

<b>Date: Friday, 13/Dec/2019</b>	
<b>8:00am - 6:30pm</b>	<b>Conference Registration</b> Note: For Participants in the 8:30 Sessions we will bring your registration materials to those session rooms. There is no need to go to main registration desk. Those in afternoon sessions or arriving to attend the opening events should pick up their registration materials from the main registration desk.
<b>Clarendon Building</b>	
<b>8:30am - 12:30pm</b>	<b>DvDB Symposium: 8th Danny Van Den Bulcke Doctoral Symposium</b> Session Chair: <b>Rebecca Piekkari</b> , Aalto University School of Business, Finland Session Chair: <b>Elizabeth Wang</b> , University of Leeds, United Kingdom Session Chair: <b>Igor Kalinic</b> , European Commission, Belgium PDW DISCUSSANTS: <b>Olli Kuivalainen</b> , University of Manchester, United Kingdom; <b>Emmanuella Plakoyiannaki</b> , University of Leeds, United Kingdom; <b>Agnieszka Chidlow</b> , University of Birmingham, United Kingdom; <b>Catherine Welch</b> , University of Sydney; <b>Quyen Nguyen</b> , University of Reading, United Kingdom; <b>Peter Gabrielsson</b> , University of Vaasa, Finland; <b>Rudolf Sinkovics</b> , University of Manchester, United Kingdom; <b>Angelo Solarino</b> , University of Leeds, United Kingdom; <b>Becky Reuber</b> , University of Toronto, Canada; <b>Tony Fang</b> , Stockholm University, Sweden; <b>Ursula Ott</b> , Nottingham Trent University, United Kingdom; <b>Francisco Figueira de Lemos</b> , Uppsala University, Sweden; <b>Miguel Torres</b> , University of Leeds, United Kingdom; <b>Perttu Kahari</b> , Aalto University, Finland; <b>Ilan Alon</b> , University of Agder, Norway; <b>Svetla Marinova</b> , Aalborg University, Denmark; <b>Rob van Tulder</b> , Erasmus University, Netherlands; <b>Jens Gammelgaard</b> , Copenhagen Business School, Denmark  NOTE: This session is open to <b>invited participants only!</b>
<b>MK 1.32</b>	
<b>8:30am - 12:30pm</b>	<b>ECN Workshop: 5th EIBA Early Career Network Workshop</b> Session Chair: <b>Tilo Halaszovich</b> , Jacobs University Bremen, Germany Session Chair: <b>Bozidar Vlacic</b> , Universidade Católica Portuguesa, Portugal  NOTE: This session is open to <b>invited participants only!</b>
<b>CT 1.02</b>	
<b>8:30am - 12:30pm</b>	<b>IBR PDW: International Business Review Paper Development Workshop</b> Session Chair: <b>Roger Strange</b> , University of Sussex, United Kingdom PDW DISCUSSANTS: <b>Xiaohui Liu</b> , University of Birmingham, United Kingdom; <b>Ulrike Mayrhofer</b> , Université Nice Sophia Antipolis, France; <b>Dorota Piaskowska</b> , University College Dublin, Ireland; <b>Jonas Puck</b> , WU Vienna, Austria; <b>Stefan Schmid</b> , ESCP Europe, Germany  NOTE: This session is open to <b>invited participants only!</b>
<b>CT 1.03</b>	
<b>8:30am - 12:30pm</b>	<b>JIBP PDW: Journal of International Business Policy Paper Development Workshop</b> Session Chair: <b>Sarianna Lundan</b> , University of Bremen, Germany Session Chair: <b>Ari Van Assche</b> , HEC Montréal, Canada PDW DISCUSSANTS: <b>Jeremy Clegg</b> , University of Leeds, United Kingdom; <b>Axele Giroud</b> , University of Manchester, United Kingdom; <b>Carlo Pietrobelli</b> , University Roma Tre, Italy; <b>Roberta Rabellotti</b> , Università di Pavia, Italy; <b>Ram Mudambi</b> , Temple University, USA; <b>Rob Van Tulder</b> , Erasmus University, Netherlands  NOTE: This session is open to <b>invited participants only!</b>
<b>CT 1.01</b>	
<b>8:30am - 5:00pm</b>	<b>JHD Tutorial: 33rd J.H. Dunning Doctoral Tutorial</b> Session Chair: <b>Jean-Francois Hennart</b> , Tilburg University, Netherlands, The Session Chair: <b>Gabriel R.G. Benito</b> , BI Norwegian Business School, Norway TUTORIAL FACULTY: <b>Lars Håkanson</b> , Copenhagen Business School, Denmark; <b>Elizabeth Rose</b> , University of Leeds, United Kingdom; <b>Eleanor Westney</b> , MIT, United States of America, and York University, Canada  NOTE: This session is open to <b>invited participants only!</b>
<b>University House</b>	
<b>10:00am - 10:30am</b>	<b>Networking and Refreshment Break</b>
<b>Clarendon Building</b>	
<b>12:30pm - 1:30pm</b>	<b>Lunch</b> Lunch will be on the 1st Floor of the Clarendon Building (which is the same building as registration and coat check) on Friday ONLY.
<b>Clarendon Building</b>	
<b>1:30pm - 5:00pm</b>	<b>EIBA Board Meeting</b> NOTE: The Board Meeting is open to <b>board members only!</b>
<b>PC 1.08</b>	
<b>1:30pm - 5:00pm</b>	<b>JIBS PDW: Journal of International Business Studies Paper Development Workshop</b> Session Chair: <b>Becky Reuber</b> , University of Toronto, Canada Session Chair: <b>Fabian Jintae Froese</b> , University of Goettingen, Germany PDW DISCUSSANTS: <b>Sjoerd Beugelsdijk</b> , University of Groningen, Netherlands; <b>Pavlos Dimitratos</b> , University of Glasgow, United Kingdom; <b>Birgitte Grøgaard</b> , BI-Norwegian Business School, Norway; <b>Philip Kappen</b> , Uppsala University, Sweden; <b>Peter Liesch</b> , University of Queensland, Australia; <b>Elizabeth Maitland</b> , University of Liverpool, United Kingdom; <b>Klaus Meyer</b> , Ivey Business School, Canada; <b>Sinéad Monaghan</b> , Trinity College-Dublin, Ireland; <b>Rebecca Piekkari</b> , Aalto University, Finland; <b>Emmanuella Plakoyiannaki</b> , University of Leeds, United Kingdom; <b>Tiina Ritvala</b> , Aalto University, Finland; <b>Grazia Santangelo</b> , Copenhagen Business School, Denmark; <b>Rudolf Sinkovics</b> , University of Manchester, United Kingdom; <b>Arjen Slangen</b> , KU Leuven, Belgium; <b>Ari Van Assche</b> , HEC Montréal, Canada; <b>Catherine Welch</b> , University of Sydney, Australia  NOTE: This session is open to <b>invited participants only!</b>
<b>MT 3</b>	
<b>1:30pm - 5:00pm</b>	<b>JWB/JMS PDW: Journal of World Business/Journal of Management Studies Paper Development Workshop</b> Session Chair: <b>Ajai Gaur</b> , Rutgers Business School, United States of America PDW DISCUSSANTS: <b>Jonathan Doh</b> , Villanova University, USA; <b>Mario Kafourous</b> , University of Manchester, United Kingdom; <b>Ans Kolk</b> , University of Amsterdam, The Netherlands; <b>Ram Mudambi</b> , Temple University, USA; <b>Chinmay Pattanaik</b> , University of Sydney, Australia; <b>Esther Tippmann</b> , National University of Ireland Galway, Ireland  NOTE: This session is open to <b>invited participants only!</b>
<b>MT 6</b>	
<b>3:00pm - 3:30pm</b>	<b>Networking and Refreshment Break</b>
<b>Clarendon Building</b>	
<b>5:10pm - 6:00pm</b>	<b>New Member Meet and Greet</b>
<b>Parkinson Court</b>	
<b>6:30pm - 7:00pm</b>	<b>Welcome Address</b> Opening of the Conference: <b>Timothy Devinney</b> , University of Manchester, United Kingdom
<b>Great Hall</b>	

	Welcome from the University of Leeds: <b>Sir Alan Langlands</b> , Vice Chancellor
<b>7:00pm - 8:30pm</b>	<b>Opening Plenary</b> 🎤 Session Chair: <b>Elizabeth Rose</b> , University of Leeds, United Kingdom  Keynote Panel: <b>Will Hutton</b> , Principal, Hertford College, University of Oxford, United Kingdom; <b>Geoffrey Jones</b> , Isidor Straus Professor of Business History, Harvard Business School, United States of America; <b>Victor Mallet</b> , Paris Bureau Chief & Former Asia Editor, <i>Financial Times</i> , France
<b>Great Hall</b>	Panel Moderator: <b>Eleanor Westney</b> , MIT, United States of America, and York University, Canada  Q&A: <b>USE the Conference APP</b> to send questions and comments to the panel!
<b>8:30pm - 10:00pm</b>	<b>Opening Reception</b>
<b>Parkinson Court</b>	
<b>Date: Saturday, 14/Dec/2019</b>	
<b>8:00am - 5:00pm</b>	<b>Conference Registration</b>
<b>Clarendon Building</b>	
<b>8:00am - 5:00pm</b>	<b>Conversation Spaces and Open Work Areas</b> We have opened various rooms for conversation and casual work. You will find room available to work in the Meadows Teaching Block, which is also the location for the Exhibitors and Refreshment Breaks.
<b>MT 3 / 4 / 5 / 6</b>	
<b>8:00am - 5:00pm</b>	<b>Exhibitors</b>
<b>MT 2</b>	
<b>8:00am - 5:00pm</b>	<b>Meditation and Prayer Room</b> Room available for private meditation and prayer.
<b>MK 1.24</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.12: Global Innovation</b> Session Chair: <b>Marina Papanastassiou</b> , Middlesex University, United Kingdom
<b>MK 1.32</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.13: Collaborative Instructional Designs in International Business</b> Session Chair: <b>Hinrich Voss</b> , University of Leeds, United Kingdom
<b>MK 1.15</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.14: The MNE and Its Subsidiaries</b> Session Chair: <b>Deborah Mireles</b> , NUIG, Ireland
<b>MK 1.06</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.2: International Banking and Finance</b> Session Chair: <b>Konstantinos Bozos</b> , University of Leeds, United Kingdom
<b>Liberty 1.28</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.3: Mergers &amp; Acquisitions in Emerging Markets</b> Session Chair: <b>Guus Hendriks</b> , University of Warwick, United Kingdom
<b>MK 1.09</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.4: Internationalization and Export Performance</b> Session Chair: <b>Antonio Majocchi</b> , University of Pavia, Italy
<b>Liberty G.32</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.7: CSR, Informal Institutions and Stakeholder Reactions in Host Countries</b> Session Chair: <b>Stephan Manning</b> , University of Sussex, United Kingdom
<b>MK 1.02 (Boardroom)</b>	
<b>8:30am - 10:00am</b>	<b>C 1.1.9: Industry &amp; Business Models in International Business</b> Session Chair: <b>Ari Van Assche</b> , HEC Montréal, Canada
<b>MK 1.33</b>	
<b>8:30am - 10:00am</b>	<b>I 1.1.12: Emerging Topics in Knowledge Management (1)</b> Session Chair: <b>Peter Ørberg Jensen</b> , Copenhagen Business School, Denmark
<b>MK 1.03</b>	
<b>8:30am - 10:00am</b>	<b>I 1.1.3: European Perspectives on Emerging Markets</b> Session Chair: <b>Igor Kalinic</b> , European Commission, Belgium
<b>MK 1.05</b>	
<b>8:30am - 10:00am</b>	<b>I 1.1.6: International Acquisitions and Entrepreneurship</b> Session Chair: <b>Olli Kuivalainen</b> , LUT University, Finland
<b>MK 1.04</b>	
<b>8:30am - 10:00am</b>	<b>I 1.1.9: Risk and Uncertainty in International Business and International Entrepreneurship</b> Session Chair: <b>Becky Reuber</b> , University of Toronto, Canada
<b>MK 1.31</b>	
<b>8:30am - 10:00am</b>	<b>P 1.1: Global Value Chains in a Confused World Order</b> 🎤 Session Chair: <b>Teresa da Silva Lopes</b> , University of York, United Kingdom
<b>MK G.02</b>	
<b>8:30am - 10:00am</b>	<b>P 1.5: The Other Nordic Internationalization Process Model: How Reijo Luostarinen's Legacy Can Generate a New Agenda for IB Research</b> 🎤 Session Chair: <b>Catherine Welch</b> , University of Sydney, Australia
<b>MK G.31</b>	
<b>10:00am - 10:30am</b>	<b>Networking and Refreshment Break</b>
<b>10:30am - 12:00pm</b>	<b>C 1.2.11: Economic and Social Value in Global Value Chains</b> Session Chair: <b>Ans Kolk</b> , University of Amsterdam, Netherlands, The
<b>MK 1.02 (Boardroom)</b>	
<b>10:30am - 12:00pm</b>	<b>C 1.2.12: Knowledge Flows in MNEs</b> Session Chair: <b>Angelo Maria Solarino</b> , University of Leeds, United Kingdom
<b>MK 1.32</b>	
<b>10:30am - 12:00pm</b>	<b>C 1.2.3: Institutions and Emerging Markets</b>

<b>MK 1.09</b>	Session Chair: <b>Vidya Sukumara Panicker</b> , Loughborough University, United Kingdom
<b>10:30am - 12:00pm</b>	<b>C 1.2.5: International Competition and Collaboration</b>
<b>Liberty 1.28</b>	Session Chair: <b>Linda Rademaker</b> , BI Norwegian Business School, Norway
<b>10:30am - 12:00pm</b>	<b>C 1.2.6: Global Teamwork and Talent Management</b>
<b>MK 1.06</b>	Session Chair: <b>Stefan Schmid</b> , ESCP Europe, Germany
<b>10:30am - 12:00pm</b>	<b>C 1.2.9: Identification and Culture in Family and Entrepreneurial Firms</b>
<b>MK 1.33</b>	Session Chair: <b>Francesco Debellis</b> , Free University of Bozen-Bolzano, Italy
<b>10:30am - 12:00pm</b>	<b>I 1.2.12: Emerging Topics in Knowledge Management (2)</b>
<b>MK 1.03</b>	Session Chair: <b>Roger Strange</b> , University of Sussex, United Kingdom
<b>10:30am - 12:00pm</b>	<b>I 1.2.4: Internationalization Decisions and Consumer Behaviour</b>
<b>MK 1.04</b>	Session Chair: <b>David Midgley</b> , INSEAD, France
<b>10:30am - 12:00pm</b>	<b>I 1.2.7: International Capabilities and Local Resources and Legitimacy</b>
<b>MK 1.05</b>	Session Chair: <b>Jonathan Doh</b> , Villanova University, United States of America
<b>10:30am - 12:00pm</b>	<b>ME.1: Meet the Editors: IBR, GSJ, JIM, JWB</b> <i>International Business Review</i> : <b>Pervez Ghauri</b> , University of Birmingham, United Kingdom <i>Global Strategy Journal</i> : <b>Torben Pedersen</b> , Bocconi University, Italy <i>Journal of International Management</i> : <b>Sumit Kundu</b> , Florida International University, USA <i>Journal of World Business</i> : <b>Ajai Gaur</b> , Rutgers University, USA
<b>Liberty G.33</b>	
<b>10:30am - 12:00pm</b>	<b>P 1.7: Bridging the Policy-practice Divide: International Business Policy to Promote the Competitiveness and Internationalisation of Small-medium and Entrepreneurial Firms</b>
<b>MK G.02</b>	 Session Chair: <b>Igor Kalinic</b> , European Commission, Belgium
<b>10:30am - 12:00pm</b>	<b>P 3.5: Business Models and Internationalisation: Old Wine in New Bottles?</b> 
<b>MK G.31</b>	Session Chair: <b>Svetla Trifonova Marinova</b> , Aalborg University, Denmark
<b>12:00pm - 1:30pm</b>	<b>Lunch</b>
<b>Refectory</b>	
<b>12:30pm - 2:00pm</b>	<b>PS 1: Plenary Poster Session I</b>
<b>Refectory Mezzanine</b>	Session Chair: <b>Murod Aliyev</b> , University of Leeds, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>C 1.3.10: Standards, Social Reputation and Socio-Economic Outcomes</b>
<b>MK 1.02 (Boardroom)</b>	Session Chair: <b>Leo Sleuwaegen</b> , KU Leuven, Belgium
<b>2:00pm - 3:30pm</b>	<b>C 1.3.11: Knowledge, Structure &amp; Productivity in Global Value Chains</b>
<b>Liberty G.32</b>	Session Chair: <b>Bent Petersen</b> , Copenhagen Business School, Denmark
<b>2:00pm - 3:30pm</b>	<b>C 1.3.12: Knowledge, Development and Societal Impact</b>
<b>MK 1.32</b>	Session Chair: <b>Sandra Seno Alday</b> , University of Sydney, Australia
<b>2:00pm - 3:30pm</b>	<b>C 1.3.3: Emerging Market Firms' Strategy and Internationalization</b>
<b>MK 1.09</b>	Session Chair: <b>Bernard Wolf</b> , York University, Canada
<b>2:00pm - 3:30pm</b>	<b>C 1.3.5: Institutions and Culture</b>
<b>Liberty 1.28</b>	Session Chair: <b>Sjoerd Beugelsdijk</b> , University of Groningen, Netherlands, The
<b>2:00pm - 3:30pm</b>	<b>C 1.3.6: Expatriate Management</b>
<b>MK 1.06</b>	Session Chair: <b>Fabian Jintae Froese</b> , University of Goettingen, Germany
<b>2:00pm - 3:30pm</b>	<b>C 1.3.9: Knowledge, Learning and International Entrepreneurship</b>
<b>MK 1.33</b>	Session Chair: <b>Tamara Galkina</b> , University of Vaasa, Finland
<b>2:00pm - 3:30pm</b>	<b>I 1.3.12: Drivers of Innovation</b>
<b>MK 1.03</b>	Session Chair: <b>Mario Kafouros</b> , University of Manchester, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>I 1.3.14: MNE Subsidiary Competences, Initiatives and Their Development</b>
<b>Liberty G.33</b>	Session Chair: <b>Torben Pedersen</b> , Bocconi University, Denmark
<b>2:00pm - 3:30pm</b>	<b>I 1.3.9: SMEs, Entrepreneurs and Sustainable and Indigenous Development</b>
<b>MK 1.31</b>	Session Chair: <b>Kevin Ibeh</b> , Birkbeck, University of London, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>P 1.11: Global Value Chains: Dynamics and Uncertainty in a Confused World Order</b> 
<b>MK G.02</b>	Session Chair: <b>Tomas Hult</b> , Michigan State University, United States of America
<b>2:00pm - 3:30pm</b>	<b>P 1.13: Best Practices, Trends and Technologies in Online International Business Education</b> 
<b>MK G.31</b>	Session Chair: <b>Ronaldo Parente</b> , Florida International University, United States of America
<b>3:30pm - 3:45pm</b>	<b>Networking and Refreshment Break</b>
<b>3:45pm - 4:30pm</b>	<b>AGM: EIBA General Assembly</b>
<b>MK G.02</b>	EIBA Chair: <b>Lucia Piscitello</b> , University of Reading, United Kingdom, and Politecnico di Milano, Italy EIBA Vice Chair: <b>Jonas Puck</b> , WU Vienna Institute for International Business, Austria

4:30pm - 6:00pm	<b>C 1.4.14: Structure, Risk, Diversification and Location</b> Session Chair: <b>Michael Nippa</b> , Free University of Bozen–Bolzano, Italy
<b>MK 1.06</b>	
4:30pm - 6:00pm	<b>C 1.4.2: International Governance</b> Session Chair: <b>Rajesh Upadhyayula</b> , Indian Institute of Management Kozhikode, India
<b>MK 1.32</b>	
4:30pm - 6:00pm	<b>C 1.4.3: Emerging Market Firms: Capabilities, Innovation and Learning</b> Session Chair: <b>Naoto Nadayama</b> , Kanagawa University, Japan
<b>MK 1.09</b>	
4:30pm - 6:00pm	<b>C 1.4.5: Foreign Expansion and Divestment</b> Session Chair: <b>Marlena Dzikowska</b> , Poznan University of Economics and Business, Poland
<b>Liberty 1.28</b>	
4:30pm - 6:00pm	<b>C 1.4.7: Host Country Institutions and Internationalization Incentives for Outward FDI</b> Session Chair: <b>José R. de la Torre</b> , Bologna Business School, United States of America
<b>Liberty G.32</b>	
4:30pm - 6:00pm	<b>C 1.4.8: The Changing Nature of International Service Firms</b> Session Chair: <b>Cristina Villar</b> , University of Valencia, Spain
<b>MK 1.33</b>	
4:30pm - 6:00pm	<b>I 1.4.11: Location, Dynamics and Competitiveness of Global Value Chains</b> Session Chair: <b>Arjen Slangen</b> , KU Leuven, Belgium
<b>MK 1.31</b>	
4:30pm - 6:00pm	<b>I 1.4.12: Industry Contexts and Innovation</b> Session Chair: <b>Elizabeth Rose</b> , University of Leeds, United Kingdom
<b>MK 1.03</b>	
4:30pm - 6:00pm	<b>I 1.4.3: Emerging Markets Catch-up Process</b> Session Chair: <b>Ajai Gaur</b> , Rutgers Business School, United States of America
<b>MK 1.05</b>	
4:30pm - 6:00pm	<b>I 1.4.6: Leadership and Global Teams</b> Session Chair: <b>Hanna Gajewska-De Mattos</b> , University of Leeds, United Kingdom
<b>MK 1.04</b>	
4:30pm - 6:00pm	<b>ME.2: Meet the Editors: JIBP, JIBS, MOR</b> <i>J. International Business Policy:</i> <b>Sarianna Lundan</b> , University of Bremen, Germany <i>J. International Business Studies:</i> <b>Alaine Verbeke</b> , University of Calgary, Canada <i>Management Organisation Review:</i> <b>Stephan Manning</b> , University of Sussex, United Kingdom
<b>Liberty G.33</b>	
4:30pm - 6:00pm	<b>P 1.9: Migrant Entrepreneurship, International Business, and Development</b> 🗣️ Session Chair: <b>Noemi Sinkovics</b> , The University of Manchester, United Kingdom
<b>MK G.02</b>	
4:30pm - 6:00pm	<b>P 2.1: Can MNEs Be a Force for Good?: Lessons from History</b> 🗣️ Session Chair: <b>John Raymond Dilyard</b> , St. Francis College, United States of America
<b>MK G.31</b>	
4:30pm - 6:00pm	<b>P 2.5: EIBA Young Scholar Panel: Time for IBtech -- The New Research Avenues into Global Strategy and the Digital Worlds</b> 🗣️ Session Chair: <b>Tilo Halaszovich</b> , Jacobs University Bremen, Germany Session Chair: <b>Dorota Piaskowska</b> , University College Dublin, Ireland Panelists: <b>Desislava Dikova</b> , WU - Vienna University of Economics and Business, Austria; <b>Edith Ipsmiller</b> , WU - Vienna University of Economics and Business, Austria; <b>Douglas Dow</b> , Melbourne University, Australia; <b>Martin Hannibal</b> , University of Southern Denmark, Denmark; <b>Helene Tenzer</b> , Tübingen University, Germany; <b>Esther Tippmann</b> , National University of Ireland Galway, Ireland
<b>MK 1.02 (Boardroom)</b>	
6:00pm - 6:30pm	<b>PhD Meet, Greet and On The Town</b> Session Chair: <b>Cristian Luise</b> , University of Leeds, United Kingdom Meet outside the Leeds Student Union Building at 6:00-6:30 PM to plan a night on the town! To join the group, go to the <a href="https://www.facebook.com/groups/1481107452057316/">EIBA 2019 PhD Student Social Event Facebook Page</a> : <a href="https://www.facebook.com/groups/1481107452057316/">https://www.facebook.com/groups/1481107452057316/</a> . More detail is available on the <a href="#">Social Programme</a> section of the EIBA2019 Website.  Note that this is a self-funded activity.
<b>Date: Sunday, 15/Dec/2019</b>	
8:00am - 1:00pm	<b>Conference Registration</b>
<b>Clarendon Building</b>	
8:00am - 5:00pm	<b>Conversation Spaces and Open Work Areas</b> We have opened various rooms for conversation and casual work. You will find room available to work in the Meadows Teaching Block, which is also the location for the Exhibitors and Refreshment Breaks.
<b>MT 3 / 4 / 5 / 6</b>	
8:00am - 5:00pm	<b>Exhibitors</b>
<b>MT 1</b>	
8:00am - 5:00pm	<b>Meditation and Prayer Room</b> Room available for private meditation and prayer.
<b>MK 1.24</b>	
8:30am - 10:00am	<b>C 2.1.10: Human Variety and Variety of Networks Interactions in International Business</b> Session Chair: <b>Manuel Hensmans</b> , Université Libre de Bruxelles, Belgium
<b>MK 1.02 (Boardroom)</b>	
8:30am - 10:00am	<b>C 2.1.12: MNEs and Innovation</b> Session Chair: <b>Krzysztof Oblój</b> , Kozminski University & University of Warsaw, Poland
<b>MK 1.32</b>	
8:30am - 10:00am	<b>C 2.1.3: Emerging Markets MNCs versus Developed Markets MNCs</b> Session Chair: <b>Yingqi Wei</b> , University of Leeds, United Kingdom
<b>MK 1.09</b>	
8:30am - 10:00am	<b>C 2.1.5: Multinational Enterprise Internationalisation</b> Session Chair: <b>Romeo V. Turcan</b> , Aalborg University, Denmark
<b>Liberty 1.28</b>	
8:30am - 10:00am	<b>C 2.1.7: Political Institutions and Internationalization (including SOEs)</b>

<b>Liberty G.32</b>	Session Chair: <b>Evris Sinani</b> , Copenhagen Business School, Denmark
<b>8:30am - 10:00am</b>	<b>C 2.1.9: Cognition, Personality &amp; Orientation in Internationalising Entrepreneurs</b>
<b>MK 1.33</b>	Session Chair: <b>Peter Zettinig</b> , University of Turku, Finland, Finland
<b>8:30am - 10:00am</b>	<b>C 2.1.X: Knowledge and SMEs: Dynamics, Practice and Performance</b>
<b>MK 1.06</b>	Session Chair: <b>Jorma Larimo</b> , University of Vaasa, Finland
<b>8:30am - 10:00am</b>	<b>I 2.1.14: Market Opportunities, Environments and Corporate Responses</b>
<b>MK 1.03</b>	Session Chair: <b>Rudolf Sinkovics</b> , University of Manchester, United Kingdom
<b>8:30am - 10:00am</b>	<b>I 2.1.3: Macro Perspectives in Emerging and Developing Markets</b>
<b>MK 1.05</b>	Session Chair: <b>Michael A. Sartor</b> , Queen's University, Canada
<b>8:30am - 10:00am</b>	<b>I 2.1.5: Cross Border Acquisitions, Partnerships and Competition</b>
<b>Liberty G.33</b>	Session Chair: <b>Randi Lunnan</b> , BI Norwegian Business School, Norway
<b>8:30am - 10:00am</b>	<b>I 2.1.6: Managing Talent, Culture and Language</b>
<b>MK 1.04</b>	Session Chair: <b>Catherine Welch</b> , University of Sydney, Australia
<b>8:30am - 10:00am</b>	<b>I 2.1.9: Cognition, Values and Sense Making in International Entrepreneurial Ventures</b>
<b>MK 1.31</b>	Session Chair: <b>Jean-Francois Hennart</b> , Tilburg University, Netherlands, The
<b>8:30am - 10:00am</b>	<b>P 2.13: Teaching International Business through Video Case Studies</b> 🗣️
<b>MK G.31</b>	Session Chair: <b>Nukhet Vardar</b> , El Izi Communications Consultancy UK Ltd, United Kingdom
<b>8:30am - 10:00am</b>	<b>P 3.1: International Business in a Confused World Order: EIBA Recollections and Visions</b> 🗣️
<b>MK G.02</b>	Session Chair: <b>Vitor Corado Simoes</b> , ADVANCE, ISEG - Lisbon School of Economics and Management, Portugal
<b>10:00am - 10:30am</b>	<b>Networking and Refreshment Break</b>
<b>Clarendon Building</b>	
<b>10:30am - 12:00pm</b>	<b>EIBA Fellows Plenary: From Regional Convergence to Divergence: The Changing Economic Geography of International Business Activities and Connections</b> 🗣️
<b>Western Lecture Theatre</b>	Speakers: <b>John Cantwell</b> , Rutgers University, USA; <b>Simona Iammarino</b> , London School of Economics, United Kingdom; <b>Lucia Piscitello</b> , University of Reading, United Kingdom, and Politecnico di Milano, Italy  Special Guest: <i>Distinguished EIBA Honorary Fellow 2019</i> , <b>Michael Storper</b> , UCLA, Luskin School of Public Affairs, USA  More Information is available here: <a href="https://eiba2019.eiba.org/wp-content/uploads/sites/50/2019/12/fellows_panel_summary_19.pdf">https://eiba2019.eiba.org/wp-content/uploads/sites/50/2019/12/fellows_panel_summary_19.pdf</a>
<b>12:00pm - 1:30pm</b>	<b>Lunch</b>
<b>Refectory</b>	
<b>12:15pm - 1:00pm</b>	<b>Fellows Meeting: EIBA Fellows Business Meeting</b>
<b>University House</b>	NOTE: This meeting is open to <b>EIBA Fellows only</b> ! Lunch will be served in University House for those attending this meeting.
<b>1:00pm - 2:00pm</b>	<b>PS 2: Plenary Poster Session II</b>
<b>Refectory Mezzanine</b>	Session Chair: <b>Christos Antoniou</b> , University of Leeds, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>C 2.3.12: Contemporary Work Forms and Co-working Spaces</b>
<b>MK 1.32</b>	Session Chair: <b>Ricarda B. Bouncken</b> , University of Bayreuth, Germany
<b>2:00pm - 3:30pm</b>	<b>C 2.3.2: International Accounting, Taxation and Performance</b>
<b>MK 1.06</b>	Session Chair: <b>Chris Jones</b> , Aston University, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>C 2.3.4: Global Branding and Internationalization Behaviour Research</b>
<b>Liberty G.32</b>	Session Chair: <b>Ziko Konwar</b> , University of Leeds, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>C 2.3.5: Global Strategy, CSR and Sustainability</b>
<b>Liberty 1.28</b>	Session Chair: <b>Alan Muller</b> , University of Groningen, Netherlands, The
<b>2:00pm - 3:30pm</b>	<b>C 2.3.X: Trends, Cycles and New Issues in International Business</b>
<b>MK 1.09</b>	Session Chair: <b>Mark Fenton O'Creevy</b> , Open University, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>I 2.3.13: Teaching and Learning in Complex Settings</b>
<b>MK 1.05</b>	Session Chair: <b>Tamar Almor</b> , The College of Management Academic Studies, Israel
<b>2:00pm - 3:30pm</b>	<b>I 2.3.6: Culture and Emotion Management</b>
<b>MK 1.04</b>	Session Chair: <b>Andre Pekerti</b> , The University of Queensland, Australia
<b>2:00pm - 3:30pm</b>	<b>I 2.3.8: Transformation and Internationalisation of Service Firms</b>
<b>MK 1.31</b>	Session Chair: <b>Tilo Halaszovich</b> , Jacobs University Bremen, Germany
<b>2:00pm - 3:30pm</b>	<b>I 2.3.X: Emerging Issues in Knowledge, SMEs and Entrepreneurship</b>
<b>MK 1.03</b>	Session Chair: <b>D. Eleanor Westney</b> , York University & MIT, Canada
<b>2:00pm - 3:30pm</b>	<b>ME.3: Meet the Editors: CPiB, EJIM &amp; IJoEM, RIBS, TNC</b>
<b>Liberty G.33</b>	<i>Critical Perspectives on International Business:</i> <b>Rudolf Sinkovics</b> , University of Manchester, United Kingdom <i>European J. of International Management &amp; International J. of Emerging Markets:</i> <b>Ilan Alon</b> , University of Agder, Norway <i>Review of International Business &amp; Strategy:</i> <b>Elizabeth Rose</b> , University of Leeds, United Kingdom



	<i>Transnational Corporations:</i> <b>Heinz Tuselmann</b> , Manchester Metropolitan University, United Kingdom; <b>Nikolaos Papageorgiadis</b> , University of Liverpool, United Kingdom
<b>2:00pm - 3:30pm</b>	<b>P 1.10: Brains on the Move: High-skilled Migrants in Multinational Enterprises'</b>
<b>MK G.31</b>	<b>Knowledge Networks</b>  Session Chair: <b>Vittoria G. Scalera</b> , Amsterdam Business School, University of Amsterdam, Netherlands, The
<b>2:00pm - 3:30pm</b>	<b>PIBR: Launch of PIBR Vol. 15: Progress in IB Research in an Increasingly VUCA World</b>  Session Chair: <b>Rob van Tulder</b> , Rotterdam School of Management, Erasmus University Rotterdam, Netherlands, The Editors: <b>Alain Verbeke</b> , University of Calgary, Canada; <b>Rob van Tulder</b> , Erasmus University, Canada; <b>Barbara Jankowska</b> , Poznań University of Economics and Business, Poland
<b>MK G.02</b>	Short pitches by contributing authors plus a preview of next year's book, PIBR #15!  Keynote Address: <b>Peter Buckley</b> , University of Leeds, United Kingdom
<b>3:30pm - 4:00pm</b>	<b>Networking and Refreshment Break</b>
<b>4:00pm - 5:30pm</b>	<b>C 2.4.12: Innovation Strategies</b> Session Chair: <b>Sorin Krammer</b> , University of Exeter, United Kingdom
<b>MK 1.32</b>	
<b>4:00pm - 5:30pm</b>	<b>C 2.4.3: Foreign Direct Investment and Emerging Markets</b> Session Chair: <b>Marcellinus Dike</b> , Aalto University School of Business, Finland
<b>MK 1.09</b>	
<b>4:00pm - 5:30pm</b>	<b>C 2.4.5: International Expansion and Exporting</b> Session Chair: <b>Tamer Cavusgil</b> , Georgia State University, United States of America
<b>Liberty 1.28</b>	
<b>4:00pm - 5:30pm</b>	<b>C 2.4.6: Top Managers and Global Citizens</b> Session Chair: <b>Natalia G. Fey</b> , Hanken School of Economics, Finland
<b>MK 1.06</b>	
<b>4:00pm - 5:30pm</b>	<b>C 2.4.X: Alternative Empirical Lenses: Applications to International Business</b> Session Chair: <b>Jonas Puck</b> , WU Vienna, Austria
<b>MK 1.02 (Boardroom)</b>	
<b>4:00pm - 5:30pm</b>	<b>C 2.4.XX: Environments, Structure, Mode and Performance: Emerging Issues</b> Session Chair: <b>Ibne Hassan</b> , King's College London, United Kingdom
<b>Liberty G.32</b>	
<b>4:00pm - 5:30pm</b>	<b>I 2.4.10: Geographic and Social Variety and International Business</b> Session Chair: <b>Sarianna Lundan</b> , University of Bremen, Germany
<b>MK 1.03</b>	
<b>4:00pm - 5:30pm</b>	<b>I 2.4.3: Learning, Knowledge and Innovation in Emerging Markets</b> Session Chair: <b>Jose Pla-Barber</b> , University of Valencia, Spain
<b>MK 1.05</b>	
<b>4:00pm - 5:30pm</b>	<b>I 2.4.4: Emerging Market Marketing Strategies</b> Session Chair: <b>Jorge Carneiro</b> , FGV Sao Paulo School of Business Administration, Brazil
<b>MK 1.04</b>	
<b>4:00pm - 5:30pm</b>	<b>I 2.4.5: MNE Internationalisation Decisions</b> Session Chair: <b>Peter Liesch</b> , The University of Queensland, Australia
<b>Liberty G.33</b>	
<b>4:00pm - 5:30pm</b>	<b>P 3.13: Teaching Cross-Cultural Competence in Traditional, Online, and Hybrid Formats</b>  Session Chair: <b>John David Branch</b> , University of Michigan, United States of America
<b>MK G.31</b>	
<b>4:00pm - 5:30pm</b>	<b>P 4.1: When Time Matters: Rethinking the Role of Time in IB Theory and Practice</b>  Session Chair: <b>Emmanuella Plakoyiannaki</b> , University of Leeds, United Kingdom
<b>MK G.02</b>	
<b>7:00pm</b>	<b>Gala Dinner</b>
<b>Royal Armouries</b>	

## Presentations

### DvDB Symposium: 8th Danny Van Den Bulcke Doctoral Symposium

*Time:* Friday, 13/Dec/2019: 8:30am - 12:30pm · *Location:* MK 1.32

*Session Chair:* Rebecca Piekkari, Aalto University School of Business, Finland

*Session Chair:* Elizabeth Wang, University of Leeds, United Kingdom

*Session Chair:* Igor Kalinic, European Commission, Belgium

PDW DISCUSSANTS: **Olli Kuivalainen**, University of Manchester, United Kingdom; **Emmanuella Plakoyiannaki**, University of Leeds, United Kingdom; **Agnieszka Chidlow**, University of Birmingham, United Kingdom; **Catherine Welch**, University of Sydney; **Quyen Nguyen**, University of Reading, United Kingdom; **Peter Gabrielsson**, University of Vaasa, Finland; **Rudolf Sinkovics**, University of Manchester, United Kingdom; **Angelo Solarino**, University of Leeds, United Kingdom; **Becky Reuber**, University of Toronto, Canada; **Tony Fang**, Stockholm University, Sweden; **Ursula Ott**, Nottingham Trent University, United Kingdom; **Francisco Figueira de Lemos**, Uppsala University, Sweden; **Miguel Torres**, University of Leeds, United Kingdom; **Perttu Kahari**, Aalto University, Finland; **Ilan Alon**, University of Agder, Norway; **Svetla Marinova**, Aalborg University, Denmark; **Rob van Tulder**, Erasmus University, Netherlands; **Jens Gammelgaard**, Copenhagen Business School, Denmark

NOTE: This session is open to **invited participants only!**

**International Relocations of Corporate Headquarters: The Role of CEOs, Shareholders, and the Public**

**A. O. Eerola**  
KU LEUVEN, Belgium

**Relationship Between Internationalisation and Innovation: A Systematic Literature Review**

**V. Handar**  
Brunel University, United Kingdom

**Announcing a Divestment-Decision: Media Coverage and Anticipatory Impression Management for Foreign and Domestic Firms**

**R. Kremer**  
University of Erfurt, Germany

**Do EMNEs Enhance Their Innovation Performance Through Strategic Asset Seeking (SAS) M&As? The Case of Chinese Multinationals**

**Y. Liang**  
The University of Manchester, United Kingdom

**Smart Manufacturing Technologies and International Production Structure: A Patent Analysis Approach**

**J. Nevens**  
KU Leuven, Belgium

**Internationalisation of Professional Service Firms**

**C. O'Higgins**  
University of Deusto, Spain

**Country of Origin and Private Equity Investors' Behavior: An Analysis of the Effects Of Cross-Border Investments on Human Resources Management in Backed Companies**

**M. Robert**  
University Of Lorraine, France

**Gender Issues and Dynamics in Crowdfunding Across Different Cultures**

**P. Serwaah**  
University Of Agder, Norway

**Managing Low-Skilled Migrant Workers: An Interdisciplinary Approach**

**S. Suolinga**  
Tohoku University, Japan

**Internationalization of Sharecoms**

**H. C. Thornton**  
Linnaeus University, Sweden

**Internationalization of State-Owned Enterprises: Evidence From Russia**

**D. Klishevich**  
St. Petersburg State University, Russian Federation

**Institutional Perspectives on EMNCs' CSR Adoption: The Case of Brazilian MNCs**

**A. Brejnholt**  
Loughborough University, London, United Kingdom

**Foreign Ownership and the Internationalization of Japanese Corporate Boards**

**F. Roedder**  
ESCP, Berlin, Germany

## **ECN Workshop: 5th EIBA Early Career Network Workshop**

*Time:* Friday, 13/Dec/2019: 8:30am - 12:30pm · *Location:* CT 1.02

*Session Chair:* Tilo Halaszovich, Jacobs University Bremen, Germany

*Session Chair:* Bozidar Vlacic, Universidade Católica Portuguesa, Portugal

NOTE: This session is open to **invited participants only!**

### **The Impact of Knowledge Sharing on SME Internationalization**

**J.-C. Gessler**

Magellan Research center, France

### **Going Beyond Home Region: An Empirical Investigation of Inter-regional Expansion**

**O. Grebinevych**

Montpellier Business School, France

### **Inter-subsidary Collaboration and Business Network Development**

**A. Sartorius**

University of Lyon, France

### **The Role of Personal Characteristics on Intra-MNE Knowledge Sharing Challenges**

**D. Schulzmann**

Aalborg University, Denmark

### **Tracing Power and Influence in Institutional Diversity: Competing HR Models in Japanese and Indonesian Joint Ventures**

**J. Soehardjojo**

IDE-JETRO, Japan



# IBR PDW: International Business Review Paper Development Workshop

*Time:* Friday, 13/Dec/2019: 8:30am - 12:30pm · *Location:* CT 1.03

*Session Chair:* Roger Strange, University of Sussex, United Kingdom

PDW DISCUSSANTS: **Xiaohui Liu**, University of Birmingham, United Kingdom; **Ulrike Mayrhofer**, Université Nice Sophia Antipolis, France; **Dorota Piaskowska**, University College Dublin, Ireland; **Jonas Puck**, WU Vienna, Austria; **Stefan Schmid**, ESCP Europe, Germany

NOTE: This session is open to **invited participants only!**

## **From Brain Drain to Brain Gain: The Agenda for Global Talent Management in Overcoming Talent Migration from Emerging Markets**

**M. Shagalkina, M. Latukha**

St. Petersburg State University, Russian Federation

## **The International Expansion of Family Firms: Evidence from Eight Case Histories**

**J. R. de la Torre, J. I. Martínez**

Bologna Business School, United States of America

## **Implementation, Integration, and Internalization of Foreign Human Resource Management Practices in Chinese Multinational Companies**

**M. Lemanski**

University of Nottingham, Poland

## **The Role of External Social Network Ties in Foreign MNE R&D Subsidiaries in China: A Transactive Memory Approach**

**D. Schulzmann, Y. Hu**

Aalborg University, Denmark

## **Entry Mode Choice: A Meta-Analysis of its Antecedents and Consequences**

**C. M. P. Sousa, C. Wan, J. Lengler, Q. Tan**

Molde University College, Norway

## **The Role of Subsidiaries from Multinational Enterprises in the Digital Era**

**F. Fisch, A. C. C. Fleury**

USP - University of São Paulo, Brazil

## **International Board Membership and Performance in Hybrid Organization: Does an Insider CEO Matter?**

**T. W. Sommeno**

University of Agder, Norway

## **Response to Institutions by Emerging Markets Firms: Existing Research and Future Directions**

**I. Mihailova**

University of Eastern Finland, Finland

# **JIBP PDW: Journal of International Business Policy Paper Development Workshop**

*Time:* Friday, 13/Dec/2019: 8:30am - 12:30pm · *Location:* CT 1.01

*Session Chair:* Sarianna Lundan, University of Bremen, Germany

*Session Chair:* Ari Van Assche, HEC Montréal, Canada

PDW DISCUSSANTS: **Jeremy Clegg**, University of Leeds, United Kingdom; **Axele Giroud**, University of Manchester, United Kingdom; **Carlo Pietrobelli**, University Roma Tre, Italy; **Roberta Rabellotti**, Università di Pavia, Italy; **Ram Mudambi**, Temple University, USA; **Rob Van Tulder**, Erasmus University, Netherlands

NOTE: This session is open to **invited participants only!**

## **A Peek into Regional HQ's Location: Do Investment Motives and Local Business Relationships Matter?**

**I. Saittakari**

Aalto University School of Business, Finland

## **Geopolitical Risk and Foreign Investment**

**S. M. Aldhawyan**

Strathclyde Business School, United Kingdom

## **Implication of Government Policy for Local Knowledge Creation in the Late-comer Economies: Comparison Between South Korea and China**

**E. Park**

Aalborg University, Denmark

## **How Outward Foreign Investment from Emerging Markets Affects Economic Development at Home: Using the Eclectic Paradigm to Synthesize Two IB Literatures**

**G. Hendricks**

Warwick University, United Kingdom

## **JHD Tutorial: 33rd J.H. Dunning Doctoral Tutorial**

*Time:* Friday, 13/Dec/2019: 8:30am - 5:00pm · *Location:* University House

*Session Chair:* Jean-Francois Hennart, Tilburg University, Netherlands, The

*Session Chair:* Gabriel R.G. Benito, BI Norwegian Business School, Norway

TUTORIAL FACULTY: **Lars Håkanson**, Copenhagen Business School, Denmark; **Elizabeth Rose**, University of Leeds, United Kingdom; **Eleanor Westney**, MIT, United States of America, and York University, Canada

NOTE: This session is open to **invited participants only!**

### **New Business Models in SMEs to Compete in the Global Market**

**G. Benito-Sarria**

University of Valencia, Spain

### **Trump's Twitter Fury, Foreign Firms, and Corporate Political Activity: How Do Stock Markets React?**

**A. Gerstbauer**

WU - Vienna University of Economics and Business, Austria

### **Political Change and Foreign Direct Investment Behavior**

**V. Kunczer**

WU - Vienna University of Economics and Business, Austria

### **Strangers in a Strange Land: Essays on Migration in Management**

**M. J. Mueller**

Rotterdam School of Management, Erasmus University, Netherlands, The

### **Foreign Direct Investment Inflows and Intellectual Property Strategies for Multinational Corporation in Emerging Markets – The Case of Trademarks in Vietnam**

**A. T.-L. Nguyen**

University of York, United Kingdom

### **Foreign Divestment Decision: The Impacts of Institutional Differences and Top Management Team**

**H. T. T. Nguyen**

University of Vaasa, Finland

### **Decision-Makers' National Background and Risk Perception in Internationalization**

**G. Ribeiro Rodrigues da Silva**

Federal University of Paraná, Brazil

### **The Role of National Diaspora for Internationalization of Emerging Market Firms: The Perspective of Chinese Business in Russia**

**L. Rysakova**

St. Petersburg State University, Russian Federation

### **Talent Migration from Emerging Markets: Setting an Agenda for Global Talent Management**

**M. Shagalkina**

St. Petersburg State University, Russian Federation

### **Speaking the Same Language? The Effects of Cross-Border Acquisitions on Targets' Local Alliance Partners**

**T. B. M. Truong**

BI Norwegian Business School, Norway

# JIBS PDW: Journal of International Business Studies Paper Development Workshop

*Time:* Friday, 13/Dec/2019: 1:30pm - 5:00pm · *Location:* MT 3

*Session Chair:* Becky Reuber, University of Toronto, Canada

*Session Chair:* Fabian Jintae Froese, University of Goettingen, Germany

PDW DISCUSSANTS: **Sjoerd Beugelsdijk**, University of Groningen, Netherlands; **Pavlos Dimitratos**, University of Glasgow, United Kingdom; **Birgitte Grøgaard**, BI-Norwegian Business School, Norway; **Philip Kappen**, Uppsala University, Sweden; **Peter Liesch**, University of Queensland, Australia; **Elizabeth Maitland**, University of Liverpool, United Kingdom; **Klaus Meyer**, Ivey Business School, Canada; **Sinéad Monaghan**, Trinity College-Dublin, Ireland; **Rebecca Piekkari**, Aalto University, Finland; **Emmanuella Plakoyiannaki**, University of Leeds, United Kingdom; **Tiina Ritvala**, Aalto University, Finland; **Grazia Santangelo**, Copenhagen Business School, Denmark; **Rudolf Sinkovics**, University of Manchester, United Kingdom; **Arjen Slangen**, KU Leuven, Belgium; **Ari Van Assche**, HEC Montréal, Canada; **Catherine Welch**, University of Sydney, Australia

NOTE: This session is open to **invited participants only!**

## Foreign Investment Location Choices: Key Theoretical Considerations and Unforeseen New Realities

**M. Dike**

Aalto University School of Business, Finland

## Knowledge and HRM Practice Transfer in Emerging Economies: The Case of Japanese Joint Ventures in Indonesia

**J. Soehardjojo**

IDE-JETRO, Japan

## An Empirical Investigation of Entry Mode Portfolio Theory

**N. Walia**

Kings College, London, United Kingdom

## The Evolution of Born Globals: A Review of Recent Research

**S. Øyna**

University of Agdar, Norway

## News Media as a Political Institution: Conceptualising the Role of News Media in International Business

**K. Lai**

University of Edinburgh, United Kingdom

## It's Not What You Say, But How You Say It – The Role of Dialects in Cross-Border Acquisition Target Selection

**M. Langosch**

Loughborough University, United Kingdom

## Identification with the Organization in the Wake of a Foreign Acquisition – Understanding Organizational Members' Sense-Making Processes

**C. Kempf**

Friedrich-Alexander University Erlangen-Nürnberg, Germany

## How Do Emerging Market MNEs and Advanced Market MNEs Innovate?

**J. Cheng**

University of Leeds, United Kingdom

## Revisiting Coordination Demands of Subsidiary Strategies: Higher Informal Mechanisms for Competitive Local Responsiveness

**H. Kim**

Tohoku University, Japan

## Legitimization Model of Common Language In MNCs: Exploring the Contradictory Consequences of the Common Language Policy From a Configurational Perspective

**J.-c. Hsu**

The Chinese University of Hong Kong, Hong Kong S.A.R. (China)

## Dynamic Capability and Performance Among Internationalizing Firms: The Role of Digital Technology

**E. K. Appiah**

University of Vaasa, Finland

## The Impact of Corruption Distance On MNE's Entry Strategies: An Integrative Perspective

**X. Wang**

City University, Hong Kong, Hong Kong S.A.R. (China)

**Lender Representatives on Board of Directors and Internationalization in Firms: An Actor-Centred Institutional Perspective**

**V. Sukumara Panicker**

Loughborough University, United Kingdom

**Win-Win Strategies for Firms Operating in Resource-Dependent Economies: Technological Spillovers and Collaborative Diversification Policy**

**I. Heim**

University of Reading, United Kingdom

**MNE's Business Model, Governance & Relational Condition, and Suppliers' Capability Development in Cross-Border Dyads**

**I. Hoque**

Aalborg University, Denmark

**Migrant Diaspora Entrepreneurship Model: An Interdisciplinary Framework with Social Sciences, International Business, and Corporate Finance**

**A. Nathan**

providence college school of business, United States of America

**Cross-Country Study of Behavioral Intentions of McDonald's Consumers**

**M. C. Henriquez Parodi**

University of Agder, Norway

**Perceptions Of Success in Internet Start-Ups: A Cross-Country Comparison of China, Germany, and The UK**

**S. K. Franzke**

University of Goettingen, Germany

**Internationalization in the Digital Age: The Role of Cultural Distance and Environmental Uncertainty**

**C. Werdich**

University of St.Gallen (HSG), Switzerland

# **JWB/JMS PDW: Journal of World Business/Journal of Management Studies Paper Development Workshop**

*Time:* Friday, 13/Dec/2019: 1:30pm - 5:00pm · *Location:* MT 6

*Session Chair:* Ajai Gaur, Rutgers Business School, United States of America

PDW DISCUSSANTS: **Jonathan Doh**, Villanova University, USA; **Mario Kafouros**, University of Manchester, United Kingdom; **Ans Kolk**, University of Amsterdam, The Netherlands; **Ram Mudambi**, Temple University, USA; **Chinmay Pattnaik**, University of Sydney, Australia; **Esther Tippmann**, National University of Ireland Galway, Ireland

NOTE: This session is open to **invited participants only!**

## **Too Many Cooks Spoil the Broth? Exploring the Information-processing Performance of Boundary-spanning Government Affairs Subsidiaries in Response to Brexit**

**A. Barron**

Toulouse Business School, France

## **The Power of Perils of Cognition: Differential Role of Heuristics and Biases in the Initial and Post-Entry Internationalization**

**A. Faroque, O. Kuivalainen, S.-K. Asikainen**

LUT University, Finland

## **The Company that Bribed the World: A Case Study of the Institutionalization of Corrupt Practices by an MNC**

**A. Castro**

University College London, United Kingdom

## **Due Diligence Extensiveness in International Strategic Alliances: Climbing Up and Down the Institutional Ladder**

**C. E. Georgiou**

University of Warwick, United Kingdom

## **Perceptions of Home-Country Institutions, Decision-Making Logics, and International Performance of SMEs**

**I. Laine, T. Galkina, L. Torkkeli**

LUT University, Finland

## **Pandering to Politicians: A Multiple Agency Perspective on State-Owned Enterprises in Emerging Markets**

**I. D. Apriliyanti, M. Dieleman, T. Randøy**

University of Agder, Indonesia

## **Bricolage in Business Models for Environmental Sustainability: How New Green Innovators "Make Do" at the Bottom of the Pyramid**

**J. Musona**

LUT University, Finland

## **Industry Specialization Effects on New Business Venture Innovations: The Moderating Role of (Un)Related Variety**

**L. Liu**

Aalto University School of Business, Finland

## **Stakeholders with Divergent Interests: The Case of Business Groups in Energy and Mining Sectors**

**M. Aluchna**

Warsaw School of Economics, Poland

## **Going Beyond Home Region: An Empirical Investigation of Inter-Regional Expansion**

**O. Grebinevych**

Montpellier Business School, France

## **Liability of Peripheral-Ness in Foreign Markets: What Forms Crippled Integrity of Internationalizing Craft Breweries**

**P. Jasovska**

University of Technology Sydney, Australia

## **Emerging Markets Firms' Divestment from Foreign Markets: Do Investment Motives Matter?**

**M. S. Baloch, A. Suma**

COMSATS University, Pakistan

## **Strategy Implementation Gaps In MNCs: Evidence from the Automotive Industry**

**S. G. Rieder**



**Managing Low-Skilled Migrant Workers: An Interdisciplinary Review and Explorative Case Studies of Japanese SMEs**

**S. Suolinga**

Tohoku University, Japan

**Entrepreneurial Intention Across Countries: Does Gender Egalitarianism Impact?**

**C. Cannavale**

University of Naples Parthenope, Italy

**When an MNE's Host Country Partner Decides to Diversify: Insights from a Case in Saudi Arabia**

**F. Alfehaid**

Durham University, United Kingdom

**Born Regional SMEs within the Muslim World**

**H. Younis**

London South Bank University, United Kingdom

**Designing Business Models for Value Co-Creation: A Case Study of Local Firms in Vietnam**

**N. A. P. Le**

Macquarie University, Australia

**TMT Cognitive Diversity and Competitive Propensity: A Social Shared Cognition Perspective**

**S. Luo, Y. Wei**

National Sun Yat-Sen University, Taiwan

**Avoiding "Cultural Distance Paradox": Switching to Cultural Friction Lens: An Empirical Study On Foreign Divestment**

**H. T. T. Nguyen, J. Larimo**

University of Vaasa, Finland

## C 1.1.12: Global Innovation

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.32  
Session Chair: Marina Papanastassiou, Middlesex University, United Kingdom

### Global Innovation and Firm Performance

**E. Mavroudi<sup>1</sup>, M. Kafourous<sup>2</sup>, C. Wang<sup>3</sup>, J. Hong<sup>4</sup>**

<sup>1</sup>University of Leeds, United Kingdom; <sup>2</sup>Alliance Manchester Business School, United Kingdom; <sup>3</sup>Nottingham University Business School, United Kingdom; <sup>4</sup>University of International Business and Economics, China

We examine how the manner in which firms locate their portfolio of R&D units is associated with value creation and capture from global technological innovation. Our analysis of 564 R&D units located in 47 countries shows that locating R&D units in countries with weak intellectual property rights (IPR) protection is positively associated with the value added from global technological innovation. By contrast, locating R&D units in countries with similar characteristics is negatively associated with the value added from global technological innovation. Moreover, locating R&D units in countries with similar characteristics moderates the positive association between locating R&D units in countries with weak IPR protection and the value added from global technological innovation.

### How Does the Labour Quality in Overseas Affiliates Affect the Productivity of Parent Companies? An Affiliate Role Perspective

**Y. Yang, R. Strange, Y. Wu**

University of Sussex, United Kingdom

The traditional view of the multinational corporation (MNC) envisages knowledge flowing from the parent company to the overseas affiliates to the benefit of the latter. But recent research has suggested that there may be a reverse knowledge transfer effect through which MNC parent companies may benefit from the activities of their overseas affiliates. In this paper, we consider whether the labour quality in overseas affiliates has an impact upon the productivity of MNC parent companies. We test empirically for this relationship using a firm-level panel of more than 2,800 manufacturing MNCs and over 5,600 overseas affiliates in the period 2008-2015. Our main results indicate that highly-skilled labour in overseas affiliates has a significant impact upon the productivity of parent companies, suggesting the existence of a strong reverse knowledge transfer effect. In addition, we also establish that this knowledge transfer effect is greater (1) when the overseas affiliates are in related, rather than unrelated, industries; (2) when the overseas affiliates are upstream, rather than downstream, in the MNCs global value chains; (3) when the overseas affiliates involve horizontal, rather than vertical, FDI; and (4) when the overseas affiliates are wholly-owned subsidiaries, rather than joint ventures.

### Intangible Assets of MNE Foreign Subsidiaries: The Role of Internal Financial Resources and Host Country Institution

**Q. Nguyen**

University of Reading, United Kingdom

In this study, we examine key factors which affect knowledge-based intangible asset holdings and investments of foreign subsidiaries of multinational enterprises (MNEs). We develop our hypotheses by drawing upon the international accounting standard IAS38 on Intangible assets, the pecking order theory in the finance literature and the institution theory. We theorise that MNE foreign subsidiaries combine and utilize their internal financial resources, namely, cash holdings (finance-based firm-specific advantages - FSAs) with externally accessed institutional factors of host countries, specifically economic freedom and rule of law (host country-specific advantages - CSAs) in their holdings and investments of intangible assets through self-creation and/or purchases. We empirically test our hypotheses using a new original dataset of European subsidiaries of U.S. MNEs. We find that cash holdings and host country economic freedom share a significant and positive relationship with intangible asset holdings and investments. However, host country rule of law has a negative relationship. These findings would be useful to MNE subsidiary managers and policy makers.

