business environment, what kind of global strategy is the most suitable? That is most important for the companies to maintain the competitive advantages. Therefore, this study explores the most suitable global strategy from strategy group perspective and then compares the performance of different global strategies. This empirical study target domestic high tech companies, including those investing in China, currently executing global strategy. These surveys were filled out by first class managers. As a result, we send out 140 surveys totally and then received 71 answers. There are 9 invalid surveys and 62 surveys remaining, and the effective return rate is 44.3%. This study utilizes factors analysis, cluster analysis, and ANOVA to test these hypotheses. This study found three important results. First, we based on the strategy implement similarities of strategy group perspective to divide the global strategy. Second, we divide four dimensions of strategy group. These are cost control, technology and market development abilities, product differentiation and vertical integration. Finally, the most suitable global strategy is specific market niche strategy.

East, West, Home is Best: Regional Strategies, Liability of Foreignness, and Firm Performance

Alina Kudina Warwick Business School, Coventry, UK

This paper analyzes the performance implications of the regional and global strategies pursued by multinational companies. It argues that a firm could experience different performance effects for its intra- and inter-regional operations due to differences in the liability of foreignness between these two levels (among other factors). The extensive body of research analyzing the relationship between multinationality and performance treats international expansion as a continuous phenomenon (Sullivan 1994a, 1994b; Gomes & Ramaswamy, 1999; Contractor, Kundi & Hsu, 2003; Lu & Beamish, 2004; Rugrow & Wagner, 2003; Capar & Kotabe, 2003). But the assumption that all countries are largely alike in terms of expansion is unrealistic, since both the liability of foreignness and the costs of moving into a new region are likely to be much more prohibitive as the firm moves further away from its home region, which will duly affect performance (Verbeke & Brumag, 2005). Also, research suggests that the pattern of internationalization, or distribution of foreign activities among foreign countries, matters more to performance than the mere degree of internationalization (Goerzen & Beamish, 2003, Goerzen & Amsusen, 2007). Hence, it is important to separate the effects of different geographies when analyzing the relationship between the degree of multinationality and performance. By exploring how the distribution of the company’s activities among different regions affects its performance, this study makes an important contribution to the M-P literature and regional literature. Using a large sample of MNEs drawn from all triad regions during the period 1998–2008, I find significant support for the difference in the effects on performance between firms who operate within their home region and those who venture outside it.

My results suggest that a firm’s sales within its home region have a strong positive impact on its financial performance, whereas its sales outside its home region do not. This finding suggests that expansion within a firm’s home region is more profitable than its expansion outside of it. Hence, the current analysis contributes to the globalization vs. regionalization debate by showing that there are significant performance differences between firms’ operations within their home regions and their operations outside of them (Ghemawat, 2001; Rugman, 2005).

The present findings are in line with the emerging analysis of multinational firms’ regional strategies. To date, very few studies have analyzed the impact of regional vs. global strategies on performance. Published work has either focused on a rather limited dataset (Li & Li, 2007; Rugman et al. 2007; Chen, 2007; Richter, 2007) or has used survey or qualitative data (Collinson & Rugman 2008). Still, these existing studies point in the same direction as this one: international expansion within the home region has more beneficial effect on the firm’s performance than expansion outside it.

This paper’s findings are also interesting from the point of view of the current literature on multinationality and performance. The recent consensus on the S-shaped nature of the relationship suggests that there is a third stage of international expansion, during which further internationalization begins to have a negative impact on performance. This happens because firms are over-expanding – they have reached a point at which the costs of international expansion begin to outweigh the benefits they realize as a result. Contractor et al. (2007) suggest that this inflection may coincide with the point when the firm first expands outside of its home region. The present study’s findings also point towards such a possibility (although I do not find a negative relationship). More research should be conducted to analyze this proposition empirically.

Low Cost Airlines: Just Regional or Are We Seeing the Emergence of a New Paradigm?

Chris Carr, Nora Weisskopf, University of Edinburgh Business School, Edinburgh, UK

30 years ago network carriers worldwide adhered to a single business model, based on high fares supported by differentiation and regulation. Following deregulation, low cost carriers marked a second now-well recognized paradigm. Today’s consensus suggests polarization as between the two. But with globalization is this really sustainable? Already low-cost players like Air Asia X are shifting to more global long-haul routes. Does this herald the dawn of a third paradigm, marked by re-convergence?

Global extremists might perceive opportunities for globally standardized strategies, akin to Ford’s old “world car” which proved over-hyped failures. But airline economics are fundamentally different above some 3000km, and some 90 ‘hybrid’ low cost, slightly differentiated players, still survive alongside purer players like Ryanair.

Low cost airlines like Southwest Airlines went from local to national and then regional strategies. Were they to go for more global routes, they must choose either a standardized pure lowest cost model or a “hybrid” offering differentiation too? This third paradigm may entail low cost airlines finally going global, but
even re-convergence, as network airlines simultaneously strive to cut costs? We analyse the international strategies and performances of the world’s top low-cost airlines, offering insights from Air Asia X’s perspective.

Parallel session 3D - Outsourcing and Offshoring
Chair: Mike Crone, University of Strathclyde, UK

The Role of Crowdsourcing Intermediaries and Firms’ Motives for Using Them: an Exploratory Study
Eva Alfred1, Kristyalla Moysidou2, 1University of Manchester, Manchester, UK, 2Technische Universität München, München, Germany

In this paper, we address the emerging phenomenon of crowdsourcing, which refers to companies or institutions taking a function (usually marketing and market research) once performed by employees and outsourcing it to an undefined and generally large network of people in the form of an open call (Howe, 2006). The concept of crowdsourcing has so far been under-researched, with existing contributions focusing on the basic process, advantages and disadvantages of this phenomenon. Taking an international perspective, our exploratory research extends and refines existing knowledge about crowdsourcing by investigating the role of intermediaries in the crowdsourcing process and by examining the differing motives of different types of firms (MNEs and domestic firms) to engage in outsourcing through an intermediary. We employ a single embedded case study of Europe’s largest crowdsourcing intermediary, Tmnd.com, as well as four of its client firms. Through in-depth interviews as well as personal participation in the crowdsourcing platform, we create a refined framework of the crowdsourcing process through intermediaries and highlight the ways in which specialist crowdsourcing intermediaries such as Tmnd.com can add value to companies’ efforts in marketing, new product development and market research. In addition, we find that crowdsourcing can also influence HRM, distribution and logistics strategies.

Off-shoring and Outsourcing for Shareholder Value: Now You See It Now You Don’t
Colin Haslam1, Tord Andersson2, 1University of Hertfordshire, Hatfield, UK, 2Swedbank, Stockholm, Sweden

Off-shoring and out-sourcing are significant elements in the corporate restructuring portfolio. The acceleration and deepening in the global out-sourcing and off-shoring project by US multinational coincides with changes in corporate governance, where in an era of shareholder value financial incentives coupled to managerial remuneration modify both off-shoring and out-sourcing. In an era of shareholder value, we need new theories on internationalising firms.

Practicing International Business: Business Relationships and the Development of the International Knowledge Base of SMEs
Alexandra Kaar, Johannes Kepler University, Linz, Austria

This paper builds on and extends current debates regarding the internationalisation process of small- and medium-sized enterprises (SMEs) by combining research from the field with insights derived from business network and learning research. It provides a differentiated perspective on the dynamics of learning throughout the internationalisation process by taking into account existing and emerging business relationships and interactions of the internationalising firms. Specifically, it examines how the substance of business relationships affects the development of international knowledge. This way, it increases our understanding of how firms develop their international knowledge base while at the same time reconciling some of the inconsistencies evident in the internationalisation process literature.

Service Offshoring and Cultural Differences: Evidence from a US Financial Services Multinational’s Operations in Three EU Countries
Mike Crone1, Paul McCoy1 1University of Strathclyde, Glasgow, UK, 2Queen’s University Belfast, Belfast, UK

The growing phenomenon ‘service offshoring’ has attracted increasing attention from the popular media, policy-makers and academic researchers. Cross-national cultural differences have been identified as a potentially significant influence on the location and effective performance of offshore services but this issue has received only limited treatment in the literature to date. To contribute to the emerging literature on service offshoring, this paper investigates the existence, nature and extent of differences in the culturally-determined work-related values of staff working at a US financial services multinational in Europe. Specifically, Hofstede’s values survey module questionnaire was completed by staff working in this firm’s ‘retirement service centres’ in Ireland, Portugal and Germany, which were involved in existing or potential bilateral intra-firm work offshoring relationships. The study identified significant differences in work-related values between the three country groups on several of the Hofstede dimension values. However, some of the results were surprising in that they contradicted the anticipated direction of cultural differences based on the published Hofstede country dimension scores. Some potential implications of these findings for the firm in question, for managerial practice more generally, and for policy-makers in different national contexts are discussed.
De-internationalization: A Conceptualization

Romeo Turcan, Aalborg University, Aalborg, Denmark

At the early stage of the IB research, the choice of an international market and of mode of entry to serve that market had been identified as a frontier issue. Recent advances in IB research broaden the scope of this frontier by addressing the issues of mode combinations and mode change. Despite the substantial progress made by IB scholars in the domain of international entry mode, there is still no entirely adequate explanation of how companies operate in foreign markets. While the extant literature has emphasized the role of domestic and foreign country factors on the initial choice of foreign market entry mode, less is documented on the effect of changes in the external environment, or indeed internal changes within the firm on the continuance of internationalization beyond selection decisions.

In response to the above concerns, this paper aims to encourage a dynamic scholarly conversation about de-internationalization with the aim to further the progress of IB research. De-internationalization is viewed as part of the broader perspective of the overall cross-border strategy of a firm, however, to date the research on de-internationalization remains somehow scarce and needs additional research. To aid researchers in this quest, this paper seeks to further delineate the domain of scholarly research on de-internationalization by developing a typology of de-internationalization, addressing the issues related to de-internationalization mode change, discussing the way de-internationalization decisions are made, and addressing methodological concerns. The method of constructing typologies by reduction is employed to construct the typology of de-internationalization by cross-tabulating the polar dimensions of de-internationalization: total vs. partial and in business vs. out of business. The proposed typology could be employed by researchers to deal with a challenge that relates to carrying out theoretical sampling in a proper manner, e.g., in recognizing appropriate polar cases when the strategy of seeking polarity has been selected.

Methodological discussion is built around several facets of de-internationalization phenomenon, mainly: (i) de-internationalization is perceived as something negative and undesirable, as a failure; (ii) it is a challenge to negotiate access, because human nature has a tendency to suppress admission of failure; (iii) it is also a challenge to conduct longitudinal studies given the high mortality rate that to a certain degree is associated with de-internationalization; (iv) sampling bias is also an issue since the extant research tends to focus primarily obtainable rather than on important data. The paper draws IB researchers’ attention to Critical Incident Technique as a methodology to be employed to better capture the richness of data on de-internationalization. The paper also provides recommendations for sampling strategies aimed to mitigate the attribution errors when people take credit for positive outcomes and attribute negative outcomes to external factors, no matter what their true cause.

Determinants of Motives, Process, and Success of Re-Internationalization: A Theoretical Framework

Huu Le Nguyen, Soren Kock, Hanken School of Economics, Vasa, Finland

Most previous studies of internationalization process of firms over the past forty years have focused only on how firms can be successful at the first attempt or consequence entry to enter foreign markets. At the same time, researchers of international business studies noticed that there was also high number of firms withdrawing from the market they had entered. However, there has been lacking of studies which focus on firms’ motives and their process of re-internationalization. In addition, the question of how firms can re-internationalize successfully was left unanswered. In order to fill this gap, this paper employs three different approaches including network, organizational learning, and institutional approach to build up models of motives, process, and success of re-internationalization. The paper concludes with the implications and suggestions for further studies.

Keywords: motive, process, success, re-internationalization, network, learning, and institutional

Organizational Failure Research Revisited: Antecedents, Moderators and Post-Exit Effects

Joseph Amankwah-Amoah, Bristol University, Bristol, UK

Although the last few years have witnessed a burgeoning stream of research on organizational failure, much of the literature is still largely fragmented across different disciplines and our understanding limited. Reviewing studies in management and related disciplines since the late 1970s, this paper integrates the literature on organizational failure within a framework that links the antecedents, stages of decline, moderators and post-exit effects. The review also sheds light on the extent theoretical perspectives approaches taken to study the subject. The paper concludes with a discussion of the theoretical and practical implications as well as directions for future research.

Expanding Perspectives on Re-internationalisation

Susan Freeman, Catherine Welch, Lawrence Welch, University of Adelaide, Adelaide, Australia, University of Sydney, Sydney, Australia, Melbourne Business School, Melbourne, Australia

In this article the exploratory work on re-internationalisation by Welch and Welch (2009) is extended. The nature of the international heritage that is a product of international involvement is examined - including both internal and external aspects. Internal components of international heritage might include the knowledge and experience of staff and the network connections they retain to relevant actors in the international arena. Important also is any retained intellectual property, going beyond international exit, and potentially forming both a foundation and reason for eventual international re-entry. Part of the firm’s international heritage is bound to exist externally to the firm, in markets where the firm operated. Different forms may include institutions associated with international operations - such as foreign market intermediaries - as well as “brand memory” on the part of former customers. The footprint left in foreign markets, is not always positive and able to be re-activated in the future, and competitive actions could be aimed at ensuring that re-entry is a difficult option. Without active maintenance, many of the positive aspects of a firm’s international heritage are bound to dissipate over time. But decline is not inevitable - staff changes may be critical. The departure of internationally active staff normally leads to a loss of heritage, but it could also mean the loss of problem staff, and the removal of a barrier to re-entry. The introduction of new staff with better international skills, knowledge and networks might be a part of the re-activation of international interest by a firm.

Whatever the spark that causes re-entry activity, there is no certainty about the process. The retained international heritage may be of limited relevance if the firm seeks to return to new and different foreign markets, with different operation modes. Many companies will fail the re-entry exercise. In this article we postulate three main determinants of re-internationalisation - or areas of influence: the capacity to re-internationalise, including resources in various forms such as retained networks; external pressures and opportunities, including approaches by interested foreign parties that have maintained an interest in a firm from its previous activities; and managerial interest, intention and action.

We see re-internationalisation as not just an interesting though small aspect of internationalisation in general, but also as a topic of interest for policy makers. As a group, re-internationalisers may be worthy of particular focus given that they could have the capacity for a more effective return to international operations given their former international experience - and do it more rapidly than first-timers. To some extent, retention of the positive aspects of former operations is in the hands of the de-internationalised firm, for example by pursuing an active relationship maintenance program as is common amongst international project firms.
Parallel session 3F - International Business and Emerging Markets
Chair: Cristina Stoian, Autonomous University of Barcelona, Spain

Trade in East Asia: An Analysis of the Structure and Dynamics of Intermediates and Final Goods Trade by Technology
Louise Curran, Soledad Zignago, Toulouse Business School, Toulouse, France, Banque de France, Paris, France

Discussion on Asia’s trade often focuses on the large trade surpluses which the region, led by China, enjoys with the rest of the world. There has been less interest in decomposing the nature of that surplus and exploring what is happening within Asia itself. Some of the most profound changes in world trade are within Asia, rather than between Asia and the rest of the world. For example there has been an increase of 9 percentage points in the importance of intra-ASEAN+3 trade in ASEAN+3 imports between 1994-2007 against an increase of just over 4 percentage points in the import share of the region in world trade (Curran and Zignago, 2010). Such major changes beg further analysis.

The objective of this paper is to analyse trade within the East Asian region with the help of an extensive and highly accurate database of trade flows. The period that will be covered is 1994 to 2007. A key interest is to differentiate between flows of finished goods and intermediate products. The objective is to explore trade in the Asian region, both in finished goods and in the inputs to production, and draw some conclusions from that evolution.

The results indicate that the ASEAN+3 region is undoubtedly becoming increasingly integrated on the import side, although exports tend to be increasingly oriented beyond the region. However the level of regional integration varies by technology and type of product. In terms of changes over time, within ASEAN+3 the home region has gained market share in imports in all product categories covered (intermediates and final goods) in the low and medium tech sectors, but in high tech goods has only seen a significant increase in share in capital goods.

The level of churning in the market - i.e. the extent of change in market share between the key players - is highest in high tech products and lowest in medium tech. In terms of the division of labour within industry, the paper indicates that there is an expansion in the importance of intra-regional imports of intermediate products, especially in medium and low tech sectors, consistent with an expansion of the supply chains for these technologies within the region. In high tech intermediates it is the ROW group that is expanding as a key supplier to industry in ASEAN+3.

Finally, our figures tend to support the work of other researchers who have questioned the extent to which the East Asian region is becoming an autonomous global source of high technology goods (Ferrantino et al, 2008; Ma et al, 2009).

The dynamic of trade in the high tech sector is quite different to that in medium and low tech. In high tech, intra-trade is not expanding significantly as a share of imports, except in capital goods, while the local market remains marginal as an outlet for local production. This is not consistent with a major re-orientation of ASEAN+3 production systems towards high tech products, at least not in a manner which is autonomous of global production systems. Rather it is consistent with a local production system which remains highly dependent on both inputs and demand from beyond the region.

