

Proceedings of the  
**59<sup>th</sup> Annual Meeting**

of the



**Academy of International Business**

*"The Contribution of MNEs to Building Sustainable Societies"*

Dubai, United Arab Emirates  
July 2-5, 2017

*Editors*

Sarianna Lundan, Program Chair  
Tunga Kiyak, AIB Managing Director

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59<sup>th</sup> Annual Meeting  
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*"The Contribution of MNEs to Building Sustainable Societies"*  
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Melodena Stephens Balakrishnan – AIB MENA Chapter Chair

# AIB 2017 PROGRAM OVERVIEW

Friday, June 30		Saturday, July 1		Sunday, July 2
	8:00-8:15		-8:15	
	8:15-8:30		8:15-8:30	
	8.30-8.45		8.30-8.45	
	8.45-9.00		8.45-9.00	
AIB Board Meeting 9:00-17:00	9.00-9.15	AIB Board Meeting 9:00-17:00	9.00-9.15	AIB Community Engagement Day 8:30-16:00
	9.15-9.30		9.15-9.30	
	9.30-9.45		9.30-9.45	
	9.45-10.00		9.45-10.00	
	10.00-10.15		10.00-10.15	
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20.00-20.30	20.00-20.30			
20.30-21:00	20.30-21:00			
				AIB/JIBS Paper Development Workshop 8:30-13:30
				AIB Chapter Leadership Workshop 9:00-14:00
				New Member Welcome 16:00-17:00
				AIB 2017 Opening Plenary Keynote Speaker: Fadi Ghandour 17:15-19:30
				Presidential Reception 19:30-21:00

Monday, July 3	
Fellows Café 8:00-8:45	
1.1 Concurrent Sessions 9:00-10:15	
COFFEE BREAK 10:15-10:45	
1.2 Concurrent Sessions 10:45-12:00	
LIGHT LUNCH 12:00-13:00	<i>JIBS Editorial Board Meeting</i>
1.3 Concurrent Sessions 13:00-14:15	
BREAK 14:15-14:30	
1.4 Concurrent Sessions 14:30-15:45	
COFFEE BREAK 15:45-16:15	
1.5 Concurrent Sessions 16:15-17:30	
Townhall Global Business in a Less Globalized World 17:45-18:45	

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Tuesday, July 4	
Fellows Café 8:00-8:45	
2.1 Concurrent Sessions 9:00-10:15	
COFFEE BREAK 10:15-10:45	
2.2 <b>Eminent Scholar Plenary</b> 10:45-12:00	
LIGHT LUNCH 12:00-13:00	<i>AIB Fellows Business Meeting</i>
2.3 <b>Educator of the Year and Concurrent Sessions</b> 13:00-14:15	
BREAK 14:15-14:30	
2.4 Concurrent Sessions 14:30-15:45	
COFFEE BREAK 15:45-16:15	
2.5 Concurrent Sessions 16:15-17:30	
Townhall <b>AIB Chapters</b> 17:45-18:45	
<b>AIB Gala Event</b> <i>Dubai Ballroom</i> 19:00-22:30	

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Wednesday, July 5	
Fellows Café 8:00-8:45	
3.1 Concurrent Sessions 9:00-10:15	
COFFEE BREAK 10:15-10:45	
3.2 <b>Buckley-Casson Dissertation Award and Concurrent Sessions</b> 10:45-12:00	
LIGHT LUNCH 12:00-13:00	
3.3 <b>JIBS Decade Award and Concurrent Sessions</b> 13:00-14:15	
BREAK 14:15-14:30	
3.4 Concurrent Sessions 14:30-15:45	
COFFEE BREAK 15:45-16:15	
3.5 <b>AIB Awards Ceremony and Business Meeting</b> 16:15-17:45	
<b>AIB Farewell Reception</b> 17:45-19:00	

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# ABSTRACTS

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**ABSTRACTS FOR SUNDAY, JULY 2, 2017**

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**Session: 0.8 - Plenary**

***AIB 2017 Opening Plenary***

**Presented On:** July 2, 2017 - 17:15-19:30

Chair: Sarianna Lundan, University of Bremen

*Official opening and greetings*

Masaaki Kotabe, Temple University

H.E. Dr. Ali Sebaa Al Marri, Executive President, Mohammed Bin Rashid School of Government

Sarianna Lundan, University of Bremen

*Presentation of the AIB Fellows International Executive of the Year Award to Fadi Ghandour*

Robert E. Grosse, Thunderbird School of Global Management

Paul Beamish, Ivey Business School

*Keynote Speaker:*

Fadi Ghandour, Aramex / Wamda Capital

*Panel Discussion:*

Fadi Ghandour, Aramex / Wamda Capital

Ravi Ramamurti, Northeastern University

Stefanie Lenway, Opus College of Business

Robert E. Grosse, Thunderbird School of Global Management

*(For more information, please contact: Sarianna Lundan, University of Bremen, Germany: s.lundan@uni-bremen.de)*

## ABSTRACTS FOR MONDAY, JULY 3, 2017

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**Session: 1.1.1 - Panel**

**Track: 4 - Innovation and knowledge management**

### *Places and Spaces in the Information Age*

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Philippe Gugler, University of Fribourg

Discussant: John Cantwell, Rutgers University

*Panelists:*

Lucia Piscitello, Politecnico di Milano

Ram Mudambi, Temple University

Erkko Autio, Imperial College Business School

The crucial issue of the role of location has gained a revitalized momentum in the new context of the so-called "digital economy". The aim of the Panel's round table is to tackle important questions linked to new developments caused by digital economies and to highlight different opinions and approaches that will be developed in future research. The panelists will be asked to answer and to debate the following questions and issues: Is the so-called "Industry 4.0" already a reality for IB? How does the digital economy affect the global value chains in terms of geography/location and governance? What is the role of global production networks (GPNs)? Is the main IB theoretical framework still valid in the digital economy? What are the main challenges faced by institutions and governments to address inter alia the impact of MNEs on sustainable development in the global digital economy. *(For more information, please contact: Philippe Gugler, University of Fribourg, Switzerland: philippe.gugler@unifr.ch)*

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**Session: 1.1.2 - Competitive**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

### *Climate Change and the Environment: Where do We Stand?*

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Bryan W. Husted, Tecnológico de Monterrey

#### *Trade-Based Adoption of Voluntary Environmental Programs in the Developing World: Racing to the Top or Stuck in the Mud?*

Jonas Gamso, Arizona State University

Scholars have consistently found that firms in developing countries adopt voluntary environmental programs (VEPs) in high numbers when their major trade partners are home to large numbers of well-regulated firms, indicating that trade produces a "race to the top" in environmental regulation. This finding has been attributed to competitive pressures, as importers based in countries with stringent regulations are said to promote and, at times, require regulatory stringency by their foreign suppliers. However, qualitative literature only identifies such promotion efforts among importers based in a handful of advanced industrialized countries, suggesting that exporting to firms based elsewhere does not generate these competitive pressures or contribute to the race to the top. In light of this possibility, this study contrasts the diffusion effects that accompany trade with promoter countries (whose firms promote the adoption of VEPs by foreign suppliers) from the diffusion effects accompanying trade with non-promoters. Findings demonstrate that developing countries only experience a race to the top in terms of ISO 14001 (a widely adopted VEP) through their exports to promoter countries. In

contrast, exporting to non-promoters produces a “stuck in the mud” effect, as developing countries’ regulations remain low even as those of their non-promoter import partners rise. *(For more information, please contact: Jonas Gamsó, Arizona State University, USA: [jonas.gamsó@thunderbird.asu.edu](mailto:jonas.gamsó@thunderbird.asu.edu))*

*Do Capital Markets Price Environmental Sensitivity?*

Chang Hoon Oh, Simon Fraser University  
 Daniel Shapiro, Simon Fraser University  
 Shuna Shu Ham Ho, Simon Fraser University  
 Jiyoung Shin, Simon Fraser University

Using an event study method we investigate the degree to which capital markets price potential environmental risk for a cross-country sample of mining firms. We build a unique data set that includes the proximity of a mine to ecological areas and water sources and their size. We then ask whether the market discounts non-environmental announcements by the firm more if the mine is closer to such areas. On balance, our results indicate that financial markets do tend to impose an environmental discount on firms making non-environmental announcements whose mines, by virtue of their location, are subject to potential environmental risk. At the same time, the potential risk discount does depend on the governance quality of the country in which the mine is located such that mines located in countries with stronger governance institutions face larger environmental risk premia. Specifically, capital markets penalize mining companies that operate near large, environmentally sensitive sites in countries with high governance quality more than in countries with low governance quality. *(For more information, please contact: Chang Hoon Oh, Simon Fraser University, Canada: [coh@sfu.ca](mailto:coh@sfu.ca))*

*What Drives Community Engagement Performance in Emerging Multinational Enterprises?*

Xueli Huang, RMIT University  
 Warren Staples, RMIT University  
 Xiaohua Yang, University of San Francisco

This paper investigates the performance of corporate community engagement by emerging multinational enterprises (EMNEs) in Australia. EMNEs face challenges in reconciling home and host country environments when conducting corporate community engagement (CCE). We draw on stakeholder and institutional theory to extend the understanding of the factors influencing CCE performance by MNEs from emerging economies. Based on qualitative in-depth case studies of three Chinese-controlled mining companies operating in Australia, we uncovered two major sets of factors that influence the CCE practices and performance of Chinese MNEs in Australia: stakeholder salience and corporate strategic CSR posture. Our findings highlight how stakeholder salience drives the performance of Chinese MNEs’ CCE programs. Furthermore, corporate strategic CSR posture affects the relationship between stakeholder salience and CCE performance. *(For more information, please contact: Xueli Huang, RMIT University, Australia: [charlie.huang@rmit.edu.au](mailto:charlie.huang@rmit.edu.au))*

*A Network View on Business-Political Interaction for Sustainable Development: The Cases of ICT Projects in Brazil*

Emilene Leite, Uppsala University  
 Cecilia Pahlberg, Uppsala University  
 Amjad Hadjikhani, Uppsala University

While there are extensive researches focused on MNCs’ activities in both developed and developing markets, there are limited studies on how MNCs manage their relationships with political actors in emerging countries. This paper aims to contribute new knowledge on how MNCs, through sustainable development projects, manage their relationships with political actors. Two comparative cases illustrating the application of ICT (Information Communication Technology) projects applied to cities in Brazil are analyzed. The network relationships include the elements of legitimacy, cooperation and knowledge. The study reveals the complexity in the interactions between the actors and indicates that legitimacy and knowledge in the business-political relationships are vital

to turn challenges into opportunities. Our study contributes with knowledge not only to the research community but also to practitioners, who thus gain a more systematic understanding of their relationships in the political arena. *(For more information, please contact: Emilene Leite, Uppsala University, Sweden: emilene.leite@fek.uu.se)*

**Session: 1.1.3 - Panel**

**Track: 8 - International business policy**

***History and the Debate over Intellectual Property***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Alain Verbeke, University of Calgary

*Panelists:*

Mike W. Peng, University of Texas at Dallas  
 Shawn M. Carraher, University of Texas at Dallas  
 Weilei (Stone) Shi, Baruch College  
 Ilan Vertinsky, University of British Columbia

Using a Point-Counterpoint debate format, this panel focuses on the crucial debate over intellectual property rights (IPR) between the United States and China. Peng, Ahlstrom, Carraher, and Shi point out that during the 19th century the United States was not a leading IPR advocate as it is today, but was a leading IPR violator. Developing an institution-based view of IPR history, they identify three underlying mechanisms—path dependence, long-term processes, and institutional transitions. They argue that both the US refusal to protect foreign IPR in the 19th century and the current Chinese lack of enthusiasm to meet US IPR demands embody rational responses to their respective situations. However, in the long run, institutional transitions in favor of better IPR protection are possible. Finally, they draw on the IPR history in over ten other countries to develop a more globally generalizable framework. In sharp contrast with the above, Vertinsky argues that China is not in the same position today as the United States was in the 19th century and that the long-term processes affecting its evolution will be quite different. The US and other Western powers should consider the use of any bargaining power presently at their disposal to compel China to enhance IPR protection before this power is eroded over time. *(For more information, please contact: Alain Verbeke, University of Calgary, Canada: averbeke@ucalgary.ca)*