### International External Knowledge, Home Country Institutions and Innovation of Firms from Transition Countries

**A. Rodriguez, M. J. Nieto, V. Hernandez**

Universidad Carlos III de Madrid, Spain

In this study, we analyze how the acquisition of international and domestic external knowledge contributes to the innovation performance of firms in transition economies and how the institutional conditions of the home country may affect these relations. We test our hypotheses using an eighteen-country sample of 710 firms from the Business Environment and Enterprise Performance Survey (BEEPS) in 2012. Our findings show that both external knowledge sources –domestic and international– contribute positively to the firm's number of new products in transition economies. Our results also indicate that country's governance imperfections positively moderate the relations between both domestic and international external knowledge and the firm's number of new products. Additionally, our findings highlight that the benefits of international external knowledge for firms' product innovation are greater in contexts with weaker institutional conditions than in environments with stronger institutional conditions. In contrast, the benefits of domestic external knowledge for product innovation do not vary substantially between scenarios with stronger institutional conditions and those with weaker ones.

## C 1.1.13: Collaborative Instructional Designs in International Business

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.15

Session Chair: Hinrich Voss, University of Leeds, United Kingdom

### A Cognitive Load Theory Perspective on Collaborative Learning and Student Performance

**T. Lindner**

WU Vienna, Austria

Cooperative learning is a key design element in modern business education. Cognitive Load Theory suggests that the additional related difficulty of managing the social fabric in a student group may interfere with intended positive outcomes of cooperative learning. This study first establishes how students' learning outcomes depend on how they perform in cooperative learning exercises and how much they participate in those exercises. Second, it uses Cognitive Load Theory to explain why these effects are different when the content students are expected to master becomes more difficult. It tests the resulting hypotheses on a dataset with 578 observations collected in the context of a six-module class.

### Practicing What We Preach: Cross-Country Teaching Collaborations to Support SMEs' Internationalisation and Students' Real-life Learning

**T. Lehmann<sup>1</sup>, V. Wohlgemuth<sup>1</sup>, A. Ammeraal<sup>2</sup>**

<sup>1</sup>Hochschule für Technik und Wirtschaft Berlin, Germany; <sup>2</sup>Hogeschool Utrecht, The Netherlands

This paper illustrates how teaching itself and not only the content of teaching can be internationalised in Higher Education Institutions (HEIs). The INTENSE teaching approach, developed in an Erasmus+ programme, fosters student's international skills, entrepreneurial skills and innovation skills. The approach was developed by five HEIs. Besides the development of new teaching materials for interactive class room use in an international collaboration, an international consultancy network was set up. As part of their curricula, students from different countries and HEIs consult real-life SMEs in their internationalisation. Within the network, students from the home and the host country of the specific SME, and therefore also from different HEIs, are involved. They can offer country specific knowledge to the SMEs and the collaboration between students of different HEIs and countries benefits their learning. In this paper we describe how and why this teaching approach was developed, how it can be implemented, as well as the lessons learned and best-practices from the first four semesters of teaching the approach.

### Across the Universe: Building the Skill Universe through Case Solving

**Z. Ábrahám**

Corvinus University of Budapest, Hungary

Case method has been widely used and has an extensive track record in business education. Skill development through case solving however has been given less attention to in the academic debate. The paper aims to fill this gap by asking what skills can be developed through case solving. Based on empirical evidences gained through case competitions the paper introduces a problem solving framework applicable in International Business education and helps to structure different IB challenges by investigating how can skills be developed and practiced through case study solving. The CASE model consists of four phases (Collect, Analyze, Solve, End) and provides a problem solving framework for both IB students and lecturers by summarizing the main steps of case study solving process. Beside theorizing the skill development achievable by case solving, the CASE model gives a practical guideline to students and lecturers on how to organize their workflow during case solving. CASE SOLVERS' Skill Universe includes twenty-one essential problem solving skills which can be developed through case-based IB courses. These skills as part of the Skill Universe are organized around four constellations (Create, Conduct, Collaborate, Communicate). The paper aims to contribute to the academic discussion on interdisciplinary innovation in IB education.

## C 1.1.14: The MNE and Its Subsidiaries

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.06  
Session Chair: Deborah Mireles, NUIG, Ireland

### Organizational Identity Work as Ambiguous Imagery: Sustaining Tensions and Developing Flexibility in MNE Subsidiaries

H. L. Colman<sup>1</sup>, B. Grøgaard<sup>1</sup>, I. Stensaker<sup>2</sup>

<sup>1</sup>BI Norwegian Business School, Norway; <sup>2</sup>Norwegian School of Economics, Norway

The subsidiaries of multinational enterprises (MNEs) are embedded in multiple contexts that provide them with potentially conflicting cues and demands. They need to gain legitimacy in both their local contexts and the MNEs. Through a qualitative case study, we explore how subsidiaries engage in identity work to manage multiple demands and position themselves in the MNE. We find that identity work unfolds as three balancing processes; negotiating boundaries, securing distinctiveness, and managing relationships. We observe that identity work generates coherent self-perceptions in the form of an ambiguous image, referring to the optical illusion wherein an image can provide multiple, yet stable perceptions and meanings. As an ambiguous image, organizational identity work is an ongoing endeavor where organizational members experience their organization as seamlessly shifting identity labels and meanings, as multiple organizational selves are invoked, and multiple stakeholders engaged.

### Capability and Charter Change: An Extension of Birkinshaw and Hood's (1998) Concept of Generic Processes of Subsidiary Evolution

M. Dzikowska<sup>1</sup>, J. Gammelgaard<sup>2</sup>, F. Keller<sup>3</sup>

<sup>1</sup>Poznan University of Economics and Business, Poland; <sup>2</sup>Copenhagen Business School, Denmark; <sup>3</sup>Zurich University of Applied Sciences, Switzerland

We extend and refine Birkinshaw and Hood's (1998) concept of subsidiary evolution. In particular, we use changes of functional capability and charter to create an exhaustive classification of subsidiary's functional evolutionary paths. While considering dynamic differences in the functional responsibilities of 183 subsidiaries operating in the Polish manufacturing industry we identify 729 observations of the functional evolutionary paths. Finally, we validate the concept of the subsidiary's functional evolutionary paths by utilizing the two-level multinomial logistic regression models. Thus, our unit of analysis is at the level of an individual value chain function and not at the level of an entire subsidiary. This constitutes an important development of the extant studies on subsidiary evolution. The mentioned development brings the quantitative research on subsidiary evolution closer to the present status of operations of MNEs.

### The Role of Subsidiaries from Multinational Enterprises in the Digital Era

F. Fisch, A. C. C. Fleury

University of São Paulo, Brazil

The purpose of this paper is to contribute to the understanding of Multinational Enterprises considering the Digital Transformation, also known as Industry 4.0. In this theory-building paper, we develop a set of propositions and an analytical model based on literature review and secondary data from business literature and websites from selected companies. We base our study on a model and taxonomy for plant roles from the Operations Management research field. The literature review identifies concepts and trends regarding the configuration and coordination of international manufacturing networks, their plant roles, Industry 4.0, and what has been published about its effects on Multinational Enterprises. A key finding is that Industry 4.0 technologies allow firms to locate management activities in a single subsidiary while dispersing execution activities through the manufacturing network. The analytical model and propositions support new modes of configuration and coordination not foreseen by traditional frameworks, built during the third industrial revolution. The paper introduces Digital Transformation to the study of subsidiaries of Multinational Enterprises, offering a renewed perspective on their configuration and coordination possibilities.

### Beyond Location-specific Advantages for Regional Headquarters: Do Local Business Relationships Matter ?

I. Saittakari<sup>1</sup>, J. Scott-Kennel<sup>2</sup>

<sup>1</sup>Aalto University, Finland; <sup>2</sup>University of Waikato, New Zealand

The location of headquarters has significant economic and symbolic value for a host nation. In this paper we focus on subsidiaries with regional headquarters (RHQ) mandates, as they tend to be more mobile than home-based corporate headquarters. While the importance of location-specific advantages is well-recognised, we find much of the literature in international business has neglected the investment motives of the RHQ and the relationships that develop between headquarters and local firms. We argue that relationships with local business partners are especially important for RHQ located in small open economies (SMOPECS), which may not otherwise be attractive locations due to their limited market size. Using a unique dataset of subsidiaries in SMOPEC, we find market-seeking RHQ are more likely to take advantage of relationships with local business buyers - but not with suppliers - than regular subsidiaries. These results contribute to understanding of the interplay between RHQ investment motive and location. They also suggest that contemporary RHQ do not only have coordination and control responsibilities for other subsidiaries within a region, but are actively involved in sales activities with main business buyers.

## C 1.1.2: International Banking and Finance

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: Liberty 1.28

Session Chair: Konstantinos Bozos, University of Leeds, United Kingdom

### Analyzing the Role of Renewable-energy Fund Investors in Sustainable Development

**C.-P. Martí-Ballester**

Universitat Autònoma de Barcelona, Spain

Mutual fund investors could contribute to sustainable development by encouraging fund managers to channel their savings into the funding of sustainable energy projects adopted by firms. This study examines whether renewable-energy investors take into account financial and/or non-financial factors when making the decision to invest in a specific fund, comparing their investment behavior with that of black energy and conventional investors. To this end, we have gathered information about 4368 mutual funds (76 renewable-energy funds, 109 black-energy funds and 4183 conventional mutual funds) from January 2007 to December 2017. For this sample, we adopt a panel-data approach with Petersen's standard errors clustered by fund and year. Our results indicate that renewable-energy fund investors are less sensitive to past financial performance than black-energy and conventional fund investors, indicating that the former derive their utility from non-financial attributes, while black-energy investors derive their utility from a conditional multi-attribute and conventional fund investors derive their utility from financial attributes.

### Founder-controlled Firms, International Activities and Performance: A Swedish Perspective

**A. Schmuck<sup>1</sup>, M. Hamberg<sup>2</sup>**

<sup>1</sup>Uppsala University, Sweden; <sup>2</sup>University of Stavanger, Norway

Firms controlled by their founders prefer control, cautiousness and survival. In addition, several studies suggest that founder-controlled firms perform better than other firms. We use unique hand-collected data for 2055 firm-year observations to study associations between internationalization activities and company performance. We confirm that founder-controlled firms perform better and that they are less internationalized. There is plenty of evidence that these firms make more cautious internationalization decisions. However, as they become more internationalized, they perform better. The data supports e.g. the Uppsala internationalization model, that suggests a gradual internationalization strategy. It also supports finance research suggesting that large acquisitions create little value. It is possible that cautious internationalization strategies based on organic growth works better.

### The Strategic Decision to Allocate Capital: A Behavioral Review and Guidance for Future Research

**R. Kremer**

University of Erfurt, Germany

Research on capital allocation confirms that corporate headquarters fail in their role to achieve appropriate investment in business units with high-expected returns. While the vast literature identifies agency problems, sociopolitical and external factors as primary impediments, recent contributions adopted a behavioral perspective to explain that behavioral mechanisms affect the allocation of financial capital. As this represents an understudied area with unclear conceptualization, this review seeks to provide a robust understanding on how behavioral mechanisms affect this important decision process. A main contribution is a behavioral framework that analyzes each phase of the strategic allocation decision process – identification, development, and selection – separately, with a special emphasis on distortive behavioral mechanisms. This review closes by highlighting further research opportunities and methodological challenges.

## C 1.1.3: Mergers & Acquisitions in Emerging Markets

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.09

Session Chair: Guus Hendriks, University of Warwick, United Kingdom

### Acquisitions or Greenfield Investments by Emerging-market MNEs? Bilateral Diplomatic Relations as a Substitute of Prior Local Experience

**D. Quer, L. Rienda, R. Andreu**

University of Alicante, Spain

This study addresses establishment mode decisions by emerging-market multinational enterprises entering other emerging economies. More precisely, we examine the influence of prior host country experience and home government official visits on the choice between the acquisition of a local company and the creation of a new subsidiary from scratch. By analyzing 315 investments carried out by Chinese firms in Latin America, we obtain that they are more likely to enter through an acquisition when they have established prior subsidiaries in the host country. Moreover, recent Chinese government official visits contribute to mitigate the difficulties of an acquisition for those companies with less local experience.

### M&A Investments of Chinese POEs in Developed Countries - Acquiring and Bundling Strategic Assets

**J. Wu, D. Morschett**

University of Fribourg, Switzerland

While literature has argued that cross-border mergers and acquisitions by Chinese companies in developed countries are motivated by asset-seeking, this study takes a more detailed look and investigates which exact assets are sought by Chinese private-owned companies (POEs). It is based on information from 33 interviews with top executives of 11 Chinese POEs and their 15 Western acquisition targets.

Literature usually assumes that Chinese companies possess country-specific assets but no firm-specific assets. Our study contradicts this assumption and shows that in many cases Chinese acquirers possess valuable firm-specific assets but also have distinct asset gaps. Knowing the asset profile of the Chinese POEs helps understand what assets they seek when they acquire Western companies.

Furthermore, our study shows how they bundle strategic assets of the acquired companies with their own assets to create synergies. Different from the common view, our study provides evidence that technology transfer between Chinese POEs and Western targets goes in both directions. For example, Chinese POEs do not only acquire R&D assets but also bring their own R&D assets which they bundle together. Asset bundling can be distinguished into horizontal, vertical and other asset bundling in order to create operational, collusive and growth synergies.

### EMNEs' Strategic Asset Seeking M&As: A Systematic Review of Antecedents, Processes and Outcomes

**Y. Liang, A. Giroud, A. Rygh**

University of Manchester, United Kingdom

Emerging market multinational enterprises (EMNEs), especially Chinese multinationals, have consolidated their presence on the global stage over the last decade. The emergence of EMNE challenges existing theories, but also provides the opportunity to observe how infant MNEs emerge and develop themselves in today's dynamic and competitive environment. To investigate one of the most significant strategies of EMNEs—strategic asset seeking (SAS) mergers and acquisitions (M&As) in developed countries, we adopt a systematic literature review approach to review related papers between 2000 and 2019 from all academic journals. The review organises literature on EMNE's SAS M&A into three categories in terms of 'antecedent', 'process' and 'performance'. Important factors from the three groups of papers are summarized as well as these papers' year and journal distribution, theoretical foundation, research strategy and context. Future research directions are also proposed at the end of this paper. The review aims to provide a basis for further empirical research on EMNEs' SAS M&A and to contribute to the literature on EMNEs and international business in general.

### The Determinants of Innovation-related Foreign Acquisitions by Chinese Firms - a Composition-based View

**X. Li<sup>1</sup>, X. Liu<sup>1</sup>, X. Han<sup>2</sup>**

<sup>1</sup>The University of Birmingham, United Kingdom; <sup>2</sup>The University of Manchester, United Kingdom

Drawing on the composition-based view, this study examines the firm-level determinants of innovation-related foreign acquisitions by Chinese firms. We investigate two firm-level factors, absorptive capacity and their use of home-government innovation funds, as well as their effects under the contingency of home-country regional innovation performance. Using data on Chinese listed firms from 2011 to 2017, we find that Chinese firms' decision to conduct innovation-related acquisitions abroad is positively related to firms' absorptive capacity, while negatively related to their use of home-government innovation funds. The impact of using home-government innovation funds is contingent on the level of home-country regional innovation performance. Stronger innovation performance at regional level alleviates the negative relationship between the use of home-country innovation funds and Chinese firms' decision to conduct innovation-related foreign acquisitions.



## C 1.1.4: Internationalization and Export Performance

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: Liberty G.32

Session Chair: Antonio Majocchi, University of Pavia, Italy

### The E-commerce Adoption of SMEs: A Study about Institutional Pressures

**N. Özbek<sup>1</sup>, S. Melén Hånell<sup>1</sup>, D. Tolstoy<sup>2,1</sup>, E. Rovira Nordman<sup>3,1</sup>**

<sup>1</sup>Stockholm School of Economics, Sweden; <sup>2</sup>Uppsala University, Sweden; <sup>3</sup>Mälardalen University, Sweden

The purpose of this article is to explore how institutional pressures affect internationalizing SMEs' adoption of e-commerce, and by so doing generate insights into how firms respond (differently) to these pressures. A qualitative and longitudinal case-study research design is employed to conduct in-depth analyses of two Swedish SMEs in the retail business. Our data shows evidence of mimetic pressures perceived to adopt e-commerce in both cases. Two different trajectories of organizational responses to these pressures are identified through examining the alterations that the investigated SMEs made in their organizations. By probing deeper into SMEs' underlying decisions to use e-commerce as a vehicle for international growth, this article contributes with a new understanding of how internationalizing SMEs can respond to institutional pressures and adopt e-commerce strategies that provide a good fit with their respective business models.

### Meerkats, Killer Whales and Wolves or Lonely Tigers: Impact of Business Group Affiliation on SME Internationalization

**J. Eduardsen<sup>1</sup>, S. Marinova<sup>1</sup>, B. Vlacic<sup>3</sup>, M. Gonzalez-Loureiro<sup>2,4</sup>**

<sup>1</sup>Aalborg University, Denmark; <sup>2</sup>University of Vigo, Spain; <sup>3</sup>Católica Porto Business School, Portugal; <sup>4</sup>Polytechnic Institute of Porto, Portugal

The purpose of this study is to examine how business group affiliation influences internationalization of SMEs. We analyze this impact considering SME affiliation with both domestic and international business groups by using a sample of 14,513 European SMEs. Our findings show that the international involvement of SMEs affiliated with business groups is significantly higher than for stand-alone SMEs. However, our findings demonstrate that the type of business group (i.e. domestic versus international) moderates the impact of business group affiliation on the international involvement of SMEs. Consequently, our findings suggest that business group affiliation provides advantages for SME internationalization only if it provides access to international inter-firm networks thus acting as a compensatory mechanism for liability of outsidership and liability of newness in foreign markets. In such cases, business group affiliation is a major resource capital that equipoises the somewhat limited financial resource provision for SME internationalization.

### The Relationship between Competitive Export Pricing and Export Performance: The Moderation Role of Market Development

**C. Sousa<sup>1</sup>, J. Chen<sup>2</sup>, X. He<sup>3</sup>**

<sup>1</sup>Molde University College, Norway; <sup>2</sup>Queen Mary University of London, United Kingdom; <sup>3</sup>Durham University, United Kingdom

Pricing competitiveness is an important dimension of export pricing, which directly affects the exporting activities and outcomes. Therefore, this study focuses on the relationship between competitive export pricing and export performance and the moderating role of market development. The results indicate that competitive export pricing appears to have inverted quadratic effects on export sales; this quadratic relationship is altered by market development levels of the export markets. The authors also investigate the fit line that pinpoints the optimal competitive export pricing facing different market development levels, which suggest the best competitive export pricing level in different export markets.

### Causes and Consequences of Environmentally-sustainable Strategies in Export Markets

**C. C. Costa<sup>1</sup>, J. M. T. Carneiro<sup>2</sup>, T. D. L. v. A. de Macedo Soares<sup>1</sup>, R. G. B. Goldszmidt<sup>2</sup>**

<sup>1</sup>IAG PUC RIO, Brazil; <sup>2</sup>FGV EAESP, Brazil

Although the literature has found preliminary evidence that environmentally-sustainable strategies would tend to lead to better performance, research on the relationship between these two constructs is still scarce, particularly in export markets (Leonidou, Katsikeas, Fotiadis &, 2013; Leonidou, Fotiadis, Christodoulides, Spyropoulou & Kasikeas, 2015). This study investigates organizational determinants (specifically, dynamic capabilities) and institutional determinants (specifically, regulation, society pressures, and competition) associated with the adoption of environmentally-sustainable strategies and also examines the impact of such strategies on export performance, as well as the moderating effect of the level of maturity of environmental consciousness of the destination market. Since it has been argued that the effect would tend to vary across different types of industries, this study employs a more homogeneous research setting – the agribusiness industry in a broader sense – in order to examine the determinants of the adoption of environmentally-sustainable strategies and the impact of these strategies on export performance. Empirical evidence from a sample of 143 Brazilian firms corroborates the expected positive relationship between environmentally-sustainable strategies and export performance and suggests that both internal and external factors influence the adoption of such strategies. However, some of the expected impacts of were not confirmed.

## C 1.1.7: CSR, Informal Institutions and Stakeholder Reactions in Host Countries

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.02 (Boardroom)

Session Chair: Stephan Manning, University of Sussex, United Kingdom

### Attention to Green Aliens? MNEs' Activities in Host Countries and Eco-innovation Diffusion

Y. J. Ha

University of York, United Kingdom

We investigate the extent to which eco-innovation activities within multinational enterprises (MNE) in the host country affect local firms. By analyzing the Korean innovation survey and patent data, we find that as more foreign MNEs conduct eco-innovation locally, the size of attention field is increased in a local firm. The increased attention field then mediates the effect of foreign MNEs on the likelihood for the local firm to successfully implement eco-innovation. Local firms further benefit from the presence of foreign MNEs when the foreign MNEs come from vicinity of the host country or has long-term presence in the host country.

Based on the attention-based view, we understand the presence of foreign MNEs as an external driver of organizational attention field to a range of social and environmental issues.

### Integrating Corporate Social Responsibility into Corporate Governance: A Comparative Institutional Study of UK and Japan

W. I.-K. Kang, A. Rygh

University of Manchester, United Kingdom

The field of comparative corporate governance (CG) demonstrates the variety of CG models across nations. Yet, the comparative CG field still has a relatively narrow and under-contextualised view of CG institutions leading to such differences. This also implies a lack of attention to the role of informal institutions. In this paper, we seek to provide a more in-depth understanding of the role of informal institutions and their complementarity with formal institutions to explain CG outcomes. To do so, we explore the recent trend of increasing integration of corporate social responsibility (CSR) aspects into CG, where informal institutions take on particular importance. Our comparative case study of companies from the UK and Japan examines how both formal and informal institutional configurations affect internal stakeholders' (managers and employees) interactions. Such configurations explain differences between the two nations in outcomes such as board involvement in CSR, employee participation and types of CSR training.

### Gender Inequality and Lending to Women: The Moderating Effect of Internationalization

S. A. Nyarko

Université Libre de Bruxelles, Belgium and University of Agder, Norway

Much of the microfinance rhetoric evolve around fighting female poverty which is the result of discriminatory gender norms and traditions. For decades now, the industry is subject to much foreign influence. Yet, little is known on how the women targeting strategy of microfinance institutions (MFIs) is affected by the interplay between societal norms and internationalization. In response, this study investigates the influence of gender inequality on the women outreach performance of MFIs and tests the moderating effect of internationalization. Using data on 214 MFIs from 65 countries, the results show that microfinance outreach to women is low in contexts where women face much discrimination. The results further show that this relationship is the reverse for internationally initiated MFIs. This study highlights the role of international actors in driving the women focus of microfinance.

### Stakeholder Responses and the Interplay between MNE Post-entry Behavior and Host Country Informal Institutions

E. Peltto, A. Karhu

University of Turku, Finland

The purpose of the study is to develop our understanding on the interplay between MNEs and informal institutions on firm - industry level. The interplay here refers to how responses to institutions develop in a particular context and how this development is interrelated to stakeholders' reactions and activities. To study this interplay between MNE and informal institutions, we draw on literature on institutional complexity as well as co-evolutionary perspective. We present two case vignettes on MNEs' post entry strategies and behaviors in their new host markets. With the help of these two case examples, we aim to gain new insight on how and under what conditions informal institutions of the host market may push MNEs to alter their initial strategies and behaviors on the market; and on the other hand, on how and under what conditions MNEs' strategies and behaviors may catalyst change in the host market informal institutions.

## C 1.1.9: Industry & Business Models in International Business

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.33

Session Chair: Ari Van Assche, HEC Montréal, Canada

### Exploring Modifications to the Industry Recipe of Multinationalizing Firms

**S. Monaghan<sup>1</sup>, E. Tippmann<sup>2</sup>**

<sup>1</sup>Trinity College Dublin, Ireland; <sup>2</sup>National University of Ireland, Galway

An industry recipe-based approach to internationalization offers managers shared heuristics and mechanisms to accumulate internationalization-relevant knowledge quickly, which is particularly valuable in light of the high uncertainty and knowledge deficiencies that could encumber fast-paced internationalization of entrepreneurial firms. However, there is limited information on how firms undertake recipe modifications, namely deviations from the idealized guidelines contained in the industry recipe, to achieve firm-fit. We therefore seek to understand how generic recipe heuristics become enacted in a firm-idiosyncratic manner. Drawing on inductive case studies of rapidly multinationalizing firms in the SaaS industry, we develop a framework that categorizes recipe modifications into revenue-generating, technology-enhancing and founder-pleasing. This framework advances the industry-recipe based approach to internationalization and furthers our understanding of rapid multinationalization.

### Business Model in IB Literature: A Research Agenda

**G. Benito-Sarria, J. Pla-Barber, C. Villar**

University of Valencia, Spain

We propose a systematic literature review on business models within the international business literature, due to the growing interest that the concept of "business model" is having, together with the great opportunities it presents for academic research, but also for the great confusion that surrounds this term. This study shows the different uses that have been given to this term during these years in international business literature, it pays special attention to issues of great importance to the area, such as the rapid internationalization of some companies or the adaptation of the business to emerging markets, and it shows some guidelines for future research.

### Managing Longevity – A 700-year Old Firm

**L. Ciravegna<sup>1</sup>, L. Kano<sup>2</sup>, F. Rattalino<sup>3</sup>**

<sup>1</sup>King's College London, United Kingdom; <sup>2</sup>University of Calgary, Canada; <sup>3</sup>ESCP Europe, Italy

We discuss the paradox of family firm longevity using a transaction cost economics (TCE) perspective. Using an analytic narrative approach, we conduct a historical analysis of a 700-year old family firm and develop a process model explaining how high-longevity families economize on forces that threaten their business, i.e. changes in the macroeconomic and institutional contexts at the macro-level, and pressures to prioritize heritage assets and routines at the micro-level. We argue that history, documented and transmitted through generations, informs the practices of high-longevity family firms, which focus on long-term economic value creation. These practices entail, inter alia, entrepreneurial resource orchestration to adapt to contextual changes, building reputation to protect transactions, and implementing distinct mechanisms to economize on individual-level biases.

### Is There a Global Entrepreneurship Culture? A Comparison of German and Chinese Entrepreneurs

**S. K. Franzke**

University of Goettingen, Germany

Has the globalization led to convergence of entrepreneurial beliefs? Considering global markets and access to media, one could expect that underlying values have lost their local cultural influence across the globe, making the interaction of entrepreneurial and cultural values in different country contexts an interesting avenue for research. Drawing on 61 interviews with founding CEOs in Germany and China, this study identifies two main entrepreneurial values that are prevalent irrespective of the cultural context. While showing significant convergence in the values of founders, the study neglects a pure global understanding of entrepreneurship. Rather, entrepreneurs integrate their cultural context into their interpretation of values, creating personalizing strategies, which guide them while founding and developing a company. The study identifies three main concepts that are interpreted differently by German and Chinese entrepreneurs, and develops a framework illustrating this interaction of cultural and entrepreneurial values, contributing to the literature on comparative international entrepreneurship. The study adds to our understanding on how entrepreneurs differ among countries and how globalizing markets, and the exchange of values and beliefs both in person and digitally affects entrepreneurial activities.

## I 1.1.12: Emerging Topics in Knowledge Management (1)

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.03

Session Chair: Peter Ørberg Jensen, Copenhagen Business School, Denmark

### International Opportunity Exploitation through 3D Additive Manufacturing: An Analysis of Value Chain Activities

**B. Hagen, G. Magnani**

University of Pavia, Italy

This study investigates the international opportunity exploitation of firms that have adopted 3 D additive manufacturing technologies. The firm's three main strategic decisions as to its activities' configurations in terms of "locus", "modus", and "focus" are under analysis. We find that 3 DAM makes the firms more competitive and attractive nationally and internationally. Opportunity exploitation in adopters who are driven by external pressures, more than internal motivations vary substantially. This study contributes to both international entrepreneurship research and corporate entrepreneurship because our set of in-depth case studies includes smaller entrepreneurial ventures and the larger multinational enterprise.

### The Boundary Spanning Function of the MNE Subsidiary: The Effects on Charter and Role Evolution

**P. Ryan<sup>1</sup>, U. Andersson<sup>2</sup>, M. Giblin<sup>3</sup>**

<sup>1</sup>Trinity College Dublin, Ireland; <sup>2</sup>Malardalen University, Sweden and BI Norwegian Business School, Norway; <sup>3</sup>National University of Ireland Galway, Ireland

IB literature has seldom looked at how and why certain subsidiaries span their multiple boundaries to become important contributors to MNE innovation and new product development. Consequently, we need to have a much more fine-grained understanding of how the subsidiary chases new knowledge at complex boundaries and how these boundaries evolve and change. The knowledge boundary types in standard organisation literature have been characterised (in ascending complexity) as syntactic, semantic and pragmatic. No study has examined the importance and evolution over time of both the internal and the external domains and their interrelationship at each of a subsidiary's knowledge boundary types in the development of its boundary capability for new product development. We consider a subsidiary's boundary capability to encompass its potential and realised capacity to engage with actors, in both its internal and external domains, to iteratively, and with increasing complexity, transfer, translate and transform knowledge at its multiple boundaries.

### The Importance of R&D and Patents for National Development

**F. d. O. Paula, J. F. da Silva**

PUC-Rio, Brazil

The level of R&D spending of a country increases the innovativeness of its firms and, in consequence, should collaborate with its economic growth. However, very few empirical studies investigate this phenomenon comparing countries from all over the globe, dismembering the sources of R&D spending, and trying to identify the role of innovation performance as a mediator in the relationship between R&D spending and national development. This was the main goal of this paper. Using a panel data of 35 countries from four continents (with the exception of Africa) and fifteen years (from 1999 to 2013), we could identify that R&D spending from firms and universities help to improve national development (measured by GDP per capita, GNI per capita and HDI) if they succeed in increasing the level of patent applications nationally.

### Fintech – an Existential Carrot that Flutters in Front of Your Noses: A Case of Financial Ecosystem Innovations in Quebec

**B. Deak<sup>1</sup>, D. J. Garand<sup>1</sup>, R. V. Turcan<sup>2</sup>**

<sup>1</sup>Université Laval, Canada; <sup>2</sup>Aalborg University, Denmark

As technological innovations are evolving and globalizing, traditional financial organizations are facing continuously changing patterns. Though incentives for financial technology – Fintech – engagement has been rather uncommon in previous decades, this phenomenon conjectures radical transformations within the financial industry, where Fintech is expected to gain a central position within a decade. This paper investigates the impact of Fintech in the context of the financial ecosystem in Quebec (Canada), employing a multiple-case study research. Primary data was collected from top managers and founders via in-depth interviews. Data analysis used grounded theory methods and techniques, in which constant iteration between open and theoretical coding led to the discovery of a core variable: comfort zoning. Then, the typology was created by reduction, generating four types of comfort zoning: Nimbling, Imperilling, Cocooning and Discomforting. Findings on how the diffusion of Fintech innovations affects the financial ecosystem are embedded within the players' interactions. Collaborative openness of Fintech and financial institutions holds a central position, creating mutually supportive partnerships towards a bulletproof ecosystem. Implications and outcomes for practice and policy, as well as suggestions for prospective international business research are discussed, including how we can now categorize such development paths and potential partnerships, using comfort zoning typology.

### I 1.1.3: European Perspectives on Emerging Markets

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.05

Session Chair: Igor Kalinic, European Commission, Belgium

#### The Relationship between Firm's Internationalization and CSR Disclosure in the Russian Context

Y. Aray<sup>1</sup>, A. Veselova<sup>1</sup>, D. Dikova<sup>2</sup>, T. Garanina<sup>3</sup>

<sup>1</sup>Graduate School of Management, St. Petersburg State University, Russian Federation; <sup>2</sup>Vienna University of Economics and Business, Austria; <sup>3</sup>University of Vaasa, Finland

The paper aims to explore the relationship between internationalization and CSR disclosure in Russian firms. The base-line argument of the paper is on the premise that internationalization positively affects CSR reporting as such practices are expected to improve the legitimacy of emerging market firms abroad. The paper focuses on the role of state ownership as a boundary condition to the relationship between internationalization and CSR disclosure. The paper examines also the moderating effect of CIS/rest of the world international focus. We test our hypotheses on panel data on 223 large Russian firms for the period 2012-2017, collected from non-financial stand-alone company reports and supplemented by financial and organization data.

#### Integration and Investment Development Paths of CEE Countries. Does EU Membership Make a Difference?

M. Gorynia<sup>1</sup>, J. Nowak<sup>2</sup>, P. Trąpczyński<sup>1</sup>, R. Wolniak<sup>3</sup>

<sup>1</sup>Poznań University of Economics and Business, Poland; <sup>2</sup>IBD Business School, Warsaw, Poland; <sup>3</sup>University of Warsaw, Poland

A number of studies have dealt with the effects of economic integration on foreign direct investment, yet without a comprehensive and simultaneous analysis of the overall positioning of these countries along the investment development path (IDP). In the current paper, a comparative analysis is conducted of IDPs of five Central and Eastern European (CEE) countries, both members and non-members of the European Union. The purpose of the paper is to determine the effect of economic integration on FDI flows and on the movement of these CEE economies through their IDP stages. An attempt is made to identify the positioning of the sample countries on the IDP, using trend estimation depicting the relationship between net outward investment position (NOIP) per capita and GDP per capita, as well as detailed descriptive data on inward and outward FDI stocks and flows, subsequently supported with econometric analyses. While the findings point to the generally positive effect of EU membership on FDI growth and IDP trajectories, integration tends to exert a stronger effect on inward FDI than on outward FDI of member countries.

#### The Aftermath of Brexit: A Lot of Fuss Over Nothing? The Perspective of the EU-27 Member States

K. Mroczek-Dąbrowska, M. Gorynia, B. Jankowska, A. Matysek-Jędrych, A. Kania, C. Główna

Poznań University of Economics and Business, Poland

The decision about so-called Brexit, i.e. the United Kingdom's withdrawal from the European Union's structures caused an on-going debate on the consequences it may have for both the United Kingdom, as well as for the remaining EU-27 countries. The article studies Brexit impact on the EU-27 member states based on their vulnerability to the UK's withdrawal from the EU structures. The aim of the paper is to assess Brexit consequences in economic perspective (trade- and investment-wise). Based on the exposure, sensitivity and resilience to Brexit we identify countries potentially most and least affected by the process (cf. Hettne, 2010; Vollaard, 2014; Oliver, 2015; Rosamond, 2016). The remainder of this paper is organised as follows: first, we discuss the process of Brexit itself which sheds light on the background of the on-going negotiations. Next, we briefly present results of other empirical studies devoted to future EU-UK arrangements and their consequences. Further, we indicate different approaches to the vulnerability problem and propose own aggregate measure of the degree of vulnerability to Brexit for the remaining EU-27 members. In the last section, we analyse the results of the empirical study and cross-reference them with other studies on the issue.

## I 1.1.6: International Acquisitions and Entrepreneurship

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.04  
Session Chair: Olli Kuivalainen, LUT University, Finland

### Founders, Generations and the Evolving Dialogue of International Entrepreneurship

**S. Korhonen**

LUT University, Finland

This study explores different generations of individuals in international entrepreneurship (IE) and is designed to investigate qualitatively the perceptions of the IE phenomenon among the founders of early and rapidly internationalized ventures. With an initial question 'how do (potential and current) founders of early and rapidly internationalized ventures representing different generations – the age-based cohorts sharing a common location in the social historic process – reflect on the motivations and meaning of IE?', this study aims to add novel insight to the historically contextual embeddedness of individuals engaged in the IE practices. Analysis of the interviewees' sense-making suggests differences in the meaning of IE across the three generations as an outcome influenced by the differences in each generation's experience in the socio-economic environment. Therefore, the study provides some useful insights in understanding changes in IE and its trajectories, as in, how subsequent generations add their interpretations to the "dialogue" of the IE phenomenon over time. The findings encourage us to explore further the previous generations in terms of the "ground work" they've provided for the subsequent generations; or how founders construct meaning for IE in dialogue with the emerging generation as an inclusive and collective effort.

### The Power of Positivity: An Abductive Exploration into Improving Cross-border Acquisition Integration

**R. Harikkala-Laihin**

University of Turku, Finland

This paper takes a Positive Organizational Scholarship lens to post-acquisition integration, seeking to find the means for supporting positivity during post-acquisition integration in order to ease the integration process and thereby improve acquisition outcomes. Through a moderate constructionist abductive study, this paper proposes a framework of positive post-acquisition integration that centers on interactive communication, the generation of positive emotions, and the maintenance of a positive emotional climate during change. The framework is built based on a Finnish–German merger completed in late 2013, and I examine the analytical power of this framework through a German–Finnish acquisition completed in early 2017. The findings suggest that positive emotions following acquisitions can enhance employee identification with the post-acquisition organization as well as increase motivation and engagement in acquisition-related change. Conversely, negative emotions are likely to cause protectionist, change-resistant behaviors. This paper extends knowledge through a more balanced view of emotions following acquisitions, considering how and why emotions emerge and how they are dynamic in nature. The findings help practitioners improve their understanding and planning of post-acquisition changes.

### Identification with the Organization in the Wake of a Foreign Acquisition – Understanding Organizational Members' Sense-making Processes

**C. Kempf, D. Holtbrügge**

Friedrich-Alexander University Erlangen-Nürnberg, Germany

Foreign acquisitions can be interpreted as a threat for organizational members' identification with the organization as a whole as well as with their department as they may change central organizational and national attributes of both workplace targets. Understanding shifts in organizational members' identification is crucial since it results in positive individual outcomes, such as self-enhancement, self-continuity, and a feeling of belonging, which ultimately also benefit the organization. In order to interpret the sense-making processes during which organizational members reflect on the foreign acquisition, 28 interviews were conducted with members of a German company that had been acquired by a Chinese firm. The study revealed that members of the acquired company go through three phases of sense-making, namely the assessment of uncertainty, the evaluation of changes, and the reflection on identification. During the first phase, concerns for safety and uncertainty avoidance are prevalent. Needs for self-continuity and self-distinctiveness dominate in the second phase, whereas self-verification as well as self-enhancement finally guide the reflection on identification. During all three phases of sense-making, organizational members are influenced by the sense-giving actions of leaders, colleagues, and outsiders as well as media reporting on the acquisition.

### Can Cultural Friction Move from Armchair Concept to Field Measurement? The Case of Cross-border Merger and Acquisitions

**M. Durand<sup>1</sup>, M. Sondergaard<sup>2</sup>**

<sup>1</sup>South Champagne Business School, France; <sup>2</sup>Aarhus University, Denmark

Cultural friction was suggested as an alternative to cultural distance in particular in events involving cross border interactions. Five modes of research approaches demonstrate the process of going from a theoretical concept to a measurement that seems to be meaningful and important to members of the field. The importance of perception and of face is indicated. Positive as well as negative dimensions of the interactions emerge in contrast to predominant problems and challenges often related to the usage of cultural distance as measurement. Because of the concept and the selection progress, a bias towards positive perception of the interaction is found. The mixed method approach indicates ways to further developing the concept of cultural friction beyond the studies reported in the paper.



## I 1.1.9: Risk and Uncertainty in International Business and International Entrepreneurship

Time: Saturday, 14/Dec/2019: 8:30am - 10:00am · Location: MK 1.31  
Session Chair: Becky Reuber, University of Toronto, Canada

### Risk Perception and Internationalization: A Narrative Review and a Multilevel Proposal

**G. Ribeiro Rodrigues da Silva**

Federal University of Paraná, Brazil

This article claims that internationalizing is not a risk-free effort. Once the decision to internationalize has been explained in the light of risk perception, there is still the need to understand the influence this perception of risk has on the extent of resource commitment and market effort managers put on international operations. Past research on the antecedents of internationalization has shown impacts of managers, firm level and institution level on international involvement. However, these papers have produced controversial empirical findings. Due to this multiplicity of antecedents and results, one should rule out the existence of potential significant impacts derived from interaction (combination) of a manager's traits and company/industry characteristics. For this purpose, this article aims to integrate all levels of antecedents in a unique framework based on a narrative synthesis, explaining the importance of all single factors. The recommendation is that this topic should be addressed as a multilevel study, aiming to reduce the diverse results that the various levels of analysis offer to this thematic.

### Old Risks, New Reference Points? A Perspective into the Risky Business of Market Exit and Re-entry

**I. M. Surdu<sup>1</sup>, E. Ipsmiller<sup>2</sup>**

<sup>1</sup>University of Reading, United Kingdom; <sup>2</sup>WU Vienna, Austria

Going back into previously exited markets is a significant management risk. But, how are re-entry risks managed? By adding strategic reference point rationales to the risk management literature, our study examines re-entry after initial entry and divestment on a sample of 654 MNE re-entrants. We move away from narrow risk management lenses according to which risks happen in isolation and theorize that MNEs simultaneously manage international risk by exploiting the trade-offs among external and internal sources of risk. We furthermore suggest that, for re-entrants, exit may become the strategic reference point for evaluating future strategic choices. Our results suggest that re-entrants tend to manage re-entry risk by choosing partner-based modes that enable them to maintain strategic flexibility at re-entry. Surprisingly perhaps, market-specific experience acquired during the initial market foray does not provide strategic flexibility, in that highly experienced firms still experience trade-offs.

### Are International New Ventures Proactive or Reactive?

**E. S. Rasmussen<sup>1</sup>, P. Servais<sup>2</sup>**

<sup>1</sup>University of Southern Denmark, Denmark; <sup>2</sup>Linnaeus University, Sweden

This paper will elaborate on the distinction of proactive-reactive from both a theoretical and empirical point of view. From the outset, there has been a discussion in International Entrepreneurship on whether the international entrepreneur is proactive or reactive and, in the same line, whether international entrepreneurial firms are reacting to external stimuli as in the classical internationalization literature or are proactive as in the classical entrepreneurship literature. From four Danish cases, we will show how small, highly international firms are not necessarily proactive but can be reactive too or use agents and intermediaries to get access to markets. It is our intention in the paper to show that reactive-proactive is a continuum and not a dichotomy. The empirical analysis is done by applying the typology from (Ellis, 2000) and from (Merz & Sauber, 1995). The four cases are all Danish INVs and illustrate the typologies from the theoretical part. The cases can be placed far from each other on a reactive-proactive continuum. Furthermore, the cases illustrate that firms must find their strategy of reactive-proactive in a balance between the context of the market and the internal culture of the firm.

### Combined Entrepreneurial and Non-entrepreneurial Internationalization: A Case Study

**N. Nummela<sup>1</sup>, T. Vissak<sup>2</sup>, B. Francioni<sup>3</sup>**

<sup>1</sup>University of Turku, Finland; <sup>2</sup>University of Tartu, Estonia; <sup>3</sup>University of Urbino Carlo Bo, Italy

This study focuses on how and why a combination of entrepreneurial and non-entrepreneurial internationalization happens. It demonstrates that internationalization is not always a fully entrepreneurial process: SMEs can also enter foreign markets non-entrepreneurially. We bring in insights from internationalization – mostly (International) Entrepreneurship and International Business – literature, but also use an illustrative case study of a small Italian exporter to investigate a combined – simultaneously entrepreneurial and non-entrepreneurial – internationalization process. We show that combining entrepreneurial and non-entrepreneurial internationalization cannot be fully explained with existing internationalization theories, as they do not take into account the nonlinear nature of internationalization or explain why the process seems to reach a 'glass ceiling' beyond which it does not progress. Our study concludes with an alternative explanation: a conceptual framework.

## P 1.1: Global Value Chains in a Confused World Order 🎤

*Time:* Saturday, 14/Dec/2019: 8:30am - 10:00am · *Location:* MK G.02  
*Session Chair:* Teresa da Silva Lopes, University of York, United Kingdom

### Global Value Chains in a Confused World Order

**M. Casson<sup>1</sup>, T. da Silva Lopes<sup>2</sup>, R. P. Amdam<sup>3</sup>, J.-F. Hennart<sup>4</sup>, L. Piscitello<sup>5</sup>**

<sup>1</sup>University of Reading, United Kingdom; <sup>2</sup>University of York, United Kingdom; <sup>3</sup>BI Norwegian Business School, Norway; <sup>4</sup>Tilburg University, The Netherlands; <sup>5</sup>University of Reading, United Kingdom and Politecnico de Milano, Italy

Research on global value chains and the disintegration of production and other activities by multinational enterprises is usually associated with the process of globalization and the integration of world markets by trade, in particular from the 1970s (Feenstra, 1998; Gereffi, 2001; Narula and Driffied, 2012; WIR, 2013; Kano, 2018). The aim of this panel is to contrast and compare the changing boundaries of global value chains as a form of coordination of cross-border transactions in periods of globalization and de-globalization. The recent phenomena of the spread of populist and economic nationalist regimes throughout North America, Europe, Asia and elsewhere taking positions against the major trading blocks and the free movement of people and goods make the topic of this panel timely.

## **P 1.5: The Other Nordic Internationalization Process Model: How Reijo Luostarinen's Legacy Can Generate a New Agenda for IB Research** 🎥

*Time:* Saturday, 14/Dec/2019: 8:30am - 10:00am · *Location:* MK G.31  
*Session Chair:* Catherine Welch, University of Sydney, Australia

### **The Other Nordic Internationalization Process Model: How Reijo Luostarinen's Legacy Can Generate a New Agenda for IB Research**

**C. Welch<sup>1,3</sup>, M. Gabrielsson<sup>2</sup>, P. Kahari<sup>3</sup>, M. Kosonen<sup>4</sup>, J. Larimo<sup>5</sup>, R. Piekkari<sup>3</sup>, E. Rose<sup>6</sup>, L. Welch<sup>7</sup>**

<sup>1</sup>University of Sydney, Australia; <sup>2</sup>University of Eastern Finland, Finland; <sup>3</sup>Aalto University, Finland; <sup>4</sup>Sitra, Finland; <sup>5</sup>University of Vaasa, Finland; <sup>6</sup>University of Leeds, United Kingdom; <sup>7</sup>Melbourne Business School, Australia

Reijo Luostarinen's longitudinal study of the population of internationalizing Finnish firms is most often referred to as providing confirmation of the Uppsala model of internationalization. In this panel, we will argue that this view of his work is too limited and needs to be reassessed. Reijo's contributions to theories of the internationalization of firms are much richer than this, and remain under-explored in IB research. In this panel, we will examine his legacy and use it as the basis for a proposed agenda for future research on the internationalization of the firm. We show that his work offers a holistic model of internationalization processes, which brings together the internal (organizational) and external (product, operational and market) aspects of a firm's international expansion.

## C 1.2.11: Economic and Social Value in Global Value Chains

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.02 (Boardroom)

Session Chair: Ans Kolk, University of Amsterdam, Netherlands, The

### The Diffusion of Corporate Sustainability in Global Supply Networks: An Empirical Examination of the Global Automotive Industry

**B. B. de Góes<sup>1</sup>, J. M. Geleilate<sup>2</sup>**

<sup>1</sup>University of New Haven, College of Business, United States of America; <sup>2</sup>University of Massachusetts Lowell, United States of America

This study examines the diffusion process of corporate sustainability (CS) in the global automotive industry. It discusses the different roles played by the automakers, as the industry's focal firms, in diffusing CS strategies throughout their respective supply networks. Studies have explained this phenomenon as being the result of the higher levels of stakeholder exposure faced by focal firms, which generate higher levels of supplier sustainability risk. In this context, we examine the effects of three network-related firm characteristics—resource dominance, resource substitutability, and network centrality—in determining the effectiveness of a firm in diffusing CS in its network. For that purpose, we present a theoretical framework from which we derive a set of hypotheses and test them on a sample of the global automotive supply network containing 10,726 firms linked by 45,044 inter-firm relationships. The results lend significant support to the argument that these network-related firm attributes are crucial mechanisms to the process of diffusion of CS strategies in a supply network, thus contributing to extant literatures in strategic management, international business, and sustainable supply chain management.

### Social Upgrading in Global Value Chains: A Review of the Recent Literature

**I. Avrichir, S. D. S. Navarrete, R. J. Maykot**

Escola Superior de Propaganda e Marketing, Brazil

The purpose of this study is to present the results of a systematic literature review on social upgrading, a topic of growing interest among scholars of global value chains (GVCs). The work presents an analysis conducted on 16 referred journal articles on social upgrading published along the last five years. One result is that an issue that has raised considerable debate is which forms of governance have the greatest potential to promote social upgrading. Another result is that research appears to predominantly identify negative implications for social upgrading of the integration of firms in GVCs. This study contributes to clarify the current state of knowledge on the topic of social upgrading. Based on our analysis, we suggest areas of research that are likely to advance our understanding about the relationship between GVCs and social upgrading.

### Challenging the Host Countries' Location Advantages: The Role of Industry 4.0 in Fostering the Reshoring of Efficiency-Seeking Firms

**S. Elia<sup>1</sup>, P. Barbieri<sup>2</sup>, L. Fratocchi<sup>3</sup>, G. Dima<sup>1</sup>**

<sup>1</sup>Politecnico di Milano, Italy; <sup>2</sup>University of Bologna, Italy; <sup>3</sup>University of L'Aquila, Italy

Efficiency-seeking firms invest abroad to search for location advantages in terms of lower production costs or higher productivity. This explains why recent contributions show that these firms prefer to relocate to third (rather than to home) countries when undertaking relocation of second degrees (RSDs), which happens when a firm modifies a prior location decision. We claim that Industry 4.0 factors, with their potential for decreasing costs and increasing productivity, may alter this pattern, and favor the relocation to home (rather than to third) countries of efficiency-seeking firms. Accordingly, this paper examines the influence of Industry 4.0 in terms of firm-level technology intensity and home-country governmental policies on the RSDs undertaken by European companies. Our results confirm that efficiency-seeking firms tend to revert their decision and to go back to their home countries when they have the opportunity to take advantage of Industry 4.0 factors. Our findings reveal a specular role of technology intensity and policies, with the former influencing the return decisions of cost-saving firms, and the latter being relevant for productivity-enhancing firms. These results raise a debate on how Industry 4.0 may alter the relevance of firm-level and country-level advantages for the location choice of efficiency-seeking firms.

### Do Value Adding Initiatives of Emerging Economy Firms Pay Off? An Empirical Study of Vietnamese Manufacturers in Global Value Chains

**S. H. Pham<sup>1</sup>, B. Petersen<sup>2</sup>**

<sup>1</sup>Sheffield Hallam University, UK; <sup>2</sup>Copenhagen Business School, Denmark

This study examines the payoff of various initiatives taken by emerging economy manufacturers to increase the market value of their products and/or capture a larger share of this value vis-à-vis global buyers. We study value creation initiatives that include upgrading of existing products (product development) as well as functional upgrading into auxiliary services (after sales services, distribution, and promotion). Value capture initiatives comprise market intelligence and improvement of negotiation skills. Based on the data collected in 2017 from 354 Vietnamese manufacturers in global value chains we investigate the effect of value creation and value appropriation initiatives on the export performance of these emerging economy firms. With the exception of after sales services we find that all initiatives have a positive effect on the export performance either directly through increased market value of their products and/or through a strengthened bargaining position and, in turn, increased value capture.

## C 1.2.12: Knowledge Flows in MNEs

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.32  
Session Chair: Angelo Maria Solarino, University of Leeds, United Kingdom

### Organizational and Geographic Sources of MNE Networks in the Pharmaceutical Industry

**S. Edris, J. Cantwell**

Rutgers University, United States of America

This paper examines the patterns of international knowledge sourcing in competence-creating (CC) vs competence-exploiting (CE) types of innovative activity by foreign-located MNE subunits in the pharmaceutical industry. We use backward patent citations to establish the structure of the knowledge sources on which foreign-located subunits rely in developing new inventions for their CC and CE innovations. For the period 1976-2014 we examine the effects on international knowledge search for foreign subunits of their capacity to draw upon intra- and inter-organizational ties for different technical purposes in a relational system. We find that interfirm and university based linkages increase international sourcing for exploitative efforts, but that foreign subunits rely on diverse sources in their local environment for creative efforts. To further understand the knowledge landscape, we support our statistical analysis through an examination of the evolution of the knowledge network for the purpose of CC and CE knowledge sourcing, and compare their network structures. We discuss the organizational affiliations and differentiated networks within which foreign subunits source knowledge to develop innovative activity. Our findings extend international business studies by shedding light on how firms benefit from where and for what technical purpose they source their knowledge.

### The Role of External Social Network Ties in Foreign MNE R&D Subsidiaries in China: A Transactive Memory Approach

**D. Schulzmann<sup>1,2</sup>, Y. Hu<sup>1</sup>, M. A. Marinov<sup>1</sup>**

<sup>1</sup>Aalborg University, Denmark; <sup>2</sup>University of Chinese Academy of Sciences, China

Employee's social networks have been recognized as an important source of organizational innovation. However, staff members are often unaware of how other staff members are using their social networks. These circumstances lead to underutilisation of social networks. To elucidate this source of organizational innovation, this research provides insights into R&D staff's external network ties that are not included in workflows within the organization as transactive memory. Based on 75 interviews conducted during an eight-month research stay at two foreign subsidiaries in China, the findings reveal how external network ties are used, providing both explorative and exploitative opportunities in knowledge generation for international R&D activities. The paper contributes to the organizational learning and transactive memory literature by illustrating how R&D staff's personal external network ties can contribute to organizational exploration and exploitation, and can be incorporated as an additional knowledge source for collective learning. The research provides implications for management practice to consider strategical utilization of their employees' personal external network ties as an additional source for idea generation and innovation.

### Ties That Bind: The Role of Ethnic Inventors in Multinational Enterprises' Knowledge Integration and Exploitation

**A. Marino<sup>1</sup>, R. Mudambi<sup>2</sup>, A. Perri<sup>3</sup>, V. G. Scalera<sup>4</sup>**

<sup>1</sup>University of Bologna, Italy; <sup>2</sup>Temple University, United States of America; <sup>3</sup>Ca' Foscari University, Italy; <sup>4</sup>University of Amsterdam, The Netherlands

Geographically dispersed reservoirs of knowledge represent significant opportunities for multinational enterprises (MNEs), both in terms of feeding the firm's innovation process, as well as to adapting technology to new markets. They face serious challenges in accomplishing these tasks, due to the well-known barriers associated with the transfer of knowledge out of its local context. We argue that ethnic inventors might play a role in alleviating these challenges, by acting as a bridge between their countries of origin (CoO) and the MNE headquarters. Using USPTO data on internationally connected patents granted to US-based MNEs operating in knowledge-intensive industries over the period 1975-2009, our empirical exercise shows that patents involving ethnic inventors from a given CoO are associated to greater integration of knowledge originating from that CoO in the MNE innovation process. Further investigation indicates that this effect is bounded to knowledge developed within the MNE's network, suggesting that ethnic ties – per se – might not be sufficiently powerful to overcome the joint barriers of national borders and organizational boundaries. Finally, our analysis reveals that ethnic inventors could also be associated with knowledge exploitation in their CoO. This seems to occur in CoOs plagued by market-related institutional voids.

### International Knowledge Flows between Industrial Inventors and Universities: The Role of Multinational Companies

**C. Fassio<sup>1</sup>, A. Geuna<sup>2</sup>, F. Rossi<sup>3</sup>**

<sup>1</sup>University of Lund, Sweden; <sup>2</sup>University of Torino, Italy; <sup>3</sup>University of London, United Kingdom

We investigate the determinants of industry researchers' interactions with universities in different localities, distinguishing between local and international universities. We analyze the extent to which local and international interactions are enabled by different types of individual personal networks (education, career based), and by their access to different business networks through their employer companies (local vs. domestic or international multinational company networks). We control for selection bias and numerous other individual and firm-level factors identified in the literature as important determinants of interaction with universities. Our findings suggest that industry researchers' personal networks play a greater role in promoting interactions with local universities (i.e. in the same region, and other regions in the same country) while researcher employment in a multinational is especially important for establishing interaction with universities abroad.

## C 1.2.3: Institutions and Emerging Markets

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.09

Session Chair: Vidya Sukumara Panicker, Loughborough University, United Kingdom

### The Effects of Institutions on Emerging Market Firms' International Assignment Location Decisions

**I. Koleša<sup>1</sup>, A. Burger<sup>1</sup>, M. Dickmann<sup>2</sup>**

<sup>1</sup>University of Ljubljana, Slovenia; <sup>2</sup>Cranfield University, United Kingdom

The paper outlines country-level determinants of international assignment (IA) location decisions; distinguishing between Central and Eastern European (CEE) and non-CEE host countries. Using an institutional perspective, assignment patterns of the entire firm population in Slovenia are analysed. The findings show that institutional quality and institutional distance influence expatriation flows. Firms from a low quality institutional context expatriate more to markets with high quality institutions and choose host countries with higher rather than smaller institutional distance for their IAs. We refine institutional theory with respect to host and home country institutional determinants of expatriation decisions.

### Home-market Liberalization Imprinting and SME Internationalization: Evidence from India

**S. Kumari, V. Shirodkar, S. McGuire**

University of Sussex, United Kingdom

The issue of whether institutional conditions within a country at the time of firms' founding inspire the internationalization behaviour of small and medium enterprises (SMEs) originating from the country is gaining attention in the international business literature. In our study, based on institutional and organizational imprinting theories we debate that emerging market small and medium size enterprises (SMEs) born during the market liberalization period are likely to have a greater scope of internationalization than those founded in other periods. We also argue that this effect is moderated by the SMEs' size, their dispersed ownership structure and their geographical diversification. We find support for our imprinting based hypothesis using data of 177 Indian SMEs. We also find that the moderating effect of SMEs size and ownership dispersion reduces the imprinting effect of above relationship, however, moderating effect of geographical diversification is not supported.

### Subnational Institutional Diversity and Firm Internationalization

**A. Raswant, C. Pattnaik**

University of Sydney, Australia

In this paper, we argue that examining the attributes of subnational region where a firm is headquartered only partially explains the role of institutional development on firm internationalization. Subsequently, we contend that richer explanation on firm internationalization could be derived from understanding the relationship between the home-based operations and decisions related to internationalization. We examine location choices of firms within the highly diverse home country and argue that firm's engagement in diverse subnational regions of varying formal and informal institutional settings impact its internationalization. In addition, we assert that the effect of informal diversity experience is more noteworthy on internationalization than that of formal diversity experience. Our results indicate that firm's home-based experience in diverse regions is likely to influence its probability of engaging in international markets.

### Modeling a Country's Political Environment using Dynamic Factor Analysis: The Case of Brazil (1984-2018)

**T. Vashchilko, J. Agarwal, O. Osiyevskyy**

University of Calgary, Canada

Using dynamic factor modeling, we offer a novel approach to analyze the dynamics of a country's political environment, allowing to assess its complexity, importance, and temporal stability of particular drivers and dimensions. To demonstrate this novel approach, we evaluate the dynamic structure of a political environment, identifying underlying latent political risk trends of a country's changing political environment using ICRG political risk index data for Brazil in 1984-2018. The main methodological contribution of this paper lies in demonstrating a novel application of a well-established, but rarely used, methodology in international business studies (dynamic factor analysis). On the practitioner's side, this novel way of evaluating political environment's dynamic structure will allow internationally operating companies to better understand and manage their political risks.



