

PhD Masterclass

Course syllabus

5-7 November 2018

**Theory of the MNE: Foundations of Global Corporate
Success by Alain Verbeke**

About the course instructor:

Alain Verbeke, Editor-in-Chief of the Journal of International Business Studies (*JIBS*), is a Professor of International Business Strategy and holds the McCaig Research Chair in Management at the Haskayne School of Business, University of Calgary:

<http://www.ucalgary.ca/verbeke/>

He is also the Inaugural Alan M. Rugman Memorial Fellow at the Henley Business School, University of Reading:

<http://www.henley.ac.uk/people/person/professor-alain-verbeke/>

Course Themes

- Theories of the MNE
- MNE Governance
- Location and the MNE
- The Management of a Federation
- Global versus Regional Strategies and Competitiveness
- Cooperative Arrangements in International Business
- MNEs and Environmental Strategy

Course objectives

- To provide a critical overview of influential international business strategy literature with a focus on both conceptual and practical managerial insights. This overview should help PhD students to gain a better understanding of the complexity and the challenges associated with managing a large multinational network.
- To prepare PhD students for a professional career, doing work in academia that is relevant to the practice of management, by focusing primarily on the dynamic components of international business strategy and the change processes associated with such strategy.
- To develop some practical skills, namely through preparing and making presentations, and being actively involved in class discussion.

Course overview

The course consists of ten formal sessions held over a period of two and a half days (block course format) as shown in the general course overview. During the formal sessions there will

be a mix of presentations by the instructor (this should cover approximately 70% of the time in class) and presentations by the participants, especially towards the end of the course.

Participants will be asked to make a 'pitch type' presentation of approximately 6 minutes, with just two slides (in addition to the slide with the title of the paper presented and its authors). The participation is voluntary unless students have chosen to obtain formal credits for participating in the module, in which case the presentation will count for 25% of the module grade.

Participants wishing to obtain formal credits should submit a 5,000 word (excluding appendices) original report, applying the conceptual framework developed in the International Business Strategy textbook to an international business research topic of their choice (thereby possibly also augmenting this framework). This report can take the form of: 1) a qualitative case study; 2) a critical reinterpretation/rethinking of either a well-known piece of research, or an official, publicly available study from organizations such as the OECD, UNCTAD, McKinsey, etc. or; 3) a quantitative, empirical analysis. The report should be written as if it were prepared for a journal submission (scholarly or practitioner oriented), and should be submitted to Turnitin in Blackboard Learn (instructions on assignment submission will be provided) up to **1 February 2019**. The assessment process will be completed within 3-4 weeks of submission. This paper will count for 75% of the module grade.

Each presentation, whether by the instructor or the participants will be followed by a class discussion. *Each class participant will also have the opportunity to 'pitch' his/her own PhD research and should prepare a 10 minute, 5 slide ppt. presentation for this purpose. The timing of these presentations will be decided at the beginning of the course, but will likely be on Wednesday afternoon, November 7th. Participation is voluntary.*

Course materials

The course builds upon a set of academic readings (**AR**) from the scholarly literature, as well as a high-level, practitioner-oriented textbook: A. Verbeke, *International Business Strategy: Rethinking the Foundations of Global Corporate Success*, Cambridge University Press, 2013 (**AV**). This book contains 17 chapters addressing all key aspects of managing MNEs (see table of contents).

The **AV** book will be provided to the participants by the course organizers, whereas the **AR** can be downloaded electronically by the participants or will be sent electronically by the course organizers.

Pre-class reading: The participants are requested to read:

Chapter 1 from AV, as well as AR 1a, 1b, 1c and 1d in advance of the class, so as to allow a high-level dialogue among participants from the outset of the class.