**Session: 1.1.4 - Panel**

**Track: 2 - Managing the value chain**

***Competitiveness of Asian vis-à-vis Western Firms and Nations: Concepts, Measurements and Explanations***

**Presented On:** July 3, 2017 - 09:00-10:15

Chairs: Chris Baumann, Macquarie University and Hemant Merchant, University of South Florida St. Petersburg  
 Discussant: Chris Baumann, Macquarie University

*Panelists:*

Chris Baumann, Macquarie University  
 Michael Cherry, Macquarie University  
 Tony Fang, Stockholm University  
 Hemant Merchant, University of South Florida St. Petersburg

Rosalie Tung, Simon Fraser University  
Edward Davis, University of Sydney

East Asia outperforms the West academically, for example, and Korean latecomer brands such as Samsung (electronics), Hyundai and Kia (cars) have now entered the top 100 most valued brands in the world. Many Chinese corporations are among the largest in the world in their respective industries. While parts of Asia have become fiercely competitive, other parts of Asia is slowing down, as of late. In particular Korea, Japan and Taiwan's economic growth is slowing down, barely higher, if at all, than the developed economies of the West. Also, if we examine the Global indices on a nation's competitiveness, the picture is not necessarily bright for Asian countries. The panel will delve into this issue of Asian competitiveness, at a micro level, to make sense of conflicting evidence on Asia's economy and productivity. A wide range of aspects will be discussed, ranging from education to a China/India comparison, a fresh look at Chinese/Western collaboration, and a new concept of competitive productivity is introduced. As such, this panel will challenge the traditional understanding of competitiveness and offer a new lens on the changed market dynamics in the West and in Asia. *(For more information, please contact: Chris Baumann, Macquarie University, Australia: chris.baumann@mq.edu.au)*

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**Session: 1.1.5 - Competitive**

**Track: 6 - Human resource management**

### *Identity Perspectives in Understanding Global Work*

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Salma Soliman, Middlesex University

#### *Prosocial Behaviors by Host Country National Employees to Expatriates in Foreign Subsidiaries: A Common Ingroup Identity Perspective*

Vesa Peltokorpi, Saitama University

Social categorization in the expatriate literature is predominately assumed through a clear division between ingroups and outgroups to have negative effects on prosocial behaviors by host country national (HCN) employees to expatriates in foreign subsidiaries. However, the common ingroup identity model (CIIM) suggests that a creation of dual identity through recategorization processes facilitates prosocial behaviors. Drawing on the CIIM, we hypothesized that organizational identity has a moderating effect between expatriate categorization and dual identity, such that the relation is negative when organizational identity is lower. In addition, we hypothesized that dual identity mediates the positive relationship between expatriate categorization and two prosocial behaviors: information sharing and affiliative citizenship behavior. Results from data collected from 1,290 HCN employees at two points in time in foreign subsidiaries in Japan provide support for these hypotheses and our moderated mediation model. *(For more information, please contact: Vesa Peltokorpi, Saitama University, Japan: vesap@jaist.ac.jp)*

#### *An Identity-Based Framework for Effectiveness in Complex Multicultural Teams*

Sonia Raghav, University of Western Australia

Cristina Gibson, University of Western Australia

Multiple identities, including cultural, organizational, professional and team identities, shape important outcomes in organisations, such as individual stress and well-being, conflict, performance and change. The ability to negotiate one's multiple social identities has become an important issue for many people given the increasing social complexity of modern society. We examine these intrapersonal identities and the inter-relationship between them, as well as interpersonal relations and communication patterns in the context of multidisciplinary patient care teams in healthcare organisations. We integrate identity literature with the concept of relational

coordination to assess the impact of such intrapersonal and interpersonal interactions on quality of performance. We also consider important potential points of leverage which change the relationship between identity patterns and relational coordination such as multidisciplinary training, multidisciplinary meetings and use of boundary spanners. As we show, these practices have the power to enhance positive implications of multiple sources of identity in teams. Together, the study contributes not only to the identity and team literature but also provide important recommendations for policy guidelines in global healthcare management. *(For more information, please contact: Cristina Gibson, University of Western Australia, Australia: cristina.gibson@uwa.edu.au)*

*Job Satisfaction of Returnees to Japan*

Ralf Bebenroth, Kobe University

Lara Makowski, Kobe University

We investigate how Japanese returnees' job satisfaction is influenced by organizational identification, motivational cultural intelligence, and the degree of 'Japaneseness' of the business system at the workplace. Based on the tenets of social identity theory as well as from the person-environment (P-E) fit perspective, we find that returnees with stronger organizational identification enjoy higher job satisfaction. Furthermore, the degree of "Japaneseness" of the firm's business system is negatively correlated with the returnee's job satisfaction. Firms with Western-oriented business systems have, in fact, more returnees who have a higher degree of job satisfaction. Also, even though we do not find any direct relationship between motivational cultural intelligence and job satisfaction, there is some weak evidence to suggest that motivational cultural intelligence moderates the influence of the Japanese business system on returnees' job satisfaction. In this regard, there is a group of returnees with higher motivational cultural intelligence who state they have higher job satisfaction when working in firms with a rather Japanese business system. *(For more information, please contact: Ralf Bebenroth, Kobe University, Japan: rbeben@rieb.kobe-u.ac.jp)*

*The Formation of Fairness Perceptions and Responsive Behavior of Chinese Employees Towards their German Organization*

Joerg Bueechl, Tuebingen University

Markus Pudelko, Tübingen University

Enriching cross-cultural organizational justice literature with social exchange theory, our explorative, qualitative study reveals how (collectivist) Chinese inpatriates working in Germany and Chinese locals working in China assess the overall fairness of their organization how they respond to their fairness perceptions. Our analysis is based on 50 semi-structured interviews with Chinese inpatriates working at German headquarters and 15 additional interviews of Chinese host country nationals working in German subsidiaries in China. Our findings illuminate which factors Chinese host country nationals take into consideration when assessing the overall fairness of the employing organization, moving beyond the traditional four justice dimensions (distributive, procedural, interpersonal and informational justice). As a consequence of organization based fairness perceptions, Chinese local employees working in China mostly direct their responses towards their supervisors, while Chinese inpatriates undergo a cultural identity negotiation process, directing responsive behavior towards the organization. *(For more information, please contact: Joerg Bueechl, Tuebingen University, Germany: joerg.bueechl@uni-tuebingen.de)*



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**Session: 1.1.6 - Competitive**  
**Track: 9 - Teaching IB**

***Coping with Big Challenges & Contextual Opportunities in Teaching IB***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Maria Elo, University of Turku

*Challenges, Hurdles and Opportunities in Teaching IB Course (Case of Ethiopian Universities)*  
Marigowda Jagadeesha, K L University

This paper attempts to address the most important challenges faced by expatriate faculties in teaching International Business. How to bring the real world into classroom or training environment by providing; the needed platform and systematic step-by-step process to students and their roles as managers as decision-makers in implementing global or regional strategies. Business students have an affinity for learning practical business skills rather than theoretical. Transformative Experiences in Teaching International Business contexts: an online study should be blended in learning System across geographies; links the course curriculum design based on market demands as well as employers; The college of business and economics or business schools are centre of learning, mentoring and producing business leaders or leadership qualities on one side and develops, leads, shapes, and trains business leaders across the globe on the other side; is a choice of the school for business aspirants. The school department heads are challenged to raise the bar for graduate students continuing competitiveness by focus group discussions among employers from different industries to determine the primary skills look for in candidates as well as the most important attribute of companies. *(For more information, please contact: Marigowda Jagadeesha, K L University, India: jaggisun@gmail.com)*

*Educating Ethical Future Leaders for International Business*  
Milla Wiren, University of Turku School of Economics

International business is ultimately about connections between decisions, actions and both intended consequences and surprising repercussions. Therefore it's vital to educate future business leaders who are able and willing to try to unravel the potential ripple-effects their decisions carry also in regards to ethical issues - the wider natural, social and economic environment. The topic of this Teaching IB special track presentation is ethical education. It is approached through behavioral ethics, meaning that the ethical education is embedded in a wider course of International Business Strategy, taking place in a collaborative setting consisting of four universities. The students come from more than 20 countries and solve strategy related cases in international virtual teams with members from all collaborating universities. This paper and the proposed presentation focus on the final case of the course, which deals explicitly with the wider global implications of business decisions and actions. Following a four stage process model of ethical decision making, the desired impact of the session is developing students who 1) are morally aware, 2) can formulate ethically defensible decisions, 3) want to act ethically and 4) can do so also in real situations - while capable of solid business strategizing as well. *(For more information, please contact: Milla Wiren, University of Turku School of Economics, Finland: milla.wiren@utu.fi)*

*The Essential Role of International Business Education in the Fight against Political Corruption*  
Nicholas D. Rhew, Coastal Carolina University  
Robert Steinbauer, Brock University

Political corruption is a millennia old phenomena with wide-ranging and well-documented negative social effects, especially at the macro-economic level. Despite many national laws and regulations and sweeping international agreements or supranational conventions, political corruption continues to limit the development potential of many nations. Given the prevalence of political corruption across the globe, discussions of the laws

surrounding corruption have appeared in many leading international business and global strategy textbooks. In this paper and presentation, however, we seek to shift the framing of the issue by first using conceptualizations of moral intensity as an organizing framework for understanding the continued plague of political corruption as a moral issue. Using this issue-contingent approach, we posit that, at the point of transaction, the negative effects politically corrupt activities are not felt, while, unfortunately, the benefits are. This could lead to perceptions that political corruption is an issue of low moral intensity, which could then lead to managers engaging in political corrupt activities. We discuss curricular and co-curricular tools for increasing students' perceptions of the moral intensity of political corrupt activities. With these suggestions, we hope to better equip instructors to tackle this topic in ways that better equip students to operate ethically when they enter the global workforce. (For more information, please contact: Nicholas D. Rhew, Coastal Carolina University, USA: nrhew@coastal.edu)

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**Session: 1.1.7 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***Entrepreneurs, Exporters and MNEs from Emerging Markets***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Marin Alexandrov Marinov, Aalborg University

*African Entrepreneurial Viewpoints versus Macroeconomic Outcomes*

Mathew Egu, University of South Africa

Germinah Chiloane-Tsoka, University of South Africa

Siphiwe Dhlamini, University of South Africa

This study uses the Global Entrepreneurship Report (GEM) report to illustrate the impact that shifts in African macroeconomic data have on both the extent and nature of entrepreneurial activity. Based on contemporary entrepreneurship literature, we investigate the relationship between the Total Entrepreneurial Activity (TEA) rate of African countries and various macroeconomic variables, in order to identify the real impact that they have on entrepreneurial attitudes and behaviour, using available secondary data over the years 2008-2015. The main finding of this study indicates that the Gross Domestic Product (GDP) at current market prices and the real growth rate of Africa's GDP (which is the highest in the world), as well as the level of the net Foreign Direct Investment (FDI) are positively related to the TEA rate. However, the degree of economic freedom in Africa negatively impacts on the TEA rate because it hinders the operation of small businesses. The evidence provided in this study is consistent with the findings of prior studies that attest to these facts. Furthermore, this study uses a generalised linear model to affirm the statistical significance of these relationships. The key overall findings of this study reveal that Africans have a positive attitude about entrepreneurship.

