



Winter 2008
MANA 695 G/AA
Thursdays 14:45-17:30
Global Competition and International Strategies

Instructor: Dr. Mehdi Farashahi

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Course objectives:

Globalization has created a very complex competitive landscape and a proliferation of new business configuration for firms, particularly multinational corporations. What does this new business environment really mean to managers as they formulate and implement their strategies? How can we effectively analyze this hyper-competitive structure of global industries and translate it into winning strategies? This course is designed to immerse you in these kinds of challenges as well as management aspects of international business. It is organized around several themes such as globalization; global competitiveness and local responsiveness; reasons for going global; institutional pressures and global challenges; managing global ethics and social responsibilities; international, collaborative, and entry strategies; international joint ventures and their management structures; international negotiation; organizational design and international HRM; and global governance and control mechanisms. Through a combination of case discussion, readings, lectures, and role play simulation this course will develop student's ability to understand and pursue managerial actions that is responsive to the evolving global business environment and to the often-conflicting demands of multiple stakeholders such as local and overseas employees, customers, joint venture partners, governments, and non-governmental organizations.

Course Activities:

The primary teaching vehicle in this course will be case analysis through which global management concepts are developed by linking them to the real world management practices. There will be a simulation exercise to give students an opportunity to actually apply managerial concepts and assess the outcomes of their decisions and actions. We will also have lectures to give you guidelines, background, and contextual material regarding concepts related to global management practices. Therefore, your involvement and participation in class discussions, case analyses, and simulation practice is an essential element of learning process in this course.

Required Text and Reading Materials:

1. **International Management: Managing in a Diverse Global Environment** By: Phatak, A.V., Bhagat, R.S. and Kashlak, R.J. (2005), McGraw Hill
2. **Course Package:** Cases and other reading documents

Additional reading materials are listed for those interested in any specific topic.

Evaluation:

Your performance in this course is evaluated based on the following components:

Class Contribution	20%
Group Activities	15%
Individual Case Assignment:	25%
Group Project	<u>40%</u>
Total	100%

Class Contribution

Constructive contribution to class discussion is an integral part of this course. Your contribution will be evaluated based on your preparation for class discussions (i.e. assigned readings and cases); the value of your comments and questions; and your timely arrival and attendance. This makes attendance mandatory for this course. Students should attend in at least 80% of classes to be able to get a passing grade in this course.

Individual Case Assignment:

There will be one individual assignment. You should make a thorough analysis of the assigned case according to your understandings of the international management concepts covered in the course. This report should be typed using a 12-point font, double-spaced, and not longer than 10

pages excluding exhibits (if any). Do not use any type of binding for this report just staple it at the upper left-hand corner. Further details will be discussed in the class.

Assigned Case: **Due date: Feb. 28******

Lincoln Electric, Harvard Business School, Case # 9-707-445, 2007 (Course Package)

Group Project and Presentation

***** Written Paper should be submitted not later than April 3rd except for the groups that are presenting on this date who should hand in their paper by April 8th, 2008 *****

Agility In this group activity MBA students have a chance to better comprehend the concepts they have learned in this course and make a systematic analysis of a real world case. Each group will make a thorough analysis of a specific case and present it by end of the semester. This is a formal presentation and should not take more than 25 minutes. A hard copy of your slides should be handed in before your presentation. **You should hand in the hard copy of your final written report Not later than April 3rd, 2008. In addition, you need to send an electronic version of your paper to the instructor as well.** There will be a question period after each presentation during which groups should compete with each other by asking the best questions. Groups will be judged on their presentation style, the quality and the content of their analysis, and their performance in handling the question period. Further details of this project will be discussed in class.

Selecting a firm for the Group Project:

Students may analyze any firm they are interested in its global and international activities and for which they are able to obtain sufficient data. However, you should get the approval of the instructor on the company and the topics to be covered in this project before start working on it.