## C 1.2.5: International Competition and Collaboration

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: Liberty 1.28

Session Chair: Linda Rademaker, BI Norwegian Business School, Norway

### Due Diligence Extensiveness in International Strategic Alliances: Climbing Up and Down the Institutional Ladder

**C. E. Georgiou<sup>1</sup>, N. Driffield<sup>1</sup>, J. Reuer<sup>2</sup>, H. Zeitoun<sup>1</sup>**

<sup>1</sup>University of Warwick, United Kingdom; <sup>2</sup>University of Colorado, United States of America

This is the first investigation into alliance due diligence through an information economics lens. A unique database detailing due diligence extensiveness, permits explorations into direction and magnitude of institutional distance. We show that due diligence increases whether climbing down or up the institutional ladder (forming an alliance with a partner from a weaker or stronger institution). When climbing down, due diligence performs a primarily functional role of information search, and when climbing up due diligence acts as a signal of firm quality. Additionally, we compare the impact of corruption and law and order, and find the latter to matter most for alliance signaling.

### How Do Local and Foreign Firms Compete? Competitive Actions in an Emerging Economy

**W. Yang<sup>1</sup>, K. Meyer<sup>2</sup>**

<sup>1</sup>University of Glasgow, United Kingdom; <sup>2</sup>Western University, Canada

The relative merits of the Liability of Foreignness (LoF) and the Liability of Localness (LoL) have become a central theme of international strategy research. We explore how, in a context with extensive institutional voids, the trade-off between LoF and LoL influences firms' competitive actions. We argue that, on the one hand, LoF results in weaker government ties that inhibit firms' competitive actions. On the other hand, LoL results in weaker technological capabilities that inhibit firms' competitive actions. We apply structural equation modelling on Chinese survey data to test hypotheses derived from these arguments and find empirical support.

### Creating a Typology of International Alliances with City-level Distance Measures

**J. Engsig<sup>1</sup>, B. Nielsen<sup>2</sup>, P. Chiambaretto<sup>3</sup>, A. Ramarosan<sup>4</sup>**

<sup>1</sup>University of Montpellier, France; <sup>2</sup>University of Sydney, Australia; <sup>3</sup>Montpellier Business School, France; <sup>4</sup>Centre universitaire de formation et de recherche de Mayotte, France

This paper describes how micro-locational factors affect international alliances formation. We focus specifically on the role of global cities, which we study from a distance perspective. We argue that distances must be apprehended not at the country-level but at the city-level. The paper is an attempt to provide a better understanding of the complex, multilevel factors that interact when firms select an alliance partner in a particular location. We take an explorative methodological approach through a configurational analysis of international alliances made by American companies in 2015. The main contribution is the proposition of a typology of micro-locational characteristics to help understand international alliance formation at a city level.

### Idiosyncratic Outward FDI Strategic Motivation Based on Size and Technology: A Firm Level Analysis

**C. Kottaridi, K. Louloudi, F. Touralis**

University of Piraeus, Greece

In the present study we examine the strategic motivation for outward FDI by combining ownership and location advantages within the eclectic paradigm of Dunning and Lundan (2008) for different firm size and technology intensity. By employing appropriate panel estimation techniques for the period 2001-2010 we reach significant results for policymakers and managers. Our results demonstrate that there are distinctive differentiations among firms both in what regards if and how they exploit their ownership advantages and how they combine them with location advantages. Small firms are in this matter quite different compared to medium and large firms. Regulation freedom and taxation are high in the agenda of medium and large firms while small firms seem to be more market and efficiency seeking. High tech firms appear to exploit their Ot advantage if prior presence in a host market which then moderates the effect of local regulatory and taxation context.

## C 1.2.6: Global Teamwork and Talent Management

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.06

Session Chair: Stefan Schmid, ESCP Europe, Germany

### Center of Excellence but not Center of Attention? How Experts Get Attention in Global Multi-team Work

**T. Hakkarainen**

Aalto University, Finland

The functioning of the multinational corporation (MNC) relies on effective collaborations across functional, geographical and increasingly team boundaries. In order to collaborate, different functional experts require attention to their expertise and ideas. Previous research has mainly focused on organizational level attention and managerial cognition, while little research has provided an in-depth understanding of individual experts' perspective on the issue. Yet, how experts get attention becomes crucial in today's global multi-team work, in which operational level attention determines the success of collaboration. To enhance empirical understanding of the topical phenomenon, we collect data from 75 in-depth interviews in four MNCs and adopt a qualitative research design. We find that different functional experts attribute getting attention to their expertise, however, are more varied in their responses related to the complex situations in which they do not perceive getting attention across different boundaries, such as from the business side of the MNC. A nuanced understanding of attention reveals important underlying tensions across different functions with both theoretical and practical relevance for the individuals and ultimately for the competitiveness of the MNC.

### Linking Talent Management, Organizational Ambidexterity, and Firm Performance: Implications for the Russian Context

**L. Selivanovskikh, M. Latukha**

St. Petersburg State University, Russia

With this study we aim to investigate the relationship between talent management, organizational ambidexterity and firm performance in the Russian context. In order to determine which particular talent management practices (i.e. talent attraction, development, and retention) shape the exploitative and explorative capabilities of Russian firms and, as a result, increase firm performance, factor analysis and OLS-regression are conducted. Based on the analysis of 101 organizations operating (overwhelmingly) in the service sector on the Russian market, we show that all three talent management practices are positively related to exploration and exploitation: talent development is found to have the greatest impact on organizational ambidexterity, though exploitation is affected more than exploration; talent attraction, comparatively, has the lowest effect on ambidexterity; and talent retention shows average results, enhancing a firm's exploration capabilities more than the exploitative ones. The analysis also confirms that talent management mediates the relationship between organizational ambidexterity and firm performance, with social climate positively enhancing the effect of key practices on ambidexterity.

### The Impact of Gender-diverse Talent Management Practices on Firm Performance: Evidence from MNCs in Russia

**M. Latukha, D. Khasieva**

St. Petersburg State University, Russia

The paper investigates the impact of gender-diverse talent management practices on firm performance. Based on the data from 100 MNCs operating on the Russia market we discuss factors influencing implementation of diverse talent management practices and their specifics in the research context. By providing empirical evidence of the positive relationship between management practices targeting female talents and firm performance, our findings emphasizes the importance of diverse talent management practices and their gender-inclusive focus. We show the necessity of considering talent management practices through gender-diverse lens to enhance organizational results.

## C 1.2.9: Identification and Culture in Family and Entrepreneurial Firms

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.33  
Session Chair: Francesco Debellis, Free University of Bozen-Bolzano, Italy

### Cultural Roots of Entrepreneurship: Evidence from Second-generation Immigrants

**J. Kleinhempel, M. Klasing, S. Beugelsdijk**

University of Groningen, The Netherlands

Entrepreneurial activity varies substantially across countries. Although a large literature has argued that national entrepreneurial culture plays an important role in explaining the international variation in entrepreneurial activity, the existing empirical evidence is rather mixed and evidence for a causal effect of culture is lacking. We study the importance of culture for entrepreneurship by examining the self-employment choices of second-generation immigrants. We argue that entrepreneurship is influenced by deeply held intergenerationally transmitted values and that second-generation immigrants are more likely to become entrepreneurs if their parents stem from countries characterized by an entrepreneurial culture. Using a sample of more than 55,000 second-generation immigrants from 41 countries of ancestry in the U.S. and multi-level modeling, we find that entrepreneurial culture is transmitted intergenerationally and has a significant positive effect on the likelihood that individuals become entrepreneurs. We replicate our findings for a sample of second-generation European immigrants. Our results are robust to a number of alternative explanations from immigrant and minority entrepreneurship research. Our analysis highlights the profound impact of culture on entrepreneurship and the context-independent intergenerational transmission of entrepreneurial culture.

### Family Identification with Firms and Teleological Process of Internationalization: A Case of a Thai Retail Multinational

**K. Chartiyanon, E. Plakoyiannaki, H. Gajewska-De Mattos**

University of Leeds, United Kingdom

While internationalization process is assumed to be a linear and isolate process, we argue that there are underlying processes in internationalization process, particularly in a socially constructed family firm. View in this light, we focus on family identification with firms and succession which are inherently embedded in family organization, and their influences on family firm's internationalization process. We employ a historical case study using archives and interview to interrogate the uneven internationalization process of a family retail multinational originated in Thailand. We found that family's family identification with firms determines how family firm approach their respective host market. Likewise, the international context trigger changes in how family identify themselves with firm. This study contributes to both international business and family business research in two ways. First, this study highlights the non-linear internationalization "process" driven by the interface between family identification and internationalization context i.e. micro-level within family organization's interactions, which, consequence in scattered events throughout cumulative process of internationalization. Second, it elaborates internationalization conditions that trigger changes in the embeddedness identification of family business.

### The International Expansion of Family Firms: Evidence from Eight Case Histories

**J. R. de la Torre<sup>1</sup>, J. I. Martínez<sup>2</sup>**

<sup>1</sup>Georgetown University, United States of America; <sup>2</sup>Universidad de los Andes, Chile

This paper aims to illustrate some of the challenges facing family-owned firms based in industrialized and emerging markets as they undertake a process of internationalization, and to propose a research agenda to fill some of the gaps that exist in the intersection of research on the processes of corporate globalization with work on the particular strategic challenges faced by family-controlled companies. Research in these fields has been widely and independently reported in the literature over the past four decades, but less so the confluence of issues that are found when family companies, particularly those based in emerging markets, expand internationally. We approach this task by first describing the issues faced by eight family-controlled companies, two based in Europe and six in Latin America, as they each expanded into foreign markets. These case histories are derived from personal in-depth and first-hand knowledge developed while the authors worked closely in the design and execution of these companies' global strategies over the past 35 years. We derive a number of insights from each of these cases that are then compared with the extant literature and summarized into a series of propositions that might be useful to guide future research in this important area.

### The Role of Entrepreneurial Narratives in Establishing Trust and Legitimacy in the Cross-Border Expansion of Small Businesses

**M. Hakim<sup>1</sup>, S. Gerschewski<sup>2</sup>**

<sup>1</sup>University of Reading, United Kingdom; <sup>2</sup>University of Kent, United Kingdom

When entrepreneurs plan to initiate a new foreign market entry, research has shown that narratives may serve them the purpose of constructing a new identity with their stakeholders, establishing trust and legitimacy, and managing uncertainty amid contextual and cultural differences. This calls for further exploration of how the elusive elements of trust and legitimacy are achieved; two concepts that are believed to be strongly related to the construction of the entrepreneurial identity. This paper suggests that this may be achieved through a careful process of sense-making in which stakeholders may ultimately confer their trust and legitimacy by continuously validating their initial 'emplotment' of the entrepreneur's constructed identity and, by assessing the prevalent entrepreneurial orientation (EO) i.e. the entrepreneur's passion, perseverance, pro-activeness, innovativeness and risk taking; to ultimately reach a feeling that 'everything will work out'. This on-going activity is particularly visible in the early years of operation, but gradually recedes as the business becomes more 'legitimate'.

## I 1.2.12: Emerging Topics in Knowledge Management (2)

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.03

Session Chair: Roger Strange, University of Sussex, United Kingdom

### International Voluntary Employee Churn Revisited: The Predicting Power of Applying Machine Learning Techniques

**V. Veglio<sup>1</sup>, M. Nippa<sup>1</sup>, R. Romanello<sup>2</sup>**

<sup>1</sup>Free University of Bozen-Bolzano, Italy; <sup>2</sup>University of Udine, Italy

Machine Learning Techniques (MLTs) have the potential to improve the quality of decision-making especially of Multinational Corporations (MNCs) through analyzing complex data-sets. However, as of today little is known about MLTs and their applicability in Multinational Corporations (MNCs). This study aims at investigating how MLTs facilitate and improve predictions of voluntary employee churn in an international context. Using data from a leading MNC operating in several countries in Europe and Asia, we show that the classification decision tree appears to be a suitable technique in better estimating the probability of employee churn. This study contributes to IB research by proposing an efficient and accurate churn prediction model, testing the forecasting capability of the classification decision tree based on the CHAID algorithm. It also provides important cross-country evidences, as employee churn seems to be dependent on the location of the MNC's subsidiaries.

### Knowledge and HRM Practice Transfer in Emerging Economies: The Case of Japanese Joint Ventures in Indonesia

**J. Soehardjo**

IDE-JETRO & Cardiff Business School

Through the lenses of organizational learning and human resources management (HRM), this paper explores how MNCs engage in cross-border knowledge transfer and how HR practices promote absorptive capacity in an emerging market economy. The findings reveal outcome differences relating to different HRM practices, themselves associated with different investment modes. Longer presence and direct control by Japanese headquarters affect the forms and effectiveness of knowledge transfer: with direct presence, home-country HR practices are crucial drivers of absorptive capacity, while with less direct presence, reliance on external agencies is more important in mediating knowledge transfer.

### Where to Start? Subsidiaries' R&D Mandate and the Development of a Value Product in India

**R. Schweizer<sup>1</sup>, K. Lagerström<sup>2</sup>, J. Jakobsson<sup>1</sup>**

<sup>1</sup>University of Gothenburg, Sweden; <sup>2</sup>Uppsala University, Sweden

In this early draft, we aim to contribute to research on the evolution of subsidiaries' R&D mandates by studying such a mandate's impact on subsidiaries' issue selling strategies for a value product initiative. Drawing on insights of longitudinal case studies on two divisions of a Swedish multinational company and their endeavors to introduce a value product in India, we suggest a process description arguing that the evolution of the R&D mandate influences a subsidiary's contextual cues and knowledge and therefore also the chosen issue selling strategies and effectiveness, which in turn also impact the continued R&D mandate evolution.

### Maturing Born Globals and their Performance Measures

**S. M. Freeman<sup>1</sup>, T. Vissak<sup>2</sup>, R. Trudgen<sup>3</sup>**

<sup>1</sup>University of South Australia, Australia and Macquarie University, Australia; <sup>2</sup>University of Tartu, Estonia; <sup>3</sup>Monash University, Australia

What is the impact of a technology-focused strategy on performance measures as born globals (BGs) mature? We identify appropriate performance measures for niche-oriented technology-focused maturing BGs. Based on a multi-case-design examining age, size and internationalization patterns, we show early, rapid internationalization has distinct implications for BG financial performance measures as they mature because of continuous international market entries and new product development. Performance measures are interlinked with goals, with financial measures secondary to strategic overall effectiveness and operational measures as BGs consolidate and expand. As maturing BGs' competitiveness depends on renewed and contemporary strengths, they will continue to prosper if they focus on fundamental sources of their competitive advantage. This 'locks' maturing BGs into ongoing cycles of entrepreneurial orientation, innovation, agility and experimentation as they transition into more complex organizations delaying gains indicated by financial measures. We develop a conceptual model of distinct performance measures for maturing BGs, using capability-based thinking to demonstrate growth of product capital for ongoing new product development and support assets focusing on technology with multiple 'achievement of goals' that are variable and evolve (overall effectiveness measures); and continuous resourcing of leading-edge-technology and competent staff with a strong managerial team promoting innovation and learning-by-doing (operational measures).

### Investigating the Antecedents of Potential and Realized Absorptive Capacity: The Benefit of Position in the Knowledge Value Chain and Breadth of New Knowledge

**O. Aliasghar<sup>1</sup>, E. Rose<sup>2</sup>**

<sup>1</sup>Auckland University of Technology, New Zealand; <sup>2</sup>University of Leeds, United Kingdom

The potential impact of absorptive capacity (AC) on a firm's innovation activities is undeniable. However, to date, very few studies investigate the inter-organizational antecedent of AC, exploring the multidimensional nature of this complex concept. This paper provides new insights into how knowledge search from external partners – including both local and international partners – impacts different dimensions of AC: potential and realized absorptive capacity. Each type of knowledge search from external partners varies in terms of breadth of new knowledge and position in the knowledge value chain, yielding various impacts on potential and realized AC. Analysis of a sample of 171 supplier firms operating in the auto industry indicates that breadth of new knowledge, rather than position in the knowledge chain, matters most for potential AC. Additionally, competitor collaboration has the highest impact on potential AC, followed by knowledge search from universities. This study also highlights the critical role of customer collaboration in the process of transforming and exploiting new ideas within the firm. Surprisingly, supplier collaborations do not appear to affect either potential or realized AC. This paper is one of the first to theoretically discuss and empirically demonstrate that different types of knowledge search have various impacts on potential and realized AC.



## I 1.2.4: Internationalization Decisions and Consumer Behaviour

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.04  
Session Chair: David Midgley, INSEAD, France

### What Drives Importer Opportunism? Finding a Middle Ground among Transaction Cost, Resources Dependency and Relational Exchange Theories

**A. J. Ahamed<sup>1</sup>, R. L. Stump<sup>2</sup>, F. N. Sanchez<sup>3</sup>**

<sup>1</sup>University of Skövde, Sweden; <sup>2</sup>Towson University, United States of America; <sup>3</sup>Universidad San Francisco de Quito, Ecuador

This study examines the direct and mediated effects of an exporter's investment in specific assets on perceived importer opportunism, as well as exploring possible effects of interpersonal and inter-organizational trust within the export-import relationship. We develop and test a model that synthesizes three interrelated theories that are widely embraced in international business research, namely transaction cost theory, resources dependency theory, and relational exchange theory. The hypotheses from our conceptual model were tested using structural equation modeling on a sample of Ecuadorian non-oil exporters (N=142). We found that interpersonal trust fosters both inter-organizational trust and exporter investment in specific assets, and that the latter increases perceived importers' power. We also found that power increases perceived opportunism, while inter-organizational trust has a negative association with opportunism. Contrary to the general transaction cost argument, we did not find any direct effect of exporter specific assets on inter-organizational trust or importer opportunism. Instead, we found several mediating relationships, i.e., power mediates the relationship between specific assets and inter-organizational trust, as well as specific assets and opportunism. We also found that power and inter-organizational trust jointly mediate the specific assets – opportunism relationship. Besides the theoretical contributions, this research has implications for managers and practitioners.

### Overconfidence and International Performance: The Role of Intuition for International Strategic Decisions

**F. Musso<sup>1</sup>, B. Francioni<sup>1</sup>, F. Tramontana<sup>2</sup>, M. G. Pediconi<sup>1</sup>, P. Polidori<sup>1</sup>, I. Curina<sup>1</sup>**

<sup>1</sup>University of Urbino Carlo Bo, Italy; <sup>2</sup>Università Cattolica del Sacro Cuore, Italy

The principal aim of this study was to investigate two important strategic decision-making processes (SDMP), such as International Market and Entry Mode Selection, within international small businesses. In particular, the influence of the decision-makers' overconfidence on a specific SDMP dimension, namely intuition, as well as on the international performance has been analysed. In addition, the study tests the possible mediating effect of the intuition construct on the relationship between overconfidence and international performance. In order to reach these objectives, a hierarchical regression analysis, based on a sample of Italian small and medium-sized firms (n=165), has been adopted. Findings identify a negative relationship between intuition and international performance and a positive one between overconfidence and international performance. Moreover, a negative relation between overconfidence and intuition has been detected. Results also underline the mediating role of intuition in the relationship between overconfidence and international performance. Theoretically, the study enriches the existing literature by examining the roles of overconfidence and intuition in the international SDMP of small and medium-sized enterprises. From a managerial perspective, the paper provides an insight into the influence of a key character of the decision-maker, namely overconfidence, and the influence of intuition as a feature of the decision-making methodology.

### A Critical Review of De-internationalisation Research: Current Developments and Future Challenges

**P. Trąpczyński<sup>1</sup>, A. Perenyi<sup>2</sup>**

<sup>1</sup>Poznań University of Economics and Business, Poland; <sup>2</sup>Swinburne University of Technology, Australia

Firm internationalisation has been regarded as one of the key phenomena in the field of international business. However, the reasons, processes and implications of withdrawing from international markets have remained relatively absent from the mainstream debate in international business. This paper presents a systematic review of literature on firm de-internationalisation, focusing on firm motives, processes and outcomes, in contemporary scholarly discussion. The results show that de-internationalisation research does not sufficiently discuss firm level implications, such as international competitiveness, opening a gap for further scholarly enquiry. Moreover, a static perspective prevails, decision-making processes behind de-internationalisation remaining largely unexplored.

### The Perceived Value of an Ad: Antecedents and Consequences on Consumers' Behavioural Responses

**T. Alshevskaya, C. F. Crespo**

Polytechnic Institute of Leiria, Portugal

Nowadays the topic of consumers' attitude towards advertising and their behavioural intentions has gained a lot of attention in the academic and managerial spheres. The present research investigates the antecedents of the perceived value of an ad, its influence on the brand image and on consumers' behavioural responses to advertising. Culture exerts a broad and deep impact on people's attitudes and behaviours. To examine this, the questionnaire was conducted among respondents in Belarus and Portugal. The statistical analysis of the survey data was performed with structural equations modelling. Results indicate that informativeness, favourable attitude to the ad and credibility are important determinants of the perceived value of an ad. Our findings provided evidence for the influence of the perceived value of an ad on the consumers' perceptions and their behavioural responses. Based on these results we propose further research directions in the area and present the implications for the managers.

### Impact of Digital Media Marketing and User Generated Content on Consumers' Destination Choice Intention

**M. T. Sultan, F. Sharmin**

Shanghai Jiao Tong University, China

Destination marketing and user-generated content on social media play an important role in destination choice. This paper aims to analyze the destination marketing organization promotion and user-generated content influence through social media on consumers' travel decision. To gain new in-depth insights of consumers' behavioral intention of the destination choice decision process, we propose an extended theoretical model of the Theory of planned behavior (TPB). Two hundred and twenty-five self-administered questionnaires were collected through an online survey from Bangladeshi social media users who travel to Cox's Bazar, Bangladesh. Statistical analysis was applied to the examination of the influences of destination marketing organization promotion and social media user-generated content on travel decision intention. Analysis of the correlation matrix was utilized in order to analyze the relations between these constructs. Findings indicate that social media user-generated content has a significant impact on attitudes, subjective norms, perceived behavioral control, and intention of visiting Cox's Bazar. In addition, The paper suggests that destination marketing

managers should consider various user-generated content to utilize for digital promotion and build online travel communities. This paper aims to fill this gap by adding a new dimension of DMO and UGC to the theory of planned behavior.



## I 1.2.7: International Capabilities and Local Resources and Legitimacy

Time: Saturday, 14/Dec/2019: 10:30am - 12:00pm · Location: MK 1.05  
Session Chair: Jonathan Doh, Villanova University, United States of America

### The Legitimacy Mechanism: A Political View on the Uppsala Model

**F. Figueira de Lemos, A. Ljung**

Uppsala University, Sweden

This paper conciliates the Uppsala model's internationalization process with institutional theory. The internationalization mechanism is the point of departure of a wide framework that includes both business and institutional environments in a causal cyclic model. In particular, two variables – firm specific knowledge and societal commitment – are added to the Johanson and Vahlne's (1977) original internationalization mechanism. The methodology conjugates a conceptual deductive approach with the empirical inductiveness of a case study. The main contributions include the conceptual and managerial levels.

### Liability of Peripheral-ness in Foreign Markets: What Forms Crippled Integrity of Internationalising Craft Breweries

**P. Jasovska**

University of Technology Sydney, Australia

Social embeddedness in foreign markets is deemed to have positive outcomes for internationalising firms. Such embeddedness, however, incorporates also legitimacy in an industry or market category, which has been overlooked by international business scholars. The reason for this omission is considering industry boundaries as formed by technical characteristics or dimensions such as size and market share postulated by industrial economics. Yet industries are socially constructed and hence stakeholders in various countries can form diverse interpretations. By using qualitative methodology, this study explores the internationalisation of the craft beer industry characterised as a peripheral category within the beer segment. The findings uncover that craft breweries face several sources of pressures: tapping into the peripheral field, template stickiness and identity dissonance. This study presents novel insights on the dynamics of legitimation pressures across the borders nested at the industry level and hence contributes to the literature at the intersection of international business and organisational embeddedness.

### Is Good Management Important for the Success of Special Economic Zones? The Case of Poland

**T. Dorozynski<sup>1</sup>, C. Jensen<sup>2</sup>, J. Swierkocki<sup>1</sup>**

<sup>1</sup>University of Lodz, Poland; <sup>2</sup>Roskilde University, Denmark

In the context of evaluating regional policy, the differential role of the zone managing companies (ZMCs) under the Polish special economic zones policy is investigated. Few prior research designs have been able to investigate this question owing to the relative lack of data on comparative public policy and zone management. We find that all geographies except the eastern border have successful ZMCs. The best performing are located in the south-west of Poland, and they spend more on promotional outlays and infrastructure in particular. The size of tax incentives may also be important even though the relative ranking of zones and an ex-post analysis suggest that tax tiers are compensatory. Taking into account all these factors (resources, incentives and geography) there are still individual ZMCs exhibiting better performance (Walbrzych, Lodz and Legnica).

### Overcoming Resource Constraints through Governance: How Small Nascent Clusters Can Attract Global Talent and Investments

**S. Manning<sup>1</sup>, C. Richter<sup>2</sup>**

<sup>1</sup>University of Sussex, United Kingdom; <sup>2</sup>Universidade do Vale do Rio dos Sinos, BRAZIL

This paper adds to the continuous interest in catch-up strategies and geographic cluster formation in emerging economies by examining how small nascent clusters that lack a local resource base can attract talent and foreign investment through governance. Based on the case of Sinos Valley in Brazil, we show that certain multi-level governance mechanisms can help mobilize, enhance and re-combine local resources beyond their immediate market value and add relation specificity to these resources. Such governance mechanisms include: cross-sector partnerships between local universities and private businesses; exchange programs with foreign universities and partner businesses; and alignments of career paths with cluster linkages and partnerships. Findings make a significant contribution to research on cluster governance and catch-up strategies.

## P 3.5: Business Models and Internationalisation: Old Wine in New Bottles?

*Time:* Saturday, 14/Dec/2019: 10:30am - 12:00pm · *Location:* MK G.31

*Session Chair:* Svetla Trifonova Marinova, Aalborg University, Denmark

### **Business Models and Internationalisation – Old Wine in New Bottles?**

**S. T. Marinova<sup>1</sup>, J.-F. Hennart<sup>2</sup>, J. Child<sup>3</sup>, P. Ghauri<sup>3</sup>, S. Saarenketo<sup>4</sup>, L. Torkkeli<sup>4</sup>**

<sup>1</sup>Aalborg University, Denmark; <sup>2</sup>Tilburg University, The Netherlands; <sup>3</sup>University of Birmingham, United Kingdom; <sup>4</sup>LUT University, Finland

Research on internationalization has recognized the importance of business models for internationalization (Hennart, 2014) and the existence of international business models (Rask, 2014; Child et al., 2017) as these can define resource allocations for dealing with differences among geographic locations, entry modes, contracting and partnering models.

This panel aims to examine and discuss how different business model configurations (Taran et al., 2016) might enable internationalization and whether the business model configurations of purely domestic firms differ from those of international ones. It attempts to debate what accounts for the variance in the choice of international business models and their implementation, while considering their heavily situated nature, i.e. their contextual embeddedness (Ahokangas & Myllykoski, 2014) - in ecosystems, global value chains, industry or country.

The discussion aims to develop the research agenda on the nature of business models and their building blocks enabling internationalisation, the contextual combinations that affect business model innovation and adaptation, the power of ecosystemic business models as a platform for intertwined international and domestic business engagement.

## PS 1: Plenary Poster Session I

Time: Saturday, 14/Dec/2019: 12:30pm - 2:00pm · Location: Refectory Mezzanine  
Session Chair: Murod Aliyev, University of Leeds, United Kingdom

### A Cross-country Study of Behavioral Intentions of McDonalds Consumers

**M. C. Henriquez Parodi<sup>1,2</sup>, I. Alon<sup>1</sup>, M. Mason<sup>2</sup>**

<sup>1</sup>University of Agder, Norway; <sup>2</sup>University of Udine, Italy

This paper studies the behavioral intentions of McDonalds consumers and the moderating role of their perception of value in 15 countries: Austria, Italy, Germany, Great Britain, Ireland, Israel, Portugal, France, Spain, Argentina, China, Egypt, India, Thailand and Russia. McDonalds as a global brand, has standardized to a great extent its operations, marketing strategy, the atmospheric elements of all its restaurants, as well as its services. With some exceptions in more culturally distant countries, most of its key products can be found worldwide. This paper analyses to what extent the servicescape elements such as music and lightning, together with the quality of products and services offered by the company, have a positive influence in the value perception, and ultimately, in the behavioral intentions of its international consumers. Based on the Stimulus-Organism-Response model and using structural equation modelling, it was found that servicescape elements such as music and lightning, together with the quality of products and services offered by the company, have a positive influence in the perceived value of a global firm. Additionally, the perceived value of international consumers positively affects their behavioral intentions towards the brand.

### Analyzing Core Competencies and Developing a Competitive Framework for Sustainable Small and Medium Sized Enterprises: The Case of Qatar

**A. Safari, A.-E. Noora**

Qatar University, Qatar

Small and Medium-sized Enterprises (SMEs) have crucial roles in economic growth and job creation. The Qatar Government has set a strategic plan to enhance the role of private sectors, especially entrepreneurial ventures and SMEs, to the national GDP. Therefore, the country has experienced a significant growth of SMEs during recent years, especially after the blockade that was imposed against Qatar by Saudi Arabia, UAE, Bahrain and Egypt in June 2017. Even though the Qatar Economic Diversification and Private Sector Development Strategy highlighted the main priority sectors for development, there is a lack of comprehensive competitive advantage framework to show and support the most attractive industries for each sector in the country. This study evaluates the existing industries in the manufacturing sectors, analyzes the core competencies and competitive advantages of the nation and each manufacturing sector, and develops a competitive advantage framework which is applied for business development.

### Chinese MNCs in Poland: Strategies for Establishing Legitimacy and Extending Legitimacy to Other (EU) Locations

**M. Ciszewska-Mlinarić, I. Hunek**

Kozminski University, Poland

Although Chinese MNCs have been present in Europe for a while, they mostly targeted the Western European countries. Only in recent years, CEE countries, including Poland, attracted some major Chinese investments. Some of them are efficiency seeking or market seeking investments, but some are strategic asset seeking. From the perspective of Chinese MNCs, CEE economies provide lower barriers to entry and have shorter institutional distance – in many industries there is lower protection, less non-tariff barriers than in Western European countries, and additionally, CEE countries (while officially considered developed economies) still have the 'heritage' from the previous system, the "communist past", which make them more institutionally similar from the perspective of Chinese managers. In this project we aim at providing an in-depth understanding of the process of establishing legitimacy by Chinese MNCs operating in Poland. We contextualize our research by exploring whether the Chinese MNCs' legitimizing endeavours depend upon initial choices concerning entry mode decisions (acquisitions vs. greenfield) or the corporate international growth logic depicting the role of the particular host market (in our case Poland) in overall Chinese MNEs' internationalization strategy. We conducted a qualitative study of five Chinese MNEs with FDIs in Poland.

### Cross-cultural Managerial Risk-taking: Financial versus Social Risk-taking

**U. Yuksel, H. Hemat**

University of Sydney, Australia

Using experiments, we investigate cross-cultural differences in managerial risk-taking to reveal cultural paradoxes. Rather than conceptualizing culture as a variable that is static, we adopt the approach that culture is contingent on situational factors. In general, existing cross-cultural literature suggests that individualists prefer taking risks more than collectivists. However, we found that this is not generalizable and that situational factors matter. We found that collectivists prefer financial risk over social risk when the decision affects their personal self, but they prefer social risk over financial risk when the decision affects their in-group/collective self. Further, we show that the cushion hypothesis (which implies that collectivists are more likely than individualists to receive financial help if in need as a collectivist's social network acts as a financial "cushion") does not hold when collectivists' collective self is affected. However, individualists prefer social risk over financial risk, regardless of whether the decision affects their personal or collective self. Further, regardless of risk type, individualists prefer risk affecting their collective self over personal self. Thus, we demonstrate that risk type and affected self moderate the effect of culture on risk-taking. We discuss theoretical and practical implications in the context of cross-cultural business settings.

### Effects of Institutional Mismatch in Transition Economies on SME Internationalisation

**T. Lehmann**

HTW Berlin, Germany

Countries in Southeast Europe are integrating laws and regulations of the *acqui communautaire* into their own national legal framework as part of their EU accession process. These formal institutions, present an exogenous shock to the historically developed and rather rigid informal institutions. Eventhough there is some leeway to adopt the *acqui communautaire*, the match between these formal institutions and the existing informal institutions is at least questionable. Furthermore, it remains unclear which effects this local context has for the internationalisation of local SMEs, the capstone of Southeast Europe's economy. Are companies rather pushed to internationalise to escape this local context (Stoian & Mohr, 2016), or do local companies even gain international competitive advantage through their experience in these mismatching local institutional contexts (Naroz & Child, 2017)? The theoretical basis of

this research lies in Norths understanding the institutional environment (North, 1990), institutional voids (Khanna, 2002; Mair et al., 2012) and institutional asymmetries (Williams & Verley, 2015; Williams & Horodnic, 2016).

The intended method is a multistage qualitative approach. In a first stage focus group discussions will be conducted in a sequential logic to elaborate on the institutional mismatches. Afterwards interviews with SMEs shall shed light on the influence on internationalisation.

### **Fabricated Opportunities and Collective International Entrepreneurship**

**J. And**

Uppsala University, Sweden

This study explores some of the barriers to and opportunities of collective entrepreneurial action in the context of internationalization. Research of entrepreneurial actions has traditionally focused on personality traits that explain entrepreneurial success or failure, or how entrepreneurs can develop alertness to recognize, discover and exploit business opportunities. Inspired by Sarasvathy (2001), this study uses a different and complementary lens through which entrepreneurship is seen as a science of artefacts, i.e. human made fabrications. Entrepreneurship can then become a research field of e.g. opportunity design, where opportunities are often the fabricated, constructed, created outcomes of action (Sarasvathy, 2008:177). The theoretical pillars of this study is design-oriented logics of entrepreneurship and the philosophy of pragmatism, about 'worlds of our making' (e.g. Goodman). This study follows entrepreneurs going abroad together to sell products collaboratively. It looks at patterns of actions of how entrepreneurship can be done and aims to push the boundaries of what is known about framing of logics used by entrepreneurs. The study uses an abductive research method and action research, which is particularly suitable for a pragmatist study of the world as human made.

### **Foreign Subsidiaries as Vehicles of Industry 4.0: The Case of Foreign Subsidiaries Located in a Post-transition Country**

**M. Götz<sup>1</sup>, B. Jankowska<sup>2</sup>**

<sup>1</sup>Vistula University, Poland; <sup>2</sup>Poznań University of Economics and Business, Poland

It is visible that many firms have managed to implement only a fraction of the whole set of Industry 4.0 solutions. The gap between the most successful leaders in implementing I4.0 and laggards left behind may increase. The threat seems to be extremely dangerous for countries, and in particular firms in these countries that would unfortunately find themselves in the hollowing-out middle - neither cheap enough to remain attractive as production places, nor the leaders to benefit from the first-mover surpluses. And it may be the position of post-transition countries, in particular the Central and Eastern Europe.

In our study, we outline the importance of FDI and subsidiaries as vehicles of know-how and technology transfer from HQ and their home economies to the host economies and their entities in times of I4.0. We seek to answer the question of a possible FS role in advancing the I4.0 in a host economy. Our study draws on the theory of MNE, FDI and knowledge-based theory of a firm. We contribute to the well-studied phenomena of the impact of inward FDI on the host economy and its actors focusing on the novelty of business reality arising from the Industry 4.0 technologies.

### **Green Buying: Influence of Eco-label Information Availability on Trust and Purchase Intentions for Recycled Fishing Net Products in Developed and Developing Countries**

**M. Pasquine, R. Glavee-Geo, O. Kachurovska, I G. Ariatmaja**

Norwegian University of Science and Technology, Norway

Recently, Taufique, Vocino, and Polonsky (2017) attempted to consolidate the literature on eco-labels in green purchasing behavior to develop a model showing the influence of environmental and eco-label knowledge, trust in eco-labels and attitudes toward the environment on pro-environmental consumer behavior (PECB). However, PECB is not a direct measure of intention to purchase a specific product. To our knowledge, no studies have examined this model for purchase intentions. Here, we seek to address this gap by extending the model of Taufique et al. (2017) to include purchase intentions for an eco-label for recycled fishing nets and also manipulate the level of available eco-label information. In addition, a number of authors have suggested that there may be differences between how eco-labels are used in decision making in developed vs developing countries (Carrete, Castaño, Felix, Centeno, & González, 2012; Göçer & Sevil Oflaç, 2017). Therefore, we intend to test the above model in both types of countries. We expect differences in the amount of knowledge of eco-labels between developed and developing countries, with respondents in developed countries having more knowledge of eco-labels (Carrete et al., 2012; Göçer & Sevil Oflaç, 2017). Hence, the conceptual model should explain more in developed countries.

### **How Stock Market Reactions and Foreign Directors Influence Acquisition Completion**

**J.-H. Lee**

Korea Advanced Institute of Science and Technology, Korea

Grounded on decision making theories and group dynamics literature, this study investigates how stock market reactions and foreign directors in the board influence acquisition completion after a public announcement. Logistic regression analyses on a sample of 5,099 domestic acquisitions made by U.S. public firms in 1999-2013 show that there is an inverted U-shaped relationship between the market response to a takeover attempt and the ultimate completion of the deal, because market evaluations increase the acquisition attractiveness perceived and decrease the risk preference pursued. Furthermore, board members with foreign nationalities positively moderates (i.e., flattens) the curvilinear relationship between market reactions and acquisition completion, because the presence of foreign directors reduces the groupthink errors and in turn decreases the inclination of market evaluations to acquisition attractiveness and risk preference.

### **Implications of Technology for Service Design and Provision – a Case of a German Creative Agency in China**

**S. Struwe, D. Slepnirov**

Aalborg University, Denmark

Successful service design and provision requires firms to understand client needs at a deeper level. However, exactly that represents a major challenge to many firms. Client involvement in the service design may offer a solution as knowledge may be best acquired from the clients themselves. This approach can be facilitated by technological measures such as digital interfaces that allow the clients to serve themselves. Previously research has focused on understanding customer behavior in technology-enabled environments. However, little is known about how to manage the service provision in this increasingly complex context. The aim of this study is to address this gap by conducting a case study research to understand client involvement in service design and provision in a B2B setting of marketing/communication services. Among other things, the study aims at identifying implications for organizational structures,

required capabilities, and business models of the actors involved. More specifically, we seek to answer the following research question: How do technologically enabled measures affect the service design process and service provision? We are planning to apply Customer Journey Mapping, Service Blueprinting, and to utilize the Service-Dominant Logic as a framework for analysis and a basis for discussion.

### **Institutional Changes for Sustainable Business Models: Insights from Developing Market Entrepreneurs.**

**J. Musona, A. Asemokha, H. Sjögren**

LUT University, Finland

Sustainable business models and sustainable innovations in developing markets are crucial in the combined progress in social, ecological and economic concerns. However, sustainable entrepreneurs in developing economies face complex and difficult institutional environments, which make the outcome of their innovation activities and associated business models highly uncertain. In the face of these institutional challenges, local sustainable entrepreneurs can foster sustainability through their business models due to their familiarity with local context and proficiency at navigating through concomitant institutional complexities. This study focuses on how sustainable entrepreneurs evolving in dynamic and institutionally uncertain developing market environments, are able to develop and operationalize their business models. Consequently, proposing a framework of institutional change mechanisms determining sustainable business model operationalization in such context. By using qualitative data, we empirically draw from six cases of new but established sustainable entrepreneurs in Kenya. Data was collected through semi-structured interviews and from secondary sources such as news articles and documents. Data analysis is still underway using Nvivo software but preliminarily we identify various mechanisms of institutional changes that sustainable entrepreneurs use to develop and implement their business models.

### **Internationalisation Decision-making of Small and Medium Enterprises in Uncertainty: The Impact of the Decision-maker**

**G. V. Kemsley, F. Filippaios, Z. Stone**

University of Kent, United Kingdom

The decision of the UK to leave the EU catapulted the region into a climate of intense uncertainty; arguably felt most acutely by SMEs, as institutional repercussions remain unknown, especially regarding the future of UK-EU trade. Such heightened uncertainty ascends that of risk to resemble true uncertainty (Knightian), as in this scenario, the future composition of the institutional framework itself is uncertain and it is not necessarily possible to use quantifiable measures to make calculated judgements. Consequently, SME decision-makers struggle to respond when they cannot predict what a good outcome will resemble.

This paper investigates the impact such an uncertain external environment has on SME internationalisation decision-making concerning trade (Import/Export), aiming to gain a more comprehensive understanding of who the decision-maker is and examine their response to true uncertainty surrounding the future of the institutional framework.

The research adopts a Qualitative approach consisting of 20-30 interviews, inductively analysed through NVivo.

The academic contribution supports the continued study of SME decision-making; providing evidence of the impact individual managers have on strategy, integrating International Business and International Entrepreneurship literature. Furthermore, findings propose recommendations for policy with a view to enabling superior support for SMEs contemplating internationalisation.

### **Internationalization of Business Schools and their Strategic Response to Institutional Complexity**

**G. Teixeira, J. Carneiro**

Fundação Getúlio Vargas, Brazil

The globalization's impacts are still debating. However, the implications of the exchange of people, technologies, and, institutional practices have been disregarded. Business Schools (BSs) are examples of organization that had to adjust their strategies due to internationalization phenomenon, the education that used to be local-oriented became to be driven by global standards. Those organizations face the challenge of combining competing institutional logics, such as market pressures and social mission or industrial and science rationalities. Studies have been discussing how organizations respond to the challenge of gaining acceptance and endorsement of proponents allocated across various institutional orders facing incompatible prescriptions. Nevertheless, there is a lack of comprehension of how organizations respond to environmental pressures and simultaneously to institutional complexity when there are fundamental differences between country values that make isomorphic behavior impossible. By investigating how the strategic response to institutional complexity promotes (or hinders) the internationalization of BSs we intend to examine the extent of convergence and divergence in purposes and identities in different parts of the world, thus challenging the simplified assumption that organizations are homogeneous in their strategies and activities under exogenous pressures. We propose to perform a longitudinal multiple case study with BS in the US and Brazil.

### **Mega Art Installations as Example for Social Innovation Projects in MNEs**

**P. Rosenbaum**

Uppsala University, Sweden

Many MNEs have acknowledged the importance of social and environmental issues, by for instance their commitment to the UN SDGs or even by engaging in novel projects in the societies they operate. However, few MNEs have a significant and sustained track record of social innovation projects with external partners, often creating internal action teams composed of reallocated resources. Conversely, over the past decades several internationally recognised artists have created small companies that have expanded and contracted in size (ie human resources) when engaging in short-term, site specific projects across borders that also leverage partnerships in various counties during the project lifecycle. As an extension of my ongoing research of MNEs and Social Innovation projects, this poster/project investigates the collective management processes that led to the successful execution of several large scale art installations. The relevance to MNEs' business relates to learning capacities, liabilities of outsidership and innovation studies, while the contribution aims to open discussion of interdisciplinarity between the creation of art works and the creation of business innovation as both relating to the capacities of managers and organisational structures in fast changing international markets.

### **Foreign Operation Mode Changes & Configurations: Evidence from Latin America**

**C. O'Higgins<sup>1</sup>, N. Aramburu<sup>1</sup>, T. Andreeva<sup>2</sup>**

<sup>1</sup>University of Deusto, Spain; <sup>2</sup>Maynooth University, Ireland

This paper addresses operation mode changes after market entry, an issue that has largely been overlooked, in comparison with research on entry modes. Drawing on an in-depth longitudinal case study of the internationalisation of a professional service firm to three Latin American countries, we identify patterns of mode switching and stretching. Our findings reveal four phases, in which the



firm switches from servicing the market through exports to a commercial subsidiary, then stretches that commercial subsidiary first into a small production subsidiary and then into a large production subsidiary. Our study confirms that operation mode changes occur as knowledge is accumulated and transferred within the firm; and further suggests that changes in the role of key resources and the nature of projects are key in this process. This paper advances our understanding of mode switching and stretching by providing explanations for these mode changes, and extends the Uppsala model by developing the concept of experiential knowledge in the context of professional service firms.

### **Organizational Culture and Local Values: Link and Relationship**

**C. Cazorzi Martinez**

Dauphine University, France

Cross cultural management is normally organized by national values comparing adjustments and explaining strategies.

Culture, on the contrary is a complex matter, multifaceted structure and difficult to catch.

Dupuis (2000) invited to open new perspectives as like field and city culture, or tradition and modernity, living in the same geographical area or overlapping between countries.

Local culture is one of these aspects and we observed how can affect the organizational culture and how it runs .

### **Penrose's Theory of the Growth of the Firm: Implications for IB Research**

**Y. Huang**

Hokusei Gakuen University, Japan

Edith Penrose's book, The Theory of the Growth of the Firm (1959), has been quoted in various academic fields, and is considered as a founding contributor of the Resource-based view (RBV) of the firm particularly.

Additionally, there are articles state about Penrose's contribution to multinational firm research and also focus largely on The Theory of the Growth of the Firm. Thus, Penrose's contribution and impact on management, strategy, and IB continues to grow as these disciplines separate themselves from the economics mainstream.

This paper is a qualitative research which explores the development of Penrose's The Theory of the Growth of the Firm which was published in 1959. I focus here on three questions, around which this paper is organized. First, what is the model of firm growth that underlies The Theory of the Growth of the Firm and what does its source com from? Next, why was Penrose so often cited? Finally, what does Penrose's The Theory of the Growth of the Firm mean for IB research in terms of learning and capabilities from RBV?

### **Simple Rules and Cross-border Acquisitions Capabilities: Evidence of an MNC from a Post-transitional Economy**

**P. Wójcik, M. Ciszewska-Mlinarič**

Kozminski University, Poland

Mergers and acquisitions (M&As) have remained a popular mean of cross-border expansion. This popularity of cross-border acquisitions (CBAs) can be easily understood when advantages over other foreign entry modes are considered. However, while these benefits are obvious, „they often do not create or even destroy value” for the acquiring companies. Although reserach on cross-border acquisitions (CBAs) has reached a relative maturity in case of MNCs from developed economies, there is scarcity of studies explaining the reasons and performance implications of CBAs as conducted by EMNEs. Against this backdrop, it becomes especially important to explore what drives effective CBAs of EMNEs. This is especially important, considering that these companies face latecomer disadvantages and competitive weakness as compared to their peers from developed economies. To this end, we employ a longitudinal case study of an MNE from a post-transitional economy of Poland. To this end, we ask: What and how EMNEs learn in the process of CBAs? We find that the company has developed several simple rules over time when acquiring companies from developed and other emerging markets which are used as a guidance for managers in subsequent CBAs. These simple rules become part of capabilities which are constantly developed.

### **Strategy-related Trends in Firms' Competitiveness in Hungary**

**M. Stocker, E. Czakó**

Corvinus University of Budapest, Hungary

The National Competitiveness Research was conducted in 1995 for the first time by the Department of Business Economics of the Budapest University of Economic Sciences and it started the research program In Global Competition – Microeconomic Factors of Competitiveness of the Hungarian Economy. This research program is active since then and six rounds of National Competitiveness Research happened so far with the last one currently underway.

National Competitiveness Research has a significant empirical focus with surveying hundreds of companies in every round using four different questionnaires, the top management, the sales and marketing, the production and the finance questionnaires. Strategy related questions are inherently included in the top management questionnaire consuming significant part of it.

In this poster we would like to demonstrate the changes of pursued strategies, the classification of companies and the specialties of the given periods in the last 25 years in Hungary.

The research has a unique perspective demonstrating strategy related evolution of large company samples (200+ in every round) from a transitioning economy in the research period lasting 25 years.

### **Teaching Cultural Competence Using a Virtual Exchange**

**J. D. Branch**

University of Michigan, United States of America

The purpose of this poster is to describe and discuss a new undergraduate course which is entitled 'Cross-Cultural Business', which aims to prepare students for management positions in today's organisations, by:

1. sensitising them to the scope and nature of cross-cultural business,
2. elevating their knowledge of cross-cultural business, and
3. cultivating their proficiency in cross-cultural business.

More concretely, the course also aims to provide students with a collection of cross-cultural business 'tools'—models, theories, frameworks, perspectives, concepts, ideas, etc.—which are required for success in the global economy. The course also enables students to practise these tools through a hands-on experiential activity in which they will work in a multi-cultural team of students from

three partner institutions: Benghazi Youth for Technology and Entrepreneurship in Libya, the American University in Cairo, and the American University of Beirut.

### **The Future of Airbnb is Smart and Sharing Destinations: Case Studies of Madrid and Barcelona**

**E. Cerdá Mansilla**

Autonomous University, Spain

The smart economy and sharing economy disrupt the environment and require stakeholders and destinations to reinvent themselves. Through the case studies of Madrid and Barcelona, the impact of Airbnb in those areas was quantified. Public data of hotels and tourist apartments from the National Institute of Statistics (INE) was used, in conjunction with Airbnb data. Moreover, the data of the distribution of holiday dwellings offered by Airbnb was mapped out. The main finding is the need for new indicators capable of reflecting the situation experienced by accommodation of both cities in a more realistic way. For this reason, the need for a new theoretical model of smart tourist destination that integrates 3's (Smart, Share and Sustainability) was detected. Government intervention in the 'Smart and Sharing Destinations' model is able to direct exchanges between collaborative economy and smart economy toward achieving the purpose of the model: making destinations sustainable.

### **The Invisible Hand amongst Indian Firms**

**S. Arora**

IMT Ghaziabad, India

The study examines how informal institution may affect the export marketing strategy orientation of Indian firms. The export marketing strategy construct addressed key dimensions of marketing, learning, innovation and entrepreneurial orientation. Informal institutions namely, cognitive, normative factors affecting ability to do business and resource allocation were considered as the treatment variable. This would be influencing the strategic orientation, and not cultural or social norms, generally understood as informal institutions, in their process of internationalisation. Data were collected from 150 business units across top manufacturing exporting categories of Indian firms. It was done in two stages to incorporate the informal institutional dimension in two time frames pre and post 1991. The year 1991, was significant in India's step towards open economy and embarking on a policy of liberalisation, globalisation. In the first stage, the owners of the firms were surveyed for mapping their strategic orientation developed in a closed economy environment, and in the second stage, their successors were interviewed for indicating possible strategic shifts in method of doing international business, possibly leading to higher degree of strategic orientation.

### **The Role of Organizational Culture in Multinational Companies and its Contribution to Job Burnout**

**M. M. Velasco**

University of Agder, Norway

Purpose –Based on conservation resources (COR) theory, the purpose of this paper is first, to identify new determinants that may play a significant role in multicultural environments and the mechanisms that lead to job burnout, second, analyze how does organizational culture contribute to job burnout.

Design/methodology/approach – Data will be collected through researcher administered online-survey from professional employees and contractors from the oil and gas companies in Norway.

Originality/value – This study offers two main possible contributions. First, fill the identified gaps in the literature and expands the understanding of determinants of job burnout and mental health problems in multicultural environments, second, understand how negative consequences (e.g. stress, burnout, mental illness) can be mitigated and positive outcome (e.g., well-being from provided supervisor support) enhanced.

### **Who Will Connect the Dots?**

**E. S. Rasmussen**

University of Southern Denmark, Denmark

In the classical picture of small firm internationalization, a well-organized firm with a hierarchical structure approaches a customer in a new market. The internationalization can be initiated directly from the firm to the customer or with the help of an agent. This way of seeing small firm internationalization has changed substantially over the last 40 years. Many small firms have instead chosen to work with partners outside the organization. These partners have specific capabilities regarding market knowledge, project management, finance, IT, and often have particular expertise that the firm needs. Internationalization is project-based with an organization that has both internal and external members. The core of the firm can be small with a few employees. The shift is part of the development from the classical bureaucratic structure to a virtual and organic structure on the inner side and a network structure in the market. The number of actors is high, with many different and shifting roles, and the complexity is high. The problem is thus who – or what – should connect all the nodes – or dots – in the internal and external networks.

### **Emotion and Knowledge Transfer in International Acquisitions**

**M. T. Sahibi, S. He, H. Mansour**

University of Northampton, United Kingdom

#### **ABSTRACT**

Successful international mergers and acquisitions are resulting in gaining core capabilities, increasing market share, gaining a competitive edge and accessing more capital at a lower cost. Even though International mergers and acquisitions have become well-known business strategies, but Several authors have pointed out that human factors are supposed to be mostly accountable for between one third and one-half of all mergers and acquisitions failures. It has been evidenced that human factors have received less attention, mainly, psychological, cultural and people issues are under-researched. The purpose of this study is to have a deeper understanding of individuals' emotional states during different stages of acquisitions. Besides, to discover the impact of individuals' emotional states on the knowledge transfer. It is very critical to develop a clear understanding and gain insight into the reasoning behind the emotional states of an individual concerning the knowledge transfer. It will assist managers in developing strategies and practices to manage these emotions. Based on the research questions, this study proposes an interpretive research philosophy, with an abductive research approach, a qualitative method with multiple case studies. Semi-structured interviews and documents analysis will be used with purposive and snowball samplings for the data collection.

### **Subnational Depth and Firm Internationalization**

**A. Raswant, C. Pattnaik**



University of Sydney, Australia

In this paper we adopt a multidimensional perspective in understanding the role of firm's home country in its internationalization. We consider the depth of subnationality in home country and analyse firm's home-based operations in distinct subnational regions and its decision to expand in international markets. We contend that generally a firm experiences two overarching types of institutions, namely formal and informal institutions, and argue that depth in each of these institutional settings may have a varying impact on firm strategy. We find the overall positive influence of firm's depth of subnationality in respect to both formal and informal institutions with the latter providing the more pronounced effect on firm internationalization strategy. Our further testing also revealed the detrimental nature of operational depth in the formal institutional setting on the facilitating role of informal institutions in the context of emerging markets.

## **Reputation Shifts in International Assignments**

**T. Bernhard**

Friedrich-Alexander-University Erlangen-Nürnberg, Germany

In the beginning of an international assignment, host-country nationals (HCNs) lack the necessary information and criteria to properly evaluate the newly incoming assignee. The only available informational cue is the assignee's nationality, which will be utilized by the HCNs to evaluate the assignee. However, it is argued in this paper that the evaluative criterion is not the nationality in itself but the HCNs perception of the assignee's nationality, namely the national reputation. Over time, other information and characteristics of the international assignee, such as the reputation of the sending organization or personality traits, become observable and become relevant for the evaluative processes of the HCNs. This study conceptually analyzes this reputational shift as well as the conditions causing the shift.

The study aims at exploring reputation in the context of international assignments as a key mechanism in the interaction between HCNs and international assignees. Thereby, this study moves beyond static, positivist approaches and looks at reputation from a dynamic, constructivist point of view and by employing the concept of sensemaking. Moreover, the study contributes to research exploring the long-neglected perspective of HCNs and their role and relevance for the success or failure of international assignments.

## **An electric vehicle conversion start-up: Development of a business model approach based on the analysis of the environment, the industry structure and the customer needs with particular focus on the German market**

**F. Hoefft**

University of York, United Kingdom and University of Applied Sciences Niederrhein, Germany

Today's world of mobility is characterised by a high degree of dynamism and change is becoming apparent. Currently, around 45 million passenger cars with conventional combustion engines, powered by diesel or petrol, are registered in Germany. The share of electric vehicles is still well below one per cent. Nevertheless, the voices for sustainable and environmentally friendly transport are becoming louder.

Car electrification is a solution for converting cars with conventional combustion engines to electric drives. In the context of this paper, car electrification is regarded as a transition solution towards a nationwide electrified transport network of new electric cars. A comprehensive concept of a business model approach from a start-up perspective has been developed based on the analysis of the environment, industry, and customer needs. The customer analysis is carried out through a qualitative preliminary study and quantitative research.

The business model approach developed based on the findings obtained differs fundamentally from the strategies of today's providers. By incorporating the existing infrastructure of workshops and service points, proximity to the end customer and scalability of the business operation can be achieved. Partnering with universities and industry are two critical elements in the development of a sustainable, secure, and user-friendly solution.

## **MNEs, Institutions and Economic Growth: The Case of Turkey**

**X. Adamoglou, Y. Hajidimitriou**

University of Macedonia, Greece

The goal of this research is to unlink conceptually the three-dimensional relationship (namely, MNEs, institutions and economic growth) in order to examine how MNEs contribute to a country's institutional development, and, subsequently, to its economic growth. In this perspective, the purpose of our paper is not to provide penetrating new insights, like Cantwell et al. (2010), but to adopt and nurture them within conceptual reasoning. This main objective is split into two complementary intentions. First, to synthesize the relevant literature with the holistic and integrative theoretical framework by Cantwell et al. (2010). And second, to apply this synthesis to the emerging economy of Turkey as a useful and "sui generis" institutional setting, in order to shed novel light on the functioning of institutional avoidance, institutional adaptation and institutional co-evolution.

## **A New Perspective on the Spinoff Story: A Tale about Talent**

**A. Kriz, M. Moeller, P. Liesch, E. Russo**

University of Queensland, Australia

Publicly funded research organisations typically spinoff new-to-world technologies to further commercial development of technology, domestically and internationally. However, survival odds aren't high, especially for spinoffs spawned by non-corporate parents. A key challenge that spinoffs from research environments confront can be lack of commercial knowledge. We consider the critical role played by parents in selecting the future founding team's talent base, and developing their knowledge conversion capabilities. While significant research has been conducted on managing talent in large, established multinational companies, talent management literature has lacked an understanding of how parent firms manage talent during the spinoff process. We apply Garnsey's (1998) Theory of the Early Growth of the Firm (TEGF) to explore the earliest growth phases to examine the role played by the parent in developing knowledge, experience and resources (i.e. talent). In doing so, we focus on how talent is attracted and selected, and knowledge conversion capabilities developed in early growth firms during incubation within a parent. We extend Garnsey's TEGF by emphasising talent, and broaden the applicability of talent management to spinoffs. Our research could increase spinoff success by building understandings of talent formation in founding teams, therefore furthering the commercialisation prospects of new-to-world technologies in international markets.