Across the Strategic Divide
Alex Mackinnon, Markus G Kittler University of Stirling, Stirling, UK

It is acknowledged that the weight of IB research is concentrated in Western and predominantly North American studies. There is now an increasing number of studies with a focus on Asia and in particular on China. Yet there is no test for universality in applying Western conceptual tools to Chinese studies - nor, indeed, the reverse. This paper sets out to theorise strategic elements of universality that have evolved over time but argues that those elements need holistic integration, rather than only individual analysis, and a dynamic interaction when applied across borders.

A Resource-based view of the determinants of foreign expansion by emerging country multinational firms
Peter Buckley, Peter Enderswick, Nicolas Forsans, Surender Munjal, University of Leeds, Leeds, University of Delhi, Delhi, India, Auckland Technical University, Auckland, New Zealand

This study investigates the determinants of cross border acquisitions (CBAs) by emerging multinational enterprises (EMNEs) drawing on the Resource-based view (RBV) of the firm. The traditional perspective of the RBV assumes independence of firms and views cooperative behavior of the firm as an anomaly. However, firms can draw competitive advantages from network resources - resources embedded in inter-firm alliances and networks (Lavie 2006; Buckley et al. 2010). Extending the current perspective of the RBV which considers networks as resources, we argue that resources acquired from foreign sources can augment the competitive advantages of a firm. This proposition has theoretical implications for the theory of the firm and internationalization frameworks.

We provide empirical evidence by investigating the relationship between a firm's resources - foreign and indigenous - and foreign expansion through CBAs. Using a sample of 648 CBAs made by 424 Indian firms during the period of 2000-2007, we find a positive relationship between the resource endowment of acquiring firms and their acquisition activities. This study adds to our understanding of the determinants of cross-border acquisitions and provides avenues for further research.

Judith Shujin Zhu, Chris Nyland, Monash University, Melbourne, Victoria, Australia

This study explores how country of origin effect manifests itself in Chinese multinational enterprises’ (MNEs) approach to host country employer associations. Using qualitative data from 21 Chinese MNEs, this study argues that country of origin effect in relation to Chinese multinational enterprises mainly manifests itself in several shaded forms such as the transfer of management ethos, the evasion of restrictive home country practices and the competitive disadvantage. The study also finds robust evidence that country of origin primarily works through the mindset of executive expatriate managers. This paper contributes to the fields of human resource management/industrial relations and international business in several ways. First, it unprecedentedly investigates country of origin effect in the context of MNEs from emerging economies. Second, it advances the development of country of origin effect thesis by proposing and validating four forms of country of origin effect and by identifying a major mechanism through which country of origin effect works. Lastly, this study fills a gap in literature, that is, the paucity of research on MNEs' approach to employer associations, particularly that of MNEs from emerging economies.

Time to Have a Look at Export Behaviour in CEE Emerging Markets? Internal Export Determinants in the Romanian SMEs Context
Esteban Lafuente, Cristina Stoian, Autonomous University of Barcelona, Barcelona, Spain

SMEs internationalisation plays a pivotal role for the economic growth and sustainability of world’s economies. In the Central and Eastern European context, which has received very limited research attention to date, this matter gains increased relevance as the most important challenges faced by countries seeking to transform from centrally planned economies into market-based systems has been the need to develop competitive SMEs, which could act on both the domestic and international markets.

This study addresses this gap in the international business literature by investigating the internal determinants of export behaviour and the different transitions in-and-out of exporting shown by of Romanian SMEs.
Given the focus of the study on the internal, controllable determinants of the export activity, the theoretical background of the paper is provided by the Resource Base View (RBV) considered from an international perspective. A comprehensive literature review on these determinants and their influence on export activity is displayed and consequently eleven hypotheses and the conceptual model are proposed.

To obtain the objective of the paper we carry out a quantitative analysis using a rich data set of 318 Romanian SMEs for the year 2008. Logit and Tobit regression models are carried out in order to test the proposed hypotheses.

Consistent with previous studies on export behaviour, our empirical findings indicate that the entrepreneur's profile strongly influences export behaviour. More precisely, gender, managerial education and labour experience represent key components that help explaining both export propensity and intensity. Also, product/service customisation and the possibility of purchasing online positively impact firm's export involvement and behaviour, respectively.

As for the different movements in-and-out of exporting, our results indicate that new exporters are mainly consolidated firms managed by male entrepreneurs with managerial background, whereas firms that exit export activities are managed by more risk-averse entrepreneurs although their businesses grew. Finally, regular exporters have a strong preference for more adapted products and have access to online distribution channels.

In light of this paper's results, practitioners should be aware that, presently, due to rapid technological development along with greater regional economic integration and the removal of an increasing number of trade barriers, entering overseas markets is not bearing as much risk as it used to in the past, while representing a viable alternative for firm's growth and pursuit of higher profits. Decision makers aiming to get involved in exporting and/or increasing their international sales should seriously consider making their company's offering accessible for purchase online and should be aware that for entering international markets their offering should be customised according to the foreign market's idiosyncrasy.

The results also highlight the idea that internationalisation support policies should have the capacity to be customised to fit the specific profile of the targeted beneficiaries. Policy initiatives should aim to enhance the development of decision makers' managerial capabilities and practical know-how. Thereby, the promotion of management based studies, perhaps coupled with some practical training programs which are already pursued, in both schools/universities and workplaces, should receive greater and continuous policy support not only to increase the exporting activities amongst SMEs, but also to get entrepreneurs more familiarised with the opportunities and challenges typical of the international milieu.

Although the paper focused on a sample of Romanian SMEs, the findings could be of interest to firms in other CEE countries. With respect to the future research directions it would be interesting to replicate similar both quantitative and qualitative studies in other emerging markets contexts.

Parallel session 3G - Internationalisation Process and Dynamic Capabilities
Chair: Adam Steen, Australian Catholic University, Australia

International Diversification and the Market Value of New Product Introduction
Chi-Feng Wang1, Li-Yu Chen2, Shao-chi Chang3
1National Yunlin University of Technology, Yun-Lin, Taiwan, 2Fo Guang University, I-Lan, Taiwan, 3National Chiao Tung University, Tainan, Taiwan

Although previous studies on international diversification are plentiful, they mainly focus on the effect of international diversification on overall firm performance, and the results are mixed. This study extends this line of research and explores the impact of international diversification on new product performance. Specifically, we ask if international diversification explains the stock market reactions to new product introduction (NPI) announcements. We find an inverted-U-shaped relationship between international diversification and the announcement returns of NPIs, revealing that the market value of NPIs initially improves and then declines with increasing international diversification. The results also show that intangible assets, such as technological and marketing capabilities, positively moderate the relationship between international diversification and the market value of NPIs. Our study not only highlights the importance of considering both sides of international diversification in affecting investors' assessments of corporate new product strategies, but also shows the possibility of internal capabilities in changing the fixed relationship between international diversification and the market value of new products.

A Value Chain Configuration Perspective on the Internationalisation Process of Emerging Country MNCs
Rasha Rezk, Jagjit Singh Srai, Institute for Manufacturing, Cambridge University, Cambridge, UK

Purpose Researchers have extensively explored the Foreign Direct Investment (FDI) patterns of western Multinational Corporations (MNCs), particularly their investment motives. The emergence of Southern multinationals from non-triad countries are however not well understood either in terms of motives or how these firms' capabilities evolve as part of their internationalisation strategy.

Exploring the internationalisation process of MNCs not only investigates their evolution patterns, but may also inform potential motives behind their foreign investment. Johnson and Valine (1977) have introduced one of the first models of MNC internationalisation process, which explained the initial expansion of market seeking MNCs particularly from small home countries, but the model neglected resource and asset seeking MNCs (Dunning and Lundan, 2008). Building on their model, as well as Porter (1980, 1985) 'functional-based' value chain concept, Dunning and Lundan (2008) have used a network approach to explain the possible evolution of MNCs and how the different phases of internationalisation is dependent on the initial motive of FDI. Using a related 'process-based' value chain perspective, Srai & Fleet (2010) investigated and identified different investment patterns of emerging countries and traditional western MNCs.

This paper takes an operations management perspective and manufacturing value chain based analysis to capture the internationalisation process of Emerging Countries (EC) MNCs. In particular the network configuration of the different internationalisation phases is considered, and the evolution of EC-MNCs capabilities as part of their internationalisation strategy is described.

Approach Value chain configuration and analysis tools are developed from related concepts in the literature, providing a framework to explore the influence of network configuration on EC-MNCs network capability.

Using this framework, the different phases of internationalisation are captured for selected EC-MNCs. The stages of internationalisation are mapped against the manufacturing value chain activities identifying the different evolutionary patterns of EC-MNC network configuration. The changing network configurations of these EC-MNCs are analysed to consider how they influence the evolution of their capabilities.

Findings This exploratory study has captured the alternative value chain evolutionarily models of EC-MNCs, in terms of their geographical configuration and the distribution of activities and resources across the global networks of these firms.

The approach has lead to the identification of phases in EC MNC evolution, based on identifying particular configuration states. Different configuration states are linked to specific internationalisation phases of development, and particular internationalisation motives supported by associated EC-MNC capabilities.

Research Implications and Contribution From an academic perspective, the paper expands the existing literature on network configuration and capabilities to include the new domain of EC-MNCs.

From an industrial context perspective, the research captures the competitive advantages and capabilities of the EC-MNCs and how they develop. Accordingly, this will be of interest to EC-MNCs who face the challenges of managing fast evolving international operations network design and management.
Corporate Ownership and Internationalisation: The Effects of Family, Bank and Institutional Investor Ownership in the UK and in Continental Europe

Antonio Mapelli, Vincenza Odorico, Manuela Presutti, University of Pavia, Pavia, Italy, University of Bologna, Bologna, Italy

Research problem and theoretical framework While the role of corporate governance has been increasingly analysed during recent years, it is only very recently that the effects of corporate governance features on firm international strategies have been also considered. Really, in their classical version neither TC economics nor the RBV consider the ownership type as a determinant of overall firm internationalisation. According to TC theory, the level of internationalisation is the result of the assessment of the costs and the benefits of coordinating international transactions internally by the management relative to those incurred through external coordination via the market. From the RBV perspective, a key driver of the diversification process is the existence of excess capacity, either of physical assets or knowledge, and one strategy through which the firm can exploit these underused resources is by entering foreign markets.

Aim of research We consider the potential role played by different kind of shareholders among the determinants of firm international level. The objective of this quantitative paper is twofold. First, using a European sample of listed firms, we intend to assess if and how different shareholders typologies affect the firms' degree of internationalisation. Second, distinguishing between the firms quoted in the UK from those listed in countries of Continental Europe (France, Germany, Italy, Poland and Spain) we intend to investigate if the different characteristics of the corporate governance systems in the two regions have any impact on firms' internationalisation levels.

Main findings Overall our results confirm that different kind of ownerships affect with different degree of intensity the overall level of firm's multinationality. First, we find that family ownership lead to lower international diversification levels. Second, our results show that the effects of ownership over firm's international strategies depend also on the context of analysis. Our findings suggest that the attitude towards internationalisation of financial institutional investors can differ sharply when the corporate governance rules and habits are different. While in the Continental Europe context, bank ownership negatively affects the level of internationalisation our result show that in an Anglo-Saxon context institutional investors promote internationalisation.

The Role of Dynamic Capabilities in International Expansion

Saba Khalaj, University of Vaasa, Vaasa, Finland

The theoretical discussion in this study, analyses the complementary role played by intangible assets, dynamic and substantive capabilities in initial and subsequent expansion following entry. Based on a pilot qualitative study and a survey of 100 ICT firms, our results show that dynamic and substantive capabilities indeed play a major role in initial and subsequent expansion stages, however, demonstrate different kinds of substantive capabilities being significant at entry and expansion stages respectively. Our findings confirm theoretical assumption that the integration of foreign market knowledge as key intangible asset in building up specific capabilities in a market (substantive capability) at the subsequent expansion stage. The practical implication of our study reveals that firms may be able to identify which capability to use at entry and expansion stages in foreign markets.

Internationalisation in the Tourism Industry: A Case of Australian Based Backpacker Accommodation Operators.

Antonio Mapelli, Vincenza Odorico, Manuela Presutti, University of Pavia, Pavia, Italy, University of Bologna, Bologna, Italy

Within the field of international business the tourism industry has received relatively little attention. In particular the literature on internationalization provides little discussion of the tourism industry and what has been discussed largely focuses on international hotel operators. One major and growing sector of the international tourism market is the backpacker market. The importance of this sector to international tourism has only recently been recognized and many countries have, or are in the process of, developing formal plans to develop this market further. This paper explores the factors which are driving the internationalization of Australian backpacker accommodation operators. Increasing level of commercialization together with concomitant financial resources are transforming the industry. We propose that internationalisation can be seen as part of the evolution of an increasingly sophisticated and diversifying sector of the tourism market.

Parallel session 3H – Technology and Internationalisation

Chair: Gary Cook, University of Liverpool, UK

Internal Strategic Technology Alliances - A Framework for Governance Mechanisms and Innovation Capabilities

Yong Kyu Lew, Rudolf R. Sinkovics, Manchester Business School, Manchester, UK

This paper discusses the dynamics of exchange governance mechanisms (GMs) and innovation capabilities in international strategic technology alliances (ISTAs). Anchored in theories of transaction cost economics (TCE), relational view (RV), and resource-based view (RBV), the paper develops a framework and propositions among ISTA GMs and innovation capabilities, and performance outcomes. Previous literature has focused on interfirm relationships between manufacturers and distributors in the downstream business marketing context. This paper focuses on interfirm technological innovation activities in the upstream value chain and takes an international business (IB) perspective. Based on literature in IB, strategy, and innovation management, this paper argues that technological commitment and process control are advantageous behavioral GMs in managing complex technology resources in ISTAs and developing innovative products. By linking ISTA GMs to innovation capabilities, the framework allows for a dynamic perspective and captures how different level technology GMs contribute to firm level innovation capabilities in new product development (NPD) and market development (MD) contexts. An integrative framework and propositions developed explain how external technology resources permeated through ISTA GMs enable firms to augment innovation capabilities and multi-dimensional business performance in high-tech industries. This work provides a theoretical ground for empirical research on ISTAs in R&D intensive high-tech industries.

Outsourcing as an Internationalisation Path: The Case of UK Biopharmaceutical SMEs

Cahin Guraj, GSCM - Montpellier Business School, Montpellier, France

Aim: The elimination of trade barriers have determined a significant increase in international transactions, encouraging international outsourcing. Although extremely important, international outsourcing is not officially considered as a path of firm internationalisation. Most existing models indicate exporting as an essential condition of firm’s internationalisation. However, it can be argued that some industrial sectors present specific characteristics that contrast the existing theories. This study investigates the specific competitive structure of the UK biopharmaceutical sector and the international activities of UK biopharmaceutical SMEs, presenting evidence regarding the existence of a different internationalisation path: internationalisation through outsourcing.

Research hypotheses: To explore the internationalisation process of the UK SMEs, and its particular characteristics, the following research hypotheses are formulated:

H1: Most of the UK SMEs can be considered as ‘Born Global’ firms.
H2: The main reason of the UK SMEs to start international operations is to source international resources.
H3: The level of international outsourcing of the UK SMEs is substantial.
H4: The international operations of the UK SMEs evolve during their life cycle – the importance of outsourcing operations declines when firm reaches maturity.

Research methodology: In order to validate these research hypotheses a questionnaire survey was applied. The population of study is represented by the independent UK SMEs (firms with a maximum of 500 direct employees). These firms were identified and accessed using the Database of the British BioIndustry Association. The data was collected through a structured questionnaire, sent by email or mail to the respondents (executive managers of UK SMEs), and then processed using SPSS. 300 structured questionnaires were sent to the UK SMEs, from which 118 were filled in and returned, resulting a response rate of 39.33%.

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Clustering, MNEs and Innovation: Who Benefits, and How?

Higher returns and some added shareholder protection through risk sharing with host creditors. We find support for a modified, dynamic trade-off model in conjunction with the business risks that attend these operating strategies to maximize their risk to return ratio. Financial leverage in the foreign subsidiary provides both linked with an operating strategy with a unique set of business risks. Subsidiaries balance the added financial risk of using higher leverage to support growth with the competitive advantages associated with lower operating costs. Where the balance is in favor of the former, the foreign subsidiary may have a comparative advantage in innovation.

The different motives of foreign direct investment seek to exploit varying advantages and competencies in foreign markets. The firm's basic entry motive is to access foreign technology as a good—viz. its context dependent nature and the large degree of tacitness. Lastly, we find that strategic and formal protection methods (licensing, joint ventures) while firms that buy technology internationally benefit only from the purchase of R&D services—are consistent with known features of technology as a good—viz. its context dependent nature and the large degree of tacitness. Lastly, we find that strategic and formal protection methods encourage the probability of innovation among firms that buy technology domestically or do not buy technology at all. They also tend to influence product innovation favourably and process innovation unfavourably. However, they have no effect on innovations by firms that buy technology internationally.