Contact with your instructor

Class participants requiring assistance are encouraged to speak to Dr. Verbeke during class. Should you wish to contact him before the course, or after the end of the course, please email him at averbeke@ucalgary.ca

Class schedule and topics

Time	Monday 5th November	Tuesday 6th November	Wednesday 7th November
9:00-10:45	Session 1: Class Organization AV Chapter 1 AR 1 a, b, c, d AR 2 a, b	Session 5: AV Chapters 11 and 12 AR 11 a, b AR 12	Session 9: AR 23 (CP) AR 24 (CP) AR 25 (CP) AR 26 (CP) AR 27 (CP)
10:45 – 11:00	Coffee/Tea break	Coffee/Tea break	Coffee/Tea break
11:00-12:30	Session 2: AV Chapters 2, 3, 4, 5 and 6 AR 2 a, b, c AR 3 a, b, c, d AR 4 AR 5 AR 6 AR 7	Session 6: AV Chapter 13 AR, 13 a, b	Session 10: AR 28 AR 29 AR 30 Conclusions PM: Presentations of PhD thesis outlines by class participants (voluntary)
12:30 – 13:30	LUNCH	LUNCH	LUNCH
13:30-15:15	Session 3: AV Chapters 7 and 8 AR 8 AR 9 AR 10	Session 7: AV Chapters 14 and 15 AR 14 AR 15 a, b	
15:15 – 15:30	Coffee/Tea break	Coffee/Tea break	
15:30-17.00	Session 4: AV Chapters 9 and 10 AR 11 AR 12	Session 8: AV Chapters 16a and 16b AR 16 a, b, c AR 17-22 (CP)	
	Evening Assignment	Evening Assignment	

Reading list

Course Textbook: International Business Strategy: Rethinking the Foundations of Global Corporate Success by Alain Verbeke

Table of contents

Introduction and overview of the book's framework

Part 1: Core concepts

1. Conceptual foundations of international business strategy
2. The critical role of firm-specific advantages
3. The nature of home country location advantages
4. The problem with host country location advantages
5. Combining firm-specific advantages and location advantages in an MNE network

Part 2: Functional issues

6. International innovation
7. International sourcing and production
8. International finance
9. International human resource management
10. International marketing

Part 3: Dynamics of global strategy

11. Entry mode dynamics 1: Foreign distributors
12. Entry mode dynamics 2: Strategic alliance partners
13. Entry mode dynamics 3: Merger partners
14. Role of emerging economies
15. Emerging economy MNEs
16. (a) International strategies of corporate social responsibility; (b) International strategies of environmental sustainability

ACADEMIC READINGS (AR) (CP: to be presented by class participants)

AR 1a: Narula, Rajneesh, and Alain Verbeke. "Making internalization theory good for practice: The essence of Alan Rugman's contributions to international business." *Journal of World Business* 50.4 (2015): 612-622.

AR 1b: Grøgaard, Birgitte, and Alain Verbeke, "Twenty key hypotheses that make internalization theory the general theory of international strategic management." Alain Verbeke and Hemant Merchant (eds.) *Handbook of research in international strategic management* (Elgar) (2012): 7-30.

AR 1c: Kano, Liena, and Alain Verbeke. "The three faces of bounded reliability: Alfred Chandler and the micro-foundations of management theory." *California Management Review* 58.1 (2015): 97-122.

AR 1d: Verbeke, Alain, and M. Zaman Forootan, "How good are multinationality–performance M-P empirical studies?" *Global Strategy Journal* 2.4 (2012): 332-344.

AR 2a: Rugman, Alan M., and Alain Verbeke, "A perspective on regional and global strategies of multinational enterprises." *Journal of International Business Studies* 35.1 (2004): 3-18.

AR 2b: Rugman, Alan M., and Alain Verbeke, "A new perspective on the regional and global strategies of multinational services firms." *Management International Review* 48.4 (2008): 397-411.

AR 2c: Verbeke, Alain, Regis Coeurderoy and Tanja Matt, "The content, context and consequences of globalization in IB research." Keynote presentation at the Asia Academy of Management, Kitakyushu (Japan), June 2017. (ppt).