(For more information, please contact: Mathew Egu, University of South Africa, South Africa: 46242597@mylife.unisa.ac.za)

*Social-Economic Tension of MNC Expansion in Emerging Markets: The Role of International Attention and Within-Country Institutional Heterogeneity*

Meng Zhao, Renmin University of China

Xufei Ma, Chinese University of Hong Kong

Seung Ho Park, China Europe International Business School

Balancing economic returns and social externalities is becoming a serious strategic consideration for multinational corporations (MNCs) to expand in emerging markets considering the rise of local stakeholder challenges. Existing studies of MNC internationalization fail to understand this issue because they focus on: 1) the economic rather than the social outcome of the local expansion; 2) the global move rather than the within-

host-country expansion. As a result, existing research provides little knowledge about how MNC strategies and within-country institutional heterogeneity explain the social outcome of MNC expansion in emerging markets. This paper combines studies of internationalization and international attention to fill in this gap. We found that an MNC is more likely to encounter a consumer-related public crisis if the expansion: 1) is irregular; 2) weights to regions with lower government intervention; 3) weights to regions with higher consumer activism. We also revealed that the Host-Country-Headquarter, as a platform to channel international attention to local economic expansion, would increase the crisis risk and strengthen the positive impact of these expansion patterns on public crisis occurrence. *(For more information, please contact: Meng Zhao, Renmin University of China, China: mengzhao521@yahoo.com)*

*Development of Entrepreneurial Orientation of Export Manufacturers from Emerging Economies*

Marin Alexandrov Marinov, Aalborg University  
 Deusdedit A. Rwehumbiza, University of Dar es Salaam  
 Svetla Trifonova Marinova, Aalborg University

Institutional theory has devoted limited attention concerning its impact on entrepreneurship. Research on entrepreneurship associated with the impact of institutions is constrained by the investigation of the interconnectedness between institutional behaviour and entrepreneurial activities. Taking institutional perspectives on entrepreneurship encompasses the impact of Scott's institutional pillars as foundation of entrepreneurial progressions, related to opportunity creation, identification and utilization, establishment of new firms, their early growing, and eventual withdrawal. This paper takes the perspective of the role of weak institutions as the ones found in the emerging economy contexts. There is a scant body of publications based on empirical research concerning entrepreneurial orientation in contexts with weak institutions. Generally, entrepreneurs evaluate the inducements presented to them by the wider environment. These include also the environmental characteristics acknowledged as formal and informal institutions. The relative significance of the impacts of the two groups of institutions, formal and informal, is reflected upon and critically evaluated in a specific context characterized as weak institutional field. This study provides theoretical and empirical explanation concerning to the requirements of investigating factors of the critical influence on entrepreneurial orientation of exporting manufacturing firms from Tanzania and Kenya. *(For more information, please contact: Marin Alexandrov Marinov, Aalborg University, Denmark: marinov@id.aau.dk)*

*An Emerging Multi-National Company's Internationalization: From Supplier to Brand Leader*

Su Liu, Shandong University of Finance and Economics, Ivey Business School, Western University  
 Dwarka Chakravarty, Western University

We examine an emerging market multinational company's (EMNC) transformation from an original equipment manufacturer (OEM) to an original brand manufacturer (OBM) and global leader. Our longitudinal case study of Hisense – China's largest TV company (and the world's third largest) spans three decades and involves detailed interviews with over 50 executives. We analyze how Hisense's global value chain network evolved, as it strove to balance business tensions with pressures for integration and local responsiveness. We develop an exploratory conceptual framework and propositions, which contribute to understanding how EMNCs address such conflicting challenges as they progress from fringe participants to global players. *(For more information, please contact: Su Liu, Shandong University of Finance and Economics, Ivey Business School, Western University, China: longlivetinna@163.com)*

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**Session: 1.1.8 - Competitive**

**Track: 5 - Organization strategy and management**

***Understanding Subsidiary Strategies and Performance***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Teresa da Silva Lopes, University of York

*From South to North: Institutional Pressures and Strategies of Emerging Market MNCs in Developed Economies*

Can Ouyang, Cornell University

Mingwei Liu, Rutgers University

This study examines two localization strategies that emerging market multinationals (EM MNCs) use to improve the likelihood of success in penetrating developed markets: internally- and externally-oriented strategies. Internal strategies include those that give subsidiary managers greater discretion to fit their human resource (HR) practices to local norms. External strategies include networking strategies with external stakeholders designed to access local information and develop relationships of trust that facilitate doing business in the new environment. Drawing on a sample of Chinese MNCs operating in the United States, we show that the extent of adoption of these strategies reflects not only strategic considerations, but also institutional pressures from host and home countries. Host country regulatory pressures appear to induce network building, but home country institutions (the relative level of state ownership) are associated with lower managerial discretion and network building, suggesting efforts to exert centralized control. The findings reveal that these MNCs face “dual institutional liabilities” -- strong regulatory pressures in the host country, but also strong home country pressures that limit MNCs’ flexibility to mitigate host country pressures. *(For more information, please contact: Can Ouyang, Cornell University, USA: co262@cornell.edu)*

*Subsidiary Strategy of Emerging Market Multinationals: A Home Country Institutional Perspective*

Ziyi Wei, University of Sheffield

Quyên Nguyen, University of Reading

We examine the effects of home country institutional factors, namely, home country government support, domestic institutional weaknesses, and state ownership on the subsidiary-level strategy of global integration (I) and local responsiveness (R) of emerging market multinational enterprises (EMNEs). We draw upon the home country institution-based view and the I/R framework to develop our theoretical model. We empirically test our hypotheses using an original new survey data collected from Chinese multinational subsidiary managers. We find that home country government support and domestic institutional weaknesses have significant and negative effects on global integration strategy of Chinese MNEs’ foreign subsidiaries. On the other hand, domestic institutional weaknesses push foreign subsidiaries to pursue local responsiveness strategy. Nevertheless, those with greater degree of state ownership in their parent firms are neither willing to disintegrate from their parent firms nor motivated to pursue local responsiveness strategy in order to deal with home country institutional deficiencies and develop new sources of competitiveness in foreign markets. Our findings have advanced the literature on subsidiary strategy in the context of EMNEs, and provide important implications for subsidiary managers and policy makers. *(For more information, please contact: Ziyi Wei, University of Sheffield, United Kingdom: z.wei@sheffield.ac.uk)*

*International Strategy-Implementation-Performance Paths for Retailers*

Bernhard Swoboda, Trier University

Lukas Morbe, Trier University

Retail firms have dynamically expanded abroad by balancing international strategy and local performance. Therefore, this study analyzes the relevance of retailers' international strategy concerning integration/responsiveness for local performance through the important implementation decisions of standardization and centralization. The authors argue that, theoretically, international strategies are designed according to their firm-specific advantages; however, retailers' local embeddedness requires successful subsidiary-specific strategy implementation. Furthermore, as retailers' firm-specific advantages have a limited geographic reach, the paths to performance are assumed to vary in psychically close and distant countries. A survey based on face-to-face interviews with retail managers and a partial least squares approach were applied to test the hypotheses, and the results reveal only indirect paths of international strategy to performance through both implementation decisions. Moreover, new insights into varying directions and strengths of the paths to performance in psychically close and distant countries emerge. While superior paths occur in one country-group, retail managers face tradeoff decisions in the other. *(For more information, please contact: Bernhard Swoboda, Trier University, Germany: b.swoboda@uni-trier.de)*

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**Session: 1.1.9 - Competitive**
**Track: 7 - Corporate governance and financial management***Banks and Financial Global Crises***Presented On:** July 3, 2017 - 09:00-10:15

Chair: Stewart R. Miller, University of Texas - San Antonio

*Corporate Governance Networks between International Financial Market Actors within Investment Banking*

Erik A. Borg, Sodertorn University

Lars Vigerland, Sodertorn University

Karin Winroth, Sodertorn University

This article presents a study of networks among board members in investment banks. We invoke network theory to study the role of connection between senior executives within international investment banking. We look at the relationship between corporate governance and the networks and performance of financial market actors. A comprehensive set of secondary data from Nasdaq OMX Nordic is analyzed with a multiple correspondence analysis methodology. The data is compared with evidences of rankings of the financial service divisions of international investment banks. We have found that the forming of formal networks ties between market actors can be associated with the rating of financial banking service. Actors with more network connections are rated higher in customer ratings than those with fewer network ties. The forming of formal ties in boards and committees has a positive impact on the performance ratings of providers of financial services. Our data consists of three clusters. The first entails international banks with high turnover and superior customer reviews. The second cluster consists of small unranked banks with considerably lower turnover, and the third cluster is represented by the midsized banks. *(For more information, please contact: Erik A. Borg, Sodertorn University, Sweden: erik.borg@sh.se)*

*A Study of Bank Failures around the World – Is There a Role for National Culture?*

Xinming Li, University of South Carolina  
 Allen Berger, University of South Carolina  
 Charles S. Morris, Federal Reserve Bank of Kansas City  
 Raluca Roman, Federal Reserve Bank of Kansas City

We conduct the first broad-based international study of bank failures – 92 countries over 2000-2014 – and introduce national culture elements as potential failure determinants. We find that individualism and masculinity are significantly positively associated with bank failure and provide evidence on channels through which they operate. Power distance and uncertainty avoidance are not found to have consistent effects. Findings are robust to accounting for endogeneity, using alternative econometric techniques, controlling for additional failure determinants, and using alternative culture measures. Results suggest that one-size-fits-all prudential policies, regulation, and supervision may not be appropriate, but may best be tailored to individual countries' cultures. *(For more information, please contact: Xinming Li, University of South Carolina, USA: [xinming.li@grad.moore.sc.edu](mailto:xinming.li@grad.moore.sc.edu))*

*Bank Liquidity Creation and Banking Crises around the World*

Xinming Li, University of South Carolina

We are the first to build international bank liquidity creation data with adjustment of each country's financial development and economic condition. We also conduct broad-based international study of banking crises -- 128 countries over 1998-2011 -- and introduce bank liquidity creation as a potential banking crises determinant. We find that aggregate high bank liquidity creation is significantly and positively associated with banking crises. In particular, aggregate high on balance sheet bank liquidity creation decreases the whole banking system's Z-score and increase volatility of stock market. Aggregate high off balance sheet bank liquidity creation increases volatility of stock market. Findings are robust to accounting for endogeneity, using alternative economic models, and adding additional control variables. *(For more information, please contact: Xinming Li, University of South Carolina, USA: [xinming.li@grad.moore.sc.edu](mailto:xinming.li@grad.moore.sc.edu))*

*Bank Globalization and Efficiency: International Evidence*

Haiyan Yin, Indiana University  
 Jiawen Yang, George Washington University  
 Deming Wu, Office of the Comptroller of the Currency  
 Xing Lu, Indiana University

With a comprehensive dataset covering 171 countries over 1995-2013, this study investigates the link between bank globalization and efficiency. We find strong evidence that globalization in banking sector leads to lower efficiency in developing countries. For developed countries, we observe foreign bank entry reduces efficiency of financial intermediation, while foreign investment outflow from developed countries may improve home country bank efficiency. The results presented in this study provide policy implications that governments, especially those of developing countries, need to be cautious in balancing the benefits and costs of liberalizing their financial markets. *(For more information, please contact: Haiyan Yin, Indiana University, USA: [haiyin@iusb.edu](mailto:haiyin@iusb.edu))*

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**Session: 1.1.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Regional, Location and Niche Strategies and Commitment to Internationalization***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Jorma Larimo, University of Vaasa

*Location Choices by Multinationals from Emerging Markets: A Regional Perspective*  
Ali Taleb, MacEwan University