International technology acquisition and its impact on innovation

Suma Athreye, Yona Yang, Brunel University, UK

This paper investigates the impact of externally sourced technology on the probability of innovation (product, process or product and process). Using a unique dataset created by merging the Community Innovation survey data with import information in the International Trade in Services, we distinguish between three groups of firms: those that do not buy technology; those that buy technology but only locally and those that combine elements of bought local technology with internationally bought technology. Our findings suggest that bought technologies encourage process innovation but have a detrimental effect on product innovation. Innovation among domestic buyers of technology are influenced by a range of technology purchases (through R&D services, computer services and in-licensing) while firms that buy technology internationally benefit only from the purchase of R&D services—these are consistent with known features of technology as a good—viz. its context dependent nature and the large degree of tacitness. Lastly, we find that strategic and formal protection methods encourage the probability of innovation among firms that buy technology domestically or do not buy technology at all. They also tend to influence product innovation favourably and process innovation unfavourably. However, they have no effect on innovations by firms that buy technology internationally.

Clustering, MNEs and Innovation: Who Benefits, and How?

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This paper explores three under-researched questions in the literature on multinational enterprise, clustering and innovation. Firstly, to what extent does multinationality lead to higher rates of innovation activity and performance? Secondly, what, if any, is the link between cluster location by MNEs and innovation inputs and outputs? Thirdly, are there any significant differences between domestic and overseas multinationals in these regards? A review of the literature leads to the generation of five hypotheses which are tested in the paper. Hypothesis 1 is that clusters promote innovation. Hypothesis 2 is that MNEs will engage in and produce higher levels of innovation in clusters. Hypothesis 3 is that domestic MNEs will display higher levels of innovation effort and success compared to overseas MNEs. Hypothesis 4 is that MNEs will benefit from linkages at wider spatial scales in innovation systems compared to un multinational enterprises. Hypothesis 5 is that regional linkages in the scientific innovation system will be more important to domestic than to overseas firms.

The paper uses evidence based primarily on 11,775 firms derived from the UK Community Innovation Survey 2007 to explore the relationships between clusters and innovation and the particular effects on multinational enterprises (MNEs) from being located in a cluster, testing for differences between domestic and overseas MNEs. Hypothesis 1 is partially supported. The results find some evidence that both localization and urbanization externalities in clusters promote both innovation inputs and outputs, however there is some ambiguity. Regional employment in the firm's own line of activity exerts the most consistent positive influence. A disproportionate concentration of activity in a particular industry in a cluster and the diversity of industries in a cluster sometimes promote innovation, sometimes not. The overall scale of activity in a region is seldom significant. Likewise, hypothesis 2 receives only partial support. MNEs appear to exert higher levels of innovation effort, however evidence regarding their superiority in innovation outputs was weaker. Hypothesis 3 was largely contradicted. Contrary to Porter, it appears that overseas firms benefit more than domestic overall. Hypothesis 4 was supported. MNEs are less inclined to be engaged in or to derive benefit from innovations at local scale, but do so significantly at wider spatial scales. Hypothesis 5 was also supported. Domestic MNEs gain a significant premium from engaging in regional scientific innovation systems compared to overseas MNEs.

Parallel session 4A - Special Panel - Quantitative Research Methodologies

Chair: Nigel Driffield, Aston University, UK

This session seeks to highlight some of the recent developments in quantitative research methodology, and discusses how they may be applied to studies in international business. It offers an interesting contrast between the econometric approaches, applied for example to productivity growth, or ownership change, with alternative approaches, such as event-day studies. The session also includes some time-series stock market analysis, exploring links between stock markets. With the growing data availability, particularly for example on FDI or trade flows, making time series analysis more viable, such approaches will become of increasing interest to mainstream IB scholars.

Financial Risk and the Operating Strategies of FDI

David Schmidt, Nigel Driffield, Jim Love, Aston University, Birmingham, UK, Birmingham University, Birmingham, UK

The different motives of foreign direct investment seek to exploit varying advantages and competencies in foreign markets. The firm's basic entry motive is linked with an operating strategy with a unique set of business risks. Subsidiaries balance the added financial risk of using higher leverage to support growth with the business risks that attend these operating strategies to maximize their risk to return ratio. Financial leverage in the foreign subsidiary provides both higher returns and some added shareholder protection through risk sharing with host creditors. We find support for a modified, dynamic trade-off model in conjunction with the business risks that attend these operating strategies to maximize their risk to return ratio. Financial leverage in the foreign subsidiary provides both linked with an operating strategy with a unique set of business risks. Subsidiaries balance the added financial risk of using higher leverage to support growth with the competitive advantages associated with lower operating costs. Where the balance is in favor of the former, the foreign subsidiary may have a comparative advantage in innovation.

Investing in China - Is What You See What You Get?

Nigel Driffield, Jun Du, Aston University, Birmingham, UK

This paper examines the impact of ownership change of state owned firms in China. We focus in particular on acquisition by foreign firms, examining the determinants of the probability of a firm being privatised, and subsequently acquired by a foreign firm. Building on this, we then contrast the gains in terms of profitability and productivity growth, highlighting the contrasts in these results in terms of returns to external stakeholders (shareholders) or internal stakeholders (managers). Overall we find that once we control for the probability of better performing firms being those that are acquired, foreign acquisition does generate productivity growth, but not profits growth.
Location Choices of FDI and Multinational Performance: First Evidence from Matched Firms

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We seek to extend the literature on FDI and firm performance. Despite theoretical and conceptual analysis, the literature on estimating the role of location choices of FDI on multinational performance has generally disregarded some form of reverse causality. Drawing on firm-level data covering over 16,000 multinational firms from 46 countries in the period 1997-2007, we employ a matching process and find that, although the majority of foreign investment occurs in developed countries, firms are more profitable once they invest in more developing countries

Merger Momentum of International Mergers and Acquisition Activities and Value Implications of Indian Multinationals

Aysem Ficici, Bulent Aybar, Southern New Hampshire University, Manchester, USA

This study investigates the Internationalization strategies of Indian Multinationals. Hence, it scrutinizes the value implications of Indian Multinationals (IMs). This study examines 763 mergers and acquisitions (M&A) announcement of 93 IMs during the sample period of 2000-2008. First, the paper explores the effects of cross-border expansion patterns on firm value creation. Second, it examines market reaction to the announcements of cross-border expansion patterns. Finally, it evaluates and the effects of merger momentum on firm value of cross-border expansion activities. This study finds that most IMs earn positive abnormal returns during the event windows defined in this study. Hence, it is generally evident that there is value creation in international expansion activities of IMs.

Fuzzy Sets in International Business Research: Application to a Qualitative Study in Rural China.

Sacha Rawrence University of Edinburgh, Edinburgh, UK

This paper discusses the application of the fsQCA method (fuzzy sets, qualitative comparative approach) to a recent piece of International Business research, identifies features that contributed to the success of the research project, and outlines some limitations. Fuzzy set coding is the reduction of qualitative or quantitative data into summary form, but without the loss of detail that would result from binary coding. The sets represent many causal conditions and a single outcome condition, and each case is scored on a continuous scale from 0 to 1 for each condition. The purpose of fuzzy set analysis is to explore combinations, patterns and interactions between the conditions, and this exploration is formalised in the use of fsQCA software. This considers each case as a configuration of conditions, and uses Boolean logic to propose set-theoretic relationships between the causal conditions and the outcome condition. These relationships distinguish between necessity and sufficiency, both of which are represented in solution statements that thus cater for multiple and conjunctural - in addition to contingent - causality.

Parallel session 4C - Management In International Organisations

Chair: Fiona Moore, Royal Holloway, University of London, UK

Dealing With The Translation Task Within MNCs: The Role Of Social Networks

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In this paper, we address the role of translation in MNC operations; a little researched area in international management. Drawing on the results of a case study of a Nordic bank, we identify a range of factors that drive translation activity: time allocation, accuracy, speed of response, cost, technology, confidentiality and task criticality. However, a key finding was the importance of social networks as a coping mechanism for employees confronted with the need to provide rapid translation for work-related situations. While the case company had a central translation department, this was not extensively used. A somewhat surprising aspect was the way in which external social networks, even relatives, were utilised.

Managerial Attitudes in Russian Organizations: A Study of 8 Geographic Regions and 14 Industries in Russia

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In this exploratory study we examine managerial values and attitudes possessed by Russian managers in contemporary Russian organizations. Taking the theoretically derived dimensions of leadership in Russia suggested in the Western literature as our starting point, we show that these dimensions do not allow for full comprehension of the plurality of managerial attitudes and values existing in today's Russia. Hence, we argue that it may be more adequate to derive these dimensions empirically. To do that, we analyzed a sample of 482 line and middle managers covering 8 geographic regions and 14 different industries of Russia. Employing factor and cluster analyses we identified four distinct clusters of managers in contemporary Russian organizations. These ranged from the "Independent professionals" cluster, which comes closest to what is often seen as the idealized Western managerial attitude / style comprising both democratic and professional orientations, up to the cluster of "Paternalistic leaders" consisting of managers who seem to embody the most "Soviet" managerial style being paternalistic, traditional and authoritarian. The analysis has important implications for Western organizations operating in Russia. The identified plurality of managerial attitudes contingent on a number of contextual factors indicates that Western companies need to use different approaches in dealing with their Russian counterparts and no universal approach exists.

The Dilemma of Single or Hybrid Career Path Choice among MNC Knowledge Professionals

Emmanouil Sofaktis, Dimitris Maroulisoulos, Pavlos Dimitratos, Athens University of Economics and Business, Athens, Greece

This study seeks to explore knowledge professionals' career preferences regarding a single or a hybrid career path. It incorporates two categories of research variables: the type of Research and Development (R&D) laboratories in which knowledge professionals are employed (i.e. asset exploiting or asset augmenting units); and the employee-related characteristics (i.e. age, education, gender, marital status). Research evidence is based on a large scale study of 981 professionals employed in 70 R&D units of MNC subsidiaries in Greece. A logistic regression model was run with the professionals' preference for a single or a hybrid career path as the dependent variable. Research findings indicate that the type of R&D unit, employee age and marital status constitute strong predictors of knowledge professionals' career choice on either a single or a hybrid path and thus, should be taken into consideration when formulating a human resources management policy. This paper contributes to the scant evidence provided by career literature hitherto with respect to the career choices of R&D knowledge professionals in MNCs. It is, further, seemingly the first study to incorporate the type of R&D units as a predictor of the single vs hybrid career choice.
Ambivalence, Anthropology and Business: The Problems and Potentials of Ethnographic Research in International Organisations

Fiona Moog Royal Holloway, University of London, London, UK

In this paper, we will draw upon Smelser's concept of ambivalence as a means of understanding an important contribution which anthropology can make to international business studies, as well as, paradoxically, a key reason why it remains largely on the margins of the discipline. I will consider how anthropology in practice can be used to explore ideas of cultural complexity and identity into analysing business settings, as well as drawing upon the role of the researcher, the preconceptions brought to the analysis, and the received wisdom or folk categories which permeate the study, as well as the practice of business. Following a consideration of a case study of the use of ethnography in investigating ambivalence in mergers and acquisitions, I will conclude by considering some ways forward for the ethnographic study of organisations.

Parallel session 4D - Knowledge Transfer Practices by Firms From Emerging Markets and Transition Economies

Chair: Richard Woodward, University of Edinburgh, UK

Foreign Presence and Local Firms’ Decisions on Export and Domestic Sales in Chinese Manufacturing

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Building on the literature on the export-domestic sales relationship, productivity spillovers from foreign direct investment and strategic competitor analysis, this paper establishes an analytical framework with the following two key hypotheses. (1) Foreign presence as a whole is likely to have a simultaneous negative impact on the firm’s domestic sales, but positive impact on their exports. (2) Foreign presence from Hong Kong, Macau and Taiwan (HMT presence) is more likely to generate this pattern of impact than other foreign presence. These hypotheses are tested and supported by a large and recent firm level panel data set from Chinese manufacturing. The implications are discussed.

Learning from International Markets: Facilitators and Barriers for Firms in Transition Economies

Laila Kasnet, Kevin Boh, University of Strathclyde, Glasgow, UK

The role of knowledge and learning has for long been a central focus of internationalisation research. Knowledge was conceptualised as the sole explanatory variable in the Uppsala Internationalisation Model (Uddevall 1977) and a critical enabling factor in the Lorsch and Beamish (2000; Oviatt and McDougall 1994). Knowledge, or lack of it, is therefore a well established explanatory factor for the international behaviour of firms. What is, however, less well understood are the effects of internationalisation on firms’ knowledge bases, a research question explored only in a handful of previous studies (Barkema and Vermeulen 1998; Zahra et al. 2000). The present study focuses on this less trodden path. It draws on the organisational knowledge perspective to examine the influence of international expansion on firms’ marketing and technological learning, as well as identify factors that may enhance or hinder the learning process.

Qualitative evidence was collected from 9 private firms operating within traditional industries in a transition economy, Syria, thus providing rare empirical insights on learning from internationalisation among firms from the Middle-East. Findings suggest that not all companies would benefit from operating across the border with regards to their knowledge base. A number of critical factors were identified as affecting how much learning could occur. The first and the most important of these is the management team’s absorptive capacity. The ability of the management to appreciate the value of new information and to try to obtain is critical. However, absorptive capacity is not an intrinsic attribute. It is in itself influenced by some key factors, including the management team’s entrepreneurial orientation as well as their previous experience and the firm’s inward international activities. Firm networks were not found to determine whether learning occurs or not, but were in many cases the source from which the company obtained new knowledge.

The second identified factor was the mode of entry. Low involvement entry modes, while useful for gaining some insights from international markets, do not seem to offer transition economies’ firms the appropriate platform to realise the full potential of international markets. Finally, the characteristics of the foreign market, particularly its similarity level to the home market in terms of market conditions and economic development, strongly influence the extent of learning that can take place. Firms expanding to markets similar to the domestic market tend to have little incentive to upgrade their knowledge base, whereas those venturing to more advanced economies, especially Europe or North America, and needing to compete at a higher level, appear to have a greater imperative to continuously enhance their capabilities. Contrary to expectations, firm’s age at entry was not an important indicator of the extent of knowledge gains from international activities.

The paper concludes with recommendations for managerial decision making as well as for further research on this rarely examined research area.

Exports, Innovation and Cooperation. Case of Russian Firms

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The paper aims to look at the level of openness of Russian firms when cooperating with external partners on innovation. The main focus is made on the differences in collaboration with external partners between the exporting and non-exporting firms. The study is based on a survey on 223 Russian companies from various industries. The main research questions, addressed in the study, are directed at the interaction with key stakeholders within the NPD processes, comparing exporting and non-exporting firms, and comprise the following aspects: (1) are there any patterns in the Russia firms’ behavior, describing their attitude to being open in interaction with stakeholders when developing new products; and (2) are these patterns related to the factor of internationalization? The findings indicate existing differences between the exporting and non-exporting firms in building the networks of stakeholders within the NPD activities. At the same time almost no significant differences between the exporting and non-exporting firms in assessing the involvement success were identified, providing counterintuitive results on the study. The results are explained through the various strategies applied by exporting and non-exporting firms in new product development.

Knowledge Source Preferences as Determinants of the Entrepreneurial Orientation of Knowledge-Based Firms in Emerging Markets

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This paper takes a new and critical view of the entrepreneurial orientation (EO) construct and seeks to identify factors that may have a significant effect on the EO of knowledge-intensive firms. In it, we explore the proposition that differences in EO across firms may be significantly affected by differences in firms’ preferences regarding the sources of knowledge crucial for their competitive advantage. We construct a theoretical link between EO and knowledge source preferences using March's (1991) work on exploration and exploitation and Zahra’s (1996) work on technology strategy, and then find evidence that knowledge-intensive firms' exploration and exploitation of knowledge sources is critical for understanding of their EO. Our research is based on 208 firms operating in knowledge intensive industries in six Central and Eastern European countries (CEEEC). We identify the types of sources of knowledge: external R&D knowledge based firms, in-house knowledge based firms and value chain dependent firms. In our analysis of EO, taking a cue from the work of Lumpkin & Dess (1996), instead of the standard approach employing a single measure, we use one that breaks EO down into its various dimensions. Using various measures of three dimensions of EO (innovativeness, pro-activeness and risk-taking), we have found that the EO is strongest in firms based on external knowledge and weakest in firms dependent on value chains. This leads to conclude that new approaches to the EO construct itself, breaking it down into its component dimensions, are justified both from a theoretical and empirical standpoint.

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There is a growing interest on how CSR and Corporate Governance practices are functions of their institutional contexts. Most of these institutionalist accounts, however, tend to adopt a macro (national level) approach, which appears to suggest some kind of organisational field homogeneity within national institutional contexts. This tends to under-emphasise possible heterogeneities within national institutional boundaries, which have been picked up by a related literature on the significance of sectors in accounting for corporate actions. The latter literature is also gradually permeating and unsettling the core tenets and foundations of national business systems and comparative capitalism, which are in orientation macro-centric. Scholars promoting the sector-based perspective argue that national business systems are not necessarily homogenous but are most of the time characterised by heterogeneities.