## **Distance Factors and Bilateral Trade Flows: A CAGE Framework Analysis**

**K. Tokas, A. Deb**

International Management Institute, India

In cross-border integration literature, Country Portfolio Analysis (CPA) has been a popular tool in evaluating a country's decision to enter a foreign market. However, CPA focusses only on market size and potential sales through variables like Gross Domestic Product (GDP) and propensity to consume while being quite oblivious to the costs inflicted by the 'distance' between the nations partnering in business. CAGE (Cultural – Administrative – Geographic – Economic) distance framework introduced by Ghemawat (2001) is an improvement over the traditional CPA. This empirical paper attempts to answer the question that whether these distances are influential for cross border integration between a host country and its trading partners. This study carries out an analysis on a panel dataset with 682 observations for both the manufacturing and services industries to investigate the distances which matter for global integration for the case of India. We use OECD TiVA (Trade in Value Added) Database, December 2018 edition for measuring India's total manufacturing and service industry trade with partner countries for the years 2005-2015. The empirical findings show that several dimensions of the CAGE distances do have an impact on the bilateral trade flows of India in manufacturing and services sector guided by the nature of these industries.

### **How Do Emerging Market Multinationals Catch-up and Internationalise?**

**J. S. Zhu**

University of Newcastle, Australia

This study explores how emerging market MNEs with little competitive capabilities catch up through internationalization and grow into global leading players in automobile industry. To do so, we attempted to unveil the internationalization process, motivations of internationalization and market entry of these firms. We investigate this through an in-depth qualitative case study of a small Chinese automobile parts and component manufacture which has grown into one of global leading automaker. This study finds interactive relationship between inward FDI and emerging markets' outward FDI, with the former not only acting as sources of strategic assets but also as the bridge to independent outward FDI.

### **The Effect of Financial Leverage on R&D Investment**

**C.-L. Yang**

University of Taipei, Taiwan

This study investigates the effect of financial leverage on R&D investment. The financial resources of firms determine the capacity of R&D investments. Particularly, R&D investments can have substantial advantages that make differentiate from others. In these results, first, the less financial leveraged cross-listing firms would increase R&D expenditures. The financial leverage is significantly negative to R&D investments. There is a significant difference between less financial leveraged cross-listing firms and their rivals. Second, the high financial leveraged cross-listing firms would not to increase R&D expenditures. However, it is an insignificant evidence to support negative relationship between financial leverage and R&D investment in this situation. There is an insignificant difference between high financial leveraged cross-listing firms and their rivals.

### **The Power of Social Media Marketing In New Media Age: A Perspective on Consumers' Travel Behavior**

**F. Sharmin, M. T. Sultan**

Shanghai Jiao Tong University, China

With the prevalence of the Internet, social media are transforming the pattern of the tourism industry. There is an intensifying tendency to utilize this opportunity in online travel activity. This study examines the role of social media technology as a utilization trait in shaping young consumers' travel behavior based on the theory of Planned Behavior (TPB). This research has largely focused on social media acceptance and usage performance of consumers' during the travel planning phase. The quantitative survey method used to collect data from prime tourist places of Shanghai (China) and the instrument developed support on previous research to test hypotheses. The results of structural analyses revealed that respondents' attitude towards the use of social media affected by technology self-efficiency. In addition, perceived behavioral control has a partial influence on the attitude of respondents'. Thus the respondents' mostly prefer social media in pre-travel phase and during travel. Finally, the managerial implications for tourism marketers are presented with a focus on how to improve the effectiveness of social media marketing in targeting groups.

### **When an MNE's Host Country Partner Decides to Diversify: Insights from a Case in Saudi Arabia**

**F. Alfehaid, C. Williams**

Durham University, United Kingdom

#### **ABSTRACT**

Despite the extensive literature on both diversification and strategic alliances (e.g., Palich et al., 2000; Parise and Casher, 2003; Wassmer, 2010), there is a lack of research examining the interactive nature of the relationship and how the interplay between strategic alliances and diversification works out in non-diversified economies. We explore how a host country partner in a non-diversified economy can learn from a foreign multinational enterprise (MNE) through a strategic alliance in order to undertake its own diversification decisions. Literature suggests diversification decisions can be influenced by the knowledge 'system' surrounding an international strategic alliance, including the absorptive capacity and disseminative capacity on the one hand, and organizational learning on the other. Explorative results from Saudi case that engaged in a strategic alliance show how the absorptive capacity of the knowledge seeker (i.e. host country partner) and disseminative capacity of the knowledge holder (i.e. foreign MNE) affect the organizational learning needed to make diversification decisions. This paper contributes to the understanding of diversification decisions in emerging non-diversified economies. It breaks ground by uncovering the chronological structure and knowledge dynamics within an international strategic alliance and how these impact a decision by the host country partner to diversify.

### **An Exploratory Study of Entry-level Fashion Brands in China**

**Q. Hao<sup>1</sup>, Z. Chen<sup>1</sup>, O. Rahman<sup>2</sup>, M. Gledhill<sup>1</sup>**

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The objective of this exploratory study is twofold: (1) to examine the underlying motives of buying entry-level luxury fashion brands by young Chinese consumers, and (2) to critically evaluate the attitudes towards entry-level luxury fashion brands among young Chinese consumers. To the best of our knowledge, there have been no research to date that has investigated the processes under which consumer motivations and attitudes will or will not guide the purchasing decisions of entry-level luxury brands among young Chinese consumers. Although some of these studies have investigated luxury fashion brand in China, they did not investigate young Chinese consumers' motives, attitudes and behaviours towards entry-level luxury fashion brands. A questionnaire survey was employed for data collection. The results of the quantitative data will be used to develop a conceptual framework to illustrate the complex relationships between consumer motivations, attitudes and behaviours of entry-level luxury brands, as well as to guide future research.

The results can unveil and contribute meaningful insight to luxury fashion practitioners and marketers, particularly to the millennial cohort. We believe that some of the data will be available for dissemination at the conference in September.

### **Donated Equity, Subsidized Loans, and the Governance of Social Enterprises**

**M. Hudon<sup>1</sup>, S. A. Nyarko<sup>1,2</sup>, A. Szafarz<sup>1</sup>**

<sup>1</sup>Université Libre de Bruxelles, Belgium; <sup>2</sup>University of Agder, Norway

We use data from leading microfinance rating agencies to scrutinize the effect of governance characteristics on the subsidization of social enterprises. First, exploratory analysis based on a sample of 213 microfinance organisations (MFOs) identifies five major governance factors. Next, we assess whether these factors affect the level of subsidization of MFOs, by considering separately donated equity and subsidized loans. Our results confirm the theoretical expectation that the amount of subsidized loans is positively associated with good governance. Surprisingly though, donated equity is insensitive to governance factors. This paper suggests interpretations for the facts and opens avenues for further research on the still little-known philanthropic funding of social enterprises.

### **Organisational Performance and the Different Impact of National, Organisational Culture and Human Resource Management Practices: A Comparative Study Among Nordic Countries And Greece**

**B. Myloni, E. Papadionysiou**

University of Patras, Greece

Globalization and intense competition force organisations to be flexible and adaptable to the constant changes of the market. Corporate culture is an important topic, it plays a meaningful role in corporations and affects employees and organizational operations.

The aim of this paper is to present whether and in what way national culture influences

organisational culture and human resource practices and the impact on organisational

performance in different countries, in Scandinavia and Greece. There has not been much research comparing these specific countries, which makes it worthwhile to explore the differences or similarities that may exist. Most importantly, these differences are examined under the light of different environmental forces, such as national culture and organisational culture, which are analyzed in depth and potentially give us comprehensive insights on their impact on organisational performance in different countries. Based on the appropriate theoretical model we develop and test hypotheses that indeed show national and organizational culture influences on human resource management practices and organisational performance.

### **Pass the "Baton": The Succession in a Family Business**

**A. R. de Godoy Filho, M. C. Vinholi**

Universidade do Vale do Itajaí, Brazil

This educational event aims to discuss and understand the concepts and inherent KM aspects in family businesses, the process of succession, adoption of good CG practices by thenalising a crucial moment, the passage of "stick" the parents of administration for children, the TERRAPLANGEM SILVA LTDA, privately held and family-owned structure. The case was based on a real situation, but the names used are fictitious. This case could be applied in Business Administration and Accounting graduate students in the disciplines of management, reorganization and business strategy, finance and corporate governance, tax planning and the like.

### **The Importance of Strategic Orientation and National Culture in the Performance of Listed Companies**

**V. Cardoso, F. Martins, H. Barandas**

Universidade de Porto, Portugal

For publicly traded firms, this analysis investigates whether stable factors like national culture of the firms' country of origin and firm strategy options can explain the performance of these companies – despite the fact that they live in a short-term, very financial environment determined by the evolution of share prices and stock market returns, and suffer from high pressure coming from all types of stakeholders.

For companies listed on STOXX Europe, 924 non-financial firms across 34 European countries, from 2013-2017, we find that the national culture variables maintain a relevant influence on economic performance (returns on assets), even when firms' decisions are influenced by financial context, vision and methods used in traded public companies. Namely power distance, masculinity, uncertainty avoidance and long-term orientation, (Hofstede's variables) reveals a lasting influence. On the strategy type side, the panel-data analysis denotes the role of "reactors" in explaining adaptation to financial performance (earnings per share).

### **Business Incubation and Entrepreneurial Success of Selected Manufacturing Firms in South East Nigeria**

**E. Emele, O. Ezirim, O. Iwueke**

Federal Polytechnic Nekede, Nigeria

This study focused on business incubation and entrepreneurial success of selected manufacturing firms in south east Nigeria. The specific objectives of the study were to determine the correlation between business idea support system and venture startup success, and to examine the relationship between business idea nurturing and venture survival. The study exploited a survey research design which describe the items/people under the investigation as they exist in their normal setting as a representative of the entire group. Data were collected with an instrument of structured questionnaire from top management of twenty (20) manufacturing firms across the south east of Nigeria that were used as a study. The twenty manufacturing firms have a total of 269 top management staff which was adopted as the study's sample size since it is conducive for a sample size, out of which a total of 219 was analyzed. The findings revealed that there is significant positive relationship between business idea support system and venture successful startup, between business idea nurturing and venture survival, and between business idea evaluation and venture growth of selected manufacturing firms in South East Nigeria.

### **Entrepreneurship Development and the Third World Countries: The Case of a Race against Itself**

**U. E. Amadi, U. O. Oko**

Akanu Ibiam Federal Polytechnic Unwana, Nigeria,

The main objective of this study is to ascertain how entrepreneurship development in Africa was nipped on bud and how she became a race against herself, using Nigeria as a case study. The researcher applied primary and secondary method of data collection. Findings reviews that African nations are economically and technologically crippling as a result of mismanagement of resources, political instability, insurgency, none documentation of their previous philosophical, scientific and technological prowess. Most Africans instead of enhancing their coping capacity, have surrendered their fate to religion, and superstition. They blame their ancestors for their woes.

And the resultant effect is constant booting and rebooting with dangerous viruses exterminating all traces of previous achievements, without replacement or modification. The basic ingredients which accelerate entrepreneurship development are; pride of craftsmanship, urge for self-reliance, documentation, application, competition, imitation, search, researching, test and retesting. Nigeria has to liberate herself from mental slavery, imitate the advanced nations by churning out ideas that can help to arouse the people's morale and plunge them into action; document their efforts toward development so that posterity will have something to hold on for the purpose of continuity. Africa! Where lies the cause of a problem; lies the solution.

### **Global Talent Mobility and Knowledge Diffusion: The Role of Staffing Agencies in the Growth of East Asian High-tech MNCs**

**M. Tabata**

Senshu University, Japan

As global talent mobility has become more common, more frequently, recruitment and staffing agencies provide transitional mobility for job seekers, they have played an increasingly critical role in global knowledge diffusion and regional development. Based on depth interview in global staffing agencies and engineers in high tech multinational corporations (MNCs), I argue that the role and functions of staffing agencies in East Asian countries, with the focus to the cross-national mobility of high-skilled labors in Japan, Taiwan, and China. The staffing agencies build global talent networks and mitigate the risk of managing human resource and personnel training, and provide a job offering and job seeking matching system in order to reduce transaction cost between recruiting firms and job seekers. The development of global staffing agencies in East Asian countries is closely interconnected with the long-term recession, the restructuring of the Japanese labor market and wage stagnation of Taiwanese labor market, and the booming economy of China has become the trigger of talent mobility across borders. The staffing agencies have started playing the role of labor market intermediaries in the competition of the recruitment for the best engineers in the rapidly growing East Asian high-tech business after China's economic boom.

### **Knowledge Acquisition in Cross-border M&A by the State-owned Enterprises (SOEs) from Emerging Markets**

**D. Klishevich, A. Panibratov**

St. Petersburg State University, Russia

Cross-border mergers and acquisitions (M&A) is a popular international growth strategy of the companies with the state ownership (state-owned enterprises, SOE). Among various rationales of M&As by emerging market firms, scholars particularly highlight the importance of the knowledge acquisition as a tool to obtain rare technological resources, not available in the home markets of firms. However, it hasn't yet been explored by the scholarship how the presence of state ownership influences knowledge acquisition strategies of companies. In this paper we aim to investigate, how state ownership of acquiring companies influences knowledge acquisition, and do companies with state participation follow the same strategic asset seeking rationale behind M&A as private companies or their knowledge-seeking rationale is different. Our research uses the knowledge based view together with the institutional theory to answer the research question on the sample of 168 deals realized by emerging market companies into advanced economies. We reveal that companies with the state ownership tend to acquire firms to get new knowledge and expertise, and consequently, state ownership of companies is positively associated with the knowledge acquisition through M&A. Resource companies are more engaged in knowledge-aimed M&As than companies from other industries.

### **Challenges Facing Internationalization of SMEs in Emerging Economies – A Study on SMEs in Sultanate of Oman**

**S. Sanyal**

Dhofar University, Oman

One of the key challenges facing SMEs as they seek growth and expansion is internationalization. Internationalization is the geographical expansion of economic activities over a national country's borders. After a firm is well established in its national market, a new stage might occur - internationalization, for which companies look as a way to remain competitive in the globalized market. This paper analyses the challenges facing SMEs in the process of internationalization in an emerging economy like Oman, which is a GCC member country that is trying to diversify its economy in the wake of falling oil prices. The study uses the OECD model of internationalization which focuses on four key factors namely Finance Availability, Market Access, Business Environment and Firm Capabilities. Data was collected from 102 respondents and analysed using SEM. The results show that obstacles in availability of finance is the key challenge facing SMEs in Oman as they seek to go global, followed by problems in accessing international markets and a volatile business environment. The firm's internal capabilities do not affect the internationalization process. The results are in line with several studies conducted in different parts of the world.

### **Systematic International Market Selection – a Fuzzy Expert System**

**S. M. Grimstad, R. Glavee-Geo, S. Abeddaa**

Norwegian University of Science and Technology, Norway

International market selection is considered a central element in the internationalisation process of firms. We tested and examined the use of systematic IMS in the specific case of a library software/automation provider anonymously identified as International Library Systems located in one of the Nordic countries. The purpose of the study is thus to investigate how the case company defines the most suitable market to enter, with the application of a multi-criteria Fuzzy expert decision support system. The data were collected both through qualitative and quantitative methods. The qualitative data were collected by conducting semi-structured interviews of key informants in the case company. Quantitative data were secondary data collected from various statistical sources. The findings showed that the top two countries with the best potential, are Australia and UK. These findings support the expressed choice of the company and gives them a well-founded base for making a decision on IMS. The system is a tool, that if used properly may be of good help in terms of decisionmaking as our findings showed that it maintains a consistent logic for the managers and allows management to follow a more formal procedure when selecting new markets to enter, than one based solely on intuition.

### **Corporate Governance and Financial Performance of Deposit Money Bank: The Nigerian Perspective**

**J. Okonkwo**

Akanu Ibiam Federal Polytechnic Uuwana, Nigeria

The financial institution in Nigeria, like in any other countries of the world are of immense importance to the realization of a sound economic growth and development. This study examines the relationship between corporate governance and financial performance of Deposit Money Banks in Nigeria. The specific objective of this study is to ascertain the relationship between the Board size and Financial Performance of Banks in Nigeria; the effect of the proportion of non-executive Directors on the financial performance of banks



and the effect of the number of Board meetings on the performance of banks in Nigeria. The study employed ex-post facto research design. Data were collected via annual published reports of individual deposit money banks in Nigeria through their websites for the period 2004 to 2015. In carrying out the study, the research employed the regression analysis method to analyse the data collected. The result of the study showed that a positive relationship exists between corporate governance variables and the financial performance variables. The study recommend among others that there should be a strict compliance to the CBN 2014 code of corporate governance among all the Deposit Money Banks in Nigeria in order to improve their financial performance.

### **Aerospace Manufacturing Chess Game: How the Trans-Pacific Partnership Changed the Rules**

**A. d. M. Santos, A. L. M. Klevenhusen**

Fundação Getúlio Vargas, Brazil

The causes of mergers and acquisitions (M&A) are well established in the international business literature. Although current research has the potential to significantly improve our understanding of M&A activity, absent is the necessary step of drawing parallels between underexplored social, political, and economic episodes in the past. Our research setting is the aircraft manufacturing industry after the United States withdrawal from the Trans-Pacific Partnership (TPP). We argue that Trump's decision on TPP has brought considerable tension to the aircraft manufacturing sector. Such agreement was expected to promote further sales of Boeing's aircraft and speed up of its procurement process. The recent Boeing's acquisition for \$4.2 billion control of the Brazilian jetmaker's commercial aircraft and services operations Embraer might be motivated by the 2018 Airbus's acquisition of Bombardier. As many of Boeing's suppliers for its Dreamliner aircraft are based in the Pacific region, we argue that the US withdrawal from the TPP has triggered off the formation of Boeing Brasil. Ultimately, this episode enabled China to play a more significant role in trade governance in the Asia-Pacific, giving room to Commercial Aircraft Corporation from China to expand.

### **Apprenticeship Practices and Micro Business Growth in an Emerging Economy: Evidence from Nigeria**

**O. J. Ogbu, A. Christian, I. Samuel**

Federal University Wukari, Nigeria

Over some decades, apprenticeship practice has been the major method of training and engaging children and youths who want to acquire knowledge and skills of micro businesses but since this 21st century, the use of apprenticeship by micro business owners has been in decrease and thereby increasing the ever growing unemployment rate in the expense of micro business growth. In view of this menace facing micro business growth in Nigeria, this study investigated the effect of apprenticeship practice on micro business growth. Descriptive survey design through the use of questionnaires was adopted. Yamane formula was used to determine the study's sample from a population of registered micro business owners in Nigeria. Data collected were analyzed using simple regression inferential statistics. The study revealed that the use apprentices enhance micro business growth in terms of sales and business expansion and overall profitability. The study thus, recommends that micro enterprise owners should employ service of apprentice in their business hence it contributes to sales growth, business expansion and overall profitability of micro enterprise. Also recommended is the creation of apprenticeship scheme by the government to build enabling environment that will encourage the owners of micro enterprise to employ the service of apprenticeship.

### **Cross-cultural Worldviews and De-globalization**

**G. Miotti**

Rollins College, United States of America

Since the end of World War II, globalization has produced a considerable increase in the development of the world economy and social indicators. However, we are currently living in a world of ambiguity and uncertainty that was dramatically accelerated by the Great Recession about a decade ago. It seems that the world of differences is becoming larger than the world of similarities, concepts which have been successfully explored by populist politicians in many parts of the world. Based on the literature about sensemaking theory, this research proposes that individuals with highly developed cross-cultural attitudes and worldviews will have a better perception of the benefits of globalization, and therefore, policy makers would be wise to develop cross-cultural attitudes and worldview initiatives. This paper is structured as follows: it will begin with a review of current developments of the globalization process, it will explore concepts of cross-cultural attitudes and worldviews and will finish with an analysis of the theory of sensemaking and how this can influence the perception and attitudes of individuals toward globalization.

### **Divestiture and Re-investments in Foreign Markets by Family Firms**

**S. Mariotti<sup>1</sup>, R. Marzano<sup>2</sup>, L. Piscitello<sup>3</sup>**

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The paper investigates how and to what extent the dynamics of foreign market entry may be influenced by the familiness. In particular, we study the patterns of divestitures from and re-investments into foreign markets and compare the behavior of family firms (FFs) and non-family firms (non-FFs). We find that FFs exhibit a higher propensity to reinvest in a foreign market after having divested from it. Our empirical results are based on a sample of 2,419 entries undertaken by 604 Italian firms (520 FFs and 84 non-FFs) in the manufacturing sector across 92 different countries between 2000 and 2012.

### **Financial Constraints and Global Value Chain Participation in India**

**K. Reddy, S. Sasidharan**

Indian Institute of Technology Madras, India

This paper explores the relationship between financial constraints and firm participation in global value chains (GVC). We use a rich firm-level data belonging to the Indian manufacturing sector for the period 2000-2016. Controlling for endogeneity and sample selection bias, our empirical outcome reveals a negative impact of financial constraint on firm GVC participation. Further, sub-sample analysis shows a significant effect of financial constraints in the case of standalone and small firms. Finally, we find that financial constraints promote GVC participation for firms that become a part of GVC during the study period. Our findings have strong policy implication on the lines of promoting GVC participation for Indian manufacturing firms and hence remains of interest for policymakers.

### **Learning in Global Virtual Teams (GVTs)**

**D. Majdenic**

University of Turku, Finland

This paper presents early stage research on learning processes in the context of global virtual teams. Of interest are the linkages between individual level learning and team level learning within the context of knowledge intensive, virtually mediated, project-based

work such as consulting. The research is conducted based on a series of three laboratory experiments involving over 360 business students based in four countries in 2015 – 2017 working on graded consultancy-type assignments of progressively increasing difficulty under time pressure. The simulation produced over 1700 individual reflective assignments describing personal learning and team development. Although further analysis is still forthcoming, preliminary results suggest that team composition and psychological safety in addition to individual learning skills affect global virtual team learning and team performance.

### **Uptake of Digital Manufacturing Technologies and Backshoring Dynamics: Insights from the Basque Country**

**B. Kamp**

Orkestra-Basque Institute of Competitiveness, Spain

This paper assesses whether the uptake of digital manufacturing technologies leads to backshoring decisions. It does so by looking into the implementation of digital technologies by industrial firms from the Basque Country (on the basis of a survey with 61 participants) and by looking into 12 historic backshoring cases on behalf of these companies and their expectations looking towards the future. It finds that the uptake of digital technologies is well on track, but that backshoring is a rare phenomenon. It may be that the future holds a more pronounced backshoring movement in store, although it questions whether that is a matter of technological determinism. Instead it argues that other factors weigh more strongly on the decision-taking processes around possible backshoring operations, in which digital technology uptake acts rather as an enable or catalyzer. Among others, it points at deteriorating sales forecasts in foreign places where firms set up production or discovering that initial sales expectancies were misplaced, increases in institutional uncertainty in such places, and rationalization of multinational production apparatuses. Moreover, it postulates that the quality of the industrial ecosystem in multinationals' home bases impacts on the likeliness of backshoring activities taking place.

### **The Roots of Entrepreneurial Decision and Behaviour Explained: Through Food-physiology and the Human Gut-microbiome**

**M. S. Bitsch**

University of Turku, Finland

Can we explain entrepreneurial decisions and behaviour through biology; this is the hypothesis that a growing body of researchers are exploring through the last decade. The decision-making process has implications beyond the scope of entrepreneurship; it applies to international business, and the related risk-taking, behaviour. Recent research findings about the human gut-microbiome have demonstrated how food-physiology could explain behaviours and decision-making processes. We reviewed 197 articles, through 128 journals and identified 10 themes across four interdisciplinary literatures related to either: the brain; life science & medicine; the gut-microbiome or; business & technology. We proposed an organising framework between the three functions of food; food-physiology, the entrepreneur's gut-microbiome; and entrepreneurship decisions and behaviour. And we showed how the social dimension of food pulls us away from our physiological needs. Finally our paper suggested many directions for further studies interested into explaining management behaviour through the lens of biology.

### **Is the Relationship of Altruistic Orientation on SME Sustainability Image Mediated by Strategic Consistency?**

**L. Salciuviene<sup>1</sup>, C. De Mattos<sup>2</sup>, N. Sanghavi<sup>3</sup>**

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As a result of societal pressure, the SME sustainability strategies are at the present time becoming increasingly important. In this paper, we investigate the influence of altruistic orientation on SME sustainability image. We theorise the existence of a mediator – strategic consistency – in this relationship. Existing literature demonstrates the impact of personal characteristics of entrepreneurs on the SME performance. However, studies looking at entrepreneur's altruism and its consequences for the SME performance, and, in particular, SME sustainability image are rare. Moreover, the mediating role of strategic consistency between the SME main business strategy and its sustainability strategy remains under researched. In this conceptual research, we propose a model that brings together the above three main constructs. Propositions and potential implications for practitioners and public policy makers are also indicated.

### **(Don't) Tell Me What I (Don't) Want to Hear. Communicating Sustainability in the Luxury Fashion Sector**

**B. Stępień**

Poznań University of Economics and Business, Poland

Growing engagement in sustainable business conduct is one of the communication strategy highlights of many luxury fashion brands. The aim of this article is to examine relations between the extent brand owners and luxury fashion retailers communicate and promote sustainable efforts and consumers' attitude and interest in sustainability. Qualitative research findings (in a form of mystery shopping, including interviews with sellers and consumers of 10 luxury fashion brands in four cities: Paris, Berlin, Dubai and Singapore) show generally limited contribution of the sellers in communicating or promoting sustainability activities of the brands to consumers, stemming (at least partly) from the general lack of consumers' interest in this area. The discrepancy between the communication of sustainable efforts by the brands and the general lack of this information from sellers' side harms the cohesion of brand image and makes the whole concept of developing sustainable strategies questionable.

The findings allow for detecting mutual influences between consumers' perception of sustainability (as a potential value factor), sellers' willingness to communicate (let alone promote this information during the purchase process) and the brand owners role in the process of spreading and promoting the sustainability as the business approach among sectors.

### **The Role of Firms' Global Strategy to Cope with Terrorism**

**F. S. Malik**

Schumpeter School of Business and Economics, Germany

Terrorist activities affect the business activities of firms. Several fields of studies (foreign direct investment, trade, economy, tourism, growth and stock markets) have researched concerning terrorism, but there is a considerable gap for a firm-level empirical study. It is important to understand the processes through which terrorism can influence business activities of firms. For this reason, there is a need for conducting survey-based research to learn from the experiences of firms competing in the international market in the presence of terrorism. This study shall explain how the size (firms' resources), export orientation and geographic location of firms create a difference to continue business activities in case of terroristic attacks. Similarly, management practices of firms differ among firms on the basis of firms' size, export intensity, and geographic regions. The key findings of this study explain that terrorism negatively damage foreign customers; cost of global business, and the global supply chain. Firms' internal resources and international business experience make them more resilient. Hence, management practices of firms reduce the negative effect of terrorism. The results of this study guide us to draw policy implications for the business community and policymakers to learn from the experience of Pakistani firms dealing with terrorism.

## **The Coping Strategies of Indian Expatriates to Viet Nam: Narrative of an Indian Couple**

**S. Bhargava**

Indian Institute of Management Ahmedabad, India

An “Inclusive International Organisation” will have human capital from multiple nationalities and cultures. It should engage in making itself “inclusive” by developing culturally-intelligent employees. Expatriates working in such organisations should be culturally intelligent. This article focuses on the cultural encounters and coping mechanisms adopted by expatriates when they move from India to Viet Nam. First, it argues that a narrative approach to expatriation and cultural encounters may enlighten us to the ways in which these phenomena are understood and constructed as part of the social reality of those who experience them. Second, it presents analyses of expatriates’ narratives about critical incidents that evoked emotions, challenged the storytellers’ established understandings, and made them reflect upon and cope with cultural encounters in new ways. Finally, the article outlines how researchers and practitioners could work with narration as a means of stimulating cultural learning processes, thereby enhancing cultural intelligence both at the organizational and at the individual level.

## **A Study on the Key Factors Contributing to the Development of Managers’ Global Mindset Using PLS-SEM**

**A. Wollenberg<sup>1</sup>, J. J. Cabrera Lazarini<sup>2</sup>, M. R. Rizal<sup>3</sup>**

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The globalisation in the contemporary business world has forced managers to adopt global mindsets in order to stay competitive in global market conditions. Several authors have argued that International experience could act as a driver to unlock the potential of managerial global mindset orientation. However, prior research mostly focused on the capital perspective while literature surrounding international experience broken down into components is still inadequate. Therefore, our research attempts to bridge the gap with regard to the role of international experience divided into components of international education, international assignments, and international training.

This research utilises exploratory factor analysis as the selected methodology and utilises Partial Least Squares software as the research tool to analyse the data. We found that all of the construct variables within international experience were highly significant. Moreover, our research concludes that international training and education have a higher contribution towards the development of managers’ global mindsets compared to international education.

In addition to providing a theoretical contribution, our research also contributes relevant findings surrounding the context of global mindset and managerial practices as practical implications.

## **Internationalization of African Emerging Market SMEs – a Literature Review and Propositions**

**I. Kujala<sup>1</sup>, R. Owusu<sup>2</sup>**

<sup>1</sup>Abo Akademi University Finland, Finland; <sup>2</sup>Linnaeus University, Sweden

This paper concentrates on research on internationalization of emerging market SMEs. We discuss various conceptual approaches to internationalization of SMEs, emerging markets, and the African context. The stages, network and international new venture approaches are most relevant for SMEs by discussing the role of risk aversion, collaboration, the business context, and entrepreneurship for internationalizing SMEs. As an example, we focus on the textile industry in sub-Saharan Africa. We conclude with propositions for future studies.



## C 1.3.10: Standards, Social Reputation and Socio-Economic Outcomes

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.02 (Boardroom)

Session Chair: Leo Sleuwaegen, KU Leuven, Belgium

### The Multifaceted Relationship between Multinational Enterprises and Inequality

**R. Narula<sup>1</sup>, K. van der Straaten<sup>2</sup>**

<sup>1</sup>University of Reading, United Kingdom; <sup>2</sup>University of Amsterdam, The Netherlands

The capacity of Multinational Enterprises (MNEs) to generate employment and upgrade the quality of the host country's human capital is arguably its most immediate and significant contribution to economic growth, a key objective of an MNE-assisted development agenda. However, whether by direct or indirect action, or by inaction, MNEs can have both a positive and a negative effect on within-country inequality, not least because they play an outsized and growing role in most economies. Much is unclear about the mechanisms underlying the link between MNE activity and inequality. We believe it is necessary - for both MNEs and policymakers - to have a more nuanced understanding of how, and under what circumstances, the presence of MNEs affects inequality in host economies. We therefore highlight some key issues and avenues for future research.

### The Evolution of Business Ethics in China and the United States: Convergence, Divergence or Crossvergence?

**J. Lee<sup>1</sup>, Y. Paik<sup>2</sup>, C. Vance<sup>2</sup>, D. Li<sup>3</sup>, K. Groves<sup>4</sup>**

<sup>1</sup>University of Reading, United Kingdom; <sup>2</sup>Loyola Marymount University, United States of America; <sup>3</sup>Tsinghua University, China;

<sup>4</sup>Pepperdine University, United States of America

This study presents a cross-temporal comparison of business ethics in China and the US between the 1990s and 2000s. Although it is well established that cross-cultural differences exist in business ethics and that culture and values in a society may evolve over time, little attention has been paid to the longitudinal changes in such cross-cultural differences that might have occurred over time. Building on the three competing perspectives – convergence, divergence, and crossvergence – on values formation and evolution, we investigate whether and how managerial ethical decision-making and the associated moral philosophy used to justify decisions have been changed in China and the US over a decade. Our analysis reveals that the differences in Chinese and American managers' ethical decision-making evolved in many different ways, lending support to the crossvergence perspective. Interestingly, however, we discover that the divergence outlook prevails when it comes to the moral philosophies behind their decisions. These findings provide critical insights into cross-cultural evolution in business ethics in a world of increasing cross-cultural and multicultural interactions.

### The Impact of Multinational Enterprise Corporate Anti-corruption Policy on Location Strategy: The Contingent Role of Investment Motive

**G. F. Jiang<sup>1</sup>, M. A. Sartor<sup>2</sup>**

<sup>1</sup>Carleton University, Canada; <sup>2</sup>Queen's University, Canada

This study examines the impact of corporate anti-corruption policies on multinational enterprises' (MNEs') foreign investment strategy. We propose that self-regulatory measures against corruption will reduce the propensity of a firm investing in countries with high levels of corruption. We also propose that the differences in foreign investment motives and firms' operating experience will moderate the deterrent effect of anti-corruption policies. Our analysis of overseas production investments by Japanese firms (2011–2017) supports our main theoretical predictions. We find that firms that had implemented policies to curtail corruption and bribery were less likely to enter countries where corruption was prevalent. However, the deterrent effect diminished when a new subsidiary had an efficiency-seeking purpose or when the parent firm had accumulated extensive operating experience in other corrupt markets. In contrast, the deterrent effect was more prominent when a new subsidiary had a competence-creating purpose. These results not only directly contribute to the research on control of corruption in international business, but also have implications for research on corporate self-regulation more generally.

### Global Governance in New Public Environmental Management: An International and Intertemporal Comparison of Voluntary Standards' Impacts

**M. Wagner**

Augsburg University, Germany

The aim of this paper is to analyse the indirect effects of environmental management system implementation and certification. Specifically, the paper comprehensively assesses the effects of ISO 14001 and EMAS certification as well as experience with implementing environmental management systems on 1) organizational activities outside the scope of environmental management systems, 2) pollution prevention, and 3) product stewardship. This is done by applying multivariate regression analysis to a large multi-country and multi-period dataset. The analysis finds heterogeneous effects that are limited specifically as concerns pollution prevention and product stewardship, and cannot establish clear links to national business systems. Given this and the differences between environmental management system standards, implications for global governance in the context of new public environmental management and the role of national governments in implementing sustainability, even beyond environmental protection, are discussed. Ultimately, the paper evidences on potential limitations of the major international environmental management system standards ISO 14001 and EMAS in supporting the diffusion of advanced practices such as pollution prevention and product stewardship that are necessary for sustainable development. In doing so, it highlights that government-led public environmental management remains crucial for organising governance, especially in the context of voluntary standards that are applied internationally.

## C 1.3.11: Knowledge, Structure & Productivity in Global Value Chains

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: Liberty G.32

Session Chair: Bent Petersen, Copenhagen Business School, Denmark

### Export and Productivity in Global Value Chains: Comparative Evidence from Latvia and Estonia

K. Benkovskis<sup>2</sup>, J. Masso<sup>1</sup>, O. Tkacevs<sup>2</sup>, P. Vahter<sup>1</sup>, N. Yashiro<sup>3</sup>

<sup>1</sup>University of Tartu, Estonia; <sup>2</sup>Bank of Latvia, Latvia; <sup>3</sup>OECD, France

This paper investigates the effect of exporting on productivity, often referred to as “learning-by-exporting”, in the context of global value chain (GVC). Although the rise of GVCs raised hope that participating in GVCs would facilitate knowledge transfer from technologically advanced global buyers, empirical evidence on the role of GVCs in learning-by-exporting has been scant. We exploit large data of Latvian and Estonian firms and observe how learning-by-exporting differs across types of exports that are associated with participation in different segments of GVCs. We find that while exporting results in significant improvement in productivity, productivity gains are larger for exports of intermediate goods and non-transport services, which correspond to the participation in upstream of GVCs. Our findings support the literature on GVC that stresses the importance of strengthening a country's capabilities to supply knowledge-intensive goods and services to GVCs.

### Foreign Direct Investment, Global Value Chains and Upgrading Opportunities for ASEAN Countries

H. N. Nguyen

University of Urbino Carlo Bo, Italy

How can foreign direct investments (FDI) help emerging countries integrate further in global value chains (GVCs) and gain benefits from such involvement? Over the last two decades, countries belonging to the Association of South-East Asian Nations (ASEAN) have been increasingly attractive for FDI and active in GVCs. Combining OECD data on Trade in Value Added (TiVA) with sector-level FDI data from the ASEAN Secretariat Database and the FDI Markets Database for ten ASEAN countries during the period 2005-2015, we show a remarkable heterogeneity across nations in terms of participation and captured values in GVCs, sectoral distribution and locational patterns of inward FDIs. Controlling for different country and sectoral level characteristics, we use a fixed effect regression model to highlight the complex and diverse impact of FDI inflows on GVC upgrading. To further explore the impact of FDIs on GVC participation and benefits accruing to ASEAN countries, we disentangle the heterogeneity of motives behind FDI in the manufacturing sector and find significant insights for the mechanism between FDI, technological capabilities and upgrading in GVCs in the region.

### Toward a Better Understanding of Length and Position in Global Value Chains

K. Knez, A. Jaklič, M. Stare

University of Ljubljana, Slovenia

In this article we propose a revised methodology of value chain analysis in international input-output framework. We demonstrate that existing measure of GVC participation share as well as most often used method of decomposition of upstream and downstream value chain length on domestic and global component systematically underestimate GVC share significantly, because of unrealistic assumptions and calculation deficiencies. Proposed new methodology solves conceptual inconsistencies of existing measures, better captures the real proportion of GVCs and improves their understanding. More comprehensive conceptual approach offers researchers new and improved tools applicable to various analyses. The main contribution of proposed methodology is conceptual: we treat the value chain as a holistic entity and integrate both downstream and upstream parts into one conceptual framework, as opposed to existing separate treatment of upstream and downstream parts in isolation.

## C 1.3.12: Knowledge, Development and Societal Impact

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.32

Session Chair: Sandra Seno Alday, University of Sydney, Australia

### Renew or Reconfigure – A Study on SMEs' Response to MNC Presence

**C. Holmström Lind, K. Lagerström**

Uppsala University, Sweden

In this paper we use a resource-based lense to analyze the extent to which the strategic orientation of SMEs conditions their response to the presence of MNC in terms of the choice between 'renewal' and/or 'reconfiguration' activities. Towards this aim we provide empirical evidence from a large-scale study of 297 small- and medium sized firms (SMEs) in a developed country context. More specifically we explore the effects of market orientation (MO) and technology orientation (TO) as two distinct but complementary proactive strategic orientations of SMEs on how they respond to the presence of MNCs in terms of their engagement in firm renewal and reconfiguration, as two manifestations of exploration and exploitation activities. The results confirm the expectations that the market orientation as well as the technological orientation give rise to firm renewal as a response to MNC presence. It is also revealed the higher the SMEs' technological orientation the less they respond to MNC presence by means of reconfiguration. Opposite to our expectation of the difficulty of acting 'ambidextrously', our findings show that SMEs that are engaged in renewal activities are also involved in reconfiguration activities as a response to MNC presence.

### Unlocking the Green Door of Regional Development: The Role of MNEs in Greening Local Inventive Activities

**D. Castellani<sup>1</sup>, G. Marin<sup>2</sup>, S. Montresor<sup>3</sup>, A. Zanfei<sup>2</sup>**

<sup>1</sup>University of Reading, United Kingdom; <sup>2</sup>University of Urbino, Italy; <sup>3</sup>Kore University of Enna, Italy

The paper investigates the extent to which MNEs contribute to the regional specialisation in green technologies. Drawing on the literature about the environmental effects of MNEs, and combining it with recent research on the geography of eco-innovations, we maintain that the extent to which inward FDIs contribute to regional specialisation in green technologies is greater in sectors where the cognitive proximity with the green technologies is greater. We also maintain that these effects should mainly occur through R&D-related FDIs, and that FDIs can contribute to acquire a green-tech regional specialisation. Combining the OECD-REGPAT and the Financial Times' fDi Markets dataset with respect to about 1,305 European NUTS3 regions over the period 2003-2014, we find partial support for our hypotheses. In particular, our evidence suggests that FDI in transport industries and energy industries are associated with specialisation in green technologies related to transport and energy related technologies, respectively. However, while only the former is associated with R&D FDIs, while the latter are driven by non-R&D FDI, only the latter contribute to acquire a regional green-tech specialisation

### The Competition-cooperation Interplay within MNEs for Knowledge Development and Innovation

**K. Lagerström<sup>1</sup>, E. Leite<sup>1</sup>, C. P. Pahlberg<sup>1</sup>, R. Schweizer<sup>2</sup>**

<sup>1</sup>Uppsala University, Sweden; <sup>2</sup>University of Gothenburg, Sweden

While prior research has recognized the importance of intra-firm competition or cooperation for innovation and performance, we know little how competition and cooperation should be internally organized by firms. This paper aims to address this critical gap by focusing on the following questions: (a) what conditions drive cooperation and competition within the multinational? and (b) how does competition and cooperation dynamically change over time? To answer our research questions a single case study of SKF – a manufacturing MNE with headquarters in Sweden - is performed on two analytical levels (headquarters/subsidiaries). Our preliminary analysis shows that organizing for cooperation and competition depends on the environmental, organizational and object-related conditions. Such conditions, however, are not limited to HQ's initiatives but it may also be a subsidiary-led process. Thus, the cooperation and competition interplay is an outcome of the HQ's strategic orientation as well as subsidiary's autonomy, local responsiveness and its ability to innovate.

### Emergence of Knowledge Management in Russia: Towards Legitimacy for Practice

**E. Grinberg, L. Selivanovskikh**

St. Petersburg State University, Russia

Although the popularity of knowledge management has been steadily increasing over the last decade, with research and practice exploring how firms create and sustain competitive advantages by developing their ability to effectively and efficiently manage knowledge, pertinent literature has had little conversation about the legitimization of knowledge management and related practices. In this article we reflect upon the emergence of knowledge management in a transition economy context and offer context-specific explanations as to how knowledge management practitioners seek legitimacy with different constituencies.

### C 1.3.3: Emerging Market Firms' Strategy and Internationalization

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.09

Session Chair: Bernard Wolf, York University, Canada

#### Strategic Configurations and International Performance of Emerging Market Multinationals

Y. Li<sup>1</sup>, L. Cui<sup>2</sup>, K. Meyer<sup>3</sup>, D. Fan<sup>4</sup>

<sup>1</sup>The University of Sydney, Australia; <sup>2</sup>The Australian National University, Australia; <sup>3</sup>University of Western Ontario, Canada; <sup>4</sup>The University of Western Australia, Australia

This study examines the international performance of emerging economy multinational enterprises (EMNEs) from a strategic configurations perspective. We propose that the strategic patterns of EMNEs that deliver growth and profitability outcomes are characterized by different configurations of environment, strategy, and managerial resource factors. Therefore, identifying and assessing strategic configurations is key to understanding of EMNEs' international performance. Employing fuzzy-set qualitative comparative analysis (fsQCA), we analyze a multi-sourced dataset of Chinese firms' outward investment and identify multiple equifinal strategic configurations that are associated with superior international performance in terms of sales growth and/or profitability. These findings inform the development of a taxonomy of EMNEs' strategic configurations corresponding with three performance groups, namely profitable growth, profitable niche, and poor performers.

#### Rapid Internationalization of Emerging Market Firms: The Role of Foreign Participation

Y. Li, J. Cantwell

Rutgers University, United States of America

International Business scholars have been searching for the determinants of rapid internationalization, especially for firms that are new to global competition. Most literature on rapid internationalization acknowledges the benefits of being a network insider but fails to specify who the internationalizing firms should connect with. This study explores, in an emerging market context, whether interactions with foreign multinational corporations (MNCs) at home helps a local firm to leapfrog initial stages in internationalization. Derived from the international knowledge transfer literature, we acknowledge that foreign MNCs disseminate marketing, managerial, and technological know-how to emerging market firms (EMFs) at home before they go abroad. Rather than being developed internally, knowledge that is essential to internationalization can be acquired from knowledge transfer via foreign ownership, and technology spillover through the foreign presence in the environment.

#### Board Activity, Family Ownership and International Investments in Emerging Market Firms

V. Sukumara Panicker<sup>1</sup>, R. Srinivas Upadhyayula<sup>2</sup>

<sup>1</sup>Loughborough University, United Kingdom; <sup>2</sup>Indian Institute of Management Kozhikode, India

Extant literature on emerging market firms is equivocal in terms of the influence of board characteristics on international investments in firms. In this paper, we attempt to understand the activity and involvement of board in the internationalization activities of firms, by evaluating the role of board meeting frequency and director interlocks on international investments in firms. By combining resource dependence view with network ties perspective, we also argue that the effectiveness of board involvement is contingent upon the levels of family ownership in firms, since family ownership could enhance or limit the activities of board members. On a panel of 3134 firm years of 605 unique Indian firms with foreign investments, over a time period of 2006-2017, we perform fixed and random effects estimation and find that both board meeting frequency and director interlocks are instrumental in supporting internationalization activities in emerging market firms. However, board meetings are less effective in family firms, whereas the role of interlocked directorates is stronger in family owned firms.

#### The Impact of Dynamic Managerial Capabilities on Outward Foreign Direct Investment from Emerging Economies

C. R. Stoian, Z. Khan, M. J. Zeng, A. Dean

University of Kent, United Kingdom

We examine the impact of dynamic managerial capabilities on outward foreign direct investment (OFDI) from emerging economies. We propose a theoretical framework that extends Dunning's eclectic paradigm by drawing on the institution-based view and the dynamic capabilities perspectives. We expand the concept of institutional ownership advantages by integrating three dynamic managerial capabilities and explain how these influence OFDI. We test our hypotheses using panel data for 28 countries for 2001-2016. We find that managers' international experience and managers' adaptability enhance OFDI but managers' awareness of global issues does not matter for investors. Finally, we draw implications for research and practice.

## C 1.3.5: Institutions and Culture

*Time:* Saturday, 14/Dec/2019: 2:00pm - 3:30pm · *Location:* Liberty 1.28  
*Session Chair:* Sjoerd Beugelsdijk, University of Groningen, Netherlands, The

### **Avoiding “Cultural Distance Paradox” – Switching to Cultural Friction Lens An Empirical Study in Foreign Divestment**

**H. T. T. Nguyen<sup>1</sup>, J. Larimo<sup>1</sup>, D. Dow<sup>2</sup>**

<sup>1</sup>University of Vaasa, Finland; <sup>2</sup>The University of Melbourne, Australia

We extend institutional theory by examining the role of cultural friction between foreign subsidiaries and host countries in foreign divestment decisions. Furthermore, our study supplements the theoretical arguments and provides empirical evidence for switching from cultural distance to cultural friction. Based on a sample of 2,004 foreign investment cases made by 333 Finnish MNEs in 41 host countries during 1970-2010, we find the U-shaped relationship between cultural friction and foreign divestment probability. The relationship is further contingent on the lubricant effect of entry mode. Theoretical and practical implications of the paper are discussed, along with directions for future research on international business strategies.

### **Who Cares about Conformity? How Cultural Tightness in Target and Source Locations Affects Firms' Tendencies to Mimic Each Other's Foreign Investment Location Choices**

**A. Slangen, N. Braito**

KU Leuven, Belgium

We examine the role of cultural tightness of source and target locations in affecting MNEs imitative behavior by analyzing location decisions for manufacturing investments in the U.S. by multinational firms at a fine-grained regional level (Metropolitan Statistical Areas), 2003-2012. We find that the likelihood that an MNE imitate the location strategies of other MNEs is positively affected by the level of cultural tightness in both the target and in the source location.

### **The Role of Tax-related Institutions in International Business Strategy: A Literature Review and Research Agenda**

**A. O. Eerola, A. Slangen**

KU Leuven, Belgium

Since globalization has amplified the possibilities and necessity for firms to engage in cross-border tax arbitrage, and since such arbitrage has been increasingly scrutinized and thwarted, tax optimization has become an increasingly important strategic challenge for multinational enterprises (MNEs). Consequently, a sizeable number of studies by now has explored the role of taxation in international corporate strategies and their outcomes. We provide an overview of these studies and their findings and develop a research agenda to further advance the field. We structure our discussion of extant research around three categories of international strategies - strategies for profit shifting, relocations of headquarters, and foreign expansion strategies - and identify four fruitful areas for future research. These areas concern the measurement of income tax rates, the role of tax-related formal institutions other than income taxes, the role of tax-related informal institutions, and MNEs' strategic use of bargaining power to close tax deals with governments. More generally, our review shows that, rather than merely being an accounting issue, tax optimization poses strategic challenges for MNEs and therefore warrants even more attention from international strategy scholars.

### **State Ownership and Foreign Entry Strategy: The Joint Role of Home and Host-Country Pro-market Institutions**

**P. Symeou<sup>1</sup>, G. Santangelo<sup>2</sup>**

<sup>1</sup>Cyprus University of Technology, Cyprus; <sup>2</sup>Copenhagen Business School, Denmark

Our study is one of the first to investigate how the national context – both domestic and foreign – intertwines with ownership arrangements to influence the internationalization strategy of state-owned multinationals (SOMNEs). We do so by exploring how home-country and host-country industry-specific pro-market institutions (ISMIs) determine the prominence of State-related liabilities and capabilities and, by extension, influence the internationalization decisions of SOMNEs. We empirically find that SOMNEs have a baseline preference for economies without ISMIs whereas they exhibit delayed entries in locations with ISMIs. Home-country ISMIs moderate these relationships by weakening both State-related capabilities and liabilities. We conclude that companies pursue growth opportunities by adopting different strategies that are more suited to their ownership structure, host country market institutions, and home country market institutions. We therefore touch upon international behaviors that deviate from typical and general trends of MNEs' behavior.

## C 1.3.6: Expatriate Management

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.06  
Session Chair: Fabian Jintae Froese, University of Goettingen, Germany

### Do Stays Abroad Influence Compensation? The Role of Duration, Timing and Breadth of CEOs' International Experiences

**S. Schmid, S. Baldermann**

ESCP Europe, Germany

The compensation of CEOs continues to rise, which raises the question why compensation packages of top executives are becoming increasingly excessive. In this paper, we focus on the effect of international work experience on compensation. Based on human capital theory, we argue that the duration, timing and breadth of international work experiences affect CEO compensation. With data from Europe's largest stock-market firms, we provide empirical evidence that the longer the duration of international work experiences, the further they date back and the more numerous they are, the higher is a CEO's compensation. We also suggest that CEO maturity influences the relationship between international work experience and compensation. Based on our sample, we find that the maturity of the CEO moderates the relationships between duration, timing and breadth of international work experiences and compensation. We conclude that maturity allows a CEO to take advantage of international experience and to receive a higher payoff.

### Hostile Environments and Expatriation: Contextualising Demands and Resources

**P. C. Faeth<sup>1</sup>, M. G Kitter<sup>2</sup>**

<sup>1</sup>University of Stirling, United Kingdom; <sup>2</sup>MCI Management Center Innsbruck, Austria

An increasing number of expatriates are assigned to hostile environments (HEs). While expatriation per se is considered to be stressful, with many expatriates performing poorly or returning prematurely, working in regions with increased security risks and lower standards of living adds additional stressors. Relevant literature shows that this can lead to negative outcomes for both, the organisation and the individual. This paper focuses on one particular negative outcome – burnout – which is an area that has not received much attention in the expatriate literature yet. Drawing on 42 in-depth interviews with expatriates assigned to HEs, this paper is the first stage of a mixed-method study, using the Job-Demands and Resource (JD-R) framework (Demerouti et al., 2001) to identify context specific demands and resources. It extends the occupational stress model by personal demands and resources, which are particularly relevant for the expatriate context where it is argued that the work and private domain are blurred. The qualitative findings will inform the following quantitative study, using inferential statistics to determine the predictive value of identified demands and resources for the development of burnout and work engagement. Findings of both studies will be beneficial for recommendations of appropriate assignment preparations and stress management interventions.

### Political Skill and Cross-cultural Adjustment among Self-initiated Expatriates: The Role of Employer's Psychological Contract Fulfilment

**A. Koveshnikov<sup>1</sup>, H. Wechtler<sup>2</sup>, M. Moeller<sup>3</sup>**

<sup>1</sup>Aalto University, Finland; <sup>2</sup>University of Newcastle, Australia; <sup>3</sup>University of Queensland, Australia

Based on our analysis of 209 self-initiated expatriates (SIE) and using social influence theory, which draws attention to the role of interpersonal influence in determining individual and organizational outcomes, in this paper, we pursue two objectives. First, we examine the relationship between SIEs' political skill, as a measure of their social ability and effectiveness, and cross-cultural adjustment (CCA). Second, to explain one of the mechanisms, through which the relationship operates, we test whether SIEs' psychological contract (PC) fulfilment, i.e. the fulfilment of the terms of the social exchange relationship between SIEs and their organizations, mediates this relationship. We use PC fulfilment as an indication of the SIEs' ability to secure organizational endowments from their employers. We find support for the proposed relationships. In this way, the paper advocates for the important role of political skill in the context of international expatriation and international organizations in general, which are arguably even more political given their susceptibility to cross-cultural conflicts and tensions.

### What Makes Them Want to Leave? An Empirical Investigation of Expatriates' and Spouses' Premature Return Intention

**J. Goede**

University of Hamburg, Germany

The expatriate and spouse's inability to adjust to the uncertainties and demands of living in the host country have been shown to be major influences on the expatriate's premature return intention. Yet, knowledge on what drives not only the expatriate but also the spouse's premature return intention is still missing. At the same time, findings with regard to the effect of satisfaction on the expatriate's premature return intention are inconsistent thus far. Building on stress theory this study therefore investigates the premature return intention of expatriates and spouses. Utilizing structural equation modeling, data from 104 expatriates and 64 spouses shows that the inability to adjust to the host country conditions does not directly affect their premature return intention. Instead, the relationship between the expatriate and spouse's general adjustment and their premature return intention is mediated by the general satisfaction with the international assignment. While the general satisfaction also mediated the relationship between interaction adjustment and premature return intention for expatriates, for spouses interaction adjustment does not appear to be a driver of their premature return intention. This result raises concern to the relevance of interaction adjustment for spouses. Implications for theory and practice are derived.



## C 1.3.9: Knowledge, Learning and International Entrepreneurship

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.33

Session Chair: Tamara Galkina, University of Vaasa, Finland

### How Does Transformative Learning Moderate the Entrepreneurial Orientation-Performance Relationship? Evidence from Three Countries

**P. Dimitratos<sup>1</sup>, S. Elbanna<sup>2</sup>, G. Nakos<sup>3</sup>, N. Li<sup>4</sup>**

<sup>1</sup>University of Glasgow, United Kingdom; <sup>2</sup>Qatar University, Qatar; <sup>3</sup>Clayton State University, United States of America; <sup>4</sup>University of Aberdeen, United Kingdom

How entrepreneurial learning can help small and medium-sized enterprises (SMEs) succeed when venturing abroad remains largely unanswered. Entrepreneurship and international business scholars need to conceptualize and explain entrepreneurial learning for internationalization. This paper sheds light on the concept of transformative learning (TL), the experiential learning a firm collects, assembles and uses for transforming the motivation of the firm and transpiring action towards international entrepreneurial activities; and, examines how entrepreneurial orientation influences international performance (IP) of SMEs considering the moderating effect of TL. Drawing from a three-country sample of 261 firms from five industries, the empirical evidence suggests that although both entrepreneurial orientation and TL had positive direct effects on international performance, TL negatively moderates the entrepreneurial orientation-international performance relationship. We discuss this interesting result with limitations that suggest future research.

### The Impact of Knowledge Sharing on SME Internationalization

**J.-C. Gessler<sup>1</sup>, A. Colovic<sup>2</sup>, U. Mayrhofer<sup>3</sup>**

<sup>1</sup>Magellan Research Center, France; <sup>2</sup>NEOMA Business School, France; <sup>3</sup>Université Côte d'Azur, France

Internationalization of SMEs is beset by numerous obstacles and constraints, among which limited resources and lack of foreign market knowledge. Collaboration with other SMEs is one important way of overcoming these obstacles. In this paper we investigate how knowledge sharing about markets on which an SMEs is already present and knowledge sharing about new markets impact the level of SME internationalization. Our empirical investigation is based on a sample of 181 French SMEs operating in an array of industries. We find that knowledge sharing has a significant influence on the speed of internationalization, but that it has no significant influence on the share of foreign sales and the number of markets served. Our findings contribute to the research stream investigating how networks help SMEs internationalize, by providing a fine-grained analysis on the influence of knowledge sharing on the three dimensions of internationalization.

### The Learning-networking Relationship in International Entrepreneurship: A Review and Future Directions

**S. Fuerst**

Universidad EAFIT, Colombia

Knowledge and networks are important predictors for early internationalization. International entrepreneurship literature recognizes the dynamics of learning and networking and their interplay. Learning does not happen in isolation – it happens in relationships. Most international market knowledge is acquired vicariously through interaction with others. Despite our understanding about the importance of the interactions between the network and the learning of the entrepreneur, the literature seems to be fragmented and we lack an understanding about the interplay of knowledge and the network from a static perspective and learning and networking from a dynamic perspective. Gaining an understanding about their interplay from both a static and a dynamic perspective allows to uncover important gaps of knowledge in order to advance our understanding about the process of entrepreneurial internationalization, that is, the cross-national border behavior of entrepreneurial actors, during different phases of internationalization. Additionally, these insights allow to uncover important methodological considerations for studying the phenomenon from a static as well as a dynamic, process perspective.

### Uncovering the Success of Minority Chinese Entrepreneurs: The Role of Financial Literacy and Entrepreneurial Orientation on SME Performance

**R. Virgosita<sup>1,2</sup>, T. Randøy<sup>2</sup>**

<sup>1</sup>Universitas Gadjah Mada, Indonesia; <sup>2</sup>University of Agder, Norway

This study is motivated by the prevalence of ethnic Chinese entrepreneurs in Indonesia. To uncover the reasons behind their apparent success, we build and test an empirical model on the relationship between ethnicity, financial literacy, entrepreneurial orientation, and small and medium-sized enterprise performance. The theoretical foundations of this model are cross-cultural cognition theory and the resource-based view of the firm. These are validated by 15 qualitative interviews that highlight that the Chinese institutional environment supports early-age exposure to business practices and to trust-based ethnic networks that value business opportunities. We test our model through a survey of 162 Chinese and 166 Javanese firms/entrepreneurs and find that Chinese entrepreneurs appear to have a different mindset, different preferences, and achieve better firm performance than indigenous Javanese entrepreneurs who live in the same national context. We suggest that this study helps to demystify the entrepreneurial success of ethnic Chinese, by showing that such success is systematically associated with entrepreneurs with higher financial literacy and a stronger entrepreneurial orientation.



## I 1.3.12: Drivers of Innovation

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.03  
Session Chair: Mario Kafourous, University of Manchester, United Kingdom

### Intersection of Spillover Effects: Who Learns from Whom?

**I. Álvarez, R. Marín**

Universidad Complutense de Madrid, Spain

Knowledge spillovers are one of the potential positive effects of foreign direct investment (FDI). Co-location of agents is crucial for understanding the geography of multinationals (MNE) innovation, and the interaction between heterogeneous companies in a given location makes it possible to analyze which are the most relevant dimensions in the learning process. The fact is that foreign companies in host economies can not only generate spillover effects that are beneficial for domestic ones but can also benefit from them. In this paper we show that this statement is supported for Spanish manufacturing industries. While foreign firms may absorb knowledge from domestic firms, they also may learn from potential spillovers from other foreign firms established in the country. What is interesting is that in the first case, the positive effects are reinforced when domestic firms are themselves multinational firms. Our findings support the existence of a cumulative recursive effect whereby the learning of internationalization also reverts to the country of origin, in turn benefiting co-located foreign companies. The degree of integration into international markets, together with the relative technological specialization of the host country, act as the intersection of dimensions moderating the process.