AR 3a: Rugman, Alan M., and Alain Verbeke, "Foreign subsidiaries and multinational strategic management: an extension and correction of Porter's single diamond framework." *Management International Review* (1993): 71-84.

AR 3b: Rugman, Alan M., and Alain Verbeke, "How to operationalize Porter's diamond of international competitiveness." *The International Executive* 35.4 (1993): 283-299.

AR 3c: Rugman, Alan M., and Alain Verbeke, "Multinational enterprises and clusters: An organizing framework." *Governing Knowledge-Processes*. Gabler Verlag, 2003: 151-169.

AR 3d: Coeurderoy, Regis, and Alain Verbeke, "The unbalanced geography of the world's largest MNEs: Institutional quality and head office distribution across countries." *Global Strategy Journal*. 6.2 (2016): 127-148.

AR 4: Verbeke, Alain, and Wenlong Yuan. "The impact of 'distance' on multinational enterprise subsidiary capabilities: a value chain perspective." *Multinational Business Review* 24.2 (2016).

AR 5: Rugman, Alan M., and Alain Verbeke, "Subsidiary- specific advantages in multinational enterprises." *Strategic Management Journal* 22.3 (2001): 237-250.

AR 6: Rugman, Alan, Alain Verbeke, and Wenlong Yuan. "Re- conceptualizing Bartlett and Ghoshal's Classification of National Subsidiary Roles in the Multinational Enterprise." *Journal of Management Studies* 48.2 (2011): 253-277.

AR 7: Verbeke, Alain, and Thomas P. Kenworthy, "Multidivisional vs metanational governance of the multinational enterprise." *Journal of International Business Studies* 39.6 (2008): 940-956.

AR 8: Hillemann, Jenny, and Alain Verbeke, "Internalization Theory and the Governance of the Global Factory." *Multinational Enterprises, Markets and Institutional Diversity (Progress in International Business Research, Volume 9) Emerald Group Publishing Limited* 9 (2014): 27-48.

AR 9: Verbeke, Alain, and Wenlong Yuan, "Entrepreneurship in multinational enterprises: A Penrosean perspective." *Management International Review* 47.2 (2007): 241-258.

AR 10: Tung, Rosalie L., and Alain Verbeke, "Beyond Hofstede and GLOBE: Improving the quality of cross-cultural research." *Journal of International Business Studies* 41.8 (2010): 1259-1274.

AR 11a: Verbeke, Alain, Oleksiy Osiyevskyy, and Amin Zargarzadeh. "Internalization theory, entrepreneurship, and international new ventures." *Multinational Business Review* 22.3 (2014).

AR 11b: Hutzschenreuter, Thomas, Johannes C. Voll, and Alain Verbeke, "The impact of added cultural distance and cultural diversity on international expansion patterns: A Penrosean perspective." *Journal of Management Studies* 48.2 (2011): 305-329.

AR 12: Hillemann, Jenny, Alain Verbeke, and Won-Yong Oh, "Regional Integration, Multinational Enterprise Strategy and the Impact of Country-level Risk: The Case of the EMU." *British Journal of Management* (forthcoming).

AR 13a: Verbeke, Alain, "International acquisition success: Social community and dominant logic dimensions." *Journal of International Business Studies* 41.1 (2010): 38-46.

AR 13b: Hillemann, Jenny, Alain Verbeke and Won-Yong Oh, "Greenfield investments versus acquisitions: The impact of regional integration on EMNE internationalization patterns" (2016), mimeo.

AR 14: Verbeke, Alain, and Liena Kano. "The transaction cost economics (TCE) theory of trading favors." *Asia Pacific Journal of Management* 30.2 (2013): 409-431.

AR 15a: Verbeke, Alain, and Liena Kano. "The New Internalization Theory and Multinational Enterprises from Emerging Economies: A Business History Perspective." *Business History Review* 89.03 (2015): 415-445.