The concept and idea of international business issue bears a long history and also connected in line with the trading of the Portuguese, Dutch, British East India Company etc. The nature and scope of this business has also been changed with the socio economic needs along the globalization. At present, its nature has been crucially changed, shifting global services, quality of rules and policies. But unfortunately these under a set of rules and policies. But unfortunately these are not properly implemented and human rights based. Some problems such as global economic crisis, internet hacking, non compliance with the international laws including the human rights laws and policies, unethical activities, etc., have been observed. Therefore, the international human rights have been often ignored and consequently, the impacts have been a major gap against the natural laws and policies and results of it. It course have been creating the global human. In order to deal with the international business including teaching and research, we need to rethink about the principles and philosophy underlined in the Stockholm Conference, 1972; the Rio de Janeiro, 1992; the Vienna Convention, 1985; the Montreal Protocol, 1987; the Universal Declaration of Human Rights, 1948; the International Covenant on Civil and Political Rights, 1966; the International Covenant on Economic, Social and Cultural Rights, 1966; the International Conference on the Elimination of All Forms of Racial Discrimination, 1966 etc; need to be done for the purpose of bringing about a sustainable development and environment on this our earth. If not, we should not need to introduce and implement the international human rights law and need to exercise the business ethics as pointed out in the Elimination religions such as the holy Quran, Hadith, Gita, Bible, Christian, Buddhist etc; without which the international business cannot be meaningful and sustainable. This study will critically examine and evaluate on the international business and Law based on primer of Business Ethics consisting of University of Edinburgh, UK.

Are Corruption and Ease of Doing Business Correlated? An Analysis of 172 Nations

Jorge Mongay

One of the most relevant issues to take into account in today’s international management strategies are both the evaluation of “corruption” in a destination country and the evaluation of the “ease of doing business” in the same country. Both issues are important in order to guarantee transparency in operations (appearing in countries with low levels of corruption) and ease of doing business (the total amount of processes designed by local authorities in order to setup or conduct a business).

Computation and ease of doing business have been widely analyzed independently by several researchers but there is a lack of research focused on the correlation between the two magnitudes and their interdependence. This is the aim of this study, explicitly analyze to what extent “corruption” and “ease of doing business” are correlated. In order to reach our objective, a total of 172 nations are analyzed, employing data from Corruption Perception Index and Doing Business rankings. The findings are based on the interdependence between the two variables, thus the study is organized as follows. First, a review of corruption and the ease of doing business are presented together with the rankings that stand at the basis of our analysis. We present afterwards the results, followed by their interpretation, final conclusions and implications.

Value destruction and competitive disadvantage: emotional manipulations and corporate irresponsibility in disintegrated marketing communications

Federick Een

The single most important element that plays a decisive role in explaining why people buy or choose not to buy a particular brand is emotion. This paper seeks to present afterwards the results, followed by their interpretation, final conclusions and implications.
Successive governments have sought to attract inbound Foreign Direct Investment (FDI) to the UK, motivated partially by the desire to compensate for the loss of manufacturing employment in domestically owned businesses located in disadvantaged regions. This strategy has achieved considerable success, with the result that foreign-owned subsidiaries now account for substantial shares of employment in many peripheral regions, including Wales.

The quantity, quality, and sustainability of the jobs created or safeguarded by inbound FDI in the UK's peripheral regions have come under increasing scrutiny in recent years, leading to concerns about the efficiency and effectiveness of the UK's inward investment policies in employment terms, where such regions are concerned. Problems have arisen in attempting to differentiate between jobs created and jobs safeguarded by inbound FDI, and in estimating the numbers of indigenous jobs lost or displaced as a result of such FDI, due to the formation of more efficient, foreign-owned plants.

The empirical studies into these linkages (Jones and Wren, 2004 being one exception) have been carried out at the UK regional level, whilst many have tended to focus on more aggregated data (Hill and Munday, 1992 and 1995) or on specific themes, such as change components analysis (Stone and Peck, 1996). The present study seeks to help rectify this apparent gap in the literature, whilst also adding to scholarly and policy makers' knowledge and understanding of the contribution that inward investment policy can make to the attraction of inbound FDI and to the result creation or safeguarding of employment in the UK peripheral economy context.

The findings reported in this paper indicate that inbound FDI into Wales is dominated by new and expansionary FDI, whilst FDI through the merger and acquisition route and through joint ventures are relatively less important for the Principality. There is also clear evidence that both the number of new and expansionary inbound FDI projects is significantly and positively correlated with new jobs. The findings do not support the argument that new and expansionary FDI projects, and FDI measured by new jobs are determined by different explanatory factors.

The findings also suggest that, when we consider total capital investment in new FDI projects, it is the US which has traditionally been the dominant country of origin for inbound FDI, although there is little indication that the greater level of US investment leads to more jobs for Wales. The EU has become increasingly important over time as a source of inbound FDI-related employment in the Principality, with the result that targeting this region (along with the US, Canada and Japan) as a potential source of new FDI inflows (alongside the more promising emerging market countries) will also be beneficial for Wales.

The FDI and Trade Relationship Revisited under Structural Change: Evidence from a Sector-Based Analysis

This study revisits the long standing argument on the FDI and Trade relationship in an effort to shed some new light on the issue as well as investors' behavior. This is achieved within the context of structural changes as proposed by the Investment Development Path paradigm going, consequently, beyond existing analyses. In addition, it does so in a sector-based framework where more accurate results may be obtained and safer implications may be outlined. We use the most expanded data span in the current literature, from the early stages of transition in 1992 to 2006 as well as an enriched dataset of countries and location factors. Results point to a different relationship between FDI and imports among the sectors, indicating a complementary one for manufacturing and services and a substitution one for agriculture. In the case of FDI we find strong locational characteristics such as the large market size, the gradual improvement of the macro-environment and finally the quality of labour force as centripetal forces, well documented along the structural changes framework of the IPD we employ here.

National Innovation System and Globalization: The Implication for Technological Catching-up

This paper investigates how firms survive and grow in turbulent environment caused by the financial crisis 2008 using the framework constituting from Chaos theory. The empirical based on in depth interviews with 25 SMEs in emerging transition economy of Vietnam. The results revealed that to survive in turbulent
Keywords: Chaos theory, financial crisis, turbulent environment, SMEs, survival, growth

Rapidly Internationalising Small Firms: Are Human Resources the Missing Part of the Puzzle: Towards an Understanding of the Implications for IE Research and Practice

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In recent years there has emerged an extant body of literature focusing on rapidly internationalising firms which are known by various terms, 'born global firms' (McKinsey & Co., 1993; Knight & Cavusgil, 1996; Madsen & Servais, 1997), 'international new ventures' (McDougall et al., 1994; Oviatt & McDougall, 1994), 'committed internationalists' (Bonaccorsi, 1992) and internationally focused 'knowledge-intensive' firms (Bell, 1995; Soder & Holmqvist, 1996). These tend to be smaller firms formed by active (international) entrepreneurs. Typically, their offerings involve substantial value added, often due to a significant breakthrough in processes or technology (Knight & Cavusgil, 1996). A characteristic is that management adopts a global focus from the outset and embarks on rapid and dedicated internationalization (McKinsey & Co., 1993). As more and more small firms are internationalising rapidly and often at or close to inception, this has generated a growing interest in understanding how they these firms gain sustainable competitive advantage (Zahra, 2005).

There has been growing acceptance that the accumulation of knowledge and learning by small and medium sized enterprises (SMEs) may have a critical influence on their internationalisation (Johanson and Vahlne, 1977, 1990; Oviatt and McDougall, 1994, Jones and Covello, 2005). Clearly knowledge accumulation and learning are undertaken by people in such firms. Indeed the nature of the human capital resources deployed by these often knowledge based or knowledge intensive firms may influence their internationalisation trajectories. To date, there has been little focus on the Human Resource Management (HRM) decisions and processes of rapidly internationalising small firms. Given the criticality of supporting international new ventures as engines of job growth and innovation (Admiral, 1996; Braunerhjelm, 1993; McDougall and Oviatt, 1996), this is a surprising omission by IE scholars. Therefore, in an effort to address this gap in our understanding, and drawing upon the resource and knowledge based views of small firm internationalisation, as well as the International HRM (Bjorkman and Levick 2007; Brewster and Suiast 2005; Collins et al, 2007; Collins et al 2009; McDonnell et al 2010 (a,b); Scullion et al 2007) and Strategic HRM literatures (Collings et al 2008; Gooderham et al 2008; Wright et al 2001; we develop and present a research agenda for HRM in the rapidly internationalising small firm.

Exploring SMEs Internationalization: Institutional Barriers, Market Drivers and Entrepreneurial Orientation

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Purpose - The study explores the influence of external factors, such as institutional barriers and market drivers, as well as internal entrepreneurial orientation on several dimensions of internationalization: degree of internationalization, first country and operation mode, timing, and subjective internationalization performance.

Design/Methodology/Approach - A sample of small and medium sized enterprises (SMEs) from Finland serves as a study setting. Data was collected via cross-industry survey from the sample of manufacturing and service companies with a usable responses of 255 enterprises.

Findings - First, the analysis indicates that market drivers, rather than institutional factors influence company's decision of first operation mode. Entrepreneurial orientation tends to compensate the effect of market drivers in that choice. Second, entrepreneurial orientation provides a diminishing effect on perception of institutional barriers, and thus can break the tendency of first internationalization at the markets with lower geographical proximity. Third, market drivers, implying competitive and industry-based influence, facilitate the intensity of internationalization and thus positively influence the degree of internationalization (DOI).

Research Limitations - The findings are based on a small sample of companies, what restricts the opportunities of extended statistical analysis and influence level of significance of environmental and internationalization variables interdependence. The applied data encounters only the home-country institutional and market influences on internationalization, however we suggest the further broadening of empirical setting that could include host-country environmental factors.

Practical Implications - The positive linkage between market environment and first entry mode choice suggests that replication of other incumbents' experiences can decrease the level of perceived uncertainty at the early stages of internationalization. Institutional barriers can be overtake by the means of the increased entrepreneurial orientation.

Originality/Value - Understanding the role of the environmental factors on the internationalization of SMEs remains to be the area which requires the expansion of empirical exploratory and replicate studies with a variations of empirical settings.

Keywords: internationalization, entrepreneurial orientation, institutional barriers, market drivers, degree of internationalization

What Drives SMEs Beyond Regional Markets?

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Purpose: This paper aims to bring the regionalization of trade transactions debate into the definition of the degree of internationalization of exporting small and medium-sized enterprises (SMEs) in order to refine the concept of export intensity and shed a new light on its determinants. In particular, we examine the influence of internal (technological and managerial) and external (environmental/institutional) factors on the level of export intensity that firms derive from inside and outside their home regional market.

Methodology/approach: Drawing on the resource-based view as theoretical framework and deriving working hypotheses from the export management literature, we analyse the data from an Italian sample of manufacturing SMEs by applying Tobit regression models.

Findings: The results show that product innovation and R&D personnel have a positive impact on export intensity, regardless the geographical destination of exports. On the other hand, some factors such as being located in a district/local cluster or the presence of external managers are significant and have a positive impact only on intra and extra regional export respectively. From this viewpoint exporting outside the regional market has to be considered as especially subject to the liability of foreignness, thus requiring more dedicated and specialised resources.

Originality/value: The findings reported in the paper support the hypothesis that the drivers of exporting inside and outside a regional market are partially different and that the export intensity construct should take into account the regional nature of trade transactions.

Keywords: export intensity, SMEs degree of internationalisation, extra regional exports.
Parallel session 4H - The Effect of Networks

Chair: Brian Massey, Trinity College Dublin, Ireland

Context Matters! How the Business Network Context Influences the Extent to Which Subsidiaries Embed Locally

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Many studies have focused on the effects of the external embeddedness of MNC subsidiaries. However, little attention has been given to its antecedents. We try to fill this gap and investigate the extent to which subsidiaries and their direct external partners adapt to the level of business network complexity, measured as the degree of influence other actors in the wider network exert on the subsidiary's key business relationships. We find evidence for an inverted u-shaped relationship, i.e. subsidiary embeddedness increases with the degree of network complexity but decreases once complexity exceeds a certain threshold. We discuss implications with regard to network change, over-embeddedness, and the literature on the strength of versus weak ties.

How does Subsidiary Network Structure Matter?

Zhaleh Najafi Tavani1, Avele Giroud2, Rudolf Sinkovics2, 1University of Strathclyde, Glasgow, UK, 2University of Manchester, Manchester, UK

This paper investigates the variation within subsidiaries in terms of knowledge development, reverse knowledge transfer, and influence as immediate joint outcomes of the degree of subsidiary-parent firm embeddedness and external embeddedness. Based on the extent of subsidiary-parent firm embeddedness and external embeddedness, subsidiaries were categorized into four groups: Fully Embedded, Locally Embedded, Internally Embedded, and Isolated. Results indicate significant inter-group differences in terms of knowledge development, influence, and reverse knowledge transfer. Moreover, the empirical data show that while high degree of external embeddedness is the pivotal element of subsidiary knowledge development, high level of subsidiary-parent firm embeddedness is the main determinant of reverse knowledge transfer and a subsidiary's influence on strategic decisions of MNCs.

Networks, International Market Selection, and Export Performance

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One of the critical decisions for firms to make when they expand into international markets is which market to choose. Past research usually relies on simply description of those internal or external factors related to such decisions when ignoring the performance implication and thus lacking normative indication. Thus international market selection remains an under-researched area till recently. Drawing on resource-based view, this paper investigates how a firm's resources and capabilities related to external networks impact on its international market selection (IMS). In particular, two key aspects: the location decision and the performance implication. Successful IMS requires not only acquisition of information and knowledge about foreign markets in order to surmount the economic, institutional and cultural barriers related to its internationalization process, but also utilization of the acquired information and knowledge effectively. External networks, as a web of personal connections and relations with external actors for the purpose of securing favors in personal and/or organizational actions, are able to help a firm to decrease information and knowledge barriers and transaction costs and improve international business operations. We hypothesize that firms with abundant external networks are more likely to choose culturally distant markets as a structure to exploit these resources and capabilities than to choose culturally close markets. Furthermore, this effect is moderated by firms' absorptive capacity. An analysis of 230 Chinese exporting manufacturers shows support to the hypotheses, and indicates that a fit between network resources and capabilities and IMS improves international performance.

High Tech Clusters: Factors, Formation and Forms

Brian Massey, Trinity College Dublin, Dublin, Ireland

The phenomenon of high tech clustering is of great interest to scholars in management science, regional development and economic policy today, as well as practitioners at many levels. Since the early work of economists on industrial districts and the identification of Marshallian externalities (Marshall 1891), there has been interest in the agglomeration affect within industries. Similar enterprises seemed to be found in the same regions. Eventually this industrial agglomeration became known as clustering and is now associated specifically, though not exclusively, with the development of technology. Meanwhile recognition of the entrepreneurial element was emerging from some economic work; particularly that of the Austrian School and this work identified the role of the entrepreneur in economic change and growth (Schumpeter 1934, Klesner 1973). This has given rise to much research in the fields of management and economics. Recently, more interest has developed in the specific way entrepreneurship can stimulate regional economic growth.

There has been much and fruitful scholarship seeking to explore cluster phenomena of recent years. However the literature and theory on this topic seem at an impasse. Contributions come from economics, industrial organisation, management science, strategic management, international business and entrepreneurship, all discrete fields in their own right. Organising and understanding this theory in concert proves difficult.

As a solution to this, a redefining of focus is proposed here, away from the areas that influence the research and theory, instead focusing on the clusters themselves. To do this the development of clusters is analysed under three lenses: 1. Input Factors, 2. Cluster Formation, and 3. Cluster Forms. This allows for a practical organisation of contributing theory and a more workable approach to investigating clusters and their relevant issues to regions and firms. Their implications can then be reflected back to specific areas of interest at either; regional, MNE or startup levels.

This paper seeks to make a theoretical contribution by providing a new conceptual structure with which to examine the cluster phenomenon. Following an exploration of these lenses and their existing literatures, implications are drawn for both regional and firm levels using this new structure, uncovering new directions of interest for future research and suggesting how further understanding of clusters and their relevant issues may be gained.

Parallel session 5A - Special Panel - Publishing in International Business Journals

Chair: Frank McDonald, University of Bradford, UK

This panel will include presentations by journal editors on key factors for preparing to submit papers to International Business journals. This will be followed by a Q & A session on publishing high quality papers in International Business. A virtual support group, hosted by Bradford Centre in International Business, will be set up from this panel to support researchers, especially early career researchers, to prepare papers for submission to International Business journals.

The Q & A Panel will be composed of the representatives of the journals shown above, plus Glenn Richey, University of Alabama and Chengang Wang, Bradford University School of Management. Glenn is Co-Editor International Journal of Physical Distribution and Logistics Management, and Chengang Wang is a frequent reviewer for the Journal of International Business Studies, Cambridge Economic Journal and World Development.

Editorial Area for Journal of International Business

Ulf Andersson, Copenhagen Business School, Copenhagen, Denmark
become BGs and how this 'degree of born-globalness' develops further. This paper with two software BG case studies can hopefully contribute to this.

Correspondingly, many researchers have recently questioned the suitability of the ‘classic’ incremental internationalization models and “newer approaches” towards the SME internationalization have been presented both in managerial and academic forums. In this paper we focus on BGs and the conceptualization patterns, irrespectively of the industry (Rumelt, 1991).