### Global and Green? MNE Subsidiaries and Green Innovation Performance

**V. De Marchi, R. Grandinetti, G. Cainelli**

University of Padova, Italy

Firms are increasingly challenged to go green. This is especially the case for MNEs, which are subject to a high degree of scrutiny from stakeholders. In this context we address the question if such stronger pressures, so as the higher resources they can draw on, make MNEs subsidiaries more likely to introduce to the market green innovation (GI) as respect to other firms. Drawing data from the Community Innovation Survey for 11 European countries, which includes more than 36,000 manufacturing firms, our results suggest that MNE subsidiaries are more likely to introduce GI and to implement a more holistic strategy toward sustainability. Furthermore, results bespeak of the importance to consider the configuration of the MNE (and in particular the degree of autonomy of the subsidiaries) to understand subsidiaries' propensity to address a large variety of environmental impacts via their innovation activities.

### Influence of Subsidiary Internal and External Relationships on Its Innovation Performance and Position in the Multinational Enterprise Network: The Perspective of Foreign Subsidiaries Established in Poland

**B. Jankowska<sup>1</sup>, T. Gołębiowski<sup>2</sup>, L. Danik<sup>2</sup>, M. Dzikowska<sup>1</sup>, M. Lewandowska<sup>2</sup>, M. Gorynia<sup>1</sup>**

<sup>1</sup>Poznań University of Economics and Business, Poland; <sup>2</sup>Warsaw School of Economics, Poland

The strengthening position of multinational enterprises (MNEs) in global economy, their competence-creating capabilities stimulate studies on various aspects of MNE phenomenon. Research emphasizes the influence of FS external and internal embeddedness on innovation performance, and subsequent FS positioning within MNE network. This study intends to fill the cognitive gap concerning factors affecting FS innovation performance and its position within the MNE network from the perspective of FSs established in a transition economy. The focus in this paper is on the analysis of FS innovation-related position within MNE explained by: (i) FS own knowledge-based assets and activities that result in technological- as well as non-technological innovations; (ii) influence of FS's internal relationships on its innovation performance, and subsequent position within MNE network, and (iii) impact of FS's external relationships on its innovation performance, and subsequent position within MNE network.

First, we outline the theoretical background of the study, then we briefly characterise the sample, and methods of data analysis – structural equation modelling and descriptive statistics that were applied. In the subsequent part we present results of our study and end up with discussion, conclusions and limitations of the research.

### Foreign Direct Investment Inflows and Intellectual Property Strategies for Multinational Corporations in Emerging Markets: The Case of Vietnam (1986-2016)

**A. {-L. Nguyen**

University of York, United Kingdom

While the current anti-globalisation wave is considered as regional and cyclical relapse among Western countries, the new era of globalisation has shifted away from stagnant developed economies to the rising prosperity of emerging Asia, where is attracting substantial global FDI inflows. Focusing on Vietnam, the country that is seen as Asia's next economic tiger, it is crucial for foreign investors to study the evolution of IP protection strategies, including trademarks, to ensure their competitiveness and long-run survival within Vietnam market. This paper looks at the business history of trademarks and their impact on Vietnam's economic development between 1986 and 2016. It draws on the work of Wilkins (2004), Da Silva Lopes and Duguid (2010), and Lopes and Guimaraes (2014), among others, and combines trademark registrations data with trade and inward FDI data. The paper aims to fill in the inherent gap within academic literature about the evolution of IP in Vietnam and the protection strategies used by MNEs in emerging markets.

### Relationship Knowledge Development Process: An Opportunity Space Odyssey

**W. A. Bhatti<sup>1</sup>, A. Chwialkowska<sup>2</sup>, M. Glowik<sup>3</sup>**

<sup>1</sup>University of Vaasa, Finland; <sup>2</sup>University of West Georgia, United States of America; <sup>3</sup>Berlin School of Economics and Law, Germany

This work discusses the role of individuals in the organization in generating the "opportunity space" and bridges the gap between international business and international entrepreneurship literature by contending if and how international opportunities can be explored through the relationship knowledge development process. Internationalization flourishes where there is opportunity for identification and exploitation for international exchange. Yet, further study of the entrepreneurial processes employed for opportunity recognition is required. Organizations can enhance operational efficiency and identify market opportunities through their initiatives. The knowledge development process can influence a change in commitments, henceforth constituting a micro-foundation for internationalizing organization. Our conceptualization underscores relationship interactions as the micro-level conduit influencing the macro-level decisions concerning internationalization opportunities.

## I 1.3.14: MNE Subsidiary Competences, Initiatives and Their Development

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: Liberty G.33

Session Chair: Torben Pedersen, Bocconi University, Denmark

### Drivers of Core Competences within Foreign Subsidiaries: The Case of MNEs in Japan

**A. Giroud<sup>1</sup>, Y. J. Ha<sup>2</sup>, C. Iguchi<sup>3</sup>, K. Marukawa<sup>4</sup>**

<sup>1</sup>University of Manchester, United Kingdom; <sup>2</sup>University of York, United Kingdom; <sup>3</sup>University of Keio, Japan; <sup>4</sup>H C Stark, Germany

Evolving roles of foreign subsidiaries have been the object of much academic research, pointing to a rise in the position of units within the MNE global network. In this paper, key drivers of core competences held by foreign subsidiaries in the dynamic and competitive host environment of Japan are explored, and the following research questions are addressed: "What are the core competences of foreign subsidiaries located in Japan?" and "What are the key drivers explaining why foreign subsidiaries located in Japan possess such competences?" To answer these questions, an original longitudinal database was compiled from two waves of surveys conducted amongst foreign subsidiaries operating in the Japanese manufacturing sector. Results show that core competences developed are predominantly sales and marketing competences, but also in Support Functions and Innovation. Subsidiary-level drivers (notably the role of autonomy), internal interaction and external network factors contribute to competence development. The results demonstrate that the breadth of functional activities performed at subsidiary level matters, and not all factors explain to the same extent whether subsidiaries perform a single or multiple functional activities in the case of Japan.

### Inter-subsidiary Collaboration and Business Network Development

**A. Sartorius<sup>1</sup>, U. Mayrhofer<sup>2</sup>**

<sup>1</sup>University of Lyon, France; <sup>2</sup>Université Côte d'Azur, France

Lateral collaboration is a source of value creation for both individual subsidiaries and the MNE. The purpose of this article is to contribute to a better understanding of how local subsidiaries can coordinate their business networks to better serve global markets. The authors analyze the inter-subsidiary collaboration of three French MNEs operating in manufacturing industries. The empirical study is mainly based on 34 interviews. Our findings indicate that inter-subsidiary collaboration is likely to differ according to the type of collaboration established. They show that serving multinational customers and leveraging new business opportunities contribute to increased internal and external embeddedness. Conversely, managing cross-border projects leads to stronger internal embeddedness, but can weaken the external embeddedness of foreign subsidiaries.

### What's Next? Strategic Reactions to Post-offshoring Performance

**A. Valentino<sup>1</sup>, S. Elia<sup>2</sup>, A. Goerzen<sup>3</sup>, L. Piscitello<sup>2</sup>**

<sup>1</sup>ESCE International Business School, France; <sup>2</sup>Politecnico di Milano, Italy; <sup>3</sup>Queen's University, Canada

As the costs to move goods and services, information and people have fallen, multinational corporations (MNCs) have taken advantage of reorganizing their global value chain via offshoring to exploit location advantages. However, expected performances of offshore operations are not always realized suggesting that MNCs need to improve their understanding of this key decision. This paper offers a finer-grained interpretation of the strategic reaction of decision-makers to unmatched offshoring performance. Specifically, we distinguish between four reactions, i.e., expansion, relocation to a third country, relocation to the home country, or change of the entry mode. We relate them to the offshoring performance exploring how efficiency-seeking performance, quality-seeking performance, and market-seeking performance influence differently the strategic reaction implemented by firms after a prior offshoring decision. Moreover, we contribute to the emergent research agenda on the "relocation of second degree" phenomenon and on the link between performance and foreign location decisions.

### Understanding Subsidiary Managers' Engagement in Strategic Activities. How Do They Know What to Do?

**D. Mireles<sup>1</sup>, J. Igoe<sup>1</sup>, P. Sharkey Scott<sup>2</sup>**

<sup>1</sup>National University of Ireland Galway, Ireland; <sup>2</sup>Dublin City University, Ireland

Subsidiary managers must meet the challenge of dealing with strategic issues and local threats while at the same time aligning to corporate strategy and responding to headquarters expectations. Headquarters are ultimately very significant to the subsidiary in terms of how it may grow and what role it may ultimately assume or be awarded (Mudambi, 2011). But, how are they to understand what headquarters want? How do subsidiary managers interpret headquarters' expectations? We argue in this paper that subsidiary managers develop and follow 'scripts' in order to interpret headquarters expectations when engaging in strategic activities in response to strategic issues. We do this through multiple case studies using semi-structured interviews with general managers and senior manager in key functional areas of the subsidiaries. This paper contains preliminary findings of data collected from 10 participants across four subsidiaries from the Medical Devices and Information Communication Technology industries. The preliminary findings show the development of four different scripts used by subsidiary managers, named, collaborator script, corporate citizen script, anticipator script and subsidiary advocate script.

### I 1.3.9: SMEs, Entrepreneurs and Sustainable and Indigenous Development

Time: Saturday, 14/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.31  
Session Chair: Kevin Ibeh, Birkbeck, University of London, United Kingdom

#### Perceived Constraints and Business Growth of Small Scale Businesses in Port Harcourt Metropolis - Nigeria

**C. O. Egwe, A. M. Oweisana**

Federal College of Education Technical Omoku Rivers State, Nigeria

Small businesses whether in developing or developed country is important to the nation's economic growth and help the country to advance. However, small businesses in the oil rich city of Port Harcourt; South – South of Nigeria, find it difficult to survive and grow to maturity because of the constraints hindering their progress. The study investigated the effect of perceived constraints on business growth of small enterprises in the city of Port Harcourt using a study sample of 200 small firms; and it was found that poor electricity, high office/shop rent, multiple taxes/levies, and lack of innovation have a significant effect on business growth of small businesses in Port Harcourt metropolis. It is therefore, recommended that government should endeavor to provide adequate electricity so as to enable small businesses in Port Harcourt operate and grow to maturity. Also, government should lessen the taxes and levies impose on small scale business in the city.

#### Motives in Sustainable Entrepreneurship: An International Comparison

**H. Doluca<sup>1</sup>, M. Johnson<sup>2</sup>, Ö. Kunday<sup>3</sup>**

<sup>1</sup>Augsburg University, Germany; <sup>2</sup>Hamburg University, Germany; <sup>3</sup>Istanbul Yeditepe University, Turkey

While sustainable entrepreneurship has been broadly defined as preservation of the natural environment and communities in the pursuit of bringing perceived opportunities into existence for economic and non-economic gain, the connection between sustainable orientation and sustainable venture development remains under-researched. By investigating the complex relationship between sustainability orientation and sustainable entrepreneurship, this paper aims to add to our understanding of the process of sustainable entrepreneurship. We use data for 214 business and economic students from two middle-sized universities in Germany and Turkey, two countries with different cultural and institutional characteristics, in order to estimate the individual effect of sustainability orientation on sustainable entrepreneurship. We find that country-specific characteristics play an important role in explaining cross-country differences with respect to the relationship between sustainability orientation and sustainable entrepreneurship. Our study suggests that increasing individuals' sustainability orientation is not sufficient to foster sustainable entrepreneurship, but it requires to be activated by country-specific determinants. This work contributes to specific (i.e. sustainable entrepreneurship) as well as general entrepreneurship literatures, and it offers policy implications about how to foster sustainable entrepreneurs.

#### Indigenous Practices of Bricolage Embedded in Grassroots Social Entrepreneurship: The Case of Informal Microfinance in Sub-Saharan Africa

**M. M. De Avillez**

Nottingham Trent University, United Kingdom

Research on social entrepreneurship has described bricolage as a means for social enterprises to access resources in resource-constrained environments. It has also explored how bricolage enables social enterprises to strategically reach and engage the poor, particularly in developing countries. This reaffirms the positioning of 'organisation' and 'beneficiary' as two separate entities that operate within distinctive contexts and play different roles. Furthermore, social enterprises in poor countries tend to encompass international ventures aiming to serve beneficiaries in environments that are often unfamiliar to them. Indeed, the demarcation between the agent and the context in which it acts contradicts what bricolage is in the first place. This paper examines informal microfinance in sub-Saharan Africa, emerging for and from the grassroots. It draws on an ethnographic study conducted in Mozambique to situate bricolage in contexts of subsistence, where communities at the grassroots 'make do' to maintain a livelihood through bottom-up social practices that entail mastery over the local environment. This analysis contributes to theory development by reconceptualising the nexus between bricolage and social entrepreneurship that has been dominated by international scripts for social enterprise which dissociate making and using.

#### Foreign Ownership and Corporate Social Responsibility: The Case of an Emerging Economy

**K. Yadav<sup>1</sup>, K. Tokas<sup>2</sup>**

<sup>1</sup>OP Jindal Global University, India; <sup>2</sup>International Management Institute, India

This paper explores the relationship between ownership of a firm and its expenditure on Corporate Social Responsibility within an emerging economy context. Within a unique setting of government mandated CSR spending, we first examine whether foreign owned firms engage in more CSR activities relative to domestic firms. Next, we examine if business-group affiliated foreign firms spend differently than standalone foreign enterprises. Our results show that foreign ownership is associated with higher CSR activities, by an average INR 4.7 million. Among foreign firms, belonging to a business group leads to a higher CSR spending of INR 105 million in the host country. We examine the motivations that guide the corporate sustainability strategies of foreign firms in a host country, by attempting to explain CSR spending as a tool used by foreign firms to overcome Liability of Foreignness in emerging market economies and achieving legitimacy in host countries.

## P 1.11: Global Value Chains: Dynamics and Uncertainty in a Confused World Order



*Time:* Saturday, 14/Dec/2019: 2:00pm - 3:30pm · *Location:* MK G.02

*Session Chair:* Tomas Hult, Michigan State University, United States of America

### Global Value Chains: Dynamics and Uncertainty in a Confused World Order

**P. J. Buckley<sup>1</sup>, T. Hult<sup>2</sup>, H. Mirza<sup>3</sup>, P. Liesch<sup>4</sup>**

<sup>1</sup>University of Leeds, United Kingdom; <sup>2</sup>Michigan State University, United States of America; <sup>3</sup>UNCTAD, Switzerland; <sup>4</sup>The University of Queensland, Australia

The EIBA 2019 conference has a theme of “What Now? International Business in a Confused World Order.” The foundational backdrop of this theme comes from a number of activities, events, and changing thoughts. Our proposed panel session titled “Global Value Chains: Dynamics and Uncertainty in a Confused World Order” is intended to capture theoretical, practical, and philosophical thoughts related to the “radical set of social and structural shifts” that have become more and more a part of the worldwide fabric in the last years. Such new, drastically different global fabric affects the international marketplace in profound ways. For example, the international business ecosystem (the organisms of the business world – including stakeholders, organizations, and countries – involved in production, business functions, and cross-border trade through both marketplace competition and cooperation) we now live in – which was based on global efficiencies developed and implemented over more than half a century – has become unstable, with the result that global value chains have to (potentially) be reconfigured.

## **P 1.13: Best Practices, Trends and Technologies in Online International Business Education**

*Time:* Saturday, 14/Dec/2019: 2:00pm - 3:30pm · *Location:* MK G.31

*Session Chair:* Ronaldo Parente, Florida International University, United States of America

### **Best Practices, Trends and Technologies in Online International Business Education**

**R. Parente<sup>1</sup>, D. Wernick<sup>1</sup>, J. Branch<sup>2</sup>, J. Lipe<sup>3</sup>**

<sup>1</sup>Florida International University, United States of America; <sup>2</sup>University of Michigan, United States of America; <sup>3</sup>University of Minnesota, United States of America

The conference theme WHAT NOW? INTERNATIONAL BUSINESS IN A CONFUSED WORLD ORDER seems to be a good fit with our proposed Online teaching perspectives panel. In this panel we will address several aspects of Online Teaching education, with emphasis on international business. Some of the important areas to be addressed by the panelists with regards to international business online education are online and hybrid delivery, experiential learning approaches, diverse classrooms, and case teaching. In addition, the panel provides a framework for understanding how instructors can create "presence" in a virtual learning environment and will examine innovative tools, technologies and pedagogical approaches to teaching courses online and /or using hybrid formats. The use of technology and the demand for online and hybrid courses at the university level has grown exponentially in recent years and this trend is expected to continue in the future.

The field of international management has recognized the importance of learning, especially of experiential learning; and education has had a major influence in our research. We hope that this growth in understanding in learning can influence our teaching by seeking better understanding and deeper insight into how we can foster good practices in our students.

## C 1.4.14: Structure, Risk, Diversification and Location

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: MK 1.06  
Session Chair: Michael Nippa, Free University of Bozen–Bolzano, Italy

### The Management and Performance Implications of Power Structures in Multinational Corporations

**J. Lee**

University of Reading, United Kingdom

This study explores how the power structure of the multinational corporation (MNC) shaped by the entire set of different headquarters-subsidiary relations affects the MNC's use of expatriate control and how the power structure and the associated expatriate control decisions impact on firm performance. The results from a comprehensive panel of Korean multinationals suggest that MNCs with a more oligopolistic power structure in which power is concentrated on a fewer number of subsidiaries have weaker performance as they face more control and coordination problems. However, they tend to utilize more expatriates to enhance their control, which can ultimately bolster their performance. This study adds to a stream of literature that conceptualizes the MNC as a differentiated network in which power relations create critical control challenges but has so far largely underexplored their impact on firm management and performance.

### Extending the Notion of Location in International Business Research: Social Aspects and Engagement with Audiences in Headquarters' Location Decisions

**P. Kähköri, I. Saittakari, P. Junni, R. Piekkari, T. Ritvala**

Aalto University, Finland

Previous research in international business has largely focused on physical rather than social aspects of location. In this paper, we discuss how social aspects influence the spatial distribution and organizational arrangements of a firm's management activities. Using three illustrative examples we explain how external audiences interact with a firm and thus influence its locational decision-making. We show that these social aspects are an integral part of how a firm recognizes and acts upon the potential embedded in a location, also called a firm's 'sense of place'. In doing so, we argue that conflicts are likely to arise if the firm's sense of place is not in line with that of its key audiences, such as local residents and politicians, shareholders, or employees. We provide three case examples of organizations that have recently made location decisions about their headquarters – Amazon, Unilever and the European Medicines Agency – to illustrate how the incorporation of social aspects may explain the unexpected outcomes. We underline the need to consider social aspects as a largely neglected driver of headquarters' location decisions and extend the current understanding of location in international business research.

### Revisiting the Relationship between Product and International Diversification: Adding the Digital Dimension

**G. Batsakis<sup>1</sup>, P. Konara<sup>2</sup>, V. Theoharakis<sup>3</sup>**

<sup>1</sup>The American College of Greece, Greece and Brunel University, United Kingdom; <sup>2</sup>University of Sussex, United Kingdom; <sup>3</sup>University of Sheffield, United Kingdom

Thus far, extant research investigating the relationship between product and international diversification has not considered the critical role of digitalization. In this paper, we revisit and examine the validity of this established relationship when digital channels are involved. Specifically, we explicitly consider the product diversification of physical and digital channels and then examine their relationship with international diversification in physical and digital channels. We theorize that the relationship between product and international diversification will differ based on whether the multinational enterprise (MNE) adopts a hybrid (digital and physical) diversification strategy or not. Hypothesis is tested against a sample of 139 retail MNEs over the 11-year period 2006 - 2016. Our theoretical predictions are supported by the findings which show that committing to a hybrid (either product digital – international physical or product physical – international digital) diversification strategy results in a complementary (positive) relationship. Further, a non-hybrid diversification strategy (either product digital – international digital or product physical – international physical) results in a substitutive (negative) relationship.

## C 1.4.2: International Governance

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: MK 1.32

Session Chair: Rajesh Upadhyayula, Indian Institute of Management Kozhikode, India

### Board of Director Effectiveness, Informal Institutions and Formal Institutions: A Meta-analysis

**A. M. Solarino**

University of Leeds, United Kingdom

Informal institutions – traditions, customs, and social norms – have been neglected in Management research. Failure to address informal institutions leads to major contamination of findings. Using a cross-country sample for the Board independence- firm performance relationship as a case study, this paper makes two contributions: First, this paper clarifies one of the possible reasons of why previous meta-analyses have always found small effect sizes, and explains one of the most controversial relationships in business research; Second, this study makes an additional contribution by showing that including measures of informal institutions in (meta) regressions explains a greater degree of variance than including formal institutions, leading to better model fits.

### The Joint Impact of International Board and Insider Chief Executive Officer on Performance in Hybrid Organizations

**T. W. Sommeno**

University of Agder, Norway

In this study we argue that the performance of hybrid organizations, pursuing both social and financial goals, can be augmented by combining the superior organization specific knowledge of an inside recruited CEO with the resource access that typically comes with international board members. Our argument rests on the observation that hybrid organizations such as microfinance institutional (MFIs) in low income countries need to be close to their clients and simultaneously be linked to larger resource providers. We test our hypotheses on a global dataset of 655 MFIs observed in 77 countries from 1998 and 2015. Our results show that the effect of international board membership on financial performance improves when an MFI has an insider than an outsider CEO. However, we do not find a similar support for the effect on social performance. The public policy implication of our study is that hybrid organizations can potentially benefit from a corporate governance structure that include an insider CEO with international board representation.

### Women on the Board: A Configurational Approach from the Codes of Good Governance

**A. Montoro-Sanchez, C. Estevez-Mendoza**

Complutense University of Madrid, Spain

The study of the determinants of the presence of women on boards has been one of the key topics of corporate governance. This paper aims to contribute to the lack of studies based on complementary and substitute factors affecting board diversity. Based on a configurational approach, we seek to understand whether there are groups of factors related to corporate governance provisions whose combination may lead to make boards diverse in excess of the norm, which is usually driven by regulation demands. We employ a qualitative comparative methodology to study possible joint causal relations paving the way to diversity in Spanish listed firms. Thus, we found different patterns in terms of firm size, board size, board independence, ownership structure, and public scrutiny that might be considered by code of good governance issuers and firms' diversity programs.

### Board Leadership Structure and Firm Performance: A Meta-analysis

**Y. Yang<sup>1</sup>, M. Yu<sup>2</sup>**

<sup>1</sup>University of Sussex, United Kingdom; <sup>2</sup>Coventry University, United Kingdom

This study seeks to discover if there is any systematic relationship between the estimated CEO duality-performance relationship and the characteristic of each study in the literature. We conduct a meta-analysis on 111 papers that examines the relationship between CEO duality and firm performance. Our main results indicate that CEO duality-performance relationship is higher 1) in countries with a strict level of rule of law and control of corruption; 2) when there is more trust among people in that country; 3) after the codes of corporate governance recommending splitting joint CEO and chairman positions were implemented; 4) for short term performance, relative to long term performance; and 5) when advanced regression techniques that address endogeneity problems are not used.



### C 1.4.3: Emerging Market Firms: Capabilities, Innovation and Learning

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: MK 1.09

Session Chair: Naoto Nadayama, Kanagawa University, Japan

#### Market-political Ambidexterity and Resource-asset Bundling: A Recipe for Competitive Advantages for Emerging-economy Firms?

I. Ivarsson<sup>1</sup>, B. Petersen<sup>2</sup>

<sup>1</sup>University of Gothenburg, Sweden; <sup>2</sup>Copenhagen Business School, Denmark

Are leading multinationals from emerging economies achieving competitive advantages in ways that differ from those of leading multinationals from mature economies? To address this question, we study Geely, a privately held Chinese automotive company that has recently reported sales figures for passenger cars that are significantly higher than those reported by other incumbent firms from China, Germany, the US, and Japan. Through a longitudinal study, we explore the duality of market-political ambidexterity as well as the bundling of local resources with foreign assets. The case study describes the process through which Geely obtained ownership of local resources that complemented strategic assets acquired abroad, including the Volvo Car Corporation. We find that access to complementary local resources and the acquisition of foreign assets are closely intertwined and recursive. In addition to establishing and maintaining political ties, emerging-economy firms must develop business ties, management skills, and entrepreneurial capabilities in order to leverage foreign assets. Hence, the combination of resource-asset bundling with market-political ambidexterity appears to be a recipe for building competitive advantages among emerging-economy firms.

#### Designing Business Models for Value Co-creation: A Case Study of Local Firms in Vietnam

N. A. P. Le, R. Jack

Macquarie University, Australia

Business models (BM) for value co-creation, designed for multiple interactions, and multidirectional resource integration, is examined as a source of competitive advantage. While scholars emphasise the importance of a single theme which organises and connects all elements in BM, much less is known about how these elements are orchestrated together by that theme, especially in the context of emerging markets (EM). This research adopts a qualitative case-study of two firms in Vietnam. The findings reveal a firm can develop a competitive advantage in EM by achieving internal and external configurational fit in the design of BM for value co-creation. The fit is addressed by developing human relations across the dimensions of 'employee' and 'partner'. Human-relations, driven by the integration of a 'family-like culture', is fundamental for a firm to engage customers and its partners in the value co-creation process in EM. Employee dimension enables internal configurational fit between all BM elements. Partner dimension enables the external configurational fit between the firm and its partners' BM. This study contributes to the literature on configuration and BM by providing an in-depth understanding of the synergies of the BM elements and an extension of the BM framework designed for value co-creation in EM.

#### Real Options and the Resource-based View: Evidence from Entry Timing in Transition Economies

T. G. Nacken, B. Karreman, E. Pennings

Erasmus University, The Netherlands

In a transition context, we develop a theoretical framework integrating real options theory with insights from the resource-based view to explain the role of firm resources in the entry timing strategies of multinational enterprises under uncertainty. We argue that the well-known positive relationship between economic uncertainty and time until entry is contingent on the size and previous experience of firms. In turn, we contend that host country institutional and competitive conditions moderate these relationships. Survival analysis on a sample of 180 subsidiaries of 43 multinational banks across Central and Eastern Europe between 1993 and 2008 supports most hypotheses. This study adds to the literature on real options and firm resource heterogeneity and has managerial and policy implications.

#### Parental Networks and the Propensity for Internationalization: An Investigation of the Cross-level Influence of Business Groups on their Affiliates in China

L. Sun, P. Lv

University of Chinese Academy of Sciences, People's Republic of CHINA

This article addresses the diverse and fragmented literature on the influence of a business group (BG) on its affiliates and proposes an integrated network mechanism where positional power and power disproportion in parental networks of BGs affect the propensity of their affiliates to internationalize. Starting from a resource-and-capability-based perspective, we hypothesize that the positional power in three market powers, information brokerage and capital access, which can reveal the positional power in three networks of BGs (internal trade, labor and capital network), would directly facilitate affiliates' internationalization process. Secondly, we hypothesize that the overall power disproportions, at group level, could moderate the above direct relationships. Using lagged multilevel ordinal logistic regression models on a sample of 218 firms from China, we have found that affiliates' positional power in those networks that provide intangible resources (trade and labor networks) facilitates firms' internationalization. The moderating effects of power disproportion, however, are only significant in economic-related networks (trade and capital networks). Going beyond the existing literature, which typically uses a dummy variable to reveal firms' benefits of affiliation to a BG, our integrated network mechanism offers novel contributions to both international business and business group literature.

## C 1.4.5: Foreign Expansion and Divestment

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: Liberty 1.28

Session Chair: Marlena Dzikowska, Poznan University of Economics and Business, Poland

### Decades of Research on Foreign Subsidiary Divestment: What Do We Really Know About its Antecedents?

**D. Schmid, D. Morschett**

University of Fribourg, Switzerland

Research on the antecedents of foreign subsidiary divestment has grown in the last decades. However, findings are ambiguous. We clarify this situation by providing, for 18 antecedent candidates from 43 articles, a descriptive picture of previous studies, theoretical arguments for the expected direction of effect, and a quantitative synthesis of the effects by means of a meta-analysis. Eleven variables significantly affect the likelihood of foreign divestment while the effects of seven antecedents are inconclusive. Overall, subsidiary level antecedents have stronger effects on the divestment likelihood than parent firm or host country characteristics. The resource-based view and the transaction cost approach appear to provide better explanations for foreign divestment than organizational learning theory or institutional theory. For the future research agenda, we propose investigating strategic motivations, taking a portfolio perspective, investigating bundles of antecedents simultaneously and using the reversed eclectic paradigm of Boddewyn as theoretical framework.

### Slack Resources, Managerial (Re)Prioritization and Overseas Foreign Direct Investment

**T. Bai<sup>1</sup>, P. Liesch<sup>2</sup>**

<sup>1</sup>Xi'an Jiaotong-Liverpool University, China; <sup>2</sup>University of Queensland, Australia

How do managerial attention limitations through prioritization influence strategic decisions on resource allocation in the MNE? Despite the importance of slack resources as firm-specific advantages to decisions on OFDI, we argue that it is not the slack resources per se impacting firms' OFDI decisions, but that the impact of slack resources depends on the location of managers' investment priorities. Due to managerial attention limitations generated by reprioritization of alternatives we propose that firms are less likely to utilize their slack resources to conduct OFDI if they set a sales increasing goal as a priority, and they will invest locally. However, they tend to switch focus and will utilize slack resources in foreign expansion if they fail to achieve their goals locally as initially set. We further argue that when firms value the goal achievement more, such as the case in SOEs, managers may suffer the limited attention issue more as they are more focused in achieving the setting goal. Based on publicly listed Chinese manufacturing firms between 2010 and 2016, applying a bounded reliability perspective we find strong support on our proposed hypotheses – 'it is not only about the resources you have, but where you want to invest.'

### "If It's Good Enough for Innovation, Is It Good Enough for Globalization"? An Empirical Investigation of Corporate Globalization among the Most Innovative MNEs

**R. Coeurderoy<sup>1</sup>, V. Duplat<sup>2</sup>**

<sup>1</sup>ESCP Europe, France; <sup>2</sup>Vrije Universiteit Amsterdam, The Netherlands

It is widely considered that large innovative MNEs are global at a large extent not only because they develop unique firm-specific advantages but also because they need to achieve sizeable economies of scale. Empirical evidence on the real (and not expected) level of globalization of these MNEs is, however, lacking. The purpose of this study is thus to undertake the first in-depth investigation of the level of corporate globalization by the largest innovative MNEs in the world and to make a first assessment of the innovation – globalization relation. Our work and our conclusions are based on the analysis of the top 100 MNEs in R&D expenditures in the world on seven years (2011-2017). We find that globalization is a fact but for a quarter of these firms and that we can notice a small trend towards de-globalization. Furthermore, we run regression models and find that we can confirm a causal relation between innovation and globalization.

## **C 1.4.7: Host Country Institutions and Internationalization Incentives for Outward FDI**

*Time:* Saturday, 14/Dec/2019: 4:30pm - 6:00pm · *Location:* Liberty G.32

*Session Chair:* José R. de la Torre, Bologna Business School, United States of America

### **International Business Policy Design Firms' Endowment and Incentives' Effectiveness**

**M. Torres<sup>1</sup>, J. Clegg<sup>1</sup>, F. Figueira de Lemos<sup>2</sup>**

<sup>1</sup>University of Leeds, United Kingdom; <sup>2</sup>Uppsala University, Sweden

We investigate the appraisal of the value of pro-internationalization policy incentives. Using data for a small and open economy we find, contrary to prevailing belief, that better endowed firms place greater importance on incentives, with no evidence for the presumption that, by design, incentives appeal more to export-only firms. Rather, policy appeals almost exclusively to outward investors although, in line with theory, financial incentives appeal to more indebted investors. Our findings suggest an overspill in policy attraction from exporters to foreign investors, and the need for improved policy design.

### **Incentives and Inward Foreign Direct Investments: Good Institutions Pay Off**

**B. Silva-Rêgo<sup>1</sup>, A. Cuervo-Cazurra<sup>2</sup>, A. Figueira<sup>1</sup>**

<sup>1</sup>Universidade Federal do Rio de Janeiro, COPPEAD Business School; <sup>2</sup>Northeastern University, D'Amore-McKim School of Business

We analyze the impact of investment incentives on greenfield foreign direct investment (FDI). Drawing on location choice theories, we propose that the effectiveness of financing and fiscal incentives for greenfield projects in attracting FDI depends on the institutional conditions of the host country, with incentives acting as substitutes for weak institutions. The analysis of FDI incentive in 106 countries in 2010-2017 indicate that both financial and fiscal incentives seem to attract FDI, but the latter is only significant in countries with poor institutions. The results support the notion that good institutions pay off as countries with better institutions require fewer incentives to attract foreign investment.

### **Temporary Institutions: The Evolution of Beer Regulations in Brazil Before, During, and After the 2014 FIFA World Cup**

**S. Kruidenier, A. Bitektine, P.-Y. Dolbec**

Concordia University, Canada

Institutional theory conceives of institutions as relatively permanent and resilient to change. In this exploratory case study, we set out to explore a relatively rare, yet important phenomenon of temporary institutions that are introduced in a given country for a set period of time, replacing national endemic institutions to complete a specific task associated with hosting mega-events, such as international trade shows, cultural and sports events. By exploring the social dynamics of reintroduction of beer into football stadiums in Brazil during the 2014 World Cup, we show how temporary institutions displace the endemic institutional norms and practices for the period of the event and how the temporary introduction of "alien" institutions affects the social dynamics in the host country once the event is over. We highlight the role of transnational organizations, such as FIFA, in the process of preservation and diffusion of temporary institutions.

## C 1.4.8: The Changing Nature of International Service Firms

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: MK 1.33

Session Chair: Cristina Villar, University of Valencia, Spain

### Organic Internationalization: How Does it Work for Software as a Service Companies?

**J. Baranova<sup>1</sup>, M. Amal<sup>2</sup>**

<sup>1</sup>Santa Catarina State University, Brazil; <sup>2</sup>Regional University of Blumenau, Brazil

The services consumption mode was revolutionized by the rise of digital technologies and digital business models. The Software as a Service (SaaS) business model has gained importance within the global trend of moving to cloud computing. Through the easier scaling, the SaaS firms were enabled to expand their sales globally by a novel and efficient way. However, little is known about how the internationalization process of SaaS firms occurs and what are its specific features. Based on the International Business and International Entrepreneurship concepts, we intend to contribute to the expanding of the literature about the SaaS internationalization phenomena, shedding light on the question of how SaaS firms deliver their services to global markets. We argue that SaaS firms may apply different strategies depending on the phase of the process and its context, going through the pre-internationalization, organic, and active internationalization phases. Furthermore, we introduce the concept of 'nexus partners' and organic internationalization, outlining its main characteristics and patterns.

### The Characteristics of International Business-to-business Services: The 4C Framework

**K. Brandl<sup>1</sup>, P. Ø. Jensen<sup>2</sup>, P. Ström<sup>3</sup>, A. Jones<sup>4</sup>**

<sup>1</sup>University of Victoria, Canada; <sup>2</sup>Copenhagen Business School, Denmark; <sup>3</sup>University of Gothenburg, Sweden; <sup>4</sup>City University of London, United Kingdom

With the increasing importance of business-to-business (b-2-b) and knowledge intensive services in the contemporary global business environment, it is imperative to understand the characteristics of international service activities. However, research on international services is fragmented, inconclusive, and at times even contradictory among a variety of academic fields. Thus, we develop a unified conceptual framework that identifies the characteristics of international b-2-b services. We develop this framework by reviewing international business, economic geography, urban-regional science and service management literature, resulting in the identification of three major challenges of the fields related to the definition of the services, their level of analysis, and the impact of institutional environments on the services. These challenges are the foundation for the identification of four interconnected service characteristic components, i.e. connectivity, configuration, collaboration, and creation of value evident in b-2-b service activities. Using the 4C framework allows conceptualizing the impact of international environments on the services. We illustrate this impact with an example related to public policy with high relevance and impact on regional developments. The integrative research approach allows contributing to international business, economic geography, and international service management literature and provides insights for public policy.

### Entrepreneurial Drives and Inter-platform Rivalry in the Creativity-based Ecosystem

**H.-J. Chiu**

National Taiwan University, Taiwan

Branded content has played an increasing important role for succeeding in inter-platform rivalry in creativity-based ecosystems. The changing dynamics in collaboration and competition between Netflix and Disney in creative content production and delivery have forced Netflix to speed up its branded content development. This paper attempts to clarify entrepreneurial drives of complementors in the platform ecosystem. In specific, we suggest that product modularity, inter-dependent complementors, and the fungibility nature of the ecosystem ought to affect the process of brand leverage into creative content production. In addition, we examine the impact of inter-platform rivalry on brand leverage as value migration from a standalone platform to an ecosystem characterized with inter-related platforms. Netflix first cooperated with Disney as a complementor, and then competed against with Disney when the value of creative content increased in online consumption. The positive or negative effects of inter-firm cooperation are argued to depend on platform-specific investments made by the complementors. Our case study on Netflix's brand leverage into creative content contributes to our understandings of entrepreneurial strategy and activities in the creativity-based ecosystem.

### Challenges in the Internationalisation of Professional Service Firms: A Review and Future Research Agenda

**C. O'Higgins<sup>1</sup>, T. Andreeva<sup>2</sup>, N. Aramburu<sup>1</sup>**

<sup>1</sup>University of Deusto, Spain; <sup>2</sup>University of Maynooth, Ireland

This paper aims to provide a comprehensive overview of the international management challenges professional service firms (PSF) face and some clues on why they face these challenges. We analysed and coded 115 empirical articles on the international management of PSFs, and compiled a list of 13 international management challenges. Our findings, which highlight the fragmentation of the field and the heterogeneity of PSFs, lead us to propose an integrative framework. The framework includes five PSFs characteristics and is used to explain to whom each challenge might apply and why, allowing us to subsequently offer guidance to both future researchers and PSF managers.

## I 1.4.11: Location, Dynamics and Competitiveness of Global Value Chains

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: MK 1.31

Session Chair: Arjen Slangen, KU Leuven, Belgium

### Reputational Risk as a Factor in Offshore Location Choice – a High-cost Perspective

**B. B. Nujen, B. Hammer, H. Solli-Sæther**

Norwegian University of Science and Technology, Norway

Based on a multiple-case study, this paper considers reputational risk to firms when deciding to relocate business operations from a high-cost location or engage in buyer–supplier relationships in low-wage countries. The study considers reputational risk as a construct based on managerial perception, which influences a firm's propensity to engage with certain offshoring locations over others. With regard to the role that firm, supplier and country reputation plays in offshoring decisions, the study shows that a firm's reputation and a country's reputation are given more recognition than a supplier's reputation. Although an important factor, supplier's reputation does not seem to affect risk-based decisions.

### The Changing Dynamics of Global Value Chains: The Manufacturing Location Decision in the UK Textile and Apparel Industry

**P. Casadei, S. Iammarino**

London School of Economics, United Kingdom

The aim of this paper is to examine the changing geographies and configuration of a highly complex and fragmented global value chain – that of the textile and apparel industry – with a focus on the United Kingdom and the reshoring phenomenon. The empirical analysis draws upon a mix methodology based on descriptive statistics and regression analyses performed on survey data collected by the authors, key statistics and indicators on the industry in the period from 1997 to 2017, and semi-structured interviews conducted with key actors of the sector. Preliminary results show that few manufacturing firms have planned or implemented a reshoring strategy, whereas there is an increase in UK-based retailers/designers that are now shifting to some extent their supply networks from foreign to domestic manufacturing firms.

### The Manufacturing Reshoring Nature: Insight from the Footwear Industry

**L. Fratocchi<sup>1</sup>, S. Silva<sup>2</sup>**

<sup>1</sup>University of L'Aquila, Italy; <sup>2</sup>Católica Porto Business School, Portugal

The present article regards the revision of earlier decisions to offshore production activities (so called “relocation of second degree” or “reshoring”); more specifically it is focused on the “relocation at the home country” (also referred as back-shoring). The research aim is to investigate differences (if any) between relocations based on a “deliberate strategic shift” and the ones taken as a “reaction to failure”.

Analysis was based on two footwear contract manufacturers (located respectively in Italy and in Portugal) which decided to develop their own brand and then offshored production activities. For each company, both the offshoring and back-shoring decisions have been analyzed through the “5W&1H” approach.

Collected data show that reshoring decisions based on the two approaches are differently characterized in terms of “5W&1H” (Who, Why, What, When, Where & How) issues. Based on them, five propositions and two further research avenues have been developed.

Conclusions may not be generalized since attention has been focused on only one industry (footwear) and two European Union countries.

### Accounting Global Value Chains and Competitiveness – Challenge for Official Statistics

**P. Vakhai**

Corvinus University of Budapest, Hungary

A changing globalisation landscape has introduced new trade forms, corporate governance, and ownership structures in international economics. Official statistics have not been able to cope with recent trends so far although some new measures, such as TiVA statistical method, have been introduced. Despite that, value chains still cannot be mapped (at least partly), and the existing official statistical indicators are most likely biased as are also the derived measures of international competitiveness. Particularly, global value chains challenge official statistics. Complex ownership relations and trade within the same business group are the main sources of difficulties. Owing to transfer pricing, especially in the case of intangible goods, the accurate valuation and allocation of value added and profits is ambiguous. As a result, price indices of foreign trade may be biased, thus influencing GDP and several items in the BoP and every traditional indicator of competitiveness, such as RCA, ULC, and REER. In the value chain, the role of subsidiaries may be upwardly biased, while the importance of brand owners may be downwardly biased. The aim of this paper is to analyse the effect of globalisation on official statistics and to identify the points where data are most likely inaccurate.

## I 1.4.12: Industry Contexts and Innovation

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: MK 1.03  
Session Chair: Elizabeth Rose, University of Leeds, United Kingdom

### R&D Offshoring and Innovation: Does Firm Age Matter?

**G. Asimakopoulos<sup>1</sup>, A. Revilla<sup>2</sup>, A. Rodriguez<sup>1</sup>**

<sup>1</sup>University Carlos III of Madrid, Spain; <sup>2</sup>Bath Spa University, United Kingdom

We analyze two hitherto unexplored issues in international R&D sourcing activities: (i) the contribution of R&D offshoring to product innovations having a greater degree of novelty—i.e. products that are new to the market; and (ii) the moderating role of firm age in this relationship. Firms conducting R&D offshoring can potentially access a more diverse set of technologies and heterogeneous knowledge to develop innovation with a higher level of novelty. Nonetheless, R&D offshoring often leads to a complex configuration of the innovation process that involves significant managerial and organizational challenges: managing new interdependencies, transferring knowledge, protecting intellectual capital or monitoring offshore activities. The challenges involved in R&D offshoring lead us to suggest that the relationship between R&D offshoring and new to the market innovation will vary with firm age. Consequently, we examine the role of firm age on the ability of businesses to successfully cope with such challenges to innovate. We evaluate our arguments on a panel of over 9,000 firms. Our findings indicate that R&D offshoring contributes positively to new-to-the-market product innovations, and firm age exerts a negative moderating effect, suggesting that younger firms use the advantage of R&D offshoring to innovate better than older firms.

### Artificial Intelligence in Japan: Policy, Prospects and Obstacles in the Automotive Industry

**F. Hatani**

Copenhagen Business School, Denmark

As artificial intelligence (AI) has progressed, it seems inevitable for countries and firms across the world to change their old notions and attitudes toward new technologies. Since AI could have a major impact on many aspects of business and society, the future competitiveness of nations, let alone of companies, will hinge upon the effective utilisation of AI technologies. However, Japan is currently falling behind the US and even China in the global technology race. Many Japanese companies that were market leaders at some point have lost their position in the international market. Toyota, which leads Japan's automotive industry, is also facing multiple challenges, since AI is significantly changing the competitive landscape. Despite sluggish government policies, however, the company has recently changed its strategy. This paper first provides an overview of Japan's AI, followed by the Japanese government's plan for self-driving cars. The third section depicts Toyota's recent activities, focusing on self-driving cars. Reflecting on Toyota's strategic changes as a benchmark, the fourth section discusses what Japan needs to do in order to transform itself and compete in the digital age, followed by a tentative conclusion.

### Industry 4.0 Investments in Manufacturing Firms and Internationalization

**M. Bettiol, M. Capestro, V. De Marchi, E. Di Maria**

University of Padova, Italy

There is a growing attention on the relationship between investments in industry 4.0 technologies – specifically 3D printing – and internationalization processes. Such technologies can modify the scale and the organization of manufacturing processes, potentially pushing firms in the redefinition of their activities worldwide. At the same time, firms with manufacturing activities located in high-cost countries can benefit from industry 4.0 investments for increasing productivity. Although these relevant implications, limited attention is given to explore how manufacturing firms adopt industry 4.0 technologies in relation to their degree of internationalization. Based on an original dataset of about 1,400 Italian manufacturing firms, the paper analyzes the technological investments strategies of 200 Industry 4.0 adopters in terms of intensity of technological adoption, differences in the technological solutions used and related motivations, taking into account the location of their manufacturing activities as well as export. Results suggest that the adoption of 4.0 technologies per se is independent from the level of internationalization, while internationalized and domestic firms invest in different technologies. Among the four groups of firms identified (global/domestic sourcing – export/domestic market) differences in motivations arise as well as in the steps of value chains where technologies have been implemented.

### International Joint Ventures (IJVs), Asymmetric Relationships, Innovation and Performance: An Empirical Study of the Chinese Automotive Industry

**R. Wang**

University of York, United Kingdom

International joint ventures (IJVs) are an important way for firms to establish a strategic alliance. For firms which have different organizational and cultural backgrounds, the corporation becomes even more important. The status of cooperation between partners will affect knowledge sharing or transfer in IJVs, thereby influencing the innovative ability. Ultimately, it will have impacts on IJVs performance. From the perspective of asymmetric relationships between partners, this research hopes to find the impacts of the relationships on innovation and IJVs performance. The listed IJVs in the Chinese automotive industry are chosen as samples. The study proposes hypotheses based on the social exchange theory. By verifying the hypotheses, the specific relationship between asymmetry, innovation and IJVs performance will be obtained, thereby further clarifying the development direction of the international joint venture.



### **I 1.4.3: Emerging Markets Catch-up Process**

*Time:* Saturday, 14/Dec/2019: 4:30pm - 6:00pm · *Location:* MK 1.05  
*Session Chair:* Ajai Gaur, Rutgers Business School, United States of America

#### **Liability of Foreignness vs Liability of Home**

**L. Ermolaeva, A. Panibratov**

Saint Petersburg State University, Russia

In this paper we try to systematize all we know about different types of liabilities of EMNEs, to reveal their differences and commonalities and to empirically test their impact on EMNE's international strategies. We introduce the concept of liability of home, which encapsulates the nuances of EMNE's liabilities revealed by scholars before and differentiates from liability of foreignness. Furthermore we aim to answer the question - to what extent the liability of foreignness and the liability of home can explain the internationalization of emerging market firms.

#### **Going Out to Catch Up? The Effect of Inward FDI on Emerging Market Firms' Subsequent Strategic Asset Seeking Outward FDI**

**Y. Li, J. Cantwell**

Rutgers University, United States of America

Literature on emerging market firms' strategic asset seeking FDI emphasizes on home country government support. In this research, we argue that emerging market firm strategic asset seeking outward FDI could be an catching up behavior due to intense competition at home, either directly or indirectly affected by foreign presence. By integrating both the spillover and competition effects of foreign entrants, we develop an inward FDI – performance – outward FDI framework for different inward FDI industries and entry modes. Employing data on 1423 Chinese outward FDI projects and economic development statistics from 29 Chinese provinces between 2000 and 2010, we find that inward FDI in the same industry of the emerging market firm is more likely to have a negative competition effect on the emerging market firm's financial performance, pushing the emerging market firm to invest abroad; inward FDI in knowledge-intensive industry and using international joint venture entry mode tend to introduce a positive spillover effect on the local firms, nevertheless, those local firms that benefit less from the inward FDI positive spillover effect are more likely to invest abroad.

#### **Resource Mobilization in International Social Entrepreneurship**

**N. Nørregaard Larsen**

University of Southern Denmark, Denmark

Resource mobilization is an important aspect of creating novel business models, yet often a challenge for resource-scarce new ventures. This challenge is further exacerbated for new ventures creating and implementing inclusive business models targeting low-income markets. Adopting a view of business models as assemblages of resources that create value for organizations and their partners and customers, this study examines international social ventures' resource mobilization, focusing on the processes of bricolage and resource optimization. The key contribution of this study is the identification of temporal bricolage as an distinct approach to overcoming resource scarcity in ISVs' internationalization to low-income markets.

## I 1.4.6: Leadership and Global Teams

Time: Saturday, 14/Dec/2019: 4:30pm - 6:00pm · Location: MK 1.04

Session Chair: Hanna Gajewska-De Mattos, University of Leeds, United Kingdom

### Exploring the Nature of Learning of Global Leaders from International Experience and Coaching: An Integrative Literature Review.

**N. G. Fey**

Hanken School of Economics, Finland

International experience is acknowledged as the most useful method for global leadership development, but not everyone benefits equally from it. During the last two decades our understanding of how global leaders learn from international experience has rapidly increased and different learning mechanisms facilitating global leaders' learning from international experience have been delineated. To date, however, no study has attempted to synthesize these key learning mechanisms.

Coaching has been suggested as another highly beneficial developmental intervention. However, limited attention has been paid in the literature to how global leaders learn during coaching interventions.

A reflective practice has been suggested the most desirable for enhancing the learnings from international experience, and coaching has been emphasized to be one of the most appropriate methods to facilitate reflection, self-awareness and feedback. However, little attention has been paid to exploring the learning mechanisms of global leaders stemming from the joint use of international experience and coaching.

This review systematically examines studies on the international experience and/or coaching of global leaders published between 1998-2018, and contributes to the extant literature by: identifying key learning mechanisms and future research directions for the methods of: 1) international experience, 2) coaching, and 3) their joint use.

### The Effect of Distributed Leadership in the Relationship between Flat Organization Structure and Company Performance

**E. Velinov<sup>1</sup>, P. Forester<sup>2</sup>, J. Bleicher<sup>3</sup>**

<sup>1</sup>Skoda Auto University, Czech Republic; <sup>2</sup>Keele University, United Kingdom; <sup>3</sup>DHBW Villingen-Schwenningen, Germany

The paper examines the moderating effect of 'Distributed Leadership' in the relationship between flat organization structure and company performance. Testing this relationship is important for the successful management of global and 'glocal' companies, due to the fact that leadership is, indeed, distributed spatially. This paper argues that Distributed Leadership as a management contemporary approach positively affects the relationship between hard and soft features of structure, strategy and management style. The paper argues that the flatter the organization structure, the faster the decision-making process. For the purpose of the underlying research study, a data set of around fifty companies, identified as having a flat organization structure, were selected from the Fortune 500 for the period 2010 to 2017. The research shows the positive affect of Distributed Leadership in the relationship between flat organization structure and company performance. The paper's findings suggest that the implementation of flat organization structure revolves around the prerequisite of qualified and competent staff. The paper concludes that Distributed Leadership stimulates flatter organization structures and higher responsibility and accountability of the company's management and employees.

### Adaptive Structuration of Communication and Relationship Development in Global Virtual Teams

**M. Aleem**

University of Turku, Finland

Relationships among team members in virtual environments have influenced the performance of a team to a considerable extent. Previous attempts to study this phenomenon have made it possible for us to understand different factors which influence relationship development. However, how does the process of relationship development unfolds over the life of a virtual team is still underdeveloped. This study focuses on understanding the process through which relationships develop over some time around communication. It focuses on the Adaptive structuration by analyzing the structural and human agency elements of communication. It concludes that while performing different tasks, central to team members' performance is communication. It provides an overview of the multiple processes based on group development models which influence relationship development. Understanding these processes can help managers and team leaders to manage their teams for optimal performance better. Relationship development takes different trajectories during the life span of these teams. Relationships tend to develop positively and get reinforced over time, relationships develop negatively and tend to get reinforced over time, relationships initially develop positively but later on take on a negative trajectory, and lastly, relationships develop negatively but later on take a positive trajectory.

## P 1.9: Migrant Entrepreneurship, International Business, and Development

*Time:* Saturday, 14/Dec/2019: 4:30pm - 6:00pm · *Location:* MK G.02

*Session Chair:* Noemi Sinkovics, The University of Manchester, United Kingdom

### **Migrant Entrepreneurship, International Business, and Development**

**N. Sinkovics<sup>1</sup>, R. Mudambi<sup>2</sup>, S. Gelb<sup>3</sup>, W. Brunner<sup>4</sup>, A. van Assche<sup>5</sup>, D. Castellani<sup>6</sup>, H. Tuselmann<sup>7</sup>, R. Becky<sup>8</sup>**

<sup>1</sup>The University of Manchester, United Kingdom; <sup>2</sup>Temple University, United States of America; <sup>3</sup>Overseas Development Institute, United Kingdom; <sup>4</sup>ORS Service GmbH, Austria; <sup>5</sup>HEC Montreal, Canada; <sup>6</sup>University of Reading, United Kingdom; <sup>7</sup>Manchester Metropolitan University, United Kingdom; <sup>8</sup>University of Toronto, Canada

If managed appropriately, migration can benefit both the home (e.g. Stakanov, 2016) and host communities (e.g. Vaaler, 2011). From an international business perspective, diaspora networks can facilitate innovation catch-up processes in developing countries (e.g. Lorenzen & Mudambi, 2012) as well as serve as a means of business survival to counter-act the liability of ethnicity in host countries (e.g. Jiang, Kotabe, Hamilton, & Smith, 2016). However, migration in general and migrant entrepreneurship in particular are multi-faceted and complex phenomena. So far international business has only explored a small number of these facets compared to other disciplinary areas.

This panel is thus set up to discuss what aspects of migrant entrepreneurship and the surrounding societal, political, and economic complexity should attract more attention from IB scholars. Based on a systematic cross-disciplinary analysis of 480 academic articles, we provide a road map of important but under-researched topics. Our three panellists will then each speak to a selected topic on our road map that is flagged as an important future research avenue providing a blend of academic, policy, and practitioner insights.

## P 2.1: Can MNEs Be a Force for Good?: Lessons from History

*Time:* Saturday, 14/Dec/2019: 4:30pm - 6:00pm · *Location:* MK G.31

*Session Chair:* John Raymond Dilyard, St. Francis College, United States of America

### **Can MNEs Be a Force for Good?: Lessons from History**

**J. R. Dilyard<sup>1</sup>, J. Doh<sup>2</sup>, S. Alday<sup>3</sup>, S. Zhao<sup>4</sup>**

<sup>1</sup>St. Francis College, United States of America; <sup>2</sup>Villanova University, United States of America; <sup>3</sup>University of Sydney, Australia;

<sup>4</sup>Middlesex University, United Kingdom

The role of MNEs in economic development has long been a topic of debate within the International Business community. On the positive side are those who believe that, through their FDI, knowledge transfer via R&D investments or network integration, MNEs have aided economic development. Conversely, on the negative side are those who say those same things have not aided economic development at all. Both sides agree, however, that MNEs have helped create the globalized world in which international business operates.

Today, MNEs are being asked to contribute to a new form of doing good - contributing to and helping achieve the Sustainable Development Goals (SDGs). Given the divergence of opinions on MNEs' ability to assist in economic development, it would be wise to question whether or not this is possible, or what would have to be done to make this possible. The purpose of this panel is to use the history of MNEs' contributions to economic development to assess how MNEs can indeed be used to achieve the SDGs and suggest what kinds of internal strategies and external policies are needed.

## P 2.5: EIBA Young Scholar Panel: Time for IBtech -- The New Research Avenues into Global Strategy and the Digital Worlds

*Time:* Saturday, 14/Dec/2019: 4:30pm - 6:00pm · *Location:* MK 1.02 (Boardroom)

*Session Chair:* Tilo Halaszovich, Jacobs University Bremen, Germany

*Session Chair:* Dorota Piaskowska, University College Dublin, Ireland

Panelists: **Desislava Dikova**, WU - Vienna University of Economics and Business, Austria; **Edith Ipsmiller**, WU - Vienna University of Economics and Business, Austria; **Douglas Dow**, Melbourne University, Australia; **Martin Hannibal**, University of Southern Denmark, Denmark; **Helene Tenzer**, Tübingen University, Germany; **Esther Tippmann**, National University of Ireland Galway, Ireland

### **EIBA Young Scholar Panel: Time for IBtech: The New Research Avenues into Global Strategy and the Digital Worlds**

**T. Halaszovich<sup>1</sup>, D. Piaskowska<sup>2</sup>**

<sup>1</sup>Jacobs University, Germany; <sup>2</sup>University College Dublin, Ireland

As the theme of this year's EIBA conference highlights, the world has seen radical changes in recent years. One of the most salient of these changes is the increasing role of digital technologies in business, politics, and society. While scholars in areas such as for example innovation and new product development have long been interested in the impact of technology in business, it is striking to note the relative absence of such studies in the IB area. The contributors to this panel have been at the forefront of these new research avenues and will share their insights and ideas with the audience. In this panel, we aim to spark an interesting conversation by drawing upon the insights of scholars from various parts of the IB field, from strategy through marketing to human resources, responding to some of the ambition described in this year's EIBA conference theme. As we will also draw on the insights of some of the most prominent IB scholars as well as the younger generation of IB researchers, we aim to offer an inspiring range of perspectives and hope to encourage new research projects and collaborations.

## C 2.1.10: Human Variety and Variety of Networks Interactions in International Business

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.02 (Boardroom)  
Session Chair: Manuel Hensmans, Université Libre de Bruxelles, Belgium

### The Effect of Chinese Diaspora for Firms in Russia: The Legitimacy Perspective

**A. Panibratov, L. Rysakova**

St. Petersburg State University, Russia

The effect of migration on the international firms activities was studied at both macro and micro levels. Although there is a growing body of literature that emphasizes the importance of diasporas for their countries of origin (CO) and countries of residence (CR), little studies show the role of foreign diasporas for companies in their recipient countries. In this research we shed the light on the role of international diasporas for local firms in foreign countries. This paper investigates the impact of diaspora on firms through the legitimacy lenses. We draw on legitimacy theory as a framework in order to provide a new insight on migrants and diaspora phenomenon. More specifically, we aim at answering the question whether and to which extent Chinese employees, working in Russian companies, help to manage Russian firm's legitimacy in Russia and China, as well as whether and to which extent Chinese diaspora help to manage Chinese firm's legitimacy in Russia. We extend the theory of legitimacy by proposing that Chinese migrants as employees in Russian companies and Chinese diaspora are additional source in order to gain organizational legitimacy.