Suggested Guidelines for the Group Project:

1. You first need to know all the available sources of information about the selected firm.
2. Then, you should decide on the main issues that you want to cover in your project based on the available data and information.
3. Find the extent to which the selected issues can be integrated in a thorough and consistent manner to provide concise analysis of the firm's present situation.
4. Your report should be a transparent of your knowledge of the concepts covered in this course and your ability in implementing those concepts in a real world case.
5. Your paper should be typed, double-spaced, font twelve, and maximum 15 pages. You may include as many supporting appendices and exhibits as you like at the end of your report.
6. You need to include a brief executive summary and conclusion (half a page for each) in your paper. Use other subheadings as you wish to make your report readable.
7. Consistency between various parts of your report is an essential issue.
8. Finally, make sure that your analysis and suggestions are practically feasible for decision-makers at the firm.

Note: There will be an anonymous **on-line peer assessment** through which you will be required to assess the performance of each member in your team. Details of this on-line peer evaluation will be discussed in the class.

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Detailed Course Outline

Session One, Jan. 3: Introduction to Global Business Environment and Multinational Corporations

Reading Assignment:

1. Chapter 2 of the Textbook
2. *Devendra Mishra* (2004) *Globalization and Market Mentality* (**Posted on Firstclass**)
3. Ghemawat, 2007, Why the world isn't flat, *Foreign Policy*, 159: 54-60 (**Posted on Firstclass**)

Additional readings:

1. In search of global leaders, Stephen Green, Fred Hassan, Jeffrey Immelt, Michael Marks, Daniel Meiland. *Harvard Business Review*. Boston: Aug 2003. Vol. 81, Iss. 8; pg. 38
2. Introduction to the symposium multinationals: The janus face of globalization Lorraine Eden; Stefanie Lenway, *Journal of International Business Studies*; Third Quarter 2001; 32, 3; pg. 383.
3. Globalization and the autonomy of domestic competition policy: An empirical test on the world airline industry. Joseph A Clougherty. *Journal of International Business Studies*; Third Quarter 2001; 32, 3; pg. 459.

Session Two, Jan. 10: Cultural Environment and International Management Practices

Reading Assignment:

1. Chapter 5 of the Textbook
2. National Culture and Management, Philip M. Rosenzweig, HBS Note 9-394-177, 1994 (**Course Package**)

Cases: Euro Disneyland, case I of the Textbook, pp: 170-181.

And

Euro Disney: Failed Americanism? ICFAI Business School, Case# 304-557-1, 2004 (**Course Package**)

Additional readings:

1. Building Business Relationships: A Preliminary Study of Business Executives' Views. Yunxia Zhu, Ravi Bhat, Pieter Nel. *Cross Cultural Management*. Patrinton: 2005. Vol. 12, Iss. 3; p. 63 (22 pages).
2. Comparing Chinese and Western cultural roots: Why "East is East and" Jack Scarborough. *Business Horizons*. Greenwich: Nov/Dec 1998. Vol. 41, Iss. 6; p. 15 (10 pages)
3. The Japanese manager's traumatic entry into the United States: Understanding the American-Japanese culture divide. Linowes, Richard G; Tsurumi, Yoshi; Nakamura, Toro. *The Academy of Management Executive*; Nov 1993; 7, 4; pg. 21.

Session Three, Jan. 17: Institutional Contexts and International Management

Reading Assignment: Cullen, J.B. and Parboteeah, K.P. (2008). *Multinational Management: A strategic Approach*, 4th edition, Thomson South-Western, Chapter three, pp: 93-126. **(Course Package)**

Case: McDonald's India, Thunderbird 2005, Case #: A07-05-0015 **(Course Package)**

Additional readings:

1. Institutional Pressures as Sources of Improvisations: A Case Study from a Developing Country Context. Abiodun O Bada, Manny C Aniebonam, Vesper Owei. *Journal of Global Information Technology Management*. Marietta: 2004. Vol. 7, Iss. 3; p. 27
2. The Institutional View, an instructional note by D. S. Fogel, July 13, 2000 (300-103-1).
3. Local Institutions and Global Strategy (*Harvard Business School*, 2002, Document #9-702-475)

Session Four, Jan. 24: Ethics and Social Responsibility in a Global Business Environment

Reading Assignment: Chapter 17 of the Textbook

Case: Case IV, Hitting the Wall: Nike and International Labor Practices, pages 543-561 of the Textbook.