Parallel session 5B - International New Ventures
Chair: Mika Gabrielsson, Aalto University, Finland

Conceptualizing Rapid Internationalization in the Biotechnology Industry - A Finnish Point of View
Mari Kotsalainen, University of Turku, Turku, Finland

This paper takes a look at two concepts used describe internationalizing companies, namely born global and rapid internationalizer, and tries to justify, which one of the concepts is most suitable to be used in the context of Finnish biotechnology industry. The small size, openness and peripheric location of the domestic market are expected to push Finnish and other companies originating in small and open economy (SMOPEC) to globalize their business, and thus, they are attractive to practicing managers as an example here (Gabrielsson & Gabrielsson 2004, 667). The analysis is done with the help of five criteria set for Born Globals: Vision and strategy to become global/international; size and technological orientation; time to become global/international; geographical expansion in terms of a minimum of 25% of foreign sales or a minimum number of countries served outside the home country and geographical expansion outside the home continent with a minimum of 50% external sales. The dimensions utilized for the analysis of the features of rapid internationalizers were the duration of time between firm’s birth and its internationalization (including the extent of internationalization), the international outlook of the managers or the company, and the size. When the Finnish biotechnology companies were analyzed based on the criteria for Born Globals and dimensions for rapid internationalizers, the analysis showed that the concept of rapid internationalizer is more suitable to be used in this context.

The International Growth of Born Global Firms: Tracking Drivers and Dimensions Along Time
Birgit Hagen, Antonella Zucchella, University of Pavia, Pavia, Italy

International new ventures or born globals have been studied and discussed broadly as regards their start-up, mainly trying to define and examine some key dimensions of their internationalization process, namely intensity or degree, speed, and scope of internationalization. The factors triggering this phenomenon have also been investigated but have rarely been related to the above key dimensions and tracked through time, along the born global life cycle. In other words, little research is available into the continued internationalisation of these firms (Liesch et al., 2007). Such work would give further insight into the strategic options and development of the born global initial trajectory and contribute to theory building. The objective of the current paper therefore is to investigate which factors are important regarding the dimensions of speed, scope and intensity along the internationalisation of born globals. It furthermore attempts to profile two born global firms and their internationalisation process along these drivers and dimensions, drawing partly on recent approaches to model accelerated internationalisation. Both companies are internet-enabled, relying on e-commerce as their only selling platform. In this business, firms are expected to be “naturally” born global (Kobrin, 2001). Our findings do not fully support this view and highlight the role of resources and capabilities in differentiated growth patterns, irrespectively of the industry (Rumelt, 1991).

International Pathways of SMEs - Case of Two Software Born Globals
Olli Kuiväinen, Sami Saarenketo, Lappeenranta University of Technology, School of Business, Lappeenranta, Finland

There has been an increased attention in the internationalization of small and medium-sized enterprises (SMEs) in the international business literature during the last two decades. Thanks to advances in communication, information, and transportation technologies, emergence of global consumers, and a proliferation of global products, for example, also SMEs are able to increase their degree of internationalization (DOI) and take advantage of the opportunities of an almost borderless marketplace. The appearance of (or at least a sudden increase in) born global (BG) companies is clearly a response to these rising opportunities as more and more companies are taking the step towards global markets earlier and more rapidly than similar companies did before.

Consequently, by utilizing longitudinal data we study the scale and scope of internationalization of two Finnish software BGs. The results from these two case studies show that although the time frame for internationalization has been really short for both companies and internationalization has occurred almost in parallel with the founding of the companies, we are able to distinguish phases in internationalization process and analyze critical incidents which make these companies move further towards deeper internationalization.

Thus, our opinion is that it is of importance to study the phases/stages even if the company’s life cycle is ‘condensed’ to be able to understand how companies become BGs and how this ‘degree of born-globalness’ develops further. This paper with two software BG case studies can hopefully contribute to this discussion. By utilizing the life-cycle concept in addition to the traditional internationalization stages approach we also hope to make the model more approachable to practicing managers.

For researchers our suggestion is that the classic BG measures used should be developed to be a) more longitudinal (instead of cross-sectional) and b) more detailed by incorporating more sub-dimensions into the scale and scope measures. In general, this study aims to advance the BG literature by laying a conceptual and empirical foundation for the future research on international pathways of BGs.

Global Growth and Performance of International New Ventures: Configuration and Coordination
Mika Gabrielsson1, Peter Gabrielsson2,1, Aalto University School of Economics, Helsinki, Finland, 2University of Vaasa, Vaasa, Finland

Research on International New Ventures (INV) has dealt with the early internationalization of INVs and the factors explaining their birth. However, there has been virtually no research on post-entry growth. In particular, research on changes in the configuration and coordination of value chain activities during globalization has been scarce. Moreover, the performance implication of global growth has received limited attention. The implications for both growth speed and financial performance deserve more understanding in this context. The article develops a framework and hypotheses on the configuration and coordination of INVs during globalization based on international entrepreneurship and management research.
Parallel session 5C - International Human Resource Management

Chair: Markus Pudelko, Tübingen University, Germany

The Impact of Foreign Ownership on Gender and Employment Relations in Large Japanese Companies

George Okrent, Nick Oliver

In recent years, there has been an increasing level of attention paid to the role of gender at the workplace, with a greater emphasis on equality between the sexes and increased opportunities for participation by women. This is particularly true of Japan, where women have traditionally played a subservient role to men, but which has endured 20 years of relative economic decline and which faces serious demographic problems as the population ages (e.g. Economist 2010). Many commentators have called on Japanese companies to utilise female employees more effectively, not only to enhance equality but also as a means of improving competitiveness (OECD 2008). Much of this comment has been framed in the general context of the need for Japan to move from its traditional communitarian organisational practices to a more market-oriented approach: in other words to shift the very basis on which the Japanese version of capitalism is founded.

At the same time the “Varieties of Capitalism” literature has recently begun to address gender issues (Estevoz-Abe 2006; Estevoz-Abe et al. 2001; Rubery 2009; Sokeie 2005) and posits that differences in patterns of employment relations between men and women may be explained by the institutions that underpin the ‘Liberal Market Economy’ and the ‘Coordinated Market Economy’ models of capitalism. From this perspective, the status of women in Japan and in particular the workplace, is determined by a country’s institutional arrangements which are themselves the product of the social constructions of societal members that constitute the society’s cultural foundations. Japan is considered to be an archetypal coordinated market economy and its employment system does indeed share characteristics, including the status of women in the workplace, with other such economies. However, a country’s institutional arrangements are not necessarily impervious to change. Cross-border investment flows in the form of global mergers and acquisitions (M&A), with their associated changes to enterprise ownership and control can challenge local institutional patterns.

The purpose of this paper is to investigate the impact of such acquisitions on one particular aspect of the employment system, the role of gender and the prospects for the advancement of female employees. We investigate the position of white-collar female employees at 10 Japanese firms, all located in Japan. Five of these had been taken over by non-Japanese firms shortly before the research was conducted; the other five remained wholly Japanese-owned. On most measures, the ability of female employees to advance in Japan is amongst the lowest of any OECD countries and we investigate whether acquisition by foreign firms makes any difference to the prospects for the female employees they employ.

We find that while results are uneven across our case studies, with female employees at some companies experience more change than at others, firms acquired by foreign firms tended to be more active in promoting gender equality at the workplace and that the number of female managers increases. However it is also clear that deeply embedded attitudes towards gender roles have also been difficult to dislodge. Such embeddedness will indicate that variety will continue to be a feature of global capitalism for the foreseeable future.

Expanding vs. Surpassing The National Sphere: Organizational Identity Narratives Of Multinational Corporate Employees

Özdi Bozkurt, Lancaster University, Lancaster, UK

This paper draws upon interviews with 72 high-skilled employees in three leading MNCs in the mobile telecommunications equipment sector to discuss how they understand and depict the national identity of their employers. More specifically, the paper explores how MNC employees carry out organizational identity work through their interpretations of the organizational essence of their employers against a grid of globally and nationally relevant and justificatory frames they offer as informing these interpretations. Two dominant interpretations emerge from the empirical study. In the narrative of expanding the national, workers depict their employing organization as standing in need of national strength, and regards as national models in history and or partly marked by the national characteristics of the home country, and going beyond national borders by leaving the national sphere of the home country behind. The interview study offers four core findings about the organizational identity narratives of MNC employees: First, that nationally is a salient member category in perceiving and representing organizational identity among MNC employees; secondly, that the variable narratives do not reflect (or correspond to) objective organizational identities and as such need to be understood as accounts representing a range of forms of reasoning about identity; thirdly, that the narratives are multi-national in their making in that they do not map on to members of different countries and/or different national identities or even positions within the MNC organization; and fourthly, the empirical claims about the organizational identity of employees do not uniformly correspond to the same, i.e. positive or negative, normative assessments of the employers.

The study suggests that the organizational member accounts of MNCs constitute an important source of empirical material in efforts to ascertain the nature of the multinational organization and need to be more systematically incorporated into inquiry in this area, instead of the widespread reliance on limited number of organizational informants whose claims are taken as objective indicators of organizational realities. The multi- and fluidity of the ways in which MNC employees perceive, understand and portray the organization identity of their employers pose a challenge not only to thinking about national identities in transnational social spaces and how these national identities are constructed but also to efforts to define and hence promote a ‘global mindset’ amongst the management ranks of MNCs.

Perceived homophily climate in an environment of violent ethnic conflict: assessing the impact of workgroup ethnic diversity, quality of work relationships and employee sensitivity to ethnic conflict

Hyon-Jung Lee, Carol Read, London School of Economics, London, 1, 2

Creating an inclusive and positive diversity climate is one of the main challenges faced by 21st century organizations, whether they operate domestically or globally. As organizations are considered to be reflections of their societal context, we investigated the relationship between employee perceptions of the external interethnic environment and the internal homophily climate of the workplace. Homophily is the principle that contact between people who are similar on given attributes such as race and ethnicity occurs at a higher rate than among dissimilar people. Our sample consists of 430 managers working in a range of industries in Sri Lanka, a country that experienced a longstanding civil war fuelled by ethnic tensions, hence the ethnic tensions have become part of life for their citizens. Given the societal context of ethnic tension, and the possibility that this context may be reflected inside the organization, we conceptualize perceived homophily climate to mean the atmosphere created in the workplace by possible employee preference to work with those who share the same ethnicity, religion, and cultural and social background.

Social identity theory, terror management theory, and the contact hypothesis form our theoretical lens for examining the relationships between our study variables. Our results show a strong positive relationship between employees’ sensitivity to violent ethnic conflict external to the firm and their perception of the homophily climate in the workplace. Further, in our examination of the intraorganizational antecedents of homophily climate, we found that the level of workgroup ethnic diversity is negatively related to the homophily climate in the workplace. We also found that the perceived quality of work relationships moderates the relationship between workgroup ethnic diversity and perceived homophily climate. Our study contributes to the international management literature by bringing the societal context of ethnic relations into the analysis of homophily climate in organizations, which heretofore revolved around intraintraorganizational factors as the main contributors to intercultural/homophily climate. Our analyses sought to fill this gap in the literature. As multinational enterprises increase in number, and their reach expands into areas of the world where ethnic tension is part of the operating environment, it behooves managers to understand the ethnocultural context and how it may play out in their organizations.
Foreign Subsidiaries as Sites of Self-Actualization for Career-Minded Japanese Women

Markus Pudelko, Helene Tenzer, Erik Varkey, Tübingen University, Tübingen, Germany

It is generally recognized that Japanese organizations are characterized by a high degree of culture-induced gender inequality. In contrast, subsidiaries of foreign multinationals have been found to offer "relief routes" for career-minded Japanese women, allowing them to escape the constraining environment of domestic organizations. Our in-depth interviews with 39 female Japanese professionals working for foreign subsidiaries indicated, rather unsurprisingly, that Japanese women who chose working for foreign employers in Japan did so deliberately in order to promote their career. Our interviewees particularly appreciated the challenging tasks, better career opportunities and more attractive salaries foreign employers offered them.

More interestingly, however, we found that their career choices were not motivated by professional concerns alone, but also by emotional factors. Our data suggests that career-minded Japanese women increasingly reject traditional Japanese gender roles and the discriminatory work environment of domestic organizations. In contrast, they thrive in the comparatively egalitarian work environment provided by foreign employers, as working for a foreign subsidiary signifies for them the pursuit of a more liberating foreign (i.e. Western) lifestyle. The high importance our interviewees ascribed to these affective motivations implies that management research needs to be more receptive to anthropological insights into the emotional side of work.

We furthermore found that the pursuit of a successful management career for a foreign employer puts Japanese women in some respects in the role of outsiders. While our interviewees to some degree regretted their marginalization in the tightly woven fabric of Japanese society, they also perceived themselves as a kind of social avant-garde, possibly setting new trends in Japanese working life and perhaps in Japanese society at large. Given their disadvantageous position in the traditional system and their resulting dissatisfaction, career-minded Japanese women they are most willing and prepared to act out their potential as change agents. Further research will need to monitor this beginning change process over time.

We argue that our specific findings from the Japanese context reveal and exemplify a more general mechanism: if societal constraints (such as the Japanese cultural context) are so tight that an employment system is not amenable to reform even when met by dissatisfaction of a larger group (such as Japanese women), external pressures (such as foreign employers offering more egalitarian working conditions) might open loopholes in the cultural and institutional system that allow the dissatisfied groups to escape their former constraints. Once such loopholes have been opened, they develop transformative potential and are unlikely to close again.

This concept has important implications for the choice of cultural and institutional theories in management research. If external pressures can open up loopholes in a system and ultimately lead to fundamental changes, the concepts of closed national cultures and institutional systems with clear-cut boundaries between them cannot be upheld. Instead, cross-national management research should identify the pressure points where outside influences might open up loopholes in order to anticipate possible changes.

Parallel session SD - Special Panel - New Multinational Enterprises From Emerging Economies

Chairs: Xiaohui Liu, Loughborough University, UK and Ling Liu, University of Edinburgh Business School, UK

The special session focuses on the determinants, strategies and outcomes of new multinational enterprises from emerging economies.

How do Dynamic Capabilities and Institutions Influence the Post-Internationalisation Performance of Chinese State-Owned Enterprises (SOEs)?

Lan Dang1, Huan Zou2, Lisen Tu3, Loughborough University, Loughborough, UK;1University of London, London, UK;2CITIC Securities Co., Ltd., Hong Kong, Hong Kong

“Learning at Home How to Invest Abroad”: Domestic Diversification, Top Management Teams and International Expansion of Firms from Emerging Markets

Xiaohui Liu1, Jiangyong Lu2, Igor Filatotchev3,4, Mike Wright4,5, Loughborough University, Loughborough, UK;5Peking University, Beijing, China;3City University London, London, UK;5Nottingham University Business School, Nottingham, UK

Using a unique dataset of Chinese listed firms, we examine the determinants of the internationalization strategies of firms in emerging markets from a knowledge based perspective. We report that the intensity and scope of internationalization are jointly determined by domestic industrial and geographic diversification, and top management team (TMT)’s knowledge embedded in political connections and international experiences. We also show that TMT’s previous international experiences strengthen whereas TMT’s prior political connections weaken, the impact of competitive advantages derived from domestic diversification on firms’ international diversification.

Keywords: Domestic Diversification; Top Management Team; FDI

Running Title: Domestic Diversification and OFDI

Direction of Outward FDI of EMNEs: Evidence from the Indian Pharmaceutical Sector

Sumon Bhamra1, Nigel Driffield, Aston University, Birmingham, UK

This paper seeks to add to the small but growing literature of emerging market MNEs. Using a two linked large firm level data bases, it seeks to explore the determinants of the direction of outward investment of Indian pharmaceutical companies, i.e., developed vs. developing country destinations. It specifically examines the impact of two firm-level characteristics that embody "non-OE" firm-specific capabilities of EMNEs. The finding of this study is that family firms (and business group affiliations) that were optimal responses to institutional and market failures, and hence are ubiquitous in emerging markets, are keen on investing in other developing countries but much less so in developed countries. However, international linkages not only facilitate overseas investment of EMNEs in general, they also help (partly) offset the disinclination of family firms to invest in the latter countries.

Keywords: Dynamic Capabilities; Institutional Factors; FDI

Top Executive Compensation, Subnational Institutions and Internationalization

Xiaohui Liu1, Jiangyong Lu2, Amon Chizema3, Loughborough University, Loughborough, UK;5Peking University, Beijing, China

This study considers and empirically examines the relationship between top executive pay and equity ownership and internationalization, taking variations in subnational institutions into account.

The Spillover Effects of Foreign-owned Exporters and Locally-owned Exporters: Evidence from Firm Level Data in China

Ting Zhao1, Ling Liu2, Zhejiang Gongshang University, Hangzhou, China;2University of Edinburgh, Edinburgh, UK

Using detailed cross-section data for 2007 and Heckman two-stage model; this paper examines the spillover effects of export firm's agglomeration. Export firms agglomeration positive spillover effect on indigenous firms exports is found, while the degree of spillover effects are different depending on either the difference
of industrial sectors or that of firm's ownership. Specifically, the spillover effect evoked by the agglomeration of locally-owned export firms is stronger than that of foreign-owned export firms; the spillover effect evoked by the agglomeration of export firms of same industry is stronger than that in different industry. Moreover, our empirical study confirms that spillover effects of different export firms' agglomeration are different in eastern, central and western regions in China. These findings underline the importance of Chinese locally-owned firms and their contribution to export performance.