This paper investigates the dominant logics underlying foreign location choices by multinational enterprises from emerging markets (EM-MNEs). The economic view of host-country selection suggests that MNEs in general tend to focus their activities in close by countries for efficiency reasons. In contrast, recent studies with institutional view posit that EM-MNEs in particular tend to prevail in developing markets for legitimacy imperatives. We mobilize and contrast economic efficiency and institutional legitimacy rationalities to study the logic underlying location choices by EM-MNEs. We analyze the configurations of the location networks of 203 EM-MNEs and show general empirical support for our theoretical predictions. In particular, EM-MNEs are found to mobilize different logics depending on whether location choices are made within their home-regions or elsewhere. Specifically, they follow economizing logic only in their home-regions. In other regions, they seem to arbitrate legitimizing logic and economizing logic depending on the degree of their international experience. Our findings make important contributions to the current debates on the regional nature of international strategy and on the internationalization process of EM-MNEs. They also have important theoretical and managerial implications. *(For more information, please contact: Ali Taleb, MacEwan University, Canada: taleba@macewan.ca)*

*Agent-Based Simulation Modeling for MNE Location Choices: Emergence of a Nicher under the Market Share Maximization Strategy*  
Haruo Hagiwara Horaguchi, Hosei University  
Toichiro Susumago, Japan Advanced Institute of Science and Technology

We consider a global market in an agent-based simulation model. Agents search for customers to maximize the market share in the global market. They search in the global market using the Hotelling locational model algorithm. The global market segments are characterized by two dimensions. One is the risk and another dimension corresponds to the high-reputation and low reputation segments on profit. The reputation of the market is based on the high or low standard of living area in the market. We found that an eight entrants' model generated a nicher in the artificial global market. This result implies that the niche strategy is accomplished in a certain market environment and not by pursuing a particular market segment. Although management scientists laud the existence of the "global niche top," the niche top might be found through market share maximization. Therefore, the academic strategist should not advocate finding a position for the niche market but should support the capability of the entrant who can move to the best positioning in the global market. *(For more information, please contact: Haruo Hagiwara Horaguchi, Hosei University, Japan: horaguch@hosei.ac.jp)*

*Cultural Differences, MNE Learning Abilities, and the Effect of Experience on Subsidiary Mortality in a Dissimilar Culture: Evidence from Japanese MNEs*  
Jianhua Zhu, Ivey Business School

In response to a recent editorial call from Strategic Management Journal on replication studies (Ethiraj, Gambardella and Helfat, 2016), this paper replicates Zeng, Shenkar, Lee and Song's (2013) Korean study on the detrimental effects of prior FDI experience on subsequent subsidiaries, using a very large Japanese dataset. We

assess whether the results from Zeng et al., (2013) is generalizable to the context of Japanese FDIs. Results show that prior experience has an inverted U-shape relationship with subsequent subsidiary mortality. The negative relationship during the initial period between prior investment experience and subsidiary mortality is weaker if the entry mode is international joint venture (vs. wholly owned subsidiary) or if the MNE's prior FDIs have been dispersed across different cultures. However, the same relationship is stronger if the MNE expands at a faster pace. The expansion rhythm does not moderate the relationship. The results are generally consistent with Zeng et al. (2013). *(For more information, please contact: Jianhua Zhu, Ivey Business School, Canada: jzhu.phd@ivey.ca)*

*Western Financial Services MNCs in Asia: Vacillating Commitment to Internationalisation*  
Gordon Roy Perchthold, University of Sydney

The IB literature on internationalisation has most commonly drawn from empirical data on manufacturing MNCs covering a limited time period theorising on knowledge transfer and commitment directed from Western home to host markets. Theories have been conceptually argued and generalised to other industry sectors and more distant host country contexts without the mechanisms being empirically demonstrated. Given a narrow time span, and the negative stigma associated with de-commitment, the phenomena of vacillating commitment has yet to be adequately addressed. This paper draws from primary research, predominantly interviews with Chairpersons and CEOs, addressing 31 Western bank and insurance MNCs internationalising towards Asia. Primary data was supplemented with secondary data from the MNC's date of founding, as far back as the early 19th century, producing 12 MNC case studies. Critical Realist methods process traced and applied inductive and abductive analysis along the full longitudinal history of each case study. This paper presents differential internationalisation pathways in which: risk is not a construct to overcome in order to internationalise; bounded rationality at Headquarters creates an inability to overcome uncertainty; and vacillating commitment is uncovered as a pervasive phenomena that oscillates with the tenures of conformist and non-conformist CEOs. *(For more information, please contact: Gordon Roy Perchthold, University of Sydney, Australia: gper4441@uni.sydney.edu.au)*

*Role of Investment Teams in Syndication Intensity of Foreign Venture Capital Firms*  
Kshitija Joshi, National Institute of Advanced Studies, Indian Institute of Science  
Sarika Pruthi, San Jose State University

In this exploratory study, we assess how the size and composition of human and financial resources impact the syndication intensity of Foreign venture capital firms (FVCFs). Focusing on the 37 active FVCFs in India, we show that while factors such as ethnicity, age and historical experience of funding deals enhance syndication intensity, the presence of prior founding experience, large team and fund size reduce it. In showing that both tangible and intangible resources impact syndication intensity, our results reinforce the significance of both 'need' and 'opportunity' in impacting syndication behavior. Our study has important managerial implications, and contributes to the literature on venture capital syndication, top management teams, and venture capital in emerging economies. *(For more information, please contact: Sarika Pruthi, San Jose State University, USA: sarika.pruthi@sjsu.edu)*

*The Role of Export Market-Oriented Culture in Building Strong Export Marketing Capabilities*  
Katerina Makri, Vienna University of Economics and Business  
Marios Theodosiou, University of Cyprus  
Evangelia Katsikea, King's College London

In response to specific gaps in the export marketing literature the present empirical effort attempts to investigate the influence of export market oriented culture on the deployment of certain export marketing capabilities available to the firm in order to facilitate its operations to the foreign markets. The effects of an export market oriented culture on export marketing capabilities through the implementation of export market



oriented behaviors indicated favorable influences on the deployment of export Customer Relationship Management (CRM) capabilities, export sales capabilities, export strategic marketing planning capabilities and export marketing sensing capabilities. Implications for business practitioners were highlighted in concert with suggestions for future research. *(For more information, please contact: Katerina Makri, Vienna University of Economics and Business, Austria: aikaterini.makri@wu.ac.at)*

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**Session: 1.1.12 - Interactive**

**Track: 4 - Innovation and knowledge management**

***Internationalization and Innovation***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Simon Collinson, University of Birmingham

*Internationalization and Innovation: A Novel Link in Russian Innovative Firms*  
Irina Mihailova, Aalto University School of Business

There is growing research that explores the link between innovation and internationalization. Yet, literature on Emerging Market (EM) firms is very limited in this area and has a narrow view on innovations in EM firms. This paper adds to existing knowledge of how innovations and internationalization is connected in EM firms. I take the view of innovation as a process and integrate this approach to innovation with internationalization and institutional perspectives. This research develops a theoretical framework that extends the recently emerged 3Is approach that allows for understanding of the relationships between different stages of innovation (I) process and internationalization (I) in EM firms and explains how institutional (I) factors shape these relationships. The paper provides an empirical illustration of the framework with data collected from Russian technology-intensive firms. The study reveals insights that international expansion is being initiated with the objective to undertake commercialization of own innovations and explains institution- and strategic-based rationales behind this objective. Thus, this research contributes to existing theoretical knowledge by revealing novel innovation-related incentives for internationalization of EM firms and extends empirical knowledge of Russian technology-intensive firms. *(For more information, please contact: Irina Mihailova, Aalto University School of Business, Finland: irina.mihailova@aalto.fi)*

*R&D Offshoring Strategies, R&D Intensity and Innovation Performance*  
Philip J. Steinberg, University of Wuppertal  
Vivien D. Procher, University of Wuppertal  
Diemo Urbig, University of Wuppertal & Indiana University

Despite a continued increase in R&D offshoring, we face gaps in our knowledge about how related strategies, specifically offshore outsourcing (R&D spending on foreign external contract parties) and captive offshoring (R&D spending on foreign affiliates), affect firms' innovation performance. Building on transaction cost arguments and stressing the importance of knowledge sourcing, we suggest countervailing curvilinear effects for the degrees of both specific R&D offshoring strategies on firm's innovation performance. We hypothesize that offshore outsourcing is most beneficial at intermediate degrees of its use (i.e. an inverted U-shaped relationship), while captive offshoring is least beneficial at intermediate degrees of its use (i.e. a U-shaped relationship). Comparative analyses of data from 2,421 R&D-active enterprises support our expectations. Furthermore, we show that a firm's R&D intensity positively affects the relationship of offshore outsourcing, respectively captive offshoring, with innovation performance. Hence, our study provides new insights into previously neglected aspects of the offshoring-performance relationship. *(For more information, please contact: Philip J. Steinberg, University of Wuppertal, Germany: steinberg@uni-wuppertal.de)*

*Dimensions of Firm Internationalization as Determinants of Knowledge Management Strategy*

Mehmet Demirbag, University of Essex  
Marina Apaydin, American University of Beirut

Innovation is a critical source of competitive advantage in an increasingly changing and globalizing environment, and thus knowledge management lies at the core of firm's business strategy. This paper investigates the relationship between dimensions of firm internationalisation and its knowledge management strategy in the emerging economies. We specifically look at the technology acquisition modes which are operationalised into three categories: internal development, joint development, and outsourcing. Results from the analysis of World Bank data collected from manufacturing firms operating in emerging economies show that share of foreign employees, level of foreign inputs and foreign sales have significant impact on the choice of technology acquisition mode by a firm; whereas the level of foreign ownership does not have such an effect. *(For more information, please contact: Mehmet Demirbag, University of Essex, United Kingdom: mdemirc@essex.ac.uk)*

*Home-Country's Revealed Technological Advantage, R&D Internationalization and the Firm Competencies-Building: Latin America Case*

Paula Esteban-Jardim, IBMEC and Universidade Federal Fluminense  
Ana Urraca-Ruiz, Universidade Federal Fluminense

This paper addresses the R&D internationalisation of firms from Argentina, Brazil, Chile, Colombia and Mexico by analyzing their patents from 1978 to 2011. We combine the EPO database and financial data, which allows us to characterize the R&D internationalisation considering the firm's ownership capital structure, differentiating the MNE's subsidiaries from the domestic firms' strategy. In spite of the main locus of the Latin American inventive activity remains the domestic one, there is an increase of the EMN's subsidiaries portion in the inventive activity of Brazil and Argentina, while in Chile, Colombia and Mexico there is a greater participation of the domestic firm. We propose to characterize the pattern of the R&D internationalization regarding the home country's revealed technological advantage and its firm's catching specialization in technological competence overseas (CSI index). We found four strategies that we can observe a behavior pattern for R&D internationalization related to the home country competence basis, in the search for resources that are not available domestically as well as capturing competencies abroad for the sectors in which there is technological specialization in the country. *(For more information, please contact: Paula Esteban-Jardim, IBMEC and Universidade Federal Fluminense, Brazil: esteban.paula@gmail.com)*

*Ownership Structure and External Knowledge Acquisition: International Subsidiaries Versus Local Firms in China*

Zhi Yang, Huazhong University of Science and Technology  
Tian Wei, Fudan University

This study examines the relationship between foreign ownership and external knowledge acquisition in China, and posits that international subsidiaries and local firms exhibit different rationales with regard to external knowledge acquisition. Using nationwide enterprise survey data on 320 Chinese firms, this study tests a model developed from resource dependency theory and institutional theory. We find that foreign ownership positively affects external knowledge acquisition, and that this relationship is moderated by both institution legislation hazards and contract enforcement hazards but with contrasting effects: the positive moderation of the former but the negative one of the latter. This study also provides important implications for the managers of international subsidiaries and local firms regarding their knowledge acquisition strategies. *(For more information, please contact: Tian Wei, Fudan University, China: weitian@fudan.edu.cn)*