### The Role of Satisfaction in Labour Diaspora Dynamics: An Analysis of Brexit Effects

**S. C. Silva<sup>1</sup>, M. Elo<sup>2</sup>, B. Vlacic<sup>1</sup>**

<sup>1</sup>Universidade Católica Portuguesa, Portugal; <sup>2</sup>University of Southern Denmark, Denmark and Shanghai University, China

In diaspora research, the role that satisfaction plays in triggering international mobility is understood mainly on an economic macro-level. However, labor diasporas are influenced by micro-level (i.e. individual perceptions) drivers. This explorative qualitative study is among the first that focuses on the role of satisfaction and evaluation of Brexit scenario and its effects on a labor diaspora's mobility and stability among skilled workers'. The findings illustrate that satisfaction although affected by uncertainty mainly relates to perceived working conditions and legislation, but also to the possibilities to communicate with locals and other diasporans. This paper provides suggestions for future research and contributes to the development of theoretical models and concepts explaining the dynamics of exit and entry in migration decision making.

### How Do Reputation and International Experience Influence the Choice of Cross-border Acquisitions?

**O. Lamotte<sup>1</sup>, L. Chalençon<sup>2</sup>, U. Mayrhofer<sup>3</sup>, A. Colovic<sup>4</sup>**

<sup>1</sup>EM Normandie, France; <sup>2</sup>Jean Moulin Lyon 3 University, France; <sup>3</sup>Université Côte d'Azur, France; <sup>4</sup>NEOMA Business School, France

We combine internationalization theories and the emerging literature on reputation to examine the acquisition decision of a longitudinal sample of European and US firms. We argue that both reputation and knowledge acquired through experience of cross-border acquisitions influence the decision to make new international acquisitions. Our results indicate an inverted U-shaped relationship between firm reputation and the likelihood of making cross-border acquisitions. We also find that international experiential knowledge is positively related to the likelihood of subsequent cross-border acquisitions, and that such experience moderates the relationship between reputation and the likelihood of additional cross-border acquisitions.

### Tie-based Political Risk Management through Ambidextrous Learning and Social Legitimacy

**H.-J. Chiu**

National Taiwan University, Taiwan

How could multinational enterprises draw on the agility-resilience strategy space to reformulate risk management strategies in face of disrupted globalization? The purpose of this paper is to assess firm-level political risk/ties for elucidating the roles of non-market factors in firm-level performance. Subject to joint adverse events arising from volatility in capital markets and regulatory regimes, a firm needs to adopt an ambidexterity approach for exploring and exploiting political ties to improve social legitimacy. We came up with the following findings. First, there are conditions for the dynamics of political ties – i.e., the process of leveraging existing political ties to build new ties. Second, a firm's intensity of ambidextrous learning helps manage political ties. Third, there is an inverted U-shape relation between ambidextrous learning and cognitive-legitimacy performance. Finally, we suggest the revised transnational solutions for global marketers: global non-market competitiveness, multinational strategic flexibility, and worldwide ambidextrous learning.



## C 2.1.12: MNEs and Innovation

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.32

Session Chair: Krzysztof Oblój, Kozminski University & University of Warsaw, Poland

### A Multilevel Analysis of the Mechanisms for Cross-unit Knowledge Adoption in MNCs

**À. Dasi<sup>1</sup>, T. Pedersen<sup>2</sup>, S. Tomassen<sup>3</sup>, R. Kvalshaugen<sup>3</sup>**

<sup>1</sup>University of Valencia, Spain; <sup>2</sup>Bocconi University, Italy; <sup>3</sup>BI Norwegian Business School, Norway

This paper examines the adoption of knowledge sourced from other MNC's units by individuals and the mechanisms applied to foster this behavior. We adopt a multilevel approach and analyze the interplay between the mechanisms at the individual level or knowledge governance mechanisms (training, social networks and IT support systems) and the mechanisms at the organizational level or integration mechanisms (centralization, formalization and socialization). A multi-level model is developed and tested over 343 individuals nested in 70 departments in one MNC. The results show a complementary contextual effect of formal and informal integration mechanisms as socialization reinforces the effect of social networks and training on knowledge adoption while formalization reinforces the use of IT support systems.

### New Wine in New Bottles: R&D Internationalization in a Transition Economy

**M. Dodourova, S. Zhao, A.-W. Harzing**

Middlesex University, United Kingdom

R&D internationalization in transition economies has grown significantly. Drawing on R&D internationalization literature and concept of internal embeddedness, we conducted an inductive study of ten firms' R&D configurations in Bulgaria. Findings show four distinct models of R&D arrangement, classified based on knowledge characteristics (technical vs. market) and market centrality (global centric vs. local centric). It is particularly interesting to find not only evidence of two firms with knowledge-exploration role but two other firms with dual role in exploitation and exploration. We also find the four models can be characterized by co-existing organizational factors, namely knowledge flow, organizational learning, and knowledge leakage. A subsequent framework is proposed for future confirmatory studies.

### MNE R&D Internationalization in Developing Asia

**S. Zhao<sup>1</sup>, M. Papanastassiou<sup>1</sup>, R. D Pearce<sup>2</sup>, C. Iguchi<sup>3</sup>**

<sup>1</sup>Middlesex University, United Kingdom; <sup>2</sup>University of Reading, United Kingdom; <sup>3</sup>Keio University, Japan

In line with recent shift of R&D internationalization towards developing Asia, this Perspective paper reviews, contextualises, and evaluates the evolving patterns of creation, transfer, and assimilation of knowledge in Multinational Enterprises (MNEs). A typology is proposed consisting of four stylised nodes: West (industrialised mature economies), East One (emerging industrialising economies of the developing Asia), East Two (Asian economies at an earlier stage of industrialisation), and East Three (Asian economies with limited visible signs of industrialization). Within these nodes, this paper applies an institution-based view to discuss their diverse national innovation environment (with particular attention paid to governments, indigenous firms, and institutional conditions), and the network perspective to propose an intra-regional knowledge hierarchy, reflecting dynamic knowledge links.

## C 2.1.3: Emerging Markets MNCs versus Developed Markets MNCs

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.09  
Session Chair: Yingqi Wei, University of Leeds, United Kingdom

### How Do Emerging Market MNEs and Advanced Market MNEs Innovate?

**J. Cheng, J. Clegg, Y. Wang**

University of Leeds, United Kingdom

Global innovation is rising for advanced market MNEs (AMNEs) as well as emerging market MNEs (EMNEs). We study global innovation by examining whether and how AMNEs and EMNEs innovate differently. Our panel-data analysis of EMNEs (from China and India) and AMNEs (from France, Germany, Italy and USA) shows R&D intensity on average enhances innovation outcomes of the MNE, such effects are stronger for EMNEs. Interestingly, we find that AMNEs and EMNEs have different models of innovation. The innovation of AMNEs tends to be headquarter-led innovation and thus the effects of headquarter sourcing knowledge from the cluster are stronger for AMNEs. In contrast, the innovation of EMNEs is more likely to be subsidiary-led innovation, in which the geographic dispersion of subsidiaries plays more important role in enhancing EMNEs' innovation outcomes.

### Are EMMs Any Different? A Comparison between the Location Choice of Developed and Emerging Market Multinationals

**R. Laczi, A. Majocchi**

University of Pavia, Italy

Due to the increased international activity of the emerging market multinationals (EMMs), they have become a subject of curiosity in the international business (IB) research. Their presence on the world economic stage has induced several debates about the applicability of the existing theoretical frameworks in order to explain the behavior of the EMMs when they are going abroad. The aim of this paper is to apply the alternative firm specific advantages theory of Cuervo-Cazurra and the complementary local assets theory of Hennart when analyzing the foreign direct investments (FDIs) and location choice of the EMMs. Moreover, the paper also provides a comparison between the decisions of developed and emerging market multinationals. Finally, the analysis of the location choice is not only focusing on the distance between the home and the host countries, but also takes into account the direction of the investment (i.e. towards a more or less developed country).

### A Meta-analysis of Export Spillovers from FDI: Advanced versus Emerging Markets

**J. Pla-Barber<sup>1</sup>, C. Villar<sup>1</sup>, R. J. Mesa<sup>2</sup>**

<sup>1</sup>University of Valencia, Spain; <sup>2</sup>Universidad de Antioquia, Columbia

Drawing from the pioneering work of Aitken et al. (1997), this paper analyzes the available literature on export spillovers from FDI and their effects on domestic firms' export activities in the host countries. Using a selection of 73 studies belonging to 29 economies for the period 1997-2018, our meta-analysis confirms a high probability of finding positive effects when studying the different types of spillovers. We also show that the type of export spillover depend on the institutional context. Spillovers drive a complementary effect which generates direct commercial links between domestic firms and foreign multinationals for advanced economies, whereas for emerging markets the nature of the spillover generates a competition/ imitation effect that pressures domestic firms to be better inserted into foreign markets.

### SMEs' Learning from Failing in Emerging Markets: A Longitudinal Perspective

**N. Dominguez<sup>1</sup>, U. Mayrhofer<sup>2</sup>**

<sup>1</sup>University of Lyon, France; <sup>2</sup>Université Côte d'Azur, France

An increasing number of SMEs are expanding into emerging economies to seize new market opportunities. Emerging markets remain challenging for SMEs and failure rates are relatively high. The objective of this paper is to analyze how SMEs can learn from their failures in emerging countries. The empirical study takes the form of a longitudinal case-study of a French industrial SME that has established subsidiaries in Brazil and China. The authors conducted 22 interviews with the actors involved in the international expansion of this born-again global company and several experts on Franco-Chinese relationships. Their findings show that the learning process of SMEs differs according to the origin and the magnitude of the failures: major failures caused by external factors often result in a weaker commitment or withdrawal from foreign markets whereas smaller failures linked to internal factors tend to increase the local commitment of SMEs.

## C 2.1.5: Multinational Enterprise Internationalisation

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: Liberty 1.28

Session Chair: Romeo V. Turcan, Aalborg University, Denmark

### Global Diversification Strategy and Firm Performance: A Modelling and Simulation Study

**T. Lindner**

WU Vienna, Austria

This paper explores the connections of global diversification strategies to company performance. It considers structural characteristics of markets and explains how these characteristics relate to the relative success of global diversification strategies. A simulation model illustrates differences among the outcomes of those strategies. The simulation considers variation in country market size, liabilities of foreignness, seasonality, economic integration, and competition. The paper derives testable empirical predictions from the simulation.

### Does Top Management Internationalization Influence Firms' Strategic Risk-taking?

**M. Wrede, E. Hille, T. Dauth**

HHL Leipzig Graduate School of Management, Germany

This study investigates whether and to what extent top managers' internationalization is associated with a firm's strategic risk-taking. Combining upper echelons theory with insights from psychology and corporate governance research, we demonstrate that top management internationalization enhances a firm's propensity to take strategic risks. This association was found to be context-dependent on two important factors, which are regarded as having a moderating influence on top managers' risk-taking behavior: the CEO's variable compensation as well as the tenure diversity within the entire top management team. Besides, our supplementary analysis reveals that strategic risk-taking is primarily attributable to the internationalization of the CEO but neither to the internationalization of the other TMT members nor the CFO. Overall, this paper contributes toward a greater theoretical understanding about the implications of top management internationalization as well as the antecedents and boundary conditions of strategic risk-taking in firms.

### Theoretically Misaligned Entry Modes: A Risk-propensity Approach

**S. Elia<sup>1</sup>, M. Møller Larsen<sup>2</sup>, L. Piscitello<sup>1,3</sup>**

<sup>1</sup>Politecnico di Milano, Italy; <sup>2</sup>Copenhagen Business School, Denmark; <sup>3</sup>University of Reading, United Kingdom

Firms often enter foreign markets using entry modes that are misaligned with the predictions of Transaction Cost Economics (TCE). Complementing TCE with prospect theory, we argue that theoretically misaligned entry-mode decisions are riskier decisions. We suggest that prior international experience deriving from failure (vs. success) and from activities that are different (vs. similar) to the focal one prompt firms to become more risk-seeking, and hence choose theoretically misaligned entry-mode. At the same time, firms facing too much 'unknown ground' (i.e., experience with both failure and different activities) are more likely to be more risk-averse, and thus comply with theoretical predictions.

### Foreign Investment Location Choices: Key Theoretical Considerations and Unforeseen New Realities

**M. Dike<sup>1</sup>, E. Rose<sup>2</sup>, U. Andersson<sup>3</sup>**

<sup>1</sup>Aalto University, Finland and Higher School of Economics St. Petersburg, Russia; <sup>2</sup>University of Leeds, United Kingdom; <sup>3</sup>Mälardalen University, Sweden

The mainstream literature has established several key models and boundary conditions for choice of foreign investment locations, based on theoretical assumptions on firm behavior in developed markets, which we tested in the context of emerging markets. Our empirical evidence from Sub-Saharan Africa suggest that mobile network operators' choice of investment locations may not fully comply with the propositions and findings of the previous studies. Contrary to the predictions of the literature, our study reveals that MNOs' investment location choices are mainly informed by institutional considerations such as colonial ties and level of control over corruption, as well as oligopolistic reaction and mutual avoidance. By divulging the tendency of firms to behave differently under varying contexts, against the norm, our study makes useful contributions to the literature on choice of foreign investment locations.

## C 2.1.7: Political Institutions and Internationalization (including SOEs)

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: Liberty G.32

Session Chair: Evis Sinani, Copenhagen Business School, Denmark

### Institutional Connectivity and the Location Choice of Headquarters

**A. Botella Andreu<sup>1</sup>, K. Lavoratori<sup>2</sup>**

<sup>1</sup>ESIC Business and Marketing School, Spain; <sup>2</sup>University of Warwick, United Kingdom

We investigate institutional connectivity as an attracting factor for Headquarter (HQ) location choice in Europe. We argue that institutional ties between European countries and emerging markets reproduce a pipeline of knowledge and information that represents another dimension of connectivity which provide advantage for HQs locating in Europe. Drawing on a sample of 2,230 new foreign HQ investments made by Multinational Enterprises (MNEs) during the period 2003 – 2016 we discover that the higher the institutional connectivity of a country with third territories, the higher the probability of attracting HQ investments, thanks to relevant information, opportunity generation, legitimacy enhancement and special access to these markets. We contribute to the literature by enriching the debate on the interaction between institutions and MNEs networks and, particularly, by developing the concept and an original measure for institutional connectivity. Finally, we increase our understanding of location decision on HQ activities and deepen on the importance of institutional connections for high value-added activities.

### Host Government Intervention and FDI Flow: An Empirical Investigation

**G. K. Adarkwah**

BI Norwegian Business School, Norway

We examine the effect of host government interference in multinational firms' (MNEs) operations on foreign direct investment (FDI) inflow. We test our hypothesis using data from the International Centre for the Settlement of Investment Disputes (ICSID) between 1996 and 2017. The results show that the relationship between host government interference and FDI inflow takes the form of an Inverted-U shape. While a few interferences do not deter FDI decisions, frequent interference by host governments nudges MNEs to reduce their investments in a host country. The findings suggest that countries seeking to attract more FDI should settle investor-related disputes at home, not in international arbitration courts, because doing so frequently may deter MNEs from investing in their territory.

### Foreign Ownership, Institutional Context and Internationalization of State-owned Enterprises

**S. Mariotti<sup>1</sup>, R. Marzano<sup>2</sup>**

<sup>1</sup>Politecnico di Milano, Italy; <sup>2</sup>Sapienza - University of Rome, Italy

We investigate when and how the co-ownership of foreign multinational enterprises helps the internationalization of hybrid state-owned enterprises. We adopt a multi-theoretical approach merging the 'liability of stateness' and the 'government as strategist' perspectives with an institutional context-based approach. We claim that the effect of multinational enterprise co-ownership is contingent on the countries' institutional settings. It is positive at lower levels of both institutional coordination (as a measure of variety of capitalism) and government effectiveness. This effect is mitigated as coordination and government effectiveness increase. Our paper contributes to the literature on the hybridization of state capitalism and the theory of multinational enterprises.

### Control of Subsidiary HRM Policies by MNE Headquarters: Institutional Configuration and Micro-political Influences

**P. Gooderham<sup>1</sup>, M. Fenton O'Creevy<sup>2</sup>**

<sup>1</sup>NHH Norwegian School of Economics, Norway; <sup>2</sup>Open University, United Kingdom

There is growing interest in the antecedents of international subsidiary autonomy from home country control in determining HRM policies. Prior research has considered this within two main paradigms: comparative institutions (largely macro, quantitative studies), and micro-politics (qualitative comparative case study research). We identify two main weaknesses of prior research: failure to use appropriate multi-level methods in the quantitative studies and failure to effectively integrate insights from institutional and micro-political perspectives. Drawing on a large cross-national sample of MNE subsidiaries, we use multilevel methods to consider the joint and interactive effects of firm-level variables and home and host country institutions. We integrate macro and micro-politics explanations. We substantiate prior findings on the importance of global mandate; subsidiaries serving global markets are granted less autonomy. Our findings in respect of institutional configuration do not support prior work. In particular, we find a significant three-way interaction between HQ and host country institutional configuration and union influence. We discuss implications for theory and future research.

## C 2.1.9: Cognition, Personality & Orientation in Internationalising Entrepreneurs

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.33

Session Chair: Peter Zettnig, University of Turku, Finland, Finland

### The Entrepreneur as Change Agent: Undertaking Cognitive Redefinition, Ensuring Survival Anxiety and Creating Physiological Safety

**M. Taylor<sup>1</sup>, R. Jack<sup>1</sup>, S. Freeman<sup>2</sup>**

<sup>1</sup>Macquarie University, Australia; <sup>2</sup>University of South Australia, Australia

The aim of our paper is to examine entrepreneurial action as the first crucial step in the process of organisational change, as new ventures transform themselves into international new ventures. Specifically, our focus is on the role of the entrepreneur in developing cognitive redefinition by purposely changing attitudes towards a change - in essence, acting as a change agent for their firm. By adopting this position, the entrepreneur plays a special role in reassuring their firm that it will survive change. Before anyone else changes, change agents must overcome their own cultural assumptions and perceive new ways of doing things and new contexts in which to do them. By examining the first steps in the international expansion of five management consulting firms we highlight how survival anxiety - the feeling that if we do not change, we will fail to meet our needs or fail to achieve some goals or ideals that we have set for ourselves - must dominate, and how the entrepreneur creates physiological safety for their firm by undertaking, by themselves, the first step in entering international markets.

### Entrepreneurial Human Capital, Environment and Sustainable Opportunity – an Entrepreneurial Cognitive Perspective

**H. Zou**

University of London, United Kingdom

This article explores entrepreneurial cognitive and subjective perceptions toward new sustainable business opportunities. Whereas prior research divides the line between the Discovery and Creation views, we propose entrepreneur and environment independently and interactively influence new sustainable venture creation. Drawing from the conceptualization on opportunity by Davidsson (2015), we discuss how entrepreneurial experience and industry experience affect their evaluation of external environments and new venture ideas. We provide empirical evidence based on a combination of young and novice entrepreneurs and experienced habitual entrepreneurs who offer sustainable-related products and services in China.

### From Entrepreneurs' Personality Characteristics to Firm Characteristics: Difference between International and Domestic New Ventures

**N. F. Crespo, D. Aurélio**

University of Lisbon, Portugal

Several studies contributed to a greater understanding of the international entrepreneurship (IE) field; however the literature demands the need for a more integrated framework distinguishing domestic and international new ventures (DNVs vs. INVs). The present study analyzes the influence of the entrepreneur's personality and entrepreneurial characteristics on the firm characteristics. Therefore, this research attempts to accomplish the following objectives: i) to identify the way several entrepreneurs' personality characteristics relate to some of their entrepreneurial characteristics, and how these entrepreneurial features influence some firm characteristics; ii), to understand if there are some differences within the framework studied between INVs and DNVs. The hypotheses were tested using data from a large survey (4.193 responses) combined with secondary data provided by eInforma Dun & Bradstreet database for new ventures founded between 2004 and 2013. Results provided empirical support for the relationships between several entrepreneur's personality characteristics (need for achievement and risk perception) and entrepreneurial characteristics (individual entrepreneurial intent, individual entrepreneurial orientation and entrepreneurial alertness). There was also empirical support for relationships between individual entrepreneurial characteristics and the firm's entrepreneurial orientation and international orientation. Furthermore, results support the difference between INVs and DNV identifying stronger relationships in the case of INVs.

### International Sustainable Entrepreneurial Orientation: The Case of Global Ecopreneurs

**S. Fraccastoro, E. Incze, M. Gabrielsson**

University of Eastern Finland, Finland

The sustainability of growth is inevitably one of the biggest challenges that our planet faces. At the forefront of this development are the 'ecopreneurs' who are forward looking entrepreneurs that incorporate sustainability in their entrepreneurial behaviour. The most evidently impactful ecopreneurs are those who will have a global reach. This paves the way for us to study the sustainable international entrepreneurial orientation of such entrepreneurs. Building on the existing conceptualizations of entrepreneurial and sustainable orientations, and applying these to an international business context, we explore the entrepreneurial behaviour of the ecopreneur in relation to the internationalization process. Interestingly, our exploratory multiple case study reveals that the studied ecopreneurs have adapted a sustainable global entrepreneurial orientation from inception.

## C 2.1.X: Knowledge and SMEs: Dynamics, Practice and Performance

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.06

Session Chair: Jorma Larimo, University of Vaasa, Finland

### Earliness Internationalizing Ventures Facing Aging and Sizing: Their International Growth for Different Levels of Entrepreneurial and Market Orientations

**A. Daood<sup>2</sup>, L. Fraticchi<sup>1</sup>, M. Presutti<sup>3</sup>, V. Odorici<sup>3</sup>**

<sup>1</sup>University of Rome "La Sapienza", Italy; <sup>2</sup>University of L'Aquila, Italy; <sup>3</sup>University of Bologna, Italy

This study explores the relationship between earliness of internationalization (EOI) and international performance growth using a sample of 168 high-tech Italian SMEs surveyed at two points in time (2007 and 2017). Considering international performance growth in terms of international scale and geographic scope, we find that EOI impacts positively on the former and negatively on the latter. Firm age and size moderate such relationships, reinforcing the negative impact of EOI on geographic scope. However, when different levels of a firm's entrepreneurial orientation (EO) and market orientation (MO) are considered, the moderating effect of age and size change. Important theoretical and managerial implications are discussed.

### The Global Market Scope/Export Performance Relationship in Family SMEs: An Analysis of External Managers and External Capital in Five European Regions

**A. D'Angelo<sup>1</sup>, M. C. Sestu<sup>2</sup>, A. Majocchi<sup>2</sup>**

<sup>1</sup>Università Cattolica Sacro Cuore Milano, Italy; <sup>2</sup>Università di Pavia, Italy

This study aims to contribute to the debate on family SMEs internationalisation, shedding light on the relationship between their global market scope and export performance. We adopt a transaction cost economics (TCE) approach and we hypothesise that family SMEs carry an inverted U-shaped relationship between global geographic scope and export performance. Moreover, we hypothesise that the presence of external managers and outside capital influence this inverted relationship. Using a sample of 446 family SMEs in five European regions the empirical analysis supports our hypotheses. We discuss theoretical contributions and practical implications.

### Knowledge as a Moderator of the Relationship between Environmental CSR and Financial Performance

**H. Doluca<sup>1</sup>, M. Wagner<sup>1</sup>, T. Talaular<sup>2</sup>, A.-L. Hoffmann<sup>1</sup>**

<sup>1</sup>Augsburg University, Germany; <sup>2</sup>Erfurt University, Germany

We address the widely studied question of 'When does it pay to be green?' by theorizing that environmental corporate social responsibility (CSR) is a specific form of knowledgeable decision-making. Elaborating on stakeholder theory and the knowledge-based view of the firm, we hypothesize that knowledge on three different levels – board, workforce and institutional environment – moderates the relationship between environmental CSR and corporate financial performance. Using a global sample of 1,665 firms for the years 2010 to 2014, our empirical investigation reveals that more extensive knowledge bases (containing the existing knowledge stock and the existing conditions for knowledge flow) of the board and the workforce tend to enable firms to financially benefit from environmental CSR. In contrast to our theoretical model, we find negative effects of strong knowledge bases on the level of the institutional environment. Furthermore, we identify that the global results appear to be shaped by partly varying effects within the three regions North America, Europe and Asia. These findings suggest that knowledge-based moderators are to be considered to better understand the complex relationship between environmental CSR and financial performance.



## I 2.1.14: Market Opportunities, Environments and Corporate Responses

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.03  
Session Chair: Rudolf Sinkovics, University of Manchester, United Kingdom

### MNEs' Pursuit of Multiple Market Opportunities under Uncertainty

**N. Nadayama**

Kanagawa University, Japan

Recently, there has been a lot of concern of academic discussions about MNEs' internationalization in the context of opportunity. However, there is still limited literature, focusing on how MNEs identify new market opportunities in the world. To contribute to the theory building of the issue, this paper studies MNEs' identification of new market opportunity with FSAs by utilization of platforms. Through an in-depth case study of a Finnish dairy company which has commercialized technology-based products across borders, this paper shows some findings. Firstly, this paper reveals that an opportunity identification was initiated not only by the resource owner but also by foreign entities that became interested in the resource, through information sharing on platforms. Secondly, this paper also reveals a difference between internal and external platforms in the context of opportunity identification. Thirdly, this paper reveals that the platform-based opportunity identification is recognized as an evolutionary sensemaking. A resource owner and foreign entities continuously sense an opportunity by information sharing on platforms, as multiple contexts surrounding the opportunity are changed over time. I hope that this paper could contribute to further theory building about opportunity-based approach of MNEs' internationalization study.

### Internationalization in the Digital Age: The Role of Cultural Distance and Environmental Uncertainty

**C. Werdich, W. Ruigrok**

University of St. Gallen, Switzerland

This study examines the impact of information and communication technologies (ICT) on the degree of internationalization by focusing on multinational enterprises (MNEs). We argue that ICT helps MNEs to reduce internally as well as externally transaction costs in an international context, resulting in high degree of internationalization. We further argue that the positive impact becomes more pronounced under the condition of high cultural distance and a high level of environmental uncertainty. Our empirical results are strongly congruent with our hypotheses. We used a panel dataset from four major European countries, consisting of 567 firm year observations from 2011- 2017. Our findings contribute to the emerging research stream about internationalization in the digital age. Thus, we contribute to the international business and strategy literatures by showing that ICT can be used as a filter for uncertainty ex-post and ex-ante in the internationalization process.

### What R&D Mandate Gains Do to Subsidiary Management and its Innovation?

**N. Memar**

Mälardalen University, Sweden

Globalization of the Multinational enterprises and the disaggregation of the R&D value chain has pushed forward the importance of research on subsidiary innovation from micro processes i.e., activities of subsidiary managers. By building on MNE middle managers framework and its line of research (e.g., Dutton & Ashford, 1993; Dutton, Ashford, O'Neill, Hayes & Wierba, 1997; Delany, 2000; Dutton, Ashford, O'Neill & Lawrence, 2001; Boyett & Currie, 2004; Wooldridge, Schmid & Floyd, 2008; O'Brien, 2014; O'Brien, Scott, Andersson, Ambos, & Fu, 2019), this project put the "subsidiary managers" box under magnifier and investigates how exogenous change of R&D mandate gain affects subsidiary innovation via change in subsidiary managers activities. We test this on data collected from 98 Swedish subsidiaries dispersed globally. The results of the T-test and the multiple regression show that there is no difference in the change of subsidiary managers activities due to the degree of the newness of the gained R&D mandate. Secondly, results indicate that subsidiary managers facilitates innovation through external activities with local counterparts while internal activities of subsidiary managers toward sister subsidiaries hinder the innovation. Our findings challenge the value of upward activities after gaining an R&D mandate since this direction of activity was insignificant.

### Critical Perspectives on Bottom-up Initiatives in Multinational Corporations

**A. N. Gorgijevski**

Uppsala University, Sweden

Set in the automotive industry and based on a single case study this paper seeks to examine how bottom-up initiatives strive and survive in the corporate setting of an MNC. As a result of consolidation and high entry fees the automotive industry has since inception been protected from disruption and remained stable in times of turbulence. However, the rapid development of new technologies such as electrification and autonomous driving vehicles has caused dramatic industrial changes with new competitors instantaneously designing more and more digitally oriented products. This industrial shift into the digital arena has called for new ways of innovating products, methods and services by all actors. Drawing on the micro-political perspective of the MNC and the issue-selling literature this paper uncovers the negotiation process by individuals for pursuing bottom-up entrepreneurial initiatives. The findings illustrate the internal playground in the organization as greatly politicized arena, the implications of decentralized innovation structures and the effect on bottom-up innovation is further discussed. Theoretically the paper explains the 'strategic renewal journey' of initiatives as an ongoing and continuous process; questioning the commonly applied evolutionary framework of variation-selection-retention.

### I 2.1.3: Macro Perspectives in Emerging and Developing Markets

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.05  
Session Chair: Michael A. Sartor, Queen's University, Canada

#### **Enhancing Youth Employment in Emerging Economy through Participation in Informal Sector: Empirical Evidence from Nigeria**

**N. C. Anza, I. Samuel, U. P. Undie, H. I. Mngutswen**  
Federal University Wukari, Nigeria

This study assessed the impact of youth participation in Nigeria's informal sector on employment generation. Employment generation entails livelihood improvement of the owner and staff through self employment and/or job creation. Survey research design was adopted. From a population of 97,557, a sample of 400 youths was determined using Taro Yamane's formula and the respondents, purposively selected to respond to a well-designed and self-administered questionnaire. The responses were analyzed using descriptive statistics and hypotheses tested using regression technique. The study found among others that; youth participation in informal economy has led to employment generation in Nigeria. However, the findings indicate that, the Nigerian youth prefer formal jobs rather than informal jobs as they do not consider their present occupations/business operation as employment and so, look forward to having a formal job. The study therefore recommends that, Nigerian youths should participate fully in the informal sector and take their businesses seriously as this is a form of employment that could pay better than some formal jobs. Furthermore, youths in Nigeria are encouraged to regard their present occupation as employment.

#### **Foreign Direct Investment Flows into Africa: How Institutional Development Gap Matters**

**R. Fon<sup>1</sup>, F. Filippaios<sup>2</sup>, C. Stoian<sup>2</sup>**

<sup>1</sup>University of Manchester, United Kingdom; <sup>2</sup>University of Kent, United Kingdom

This paper explores the effect of institutional development gap on FDI inflows into Africa and whether such an effect is conditional on the origin of the investor (i.e. Northern versus Southern investors). Using a novel firm-level dataset of Greenfield FDI inflows into 34 African countries between 2003 and 2015, the empirical results show that institutional development gap has a positive and significant effect on FDI inflows into Africa. We also find that this result is homogeneous for investors from North and South suggesting that high institutional development gap does not deter FDI inflows by investors from the North and South. This result is robust to alternative measures of institutional development gap and FDI. However, we find that when the institutions in host countries are better than the home country of the investor both group of investors are attracted by African countries with the best institutions while this discourages FDI by Chinese investors.

#### **The Influence of Salary and Wages on Employee Citizenship Behaviour: A Study of Entrepreneurial Food Vendors in Calabar Nigeria.**

**J. P. Ozah, M. U. Ayaga, M.-M.C. Ifedida**  
Federal University Wukari, Nigeria

Over the years, entrepreneurial food vendors in Nigeria have performed below expectation despite existence of huge consumers due to high population of the country. Quite often, the sector experience high employee turnover and non-commitment from employees as a result of disloyalty. This study investigated the effect of salary and wages on entrepreneurial food vendors' employee citizenship behaviour in Calabar metropolis. The study adopted descriptive survey design through the use of questionnaires. Taro Yamane formula was used to determine the sample size of 191 out of the population food vendors employee in Calabar metropolis. Data collected were analyzed using simple regression inferential statistics. The major finding of the study showed that there is a positive relationship between salary and wages on employee citizenship behaviour. The study revealed that fixed and variable financial pay reduces employees' turnover rate and disloyalty respectively. The study thus, recommended that entrepreneurial food vendors should endeavour to review the structure of their salary and wages by improving both fixed and variable financial pay of their employees to stimulate commitment and loyalty of their employees.

## I 2.1.5: Cross Border Acquisitions, Partnerships and Competition

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: Liberty G.33

Session Chair: Randi Lunnan, BI Norwegian Business School, Norway

### **It's Not What You Say, But How You Say It – the Role of Dialects in Cross-Border Acquisition Target Selection**

**M. Langosch**

Loughborough University, United Kingdom

The drivers of decision making in acquisition target selection has not been much investigated. Previous work shows that geographic distance proves to have an impact on the final choice of the acquirer, especially in related industries. And so does industry relatedness effects the choice between public vs. private targets – with a preference to the private sector. In this paper we investigate the effect of cultural distance as a driver for acquisition target selection. Culture has been much investigated in the M&A literature, mostly on the national level. We use linguistic micro-data – dialects – to identify and measure deep and persistent cultural ties and test in our logistic regression models for the hypothesised effects within and across national boundaries. We argue that dialect distance – as proxy for culture – determines the selection process of acquirers, which goes beyond traditional measure of culture and institutional differences. Our study shows that dialects in fact effects the likelihood of an acquisition beyond national borders while controlling for spatial distance, relatedness of the firms and formal institutional differences.

### **The Role of Firm-specific and Cluster-specific Knowledge in Equity Partnership Agreements: The Missing Link in MNC Theory**

**A. Majocchi, M. C. Sestu**

University of Pavia, Italy

Partnership agreements, i.e. greenfield joint venture and partial acquisition, are a common alternative for firms looking for complementary assets held by another firm in a foreign country. Surprisingly, this alternative has been scarcely investigated. Using a sample of 355 foreign entries made by firms from 32 different countries in Italy, over a ten-year period (2005-2015), we investigated the effect of different types of knowledge on this choice. Specifically, we focused our analysis on the effects produced on this choice by the knowledge held by both the investing and the local firms. Results show that MNEs with product-specific knowledge investing in an industrial cluster are more likely to choose a partial acquisition rather than a greenfield joint venture. If the local firms have high levels of intangible assets then a greenfield joint venture is the more likely outcome. The theoretical implications of these findings for IB theory are discussed.

### **Speaking the Same Language? The Effects of Cross-border Acquisitions on Targets' Local Alliance Partners**

**T. B. M. Truong, L. Rademaker, R. Lunnan**

BI Norwegian Business School, Norway

Cross-border acquisitions may raise uncertainty that concerns not only the two parties involved in the deals, but also other firms that have relationships with either the acquirer or the target. In this paper, we examine what happens to a firm's performance when a foreign company acquires its domestic alliance partner. Drawing insights from institutional theory, we suggest that the institutional distance between the acquirer's home country and host country can have a negative impact on the ongoing relation between the focal firm and the acquisition target, thus undermining the value that the firm gets from the alliance with the target. This negative effect is stronger if the foreign acquirer is state-owned, but weaker if it has experience in the host country.

### **Open Your Eyes: Unveiling the Effect of Dissonance between Perception and Reality of Competitive Environments**

**A. Montoro-Sanchez<sup>1</sup>, C. Maylin-Aguilar<sup>2</sup>**

<sup>1</sup>Complutense University of Madrid, Spain; <sup>2</sup>Francisco de Vitoria University, Spain

Assessment of competitive environments is a key process on strategy formulation. Managers rely on their cognitive capability to sense the context, its threats and opportunities. However, cognition is influenced by perception, based on past experience and beliefs. When facts and perception collide, discrepancy among them can arise dissonance, a psychological effect of discomfort. Dissonance can influence imbalance in the strategic choice, and potentially ends in disturbance on the expected outcome. Through empirical research on Spanish firms in a hostile environment, we set a process to identify discrepancy in environmental scrutiny and proved its effect on strategic imbalance and outcome disturbance. This research calls for a combined effort of managers, research and institutions to minimize discrepancy and the negative effects on strategic actions and its results.

## I 2.1.6: Managing Talent, Culture and Language

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.04

Session Chair: Catherine Welch, University of Sydney, Australia

### **From Brain Drain to Brain Gain: The Agenda for Global Talent Management in Overcoming Talent Migration from Emerging Markets**

**M. Latukha, M. Shagalkina**

St. Petersburg State University, Russia

Within the global talent management (GTM) framework exogenous challenges caused by multiple complexity of external environment are being actively discussed. Considering these challenges, among which are talent shortage and brain drain, the paper sets an agenda for GTM to allocate the right people at the right places leveraging the importance of firm-level talent attraction, development, and retention practices in overcoming talent outflow. Using primary data from 557 talented graduates with migration intentions from leading universities in Russia we find that industry- and individual-level determinants which mostly influence their migration intention may be mitigated by talent attraction, talent development and talent retention practices. The findings imply the moderating role of GTM in managing country-level talent migration.

### **Legitimization Model of Common Language in MNCs: Exploring the Contradictory Consequences of the Common Language Policy from a Configurational Perspective**

**A. J.-C. Hsu, K. Au**

The Chinese University of Hong Kong, China

With an attempt to explain the double-edge sword effects of the common language policy in MNCs, this paper introduces and sheds light on a new concepts, that is, legitimacy of the common corporate language (CCL). Whether subsidiary employees perceive the CCL as legitimized language in the focal subsidiary determines collective language use in different occasions, and thus contributing or hindering organizational outcomes. In order to understand the factors, which may enhance the legitimacy of the CCL, we develop a theoretical model to capture the legitimacy process of CCL in MNCs. The collective judgement of the legitimacy of the CCL is determined by three components - the subsidiary's multilingual properties, the Headquarter's common language policy, and employee's code-switching to CCL behavior. Each component composes of different factors, which, in turns, makes every subsidiary a unique domain with blurring boundaries between multiple national languages. Among these three components, common language policy particularly matters because it triggers the legitimacy process of the CCL, leading to proximal and distal outcomes. Implications for international business studies and MNC's common corporate language practice are discussed.

### **Rapid Acculturation Mateship Program: An 18-Week Peer Mentoring Intervention to Facilitate Adjustment**

**A. Pekerti<sup>1</sup>, F. van de Vijver<sup>2</sup>, M. Moeller<sup>1</sup>, T. Okimoto<sup>1</sup>**

<sup>1</sup>University of Queensland, Australia; <sup>2</sup>Higher School of Economics Moscow, Russia († 1 June 2019)

Socially integrating international students into the host university is a challenge for any university. We present the Rapid Acculturation Mateship Program (RAMP), a comprehensive 18-week higher education peer mentoring/acculturation program for incoming international students in an Australian university. A group of 43 local partners (Mates) were paired with 126 international students (Participants), a control group of 238 students did not follow the program. Quantitative data were collected among participants and controls prior to the program, in the middle of the semester, and after completion of the semester. Inventories of acculturation, self-esteem, cultural intelligence, cognitive complexity, experienced prejudice, and satisfaction with life were administered. Small score increases were found after the program only in the acculturation domain. Mates also evaluated Participants' skills (communication skills conducive to functioning in the university and Australian context) before and after the program. Large increases in all skills were reported. Qualitative responses from participants after completing the program confirmed the substantial increase in communication skills. Thus, effects of the program appeared primarily in the domain of intercultural communication, and that only small effects were observed in other domains of cultural adjustment and well-being. Theoretical and practical implications are discussed at the individual and group levels.

### **Using Digital Technology in Expatriate Management: Between Organizational Benefits and Individual Acceptance**

**I. Sahakiants**

Cologne Business School, Germany

Based on the review of both academic and practitioner-oriented literature as well as media reports on the uses of digital technology in the field of (international) human resource management, this article outlines the reported and potential uses of digital technology in expatriate management, by concentrating on a number of selected areas, such as people analytics, social media and online collaboration technology, as well as artificial intelligence. Furthermore, the benefits and constraints of using digital technology to manage international assignments from an organizational perspective and a model of individual technology acceptance during expatriate assignments are proposed.

## I 2.1.9: Cognition, Values and Sense Making in International Entrepreneurial Ventures

Time: Sunday, 15/Dec/2019: 8:30am - 10:00am · Location: MK 1.31  
Session Chair: Jean-Francois Hennart, Tilburg University, Netherlands, The

### The Power and Perils of Cognition: Differential Role of Heuristics and Biases in Initial and Post-entry Internationalization

**A. Faroque<sup>1</sup>, L. Casulli<sup>2</sup>, O. Kuivalainen<sup>1</sup>, S. Sundqvist<sup>1</sup>**

<sup>1</sup>LUT University, Finland; <sup>2</sup>Strathclyde University, United Kingdom

Given the fact that we know only little about how owner-managers actually make internationalization decisions, we must consider the biases and dispositions of SMEs' most powerful actors - their top executives especially to know how the biases and heuristics change from the initial internationalization stage to the later stages. The early internationalization perspective in IE has largely focused on the initial export activities of firms and has subsequently overlooked to address what happens to these firms after this initial phase from the perspective of cognitive heuristics and biases. In response to this, in this article we present a framework for the influence of individual heuristics and biases in initial and later stages of internationalization. We include one key variable in early internationalization, i.e. owner-managers' prior international experience and how different biases originate from this source and impact initial internationalization. Later on, we show that experiential learning during and after initial internationalization gives rise to some specific heuristics and biases that impact subsequent internationalization. We also find that the power of heuristics and biases in initial stage may turn into perils in the subsequent internationalization.

### The Impact of Cognitive Reasoning on International Entrepreneurial Intentions: A Multi-country Study

**B. Vlacic<sup>2</sup>, M. González-Loureiro<sup>1,3</sup>, V. Braga<sup>3</sup>, S. Costa e Silva<sup>2</sup>**

<sup>1</sup>University of Vigo, Spain; <sup>2</sup>Universidade Católica Portuguesa, Portugal;; <sup>3</sup>Polytechnic Institute of Porto, Portugal

This article aims to shed light on the effects of cognitive reasoning in international entrepreneurship intentions development. In order to advance research and provide sound explanations for international entrepreneurial intentions (IEI), we supplement the Ajzen's theory of planned behavior (TPB) by adding the cognitive systems from the Dual Process Theory. Based on a sample of 407 final year undergraduate and master students from Spain, Portugal, Serbia and Montenegro, our results show that the cognitive System-X – intuitive, unconscious, effortless, emotional reasoning– has a positive total impact on IEI, mediated by the attitude toward the behavior, perceived social norms and perceived behavioral control. Analogously, the cognitive System-C –analytic, conscious, deliberative– has no overall statistical significance, although it impacts the IEI through the perceived social norms, and it balances the potential biases stemming from System-X regarding the perceived behavioral control. Our comparison of results yields further evidence on the extent to which cognition matters to IEI among potential entrepreneurs. Finally, rather than classifying potential entrepreneurs in cognitive discrete systems, our contribution focuses on including the use of both cognitive systems as antecedents within the TPB to explain IEI.

### Refining the Actualization Approach for Exploring the Sense-making Process of Entrepreneurs for Opportunity Recognition

**A. W. Khan<sup>1</sup>, P. Ghauri<sup>2</sup>, T. Cavusgil<sup>1</sup>**

<sup>1</sup>University of South Australia, Australia; <sup>2</sup>University of Birmingham, United Kingdom

In this study, we explore the sense-making process of entrepreneurs for opportunity recognition, and address limitations of the previously contested discovery and creation approaches to refine the more recent actualization approach. In search of the middle ground and despite efforts to resolve the challenges by offering the actualization approach that supposedly addresses an apparent inconsistency with the discovery and creation approaches, many assumptions have either been ignored or overlooked without a systematic explanation. This is not assisting the entrepreneurship field to move forward leading to an ongoing lack of theoretical explanations that improve our understanding. By proposing the dichotomous nature of opportunities as dependent on profit or loss the actualization approach undervalues the possible role of entrepreneurs' non-economic objectives. Additionally, the actualization approach asserts that entrepreneurs are able to recognise opportunities only in the future after making profit. In this way, the actualization approach ignores entrepreneurs' efforts and suggests that entrepreneurs always develop a conjecture for opportunities or entrepreneurs should keep investing their efforts for a possible non-opportunity venture. Therefore, by employing Chater and Lowenstein's (2016) sense-making model and by discussing the shortcomings and strength of the actualization approach, we explore, how and when entrepreneurs can evaluate and 'make sense' of opportunities.

### Preservation or Exploitation? Family Values as Source of Heterogeneity in the Origin of Family Firms' Internationalization

**F. Debellis, C. Benedetti, A. De Massis**

Free University of Bozen-Bolzano, Italy

This study examines how values affect the origin of the process of internationalization in family firms (FFs). We define four possible strategies engaged by FFs, based on two dimensions: internationalization approach and firm orientation to values. By way of a multiple case study of 6 family firms in the wine sector of Catalunya region, we use family values as explanation of why some firms internationalize soon after inception, whereas others do it only at later stages following a stepwise approach. Despite the common assumption that preservation of original family values and exploitation of internationalization benefits are aut-aut concepts, we show that preserving those values and operating early at global level is not only possible, but it represents a distinctive ability for gaining long-term success. With this study we aim to shed light on the issue of heterogeneity in FFs' internationalization and help to reveal how family firms can simultaneously pursue non-economic and economic goals.

## P 2.13: Teaching International Business through Video Case Studies

*Time:* Sunday, 15/Dec/2019: 8:30am - 10:00am · *Location:* MK G.31

*Session Chair:* Nukhet Vardar, El Izi Communications Consultancy UK Ltd, United Kingdom

### Teaching International Business through Video Case Studies

**N. Vardar<sup>1</sup>, A. Jaklič<sup>2</sup>, F. De Beule<sup>3</sup>, H. Voss<sup>4</sup>, A. Kania<sup>5</sup>**

<sup>1</sup>El Izi Communications Consultancy UK Ltd, United Kingdom; <sup>2</sup>University of Ljubljana, Slovenia; <sup>3</sup>KU Leuven, Belgium; <sup>4</sup>University of Leeds, United Kingdom; <sup>5</sup>Poznan University of Economics and Business, Poland

The panel is presenting stand-alone video cases as a teaching innovation for international business (IB) studies. Although the usage of audio visuals in management education has a long tradition (Champoux, 1999), and researchers calling for wider adoption of video cases (Kinnunen & Ramamurti, 1987), (Liedtka, 2001); dedicated video case are rare in IB teaching. The panel is presenting an initiative to employ video cases in IB teaching, as video cases thought to enhance learning outcomes for iGen/Generation Z by aligning with their learning patterns (Aggarwal & Goodell, 2016).

The panellists are partners of the ERASMUS+ project "Open Access Digital Video Case Library for Teaching International Business" (2018-2021) which is writing, directing and shooting twelve video case studies. These videos constitute a complete international e-textbook. Each video covers an IB problem, with a problem-solution method, narrated by an executive/business owner. Videos are accompanied by knowledge clips, narrated by academics, presenting the theory. These will be freely available on 'MNC whispering' (<https://www.mncwhispering.com/>).

During this panel, the consortium will present the rationale for the development of video case studies, present their first video cases and knowledge clips to garner input from potential users in the IB community, and share the student feedback.

## P 3.1: International Business in a Confused World Order: EIBA Recollections and Visions

*Time:* Sunday, 15/Dec/2019: 8:30am - 10:00am · *Location:* MK G.02

*Session Chair:* Vítor Corado Simoes, ADVANCE, ISEG - Lisbon School of Economics and Management, Portugal

### **'International Business in a Confused World Order: EIBA Recollections and Visions'**

**V. C. Simoes<sup>1</sup>, I. Álvarez<sup>2</sup>, P. J. Buckley<sup>3</sup>, L. Gagliardi<sup>4</sup>, S. Lundan<sup>5</sup>**

<sup>1</sup>University of Lisbon, Portugal; <sup>2</sup>Universidad Complutense de Madrid, Spain; <sup>3</sup>University of Leeds, United Kingdom; <sup>4</sup>University of Geneva, Switzerland; <sup>5</sup>University of Bremen, Germany

The first Panel on EIBA History was held at Rio de Janeiro, in 2015. Since then, the Panel has been convened in all EIBA Conferences. Besides providing recollections regarding the history of EIBA and visions for EIBA future, Panel presentations this year will elaborate on two issues, in line with the Conference and Track topics: (1) a perspective about the evolution of IB climate since 1975, when EIBA was created; (2) the implications of the present "confused world order" for IB (see, for instance, the very interesting Special Report, The Economist, May 18th, 2019), and (3) the challenges and visions for EIBA in such "confused world order". The Panel will be chaired by Vítor Corado Simões. Invited Panelists are (in alphabetical order of family name): Isabel Alvarez, Peter Buckley, Luisa Gagliardi, and Sarianna Lundan.



# EIBA Fellows Plenary: From Regional Convergence to Divergence: The Changing Economic Geography of International Business Activities and Connections

*Time:* Sunday, 15/Dec/2019: 10:30am - 12:00pm · *Location:* Western Lecture Theatre

**Speakers:** **John Cantwell**, Rutgers University, USA; **Simona Iammarino**, London School of Economics, United Kingdom; **Lucia Piscitello**, University of Reading, United Kingdom, and Politecnico di Milano, Italy

**Special Guest:** *Distinguished EIBA Honorary Fellow 2019*, **Michael Storper**, UCLA, Luskin School of Public Affairs, USA

More Information is available here: [https://eiba2019.eiba.org/wp-content/uploads/sites/50/2019/12/fellows\\_panel\\_summary\\_19.pdf](https://eiba2019.eiba.org/wp-content/uploads/sites/50/2019/12/fellows_panel_summary_19.pdf)

In both Europe and North America, a growing body of evidence suggests that a long term process of convergence in income levels across sub-national regions in the postwar period has given way to divergence since the 1980s. In particular, internationally well connected urban areas have tended to experience better economic performance than areas that are less well connected through international business linkages. This divergent economic geography within countries appears to be related to social factors and to differing systems of values, attitudes and perceptions of opportunity that have been created and recreated at a local level, and which have contributed to political polarization. Our panel will present some perspectives on this increasing interface between international business, economic geography, and public policy.

## International Business from the 2nd to the 3rd Industrial Revolution: The Perspective from Economic Geography

**M. Storper**

UCLA, United States of America & London School of Economics, United Kingdom

A number of features of IB can be framed in terms of time and space dynamics. The period from 1880 to 1980 the 2nd Industrial Revolution had a geographical dynamic involving an initial period of intense geographical concentration in the leading manufacturing cities of the day, associated with the leading logistical hubs of the day. This enabled changes in the spatial scale of production systems involving de-agglomeration at the national and global scale, accompanied by strong internationalization of certain markets and ownerships. In older industries, industry-leading entrepreneurship could emerge from a wide variety of places. This was the phase of the 2nd IR's geography associated with spatial income convergence and IB played a role in that process. The 3rd IR began in a context of more developed globalization, with better physical transportation technologies and policies for trade liberalization. Its technology shock has yet to yield place to a broad maturity phase. It has led to the creation of a new set of industry-building global firms. As a consequence, IB is now an integral part of the two-sided geography of income divergence between regions, but also the geography of global spread of development and innovation.

## Regional Income Disparities: Agglomeration Economies and Monopoly Power

**S. Iammarino**

London School of Economics, United Kingdom

In the most advanced economies we live with powerful and rapidly changing technology accompanied by stagnating wages and a general malaise. Many have shared little of the economic growth of the past forty years. Moreover, prosperity and stagnation have a distinct geography, with some places enjoying astonishing rises in income and wealth, while many others are left behind. We are concerned with the interaction of three phenomena which have been treated as distinct, one geographical, one of market structure, and one financial. The first of these is that many of the places of prosperity have become important nodes in multinational production networks, with agglomeration economies enhancing the productivity of firms located there. Second, it has become clear that the years since 1980 have seen a substantial rise in the market power in the U.S due to a combination of new network technologies and the retrenchment of both regulation and anti-trust enforcement. This has occurred in many industries, but is particularly striking in the case of global companies in ICT. Third, the financial sector has come to exert much greater influence over firms, a phenomenon sometimes called "financialization".

## How Paradigm Change has Transformed the Geographic Structures of International Knowledge Networks

**J. Cantwell**

Rutgers University, United States of America

The nature of IB activities has distinctive features in each of the three major techno-socio-economic paradigms observed since the advent of modern capitalism in the 18th century, sometimes referred to as the three industrial revolutions. We have moved from arms' length international trade and natural resource-seeking FDI in the mechanical age (in the late 18th century to the late 19th century); to administrative coordination by managerial hierarchies in the large industrial MNE and market-seeking FDI in the science-based mass production age (in the late 19th century to the late 20th century); to the orchestration of IB networks or global value chains and knowledge seeking FDI in the information age (since the late 20th century). Each later form has incorporated the essential elements of the earlier ages in a new synthesis.

## The Divergent Impact of ICTs on Technological and Locational Complexity of Knowledge Sourcing

**L. Piscitello**

Politecnico di Milano, Italy & University of Reading, United Kingdom

Knowledge creation simultaneously relies on sourcing from different innovation systems (i.e. locations) and different technological fields. Thus, increasing knowledge complexity – either in the form of cross-field complexity in knowledge sourcing or cross-location complexity in knowledge sourcing – has been associated with the influence of ICTs. However, the effects of ICTs impact differently on the two dimensions of knowledge complexity. On the one hand, ICT facilitates the matching of modularization to locational sites, thus negatively constraining cross-location knowledge complexity. On the other hand, ICTs have also facilitated more distant technology (re)combinations, and they have positively influenced cross-field knowledge complexity. While ICTs fuse or bring together previously unrelated (or formerly more weakly related) knowledge types, and so raise the dimension of cross-field complexity, such fusion capabilities also make it more feasible to combine knowledge components across geographic space, and so ICTs interact with cross-location complexity to increase cross field complexity over time. Although these effects are especially observed in the presence of ICT knowledge, the increased level of cross-field knowledge complexity and cross location knowledge complexity, is also a general feature of the ICT age.



## PS 2: Plenary Poster Session II

Time: Sunday, 15/Dec/2019: 1:00pm - 2:00pm · Location: Refectory Mezzanine  
Session Chair: Christos Antoniou, University of Leeds, United Kingdom

### Business Group Domestic Diversification and International Diversification: Evidence from China

**D. Sutherland, Y. Zan**

Durham University, United Kingdom

More and more examination show that business groups in emerging markets are widely diversified, however, the relationship between business group domestic diversification and international diversification to date is not well understood. Here we hypothesize that institutional arbitrage and the gravitational pull of protected home markets inclines business groups in emerging markets towards industrially unrelated international diversification. Besides, business group domestic unrelated industrial diversification, is hypothesized positively related to its international unrelated industrial diversification. State ownership, however, negatively moderates this relationship since its strategic objectives have to fit with state requirements. We assess these relationship using the Orbis database of 644 Chinese business groups. Our results generally support the hypotheses. We thus identify the distinctive, often overlooked characteristic of emerging markets multinational enterprises (EMNEs). Additionally, we show business group affiliation and state ownership qualitatively influence EMNE internationalization strategy.

### Connectivity in an Emerging Market Innovation System: Network of R&D Collaborations in the Brazilian ICT Sector

**L. A. Alves**

University of Southern Denmark, Denmark

The innovation activities of multinational enterprises have become increasingly geographically dispersed in the past decades, but few studies have addressed how the R&D activities are carried out in the host countries. The present study aims at filling out this gap in the literature by investigating the orchestration of R&D activities of multinational companies in a host economy. It is developed a social network analysis of 927 R&D collaborations of 62 MNEs and 72 domestic companies in the ICT sector in Brazil. The study reveals the differences in the structural dimensions of subsidiaries and national companies in their innovative collaborations with research and technology organizations, teaching and research institutions and incubators.

### Determinants of the Resource and Systemic Power of a Subsidiary: The Effect of Credibility, Autonomy, Functional Responsibilities and Capabilities

**M. Dzikowska<sup>1</sup>, F. Keller<sup>2</sup>, D. Ursprung<sup>2</sup>**

<sup>1</sup>Poznan University of Economics and Business, Poland; <sup>2</sup>Zurich University of Applied Sciences, Switzerland

We study determinants of subsidiary's resource and systemic powers. In this regard our focus is on subsidiary's credibility, strategic autonomy, functional responsibilities and capabilities. Importantly, we do not consider aggregated variables representing functional responsibilities and capabilities, but rather analyze specific functional areas individually and take into account three different approaches towards operationalization of the corresponding variables that are present in the extant literature. We test our models on a sample of 188 foreign subsidiaries operating in the Polish manufacturing industry with a use of OLS robust regression. Our results indicate that subsidiary's credibility is positively related to resource and systemic powers; strategic autonomy is positively related to resource power, and negatively related to systemic power, and the division between downstream and upstream functional areas does not allow for explanation of positive/negative impact of specific functional areas on resource or systemic powers. Furthermore, the paper provides methodological recommendations concerning best-suited operationalization of functional responsibilities/capabilities while taking into consideration the conceptual understanding of the dependent variables.

### Expatriate Management in the Strategy of Internationalization of Companies: An Analysis of "WHO"

**S. C. Lisboa Oneda Galupo<sup>1</sup>, D. Floriani<sup>1</sup>, M. H. Ogasavara<sup>2</sup>**

<sup>1</sup>Universidade do Vale do Itajaí, Brazil; <sup>2</sup>Escola Superior de Propaganda e Marketing, Brazil

The internationalization of companies involves factors that need to be analyzed and structured at a time when companies explore new markets. Several questions are, a priori, necessary for the most assertive decision making on the internationalization process: What? Where? How? (Welch; Luostarinen, 1988). Therefore, this research deals with the management of expatriates as a strategic factor, and the main purpose of this study is to analyze how expatriation practices are connected with the internationalization of companies, identifying the dimension "WHO", as the management of expatriates in international strategies. The methodology used was qualitative and descriptive, through interviews conducted with international business managers and specialized expatriation consultancies, as well as the participation and observation at meetings of the GAE (Group of Expatriate Managers - internationalized companies discuss practices in expatriation). The results revealed that in most of the interviewees, IRHM does not have strategic participation in internationalization, operating in an operational way, as a service provider for the business area. In this sense, the "Who" needs to be integrated with the internationalization strategy for strategic action in human resources management, to be the "business partner", to be the "area that supports", and thus provide better management results of expatriates.