Parallel session SE - Special Panel - Corporate and Social Responsibility in Developed and Emerging Market Contexts

Chair: Chung Hee Kim, University of Nottingham, Malaysia

There is a growing interest on how CSR and Corporate Governance practices are functions of their institutional contexts. Most of these institutionalist accounts, however, tend to adopt a macro (national level) approach, which appears to suggest some kind of organisational field homogeneity within national institutional contexts. This tends to under-emphasise possible heterogeneities within national institutional boundar ies, which have been picked up by a related literature on the significance of sectors in accounting for corporate actions. The latter literature is also gradually permeating and unsettling the core tenets and foundations of national business-systems and comparative capitalism, which are in orientation macro-centric. Scholars promoting the sector-based perspective argue that the significance of sectors in accounting for corporate actions.

Moreover, our empirical study confirms that spillover effects of different export firms' agglomeration are different in eastern, central and western regions in China. These findings underline the importance of Chinese locally-owned firms and their contribution to export performance.

Determining the Extent of the Responsibilities of MNCs in Human Rights Violations

Stephan Chen, Macquarie University, Sydney, Australia

The responsibility of MNCs to uphold and protect human rights has been heightened in recent years as evidenced by codes of conduct such as the UN Global Compact. This paper examines the concepts of "spheres of influence" and "complicity" in Human Rights violations introduced in the UN Global Compact. Drawing on research and theories of power and influence from the organization and management literature, the paper suggests alternative ways to assess influence and complicity in such cases. We agree with the UN Special Representative of the Secretary-General for Business and Human Rights, Professor John Ruggie, that the "sphere of influence" model of corporate social responsibility is inadequate and misleading in many cases. However, we believe that the concept is still useful in a revised form that takes into account the structure of the social exchanges in which firms are engaged and its position in social networks, including its relationships with states and other entities. These arguments are illustrated with reference to recent human rights cases involving MNCs.

CSR in Transition Economies: A Study of SMEs in the Bulgarian Wine Industry

Vasileva Stoyanova, Kenneth Amaeshi

University of Edinburgh, Edinburgh, UK

Given the dearth of literature on CSR in SMEs in emerging markets, especially in post-socialist countries in Eastern Europe, this paper explores the drivers and the current implementation of CSR in Bulgarian SMEs. Drawing from an in-depth qualitative case study of eight SMEs in the Bulgarian wine industry, we found that the SMEs specialize in particular aspects of CSR directed mainly towards 'output' (recipient) stakeholders such as the community, the environment and the workforce. Analyses of the drivers of these CSR practices reveal that they were mostly due to both extra-organizational level factors such as pressures from 'input' (donor) stakeholders such as customers and suppliers, and individual level factors such as managers' individual characteristics (manager's education, previous experience and background). The study contributes to the meager literature on CSR in transition economies.

Key words: corporate social responsibility, post-socialist country, Bulgaria, CEOs, small and medium sized companies, wine industry

Making Sense of Global and Local Pressures on Corporate Social Responsibility Across Institutional Contexts

Chung Hee Kim1, Kenneth Amaeshi2, Simon Harris3

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This paper examines how and to what extent corporate social responsibility (CSR) is perceived, espoused and enacted in different institutional contexts. Drawing on comparative institutional theory and examples of the UK and Korean contexts, we found that CSR is perceived, espoused and enacted in both institutional contexts is not solely a function of a single dominant institutional factor such as regulations, norms and cultures, as assumed in the extant literature. They mainly arise from the complex interactions of the institutional configurations of each of the two countries in our study. We discuss the wider research implications of these results for comparative CSR scholarship.
Parallel session 5F - Location in Emerging Markets
Chair: Denice Welch, Melbourne Business School, Australia
Subsidiary Ambidexterity: A New Lens Through Which Subsidiary Bargaining Power can be Examined?

Marty Reilly, Pamela Sharkey Scott, Dublin Institute of Technology, Dublin, Ireland

The ability of an organisation to adapt and evolve in accordance with external change is frequently cited as a path to sustainability and longevity of operations. The manner in which change in organisation and adaptation manifests itself within an organisation continues to prompt research across a wide and varying array of disciplines. Of particular interest in terms of organisational change is capability development as a vehicle for transformation. If real transformation is to occur the organisation must go beyond incremental change in extending and modifying the ways in which it operates (Doh et al. 2007). Capability development as a driver for organisational transformation therefore recognises the importance of the modification and adaption of a resource base in accordance with external change.

The emerging dynamic capabilities perspective argues that in turbulent environments it is the adaption and modification of capabilities which fuels competitive advantage (Teece, 2007; Teece and Pisano, 1998; Teece, Pisano and Shuen, 1997). Indeed it is widely argued that what differentiates one organisation from another is largely determined by their resources and how they implement and utilize them (Wernerfelt, 1984; Barney, 1991, 1995; Peteraf, 1993). It is now emerging, however, that to meet the exacerbating challenges of fast moving, globally competitive markets, organisations need unique and difficult to replicate dynamic capabilities. This progression in theory aims to overcome the static nature of the resource based view (Mahoney and Pandian, 1992; Pool and Butler, 2001) and addresses the causal questions of how organisations can ‘continuously create, extend, upgrade, protect and keep relevant the enterprise’s unique asset base’ (Teece 2007, p. 1319).

This paper argues that whilst the dynamic capabilities perspective is useful and congruous to change it falls short when applied to subsidiary theory; limiting its applicability to theory and practice in this domain. The subsidiary context is a complex one; characterised by the need for alignment with headquarter driven objectives on one hand, and the need for responsiveness on the other (Scott, Gibbons and Coughlan, 2010) The scope for subsidiary adaption is largely contingent upon headquarter approval and controls in which case subsidiary management may affectively find their hands tied in pursuing adaptive strategies. The agency problem therefore raises some serious concerns over the applicability of the dynamic capability perspective in a subsidiary context. Juggling the competing goals of alignment and adaption reflects a real challenge for subsidiary management. The dynamic capabilities framework fulfils only the responsiveness dimension essentially ignoring crucial aspects of alignment.

This paper looking at the other side of the coin in examining how mechanisms which allow for greater alignment can impact upon the subsidiaries capacity to be adaptive. It is argued that the subsidiaries capacity to gain access to resources and leverage their position will be largely contingent upon the space they occupy within the MNC network. This dual structure of alignment and adaption, and the combinative approach taken in this paper, has been referred to as ambidexterity (Duncan, 1976; Gibson and Birkinshaw, 2004).

Supported by a series of semi structured interviews with subsidiary management the approach taken is in accordance with a recognised need for greater qualitative research into dynamic capabilities and in particular the subtleties of resource creation and regeneration (Ambrosini and Bowman, 2009). A dual structure of alignment and adaption is advanced as reflecting what has been referred to as a higher order capability (Hoffat et al. 2007) and which is particularly relevant in a subsidiary context. Finally the scope of capability development as a subsidiary differential and as a valid driver of subsidiary bargaining power is discussed and suggested as a viable avenue for future research.

Gaining Influence on Headquarter Decisions in the Networked MNC

Volkner Mahnte, Copenhagen Business School, Copenhagen, Denmark

In networked MNCs where knowledge and power is distributed, corporate strategy processes benefit from mobilizing regional influence. Based on a review of regional headquarters in Europe and their relations to MNC headquarters, this empirical paper builds theory and empirically investigates antecedents to regional influence on corporate decisions (e.g. organizational, behavioural, motivational).

We also show how entrepreneurial and administrative charters of regional headquarters moderate such bottom-up influence. Conclusions follow on the design of corporate strategy processes in the contemporary MNC.

Distance and MNC Strategic Decisions

Takib Hafi, Gwyneth Edwards, Mehdi Farashahi, Rick Mac, 1 John Molton School of Business, Concordia University, Montreal, Quebec, Canada, 2HEC, University of Montreal, Montreal, Quebec, Canada, 1Dublin, Ireland

Developing and emerging economies play an increasingly important role in the global economy. These nations are not only attracting foreign investment but also establishing their own corporations that are doing business abroad. Expanding operations into developing and emerging countries is a strategy that all firms must consider, either now or in the future. The challenge for these firms is in making the types of strategic decisions that will lead to positive performance. Multinational corporations (MNCs) must decide upon the ownership structure of their subsidiaries, the location of their subsidiaries, and the degree to which each subsidiary internalizes operations. With the right mix of strategic decisions, firms may achieve positive performance. With the wrong mix, they may fail.

This research paper investigates the variables that influence these strategic decisions. We argue that key variables include not only distance between country institutional environments (i.e. institutional distance) as previous research suggests, but also a firm's strategic distance (i.e., the location, quantity and repasan of current resources). We also argue that structural distance between the firm's headquarters and its subsidiaries moderates this relationship, conceptualized by the way in which the corporation is organized (i.e. international, global, transnational or multinational).

Building upon previous research, this program extends the argument that distance between country institutional environments influences MNC internalization strategies and behaviour. We argue that in order to understand why same-parent country MNCs operating in the same host countries have varying levels of performance, organizational level factors such as the MNC's pattern of strategic decisions and the MNCs organizational structure must be incorporated into the analysis.

In Search of Theory: Towards an Integrating Conceptual Framework for Subsidiary Research

Donal O'Brien, Pamela Sharkey Scott, Pat Gibbons, Dublin Institute of Technology, Dublin, Ireland

Despite the importance of the strategic choices taken by subsidiary managers to the long terms survival of their unit, little is known about the phenomenon. (Dobrevska and Gappert, 2009; Scott, Gibbons, & Coughlan, 2010). This paper analyses and synthesises the research streams on subsidiary management to date to provide critical conceptual insights and proposes a new theoretical approach to subsidiary analysis, applied to the critical routine of subsidiary strategy.

The adoption of more global business structures by MNEs has led to additional strategic constraints on subsidiary managers (Buckley, 2009, Buckley & Ghauri, 2005, Williams, 2009), there is an absence of guidance on how subsidiary managers develop strategies to achieve these options, and improving performance (Subramaniam & Watson, 2006) and influencing the strategic direction of the MNE as a whole (Andersson, Byström, & Forsgren, 2005). This lack of strategic constraints on how subsidiary managers make decisions is critical as it enables to achieve these options, and influence strategy from below (Andersson, Forsgren, & Holm, 2007). Our review of the empirical and theoretical research on subsidiary management identifies how the tensions between the headquarters perspective and the subsidiary perspective have exerted influence in the application of inappropiate conceptual frameworks. Platforming from the four primary theoretical approaches applied to date, and combining critical tenets of both the resource based and transaction cost approaches, we develop a conceptual framework which overcomes prior theoretical limitations and offers a new perspective of subsidiary to apply to the subsidiary unit of analysis.

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Repositioning International Staff Transfers as Strategy-In-Action

Dane Welch 1, Adam Steen 2, Melbourne Business School, Melbourne, Australia; Australian Catholic University, Melbourne, Australia

Deploying people internationally is an integral part of global business. Yet, decades after the seminal work by Edström and Galbraith (1977), there has been little interest in going beyond their identified reasons for using international staff transfers to determine what staff transfers actually deliver; that is, their strategic efficacy.

In this paper, we present an argument for taking a strategic approach to gain fresh insights into an enduring international management reality. Using the concepts of strategy-in-action and strategic learning, we examine the outcomes of deliberate intentions related to international staff transfers and identify a range of outcomes that present learning opportunities: learning from failure, failure to learn, learning opportunities overlooked, and awareness as part of strategic learning. The consequences of these outcomes are also addressed: hidden underperformance and its converse, under-recognized, under-utilized resources; and unacknowledged sources.

Possible reasons for the seeming disinterest in what assignments can deliver are then discussed, along with some suggested implications for future research.

Parallel session SG - SME Internationalisation: Learning and Strategy

Chair: Eriikka Paavilainen-Mäntymäki Turku School of Economics, Finland

The Type and Number Resources and the Performance of Early Internationalization Korean SMEs?

Taekyung Park 1, Frank McDonald 2, University of Bradford, Bradford, UK; Youngnam University, Gyeongsangbuk, Republic of Korea

This paper investigates the type and number of resources that affect performance in foreign markets and competencies to engage in international business activities. Most of the resources considered are clearly identified in the literature, for example, network relationships, the international business experience of managers and the education level of CEOs. However, number or volume type factors such as number of networks and number of employees devoted to international business activities has not been explicitly embraced in most previous studies. By using quadratic regression analysis the paper consider if u-shaped relationships exist between the volume or number variables and the outcomes. Using a survey of early internationalizing SMEs in Korea the paper finds that the international business experience of managers, the number of networks and number of employee devoted to international business activities are significantly related to performance outcomes and to competencies to engage in foreign markets. Most of the other variables considered are found to be not significant, or only significant in a few cases.

SME Internationalization to Emerging Economies: Institutional Pressures and the Impacts of Market Knowledge from Strategic Suppliers

Markku Heiskanen, Ahmad Arslan, University of Vaasa, Vaasa, Finland

The role of market knowledge has been recognised as a cornerstone for internationalising firms in literature. While some researchers have found (SMEs) to internationalise gradually due resource limitations and the lack of host country knowledge, others have found them being capable of pursuing international operations from their inception especially if gaining useful market knowledge from the external knowledge resources. However, whilst addressing the role of market knowledge in firm’s internationalisation, the role of inward operations and strategic suppliers has not been studied in detail in past studies. This paper is one of the first attempts to address the role of market knowledge from strategic suppliers in SMEs and to include the role of inward operations in the analysis.

Keywords: SME inward-outward internationalisation, institutional pressures, market knowledge, strategic suppliers, emerging economies.

New Adventures in Explaining Internationalisation: A Consideration of Usefulness of the Uppsala Process Model of Internationalisation in the Case of an Irish Born Global

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It is now almost twenty years since Rennie’s (1993) seminal contribution ‘Global competitiveness: born global’ pointed to anecdotal evidence of start-up companies becoming more active in international markets shortly after establishment. On the back of this contribution, an academic discourse on born globals has emerged which has yielded a rich stream of case evidence (McDougall, et al., 1994; Bell, et al., 2001; Johanson & Vahlne, 1977, 1990). So in spite of the considerable research undertaken on born globals, limited empirical evidence exists as to whether this phenomena is simply a quickening of the dominant process model of internationalisation or, as has been suggested by Rennie (1993) and Oviatt and McDougall (1994), and taken for granted by most researchers of the phenomenon, it represents a radically different process of internationalisation.

After a critical assessment of the born global literature, framed within the long standing research on the internationalisation process; this paper reports of a comprehensive qualitative case study from a rapidly internationalising Irish software start-up: Alpha Technologies. Since its foundation in 2002, over 90% of the firms sales have come from a diverse set of international markets.

This case allows for an in depth consideration as to whether born global firms represent a distinct type of organisation, and are thus worthy of research activity independent of the rich tradition on internationalisation. In doing so, it also usefully allows for a consideration as to whether there is anything to be salvaged from the traditional (and processual) discourse on internationalisation.

Commitment and Learning in the Internationalisation Process: A Comparative, Longitudinal Multiple-Case Study of SMEs in Australia and Finland

Eriikka Paavilainen-Mäntymäki 1, Catherine Welch 2, Neill Patagoda 3, Turku School of Economics, Turku, Finland; University of Sydney, Sydney, Australia

The international process of firms has occupied researchers for over four decades. The amount of research accumulated during that time is immense, covering several contexts, contents and processes. However, some central tenets of the seminal work by the Uppsala School have yet deserved little attention in the mainstream international business (IB) research. The focus of our paper is on ‘commitment’ and ‘learning’ in the internationalisation process, and particularly its definition and operationalisation for the study of the internationalisation process of small and medium-sized enterprises (SMEs).

The lack of adequate consideration of the construct of commitment has made, among others, the researchers focusing on born globals and international new ventures to criticise and question the applicability of the pioneering process models in the current context. The paper at hand aims to go beyond critiquing the existing process models and to concentrate on highlighting the forms of commitment that occur in SMEs during their internationalisation.
Our empirical research takes a more holistic approach to internationalisation and studies commitment from other perspectives than merely through institutional upgrades. In addition to this ‘how’ questions regarding the foreign operation mode choices, we are also addressing the questions of ‘when’ regarding the foreign market selection, ‘what’ regarding the type of foreign sales, and ‘why’ by reporting the insights the interviewees provided that explain the firm internationalisation process from the perspective of commitment and learning. Accordingly, the research question this study seeks to answer is: How do firms increase their commitment other than changing their institutional arrangements for servicing foreign markets?

The comparative, longitudinal multiple case study is based on four Australian SMEs and five Finnish SMEs that have experienced internationalisation since their establishment. Despite their different country of origin and the unique internationalisation process paths, the SMEs in the sample manifest several similarities in terms of ownership, industry, size and age, which enable us to conduct a comparative case analysis both within and cross cases.

The main results of our study concentrate on two resource commitment upgrades detected in the cases, namely sales object diversification and organisational capability building. The findings go beyond the establishment chain and the within-mode change discussion in the existing research, and provide a more holistic understanding about commitment and learning in the internationalisation process of SMEs.

Parallel session SH - Entrepreneurship Creativity and International Business

Chair: Heidi Kreppel, University of Erlangen-Nürnberg, Germany

Creativity in International Entrepreneurship

Tuija Mainela, Vesa Puhakka, University of Oulu, Department of International Business, Oulu, Finland, University of Oulu, Department of Management, Oulu, Finland

International entrepreneurship is primarily about development and enactment of international business opportunities at the intersection of entrepreneurial venture creation and international market creation. The present study approaches international entrepreneurship as social-cognitive processing of information in multicultural situations focused that create novelty in form of international business opportunities to the global marketplace. Through emphasis on role of creativity in international entrepreneurship, a creative process view of international entrepreneurship is advocated. It builds on the cognitive and social-psychological schools of creativity and cognitive, contextual and creation views on international business opportunities. As a result, we suggest three creativity threads as building blocks for a creative process view of international entrepreneurship. It connects creative processing of information, sense-giving through social activities and novel entrepreneurial initiatives in developing international business opportunities in international entrepreneurship.