*R&D Internationalization of Emerging Market Firms: Evolution and Outcome*  
Huaichuan Rui, Royal Holloway, London University

R&D internationalization is widely observed during the last few decades and also believed to provide a vehicle for firms to access to, and extract benefits from a target country's technical resources, scientific talent, and local expertise. However, most of these studies focused on developed country firms that were responsible for the bulk of global R&D. This paper aims to offer new insights and empirical evidences of why and how emerging market firms began to internationalize their R&D activities and what outcome has been achieved, based on a field study on over 100 Chinese multinationals (CMNEs) since 2005. It finds that CMNEs internationalize their R&D in order to explore technology and capability in both developed and developing countries, with limited exploitation purpose in developing countries; they are difficult to integrate global R&D network so as to enhance their R&D capability due to relatively weak R&D and management capability which constrain them to learn and absorb in international market. This research is the first attempt to empirically examine both evolution and outcome of the R&D internationalization undertaken by emerging market firms. *(For more information, please contact: Huaichuan Rui, Royal Holloway, London University, United Kingdom: huaichuan.rui@rhul.ac.uk)*

*Trade, Innovation, and Integration into Global Value Chains: Evidence from Mercosur*  
Charlotte Jacobs, Temple University  
Marcelo Cano-Kollmann, Ohio University

This project explores the relationship between trade and innovation activity. Using the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) as empirical setting, our preliminary findings indicate that the increases in intra-bloc trade that happen after a free trade agreement is signed, do not necessarily correlate with an increase in collaboration for knowledge creation, if the countries involved lack sufficiently deep pools of knowledge or a robust national system of innovation. *(For more information, please contact: Marcelo Cano-Kollmann, Ohio University, USA: canokoll@ohio.edu)*

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**Session: 1.1.13 - Interactive**  
**Track: 6 - Human resource management**

***Managing the Complexities of Today's Workforce and Contexts***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Andreas Schotter, Ivey Business School

*Global Work Arrangements in the Virtual Enterprise – The Case Study of Automattic*  
Alessandra Vecchi, University of Bologna

Global work arrangements tend to be particularly problematic for Virtual Enterprises, to the extent that there is a vast literature emphasising the challenges that these companies need to face in identifying, attracting, developing and retaining talent on a global scale. Drawing on the experience of Automattic, the paper outlines how the company has successfully addressed such challenges by implementing Global Talent Management in a very peculiar way. From the findings, it emerges that stemming from their experience there are some exemplary and valuable lessons for companies from all sectors on how to embrace Global Talent Management in a more creative way and the great benefits in terms of efficiency and effectiveness that can flow from doing so. *(For more information, please contact: Alessandra Vecchi, University of Bologna, Italy: alessandra.vecchi@unibo.it)*

*Understanding the Role of Stressors and Age on Employee Commitment in HPWS Workplaces of Japan*  
 Kaushik Chaudhuri, Shiv Nadar University  
 Hiroyuki Oba, Reitaku University

This paper explores linkages on perceived effects of High performance work system (HPWS) practices in Japanese organizations on employee Affective organizational commitment (AC) and Occupational commitment (OC). We probed how perceived impacts job and workplace 'Stressors' can influence these two forms of employee commitments in Japanese HPWS workplaces. Does employee age play a role in the linkages? A close ended questionnaire survey was conducted amongst general employees in sixteen different Japanese organizations belonging to diverse industries in the city of Tokyo, and the Chiba, Saitama, and Ibaraki Prefectures of Japan from a period of October 2008 to February 2009 and April to May, 2010. We collected 227 responses from the non-managers, which included members of in-house labor unions affiliated to RENGO. MANCOVA and OLS regressions, following the steps of mediation proposed by Baron and Kenny (1986) and Hayes Process Macro (2015) were conducted under SPSS version 22 for analysis in this study. A clear additive effect of HPWS on 'Stressors', and on two forms of employee commitments in Japanese workplaces were obtained by MANCOVA. Stressors partially mediated general employees' Affective organizational and Occupational commitments with HPWS. Employee age moderated the mediation of stressors in HPWS and commitment linkages. In spite of methodical limitations, this paper empirically proved that increased implementation of HPWS reduces Stressors in workplaces and thereby increases employees' Affective organizational commitment and Occupational commitment. However the indirect effect of HPWS through stressors get reduced with increasing Age of the employees. Our research findings contribute to the extant literature in HPWS and applied psychology. *(For more information, please contact: Kaushik Chaudhuri, Shiv Nadar University, India: kaushik.chaudhuri@snu.edu.in)*

*Valuing 'Ability' in 'Disability': Analysis and Synthesis of ILO Global Business and Disability Network MNE Members Agenda on Disability Inclusion*  
 Rihana Shaik, Indian Institute of Management, Indore  
 Swati Ghulyani, Indian Institute of Management, Indore

The purpose of this study is to identify and provide a conceptual framework on the diversity and inclusion initiatives in selected MNEs with special reference to disability strand. Fifty multinational corporations – members of ILO Global Business and Disability Network, headquartered across the globe are selected for the study. The focus is on various approaches and measures undertaken for the inclusion of persons with disability by these MNEs. The study is descriptive and exploratory in nature. Using document analysis, an analysis of 'Diversity and Inclusion' pages, 'About Us' pages, 'Corporate Social Responsibility' pages, and 'Careers' pages of the websites of selected MNEs is done. This study reveal and substantiate the findings of previous studies that leadership commitment, integrating disability in diversity and inclusion policy, initiatives, monitoring, and evaluation and review as the key ingredients of disability inclusion process. This study also discloses the key initiatives like – employment initiatives, awareness initiatives, accessibility initiatives, collaborations and partnerships, and organizing events and programs adopted by the MNEs for the disability inclusion and to create a culture that embraces, values and fully utilises persons with disabilities. *(For more information, please contact: Rihana Shaik, Indian Institute of Management, Indore, India: f13rihanas@iimidr.ac.in)*

*The Other Side of the Barricades: Interviewing the Free-Riders, Not Their Managers or Co-Workers, on the Reasons for and Ways to Deal with Free-Riding in GVTs*  
 Vas Taras, University of North Carolina at Greensboro  
 William Tullar, University of North Carolina at Greensboro  
 Maria Gil del Alcazar, University of North Carolina at Greensboro

Based on a unique sample of 86 documented "free-riders" from 750 teams that completed a long-term international business consulting project, this study attempts to understand the reasons for and ways to deal with low performance in GVT context by looking at the problem through the eyes of the guilty ones, as opposed

to the accounts of their active team members or project managers. Hundreds of pages of qualitative interview data are coded and analyzed. The findings are discussed with respect to HR managerial implications and future research directions. *(For more information, please contact: Vas Taras, University of North Carolina at Greensboro, USA: v\_taras@uncg.edu)*

*A Work-Life Theory of Women's Executive Career Decisions across Different Nations*

Sabina Nielsen, University of Sydney  
Aleksandra Gregoric, Copenhagen Business School  
Ruth Aguilera, Northeastern University

Despite decades of research and public debates, only few women today reach top executive positions. We develop a multilevel theoretical framework that explains women's decisions pertaining to upper echelon careers. We combine rational-economic and psychological perspectives on women's career choices and argue that both mechanisms are strongly influenced by country level institutions. We define four types of institutions that are particularly relevant for women's career choices: gender labor markets; gender norms; work-life balance and corporate governance institutions and discuss how institutional configurations (the interactions among these institutions) shape women's executive career choices. By bridging the macro-micro perspectives of individuals and institutions we provide a deeper understanding of the multi-faceted, multi-level influences on women's decisions with regards to upper echelon careers. *(For more information, please contact: Sabina Nielsen, University of Sydney, Australia: sabina.nielsen@sydney.edu.au)*

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**Session: 1.1.14 - Interactive**

**Track: 7 - Corporate governance and financial management**

*The Governance in the Internationalization Process*

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Antonio Majocchi, University of Pavia

*Institutional Distance, Regional Clusters and Performance of Foreign Subsidiaries: Evidences from Brazil*

Jonas Fernando Petry, Fundação Universidade Regional de Blumenau - FURB  
Mohamed Amal, Fundação Universidade Regional de Blumenau - FURB  
Dinorá Eliete Floriani, Universidade do Vale do Itajaí, UNIVALI

In the international business literature (IB), institutional distance (ID) has come to be a key concept in understanding the determinant factors of the performance of MNEs' subsidiaries in emerging economies. However, the results of empirical studies are contradictory and inconclusive. The objective of this study is to evaluate the effects of ID on the performance of foreign firms' subsidiaries and the extent to which these effects may be mediated by locating these companies within regional clusters and by different choices of entry mode. The results of a multivariate regression analysis of a sample of 308 subsidiaries of foreign firms show that whereas ID is negatively correlated with the firms' performance, locations within industrial clusters and access to the resources afforded by economies of agglomeration have positive effects on performance. We also found that there was a positive interaction between location within a regional cluster and the relationship between ID and performance. Finally, the empirical evidence indicates that access to the resources of industrial clusters moderates the effects of ID on the performance, motivating MNEs to adopt Greenfield international entry modes rather than modes based on acquisitions or joint ventures. *(For more information, please contact: Jonas Fernando Petry, Fundação Universidade Regional de Blumenau - FURB, Brazil: jonaspetry@brturbo.com.br)*

*Financing Patterns and Firm Export in Latin American and Caribbean Countries*

Maria Barulina, University of Texas at El Paso

Zuobao Wei, University of Texas at El Paso

Jagadish Dandu, Zayed University

Barkat Ullah, Rhode Island College

In this paper, we examine the financing patterns of 22,259 exporting firms in 31 Latin American and Caribbean (LAC) countries using survey data from 2006 and 2010. After controlling for individuality of national economies and firm-level variables that may affect probability of export participation, we find that firms have a higher likelihood to participate in exporting activity if they use a larger (smaller) share of formal bank financing (internal financing) to fund their working capital. We also find that informal financing has a significantly positive effect on export participation. Our findings indicate that increase in export intensity is associated with an increase in bank financing and decrease in a share of supplier credit. Post-delivery payment is associated with an increase in likelihood to export but a decrease in export amount; while payment before delivery has a significantly positive effect on export intensity. To the best of our knowledge, ours is the first paper in the existing literature examining the effects on financing patterns on export. *(For more information, please contact: Maria Barulina, University of Texas at El Paso, USA: mbarulina@aib.msu.edu)*

*Public Venture Capital and Entrepreneurial Cognizance: Effects on the Performance of Small International Companies*

Diane A. Isabelle, Carleton University

Mika Westerlund, Carleton University

Seppo Leminen, Laurea University; Aalto University

Risto Rajala, Aalto University

External financing is an important strategic decision in growth-oriented small firms. Although private venture capital has been shown to contribute to investee venture performance, results of public funding's effects are ambiguous. Using a sample of 118 small international firms from Finland, we empirically investigated the links between entrepreneurial perception and acceptance of public funding, and their impacts on firm's performance. We found that the entrepreneurial perception of public funders and acceptance affect the decision to use public external capital. In turn, public funding contributes positively to firm's business growth and ultimately to financial performance when raised capital is allocated for international operations. Our results provide new evidence on the firm-level performance effects of public venture capital. *(For more information, please contact: Diane A. Isabelle, Carleton University, Canada: diane.isabelle@carleton.ca)*

*Globalizing SMEs: Using Reward-based Crowdfunding to Access International Capital Markets*