AR 15b: Verbeke, Alain, and Wenlong Yuan, "The Drivers of Multinational Enterprise Subsidiary Entrepreneurship in China: A New Resource- Based View Perspective." *Journal of Management Studies* 50.2 (2013): 236-258.

AR 16a: Hillemann, Jenny, and Alain Verbeke, "An internalization theory perspective on the Bottom of the Pyramid." *Progress In International Business Research* 8 (2014): 69-90.

AR 16b: Hillemann, Jenny, and Alain Verbeke. "Efficiency-driven, comparative institutional analysis in international business." *The Multinational Business Review* 23.3 (2015): 188-199.

AR 16c: Backman Charles, Alain Verbeke, and Robert Schulz, "The Drivers of Corporate Climate Change Strategies and Public Policy: A New Resource-Based View (RBV) Perspective". *Business and Society* (2017) 56.4 (2017): 545-575.

AR 17-CP: Kirca, Ahmet H., et al. "Firm-specific assets, multinationality, and financial performance: A meta-analytic review and theoretical integration." *Academy of Management Journal* 54.1 (2011): 47-72.

AR 18-CP: Hennart, Jean-François, "Down with MNE-centric theories! Market entry and expansion as the bundling of MNE and local assets." *Journal of International Business Studies* 40.9 (2009): 1432-1454.

AR 19-CP: Verbeke, Alain, M. Amin Zargarzadeh, and Oleksiy Osiyevskyy. "Internalization theory, entrepreneurship and international new ventures." *Multinational Business Review* 22.3 (2014): 246-269.

AR 20-CP: Verbeke, Alain, and Luciano Ciravegna. "International entrepreneurship research versus international business research: A false dichotomy?." *Journal of International Business Studies* 49.4 (2018): 387-394.

AR 21-CP: Mors, Marie Louise, "Innovation in a global consulting firm: when the problem is too much diversity." *Strategic Management Journal* 31.8 (2010): 841-872.

AR 22-CP: Zhou, Kevin Zheng, and Laura Poppo, "Exchange hazards, relational reliability, and contracts in China: The contingent role of legal enforceability." *Journal of International Business Studies* 41.5 (2010): 861-881.

AR 23-CP: McGaughey, Sara L., Peter W. Liesch, and Duncan Poulson, "An unconventional approach to intellectual property protection: The case of an Australian firm transferring shipbuilding technologies to China." *Journal of World Business* 35.1 (2000): 1-20.

AR 24-CP: Benito, Gabriel RG, Bent Petersen, and Lawrence S. Welch, "Towards more realistic conceptualisations of foreign operation modes." *Journal of International Business Studies* 40.9 (2009): 1455-1470.

AR 25-CP: Teece, David, "A dynamic capabilities-based entrepreneurial theory of the multinational enterprise." *Journal of International Business Studies* 45.1 (2014): 8-37.

AR 26-CP: Kano, Liena, and Alain Verbeke. "Family firm internationalization: Heritage assets and the impact of bifurcation bias." *Global Strategy Journal* 8.1 (2018): 158-183.

AR 27-CP: Kano, Liena and Alain, Verbeke, "Theories of the multinational firm: A micro-foundational perspective." *Global Strategy Journal* (forthcoming).

AR 28: Verbeke, Alain, and Angelito Calma. "Footnotes on JIBS 1970–2016." *Journal of International Business Studies* 48.9 (2017): 1037-1044.

AR 29: Verbeke, Alain, Luciano Ciravegna, Luis Lopez & Sumit Kundu. Five Configurations of Opportunism in International Market Entry. *Journal of Management Studies* (forthcoming).

AR 30: Verbeke, Alain, and Christian Geisler Asmussen. "Global, local, or regional? The locus of MNE strategies." *Journal of Management Studies* 53.6 (2016): 1051-1075.