The Role of State-Business Pragmatism to Encourage a New Form of Entrepreneurship

Oskar Kayasan, European Research Centre, University of London, London, UK

This paper extends theory on the role of identity construction in entrepreneurial processes by exploring the role interplay by regimes actors in the formation of new business. The intersection of two principles, the impact of regime action and the value of entrepreneurs has significant implication for entrepreneurship (.., regime-led). The intersection of two principles, the impact of regime action and the value of entrepreneurs has significant implication for entrepreneurship (.., regime-led). Regime and its agencies can play a significant role in supporting the emergence and success of entrepreneurial enterprises. The regime led business pragmatism has presented a new form of entrepreneurship which is identified as "regime-entrepreneurship". Regime entrepreneurship has rather complex business arrangements which are more evident in autocratic, developing countries. The interplay between the regimes and business require various forms of cooperation from entrepreneurs and other actors despite various conflicting interests. This presents the supplementary problem of ensuring that these actors do engage in collective action when both regime and entrepreneurs are acting in self-interest. We draw on complementary insights from entrepreneurship and regime theories to identify drivers of regime-entrepreneurs and develop an analytical framework. This paper has explored the significant problems with these businesses that are formed under the regime-business interlocking.

Core Values, Perceptions and Opportunity-Seizing among Local Entrepreneurs in Turkey-Canakkale

Murat Kasimoglu, Atul Mishra, Lynne Butler, Daba Cheowdhury, University of Plymouth, Plymouth, UK

This study examines the culture and perceptions of indigenous Turkish entrepreneurs in respect to their decision-making and how they seize business opportunities. It is the first step in a comparative research project that will be carried out in four European Union countries. The study explores in detail the entrepreneurship culture in the province of Canakkale, Turkey by means of interviews and ethnographic data. Although differences were observed in many respects, it is concluded that entrepreneurs were inclined to alter their normative values as a result of beingaffected by secularism in conducting business. In particular, this development was noticed among emerging new businesses with foreign partnerships. It was also observed that Turkish entrepreneurs were influenced by critical exogenous factors at certain points in time that have retained their effect on entrepreneurial values in attitudes and social dealings. Especially after the First World War, indigenous markets and entrepreneurial systems suffered a regression as a result of ethnic changes and the local market, which had substantial entrepreneurial experience up to this period, underwent a period of crisis until about 1945. Even today, this background retains its influence on the development of the market and Turkish entrepreneurial structure.

Brand Personality and Country-of-Origin Effects - A Comparative Analysis of Chinese and Indian Brands in Germany

Heidi Kreppel, University of Erlangen-Nürnberg, Nuremberg, Germany

The presence of Chinese and Indian brands in international markets has increased throughout the last years. One of their main challenges is to overcome the negative country-of-origin effects they face in many countries. Based on the brand personality scale of Aaker, this study analyzes the image of two laptop brands from China and India in Germany. A mail intercept survey among German consumers was conducted using a self-administered questionnaire which resulted in a total number of 654 respondents. Results reveal significant higher values for the Chinese brand in terms of competence and ruggedness. We show that the perceived personality of Chinese and Indian brands is influenced by demographic, biographic and psychographic factors.
Parallel session 6A - Special Panel - Catalysts for PhD Excellence and International Business Research Methods Training

Chair: Jeremy Clegg, University of Leeds, UK

This panel investigates how postgraduate researchers can increase the likelihood that their research will make an original, and perhaps important, contribution to their field. Premised upon the argument that doctoral research training (with good reason) focuses on procedural requirements, this panel asks "what can be done to generate and nurture the insights that can lead to original, thoroughly researched and potentially award-winning theses?". Case examples will be used to explore how those doctoral researchers who have received acclaim for their work have produced exemplary theses. Breakthrough events and points at which such significant insights were gained will be discussed, along with how these might be cultivated.

Catalysts for PhD Excellence and IB Research Methods Training (Discussion)

Jeremy Clegg1, Eva Alfoldi2, Olli Kuivalainen3, 1University of Leeds, Leeds, UK, 2Manchester Business School, Manchester, UK, 3Lappeenranta University of Technology, Lappeenranta, Finland

Parallel session 6B - Partnerships and Alliances

Chair: Huu Le Nguyen, Hanken School of Economics, Finland

Can International Marketing Strategic Alliances Add Value to the Firm? Short and in Long Term Analysis

Dasislava Budova1, Stoyan Stoyanov2, Ramapo College of New Jersey, Mahwah, USA, 2University of Edinburgh, Edinburgh, UK

Interim collaboration has been widely discussed and investigated in marketing literature (Kandemir, Yaprak, and Cavusgil 2006). With the current trend toward globalization more emphasis is placed on international strategic alliances as an alternative to exporting and other forms of foreign market entry.

We investigate specifically marketing strategic alliances that involve cooperation in downstream value chain activities such as distribution, sales, advertising, customer service, etc. Marketing activities are more likely to increase in importance and be viewed as a critical success factors when strategic alliances operate in competitive environment where differentiation is imperative and in markets undergoing rapid changes in product technology, competitor activities and consumer preferences (Varadarajan and Cunningham 1995). Thus, it is likely that in foreign markets marketing alliances will increase in importance and will be associated with better performance relatively to other types of alliances because of the increased complexity of the environment.

Therefore, when companies decide to enter new foreign market, forming partnerships will be evaluated positively, and specifically we predict that marketing alliance formed to operate in a foreign market will be perceived beneficial for the US companies. In other words, in efficient capital market, investors will recognize positive cash flows as a consequence of international marketing alliance and the stock price reaction to the announcement will be positive. We also believe that companies that participate in international strategic alliances that cooperate for the accomplishment of certain marketing activities are going to experience positive value creation only in the short term. After entering the foreign market and gaining some knowledge and familiarity with the local environment, companies do not need long term interfirm collaboration in marketing activities because they already achieved an increased access to local consumers, enhanced experience and knowledge about the environment, and can ensure consistent customer satisfaction and retention on their own. Therefore, investors will evaluate international marketing strategic alliances positively only for a short period after their original announcement.

We use an event study methodology to investigate the impact on the stock market evaluation of the U.S. partner in response to the announcement of forming international marketing strategic alliance. According to the efficient market hypothesis, information is readily available to the investors and is always reflected in current stock prices. If investors interpret given announcement as a positive signal, their response will be positive and the returns on the company's stock will be positive. The measure of alliance success in event studies is determined on the basis of incremental value created as a consequence of the announcement and measured through abnormal stock market returns generated around the time of the announcement (Kale, Dyer, and Singh 2002; Swaminathan and Moorman 2009).

These abnormal returns reflect the daily, unexpected fluctuations in stock prices for each firm in the sample during the event period (in our case the days surrounding the announcement of the alliance).

Our results show that companies that form such alliances experience significant and positive abnormal returns. Using a matched sample, however, we also demonstrate that the firms in our sample experience positive abnormal returns for holding periods of up to one year.

Control in Cross-Border Acquisitions - The Role of M&A Teams and the Integration Manager in Cross-Border Acquisitions

Mariano Ruukko, Turku School of Economics, University of Turku, Turku, Finland

It has been argued that poor monitoring and post-integration management may explain why companies have difficulties in fulfilling their acquisition objectives (Vay & Gates 2007; Very 2004). Prior research has argued that control mechanisms, both formal and informal, are at the heart of the relationship between the acquirer and the acquired firm (Calori, Lubatkin & Very 1994, 362). However, control has received little attention in M&A research (e.g., Calori et al. 1994; Lees 2003; Biljana-Frankena 2004; Vuoremmala 2006). The main purpose of this research is to analyse how M&A teams and integration managers in cross-border acquisitions are responsible for the initial design and the integration manager. 1. How to design M&As from a control perspective? 2. What is the role of M&A teams and integration managers in the cross-border M&A control design? In order to obtain richer data on the M&A practices in different companies, the researchers interviewed altogether 14 persons in 12 companies from different industries. The results imply that while M&A teams have an important role regarding M&A process control, integration managers are crucial regarding acquirer and acquired company relationship.

Middle Managers as Opportunity Seekers in International Partnerships: A Process Approach

Konstantinos Tsanis, Simon Harris, University of Edinburgh, Edinburgh, UK

We use a strategy process lens to examine the roles of middle managers in firm partnerships. Focusing on companies operating in high velocity environments, we suggest that they have a role which has been attributed historically to the top management: They are the people who identify opportunities for different forms of partnerships, who are then evaluated from the top management. Such a role, to the extent of our knowledge, has been ignored in the existing literature.

The Impact of Partner and Unit Characteristics on Determinants of Conflict Management Strategies in International Joint Ventures

Huu Le Nguyen1, Jorma Larimo1, 1Hanken School of Economics, Vaasa, Finland, 2University of Vaasa, Vaasa, Finland

International joint ventures (IJVs) are common modes to enter foreign markets. However, previous research also shows that a high proportion of IJVs are later divested or at least do not reach targets set for them. Researchers have pointed out that the failures of these IJVs are due to the conflicts between partners caused by their differences in motives and national cultures. This paper examines the influence on their conflict management strategy of partner characteristics such as the UV ownership structure, national cultural background, cultural distance, international experience of the partners, and unit characteristics such as the importance of the UV for the partner, length of UV partner relationship and performance of the UV. Extending from previous studies, this study shows how different influencing factors lead to the choices of conflict management strategies by foreign parent firms.

Keywords: International joint venture, culture, ownership control, relationship, performance, conflict management strategy.
A Study of Employees' Perceived Performance Appraisal Accuracy in Chinese State-Owned Enterprises

Chi-Yu Amy Huang, Fu-Yuan Cheng, Pin Liu, National Chianghua University of Education, Chianghua, Taiwan, Shou University, Kaohsiung, Taiwan, Tokyo University, Chiai, Taiwan

This paper presents a study that investigates the factors associated with employees' perceived appraisal accuracy. Performance appraisal (PA), whereby a manager or HR professional appraises the work performance of subordinates, is one of the main managerial tools (Longenecker & Goff, 1992). It is believed that PA contributes to organizational targets through determining, praising and punishing effective and ineffective performance, thereby providing the organization, together with the employees, with a plethora of benefits (Coens & Jenkins, 2000). Most of the research on PA, however, has focused on appraiser and instrument reliability and validity (Cook & Crossman, 2004); only limited research has looked at the views of the employees who are the subjects of PA. It is argued that the more accurately the employees' perceptions of a PA system, the greater the commitment the employees are willing to make to the organization (Organ, 1990). Perceived appraisal accuracy has been shown to influence employees' behavior and performance and, in turn, organizational performance (see e.g. Forsyth, 1980; Lawler, 1981; Yammarino & Aiken, 1993).

The objective of this study is to explore the factors associated with employees' perceived accuracy of PA systems in the context of Chinese state-owned enterprises (SOEs). Understanding the factors affecting employees' perceptions of appraisal accuracy is crucial to successful PA systems for two main reasons: first, the organizational justice theory suggests that employees will be motivated when they perceive their PAs as accurate and fair (Adams, 1963; Thuston & McAll, 2010); second, PA outcomes can significantly influence employees' behavior and attitude towards their work and their organizations (Vest, Scott &
Departing from this theoretical discussion, our research question focuses on specific OTE in developed host country, namely high velocity environments (HVE), operating. There are a number of merits of assessing FDI spillovers in HVE. Firstly, HVE adds a comparative perspective to country case studies of FDI spillovers. The OTE should be anchored to the literature of FDI spillovers. Secondly, HVE contributes to the evolutionary perspective of FDI spillovers. As technology convergence progresses, the nature of OTE can determine whether the difference between developed and developing host country lies in differences in OTE or more specifically, the extent to which local firms operate in HVE.

The purpose of this paper is to investigate the servitization of Taiwanese manufacturing firms from a network perspective. "Servitization" refers to how manufacturing firms enhance their competitiveness by inserting value-creating services into the product or the production process. Viewed from a network perspective, a manufacturer could strengthen its offering via added-value services through connections to value-creating activities, resources or links with actors in their business network. A review of the literature revealed that manufacturers need to provide added-value services to integrate and strengthen their core capabilities and provide greater value to their customers. The research was conducted using a mixed methods approach. The mixed methods approach involved the use of both quantitative and qualitative data collection methods. The quantitative data were collected through a survey of 194 Chinese employees while the qualitative data was collected through interviews with 8 respondents.

The boundaries of the firm are being challenged and redefined. The latest development of the Internet, often referred to as Web 2.0, creates new opportunities for knowledge diffusion, collaborative problem solving, and innovation through user-driven communities. Theories on user innovation thus suggest bringing external sources closer to the firm’s value creation activities. From the perspective of the knowledge-based view of the firm, the other hand, knowledge creates value to the firm when it is transferred within the boundaries of the firm. This paper focuses on the tension between value creation occurring within the firm boundaries and the activities conducted by communities. Addressing the double-edged sword of knowledge where companies can instigate ‘easy-to-transfer’ knowledge, this paper suggests that openness does not imply knowledge leak. Through the engagement with an open source software company, eZ System, the findings suggest new hybrid organizational models where the firm’s employees collaborate closely with the external community members in order to create value for the firm. The collaboration is based upon voluntary engagement from both sides, which raises the question of why the external participants engage in the community.

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This paper examines the impacts of founder's characteristics and organisational structures of insider and outsider CEO succession in the UK IPO firms. Unlike much previous work on the selection of insiders versus outsiders that examines CEO change conditional on succession having occurred (Boeker and Karichalil 2002), this study focuses on the choice of successor ex ante and investigates the importance of founder characteristics by clearly identifying the starting point of the succession event.

Initial public offering is a good start point for a CEO succession study. IPO is the first sale of stock by a private company to the public. IPOs are often issued by smaller-younger companies seeking additional capital to expand. In an IPO, the issuer, with the assistance from an underwriting firm, determines what type of security to issue, the offer price and the time to bring it to market. When a company's founder decides to raise capital by issuing stock, the company undergoes a major corporate restructuring arranged by the underwriters, lawyers and auditors. Examination and evaluation of the firm by new potential stakeholders, investors, and regulators often puts pressure on the firm to replace the founder with a professional CEO in order to increase a firm's legitimacy and reduce uncertainty in a highly competitive environment. Therefore, IPO is an appropriate starting point to study CEO succession and the structure of corporate leadership.

This paper contributes both to the theoretical literature on corporate governance and its empirical research on CEO succession and selection. The theoretical contribution focuses on the consequences of the founder's formal and informal rules in structuring organisational leadership at the strategically important stage of a company. The empirical study examines the impact of founder characteristics and organisational structures of insider and outsider CEO succession in the UK IPO firms. Unlike much previous work on the selection of insiders versus outsiders that examines CEO change conditional on succession having occurred (Boeker and Karichalil 2002), this study focuses on the choice of successor ex ante and investigates the importance of founder characteristics by clearly identifying the starting point of the succession event.

The data was handpicked from firm's IPO prospectuses which are available on Thompson one banker website. Since the dependent variable is binary, the authors applied the logit test to examine the relationship between founder's characteristics and founder CEO succession choice. The findings indicated that a company's leadership structure is not an exogenous factor. The choice of founder-CEO vs. professional CEO is closely related to experience and ownership of the organisational founder.

The Contrasting Effects of Board Composition and Structure on IPO Firm Underpricing in a Developing African Context

Bruce Hearn, University of Leicester, Leicester, UK

This study investigates the impact of board governance features and the presence of foreign, OECD and indigenous high society directors on levels of underpricing in Sub-Saharan African (SSA), excluding South Africa, firms. Using a unique and comprehensive dataset of 62 Initial Public Offerings (IPOs) from across SSA we find evidence that foreign and OECD directors decreases underpricing while increased presence of indigenous high society directors has mitigates underpricing. Equally in line with the extended network and relationships involved in family firms business angels provide the optimal form of governance in contrast to the more formal private equity and venture capital industry.