Sharon Simmons, University of Missouri - Kansas City

Pedro Oliveira, University of Missouri - Kansas City

Over the past 10 years crowdfunding has evolved into a \$16 billion market. Global companies are using it to leverage their innovation portfolios, entrepreneurs are using it to raise funds for earlier stage ventures, and enterprises as a way to validate their R&D outputs. With an exponential rise in the crowdfunding, it is predicted that this form of investment has already surpassed the venture capital market. In this paper we investigate country differences in the relationship between the early and late stages of a crowdfunding campaign and its relationship to success and overfunding in the reward-based community Kickstarter. *(For more information, please contact: Sharon Simmons, University of Missouri - Kansas City, USA: simmonssh@umkc.edu)*

*Role of Business Group Pride in Internationalization Decision*

Rameshwar Arora, Indian Institute of Management, Indore

Prashant Salwan, Indian Institute of Management, Indore

In the recent years, a number of Business Groups and their affiliates have been involved in multiple high premium bids. The established Business Groups are endowed with requisite managerial and financial resources, however, some of the recent acquisitions have proven huge cash drains that no manager could have approved of. Still, such deals continue to take place, which, prompts us to question the dynamics at play in the board room and the influence of the founding family on decision making. We are interested in exploring the dynamics of emotions in multi-level strategizing to understand why BGs have been indulging in higher premium bids and what could be the potential after-effects of such investments. We investigate this phenomena using discursive text analysis of one Korean BG (Daewoo) to arrive at propositions and possible methodology. *(For more information, please contact: Rameshwar Arora, Indian Institute of Management, Indore, India: f14rameshwara@iimdr.ac.in)*

*Where Lies the Competitive Advantage of the Chinese Export Enterprises: Low Cost Strategy or Quality Upgrading*

Wenjing Ruan, Peking University

Zheng Tu, Peking University

By applying the micro-level trade data of Chinese telephone set manufacturing enterprises during 2003-2007, this paper establishes a heterogeneous enterprise export advantage model to study the factors that influence advantage choice of experts from the perspective of heterogeneity in enterprises productivity and demand preference. The results shows that Chinese exporters varying both quality and price across destinations in response to consumer preference. After further analysis, we find that export enterprises will achieve low cost advantage via improving productivity. Exporting to the destinations with higher quality preference can help Chinese enterprises to improve their export product quality due to the strong preference for high-quality products. The empirical results confirm the theoretical prediction and our findings highlight the effect of quality operating on demand side. The destination market demand is an external motivation for Chinese enterprises to improve their quality advantage. The Chinese enterprises with quality advantages should focus their export on the markets with higher quality preference. *(For more information, please contact: Wenjing Ruan, Peking University, China: cookyjing@hotmail.com)*

*Where Have Foreign Banks in Nigeria Gone? The Strength of Local Banks as a Formidable Barrier to Foreign Entry*

Lilac Nachum, City University New York

Chris Ogbecchie, Lagos Business School

Local Nigerian banks hold 94% of banking assets in Nigeria, the world's second largest share of local ownership, and this share had grown at a time it declined around the world. Theoretical explanations for the dominance of local firms relate to liability of foreignness do not appear to apply to Nigeria banking industry; nor does the absence of pull factors that attract banks to Nigeria. To explain this puzzle we have embraced on an exploratory study based on extensive interviews with local and foreign banks in Nigeria and also examine Nigeria in regional and global perspectives. This exploration suggests that the entrepreneurial spirit of local banks, spurred by governance and ownership as well as by competitive intensity, combined with nationalistic pride, have formed formidable barrier to the entry of foreign banks. Nigeria government had played major role in this development, signifying a distinctive, and far less explored, means via which governments affect competitive dynamics between local and foreign firms. We offer theoretical extensions to accommodate these features in the theory of the MNEs and outline implications for policy and firms. *(For more information, please contact: Lilac Nachum, City University New York, USA: lilac.nachum@baruch.cuny.edu)*

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**Session: 1.1.15 - Interactive**  
**Track: 3 - Marketing and consumer research**

### ***Branding and Country Image***

**Presented On:** July 3, 2017 - 09:00-10:15

Chair: Ulrike Mayrhofer, IAE Lyon, Jean Moulin Lyon University

*Domestic, Foreign, and Global Brands: Does it Matter to Consumers?*  
Brittney Charmae Bauer, Saint Louis University

The ever evolving globalization of marketplaces has created an environment where products and brands from all countries grace our shelves and advertisements from all nations fill our magazines, television sets, and computer screens. Marketers need to consider how consumers both at home and abroad interpret their advertisements, and whether the messaging used in these communications is the most effective choice for their brands. Given the complexity of this phenomenon, our study seeks to address an overarching question: Does the distinction between being a domestic, foreign or global brand actually affect consumers' perceptions of advertisements? Our research seeks to determine how matching advertising messaging to social judgements of country of origin affects consumers' attitudes, and how these attitudes drive brand response and product preference. It also suggests that consumers' cosmopolitan mindsets can positively impact this relationship when evaluating global brands. *(For more information, please contact: Brittney Charmae Bauer, Saint Louis University, USA: bauerbc@slu.edu)*

*In Search of Tools for Country-Image (CI) Incorporation into International Branding*

Mariana Bassi Suter, University of York  
Janaina Giraldo, University of São Paulo  
Felipe Mendes Borini, University of São Paulo; ESPM  
Maria Laura MacLennan, Centro Universitário da FEI  
Edson Crescitelli, University of São Paulo  
Edison Polo, University of São Paulo

How do companies operating abroad use emerging market image attributes in the development of their brands? Our objective is to identify tools for the incorporation of the Country Image (CI) in the branding strategy of the companies operating abroad. Two brands from the same industry were studied due to their representativeness in relation to the purpose of this paper, Natura Cosméticos (Brazilian) and L'Occitane au Brésil (French). The results explore that in the branding strategy, CI incorporation can be demonstrated by the usage of visual, textual elements and senses of the CI, as well as, by the usage of natural and cultural resources and training employees. In sum, the findings helped us achieve the specific purpose of the research - by identifying the tools used in the incorporation of CI into branding strategy – and also allowed us to detect the attributes of emerging market's CI used by the companies. It also provides contributions by connecting two fields of study (international marketing and international business) and shows that the CI remains an important subject of study for the international marketing area and deserves more attention when the unit of analysis consists of companies and brands from emerging countries. *(For more information, please contact: Mariana Bassi Suter, University of York, United Kingdom: mbsutter@gmail.com)*



*The Strategic Alignment of Brand Positioning with Country Personality*

Peter Magnusson, University of Alabama

Brian Montavon, University of Alabama

This study examines how brands' positioning that is aligned with the firm's home country personality may positively affect brand evaluations. Country-of-origin research has almost exclusively viewed country image as ranging from unfavorable to favorable. Instead, this study considers the concept of country personality. Across three lab experiments and a field experiment, we consistently find that brands or products are evaluated more favorably when the brand is positioned in a manner that is consistent with the brand's home country personality than when it is misaligned. This study is the first to demonstrate how international firms can leverage employee behavior-country personality alignment as a brand-building advantage. *(For more information, please contact: Peter Magnusson, University of Alabama, USA: pmagnusson@cba.ua.edu)*

*Measuring Mass Prestige Value for American Versus Asian Brands: Theory and Evidence*

Ajay Kumar, Central University of Haryana

Justin Paul, University of Puerto Rico

Brands today have become a true differentiating factor for marketers. Related concepts like brand equity and brand preference have been a topic of investigation for scholars for quite some time now. In the recent years, brand equity and brand preference have been linked to prestige associated with brands. Masstige (Mass Prestige) is important, yet a relatively less investigated construct in the literature. This study is an attempt to contribute to the strategic brand management literature grounded in masstige theoretical approach by examining the prestige associated with four top selling laptop brands (two American- HP, Dell, the other two Asian- Lenovo and Acer) in the second fastest growing emerging market, India. Mass prestige is measured using Masstige Mean scale. Results show that none of the four brands are rated as prestige brands in India. Yet, HP and Dell have the potential to be seen as prestige brands. Lenovo and Acer are trailing behind in mass prestige value. Potential reasons for different mass prestige value of four laptop brands are discussed. *(For more information, please contact: Justin Paul, University of Puerto Rico, USA: justin.paul@upr.edu)*

*Gaining Organizational Legitimacy through Advertising Strategies*

Arilova A. Randrianasolo, John Carroll University

Alexey V. Semenov, San Jose State University

Hadi Alhorr, Saint Louis University

Research on organizational legitimacy suggests that firms may employ strategic actions such as isomorphism, entry mode choices, and strategic alliances to increase legitimacy levels; however, this current paper utilizes signaling theory to suggest that advertising strategies belong in this arsenal of strategic options. Specifically, this current research theoretically proposes that advertisements reflecting either global consumer culture positioning (GCCP) or local consumer culture positioning (LCCP) strategies can be utilized to increase legitimacy. Furthermore, this paper examines how this proposed relationship between advertising strategy and legitimacy is influenced by consumer identifications with their global and national communities. This research thus (1) introduces advertising strategy into the realm of organizational legitimacy, and (2) considers consumer characteristics as important determinants of advertising strategy success in gaining legitimacy. The implications of this research are relevant to firms seeking legitimacy to combat liabilities of foreignness, newness, and outsidership; or firms seeking to offset illegitimacy levels. *(For more information, please contact: Arilova A. Randrianasolo, John Carroll University, USA: arandrianasolo@jcu.edu)*

*Drivers of Attitudes towards Luxury and Counterfeit Products: A Cross Country Comparison*

Rajesh Iyer, Bradley University  
Mitch Griffin, Bradley University  
Barry Babin, Louisiana Tech University

Consumers around the world are willing to pay a premium price for higher quality and higher status products. As a result, the number of luxury consumers has tripled in the last twenty years. Emerging markets are the prime spenders on luxury items, comprising of 130 million luxury consumers (with more than a third from China alone). This significant growth in luxury consumption is accompanied by a meteoric increase in counterfeit consumption. Counterfeit is viewed as a substitute of luxury for some consumers. This paper explores the consumer's motivations to purchase luxury and counterfeit products by engaging in a cross country comparison of US and Indian consumers. It focuses on the different characteristics of consumer behavior (fashion conscious, perfectionist, status conscious) and its attitudes towards luxury and counterfeit consumption. The study also investigates the impact of interpersonal influence in the attitude towards luxury and counterfeit consumption. The findings of the study indicate that there are no significant differences between consumers in US and India when it comes to luxury and counterfeit consumption. The study also found that interpersonal influence significantly influences the fashion conscious, perfectionist and status conscious consumers when it comes to luxury consumption but has no impact on counterfeit consumption. *(For more information, please contact: Rajesh Iyer, Bradley University, USA: riyer@bradley.edu)*

*Nation Branding through Mega-Events and the Impact on Tourism Development in the Host Country: A Study on the 2014 FIFA World Cup in Brazil*

Mascha Sörensen, Fundação Getúlio Vargas, Escola de Administração de Empresas  
Luís Henrique Pereira, Fundação Getúlio Vargas, Escola de Administração de Empresas

Nation branding has gained importance as countries strive for a global competitive advantage to attract worldwide tourists, foreign direct investment, and to enhance consumer preferences for its products. The objective of this research is to understand the perception of Brazil internationally and to determine whether the 2014 World Cup in had an impact on the nation brand and the tourism activities in Brazil. Main sources of information were secondary data from tourism and event related journals, nation branding indices and official tourism statistics. The most insightful data source was seven interviews with experts in the corresponding fields. The research suggests that the World Cup had two-sided effects. Improvements in international awareness, tourism activity and perception of culture and people were partly restrained by negative images of corruption, insecurity and social problems. Also, the mega-events happened at a difficult economic and political time in Brazil. Together with persistent deficiencies of the international sport organizations, these circumstances hindered lasting legacies and international reputation. The findings are based on a complex discussion which nevertheless identifies positive contributions of the World Cup and Olympic Games to destination branding and possibly to the development of a nation branding strategy of Brazil. *(For more information, please contact: Mascha Sörensen, Fundação Getúlio Vargas, Escola de Administração de Empresas, Brazil: mascha.soerensen@gmail.com)*