### Facing Dominant Competition – the Role of Strategic Differentiation and Focus for Domestic Movie Productions

**F. Gruninger**

Zeppelin University, Germany

Today's globalized industries are often dominated only by a handful of big multinational companies and their respective products. On the other side a large heterogeneous population of smaller domestic firms and producers exist. While the former multinationals can reap the benefits of strategic leadership and create the relevant reference points for consumers, the latter must adapt very carefully to these commonly accepted global standards. Among business scholars, the strategic dimensions of differentiation and focus / specialization are at the core of strategic management. Nevertheless, the concrete effects are still subject to an ongoing discussion. Because of the inclusiveness of past work, only recently research started to dive deeper into the exploration of some of the more complex underlying interdependencies. The main discussion of this proposal centres on this contemporary debate of balancing strategic differentiation and reframes this issue to an international business setting. For the empirical part, data on 4428 domestic movie projects for 28 countries was collected. Using the movie industry as institutional setting exemplifies very well the outlined conceptual background. The data ranges from 2000 to 2016. To derive the strategic variables used in the accompanying regression analysis several exploratory methods were applied, including semantic analysis and topic modeling.

## **Formal Control Design in Emerging Market International Joint Venture (IJV): A Case Study of an IJV in Nigeria.**

**I. Ekpo**

University of Bradford, United Kingdom

International Joint venture (IJV) has been documented to provide quick access to new market. However, the ownership structure often gives rise to complexities, which encompass the control issues over strategic and operational activities in the IJVs. Therefore, this study explores how the design of formal control (FC) in emerging market IJV is influenced by the IJV specific and external environmental factors. Applying an in-depth single case study approach with data collected through thirteen semi-structured interviews. The study revealed that contract design, ownership structure and appointment of board of directors are influenced by a range of factors identified in the literature including resource contribution, knowledge transfer, and environmental uncertainty. Different from the findings of existing studies, this paper reveals that the use of a particular FC can be influenced by a combination of factors. By examining the types of FC exercised by each partner and the antecedent of each control type, this study complements prior research by integrating insights from the resource dependency theory, and institutional theory to provide a more integrative perspective on IJV control. Specifically, it explains how one partner develops certain types of FC according to its individual resource contribution and can adjust controls to achieve its objectives.

## **How Does Corporate Ownership Impact Firm Internationalization? A Review and a Research Agenda**

**D. Wang, D. Hain, S. Marinova**

Aalborg University, Denmark

A principal-agent theoretical approach from financial economics studies offers an important alternative explanation of firm internationalization. Researchers taking such perspective have studied the impact of different forms of ownership, such as external vs. internal ownership, concentrated vs. dispersed ownership, on various aspects of internationalization (e.g., speed, scope, rhythm, and entry modes). A synthesis is thought to be critical considering the multi-dimensional and multi-level nature of two constructs (ownership and internationalization), cross-disciplinary characteristic of this topic, up-to-now fragmented research and conflict findings. A combination of quantitative (bibliometric analysis) and qualitative analysis (content analysis and narrative synthesis) will be conducted.

## **How Trade Policy affects SMEs' Integration into Global Value Chains**

**D. E. Floriani<sup>1</sup>, M. Silva<sup>1,2</sup>**

<sup>1</sup>Universidade do Vale do Itajaí, Brazil; <sup>2</sup>Halmstad University, Sweden

The internationalisation of the firms has been long studied for decades. Although, with the growing fragmentation of global economy and international trade, the interaction between governments, enterprises and people are becoming more dynamic and complex within each day. Therefore, there is the need of debating new perspectives about the internationalization process. Among with the globalization, rises the global value chain (GVC) theory. Its research and policy work examine the different ways in which global production and distribution systems are integrated. Although the majority research is focused on multinational enterprises, the internationalisation of SMEs is increasingly taking up space in the academy, and is often linked with social economic development. Hence, this research aims to investigate how trade policy affect micro-multinationals (mMNEs) integration into GVCs. As a research result, it is expected that trade policy exert a relevant role on SME internationalisation and integration into GVCs. Overall, it is hoped that the outcomes of this research can instigate new studies toward thinking inclusive social economic development and the position of GVCs on this process, as it can provide opportunities for innovation, SME-MNE cooperation and technology transfer.

## **Is Executive Expatriation a Liability or an Asset for Overseas Subsidiaries? The Perspective of Foreignness**

**J. Du, C. Zhou**

Zhejiang University, China

This paper intends to offer a transaction cost explanation for the contradictory conclusions in the relationship between expatriate executives and subsidiary performance in existing literature. We introduce the concept of foreignness, which is widely considered ambidextrous and can be shaped by executives, to explore the contextual factors influencing the positive and dark sides of expatriates. Drawing upon the survey data on Chinese manufacturing firms, we try to confirm the conditions under which expatriate executives will enhance or hinder subsidiary performance at country, industry and firm level.

## **Merger and Acquisition Deal Completion vs. Abandonment in Volatile Emerging Economies: Influences of Corporate Governance Dynamics**

**A. Arslan<sup>1</sup>, A. Ruman<sup>1</sup>, W. Degbey<sup>2</sup>, S. Tarba<sup>3</sup>**

<sup>1</sup>University of Oulu, Finland; <sup>2</sup>University of Turku, Finland; <sup>3</sup>University of Birmingham, United Kingdom

The current paper addresses an important and relatively less researched topic of mergers and acquisitions (M&As) deal completion vs. abandonment. We specifically focus on volatile emerging economies and aim to analyze influences of different dimensions of corporate governance on M&A deal completion or abandonment. Volatility in our study refers to issues like currency crisis, political upheavals and militancy in parts of such countries. Despite representing relatively high risk and political hazards, business activities including M&As continue in them. There is a lack of specific studies on these volatile emerging markets, and hence, we aim to fill this gap in the literature. We aim to perform an in-depth analysis where potential differences in industries as well as acquiring firms' origin (i.e. local vs. international acquirer) will be incorporated while analyzing M&A deal completion vs. abandonment. The empirical part of the paper is planned to be based on data from Thomson Reuters database covering M&A deals undertaken in eight volatile emerging economies during 1998-2018. We aim to contribute to corporate governance, international business (IB), M&A literature streams, as analysis of M&A deals completion vs. abandonment in these volatile emerging economies has not been specifically undertaken earlier at least to our knowledge.

## **New Engines for Export Performance – a Study of the New Export Growth among Swedish Firms**

**S. M. Hånell<sup>1</sup>, E. R. Nordman<sup>2</sup>, D. Tolstoy<sup>1</sup>**

<sup>1</sup>Stockholm School of Economics, Sweden; <sup>2</sup>Mälardalen University, Sweden

The internationalization activities of firms in the service sectors remain an understudied theme in the international business field. This poster addresses this research gap by focusing on the drivers for service and product export value among internationalizing Swedish firm. Sweden is an example of a small open economy that is highly dependent on both its export performance and its service-industry. The purpose of this study is to investigate the potential effects that junior managers have on the service and product export value

among exporting ventures. Junior managers are defined as employees in management positions who recently graduated from the university. We test two hypotheses that build on the argument that junior managers can spur the export activities for product and service offering companies. To test our hypotheses, we use a longitudinal and large dataset of SMEs from all types of industries in Sweden. The data that is analyzed comes from two longitudinal databases, collected by Statistics Sweden. The regression analysis shows support for the hypothesis that the use of junior managers is positively correlated with service export value. The hypothesis suggesting that the use of junior managers is positively correlated with product export-value is not supported.

## **Overseas Expansion and Formation of Competitive Advantages: The Case of Chinese Firms**

**B. Kim**

Meiji University, Japan

In this study, we consider the entry strategy of firms entering the international market from emerging countries. In particular, we focus on the fast-growing Chinese firms that have entered the international market in recent years.

Traditionally, Western firms and Japanese firms have led the market in international business. After them come firms in Singapore, Korea and Taiwan, and in recent years, Chinese firms have made inroads into overseas markets. Traditionally, firms in developed countries with abundant capital and knowledge advantages have entered foreign markets. On the other hand, firms in developing countries such as China have relatively few management resources and do not have rich overseas expansion experience. The following can be concluded about how Chinese firms enter foreign markets and grow as global firms under such disadvantageous conditions. First, Chinese firms have acquired much knowledge and ability from foreign firms investing in China. Second, they have actively used M&A strategies to gain competitive positions faster in international markets.

## **Perceptions of Home-country Institutions, Decision-making Logics, and International Performance of SMEs**

**I. Laine<sup>1</sup>, T. Galkina<sup>2</sup>, L. Torkkeli<sup>1</sup>**

<sup>1</sup>LUT University, Finland; <sup>2</sup>University of Vaasa, Finland

In the modern world of increasing institutional complexity and uncertainty, entrepreneurs in general, and those leading small- and medium-sized enterprises (SMEs) in particular are increasingly important for societies. This is because international growth of SMEs drives macroeconomic global development, while helping to find solutions to the grand challenges our world is facing. However, despite of institutional support from the governments around the globe, the current global situation of increasing tensions, elevated risks and tariffs, and tightened regulations in international business is argued to create more losers than winners. In our study of 210 international SMEs from Finland, we aim to distinguish better performing SMEs from others. In particular, we theorize and empirically examine how perception of home country institutions and decision-making logic affect international performance of SMEs. By showing how the institutional environment and entrepreneurial decision-making are linked in driving international performance of SMEs, our study outlines implications both for global strategy and international entrepreneurship research, as well as for practitioners, including entrepreneurs, investors and policy-makers.

## **Smart Manufacturing Technologies and International Production Structure: A Patent Analysis Approach**

**J. Nevens, F. De Beule, Y. Nauwelaerts**

KU Leuven, Belgium

This paper aims to empirically investigate the effect of smart manufacturing technology (SMT) use on the international diversity of production activities and the co-location of production and sales activities in the manufacturing sector, a research gap present in the literature on Industry 4.0 and Global Value Chain disruption. Existing literature is generally restricted to theoretical frameworks, country-level analyses or national case studies, strongly focusing on SMTs' effect on reshoring tendencies, employment or developing countries, neglecting the possible disruptive effect of SMTs on MNEs' international production structure. Firstly, this paper puts forward a previously unused measure for company SMT-implementation: the amount of patents they own in smart technologies with a focus on production, obtained through text mining techniques in relevant CPC-fields. The provision of one coherent measure for patents in SMTs is a contribution to the Industry 4.0 research field in itself. Secondly, econometric models are used to relate SMT-use to (1) the (international) diversity of production activities and (2) the co-location of production and sales activities.

## **Strategic Issue Selling by International Subsidiaries: The Moderating Role of the Country Manager's Nationality**

**R. Santos<sup>1</sup>, J. Carneiro<sup>1</sup>, K. Miller<sup>2</sup>**

<sup>1</sup>Fundação Getúlio Vargas, Brazil; <sup>2</sup>Michigan State University, United States of America

Proposal: This study will examine how the packaging of a strategic issue by a foreign subsidiary affects the attention dedicated by the headquarters to the issue and whether the nationality of the subsidiary's country manager moderates this effect.

Design: Data will be collected via an online survey sent to the country managers of foreign subsidiaries whose headquarters is in countries characterized by high power distance. Structural equation modeling with subgroup analysis will be employed to measure the direct and moderating effects.

Findings: While this is still a research project and data have not yet been collected, we expect that the higher the benefits portrayed and the higher the consistency of the issue with headquarters' values and objectives, the higher will be the attention dedicated by the headquarters; and that this effect will be higher when the subsidiary's country manager is from the same country as the headquarters.

Value: We claim to bring two contributions to the strategic issue analysis and the headquarters-subsidiaries relationship literatures. First, to provide additional empirical evidence regarding impact of issue framing on headquarters' attention; second, to examine the unresearched impact of the nationality of the country manager on that relationship.

## **The Country of Origin Effect on the Purchasing Perception of Portuguese Consumers with Regard to Brazilian Exotic Products**

**J. B. Pimentel de Sena Neto, R. Meneses**

University of Porto, Portugal

Amidst the growing effect of globalization, the internationalization of products has been identified as a major strategy for companies. However, the country of origin can have enormous influence on consumer perception, especially in the perspective of less developed countries, whose image often carries a negative stereotype. Identifying potential risks and benefits associated with the internalization process is fundamental in understanding the relationship between the product and consumer perception of the country of origin. These factors can become a competitive advantage in the marketing of exotic products to new markets. Through the research model construction, it was possible to understand the role of exoticism in the perception of the quality of the product, its components and in what way evaluation manifested itself in Portuguese consumers. The scales of ethnocentrism, animosity, country image, product



image, familiarity and global identity were analyzed to determine how the Portuguese consumer evaluate exotic Brazilian products. To test the model, a survey was conducted with 400 respondents and results were analyzed according to the Structural Equations Model of PLS category. In addition, we used hypothesis tests to analyze the differences between groups.

### **The Impact of Psychic Distance on Business-to-business Relationships: Evidence from Nigerian Importers and their Foreign Salespersons**

**A. Egwuonwu**

Brunel University, United Kingdom

Conflicting evidence on the issue of psychic distance in international business relationships has suggested the existence of misunderstood boundary conditions to its effect. This research argues that cultural intelligence is a contingent moderating factor to the effect of psychic distance. Social Exchange Theory provides the theoretical foundations, and structural equation modelling analyses for a sample of 320 exporter – importer relationship in a multiple manufacturing industrial sector provide empirical support for this argument. Cultural intelligence mitigates the negative impact of psychic distance on the quality of working relationship between firms, thus, enhancing relational and financial performance. Specifically, a high level of psychic distance dampens relationship quality, and detrimentally affects relational and financial performance – whereas a strong cross-cultural based knowledge (i.e., cultural intelligence) helps firms facing such psychic distance conditions to build relationship quality and increase relational and financial performance. This study helps explain the “paradox of distance” and offers a fresh perspective on how to handle the issue of psychic distance when relevant.

### **The Role of Institutional Environment in Internationalization of SMEs: The Business Model Perspective**

**L. Torkkeli<sup>1</sup>, S. Fuerst<sup>2</sup>, A. Asemokha<sup>1</sup>, A. Faroque<sup>1</sup>, H. Velt<sup>1</sup>**

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Institutions constitute an important lens through which to explore both international business and international entrepreneurship. Similarly, international expansion requires new levels through which to explore business models. Scholars have recently pointed out the necessity of linking business model innovation to the institutional environment in business studies in general. However, research in the domains of international business and international entrepreneurship has been slow to link the business model concept to institutions. The present study posits that more favorable institutional environment is linked to increased business model innovation in the internationalization outcomes of firms.

The empirical sample used to test the analysis consists of Finnish small- and medium-sized enterprises (SMEs), collected in 2017-2018. The data includes 210 firms, analyzed through linear regression and mediation analyses. The results indicate that more favorable regulatory, cognitive and normative institutional environment predict types of business model innovation, and that business model innovation mediates a relationship between institutional environment and international performance. The study thus contributes to the international business and entrepreneurship literature by examining together the two important streams of literature in international business and entrepreneurship that have been until now examined only separately to each other.

### **The Sales Channel Strategy of Nestlé Philippines**

**T. Funahashi**

Ritsumeikan University, Japan

This research examines the sales channel strategy of Nestlé Philippines, Inc. (hereafter, Nestlé Ph), a manufacturer of processed foods and beverages. I focused on how Nestlé Ph uses the generic term ‘sari-sari store’ (hereafter SS) for its business in small retail stores. The research method consists of field research mainly via literature search and interviews.

Although major economic development is currently occurring mainly in urban areas in the Philippines, major economic disparities are observed in each region and various sales channels can be seen in which modern and traditional retailing coexist. Studies related to distribution in the Philippines are biased towards research on modern retail industry such as agricultural product channels and convenience stores; this study therefore intends to fill this gap.

The results revealed that Nestlé Ph also has sales channels through retail stores and is building channels to spread to the entire region while paying attention to the SS small retail sector. Awareness of Nestlé has been raised by increasing the number of stores that trade directly, and sales and transport methods have been implemented to match distribution channels.

### **Incentives for Foreign Direct Investments: A Model Proposal**

**B. Silva-Rêgo<sup>1</sup>, A. Cuervo-Cazurra<sup>2</sup>, A. Figueira<sup>1</sup>**

<sup>1</sup>Universidade Federal do Rio de Janeiro, Brazil; <sup>2</sup>Northeastern University, United States of America

We build on internalization theory to analyze the impact of foreign direct invest (FDI) policies on foreign investment. We characterize the four types of FDI policies (tax, financial, regulatory, promotion) as mechanisms that either transform uncertainties in risks or reduce the perceived risks for managers, leading to a higher chance and level of investment. We also propose an incentive policy model in which firms and countries aim is to reduce transaction costs, arguing that a centralized structure based on information exchange and the construction of networks would improve the benefits of the investment for the country and reduce the costs for foreign firms.

### **Managing Low-skilled Migrant Workers: An Interdisciplinary Review and Explorative Case Studies of Japanese SMEs**

**S. Suolinga**

Tohoku University, Japan

Managerial research on low-skilled migrant worker issues is a missing link in migration studies and IHRM studies. The lack of understandings on this issue has limited the development of HRM guidelines for SMEs. Through an interdisciplinary review and explorative case studies on Japanese SMEs, we have found some distinct commonality in these group of workers and developed a conceptual framework for managing them effectively.

### **Assessing the Impact of Mergers and Acquisitions (M&A) to Achieve Competitive Advantage in the Economy of Bahrain (Applied Study on Islamic Banks in the Kingdom of Bahrain)**

**S. A. Ali, A. Bansal**

Gulf University, Bahrain

The purpose of this paper is to assess the impact of merger and acquisition on the economy of Bahrain. The empirical research methodology is based on quantitative method by using online questionnaire and descriptive statistics using the weighted average mean. The performance of an acquisition is measured by questionnaire distributed using selective sample technique to Head of Departments and executive management. The acquisitions were divided into three domains: Motives, Post-acquisition management and critical factors affecting the economy of Bahrain. The result of this research implicates that the so-called strategic and organizational fit between companies involved in M&A play an important role in improving the operational performance of the acquired companies in the post-acquisition period. Successful acquirers have potential performance on the economy of the country, but they also had some skills and competencies to improve the performance of an acquired firm. The results of our study suggest the conclusion that success acquisition and mergers will lead to robust economy, especially with regard to certain competencies and skills worldwide.

### **Foreign Market Entry: Review and Content Analysis for Future Research**

**K. Moe, H. Zou**

University of London, United Kingdom

This paper reviews foreign market entry literature and performs content analysis to identify the focus and findings of research on the topic of entry mode thus far. With a sample of academic papers published between 1982 and 2018, this paper presents the current status of foreign market entry research as heavily focused on the determinants of foreign market entry mode, developed market firms and manufacturing industry data. Further clarification of the definition of 'entry mode' is suggested, as well as researching foreign market entry as part of a firm's greater foreign operation mode.

### **Reverse Innovation from India: A Case Study Analysis**

**C. Cannavale, L. Claudio**

University of Naples Parthenope, Italy

While traditionally advanced economies were the main origin of innovation, and multinational corporations (MNCs) had the challenge to adapt their innovation to less developed countries, today the flow is changing with an increasing role of emerging and developing countries in stimulating the creation of new products and services. Reverse innovation (RI) opens important issues for MNCs, which can exploit market opportunities in emerging markets but have also to face competitors arising from those areas. Contributions given on the topic are still limited, and the debate about the potentialities of RI and its benefits is still open. This paper aims at understanding more about the potential and implication of RI through an interesting case study of an Indian start-up in the healthcare sector.

### **The Impact of Celebrity Endorsement on Global Brands' Consumer Perceptions: A Cross-cultural Comparison**

**V. Popa, C. F. Crespo, A. G. Ferreira**

Polytechnic Institute of Leiria, Portugal

In a world of strong competition to attract the consumers' attention, brands frequently use the prestige and values associated to the image of a celebrity endorser aiming to improve the awareness and brand associations. The main purpose of this research is to investigate how celebrity endorsements influence the brand equity dimensions (brand loyalty, brand awareness, perceived quality and brand associations) and stimulate consumers' word-of-mouth through brand identification, growth in interest and the advertising memorability. The hypotheses were tested with Structural Equation Modelling in the PLS software. The survey is comprised of 589 respondents, from three countries – Brazil, Moldova and Portugal. Results evidence that the attitude towards the celebrity influences different brand equity dimensions and affects brand identification, growth in advertisement interest and advertising memorability, generating positive word-of-mouth. Based on these findings we suggest further investigation to obtain more insights about different fields of marketing communication and celebrity endorsement strategies.

### **Understanding Innovation by Global Value Chains and National Innovation System: A Case Study of the Chinese High-speed Railway Industry**

**Y. Gao**

HEC Montréal, Canada

This paper analyzes the case of the development of Chinese high-speed railway industry and the innovation activities in the process. By combining the global value chain approach and national innovation system approach, this study illustrates that the building and development of the industry relies on both at different stages for different reasons. This paper aims to contribute to both global value chain approach and national innovation system literature by providing a dynamic and evolutionary view of innovation phenomenon and combining the two approaches to analyze innovation in developing countries. This study shows that developing countries such as China relies on global value chains to access necessary knowledge to build national innovation system and that firms in developing countries can choose the "in-out-in" strategy with the development of capabilities and accumulation of knowledge. This research also highlights critical and multiple roles of government in building national innovation system. Furthermore, it is suggested that power dynamics between actors, objectives of different actors, and capabilities of actors in the system are relevant factors in analyzing national innovation system.

### **Broadening the Network Perspective in International Business Research**

**L. M. Bolívar<sup>1</sup>, C. Casanueva<sup>2</sup>, I. Castro<sup>2</sup>**

<sup>1</sup>Universidad Tecnológica de Bolívar, Colombia; <sup>2</sup>Universidad de Sevilla, Spain

This article reviews the network perspective in international business (IB) research in view of the amount of work trying to tackle IB research problems by means of network theory as a vehicle or as a method, as well as the efforts in bridging these theoretical views at different tiers. Hence, we aim to add value through this work, by categorizing the seminal literature, exposing the research gaps and clarifying the contribution of the network view to IB problems at the individual, firm and country level networks. Our review article contents, first, a theoretical framework depicting the multi-tier nature of networks in both general organizational research and particularly in IB research. Second, from this framework we review the extant literature that aims to solve IB problems at different levels of network analysis; thus pairing a range of IB themes with network constructs. Finally, we present the main covered topics, along with gaps in the literature and unresolved questions.

### **Institutions and Internationalization: A Bibliometric Review (2007-2018)**

**V. Steinhauser, A. Da Rocha**



PUC, Brazil

The study consists of a systematic literature review of the effects of institutions on firm internationalization during the period 2007-2018. The systematic review was carried out in two stages, using bibliometric analysis and bibliographic coupling. The first analysis allowed to identify the main authors, journals and countries that conducted research on institutions and the internationalization of firms. In the latter analysis, we divided the total period of 12 years into three sub periods of four years and the bibliographic coupling (BC) grouped similar articles in each period into research themes. The clusters formed showed the emerging themes that gained relevance in the extant literature. Based on these results, a conceptual framework was developed that includes the most important country institutional aspects that may influence the internationalization of entrepreneurial firms.

### **Outward FDI and Territorial Networks: The Rise and Fall of a Chinese Company in France**

**O. Coussi**

University of Poitiers, France

Anchoring foreign direct investment (FDI) projects in a country is a major challenge for economic and political leaders. Public management actors question the type of territorial public management to be implemented in order to facilitate such anchoring. It is then relevant to question the process of territorial public management in order to understand what underlies the implementation and anchoring of an FDI project during its life cycle. Based on a qualitative case study, we study the links between the process of implementing an FDI project and its inclusion in the territorial ecosystem for an outward FDI Chinese project in France in the telecommunications sector. On the basis of an initial historical study produced using primary and secondary public sources as well as confirmatory interviews with involved stakeholders, we propose secondary analyses from the perspective of Actor-Network Theory. By identifying key managerial events, we better understand the process and how territory could demonstrate (or not) strategic agility. Considering the management of FDI projects from a network perspective thus provides new empirical evidence and explanations of the phenomenon.

### **Post-acquisition Interdependencies in Foreign Acquired Subsidiary – a Longitudinal Case Study**

**M. E. Hassett<sup>1</sup>, Z. Vincze<sup>2</sup>, P. Zettinig<sup>3</sup>, N. Nummela<sup>3</sup>**

<sup>1</sup>University of Sheffield, United Kingdom; <sup>2</sup>University of Umeå, Sweden; <sup>3</sup>University of Turku, Finland

This paper focuses on the strategy conflict between a foreign subsidiary and the HQ following a cross-border acquisition. The resource dependency theory (RDT) is used to explain the interdependencies emerging between the acquired subsidiary and HQ. This research contributes to the mergers and acquisitions (M&A) literature, and more specifically post-acquisition integration literature, by introducing an analytical framework to study interdependencies and strategy conflicts following M&As, and more importantly challenging the underlying assumptions in M&A research that the acquirer gains full power and control over the acquired organisation. Our findings demonstrate how strategic conflicts can remain dormant for a long time due to balanced interdependencies, but they can surface when a subsidiary forms a strategy that is more ambitious than the one it was acquired for, for example remaining an internal, absorbed supplier or a critical resource.

### **Service Quality Contentment for Customers in Selection Decision among ATBU Nigeria Undergraduate Students**

**L. J. Garba**

Abubakar Tafawa Balewa University, Nigeria

abstract of this paper entails on the study that aims to explore the critical bank service quality that has a bearing on the selection decision of banks by customers. It has employed an exploratory factor analysis on the 348 questionnaire having five (5) component factors. The wide individual items in the questionnaire therefore are simplified and summarized in a gross component. The components are also run in a regression model that links the independent variables that describe bank selection factors with customer loyalty. result on individual factors identifies four critical factors that is service quality, cost, convenience, security and reputation that determine choice of deposit money banks in Nigeria: the speed of services quality is among the best in the industry, the extent of the branch network is adequate, the location of branches is appropriate and forex resources are easy to get in the bank. Component wise, the study finds that service quality and availability as well as the quality and accessibility of physical and human resources appeared to be the major determinant factor in bank choice. The regression result also shows that the abovementioned factors not only influence customer bank choice but has also impact on their loyalty level

### **The contribution has been withdrawn.**

### **Digital Technology-based Business Model for Inclusive Development**

**P. Ghauri<sup>1</sup>, X. Fu<sup>2</sup>, A. Minayora<sup>1</sup>**

<sup>1</sup>University of Birmingham, United Kingdom; <sup>2</sup>University of Oxford, United Kingdom

### **Headquarter-subsidiary Relationship: The Change of the Emerging Country Subsidiary Role by Generation of Technological Knowledge**

**K. P. Stolzmann, M. A. Machado**

Universidade do Vale dos Sinos, Brazil

Knowledge generation in a subsidiary is a relatively recent topic explored in the academic field. This paper seeks to contribute to the current discourse by presenting a case study of technological knowledge generation as a changing factor in a Brazilian subsidiary of a high-tech MNC (multinational company). Through twelve interviews with key employees in the company, results were obtained indicating the relevance of the generation of technological knowledge by the subsidiary and recognized by headquarters, for such represented by a graphic representation. During the mapping process, we noticed some particularities in the case studied, such as the great importance of the in-patriate role, barely discussed in the literature and, in the present case, the relevance of the client in the process of generation of technological knowledge in the country of the subsidiary, as well as confirming the great importance of the subsidiary manager role. Finally, this work brings some practical contribution to managers of emerging-country subsidiaries, on which they can evaluate their subsidiary's initiatives, such as the training of its employees in the parent company, get the attention of the headquarters and prepare for the change of its role within the MNC.

### **Innovation Capability Building by EMNEs: A Process View**

**S. Bhat, K. S. Momaya**

Indian Institute of Technology Bombay, India

This study explores how EMNEs from Indian pharmaceutical industry build their innovation capabilities necessary to compete in developed countries. Taking a process view, this study tries to understand the specific strategies and measures that EMNEs take in order to manage various activities like learning, linkages with DMNEs, cross-border M&A and global value chain. The study uses a comparative case method and data is obtained from both primary and secondary sources. Study contributes to the less explored area of capability building process of EMNEs and has implications for theory as well as practitioners.

### **Spilling over Where? Host Country Industry Development and the Legitimacy of Foreign MNEs**

**L. Rademaker**

BI Norwegian Business School, Norway

While the relation between overall host country development and foreign direct investment (FDI) spillovers has received significant scholarly attention, this literature is based on the premise that there are host country firms that are affected by foreign entry. But in developing countries, some industries may be (virtually) nonexistent and thus there may be few firms that are affected by foreign entry. Using institutional theory, this study examines the role of host country industry underdevelopment on host country welfare effects of foreign direct investment and the ability of foreign entrants to use these welfare effects to increase their legitimacy and subsidiary survival in uncertain institutional environments. It thereby develops our understanding of the role of host country industry development and contributes to the literature on institutional theory in international business and FDI spillovers.

### **The Performance of MNE Subsidiaries: Does the Distance between Home and Host Countries Matter?**

**D. S. Le, H. T. S. Pham**

Sheffield Hallam University, United Kingdom

This paper investigates the impacts of economic and cultural distance on MNE subsidiary performance. Analysing hand collected empirical data of nearly 900 observations from approximately 40 countries and over 90 MNE global subsidiaries in manufacturing industries (Automotive and Electronics), the paper reports that both economic distance and cultural distance have significant effects on MNE subsidiary performance. The findings contribute to clarifying the debate in current literature within manufacturing industries. Based on the findings, several theoretical and managerial implications are provided. In brief, managers should make careful consideration among cultural distance and economic distance to decide the appropriate level of standardisation and local responsiveness as well as proper locations and strategies for a subsidiary.

### **Teaching International Business without PowerPoint: Report on a “Zero-PPT Policy” Experiment in a Cross-cultural Classroom**

**M. Lemanski, M. Mooney**

University of Nottingham, China

In this presentation we report on a fresh experiment in the method of delivery of a class, conducted during the summer semester 2019 at an overseas campus of a British university operating in the People's Republic of China. The course “Managing Across Cultures” was for the very first time taught without the use of slides or overheads, which used to be a standard way of presenting content in this course, and is a widely applied method across the school of business. We report on this experiment and discuss implications for the personal learning of students as well as the formal and informal feedback received on this experiment for lecturers who teach international business courses in a multicultural classroom.

### **The Inherent and Persistent Dilemma between MNEs, Consumers and Responsible Consumption and Production**

**J. R. Dilyard**

St. Francis College, United States of America

Sustainable Development Goal 12 is 'Ensure sustainable consumption and production patterns', which describes sustainable consumption and production as 'doing more and better with less'. The responsibility for 'doing more and better with less' lies with firms and consumers. Firms, especially global MNEs, increasingly talk about producing in a more responsible manner, and consumers also increasingly are aware that they need to consume more responsibly. Producing more responsibly can be interpreted as producing less, and consuming responsibly can be interpreted as doing more, however the global economic system still is based on consumption. So there is an inherent and persistent dilemma between MNEs and consumers when it comes to responsible consumption and production. The purpose of this paper is to identify instances in which this consumption-production dilemma arises in SDG-conscious firms and to suggest how they could be resolved.

### **Agglomeration of Firms into Geographic Clusters and Business Groups – Substitutes or Complements for Internationalization and Performance?**

**K. Dhandapani<sup>1</sup>, R. Upadhyayula<sup>2</sup>, R. Basant<sup>3</sup>**

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While extant literature highlights business groups as a response to institutional voids, recent studies emphasized that business groups continue to persist because of the information advantages they possess. Studies in the developed economy context have shown that firms in geographic agglomerations could benefit significantly from the information advantages and perform better than firms outside geographic agglomerations. In this study, we examine if geographic agglomerations serve as an alternative response to business groups for internationalization and performance. We find that both geographic agglomerations and business groups have a positive association with internationalization and performance of firms. In addition, we also find that geographic agglomerations and business groups serve as substitutes in explaining the performance of firms.

### **Consequences of Wasta Theory on HRM Practices in Jordan**

**F. Alsarhan, M. Valax**

Jean Moulin Lyon III University, France

Although Wasta, “connections in the workplace”, is considered to be an integral part of HRM in the Middle East, little is known about this complex phenomenon. Till this day, Wasta remains a relatively obscure topic of research, insufficiently dealt with in managerial literature. Therefore, this paper comes as an attempt to build a theoretical framework model for Wasta from the data grounded in the

field, which will offer a deeper understanding of the factors related to the extent of this phenomenon among various HRM practices in the Jordanian public sector as a case study. Furthermore, this paper seeks to illustrate the concept of Wasta and to demonstrate its negative impacts on HRM and overall performance of public institutions in Jordanian organizations in the post-public reform era. Finally, this study proposes a number of measures which can be taken into consideration in order to diminish the culture of Wasta.

### **Digital Infrastructure and Entrepreneurial Opportunity**

**P. Caceres-Diaz<sup>1</sup>, A. Montoro-Sanchez<sup>1</sup>, B. Usero-Sanchez<sup>2</sup>**

<sup>1</sup>Complutense University of Madrid, Spain; <sup>2</sup>Carlos III University of Madrid, Spain

Scholars have failed to give infrastructure due importance in entrepreneurship studies. Not too far from now, digital infrastructure has been recognized as the most conducive for entrepreneurial activity. Nevertheless, it has not been properly included in opportunity-motivated entrepreneurship (OE) studies, being OE the most propitious to economic growth. Accordingly, our research is the first one to focus on this link. By recognizing the importance of individuals' resources such as human, social, and financial capital for OE; an interaction model is considered. Using logistic regression analysis through a data set of 463,454 individuals from 37 countries (2011-2016), we validate this relationship and find it varies depending on the existing institutional system. Particularly, results suggest that fixed and mobile broadband fulfill distinct roles when relating to OE. Implications of this study may be of interest to policymakers.

### **Impact of National Culture in the Reaction to Services Failures**

**M. R. Ribeiro, R. Meneses**

University of Porto, Portugal

In a service, there are failures that are unavoidable. Since the culture can influence the reactions after failure, this study aimed to understand the impact of cultural dimensions in the reactions to service failures. For this, a mixed methodology was used. In a first phase, interviews were conducted and, subsequently, online questionnaires were used to know how the respondents would react after service failures.

The results showed that different levels in the various cultural dimensions lead to different reactions to failures, except for the cultural dimension Indulgence. Also, the degree of "power" and the frequency of service impact in a different way in some cultural dimensions. This study contributes to the service management literature, bridging some gaps in the culture in services theme and provides guidelines for service managers.

### **Similarities of the Latin Countries in Relation to Customers' Expectations about Service Dimensions: Application to Hotel Services**

**M. Franco<sup>1,2</sup>, R. Meneses<sup>2</sup>**

<sup>1</sup>University of Madeira, Portugal; <sup>2</sup>University of Porto, Portugal

Previous research stated that customer's expectations about services differ according to the country. So, in this research, for each dimension of the service it was applied a unidirectional ANOVA to compare the means of the Latin cluster, the Latin European cluster and the Latin American cluster, to understand whether the country averages are equal. This transnational research considered the hotel service and data was collected in ten Latin countries: Portugal, Spain, France, Italy, Romania, Brazil, Mexico, Uruguay, Bolivia and Chile. Results showed that Latin countries are not a homogeneous group regarding service dimensions, namely the degree of customer involvement, convenience level, contact personnel performance, complexity degree, information and communication power, and environment and social responsibility, that is, at least one of the countries is different and customers from these countries do not have the same expectations about service dimensions. The same was true between the Latin-American cluster and the Latin American cluster. Theoretically, the Latin companies cannot rely on cultural and historical proximity to other Latin countries to internationalize, Latin customer's expectations about the same service are different. Managers need to carry out an analysis of each country and adapt the marketing strategy and services offer to each Latin country.

### **Transition to Sustainable Economic Growth: An Exploration of Chinese Family Firms in the Digital Age**

**F. Sharmin, M. T. Sultan**

Shanghai Jiao Tong University, China

The small and medium entrepreneurship (SMEs) trend in China has developed at an exponential rate towards technology. To get a deeper sense of Chinese family firms strategy, this research is to investigate the intention of young adults who are studying Firms Administration or Entrepreneurship, and willingness to adopt family firms in future. This theoretical framework further attempted to extend the TPB by incorporating additional constructs (entrepreneurial knowledge, family values, cultural values, and trustworthiness). The research data was collected from Shanghai, with 325 valid survey questionnaires from young adults, who are studying in Shanghai and willing to contribute in their family firms after graduation. Inferential statistical analysis was applied to extract the trait factors, and verification of the model, respectively. Research findings reported that the cultural values and trust has highly significant towards sustainable family firms.

### **Technology Transfer towards Climate Change: A Case Study on the Effectiveness of Clean technologies in Southern Africa**

**E. Daka**

Turku University, Finland

Climate Change is the biggest environmental force humanity faces in the 21st Century. Global climate change has been acknowledged by the scientific community and populations across the world. Anthropological studies show that humans have been adapting to environmental changes for centuries, but to continue with this adaptability is proving difficult due immerse carbon emission the world is emitting. Considering this, the Paris Agreement concluded with a global call for all countries to adopt clean technologies to reduce climate change. It is widely believed that clean technologies can contribute towards the reduction of greenhouse gases but very few studies investigate the effectiveness of clean technologies toward reducing climate change. The aim of this research is to investigate if people in communities of selected Southern African countries This is an exploratory research and it takes an ethnographical approach as a qualitative method to observe and understand people's views on adoption of clean relative to improved environment and wellbeing in rural developing countries. The findings will contribute towards developing inclusive policy and effective technology transfer towards climate change mitigation

## **MNE's Business Model, Governance & Relational Condition, and Suppliers' Capability Development: A Comparative Study on Cross border Dyads**

**M. B. Rana<sup>1</sup>, I. Hoque<sup>1</sup>, M. Allen<sup>2</sup>**

<sup>1</sup>Aalborg University, Denmark; <sup>2</sup>The University of Manchester

Research on global value chains (GVCs) and international business highlight supply-side governance and functions in explaining suppliers' capability upgrading, downplaying the influence of demand-side activities and strategies, particularly the business model that buyers pursue in their respective markets. These business models eventually influence the governance and relational dynamics between buyers and suppliers. Using a comparative and in-depth embedded case study approach, our study examines two apparel MNEs from Sweden and Denmark and the four key suppliers of these MNEs. We conducted focus-group interviews and a baseline study of fifty suppliers from Bangladeshi apparel industry, exploring how variations in buyers' business models impact the nature of governance and relationships between buyers and suppliers. Such variations contribute to variable capability development in suppliers' companies particularly in five areas: 'planning', 'product development', 'production management', 'compliance & sustainability', and 'internationalization'. Our study, for the first time, highlights the importance of considering business models in explaining suppliers' upgrading and capability development. We contribute to MNE strategy and supplier capability literature by presenting a logical connection between buyers' business models (i.e. demand-side analysis), governance, and suppliers' capability development (supply-side) in cross-border context.

## **Individual Productivity in the Overseas Subsidiaries of Chinese State-owned Enterprises**

**J. Chen, S. Saarenketo**

LUT University, Finland

Many Chinese SOEs started to internationalize their operations and establish overseas subsidiaries in the new millennium. Meanwhile, these Chinese SOEs also faced new challenges. The domestic business environment became increasingly competitive and Chinese SOEs were forced to adopt a performance-based reward system. Undergoing a rapid "globalization" process, the Chinese SOEs have a need to design a performance-based reward system that can efficiently motivate employees both at home and in the overseas subsidiaries. In this paper, based on a Chinese SOE with three overseas subsidiaries in Iran, Mexico, and South Africa, we tested the effects of country-, manager-, and individual-level predictors on individual productivity. The internal communication skills of the manager and the educational background of the employee were found to be significant in predicting the productivity of an individual employee. We further identified two common types of managers in the overseas subsidiaries of Chinese SOEs—managers as an engineer and managers as a language specialist. The managers as a language specialist were found to surpass the managers as an engineer in terms of motivating their employees to improve individual productivity, as the managers as a language specialist have better internal communication skills.

## C 2.3.12: Contemporary Work Forms and Co-working Spaces

*Time:* Sunday, 15/Dec/2019: 2:00pm - 3:30pm · *Location:* MK 1.32  
*Session Chair:* Ricarda B. Bouncken, University of Bayreuth, Germany

### Effects of Coworkers' Social Networks Inside and Outside Coworking Spaces on Creativity

**A. Rese, L. Goermer, A. Herbig**

University of Bayreuth, Germany

Social networks have the ability to positively influence creativity. The elements of social networks and encouraging factors are especially prevalent in coworking-spaces. With a broad variety of knowledge and skills available in a heterogenic and trustful surrounding as well as similar underlying expectations, coworkers establish their own network-style. To get deeper insights data was collected in 35 German coworking-spaces. Our regression analysis shows that five elements that we find in coworking-spaces enable individual creativity. Among others, mutual support both regarding business issues and in the personal context creates a stable and vivid surrounding that fosters creativity. Also, direct communication within a trustful community with strong bonds between the participants improves the network success, allowing creativity. Consequently, networks in coworking-spaces improve creativity. However, only three of the five core coworking values - openness, sustainability and accessibility -, but not community and collaboration, reflected the individual openness to coworking.

### Where Should I Go: Entrepreneurs Seeking Innovation Inside or Outside of Innovation Hubs

**R. W. Barwinski, Y. Qiu, M. Aslam, L. Görmar**

University of Bayreuth, Germany

Ventures can build innovation on internal or external resources. In the case of new ventures both resources are limited, putting them in a challenging situation. Coworking spaces offer new ventures a location where they can network, exchange and seek ideas for innovations. In our study we use participative observation and interviews with users and providers of coworking spaces. We generate valuable insights into the mechanisms enhancing and restricting different kinds of innovations. We show that the innovation seeking process follows a life cycle. In early stages new ventures can benefit from openness and exchange provided in coworking spaces. At later stages, that focus on productivity and incremental innovation, the CWS can have a negative impact. Once established the ventures will reconnect with the coworking space, generating new ideas while working with new ventures and entrepreneurs.

### Creating Value in Innovation Hubs: Insights from Coworking-Spaces

**R. Barwinski, L. Görmar, Y. Qiu, M. Aslam**

University of Bayreuth, Germany

Knowledge and collaboration are the basis of value co-creation in coworking-spaces. The unique and flexible settings found in there enable companies and individuals to engage in fruitful discourse. The diversity of participants allows for multisided exchange relationships leading to highly innovative outcomes. Referring to literature on service management and value co-creation we present a qualitative study which analyses under which boundary conditions knowledge exchange and value creation is expected to exceed predictions. We analyze data from 12 coworking-spaces and show that there appears to be an optimal degree of diversity regarding individuals' social background, knowledge bases as well as work ethos. We also show that participants can take differing roles, contributing to different forms of value creation.

## C 2.3.2: International Accounting, Taxation and Performance

Time: Sunday, 15/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.06

Session Chair: Chris Jones, Aston University, United Kingdom

### Firm Life Cycle Persistence, the Implied Cost of Capital and Market Concentration

**R. Dias<sup>1,2</sup>, R. Parente<sup>1,5</sup>, P. V. Novaes<sup>3,4</sup>, L. C. Louzada<sup>3</sup>**

<sup>1</sup>Fundação Getulio Vargas, Brazil; <sup>2</sup>Instituto Federal do Espírito Santo, Brazil; <sup>3</sup>Universidade Federal do Espírito Santo, Brazil;

<sup>4</sup>Universidade Federal de Minas Gerais, Brazil; <sup>5</sup>Florida International University, United States of America

This study examines the relationship between life cycle persistence and the cost of capital moderated by the level of market concentration. Market concentration has an important role in market transactions, especially in the different life cycle stages: in a struggle to survive, external fundraising can be more expensive to new entrants in comparison to stable firms. By looking São Paulo Stock Exchange firms (BOVESPA), we found a negative association between life cycle persistence and implied cost of capital. Further, our findings show that lowering market concentration, a sustainable situation in operating, investing, and financing issues lead to a reduction in the inherent risk and, consequently, reduce the implied cost of capital. The findings highlight important implications. First, in the decision-making process, investors and financial institutions taking into consideration the firm life cycle persistence as a signal of stable firm resource configuration lowering the premium risk. Also, managers can use firm life cycle persistence as signalization tool to fundraise more efficiently. Theoretically, we add to the literature by bringing a novel and complementary proxy to firm life cycle theory.

### Information Asymmetry and Underpricing in the Global Debt Market

**T. Lindner**

WU Vienna, Austria

This paper investigates underpricing in the global bond market. It associates losses in proceeds from bond issues to information asymmetry between issuers and investors. This information asymmetry is driven by firm risk, reputation of intermediaries, and whether a transaction crosses a national border. The paper connects finance literature on underpricing with IB literature on liabilities of foreignness and risk preferences to make empirical predictions. These predictions are tested on a unique dataset of 5,510 bond issues in seven capital markets by firms from 23 home countries between 2007 and 2017. Empirical support for the theorized mechanisms is found.

### Focusing Anti-avoidance Policies to Target MNE Tax Avoidance Activities

**M. Cooper**

University of Reading, United Kingdom

A mixed methods approach is implemented to generate new insight into an area where issues of confidentiality drive a lack of data. This study aims to enhance our understanding of tax planning phenomena and the way in which US MNEs are able to manage their Effective Tax Rate (ETR). It is an innovative study providing new insight into the way in which tax planning is conducted within the MNE.

Mixed methods of qualitative and quantitative research are used including:

- A quantitative study examining 94 large US MNEs from the group perspective.
- In-depth interviews with subsidiary tax managers and tax experts to obtain their insights and views.

- A series of four case studies using published accounting data and other company information, providing detailed analysis of the companies involved over a ten year time horizon.

The study reports on new insight into the tax planning process which policy makers can use to improve their targeting and the effectiveness of their anti-avoidance policies.

### Integrated Thinking and Integrated Reporting in International Financial Firms

**J. B Holland**

University of Glasgow, United Kingdom

The effective functioning of large international financial firms in a turbulent environment is essential to international business activities. This paper aims to make such firms visible through 'integrated thinking' and integrated reporting (<IR>) (IIRC, 2013). This is achieved by analysing historic problems of 'fragmented thinking' and 'disintegrated thinking' in financial firms pre GFC. This analysis can be used to understand 'Integrated thinking' in a negative way. It shows how problems led to dynamic failures in resource interactions. It stresses the need to understand financial firms, and develop integrated thinking and integrated reporting. The aim is achieved in positive way by drawing on a 'Behavioural theory of the financial firm' (BTFF) (Holland, 2019a). This clarifies what 'non financial information' (EU, 2014) and 'soft information' is for large international financial firms and how this can be linked with 'hard' financial information in integrated reporting. It provides a means to develop narratives to improve definitions and measurement of intangibles and 'integrated thinking'. These can inform financial firm management and be used to develop new empirical tests for academics. Other international business sectors can learn from this example to develop sector specific theories of firm, improve transparency, and boost legitimacy of firms.



## C 2.3.4: Global Branding and Internationalization Behaviour Research

Time: Sunday, 15/Dec/2019: 2:00pm - 3:30pm · Location: Liberty G.32

Session Chair: Ziko Konwar, University of Leeds, United Kingdom

### Endorsed Branding of Global Corporate and Global Product Brands: Analyzing Their Importance for Consumers Across Nations

**M. Klar, B. Swoboda, S. Carolina**

Trier University, Germany

A high number of multinational corporations (MNCs) use their internationally standardized corporate brand as an endorsement to their product brands. Nevertheless, research on those image transfers across nations is rare. To shed light on this issue the authors apply schema theory to analyze the effects of global corporate and global product brand image on consumers' product purchase intentions. They refer to hierarchical data on 8,222 consumer evaluations of a MNC's endorsed strategy across 35 countries in the year 2018. Results of multilevel structural equation modeling show a partial mediation of corporate via product brand image on product purchase intention. Across nations, MNCs can rely on a strong indirect effect of corporate image on product purchase intention and on a direct, however weaker effect. Moreover, national culture and the degree of country development significantly but differently affect these relationships. The results contribute to our knowledge on important global endorsed branding strategy.

### How Effects of MNC's Perceived Brand Globalness Differ Across Nations

**C. Sinning, B. Swoboda**

Trier University, Germany

Multinational corporations (MNCs) are known to be perceived as global and, therefore, have advantages by affecting consumer behavior. However, we know less about perceived brand globalness (PBG) effects across nations and their differences depending on country-specific context factors. To expand on this issue, the authors apply accessibility-diagnostics theory and multilevel structural equation modeling to study the paths from PBG to repurchase intention and important country moderators. The study relies on hierarchical data of 22,055 consumer evaluations towards a MNC in 31 countries. Results underline an indirect-only mediation of PBG on repurchase intention by affecting functional and psychological values. However, these indirect effects change depending on the degree of country development and national culture. Country development weakens, whereas embeddedness, mastery, and hierarchy strengthen the PBG-value pathways. Hence, MNCs have to consider different levers of the country-specific context to manage PBG effectively. This study contributes to research on brand management across nations.

### Intra- and Inter-country Comparative Effects of Symbolic Motivations on Luxury Purchase Intentions in Emerging Markets

**P. Shukla<sup>1</sup>, V. Rosendo Ríos<sup>2</sup>**

<sup>1</sup>University of Southampton, United Kingdom; <sup>2</sup>Colegio Universitario de Estudios Financieros, Spain

With growth in developed markets slowing down, emerging markets and especially the lower-tier cities within these markets are seen as the current and future growth engines for luxury brands. However, extant literature on motivations that drive luxury consumption has predominantly focused on Tier-1 cities. This study offers first such inter and intra-country comparison of symbolic motivations (i.e. Veblen, bandwagon and snob motivations) underpinning luxury consumption between and within two of the world's largest emerging markets, China and India. The findings offer first account of similarities and differences in consumer motivations that drive luxury consumption within and between markets. While most luxury brands have ubiquitous strategies for emerging markets, the results will assist managers in developing distinctive brand strategies catering to the intra and inter-country differences.



## C 2.3.5: Global Strategy, CSR and Sustainability

Time: Sunday, 15/Dec/2019: 2:00pm - 3:30pm · Location: Liberty 1.28  
Session Chair: Alan Muller, University of Groningen, Netherlands, The

### **Towards a Model of Managers' Ideology Driven Information Interpretation Systems For CSR Enactment**

**N. Farman<sup>1</sup>, S. Freeman<sup>1</sup>, T. Cavusgil<sup>1</sup>, P. Ghauri<sup>2</sup>**

<sup>1</sup>University of South Australia, Australia; <sup>2</sup>University of Birmingham, United Kingdom

There are contrasting stances by firms toward corporate social responsibility (CSR). Earlier research has emphasized externally driven institutional and organizational pressures to address these variations in CSR decisions. However, little attention has been paid to the possibility that strategic decisions may stem from individuals' personal values that influence the process by which they develop perceptions about the internal-external environment before they make such choices. This conceptual paper explores managers' political liberal-conservative proclivities in terms of their personal values likely to drive their information interpretation process for CSR enactment. To clarify this process at the individual-level, our study employs upper echelons theory which underlines the significance of individuals' values in strategic decisions, and the enactment theory, which maintains that firms' strategic decisions result from the way firms' managers make sense of the internal-external environment. Upper echelons and enactment theories enable one to consider how managers perceive and interpret the environment based on their liberal-conservative leanings. To explain further, data sources and acquisition (scanning of information), and data equivocality, assembly rules and information cycles (interpretation of information) are considered. In exploring, how managers' political ideologies drive their information interpretation systems, the implications for academics and practitioners are outlined.

### **A Theory of Market-based Sustainability**

**T. Hult<sup>1</sup>, M. A. Gonzalez-Perez<sup>2</sup>, D. T. Hult<sup>3</sup>**

<sup>1</sup>Michigan State University, United States of America; <sup>2</sup>Universidad EAFIT, Colombia; <sup>3</sup>University of Michigan, United States of America

A variety of market-based entities (e.g., customers, companies, countries, investors, NGOs) are increasingly concerned with sustainability, and these entities will, by design, increase their sustainability initiatives if there is a performance and/or quality-of-life incentive to do so. But such simplistic portrayal of sustainability leaves out the boundaries of what companies within specific countries would do given certain conditions and what the customer would be willing to sacrifice to be sustainable. Consequently, we develop and empirically test a theory of market-based sustainability. We capture the core tenets of this type of business-focused, competitive market-based theory of sustainability within the general scope of the economics-based supply and demand model. At the core, the theorizing involves a company's direct sustainability impact based on strategic initiatives, indirect impact based on customers' perceptions of sustainability, synergistic effects from companies implementing multiple sustainability initiatives, price fairness to customers, and quality-of-life improvements that result from sustainability initiatives.

### **That's How I Grew Up: CEO Origin and CSR**

**M. J. Mueller**

Erasmus University, The Netherlands

More and more of today's CEOs were born and raised abroad. How CEO origin affects firms, however, remains largely unexplored. This study investigates how a CEO's country of origin affects firms' CSR emphasis. Drawing on imprinting theory, we suggest that the national business system in a CEO's country of origin shapes a CEO's view on CSR and thus his or her firm's CSR emphasis. We find that CEOs who were brought up in a business environment that resembles a coordinated market economy emphasize CSR more than CEOs originating from a more liberal market economy. We further find that this relationship is accentuated when CEOs hold more discretion and when a CEO's remuneration is incongruent with his or her imprinted values. By drawing on imprinting theory, we integrate previously disconnected streams – comparative capitalism and upper echelons – while contributing to research on migration and minority managers more generally.

### **Supporting Social Ventures in Institutional Voids: The Emergence of a Transnational Entrepreneurial Ecosystem for East Africa**

**S. Manning<sup>1</sup>, S. Vavilov<sup>2</sup>**

<sup>1</sup>University of Sussex, United Kingdom; <sup>2</sup>University of Massachusetts Boston, United States of America

This study examines how social ventures mobilize institutional support in regions characterized by resource constraints and institutional voids. Based on field studies in East Africa, we find that social ventures increasingly benefit from a transnational entrepreneurial ecosystem – networks of organizations operating across geographic levels in support of new ventures. We find that intermediaries, such as social incubators, are critical in transnational ecosystem building by forming global-local alliances, running entrepreneurship events across levels, and linking local business and social opportunities to global development agendas. Findings inform research on social entrepreneurship and ecosystem formation in emerging economies.

## C 2.3.X: Trends, Cycles and New Issues in International Business

Time: Sunday, 15/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.09

Session Chair: Mark Fenton O'Creevy, Open University, United Kingdom

### Learning from History: Past, Current Trends and Future Priorities in International Business - a Bibliographic-coupling and Social Network Analysis, 2016-2019

**F. García-Lillo, E. Claver-Cortés, B. Marco-Lajara, L. Ruiz-Fernández, P. Seva-Larrosa**

University of Alicante, Spain

Recently, author and document citation and co-citation analyses have been often applied to map the 'intellectual structure' or knowledge base of different fields or scientific domains. Also in the field of management. Even to the literature on international business. Nevertheless, the technique of bibliographic coupling between documents which seeks to identify the various active research fronts in a scientific field or discipline by means of a study about the most recent literature (Kessler, 1963) –particularly suitable for detecting current trends and future research priorities–, it has been a less commonly used analysis technique in these fields. Precisely, our paper has as its main purpose to apply this technique to papers on international business recently published in a wide variety of journals, thus trying to identify and visualize –through social network analysis (SNA)– the aforementioned research fronts shedding light on the current state-of-the art and the possible directions that the research in the field of international business could take in the future.

### International Business and Economic Development

**M. W. Hansen**

Copenhagen Business School, Denmark

MNCs play key roles in development processes. Yet, the developmental role of MNCs plays a negligent role in the current International Business (IB) literature. It was not always like this: The IB literature was born out of an engagement in societal and developmental agendas and was fueled by the pursuit of grand questions such as why MNCs exist; how and why international activities of MNCs are expanding to more and more regions and sectors; and how MNC activity impact welfare and development of societies. Since the early 2000s however, it seems that IB has lost sight of the grand questions, instead immersing itself in increasingly specific theoretically inspired enquiries. As a consequence, IB has lost relevance for practical development policy. This paper documents this development in the IB literature based on an extensive survey of development related work in three leading IB journals. The paper calls for IB to rediscover its roots and relate to some of the grand questions of current development discourse. The paper ends by outlining research agendas for future IB research on the development role of MNCs that take their point of departure in the comparative advantage of IB; its ability to understand MNCs qua being MNCs

### Multinationals and the Global Economy: Trends and Cycles in Foreign Direct Investment, Trade and Growth since 1970

**M. Casson, Y. Li**

University of Reading, United Kingdom

This paper examines FDI, trade and growth in 28 OECD countries for 1970-2017. It tests the direction of causation between FDI, trade and growth, with special reference to bi-directionality. It is the only study of its kind to assess the impact of the 2008 Banking Crisis, and the only recent study to test IB theory using aggregate time series data. Results confirm that the growth of outward FDI is usually export-led, that market-seeking FDI is fundamentally different to resource-seeking FDI and that FDI was disproportionately affected by the Banking Crisis. It also questions whether FDI drives host-country growth.

### The Economic Cost of Nationalism

**D. Dow<sup>1</sup>, I. Cuyppers<sup>2</sup>, G. Ertig<sup>2</sup>**

<sup>1</sup>The University of Melbourne, Australia; <sup>2</sup>Singapore Management University, Singapore

In recent years, there appears to have been a resurgence in terms of the popularity and incidence of nationalism, both in terms of the political debate and discussions in the popular press. However, we find it intriguing that there appears to be relatively little international business research concerning the economic implications of nationalism. Using a cross-national survey of attitudes by the International Social Survey Programme, we explore to what extent and under what circumstances nationalism appears to influence international trade. As one might expect, nationalism appears to have a significant negative impact on imports; however, it does not have a significant impact on exports (at the level of trade dyads between countries). Based on our results, if a nation's nationalism were to rise one standard deviation, this would correspond to roughly a 12% reduction in imports. This impact is also moderated by the religious distance between the countries. When one shifts from a pair of countries that share a common religion to a pair of countries with different religions, the impact of the importing nation's nationalism increases more than twofold.

## I 2.3.13: Teaching and Learning in Complex Settings

*Time:* Sunday, 15/Dec/2019: 2:00pm - 3:30pm · *Location:* MK 1.05

*Session Chair:* Tamar Almor, The College of Management Academic Studies, Israel

### **Teaching Notes for the Teaching Innovation: Complexity of Innovation and Liberal Learning in International Business Education**

**Y. Gao**

HEC Montréal, Canada

This manuscript of the notes on the teaching innovation highlights the importance of integrating liberal learning into current international business education framework as the world economy is becoming more turbulent and complex than ever. By providing a teaching case on the development of Chinese high-speed industry, this teaching innovation intends to help students to acknowledge and understand the diversity of knowledge and problems in real business world, to analyze and solve complex problems from an integrative perspective. Therefore, this teaching innovation contributes to nurturing students as not only future business professionals but also responsible global citizens.

