

## Session

### PS 2: Plenary Poster Session II

Time: Sunday, 15/Dec/2019: 1:00pm - 2:00pm

Session Chair: Christos Antoniou, University of Leeds, United Kingdom

Location: Refectory Mezzanine

Refectory, Mezzanine, Leeds Student Union

Session Topics:

Track 1: Learning from History -- Economic, Social and Political Lessons, Track 2: International Finance, Accounting and Governance, Track 3: Emerging Markets & Regional Perspectives, Track 4: Global Marketing, Track 5: Global Strategy, Track 6: People & Culture, Track 7: Global & Local Economics & Institutions, Track 8: The Global Service Firm, Track 9: Entrepreneurship & Family Firms, Track 10: Geographic & Socio Political Dimensions of Globalization, Track 11: The Global Value Chain, Track 12: Knowledge, Technology & Innovation, Track 13: Innovations in Teaching IB, Track 14: MNE Structure, Process & Operations

## Presentations

### 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

Although resource and systemic powers have been present in international business literature for almost 30 years, their conceptual sources have not been tested yet. Hence, 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.

### **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.

### **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 in the literature on Industry 4.0 and Global Value Chain disruption. Current literature strongly focuses on SMTs effect on the reshoring of manufacturing activities back to developed countries, neglecting the increasing importance of customer proximity and decentralization options SMTs offer. 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 IPC-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) 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>**

<sup>1</sup>LUT University, Finland; <sup>2</sup>Universidad EAFIT, Colombia

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.

### **The Impact of ODA and FDI in Promoting Socioeconomic and Human Capital Development in Three Southeast Asian Tiger Economies: Myanmar, Thailand and Indonesia**

**J. Soehardjojo**

IDE-JETRO & Cardiff Business School



Current research project examining the tripartite arrangements between Japanese government, multinational corporations (MNCs) and business associations (includes NGOs and research institutes) in promoting sustainable host country labour market institutions, skills and development. Through an empirical exploration of the roles of employee representatives and networks, this research investigates the issue of meso-level layering in the context of Japanese MNCs (JMNCs), specifically in their management of local institutional constraints, i.e. regulations and management resistance. Furthermore, it examines the strategies adopted by quasi-government agencies and business associations in cross-border management transfer processes. The focus is on the coordination and roles of Japanese quasi-government agencies in promoting sustainable human capital development of the host-countries by diffusing Japanese human resource management and employment relations (HRM-ER) practices and policies to foreign subsidiaries in diverse institutional settings.

### **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.

## **A Comparative Analysis of China and India's Investment in Sub-Saharan Africa**

**L. Liu<sup>1</sup>, J. Henley<sup>1</sup>, Z. Jin<sup>2</sup>**

<sup>1</sup>University of Edinburgh, United Kingdom; <sup>2</sup>Changzhou Institute of Technology, China

This paper investigates in comparative perspective the behaviour and strategies of Chinese and Indian manufacturing and service firms in Sub-Saharan Africa. We compare the motivations, sectoral distribution, corporate governance and ownership, and linkages with local African firms. Our study has four major findings. First, on motivations for investment, the Chinese and Indian manufacturing and service firms in SSA aim to target local markets. Second, on the sectoral distribution of FDI, both Chinese and Indian firms focus on labor-intensive sectors over which they have competitive advantages, while Chinese firms focus more on textiles and garments, and India firms on chemicals and retails and wholesale. Third, on the governance forms of the firms, both the Chinese and Indian firms show a strong preference for wholly owned ownership and greenfield investment, both relying on their own managers in business operations. Fourth, on linkages with local firms, both Chinese and Indian firms extensively use international suppliers to source their production inputs, because local suppliers are less competitive in terms of product quality and price. However, Indian firms have relatively greater involvement with external networks and have more overseas and local suppliers. They also have a stronger tendency to transfer knowledge to local firms compared to Chinese firms.

## **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. Steinhäuser, 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**

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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**

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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**

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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

### **Digital Technology-based Business Model for Inclusive Development**

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Building sustainable and inclusive societies remains a top priority of the United Nation 2030 Sustainable Development Goals (SDGs) which incorporates global ambitions towards a fair and justifiable world order (UN, 2015). "Leave no one behind" has been a key objective of this agenda, whereas the poor (in particular the youth and women) are often being marginalised and excluded from market participation. This focus on inclusive development foregrounds attention to changing conceptions of markets and business models that make use of emerging technologies and platforms. With the rapid pace of new technologies advances, the need for innovative solutions has become extremely important: Digital technology can become both an equaliser and a disruptive factor in labor markets. More importantly, they can empower marginalised communities. Drawing on inter-disciplinary engagements from technology, business model, and inclusive innovation, this paper aims to fill the gaps in the literature by (1) develop, test, and confirm a digital technology-based business model which enables the marginalised communities to start a business based on knowledge, skills, and experience while requiring minimum initial capital investment, and (2) evaluate the impact of this digital technology-based business model on job, income creation, and capabilities building.

### **Headquarter-subsidiary Relationship: The Change of the Emerging Country Subsidiary Role by Generation of Technological Knowledge**

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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**

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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.

### **MNE Responses to Institutional Voids: The Case of International Hotel Chains in Emerging Markets**

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This paper explores the influence of the MNE country of origin on its responses to institutional voids in emerging markets. We study the cases of four MNE subsidiaries of international hotel chains from liberal, coordinated and emerging market economies, operating in the same host emerging market. We explore and compare how these different international hotel chains operate IHRM in response to the same sets of institutional voids experienced in the host country; Egypt. Our results show different degrees of convergence/divergence

across different HR measures for subsidiaries of different types of market economies. Our findings contribute to the discussion MNE responses to institutional voids in emerging markets and more generally to IHRM in the hospitality sector.

### **Spilling over Where? Host Country Industry Development and the Legitimacy of Foreign MNEs**

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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**

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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**

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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.

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

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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.

### **Agglomeration of Firms into Geographic Clusters and Business Groups – Substitutes or Complements for Internationalization and Performance?**

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While extant literature highlight 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**

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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**

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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>**

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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**

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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 to immense carbon emissions 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.

### **Word of Mouth: A Bibliometric Co-citation and Co-word Analysis**

#### **C. Andersen**

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Word of mouth (WOM) is considered as one of the most influential factors that affect consumer behavior. This study reviews the existing literature on WOM by applying a bibliometric co-citation analysis and a co-word analysis. 149 articles in 25 top marketing journals from the ISI Web of Science are analyzed. In total, 6575 citations were used to examine key contributions, underlying research streams, the use of theories, journals, the center of expertise and keyword analysis. Five research streams were identified. Future research areas are suggested by proposing 12 research questions. This comprehensive study provides an overview of research on the vital topic of WOM for academics and practitioners. It also stimulates the development of further knowledge on WOM.

### **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>**

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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**

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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.