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**Session: 1.2.1 - Panel*****Invited Panel: The Changing Role of Business Organizations*****Presented On:** July 3, 2017 - 10:45-12:00

Chair: Melodena Stephens Balakrishnan, Karlshochschule International University

Discussant: Elizabeth L. Rose, University of Otago

***Panelists:***

Khalifa Suhail Al Marar, Mubadala Development Company PJSC

Mukund Rajan, Tata Group

Sudhir Shetty, CEO, UAE Exchange

Patrick Sieyes, Vestergaard

The United Nation has introduced 17 Sustainable Development Goals (SDGs) to be achieved by 2030. Governments alone, even with increased taxations, will not be able to achieve these goals in our volatile world. In fact, the target of meeting 0.7% of gross national income as overseas aid, has been only met by 6 countries out of the 22 that pledged to do so. MNEs contribute 23% of corporate payments and 10% of total government revenues in developing countries and 15% and 5% in developed countries. There is a need for more direct involvement of MNEs in areas like basic infrastructure and towards specific goals (e.g. food security, climate change mitigation and adaptation, health and education) which means that MNE contributions could rise to US\$ 2.3 trillion, or nearly 60% of the required amount. This panel's objective is to see how firms look beyond their corporate agenda and embed a societal focus in their operations. This panel introduces members of AIB to leading MNEs from emerging markets and helps them understand some of the best practices being followed to build sustainable societies. These organizations contribute to the achievement of SDGs. They are of different forms and are international in nature: one of the world's largest private investor funds, Mubadala; an emerging market multinational enterprise operating around the world, Tata Group; and a social technology enabler, Glowork. *(For more information, please contact: Sarianna Lundan, University of Bremen, Germany: s.lundan@uni-bremen.de)*

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**Session: 1.2.2 - Panel****Track: 2 - Managing the value chain*****The Governance of Global Value Chains*****Presented On:** July 3, 2017 - 10:45-12:00

Chair: Roger Strange, University of Sussex

***Panelists:***

Roger Strange, University of Sussex

Peter Buckley, University of Leeds

Gaaitzen de Vries, University of Groningen

Ari van Assche, HEC Montreal

Global value chains are an increasingly important feature of the contemporary world economy. A greater international fragmentation of production has resulted, with dramatic shifts in the global location of economic activity. But who maintains control over these geographically dispersed activities? These control/governance issues have profound implications for the capture of the profits/rents earned in GVCs, and hence for the global distribution of income. This panel will address five inter-related questions: (1) How are global value chains

governed and controlled? (2) How can the value-added in global value chains be measured? (3) Who captures the value-added in global value chains? (4) What are the implications for firms in developing economies of participation in global value chains? (5) To what extent are there benefits from functional upgrading in global value chains? (For more information, please contact: Roger Strange, University of Sussex, United Kingdom: [r.n.strange@sussex.ac.uk](mailto:r.n.strange@sussex.ac.uk))

**Session: 1.2.3 - Panel**

**Track: 5 - Organization strategy and management**

***Emerging Market Multinationals: The Rise of the Rest***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Alvaro Cuervo-Cazurra, Northeastern University

Discussant: Ravi Ramamurti, Northeastern University

*Panelists:*

Helena Barnard, GIBS, University of Pretoria

Alvaro Cuervo-Cazurra, Northeastern University

Mehmet Demirbag, University of Essex

Maria Alejandra Gonzalez-Perez, Universidad EAFIT

Pavida Pananond, Thammasat University

This panel will analyze the global expansion of multinationals from small and mid-sized emerging countries. These firms are underresearched since most of the literature on emerging market multinationals is concentrated on the experience of firms from the Brazil, India, Russia and China, the so-called BRIC countries. However, some of these experiences are implicitly driven by very large domestic markets and abundant natural resource and thus may not apply to firms from smaller countries with fewer resource endowments. The panelists are local experts who will explain how firms operating in small domestic markets and with fewer natural resources can nevertheless build their competitive advantage to international levels, in many cases in tandem with their foreign expansion; how they can improve their competitiveness via links to the global supply chains of other multinationals; and how regional economic integration is inducing these firms to expand abroad. (For more information, please contact: Alvaro Cuervo-Cazurra, Northeastern University, USA: [a.cuervocazurra@neu.edu](mailto:a.cuervocazurra@neu.edu))

**Session: 1.2.4 - Panel**

**Track: 6 - Human resource management**

***The Bright Side of Culture in International Business: Toward a More Balanced Perspective***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Christof Miska, WU Vienna

Discussants: Mary Sully de Luque, Thunderbird School of Global Management and Hyun-Jung Lee, London School of Economics & Political Science

*Panelists:*

Rosalie Tung, Simon Fraser University

Nakiye Boyacigiller, Sabanci University

Jusuke JJ Ikegami, Waseda Business School

Martha Maznevski, Ivey Business School

Robin Pesch, Universität Bayreuth

The idea that there are negative consequences associated with culture is pervasive in hypotheses formulation and empirical testing in international business, as reflected in widely used constructs such as “cultural distance”, “cultural misfit”, “foreignness”, and related concepts. Although the problem-focused approach related to culture in international business contributes to our understanding of the role of cultural differences, there is ample evidence to show that international business research has overemphasized the difficulties, obstacles, and conflicts caused by cultural differences rather than the associated positive dynamics and outcomes. Correspondingly and consistent with a Positive Organizational Scholarship (POS) perspective on culture and cultural differences, this panel focuses on the positive role of culture in intentional business. Designed to provide participants with stimulating and thought-provoking input that generates discussion and interaction, three showcase presentations provide examples of the upside of culture within different content areas of international business. The presentations are complemented by Rosalie Tung’s distinguished scholar presentation in which she shares her research and editorial experience with regard to the positive aspects of culture in international business. Participants will have plenty of opportunities to discuss and interact with the panel participants. *(For more information, please contact: Christof Miska, WU Vienna, Austria: christof.miska@wu.ac.at)*

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**Session: 1.2.5 - Competitive**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

***Adopting and Organizing CSR and Sustainability Initiatives***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Valentina Marano, Northeastern University

*Transformational Leadership, Sustainability, and Social Entrepreneurship*

Etayankara Muralidharan, MacEwan University  
Pathak Saurav, Kansas State University

Using multi-level modelling and data on 112,980 individual-level responses from 24 countries for the year 2009 obtained from the Global Entrepreneurship Monitor (GEM) survey, we seek to understand how societal-level institutions impact individual level likelihood to engage in social entrepreneurship. We hypothesize that cross-culturally endorsed transformational leadership theories (Transformational CLTs) and societal sustainability values positively influence the likelihood of individuals becoming social entrepreneurs. While this holds true, the effectiveness of Transformational CLTs matters more for social entrepreneurship when sustainability values in societies is low – suggesting the interaction between cultural leadership styles and perceived societal sustainability values. We contribute to comparative entrepreneurship research by introducing strong cultural antecedents of social entrepreneurship in Transformational CLTs and societal sustainability values. *(For more information, please contact: Etayankara Muralidharan, MacEwan University, Canada: muralidharane@macewan.ca)*

*CSR Embeddedness and CSR Implementation in an MNE: The Role of Autonomy and Distance*

Anne Jacqueminet, Bocconi University

Subsidiaries need to address simultaneously demands from within and without the multinational enterprise (MNE) regarding their Corporate Social Responsibility (CSR). However, those two types of demands might not be fully consistent, so that we need to understand why subsidiaries may prioritize one vs. the other and how that affects their CSR implementation strategies. In this paper, we propose that more autonomous subsidiaries and subsidiaries that are more distant from the MNE’s home country are more locally embedded as far as CSR is concerned, i.e. pay more attention to local demands compared to the demands of their headquarters. We

further expect that local CSR embeddedness will broaden the set of practices that subsidiaries implement as they try to satisfy a larger set of stakeholders. Based on the study of the implementation of CSR in 98 subsidiaries of an MNE, we find that local CSR embeddedness increases with autonomy but decreases with cultural and institutional distances – while economic distance has no effect on the degree of local embeddedness. The results of the simultaneous equations' approach also support the idea that when subsidiaries pay relatively more attention to the headquarters (respectively local stakeholders), their implementation of practices is more focused (respectively broader). *(For more information, please contact: Anne Jacqueminet, Bocconi University, Italy: anne.jacqueminet@unibocconi.it)*

*The Drivers of Corporate Social Responsibility among EMNCs: Evidences from Asian Emerging Economies*

Abdullah Al Mamun, University of Newcastle

Michael Seamer, University of Newcastle

Qaiser Rafique Yasser, Preston University

In this paper we studied the ethical behaviours of multinational corporations from Asian emerging economies. Building on resource dependence and agency theory we examined home country directorship and host country directors' international experience influence on Emerging Economy Multinational Corporations' (EMNC) CSR adoption practices. Applying resource dependency theory we argued that home country directors, and host country directors with international experience, bring in valuable and rare resources that are expected to have an influence on CSR adoption practices of EMNCs. We have also theorized that EMNC outsiders on boards would moderate the relationship between (1) home country directors (2) host country directors with international experience and CSR adoption practices among Asian emerging economy EMNCs. Our analysis on 238 EMNCs results that home country directorship has a significant positive influence on CSR adoption practices, however, leaving host country directors with no influence. EMNC outsiders are found to have significant positive influence on the relationship between home country directors and CSR adoption practices of Asian emerging economy EMNC CSR adoption practices. Our results are crucial to practitioners and regulators. *(For more information, please contact: Abdullah Al Mamun, University of Newcastle, Australia: abdullahal.mamun@uon.edu.au)*

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**Session: 1.2.6 - Competitive**

**Track: 9 - Teaching IB**

***Multiculturalism & Globalization***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Vas Taras, University of North Carolina at Greensboro

*Training for Change Management Competencies in Middle-Eastern Organizations: A Multi-Media Simulation Approach*

Albert Angehrn, INSEAD

Florian Schloderer, INSEAD

It is particularly difficult to implement change in Middle Eastern organizations because resistance to change is usually very high. Recently, simulation-based learning experiences have been developed and successfully used for the training for change management competencies in a variety of contexts, such as Western organizations, Chinese organizations or family enterprises. However, specific learning solutions for Middle Eastern organizations have not been available until now. This presentation describes the development of the GulfCom Simulation, a simulation-based learning experience designed for training purposes of change management competencies in Middle Eastern organizations. The game story of the GulfCom Simulation is presented, and its underlying models and culture-specific adaptations are discussed. Finally, insights about the use of the GulfCom Simulation as a training tool for change management competencies in Middle Eastern organizations in

the classroom are discussed. *(For more information, please contact: Florian Schloderer, INSEAD, United Arab Emirates: florian.schloderer@insead.edu)*

*Conflict in Global Virtual Students Teams (GVST) – A Study from the X-Culture Experience*

Sumati Varma, Delhi University  
Richa Awasthy, Amedkar University

The present study focuses on the occurrence and resolution of conflicts in a Global Virtual Students team (GVST) project. X – Culture is a global cross culture collaborative project based on the constructivist experiential learning approach. This paper discusses the issues in online simulation, which is like a live project where students get first hand learning experience. Students experience challenges of working in a multicultural virtual team with a huge geographically spread. This paper brings out issues of time zone differences, ego clashes and language barriers, further attenuated by lack of cultural intelligence for first time members. All these become sources of team conflict. Learning is a co-creation process. The simulation project brings valuable insights on working in a cross cultural context for the students. The project brings first hand based learning and rich 'here and now' data to classroom discussion. It also contributes to the development of pedagogy for managing conflict in GVSTs in different cultural contexts and enhancing the on-line collaborative learning experience. *(For more information, please contact: Sumati Varma, Delhi University, India: varmasumati@yahoo.co.in)*