### **Making the Most of Simulations in IB Teaching**

**J. M. Lofgren**

Aalto University, Finland

Online simulations are becoming increasingly common in undergraduate IB teaching and learning. While simulations offer a variety of advantages for learning, they also pose challenges to faculty seeking to maximize their benefits. This presentation will be practical and interactive, aimed at sharing best practices in the use of simulations in IB teaching. The author/presenter's experience is based on using a simulation (Global Challenge) in a capstone course, and several years of quantitative and qualitative data gathered in a joint project with faculty from the US and Australia. The discussion will elicit comments and ideas from the audience from a range of different contexts and courses.

### **The Impact of Working in Multinational Teams: The Experience of Teaching IB Using Experiential Learning Methods to Improve Cross-cultural Competences**

**M. Jarosiński<sup>1</sup>, M. Kozma<sup>2</sup>**

<sup>1</sup>SGH Warsaw School of Economics, Poland; <sup>2</sup>Corvinus University of Budapest, Hungary

Today's classrooms in leading business schools are culturally diverse. Such culturally diversified classes constitute themselves an international environment which in fact reflects future working environment for our present students. A clever use of this occasion by a professor teaching an International Business course provides students with excellent experiential learning opportunities, particularly regarding the development of cross-cultural competences.

The objective of this paper is to present several teaching methods that may be applied in an international classroom to enhance learning experience through real life contribution of students coming from different countries, cultures and religions. Students contributions and interaction are later reflected upon which overall provides them with great learning experience. A multinational group exercise effectiveness is measured to prove the learning effect.

## I 2.3.6: Culture and Emotion Management

Time: Sunday, 15/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.04  
Session Chair: Andre Pekerti, The University of Queensland, Australia

### **There is No National Culture: Nations as Diverse Mixtures of Global Values Archetypes**

**D. Midgley<sup>1</sup>, S. Venaik<sup>2</sup>, D. Christopoulos<sup>3</sup>**

<sup>1</sup>INSEAD, France; <sup>2</sup>University of Queensland, Australia; <sup>3</sup>National and Kapodistrian University of Athens, Greece

Our paper challenges the longstanding worldview of nations as homogeneous masses of uniform national culture that can be represented by single national culture dimension scores. We present a richer perspective of nations as diverse mixtures of global values archetypes. Our global archetypes and national mixtures of these archetypes are identified with data on Schwartz values from Wave Six of the World Values Survey provided by 83,526 individuals from 60 countries. Using archetypal analysis, we find five archetypes are adequate to capture the configurations of Schwartz values in these data, which we label Retreater, Social Conservative, Social Innovator, Social Hedonist and Maximalist. Importantly, we find each country is a mixture of individuals belonging to different archetypes, and that the composition of these archetypal mixtures varies across countries. Through their associations with other data in the World Values Survey, our five archetypes provide insight into the nature of the individuals holding these distinctly different values configurations. Overall, our conceptualization of nations as mixtures of global values archetypes has important implications for the world of culture-related research, practice and policy.

### **Employees as Brand Ambassadors: The Role of Employees in Turning the Country-of-origin-image (COI) into a Country-specific Advantage (COI-CSA)**

**M. Suter<sup>1</sup>, A. Glaister<sup>2</sup>, F. Borini<sup>3</sup>**

<sup>1</sup>University of Leeds, United Kingdom; <sup>2</sup>University of York, United Kingdom; <sup>3</sup>University of Sao Paulo, Brazil

A country's image can provide a powerful competitive edge, assigning specific expectations to country-specific products and services. Within this context, we focus on understanding the role of brand ambassadors in encouraging the internalisation of brand values and the HR practices that are used to achieve this. Through the lens of signalling theory, this paper makes a key contribution and examines the role of these brand ambassadors and the extent to which they moderate the relationship between marketing communication capability and country of origin image as a country-specific advantage. Using data gathered from 400 executives working in internationalised Brazilian firms and by applying structural equation modelling, the findings suggest that there is a direct positive association between employee brand ambassadors and country of origin/country specific advantage, therefore highlighting the importance of developmental HR practices that act as signals to employees and foster an understanding of the brand and of the specific firm.

### **Struggles of Coping with and Defending against Organisational Toxicity**

**A. N. Mathur**

IIM Ahmedabad, India

Toxic emotions lurking beneath the surface can and do affect how groups and organisations function. This paper formulates an operational definition of 'organisational toxicity' for understanding its containment and mitigating dispersal of spillovers. The dynamics of negative emotional contagion vary in culturally diverse contexts with how attitudes, beliefs, norms and values are reinforced. Insights from four contexts are presented as case studies to contrast four different outcomes in managing or failing to manage toxicity. The paper concludes that the strategic juxtaposition of ends, ways, and means requires sociotechnical structures to provide reliability; techno-economic systems for coping with anxieties around uncertainties of value-adding functions; and, socio-economic processes for credibility and aesthetics to promote harmony. Together, under certain conditions, this trine of structures, systems and processes can enable mitigation of toxicity for organisational renewal by sustaining what may be non-religiously be termed a 'spiritual core' to cultivate inner awareness and wisdom for the common good. The paper points to new research questions to understand the scope and limits of these conditions.

### **An Exploration of Consumers' Travel Culture In New Media Age**

**F. Sharmin, M. T. Sultan**

Shanghai Jiao Tong University, China

This paper examined the cultural behavior of consumers' through social media which is new media technology. The research study focused on three travel planning phase (pre-travel, during travel, and post-travel) based on the Hofstede's cultural dimensions theory. The quantitative survey research method used to collect data from Shanghai (China) and Dhaka (Bangladesh), consists of 198 respondents. The survey results revealed that Bangladeshi respondents prefer social media mostly in pre-travel and during the travel to avoid uncertainty and anxiety then China. Moreover, the utilization of social media is higher in terms of high feminism country like Bangladesh, whose respondents' like to value others opinion, share their experiences, and care of others. On the other hand, these results not similar to masculinity culture like China. In terms of cultural dimensions, the results suggest that public and private destination management organizations (DMOs) and policymaker can implement these findings to promote tourism through social media platform and expand online tourism services.

## I 2.3.8: Transformation and Internationalisation of Service Firms

Time: Sunday, 15/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.31  
Session Chair: Tilo Halaszovich, Jacobs University Bremen, Germany

### Platform Companies' Internationalisation Processes: The Role of Platform Business Types

**V. C. Simoes, T. S. Miranda**

University of Lisbon, Portugal

This paper is intended to contribute to the research about the internationalisation of digital Platform Companies (PCs). A taxonomy of the business types performed by PCs (Fully-digital businesses, Marketplaces, and Offline locally-delivered services) was developed. It was empirically applied to three PCs, one for each business type. We aimed to contribute to the literature on the issue, by providing a more fine-grained perspective of PCs' internationalisation processes. The research undertaken shows that the process of creating and nurturing local ecosystems is carried out at different levels according to the business type. A key feature is the way in which the geographic expansion of the network is carried out. This is influenced by the mix of network interactions that occur inside and outside the platform. While Fully-digital platforms may be more prone to generate online reputations and to be less influenced by location features, it was found that the internationalisation of PC is neither immediate nor easy. It faces hurdles, especially when multiple location-based ecosystems need to be established and stimulated.

### Industry Variety and Innovation of New Ventures

**L. Liu<sup>1</sup>, R. Lu<sup>2</sup>, D. Lv<sup>3</sup>**

<sup>1</sup>Aalto University, Finland; <sup>2</sup>Guangdong University of Finance and Economics, China; <sup>3</sup>Jiangxi University of Finance and Economics, China

Based on one longitudinal panel dataset of Chinese manufacturing firms, we construct a mechanism to assess whether new ventures with different internationalization strategies benefit differently from different locational advantages in pursuit of innovation performance. In this paper, we argue that innovation depends on knowledge creation and show that industry variety can affect the innovation of new ventures through influencing the amount of external knowledge that is available to a new venture but simultaneously through working on the new venture's learning process. Meanwhile, innovation search processes may differ among new ventures because of their internationalization strategies. By applying a fixed effect model, we find that industry specialization positively promotes the innovation of Born Globals (BGs) and Incremental New Exporters (INEs) but it has no effect on the innovation of Domestic New Ventures (DNVs). Moreover, the positive relationship between industry specialization and the innovation of BGs and INEs becomes stronger as related variety in the same city increases but this positive relationship becomes weaker as unrelated variety in the same city increases.

### To Change or Not to Change? Assessment of Willingness and Ability to Change and their Predictors in the Global Digital Services Industry

**I. Heim, N. Sardar-Drenda**

University of Reading, United Kingdom

Global companies in the digital service industry implementing a large scale restructuring change projects are experiencing a pressing need for ongoing change caused due to external and internal factors driven by the need to change business models. The aim of this study is to evaluate the willingness and ability to change as constructs of employee attitude towards change and assess their predictors in the fast-paced business environment of the digital service industry. If the general employee attitude towards change and their predictors under these conditions are known, then it would be conducive to formulate change management strategy. The research questions in study, therefore, explores what factors define employee's willingness and ability to change in the situation of ongoing organizational transformation and to suggest suitable strategy. An approach to analyzing willingness and ability to change as a construct of employee attitude towards change is developed in order to analyze change readiness and change openness. This study used 306 employee surveys and nine interviews as a methodological stance. Result of this study suggests that the employees are willing to change when the proposed change makes sense to them and they have a sense of perceived control based on collaboration with management.

### International New Ventures in the Digital Age: The Case of a Big Data and Analytics Provider

**V. Veglio<sup>1</sup>, R. Romanello<sup>2</sup>**

<sup>1</sup>Free University of Bozen, Italy; <sup>2</sup>University of Udine, Italy

Digital technologies are offering new opportunities of business for entrepreneurs who possess analytical skills. In fact, nowadays, new opportunities for new venture internationalization are arising in sectors related to Industry 4.0 digital technologies. However, when internationalization and digitalization merge, the dynamics of internationalization could change, opening a new area of research still little investigated. To contribute to fill this gap, we adopted a single case study aims at investigating the internationalization process of a Digital International New Venture, which offers services related to Big Data and Analytics. Preliminary findings highlight factors influencing the growth process of this company, showing opportunities and challenges related to digitalization. Practical implications and future research directions are discussed.

## I 2.3.X: Emerging Issues in Knowledge, SMEs and Entrepreneurship

Time: Sunday, 15/Dec/2019: 2:00pm - 3:30pm · Location: MK 1.03  
Session Chair: D. Eleanor Westney, York University & MIT, Canada

### Conceptualization of Migrants in International Entrepreneurship – a Theoretical Review and Mapping

**M. Elo<sup>1</sup>, P. Servais<sup>2</sup>, S. Sandberg<sup>2</sup>**

<sup>1</sup>University of Southern Denmark, Denmark; <sup>2</sup>Linnaeus University, Sweden

Migration changes the politico-economic context influencing internationalization and new venture creation by introducing different types of entrepreneurs into business. Advanced opportunity recognition and risk-taking, cross-culture competences and international experience are characteristics found particularly among migrants due to their life course and background. Migrant origin entrepreneurs are mainly excluded from international entrepreneurship (IE) theoretically, and conceptualized into other categories, e.g. immigrant entrepreneurs, ethnic entrepreneurs, transnational entrepreneurs, and diaspora entrepreneurs. Shedding light on these 'IE-related' terms, we review extant entrepreneurship literature on these distinct sub-streams of IE-research. We examine the concepts and produce a mapping highlighting the international entrepreneurship dimensions. The paper contributes to theorizing on different forms of entrepreneurship with international elements. We argue that inclusion of migrant-origin entrepreneurs into the broader IE debate fosters non-discrimination, socio-economic inclusion, policy-making, and development aspects

### Migration-related Fears and Economic Policy Uncertainty: Varying Effects on Mergers and Acquisitions

**S. M. Aldhawyan, S. Rao**

University of Strathclyde, United Kingdom

Building upon a news-based index of migration-related fear sentiments in 4 large economies: France, Germany, the UK, and the USA, over the period from 1995 to 2017, we examine how uncertainty due to migration-related fear sentiments affect inbound cross-border acquisitions (CBAs). We find that the number and volume of CBAs within industries decrease significantly following high migration-related fear sentiments. We further, support this finding using a quasi-natural experiment, by exploiting the 9/11 terrorist attack in the USA and European refugee crisis 2015 (ERC) as a source of plausibly exogenous variation in uncertainty, and show that post 9/11 and ERC there is a significant decline in the inbound CBAs. Additionally, we show that following high migration-related fear sentiments the likelihood of receiving an acquisition bid for the firms located in these large economies is lower, and their takeover process is lengthier. We find support to the argument that right-wing leaning nationalist government significantly affect CBAs negatively when migration-related fear sentiments are high. Finally, our results are attributable to human capital being influenced by safety, uncertainty, and fear. Knowledge of the variation in exposure to uncertainties relating to immigration events can assist managers, investors, and policymakers in taking appropriate risk-investment decisions.

### Socioemotional Wealth and Family Governance Effects on the Breadth and Depth of Internationalization

**F. Debellis<sup>1</sup>, A. Heider<sup>2</sup>, M. Hülsbeck<sup>2</sup>, A. De Massis<sup>1</sup>**

<sup>1</sup>Free University of Bozen-Bolzano, Italy; <sup>2</sup>Witten/Herdecke University, Germany

We explore the effect of SEW pursuit and of family governance on internationalization. We collected unique data from 287 family-owned firms through a self-administered survey, and found that whereas some SEW goals (Family control and Emotional attachment) are negatively related with internationalization, other (Identification of family members with the firm and Renewal of family bonds) have instead a positive effect on international growth. Moreover, we measured the effect on internationalization of family members involved as executive directors. Differently from prior studies, we disentangle the internationalization measure by distinguishing between breadth, in terms of number of countries in which the family firm is active, and depth, in terms of number of FDIs undertaken. Whereas SEW dimensions have the same effect on both internationalization dimensions, we found that family executive directors are negatively related with internationalization depth, and positively with internationalization breadth. Our results thus show that claiming à-priori that family members are less prone to international diversification is incorrect, rather this holds only when we refer to FDIs, which implicate a much higher level of commitment, risk and complexity than exports. Moreover, our results challenge the common assumption that the pursuit of SEW goals always prevents family firms from going abroad.

### Social Construction of Entrepreneurial Success among SMEs

**C. Cannavale, A. Esemplio, M. Ferretti, I. Zohorian Nadali**

University of Naples Parthenope, Italy

This paper treats entrepreneurship as a socially constructed concept. It aimed at investigating Entrepreneurial Orientation (EO) of Small and Medium-sized Enterprises (SMEs) through the lenses of social construction perspective. For this purpose, the qualitative approach is suitable through employing interviews with SMEs' owners, founders, and managers. Throughout the interviews, both the social context including social ties, interactions, trust, and value systems, and also the leadership including firm ownership, leadership styles, top manager's personal values, and organizational culture are investigated in details.

### Toward a Practice Perspective in International Entrepreneurship

**H. M. Schmidt, S. Fuerst**

Universidad EAFIT, Colombia

The focus in international entrepreneurship research has been, to a large extent, either on processes at the level of the firm, or on static characteristics of the international entrepreneur. The micro-foundations of how entrepreneurial characteristics translate into firm level processes and outcomes have been somewhat neglected. In this interactive paper, we ask how practice perspectives can help us gain a better understanding about the work, routines and practices that connect international entrepreneurs and firm level outcomes and processes in international entrepreneurship, and try to answer by linking different streams of strategy as practice research to key concepts and theories applied in international entrepreneurship. We provide conceptual perspectives and examples of how practice perspectives have been applied in the fields of international business and entrepreneurship and could be applied to enrich extant conceptualizations in IE that draw on the resource-based view, dynamic capabilities, international opportunities, knowledge and learning, and networks.



## **P 1.10: Brains on the Move: High-skilled Migrants in Multinational Enterprises' Knowledge Networks**

*Time:* Sunday, 15/Dec/2019: 2:00pm - 3:30pm · *Location:* MK G.31

*Session Chair:* Vittoria G. Scalera, Amsterdam Business School, University of Amsterdam, Netherlands, The

### **Brains on the Move: High-skilled Migrants in Multinational Enterprises' Knowledge Networks**

**V. G. Scalera<sup>1</sup>, C. Fassio<sup>2</sup>, S. Monaghan<sup>3</sup>, R. Mudambi<sup>4</sup>, A. T. Tavares-Lehmann<sup>5</sup>**

<sup>1</sup>University of Amsterdam, The Netherlands; <sup>2</sup>Lund University, Sweden; <sup>3</sup>Trinity College Dublin, Ireland; <sup>4</sup>Temple University, United States; <sup>5</sup>University of Porto, Portugal

The contemporary global economy is increasingly turbulent and complex: markets are strongly interconnected, silos in science and technology are breaking down and people on the move blur national borders. Within this context, massive migration of high-skilled migrants yields both considerable opportunities and tangible treats from business and societal perspectives. In this fast-changing process, a key role is played by multinational enterprises (MNEs), which are central in the attraction and redeployment of global talents across their networks.

Existing literature has started only recently to explore the impact of high-skilled migration on economic and business activities, with a particular emphasis on the relation with innovation. However, mixed evidence on the net impact of migration has emerged. It remains unexplored how complementary viewpoints from different disciplines, including economic geography and development studies, can be interpreted in a coherent way, and how - from an international business (IB) angle - these theoretical standpoints can be adopted to advance our understanding of MNEs strategies and their innovation activities.

Developing such an understanding is critical and represents the main objective of this panel. We anticipate that the panel will serve as the beginning of a discussion in IB that progresses academic and practical knowledge.



## C 2.4.12: Innovation Strategies

*Time:* Sunday, 15/Dec/2019: 4:00pm - 5:30pm · *Location:* MK 1.32  
*Session Chair:* Sorin Krammer, University of Exeter, United Kingdom

### **Weathering Storms – Technological Exploration of MNCs in Times of Financial Crisis**

**K. Blomkvist, P. Kappen, I. Zander**

Uppsala University, Sweden

The paper aims at generating new empirical knowledge about financial crises and their consequences for MNC technological development, thereby addressing a largely uncharted issue in the crossroads of strategy and international business. Drawing on threat-rigidity theory, we investigate how major international financial crises over the 1890-2008 period affected domestic and international technological exploration in a sample of Swedish MNCs. We find that financial crises had a negative effect on the firms' propensity to enter into new technologies, and that the effect was, unexpectedly, symmetrical across home and foreign units of the multinational network. The results are indicative of an effect of financial crisis on technological exploration that runs through the perception of adversity and declining sales and employment, rather than changes in reported corporate profitability.

### **Innovation Complementarity, Cooperation Partner Proximity and Exporting. Evidence from European Enterprises**

**M. S. Lewandowska<sup>1</sup>, T. Gołębiowski<sup>1</sup>, M. Rószkiewicz<sup>1</sup>, M. Szymura-Tyc<sup>2</sup>**

<sup>1</sup>Warsaw School of Economics, Poland; <sup>2</sup>University of Economics in Katowice, Poland

Our research is focused on the links between innovation and export, cooperation and export, as well as the links between firm's cooperation and innovativeness. We also pay attention to the various types of innovation (product, process, marketing innovation) and different types of partners taking into account their geographical proximity (local, foreign and both types). The study is based on the micro data from Community Innovation Survey (CIS) 2012-2014 for the sample of 98 809 enterprises from 15 European countries. The results of the Path Analysis carried out for 18 models covering six different combinations of innovations and three different cooperation modes show, that introducing various types of innovations at the same time in the case of exporting does not bring better results than the introduction of only product innovation. What is more, cooperation with foreign partners significantly helps in exporting, whereas innovativeness is enhanced to the higher extent thanks to the innovation cooperation with local partners. These results bring the conclusion, that the best possible outcomes could be obtained by the enterprises embedded in the local networks being at the same time very much focused on the introduction of product innovation as an export driver.

### **Effects of Quality Management and Process Innovation on Productivity in Spanish Manufacturing Firms**

**P. Sánchez-Sellero, J. Rosell-Martínez**

Universidad de Zaragoza, Spain

This paper analyses the effect of process innovation and quality management on productivity in Spanish manufacturing firms. For this purpose, we take identify and explain issues such as quality management systems, product standardization, complexity of the production process system and some considerations about technological innovation. This study uses data from the survey of business strategies (ESEE) of Spanish manufacturing firms, demonstrating the positive effect of all these factors on productivity, especially of quality management techniques. We discuss the results and get new findings from the review of the academic literature, the analysis and the proposals for the technology improvement.

## C 2.4.3: Foreign Direct Investment and Emerging Markets

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: MK 1.09

Session Chair: Marcellinus Dike, Aalto University School of Business, Finland

### **Comparative Analysis of Locational Determinants of Extra-European FDI Flows into Europe from the US, Japan, China, Russia and India**

**V. Avioutskii<sup>1</sup>, M. Tensaout<sup>2</sup>**

<sup>1</sup>ESSCA School of Management, France; <sup>2</sup>Université du Maine, France

The novelty of this paper resides in the mobilization of the configurational approach to analyze locational determinants of FDI undertaken by Emerging Market Multinational Enterprises (EMNEs) and Advanced Market Multinational Enterprises (AMNEs) in Europe. We argue that an analysis of a dyadic interaction between home- and host-country environments and its impact on locational choice decision is critical in understanding internationalization strategies of MNEs. We have utilized Qualitative Comparative Analysis (QCA) to identify several possible configurations of determinants that demonstrate the diversity of pathways followed by MNEs to undertake FDI in a complex European context. Our study reveals that the quality of institutions and infrastructure represent necessary and sometimes sufficient factors that underly the attractiveness of a territory

### **Inward Foreign Direct Investment in Emerging Economies: A Review and Future Research Avenues**

**S. Chowdhury, R. R. Sharma, Y. Yu**

Victoria University of Wellington, New Zealand

Given the surge in foreign direct investment (FDI) in emerging economies (EEs) during the last four decades, inward FDI has spawned a rich scholarly conversation on the topic. Based on the systematic review of 318 articles published between 1991 to 2018 on the topic, this review evaluates and synthesise the current research to propose future research avenues. The existing research is clustered as methods, motives, impact, and context aspects of inward FDI. Rich research opportunities exist on inward FDI in examining mechanisms (mediators) and conditions (moderators) influencing relationships between antecedents - inward FDI - outcomes relationships. Further opportunities exist in the role of the context and undertaking a multilevel analysis.

### **Investment and Divestment Dynamics of European Banks in Emerging Markets**

**C. Yildirim**

Rennes School of Business, France

Retreating from foreign operations has been a notable component of large European banks' recent transformations under the forces of changing regulations and market pressures in the aftermath of the global financial crisis (GFC). However, the existing literature focuses almost exclusively on growth and expansion of international operations of banks, ignoring their exits from foreign operations. Therefore, this study aims at contributing to the debate on international divestment activities of global banks within the broader context of their international operations by examining investment and divestment strategies and patterns of European retail banks in an emerging market, Turkey.

## C 2.4.5: International Expansion and Exporting

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: Liberty 1.28

Session Chair: Tamer Cavusgil, Georgia State University, United States of America

### The More, the Merrier? The Effect of Grafting Export Knowledge in Exporting Firms

**E. Choquette, I. Kleindienst, M. Flickinger**

Aarhus University, Denmark

We study the effect of hiring top managers with export experience on the subsequent export growth of the hiring firm. Our sample focuses on firms that are already exporting at the time of hiring, and consequently, firms that have a certain stock of internationalization knowledge when the new top manager comes in. This feature allows us to explore the interplay between internationalization knowledge inflow and internationalization knowledge stock. Using insights from the organizational learning literature and Upper Echelons, we hypothesize a positive, direct effect of hiring export-experienced top managers and subsequent export growth. Using the concept of absorptive capacity, we hypothesize that the effect of hiring an export-experienced top manager increases with the hiring firm's stock of internationalization knowledge, up to a point after which the effect diminishes. We test these hypotheses on a panel of 3,408 Danish firms covering the years from 2002 to 2012. Our results show a positive effect of hiring export-experienced top managers on subsequent export growth and a non-linear moderating effect of the stock of export knowledge at the time of hiring. However, the moderating effect is opposite to what we expected, which suggests that mechanisms other than absorptive capacity are at play.

### Intra-regional Diversification and Individual Subsidiaries

**N. Ando**

Hosei University, Japan

This study examines the relationship between intra-regional geographic diversification of a multinational enterprise (MNE) and the performance of subsidiaries in the region. Most empirical studies on regional diversification as well as international diversification have examined the effect of an MNE's geographic diversification on the performance at the entire MNE level. How intra-regional diversification affects individual subsidiaries within the region has not been explored. Using the panel dataset consisting of MNEs' investments in five geographic regions, this study finds that subsidiaries having more expatriate managers receive larger benefit from intra-regional diversification. It also finds that wholly owned subsidiaries receive larger benefit from regional diversification than joint ventures with local firms. In addition, this study shows that the relationship between regional diversification and subsidiary performance takes a U-shaped relationship. These results indicate that under which conditions, subsidiaries in the region are positively or negatively affected by an MNE's intra-regional diversification. They also make us understand the unexplored process from regional expansion to individual subsidiaries' performance to the MNE-level performance.

### Intra-regionalization, Inter-regionalization and Firm International Growth: A Configurational and Bidimensional Analysis

**P. H. S. Nguyen<sup>1</sup>, R. Pereira<sup>2</sup>**

<sup>1</sup>ESC Clermont Graduate School of Management, France; <sup>2</sup>OBSERVARE Centre de Recherches, Lisbonne, Portugal AND ISCTE-IUL, Lisbonne, Portugal

This paper aims at researching through a configurational and bidimensional approach the nature of the relationship between intra-regionalization, inter-regionalization, degree of internationalization and firm growth. To achieve this, we have built a two-stage configurational analysis: comparative and interactive. In the first one, we focus on the configuration of internationalization, and compare the impact of intra-regionalization on growth with the impact of inter-regionalization on growth. In the second stage, the focus is on the interactive impact of configuration and degree of internationalization on growth to demonstrate the dynamic and configurational nature of this relationship. This research, based on a sample of 40 large international companies of grocery retail in the period 2002-2011, shows that the relationship between firm international growth and the two configurations of internationalization (intra-regionalization vs inter-regionalization) is of a configurational nature, and contingent on the degree of international commitments, which could significantly affect the magnitude and the sign of this relationship. Our results also specify, for the first time, the investment conditions under which intra-regional strategies or inter-regional strategies could be or not be an optimal growth choice.

### A Risk-taking Perspective on Firms' International Footprint

**D. Castellani<sup>1</sup>, G. Békés<sup>2</sup>, G. Benito<sup>3</sup>, B. Muraközy<sup>4</sup>**

<sup>1</sup>University of Reading, United Kingdom; <sup>2</sup>Central European University, Hungary; <sup>3</sup>BI Norwegian Business School, Norway; <sup>4</sup>Hungarian Academy of Sciences, Hungary

Managerial characteristics are known to affect both internationalization decisions and risk-taking. However, there is little consensus on how to disentangle risk-taking from the extent and scope of international activities. This paper proposes a novel conceptualization and measurement firms' international footprint, where risk-taking captures whether, for a given extent of its international footprint, a firm chooses a larger scope, by using a variety of modes of operation (e.g., import, export, foreign direct investment, outsourcing) in its different geographical markets. This entails engaging in less familiar and more demanding combinations of modes and markets. Consistent with established theories of risk-taking (agency, socioemotional wealth, and upper echelons), we find that this measure is correlated with managerial attributes, while a more traditional measure of the extent of internationalization is also strongly correlated with firm capabilities

## C 2.4.6: Top Managers and Global Citizens

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: MK 1.06  
Session Chair: Natalia G. Fey, Hanken School of Economics, Finland

### Can Diplomats Become Global Citizens? A Social Network Study on Cultural and Role Identities of Global Workers and their Spouses

**L. E. Zhang<sup>1</sup>, B. Pauksztat<sup>2</sup>**

<sup>1</sup>Loughborough University London, United Kingdom; <sup>2</sup>Uppsala University, Sweden

As a unique group of global workers, diplomats do not only relocate once or twice, but constantly throughout the entire duration of their careers. Diplomats are expected to identify strongly with their home country, yet the long-term exposure to other countries may cause change in their cultural and role identity. The purpose of this study is to examine how frequent relocation affects the cultural and role identity of diplomats and diplomatic spouses (i.e., spouses or partners of diplomats). Analyses based on an online survey comprising the responses of over 300 diplomats and diplomatic spouses and interviews suggest that the larger percentage of contacts from the host country and diplomatic community in the personal network, the stronger diplomats and their spouses identify with the host country and the diplomatic community. Diplomats are more likely to identify with the diplomatic community in the host country than their spouses. Furthermore, the more diplomats identify with their home country, the stronger they identify with the diplomatic community in the host country. Interestingly, the more diplomatic spouses identify with their home country, the less they identify with the host country and the global world.

### Discriminated or Cherished? Evidence on the Compensation of Migrant CEOs

**M. J. Mueller<sup>1</sup>, A. Slangen<sup>2</sup>**

<sup>1</sup>Erasmus University, The Netherlands; <sup>2</sup>KU Leuven, Belgium

It is well documented that international migrants at lower levels of organizational hierarchies are subject to organizational inequities; unclear, however, is whether these inequities extend to migrants at higher levels of the organizational hierarchy. In this study, we shed light on the relationship between a migrant background and compensation for occupants of the highest corporate management role, the CEO. We test competing predictions grounded in the similarity-attraction paradigm and the resource-based view, respectively. Results, based on a sample of large U.S.-based companies, provide robust support for the latter. Specifically, we find that migrant CEOs—and CEOs from institutionally distant countries in particular—receive significantly higher compensation than native CEOs. These findings suggest that the migrant bias in compensation may reverse at the top of the organizational hierarchy.

### From Language Differences to Linguistic Inclusion: Breaking the Native Speaker Stranglehold

**M. Śliwa<sup>1</sup>, S. Ciuk<sup>2</sup>, A.-W. Harzing<sup>3</sup>**

<sup>1</sup>University of Essex, United Kingdom; <sup>2</sup>Oxford Brookes University, United Kingdom; <sup>3</sup>Middlesex University London, United Kingdom

In the last two decades, language-sensitive research in International Business (IB) has compellingly demonstrated the profound and pervasive effects of language on international business at the organisational, group and individual levels in multinational companies (MNCs). However, we still lack a holistic understanding of the multidimensional role of language in this context. Arguably, a key reason for this is that, to date, this line of research has employed rather simple conceptualisations. In this paper, we address this challenge by illustrating – through the use of interview data from MNC subsidiaries in Poland, Portugal, Slovakia, Lithuania, India and Colombia – how three key recent developments from the organisational diversity and inclusion literature can help us to advance our understanding and theorising in the field of language in IB. We conclude by elaborating on the possibilities and implications of this approach for studying and managing linguistic inclusion in several key areas of IB – HQ-subsidiary relationships, expatriate management, global talent management, and multilingual teams – and for the potential for language-sensitive IB research to enrich the literature on organisational diversity and inclusion.

### Top Managers' Career Variety and their Board Tenure: The Moderating Effect of International Education and In-house Work Experience

**S. Schmid, S. Mitterreiter**

ESCP Europe, Germany

Career variety has been increasingly discussed in top management literature. Previous publications have linked top managers' career variety to firm-level outcomes. This paper focuses on the relationship between top managers' career variety and their board tenure. We use the boundaryless career approach, and argue that there is a negative relationship between career variety and board tenure. Drawing on a sample of executive directors in British firms, we provide empirical evidence that higher career variety is associated with shorter tenure. We also reveal that this relationship is further strengthened, if top managers have high international educational experience. Furthermore, we show that in-house work experience mitigates the negative association between career variety and board tenure. By investigating important factors that influence tenure of board members at the individual level, we contribute to the relatively scant literature on the link between top managers' careers and their board mandate, unravelling the effects of career variety on tenure on the board.

## C 2.4.X: Alternative Empirical Lenses: Applications to International Business

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: MK 1.02 (Boardroom)

Session Chair: Jonas Puck, WU Vienna, Austria

### Looking Beneath the Surface: A Visual Rhetorical Analysis of Photographs about People in Sustainability Reports

**M. Ziede**

Universidad Catolica del Norte, Chile and Università degli Studi di Pisa, Italy

Sustainability is disclosed to stakeholders via annual sustainability reports, displaying texts and images in line with the current visual era. Scholars have privileged the analysis of written language in this genre of communication and overlooked the visual support, especially the meanings of people's images as a component of the triple bottom line. This paper aims to explore how visual rhetoric of people's photographs contributes to the communication of messages of sustainability. Based on Barthes' semiology theory, a rhetorical analysis is conducted on 1639 photographs included in the last 18 annual sustainability reports of a large mining company in Chile. Findings suggest that 814 photographs that are portraying people reflect five connotative themes: cultural identity, vulnerability, capabilities, relationships, and happiness. Visual rhetoric embraces hegemonic ideologies like the consumption-predator paradigm, masculine superiority, short-term vision, and it raises issues such as organizational myth making, legitimization of practices, and political and colonial heritages. The paper contributes to a critical understanding of sustainability, where images transcend the globalization of linguistic standardization of reports and contain messages of ideologies and cultural myths that are naively presented and may avoid sustainability contradictions.

### Emotional Table Tennis: Bilateral Appraisal Analysis of Intercultural Emotional Interaction in a Multinational Enterprise

**Q. Wang<sup>1</sup>, J. Clegg<sup>2</sup>, H. Gajewska-De Mattos<sup>2</sup>, P. J. Buckley<sup>2</sup>**

<sup>1</sup>Birmingham City University, United Kingdom; <sup>2</sup>University of Leeds, United Kingdom

We propose a theoretical mechanism explaining emotional responses during intercultural interaction in the context of international management. We employ appraisal theory bilaterally to explain the emotional impact of cultural differences in international business transactions within the multinational firm. We examine this within the setting of Chinese-owned multinational enterprise where there is a need for close cooperation between headquarters and subsidiaries. Analysing data from interviews with foreign subsidiary staff, and with Chinese headquarters staff, we find that individuals appraise their potential to address intercultural difference interactively and recursively. We argue that intercultural interaction generates "first order" emotions, which are culturally determined and then "second order" emotions as people react emotionally in response to the emotions of others. Our theoretical mechanism explains why it has been difficult to determine the outcomes of intercultural interaction due to the first and second order emotional responses that are generated in the process.

### A Theoretical and Experimental Analysis of Interactive International Decision-making under Uncertainty

**U. F. Ott**

Nottingham Trent University, United Kingdom

This article analyzes co-operation and conflict in international business negotiations as a decision problem with a formal model and an experimental approach. Cultural activity types are providing the bridge between empirically observed negotiation behavior and game theoretical bargaining behavior. The clash of cultures is structured into scenarios of bargaining under incomplete information to show potential conflicts and cooperation between the players who only know the counter-parts' national culture, but neither upbringing, learning and adaptation. The novelty of the research methodology is that the negotiation dyad experiments are using the observation of real-life negotiation behavior in a qualitative approach to capture the depth of interaction. The experiments are then analyzed with a fuzzy set Qualitative Comparative Analysis (fsQCA) - a robust tool to bridge in-depth case knowledge with necessary and sufficient conditions for the outcome. The assumption that cultures acquire new cultural models when experiencing international communication in multinational enterprises (MNEs) or any other collaborative ventures offers new cooperative outcomes.

## C 2.4.XX: Environments, Structure, Mode and Performance: Emerging Issues

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: Liberty G.32  
Session Chair: Ibne Hassan, King's College London, United Kingdom

### Objectives and International Strategies of State-owned Multinational Enterprises: A Theoretical Perspective

**A. Rygh<sup>1</sup>, G. R. Benito<sup>2</sup>**

<sup>1</sup>University of Manchester, United Kingdom; <sup>2</sup>BI Norwegian Business School, Norway

State owned multinational enterprises (SOMNEs) have received extensive attention in recent international business research. State ownership has been found to have effects on a range of international strategic decisions such as the degree of multinationality, foreign entry modes and host country location choices. Effects of state ownership are explained by factors such as SOMNEs' non-financial objectives, corporate governance and institutional pressures. However, results are mixed and context-dependent, and overall we still have an incomplete understanding of the precise objectives of SOMNEs, and how these objectives may lead to different international strategies. This conceptual paper seeks to provide a more fine-grained view on SOMNE financial and non-financial objectives and their implications. We review and extend previous literature and identify novel theoretical arguments, leading to an extensive set of propositions. We also sketch ideas for more direct empirical study of SOMNE objectives.

### ROA, ROE, Market Share or Survival: How to Appropriately Measure Subsidiary Performance?

**H. Gundelach<sup>1</sup>, B. B. Nielsen<sup>1,2</sup>**

<sup>1</sup>Copenhagen Business School, Denmark; <sup>2</sup>University of Sydney, Australia

Since the early days of International Business (IB) research, there has been ample discussion of the methods of measuring performance variables. Measurement of Subsidiary Performance (SP) is particularly challenging due to data availability, because subsidiaries are often integrated into Multinational Corporations' (MNCs') internal reporting structure, or the data may be unfit for research purposes due to such variances as host country regulations, subsidiary capital structure or transfer pricing issues. Notwithstanding these challenges, SP and overall MNC performance remains at the centre of IB research and developing appropriate measures of SP is key to our understanding of important IB phenomena. This study is based on 106 quantitative articles from 2005 to 2018 with SP as the dependent variable. This study's findings show a high variability of measurements of SP within the broad thematic clusters and between articles concerning similar areas of research. In lieu of recent debates about replication within social science (e.g., Bettis et al., 2016), this is highly problematic. The aim of this paper is to assess the measurement of SP in recent IB literature and propose a range of questions to guide researchers selecting the most appropriate SP measure(s) for their study.

### Shackled To the Status Quo: When Do Managers Adopt or Deviate From the Prior Entry Mode?

**A. Faroque<sup>1</sup>, M. Ahi<sup>2</sup>, O. Kuivalainen<sup>1</sup>, S. Sundqvist<sup>1</sup>**

<sup>1</sup>LUT University, Finland; <sup>2</sup>University of Helsinki, Finland

Due to the well-established nature of the entry mode literature and researchers' only marginal contribution to the field, scholars doubt over the need of more research on this topic. Yet some questions in the literature are unresolved, for example, why firms choose the past entry mode in the present. While the answer to this question has been provided broadly in the industry or firm context, the microfoundation of this repeat behavior, which is rooted in the managerial cognitive biases, has been overlooked. Taking a cognitive perspective and cue from psychology in decision making and adopting a scenario-based experimental approach, we show that such repetitive behaviors of managers are ingrained in status quo bias, a cognitive bias, which influences individuals to carry forward the past behavior. We also find that managers deviate from the prior export entry mode (from sales agent to sales subsidiary) because of a higher level of financial resources but stick to the FDI preferred mode (WOS as opposed to JV) when perceiving a larger market and a high political risk. The results of the study offer theoretical, managerial and policy implications.



## I 2.4.10: Geographic and Social Variety and International Business

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: MK 1.03

Session Chair: Sarianna Lundan, University of Bremen, Germany

### When Does Pride Go Before the Fall? The Many Faces of Pride Following a Cross-border Acquisition

**R. Harikkala-Laihin**

University of Turku, Finland

Emotions have recently gained interest among scholars as an explanation of why cross-border acquisitions continue to underperform despite growing literature. Among this research, positive emotions in general and pride in particular have received less attention than attempts at minimizing the emergence and influence of negative emotions such as stress and anxiety. Yet pride can influence organizations in several ways. On the one hand, pride can unify nations or enhance organizational identification and commitment. On the other hand, pride can drive nations and organizations towards protectionist, anti-global attitudes. Thus, the purpose of this paper is to explore the many faces of pride following a cross-border acquisition, in order to find out when does pride go before the fall. The illustrative examples presented here stem from two Finnish-German acquisitions. Based on the data, pride does indeed take many forms following acquisitions. The key determinant for whether pride discourages or encourages post-acquisition integration across national borders seems to be, whether pride is directed at the pre- or post-acquisition organization, respectively.

### The Co-evolution of International and Local Technological Knowledge Connections in Cities

**S. Zaman<sup>1</sup>, J. Cantwell<sup>2</sup>**

<sup>1</sup>Lahore University of Management Sciences, Pakistan; <sup>2</sup>Rutgers University

Some scholars argue that most innovations occur in cities. It is believed that this is because various actors are in close proximity with each other in cities, which enables the easy transfer of localized technological knowledge between them. However, local knowledge has limitations and for continuous innovation, it is important to complement them with trans-local technological knowledge connections. In this paper, we study the connection between local and trans-local technological knowledge connections, across a mix of developed and developing cities. In particular, we look at 62 cities to see how the geographic structure of their knowledge sourcing has been changing since 1976. We use US patent citation data for patents invented in these 62 cities worldwide, as a representative of the technological knowledge network, where the citing patent is treated as the recipient, and cited patent as the source of technological knowledge. Cities are classified according to their innovativeness, measured by both network centrality and patenting growth. We find support for a strong association between local, trans-local and international technological knowledge network. We also find that this association varies depending on the innovativeness of a city and the technological classification of the knowledge being transferred over the network.

### A Systematic Literature Review: Social Innovations and Multinational Corporations

**O. Kang, C. Holmström Lind, A. Ljung, P. Rosenbaum**

Uppsala University, Sweden

While studies on social innovation have expanded significantly, our understanding of the role of MNCs in this social innovation arena is still in its infancy. By consolidating the state of academic research on social innovation through a systematic review of articles, we offer a review of what is known about MNCs' role in social innovation with the intention to build recommendations for further lines of inquiry on the topic. The review shows that there is a substantial lack of studies in the area. The overarching roles identified for MNCs in social innovation projects are transactional, bridging or transformative, and the motivations behind their involvement in social innovation projects are identified as normative, strategic and intrinsic. Some tensions and dilemmas highlighted from the review can be traced to issues concerning e.g. different institutional logic, differences in goals- and value framing, knowledge based differences and relational tensions and distrust.

### The Effect of National Foreign Policy Preferences on Investor Reactions towards U.S. Greenfield Regional Headquarters Announcements

**A. Sels**

KU Leuven, Belgium

We study the effect of national foreign policy preferences of destination countries on investors' reactions towards 397 greenfield regional headquarter announcements by US companies in the period between 2003 and 2017.

We calculated the cumulative abnormal returns and controlled for the effect of the financial crisis of 2008, the industry cluster in which the investment takes place, the amount of capital invested and the number of jobs created.

We hypothesized first that prior experience in the form of previous subsidiaries in the same region might increase stock value more, but did not find any effect.

We hypothesized and found also that the higher the similarity of national foreign policy preferences between the US and the destination country measured by the ideal point of the UNGA score (United Nations General Assembly), the more positive the reaction of the shareholders towards the announcement of the greenfield investment project.

We also found an interesting difference with a second measurements of similarity when using percentage overlap with US voting behavior in the UNGA.

Our study argues for a nuanced view on whether destination countries' national foreign policy preferences influence shareholders' reactions towards U.S. greenfield investments abroad.

investor reactions, political affinity, regional headquarters, greenfield investments

### Human Stickiness as a Counterforce to Brain Drain: Purpose-Driven Behaviour among Tanzanian Medical Doctors and Implications for Policy

**N. D. Emmanuel<sup>2</sup>, M. Elo<sup>1</sup>, R. Piekkari<sup>3</sup>**

<sup>1</sup>University of Southern Denmark, Denmark; Shanghai University, China and University of Turku, Finland; <sup>2</sup>Mzumbe University, Tanzania and Adger University, Norway; <sup>3</sup>Aalto University, Finland

In this paper, we explain why a group of Tanzanian medical doctors decided to stay in their home country despite massive brain drain and pressure to migrate. We argue that purpose-driven behaviour among medical doctors serves as a counterforce to brain drain, fostering human stickiness in a developing country context. A sense of purpose provides a novel lens to understand voluntary non-



migration of highly-skilled professionals under extreme conditions. Furthermore, incoming expatriate doctors build local capacity by sharing skills and expertise to Tanzanian doctors. This affects the medical doctors' motives to migrate, further reducing brain drain. These individual-level decisions not to migrate find their application in policy. We advocate policies that support purpose-driven behaviour and generate long-term commitment to a location, while advancing short-term mobility for knowledge sharing. The policy initiatives are targeted at actors in the sending and receiving countries as well as in international organizations, covering concerted multilayered policies to support family and community embeddedness, to facilitate the incoming of expatriate doctors and foreign exchange, and to cultivate benefits of circular migration. We argue that migration behavior is more individually grounded and socio-emotionally constructed than what dominant economic-based explanations suggest.

## I 2.4.3: Learning, Knowledge and Innovation in Emerging Markets

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: MK 1.05

Session Chair: Jose Pla-Barber, University of Valencia, Spain

### Learning, Transfer and Global in the Upward Spiral Model Proposed by the Springboard Multinational Enterprises Theory

**C. Torrecillas**

Universidad Complutense de Madrid, Spain

Recent International Business (IB) literature has highlighted that Multinational Enterprises (MNE) from developing countries follow knowledge-seeking strategies. Therefore, MNE can learn abroad in contract to traditional internationalization postulates. More recently, it has been proposed the Springboard Multinational Enterprises (SMNEs) theory and the Upward Spiral Model (USM) that justifies the expansion of SMNEs abroad as a set of stages. In this paper, we analyse the above proposed model introducing three connections: Learning, Transfer and Global. We use a cross-section analysis from ORBIS dataset, in the last year available, 2017. We select MNE firms from 93 emerging economies (Low and Upper middle Income Economies) located in both: 71 developed countries and 93 developing countries. In addition, we differentiate between the levels of technological commitments of SMNEs. Results confirm that subsidiaries learn abroad -catching knowledge-, and moreover, there is a transfer of capabilities between parent firms to subsidiaries through external linkages-Inward Foreign Direct Investment-. In addition, subsidiaries firms transfer the acquired knowledge to parent firms and finally global connection increase home capabilities. Results differ when developing and developed countries are the host destination and when the technological sectors of the SMNEs are considered.

### Redefining the Process of Resource Integration in Emerging Markets: Frugal Innovation for Non-specialized-resource Creation

**N. A. P. Le, R. Jack, A. Pullen**

Macquarie University, Australia

The central notion of Service-Dominant logic is the specialisation of knowledge and skills by actors and exchanging the application of these resources for the application of knowledge and skills they do not process. While scholars emphasise the importance for actors to have ownership or access to resources to participate in the resource integration process for value co-creation, many industries in emerging markets face a shortage of resources in skills and knowledge as a result of underdeveloped labour markets. The situation challenges the nature of resource integration for value co-creation in emerging markets where the specialised resources from actor(s) in the service system do not exist for exchange. This study examines how resource integration happens in emerging markets. We argue that the focal actor in emerging markets has to develop competence, skills, and knowledge deficit in the service system beyond its specialisation. These resources are then transferred to its specific partners to build up their competencies so that the resource integration process can take place. Our research draws empirical evidence from a sample of leading local Vietnamese firms and contributes to the literature by providing an in-depth understanding of the implications of emerging markets context in the process of resource integration.

### Prior IJV Experience and its Impact on Partner Compatibility, Knowledge Transfer and Trust: Evidence from Emerging Markets

**K. Rotsios<sup>1</sup>, N. Sklavounos<sup>2</sup>, Y. Hajidimitriou<sup>2</sup>**

<sup>1</sup>American Farm School of Thessaloniki, Greece; <sup>2</sup>University of Macedonia, Greece

This research examines Greek firms participating in IJVs in South East Europe based on elements from the Resource Based View and Social Exchange Theory. It enhances the understanding of the role of prior IJV experience on the post-formation IJV dynamics. More specifically, our findings show a positive impact of the foreign partner's prior experience in the establishment and management of IJVs on partner compatibility as perceived by the foreign partner and on successful knowledge transfer to the IJV. However, the expected positive effect of the foreign partner's prior IJV experience on the level of trust the foreign partner has towards the local IJV partner is found to be statistically insignificant in the same national context.

### Green Patents: Evolution, Results and Challenges of the Brazilian Experience

**A. G. Lourenço Toledo**

Universidade Federal de Mato Grosso do Sul, Brazil

Since 2012 Brazil has an acceleration program in the examination of applications for patents from green technologies called the Green Patents Program. The objective of the program is to reduce the backlog of analysis by enabling agility in obtaining patents, stimulating the production of sustainable innovations and, in the long term, serving as a subsidy to Brazilian inventors who claim international patents. The analysis of the data provided by the National Institute of Intellectual Property shows that the time of analysis has decreased throughout the program, but other issues seem to arise in the research and development of green technologies. Thus, this study examines the development, the results and challenges of the Brazilian experience regarding the intellectual property of sustainable innovations and features points that dev and m being discussed for optimization of current policy.

## I 2.4.4: Emerging Market Marketing Strategies

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: MK 1.04

Session Chair: Jorge Carneiro, FGV Sao Paulo School of Business Administration, Brazil

### **The Impact of Brand Type Applied by Emerging Market Companies in Terms of the Country of Brand Origin on Customer Purchase Intentions: Evidence from Conjoint Analysis**

**M. K. Witek-Hajduk, A. Grudecka**

Warsaw School of Economics, Poland

This paper investigates whether the type of the brand applied by an emerging market company in terms of the country of brand origin (COBO) differentiate the purchase intentions of consumers and whether consumer ethnocentrism and materialism differentiate the relationship between the type of the brand used by an emerging market company in terms of the COBO and the purchase intentions of consumers. A conjoint analysis and the multilevel linear models were applied to answer these questions. According to our study, the type of brand applied by an emerging market company in terms of COBO differentiates consumers' purchase intentions, and consumers' ethnocentrism and materialism differentiate the relationship between the brand type in terms of COBO and the customers' purchase intentions. This study contributes to the existing literature by developing a deeper understanding of the impact of the brand type in terms of the COBO on the customer purchase intentions.

Key words: brand types, COBO, purchase intentions, emerging market companies, international branding, conjoint analysis.

### **The Battle to Win in the Indian Market: Exploring Foreign Companies' Product Offering Adaptations in Order to Be the Chosen Alternative**

**G. Alteren**

UiT Arctic University of Tromsø, Norway

Companies are faced with the challenge that it is not easy to attain acceptance for their product offerings sold in developed countries in an emerging market, resulting in low market shares and difficulties achieving profits. Many companies do therefore carry out adaptations to their product offerings after entry in order to improve results. This study explores adaptations carried out by three subsidiaries in India in order to develop their business. We propose a conceptual framework on marketing strategies in emerging markets. The findings do not only give an insight into various kinds of adaptations, but also to market characteristics (i.e. unpredictable market place, tough competitive situation) impinging on their business. Two of the companies started out by targeting the premium market segment but changed after entry some of the product attributes in order to be the chosen alternative by a larger share of the consumers. The third company is moving away from competing in the mass market by arranging and implementing a premium strategy. This study draws on the contingency perspective rooted in the standardization/adaptation debate and on key concepts (i.e. acceptability, affordability) developed within the emerging research field on marketing strategies for emerging markets.

### **The Effect of Corruption on Foreign Direct Investment Inflows Given the Rise of the Global Middle Class: A Panel Data Analysis**

**A. T.-L. Nguyen**

University of York, United Kingdom

Building upon the emerging of the global middle-class, this paper investigates the relationship between host country corruption and foreign direct investment (FDI) inflows using random effect and fixed effect models of panel data analysis at cross country level. The results found evidences that host country corruption facilitates FDI inflows. However, there exists a significant negative correlation between the two above mentioned variables if the host country is one of the high middle-class growth countries. This implies the strong local competition in host country where more educated professionals would challenge foreign investors to bribe or to penetrate the market, and thus deterring the inward FDI. Meaningful implications from this result shape a better understanding of MNEs' strategic investment decisions and open up a new research direction.

## I 2.4.5: MNE Internationalisation Decisions

Time: Sunday, 15/Dec/2019: 4:00pm - 5:30pm · Location: Liberty G.33  
Session Chair: Peter Liesch, The University of Queensland, Australia

### Onshore-offshore Decisions for High-tech Shipbuilding Projects

**E. Devold, H. Solli-Sæther**

Norwegian University of Science and Technology, Norway

In this paper, we study Norwegian ship-owners on-shoring and offshoring decisions when building advanced offshore support vessels. Innovative shipbuilding requires a good relationship between partners in the shipbuilding project. Therefore, we focus on the challenges of how social capital in business networks and project characteristics will influence the sourcing decision in shipbuilding projects. The research question investigated is how does partner relationship and project characteristics influence the sourcing decision in shipbuilding projects? Data from a Norwegian owned fleet of 456 vessels are used to investigate the dependence of complexity/ novelty, whether ship-owner are located within the shipbuilding cluster, and previous building experience from building abroad or in Norway on the probability of ship-owners to on-shore their next shipbuilding project. We did find significant effects of such dependency.

### Time to Return: When and Why Past Success and Failure Experience Matter in Foreign Market Re-entry

**L. Tang<sup>1</sup>, C. M. P. Sousa<sup>2</sup>, X. He<sup>1</sup>, J. Lengler<sup>1</sup>**

<sup>1</sup>Durham University, United Kingdom; <sup>2</sup>Molde University College, Norway

In this paper we examine the re-entry decision. By doing so, we develop a conceptual model with six propositions that investigates why and when past failure and success experience affect the re-entry decision. With the focus on the different types of aspirations, the direction of the performance discrepancy, and boundary condition of time-out period, this model suggests that small past failure and big previous success are likely to trigger re-entry. This relationship is contingent on the length of time-out period.

### Should Locally Embedded FA's Managers Trust the Parent Company? An Investigation of the Foreign Exit Decision

**Q. Tan<sup>1</sup>, C. M. Sousa<sup>2</sup>**

<sup>1</sup>Xiamen University, China; <sup>2</sup>Molde University College, Norway

More research is necessary to understand firm's exit decision as demonstrated by recent calls by scholars for a greater understanding of this phenomenon. The few studies that have investigated firm's divestment decision have focused on poor performance. This study extends the literature by examining the impact of managerial self-concern in the decision to exit a foreign market. Drawing on the agency theory we postulate that managerial self-concern is internally bounded by trust and further externally bounded by the business context. Using data from multiple respondents from Chinese outward foreign direct investment (OFDI) firms, we find support for our hypotheses. Implications of the findings are discussed.

### Revisiting Coordination Demands of Subsidiary Strategies : Higher Informal Mechanisms for Competitive Local Responsiveness

**H. Kim**

Tohoku University, Japan

What assumed in existing discussions on subsidiary strategies and coordination mechanisms do not fully reflect changed nature of global competitions. I conducted an in-depth qualitative study into one MNC, focusing on its eight overseas units. A group of units aiming for global integration strategy and another group of units for local responsiveness strategy are comparatively analyzed in terms of coordination mechanisms. The results suggest that while global integration units have high formal coordination mechanisms, local responsiveness units have high informal coordination mechanisms. Sourcing headquarters' knowledge and adapting it to local markets and customers with speed has become a primary challenge for local responsiveness units, for which informal and subtle coordination mechanisms has been built among headquarters. These findings highlight that our stereotype of local responsiveness units and old assumptions of coordination mechanisms need to be reexamined in today's context.

### Intellectual Property Rights on Entry Modes: A Meta-analytic Review

**D. Christopoulou<sup>1</sup>, V. Bamiatzi<sup>1</sup>, C. Pattnaik<sup>2</sup>, D. Sardana<sup>3</sup>**

<sup>1</sup>University of Liverpool, United Kingdom; <sup>2</sup>University of Sydney, Australia; <sup>3</sup>Griffith University, Australia

This paper consolidates the state of academic research on the effect of IPR systems on MNEs' entry mode decisions. We conducted a meta-analytic review of 59 empirical papers published from 1988-2016 and identify four reasons for the mixed results in the existing literature. Our analysis demonstrates that the inconsistencies in the IPR systems and entry modes research is due to the following factors which have not been accounted for in the conceptualisation and empirical validation of the relationship: (1) the adoption of TRIPs agreement, (2) host country economic development, (3) measurement of IPR, and (4) multiple theoretical lenses applied to examine the topic. We recommend the adoption of a contextualisation approach, strongly advocating for the re-examination of the effects of IPR systems on entry modes in a narrower context where clear boundaries are set to make results are more representative.

### **P 3.13: Teaching Cross-Cultural Competence in Traditional, Online, and Hybrid Formats**

*Time:* Sunday, 15/Dec/2019: 4:00pm - 5:30pm · *Location:* MK G.31

*Session Chair:* John David Branch, University of Michigan, United States of America

#### **Teaching Cross-Cultural Competence in Traditional, Online, and Hybrid Formats**

**J. D. Branch<sup>1</sup>, D. Wernick<sup>2</sup>, R. Parente<sup>2</sup>, F. De Beule<sup>3</sup>**

<sup>1</sup>University of Michigan, United States of America; <sup>2</sup>Florida International University, United States of America; <sup>3</sup>KU Leuven, Belgium

The purpose of this panel is to explore cross-cultural competence, with a view to 1) fostering a better understanding of cross-cultural competence; and 2) equipping management and IB instructors with a set of pedagogical best practices for teaching cross-cultural competence. Specifically, the panel

aims to illuminate the conceptual debate around cross-cultural competence, and identify points of convergence across various streams of literature. The panel will also examine the question of whether or not cross-cultural competence can taught, and enumerate some instructional methods which might facilitate the learning of cross-cultural competence in traditional, online, and hybrid formats.

## P 4.1: When Time Matters: Rethinking the Role of Time in IB Theory and Practice

*Time:* Sunday, 15/Dec/2019: 4:00pm - 5:30pm · *Location:* MK G.02

*Session Chair:* Emmanuella Plakoyiannaki, University of Leeds, United Kingdom

### When Time Matters: Rethinking the Role of Time in IB Theory and Practice

**E. Plakoyiannaki<sup>1</sup>, M. Hassett<sup>2</sup>, E. Paavilainen-Mäntymäki<sup>3</sup>, E. Rose<sup>1</sup>, E. Tippmann<sup>4</sup>**

<sup>1</sup>University of Leeds, United Kingdom; <sup>2</sup>University of Sheffield, UNITED KINGDOM; <sup>3</sup>University of Turku, Finland; <sup>4</sup>NUI Galway, Ireland

Time is an integral part of business phenomena and the research that investigates them. The current international and global environment is changing more rapidly than ever before. Climate change, migration, trade wars, political volatility, technological disruptions (e.g., artificial intelligence) and the depletion of natural resources mark some of grand challenges that firms around the world are facing. Such rapid change tests traditional theories, challenging their timeliness and applicability. While scholars are calling for grand theories to address grand challenges, firms are struggling with the timing of their international business activities in an uncertain, complex and contingent environment. The purpose of this panel is to problematise time in IB scholarship by unpacking the role of time in three important domains, i.e. the philosophical domain associated with researchers' key assumptions about time; the conceptual domain, which is linked to the treatment of time in a study; and the methodological domain, which is related to the operational choices that accommodate temporal understanding of investigated concepts or constructs.