The Performance and the Effects of Family Control in North African IPOs

Bruce Hearn, University of Leicester, Leicester, UK

This paper examines the performance effects of family ownership and influence on board structure and its composition in firms that have recently undergone an initial public offering (IPO) in the North African region. Using a unique and comprehensive hand-collected sample of 63 locally listed IPO firms from across North Africa we find considerable evidence of a sizeable differential between family and non-family controlled firms. I find considerable evidence supporting increased participation of family members at board level while contrastingly the wider dispersion of family ownership facilitates monitoring and surveillance and mitigates underpricing. Equally in line with the extended network and relationships involved in family firms business angels provide the optimal form of governance in contrast to the more formal private equity and venture capital industry.
Advances have facilitated other changes, with perhaps the most significant being the use of mobile technologies to deliver telecommunications services. The positive relationship between mobile handsets and economic growth. Although the nature of this relationship has been questioned, a considerable body of evidence has emerged that highlights the socio-economic benefits to be derived from the widespread use of mobile handsets. However, for these benefits to be achieved it is necessary for an efficient market structure to emerge in Africa. An efficient structure will facilitate investment for the resolution of a long-standing tax dispute. A second challenge relates to the resources required to engage in M&A activity. Although the acquiring companies are well resourced, their financial resources have been stretched by a combination of the size of the deals and the desire of managers to achieve their ambitious strategies. The rapid pace at which companies like Bharti and MTN have grown has also stretched their managerial reserves, throwing into question their ability to integrate and then develop the domestic and foreign direct investors of are thus also sectorally disaggregated providing some additional insights. All determinants and policy areas appear highly ranked. The top economic determinants for both groups of investors across all sectors are: infrastructure, openness, incentives, and growth; whereas the top institutional ones: transparency, stability, and rule of law. The importance of these determinants is also reflected in the policy areas (viz. infrastructure, labour recruitment, FDI attraction information diffusion, education and training) ranked at the top by both groups of investors across all sectors. The high rankings of policy-related factors are encouraging to further policy developments. However, the paper also finds domestic investors reporting higher rankings than their foreign counterparts for several determinants and policy areas. This suggests that some particular attention needs to be paid to the development of their competences. As domestic investors appear to be determined to a larger extent, in comparison to foreign investors, by economic and institutional factors outside their control. Further implications of the findings: e.g., for policies fostering self-sustaining private sector dynamics and sector-specific policy developments are discussed. Areas of further research are delineated that make use of sector-specific focus groups constituted by participants from the public institutions, which were reported as making a difference to either or both groups of investors.

Parallel session 6F - Foreign Direct Investment in Emerging Economies
Chair: Roger Strange, University of Sussex, UK
European Integration and Ownership of Companies in European Transition Economies. A Research Report.
Miglena Naydenova-Bocheva, Michael Lempanski, Barbara Stöttinger, MU Vienna, Vienna, Austria
This research report presents preliminary findings from a large scale international project on the ownership of companies in six European transition economies: Bulgaria, Czech Republic, Poland, Romania, Russia, and Ukraine. Results show that progressing European integration efforts in most of the countries did not significantly affect the ownership structure of largest companies in the region, and is spite of long-standing calls for and various attempts to privatization of state-owned companies, state ownership is substantial in largest companies. Further, in some countries, although legal ownership is dispersed throughout a network of international legal entities, ultimate ownership can be traced to a small group of individuals and their families who control major parts of the national economy. In addition we share experience-based insights on data mining and secondary data collection in Central and Eastern Europe, and shed light on issues of availability, quality, and reliability of data, as well as usefulness of various data sources on companies in transition economies.

Domestic and Foreign Direct Investors in Oman: Economic, Institutional, and Policy Patterns
Ahmed Al Maiman, Dimitrios Tsagdis, Ministry of Commerce and Industry, Muscat, Oman; University of Hull Business School, Centre for Regional and International Business, Scarborough, UK
When it comes to reforming FDI policy and the associated public-sector institutions in a particular developing country, so to better serve both domestic and foreign direct investors, the literature seems to present some gaps. This paper, part of an on-going applied research programme, attempts a first step in filling some of those gaps in the case of Oman. To that effect, the importance of FDI economic and institutional determinants are explored, along with the relevance of a range of policy areas for a quota sample of 15 domestic and 15 foreign direct investors in Oman using face-to-face semi structured interviews. The interviewees are evenly spread across the five key sectors (viz. agriculture and fisheries; building and construction; manufacturing; mining and quarrying; trade and tourism) identified in the Oman Vision 2020 document, which set the 25 year strategy for the diversification of the economy. The reported patterns for both domestic and foreign direct investors of are thus also sectorally disaggregated providing some additional insights. All determinants and policy areas appear highly ranked. The top economic determinants for both groups of investors across all sectors are: infrastructure, openness, incentives, and growth; whereas the top institutional ones: transparency, stability, and rule of law. The importance of these determinants is also reflected in the policy areas (viz. infrastructure, labour recruitment, FDI attraction information diffusion, education and training) ranked at the top by both groups of investors across all sectors. The high rankings of policy-related factors are encouraging to further policy developments. However, the paper also finds domestic investors reporting higher rankings than their foreign counterparts for several determinants and policy areas. This suggests that some particular attention needs to be paid to the development of their competences. As domestic investors appear to be determined to a larger extent, in comparison to foreign investors, by economic and institutional factors outside their control. Further implications of the findings: e.g., for policies fostering self-sustaining private sector dynamics and sector-specific policy developments are discussed. Areas of further research are delineated that make use of sector-specific focus groups constituted by participants from the public institutions, which were reported as making a difference to either or both groups of investors.

The Restructuring of African Mobile Telecommunications: Towards a Sustainable Structure?
Peter Cunwin, Jason Whalley, University of Shathclyde, Glasgow, UK
Recent years have witnessed considerable changes in the structure of mobile telecommunication markets. National mobile telecommunication operators have emerged in the United States, and regional ones in Latin America and Europe. These developments have overshadowed the substantial change that has occurred in Africa. Not only have operators begun to expand across the continent, but non-African operators have also been attracted by its significant potential. This paper sets out to explain how these operators have attempted to expand across Africa, and questions whether the mergers and acquisitions that have been undertaken will prove to be any more stable than in the past.

To this end, the paper begins by recounting the main changes that the telecommunications industry has experienced in recent years. Liberalisation and privatisation have been widely adopted, enabling some operators to internationalise and others to create regional footprints for themselves. Technological advances have facilitated other changes, with perhaps the most significant being the use of mobile technologies to deliver telecommunications services. The rapid growth in the use of mobile technologies, coupled with the limited coverage provided by fixed-line infrastructure in many emerging markets, has resulted in mobile communications being the main way through which individuals and businesses communicate. It is, therefore, unsurprising that research has found a positive relationship between mobile handsets and economic growth. Although the nature of this relationship has been questioned, a considerable body of evidence has emerged that highlights the socio-economic benefits to be derived from the widespread use of mobile handsets.

However, for these benefits to be achieved it is necessary for an efficient market structure to emerge in Africa. An efficient structure will facilitate investment and the development of innovative new services. With this in mind, the second main section of the paper focuses on the merger and acquisition (M&A) activity within the Africa that has occurred in recent years and which involves large operators such as Etisalat, MTN, OrangeCom and Zain. As these operators have sought to implement their strategies, a series of issues have emerged that highlight the challenges of investing in Africa. Some of these challenges originate from the nature of the telecommunications industry, while others are more general in character. Governments represent one challenge faced by operators. Referring the view that telecommunications is a strategic industry, the South African government sought to ensure that there was a significant South African dimension to the merge of MTN and Bharti. In contrast, the Algerian government used the proposed merger between Orascom and VimpelCom to press for the resolution of a long-standing tax dispute. A second challenge relates to the resources required to engage in M&A activity. Although the acquiring companies are well resourced, their financial resources have been stretched by a combination of the size of the deals and the desire of managers to achieve their ambitious strategies. The rapid pace at which companies like Bharti and MTN have grown has also stretched their managerial reserves, throwing into question their ability to integrate and then develop the companies that they have acquired.

The M&A described in this paper also draws attention to the role played by shareholders in shaping the strategy of operators. On some occasions shareholders have encouraged the international expansion of the operator, while on other occasions they have sought to limit, if not reverse, the expansion of the operator. The paper demonstrates the problems of maintaining shareholder support for strategies that are often costly and difficult to implement.

Foreign Direct Investment in China: a City Level Spatial Effects Model
Frederic Blanc-Brude, Grahame Cookson, Jenifer Pesse, Roger Strange, King’s College London, London, UK; Bournemouth University, Bournemouth, UK; University of Sussex, Brighton, UK; Infrastructure Economics Ltd, London, UK; University of Stellenbosch, Cape Town, South Africa
The determinants of FDI are well established in the international business literature and China only stands out because of the rapid growth in foreign investment since liberalisation. This paper re-examines these determinants but at the city rather than province level and finds results that are robust to the degree of disaggregation. However, while location is central to the FDI decision this is largely ignored in modelling. This paper takes account of these aspects of FDI and finds that spatial dependence is present in the data and a positive spillover effect between neighbouring cities is identified. This improves the previously biased regression coefficients in existing studies of FDI.
Parallel session 6G - SME Internationalisation: The Decision Process
Chair: Jim Love, University of Birmingham, UK

SMEs Internationalization and Organizational Implications: What Changes when a SME Internationalize the Production?
Igor Kalinic1, Cipriano Forza2 1University of Groningen, Groningen, Netherlands; 2University of Padova, Padova, Italy

In the last years, several Small-Medium Enterprises (SMEs) internationalized production in low cost countries where they were not previously present. By analyzing five-case firms from Italy, it emerges that these SMEs were forced to perform a relevant number of adaptations that deeply affected their organization. The present research provides empirical evidence that these adaptations, spread in time, implied changes across all organizational elements. This organizational change when described in terms of pace and scope results to be of a continuous radical type (Plowman et al., 2007). The results imply that although it is a complicated and painful process, manufacturing SMEs are potentially able to develop organizational capabilities that rise their global competitiveness.

Onamia Haten, Simon Harris, University of Edinburgh Business School, Edinburgh, Scotland, UK

Since Adam Smith helped understand the new market phenomena that replaced feudal ones, and Ricardo helped understand trade flows between nations, IB scholars have developed theories in response to new phenomena in need of explanation. This paper reviews that development over recent centuries before outlining the new phenomena of rapidly internationalizing MNEs that are developing from emerging markets. It then reviews and analyses the potential for a newly emerging body of theory - international entrepreneurship theory - to meet that void, and finds that it offers some valuable, but partial explanations.

From Microfoundations to Organisational-level Capabilities: An Integrated View on the Born Globals’ Accelerated Internationalisation
Quan Anh Nguyen, Gillian Sullivan Mort  La Trobe University, Melbourne, Victoria, Australia

For born global firms characterised by accelerated internationalisation, microfoundations play a significant but underexplored role in building organisational capabilities as the firms internationalise at or soon after its inception. In a relatively short period, the organisational capabilities are principally developed from the founding team’s microfoundational resources. A missing link exists when capabilities are transformed across different levels of the organisation. We present an integrated model in which microfoundations have been bridged with initial, enhanced dynamic and operational capabilities and the outcome of accelerated internationalisation. The transformation process is mediated by learning mechanism and the founding team’s sub-processes of enhancing dynamic capabilities.

Conclusion remarks, contributions and suggestions for future researches are also offered.

Decision-making and International Entrepreneurship: An Effectuation Theory Perspective
Igor Kalinic1, Cipriano Forza2 1University of Groningen, Groningen, Netherlands; 2University of Padova, Padova, Italy

This study analyzes the entrepreneurial decision process which guides the Small-Medium Enterprises’ internationalization of operations. By analyzing five case studies, we show that the internationalization process can be explained through Effectuation lens. We argue that when internationalization is pursued in the situation of high uncertainty, goal ambiguity, and environmental isotropy even experienced entrepreneurs of already existing organizations tend to adopt effectuation logic during the internationalization decision-making process, rather than causal one.

Export Propensity, Export Intensity and Firm Performance: The Role of the Entrepreneurial Founding Team
Panagiotis Ganotakis1, Jim Love1,2 1University of Birmingham, Birmingham, UK; 2University of Birmingham, Birmingham, UK

This paper investigates the effect that a number of entrepreneurial human capital characteristics have on the export propensity and intensity of new technology based firms (NTBFs), and the effect that those entrepreneurial characteristics and the firm’s export activity have on subsequent firm performance. Using a sample of UK NTBFs we find that while co-existence of technical education and commercial experience in the entrepreneurial founding team increases the probability of exporting, high levels of technical and business education have a significantly positive effect on export intensity. Commercial and managerial experience significantly enhance a firm’s subsequent productivity performance, and exporting in one period is associated with subsequent higher productivity.

Parallel session 6H - Culture and Praxis in the International Firm
Chair: Carmen Stoian, Kent Business School, UK

National Culture’s Consequences on Corporate Political Activity in the European Union
Andrew Baron, Strathclyde Business School, Glasgow, UK

This paper reports research into cross-national differences in corporate political action (CPA). Original data collected through an online survey, conducted between April and June 2010, of 132 Brussels-based Government Affairs Managers working for large Multinational Enterprises are analysed to ascertain the extent their political actions are influenced by the national business cultures in which they were socialised. Findings indicate that managers socialised in short-term oriented national cultures are more likely to enter into short-term, transactional relationships with policymakers, whilst managers socialised in long-term oriented national cultures will be more likely to engage in longer-term relationships with policymakers. It was also found that managers socialised in power-distance accepting national cultures are more likely to use information strategies, targeting specific information at specific policymakers. By contrast, managers socialised in power-distance rejecting national cultures are more likely to use more indirect constituency-building strategies, using broader public relations activities to target wider political audiences. Contrary to expectations, no link was found between respondents’ cultural preferences for acting autonomously or within a group, and whether they choose to engage in individual or collective political action. By considering the hitherto overlooked cultural dimensions of corporate political action, the paper argues that existing CPA literature paints an incomplete picture of the factors determining managers’ political objectives and strategies.
Divided We Stand: Cultural Differences within Europe and their Impact on International Collaborative Arrangements

Jeanette Hexter, Carmen Stiian, Paul Phillips, Kent Business School, Canterbury, UK

The aim of this paper is to investigate how cultural differences within Europe affect the success of international collaborative arrangements (ICA). We use a mixed-methodology to analyse the results of a questionnaire-based survey with managers of companies engaged in international collaborative arrangements in the European telecommunications industry.

We find that cultural differences within Europe are significant and can affect the success of ICAs. In particular, we identify national pride as a main contributor to cultural differences within Europe that can affect cross-border collaborations. We also find that cultural differences can lead to ICA failure by increasing complexity but that, if managed properly, they can enhance the ICAs' competitive advantages.

Finally, we put forward recommendations for managers to best manage these cultural differences in order to ensure ICA success.
Minutes of Members Meeting
Academy of International Business
UK & Ireland Chapter
Minutes of Members Meeting
10 April 2010
Trinity College Dublin

1. Minutes of meeting 04 April 2009, Glasgow University
   The Minutes were accepted as true record.

2. Matters arising
   The Chair reported on the progress of the John Dunning Prize for Lifetime Achievement, which had been approved by the 2010 Members Meeting in Glasgow. The Chair reported that AIB had no objections of such Prize been awarded by the Chapter. The Chair will now speak to the widow of John Dunning to seek her approval and the Chapter’s Executive will devise a system for the award of the Prize. The Chair will report back to the Members at the Edinburgh meeting.

3. Chair’s Report
   The Chair reported the said loss of Jim Bell and commemorated his sterling contributions to the Chapter and his tireless ground work for the Chapter having evolved from the UK Chapter to the UK & Ireland Chapter. The Chair highlighted the highest regard Jim Bell was by his international business colleagues and the special event during this Conference to commemorate and celebrate the work and life of Jim Bell.

   Further to the Chair’s report of the 2009 Members Meeting, the Chair reported on progress of IB referees for the ESRC Review College. The Chapter had nominated a number of IB scholars, several of which have now been accepted to the ESRC Review College, in addition to those IB scholars which are already members of the ESRC Review Panel.

   With regard to the forthcoming REF, and calls for submissions for REF panel member nominations, the Chair reported, that in light of IB not having had a panel member in RAE 2008, the Chapter will submit a nomination, with the nominee to be agreed at the next Chapter Executive meeting. The Chair will report progress at the next Members Meeting.

   The Chair reported that the Standing Committee of the Learned Societies in Management and Business (SCRAM) has been dormant, mainly due to the change in leadership in BAM. However, the Chapter will seek understandings with other learned societies, such as the Academy of Marketing to rejuvenate SCRAM. The Chair will report back to the Members at the next Members Meeting.

   The Chair reported that a new AIB Chapter has been established, the AIB Middle East and North Africa (MENA) Chapter. The Chair warmly welcomed the representative of this Chapter, who has been attending the Dublin Conference.
The Chair congratulated Colm Kearney and Linda Soriton and their colleagues for organising an excellent conference.

4. Membership Report
The Membership Secretary reported that membership currently stands at 249. Although this is a slight decrease compared to last year, membership seems to stabilise around this level.

5. Treasurer’s Report
The Treasurer reported a continuing healthy balance and provided the Members with the summary account as per 07 April 2010.

6. Elections
Frank McDonald was unanimously re-elected as the Chapter’s Chair and Roger Strange was unanimously re-elected as the Chapter’s Treasurer.

7. Future Conferences
The 2011 Conference will be held at the University of Edinburgh and the 2012 Conference will be held at the University of Liverpool. Nigel Driffield proposed Ashton University to host the 2013 Conference.

8. A.O.B
Peter Buckley has been elected as Chairman of the European International Business Academy (EIBA) and he looks forward to talks with the Chapter about collaboration with EIBA.

9. Date of next meeting
At the annual conference at the University of Edinburgh.
Agenda for Members’ Meeting

Academy of International Business

UK & Ireland Chapter

Agenda for Members Meeting

Saturday, 16 April 2011

University of Edinburgh

1. Apologies and Welcome
2. Minutes of Meeting 10 April 2010, Trinity College Dublin
3. Matters arising
4. Chairman’s Report
5. Treasurer’s Report
6. Membership
7. Elections
8. Future Conferences
9. A.O.B.