Additional readings:

1. Managing ethically with global stakeholders: A present and future challenge, Archie B Carroll. *The Academy of Management Executive*. May 2004. Vol. 18, Iss. 2; pg. 114.
2. Child labor and multinational conduct: A comparison of international busines...
Ans Kolk; Rob van Tulder. *Journal of Business Ethics*; Mar 2002; 36, 3;pg. 291

Session Five, Jan. 31: Strategies for Global and International Competition

Reading Assignment: Chapter 6 of the Textbook

Case: Toyota's Globalization Strategies (ICFAI, Case # 304-100-1, 2004) **(Course Package)**

Additional readings:

1. Internationalization, Globalization, and Capability-Based Strategy, S. Tallman and K. Fladmoe-Lindquist. *California Management Review*, Fall 2002, Vol. 45, Issue.1, pp: 116-135.
2. Making Global Strategies Work. Kim, W Chan; Mauborgne, Renee A. *Sloan Management Review*; Spring 1993; 34, 3; pg. 11
3. Regional strategies for Global Leadership, Pankaj Ghemawat, *Harvard Business Review*, Dec., 2005

Session Six, Feb. 07: Entry Modes and Managing International Collaborations

Reading Assignment:

1. Chapter 7 of the Textbook
2. Managing global expansion: A conceptual framework, Anil K Gupta, Vijay Govindarajan. *Business Horizons*. Mar/Apr 2000.Vol. 43, Iss. 2; pg. 45. **(Posted on Firstclass)**

Case: Huxley Maquiladora, Ivey, 902M33 **(Course package)**

Additional readings:

1. The WTO and Entry Modes in China, Bing-Sheng Teng, *Thunderbird International Business Review*. 2004.Vol. 46, Iss. 4; pg. 381.
2. The hierarchical model of market entry modes. Yigang Pan, David K Tse. *Journal of International Business Studies*. Washington: Fourth Quarter 2000. Vol. 31, Iss. 4; p. 535.

Session Seven, Feb. 14: Organizing and Controlling International Operations

Reading Assignment: Chapters 9 and 10 of the Textbook

Case: Procter & Gamble: Organization 2005 A Harvard Business School, Case # 9-707-519 **(Course Package)**

Additional readings:

1. Split management control and international joint venture performance, *Chang-Bum Choi, Paul W Beamish*. *Journal of International Business Studies*. Washington: May 2004.Vol. 35, Iss. 3; pg. 201.
2. The Management of Information and Managers in Subsidiaries of Multinational Corporations, Lai Hong Chung, Patrick T. Gibbons, Herbert P. Schoch *British Journal of Management* (2006). 17 (2), 153–165.
3. An Emerging Structure of Corporations. Kiyohiko Ito; Elizabeth L Rose *Multinational Business Review*; Winter 2004; 12, 3; pg. 63.

Session Eight, Feb. 28: International Negotiation

****(Written individual case assignment is due on this date)**

Reading Assignment: Chapters 12 and 13 of the Textbook

Case: Lincoln Electric, Harvard Business School, Case # 9-707-445, 2007 **(Course Package)**

Additional readings:

1. Departures in Negotiation: Extensions and New Directions. Daniel Druckman. *Negotiation Journal*. New York: Apr 2004. Vol. 20, Iss. 2; p. 185 (20 pages).

Session Nine, March 06: Simulation, Acquisition of Frantz Schuler GMBH by Titan Products Inc. Darden Business Publishing, University of West Virginia, 2003, UVA-BP-0466 (Course Package)

**** This simulation will take place at and GM 403-03 ****

Session Ten, March 13: International HRM and Multinational Corporations

Reading Assignment: Chapter 16 of the Textbook

Case: LVMH: Career Development through International Mobility (ESSEC Business School- ECCH Case #: 403-050-1) (Course Package)

Additional readings:

1. Shannon L.L. Lloyd and Charmine E.J. Härtel (2004). Predicting IHRM strategy and practice decisions: development of the IHRM orientation typology, *Cross Cultural Management*, Vol. 11, Iss. 4.
2. Influences on human resource management practices in multinational corporations. Rosenzweig, Philip M; Nohria, Nitin. *Journal of International Business Studies*; Second Quarter 1994; 25, 2; pg. 229

Session Eleven, March 20 Term Project Presentations

Session Twelve, March 27 Term Project Presentations

Session Thirteen, April 03 Term Project Presentations