*Next-Best Thing? Simulating Strategic Decision-Making in Two IB Learning Environments*

Joan Marie Lofgren, Aalto School of Business  
Andres Ramirez, Bryant University  
Elysebeth Leigh, University of Technology, Sydney

This paper presents insights from the use of business strategy computer-mediated simulations (Cesim's Global Challenge and Business Strategy Game/BSG) in two undergraduate programs: at the Aalto School of Business in Mikkeli, Finland and at the Bryant University College of Business in Rhode Island, USA. Aiming to better understand student experience of the simulations, we conducted a pilot survey of both cohorts in spring 2016. We draw on this exploratory data to evaluate student perceptions of their learning along three dimensions: translating theory into practice in business functions; dealing with uncertainty; and the affective dimensions of learning in a simulation. We conclude by outlining the next steps in our research project. *(For more information, please contact: Joan Marie Lofgren, Aalto School of Business, Finland: joan.lofgren@aalto.fi)*

*Showing What You Know: Classroom Assignments in Multicultural Business Education and the Effect on Graduate Recruitment*

Amanda E.K. Budde-Sung, University of Sydney  
Sandra Seno-Alday, University of Sydney

Why do so many studies show that employers feel that graduates they hire lack the necessary skills for modern business? The answer may be partly due to cultural differences in the international business classroom. Different cultures embrace different learning styles, and approaches in the Anglo Socratic educational tradition differ from that of the Confucian Asian educational tradition, in both philosophy and practice. There may be a gulf between how professors steeped in the Socratic tradition expect learning to be demonstrated, and how students enculturated in the Confucian tradition expect to demonstrate that learning, thus leading to possible cultural bias in performance outcomes in an increasingly multicultural classroom. These outcomes have a considerable influence on the attractiveness of graduates to potential employers. We conduct a tri-lingual literature survey in the field of business education to investigate the role of culture and language on assignment performance. We then evaluate the assignment performance of 1682 undergraduate and graduate business students from 53 countries over seven years and confirm significant cultural and linguistic effects on student performance across different types of assignments. The critical educational and employment implications of

these findings are discussed. (For more information, please contact: Amanda E.K. Budde-Sung, University of Sydney, Australia: amanda.budde-sung@sydney.edu.au)

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**Session: 1.2.7 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***Ownership and Internationalization Process: Business Groups, Family Businesses and SOEs***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Jane Louise Menzies, Deakin University

*Emerging Market Business Groups: Diversification and Internationalization of Qiye Jituan*

Jie Fu, Tianjin Normal University/University of Toulouse 1 Capitole

Denis Lacoste, Toulouse Business School

Laurent Germain, Toulouse Business School & University of Toulouse 1 Capitole

Stephen Nicholas, Tianjin Normal University & University of Newcastle

Elizabeth Maitland, University of New South Wales

Diversification and internationalization have been intensively scrutinized as two distinct strategies in management studies. However, there is a need to investigate diversification and internationalization simultaneously to better comprehend the ways through which firms achieve their overall performance. Chinese business groups, or qiye jituan, have demonstrated outstanding strategic choices which challenge many western conventions, thus offering an ideal sample to decrypt how institutional contexts, both domestic and overseas, shape the strategic behavior and subsequent performance of Chinese firms. Drawing evidence from 186 observations of Chinese business group firms from 2008 to 2010, this study revealed that (1) domestic institutional voids and international institutional transition affect the diversification-performance relationship in opposite manners; (2) Internationalization creates value for Chinese business groups beyond certain level in terms of numbers of foreign locations and that of foreign subsidiaries; (3) The internationalization level and institutional distance jointly influence the performance. (For more information, please contact: Jie Fu, Tianjin Normal University/University of Toulouse 1 Capitole, China: jie.fu01@gmail.com)

*Hybrid State-Owned Enterprises and Foreign Market Entry: Evidence from Emerging Market Multinationals*

Nan Zhou, Nankai University

This article examines the strategy of hybrid state-owned enterprises (SOEs) in foreign market entry. Hybrid SOEs with mixed state and private ownership adopt different strategies in the globalization process as the level of state ownership changes. First, hybrid SOEs are more likely to comply with government by entering foreign market as the level of state ownership increases. Second, they balance different demands of private and state ownership by utilizing different types of resources when they enter foreign markets. While their preference for external resources such as debts increases with the level of state ownership, the preference for internal resources such as intangible assets decreases with the level of state ownership. An empirical investigation of Chinese-listed hybrid SOEs between 2001 and 2007 supports these arguments. (For more information, please contact: Nan Zhou, Nankai University, China: zhounan38@hotmail.com)



*Family Firms, R&D, and Internationalization: Stewardship Perspective and Socio-Emotional Wealth Perspective*  
 Wen-Ting Lin, National Chung Cheng University  
 David Ahlstrom, Chinese University of Hong Kong

This study draws on the stewardship theory and socio-emotional wealth theory to postulate the effects of family firms on the relationship between R&D and internationalization. In particular, it focuses on how the relationship between R&D and internationalization differs between family firms managed by a CEO who is a family member and family firms that are managed by an outside professional CEO. Based on longitudinal data (2000–2005) from 179 publicly listed high-tech firms in Taiwan, the research reveals that family firms positively moderate the relationship between R&D and firm internationalization. Furthermore, the moderating effects of family firms are weaker when family firms are managed by an outside professional CEO. *(For more information, please contact: Wen-Ting Lin, National Chung Cheng University, Taiwan: wentinglin@ccu.edu.tw)*

*Global Value Chain Governance in a Family Firm*  
 Liena Kano, University of Calgary  
 Luciano Ciravegna, University of London  
 Francesco Rattalino, ESCP Europe

In this conceptual study, we employ internalization theory to analyze global value chain (GVC) governance in family-owned MNEs. We argue that unique features of family firms, such as family-based asset specificity, presence of family-based heritage practices and propensity for bifurcation bias, impact decisions on location and control of value chain activities, timing of (de)internalization, and selection of outsourcing partners. Specifically, bifurcation biased family MNEs are likely to internalize heritage practices even if those practices are more efficiently performed outside of the boundaries of the MNE. Non-bifurcation biased MNEs are expected to pursue GVC governance that is similar to that of MNEs with dispersed ownership, however, they are likely to prioritize family-to-family bundling when it comes to partner selection. In the absence of proper economizing mechanisms, this type of bundling may turn into second-tier bifurcation bias. *(For more information, please contact: Liena Kano, University of Calgary, Canada: liena.kano@haskayne.ucalgary.ca)*

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**Session: 1.2.8 - Competitive**

**Track: 7 - Corporate governance and financial management**

***International Finance and Taxation***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Robert E. Grosse, Thunderbird School of Global Management

*Does Tax Haven FDI Impact upon Firm Performance?*  
 Chris Jones, Aston University  
 Yama Temouri, Aston University  
 Gerda Dewit, Maynooth University  
 Dermot Leahy, Maynooth University

This paper provides theoretical and empirical evidence of the link between the use of tax haven subsidiaries by multinational enterprises (MNEs) and firm performance, as measured by total factor productivity. We find that the use of tax havens has no impact on economic dynamism for a sample of MNEs from across the OECD. Our results have significant policy implications in terms of the role of tax havens in the world economy. *(For more information, please contact: Chris Jones, Aston University, United Kingdom: c.jones2@aston.ac.uk)*

*Collectivism and the Costs of Financial Distress*

Chuck Kwok, University of South Carolina  
 Sadok El Ghouli, University of Alberta  
 Omrane Guedhami, University of South Carolina  
 Ying Zheng, University of South Carolina

In this study we examine how collectivism influences the costs of financial distress. Prior research suggests that distress costs can be substantial due to unfavorable actions from customers and competitors that reduce a distressed firm's market share. We hypothesize that these distress costs should be less pronounced in collectivist countries, which are characterized by tight group structures and group-oriented values. Using a large sample of 158,612 firm-year observations from 46 countries over the 1989–2010 period, we find that collectivism reduces customer- and competitor-driven market share losses for financially distressed firms. When we extend our analysis to include employee and supplier stakeholder groups, we find that collectivism helps financially distressed firms retain employees and obtain trade credit from suppliers. Our findings are robust to accounting for potential endogeneity. This study highlights a condition –financial distress – under which collectivism improves firm value. *(For more information, please contact: Chuck Kwok, University of South Carolina, USA: ckwok@moore.sc.edu)*

*The Interaction of Quantity and Quality of Finance: Did It Make Industries More Resilient to the Global Crisis?*

Robert E. Grosse, Thunderbird School of Global Management  
 Ali Mirzaei, American University of Sharjah

While the literature on financial development generally shows a strong correlation between financial and economic development, the issue of financial crisis has not been taken adequately into account. The 2008-9 global financial crisis provides a useful context in which to explore this relationship. We argue that for the purpose of mitigating the adverse effects of financial crises on the real sector, the quantity of finance (e.g. domestic credit) should be backed by quality of finance (e.g. integrity in bank lending). Using a sample of 28 industries from 63 countries, we find support for our main conjecture. Specifically, we find that industries more dependent on external finance were disproportionately more resilient during the crisis if located in countries where a high quantity of finance during the pre-crisis period was accompanied with better quality of finance. Our results are robust to different measures of quantity and quality of finance, and different estimation methods. These results suggest that attention to quality of finance may assist in mitigating the adverse real impact of financial crises on financially developed countries, and that there is such a thing as too great a quantity of finance. *(For more information, please contact: Robert E. Grosse, Thunderbird School of Global Management, USA: grosser@global.t-bird.edu)*

**Session: 1.2.9 - Competitive****Track: 8 - International business policy***FDI Impact on Home and Host Countries In the Policy Domain*

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Lilac Nachum, City University New York

*The Concept of Formal and Informal Institutional Compatibility and Its Effect on FDI*

Tilo F. Halaszovich, University of Bremen

Formal and informal institutions and their distance between home and host countries matter for FDI. Yet, the exact nature of this influence is still not fully understood. In this paper, we develop the concept of formal and informal institutional compatibility as well as empirical measures of both to contribute to our understanding in

this regard. We argue that the formal and informal institutional profiles of home and host countries can create synergies that facilitate bilateral FDI flows (that is being compatible) even if they are characterized by high institutional distances. We apply our measures of formal and informal institutional compatibility to a sample of bilateral FDI flows between 127 host and 122 home countries over 12 years. The results confirm that more than half of the institutional pairs in our sample are either significantly compatible or incompatible. *(For more information, please contact: Tilo F. Halaszovich, University of Bremen, Germany: tilo.halaszovich@uni-bremen.de)*

*Do Good Home Institutions 'Spoil' or 'Nourish' Firms: The Relationship between the Development Level of Sub-National Institutions and Firms' OFDI in China*

Fangrong Li, Xi'an Jiaotong-Liverpool University  
Tao Bai, Xi'an Jiaotong-Liverpool University

Building on the institutional configuration perspective, this study argues that home country institutions function both as motivator and facilitator for firms' OFDI. We propose that home institutions affect both the motivation and ability of firms' overseas investment, which leads to an inverted U-shaped relationship between home institutional development level and OFDI. Using empirical data from China, we find that home institutional development level has an inverted U-shaped relationship with outward FDI. We further find that this inverted U-shaped relationship is more pronounced for private firms and for firms in more technology intensive industries. *(For more information, please contact: Fangrong Li, Xi'an Jiaotong-Liverpool University, China: fangrong.li@xjtlu.edu.cn)*

*Institutional Quality, Institutional Voids, and FDI Location Choice in China*

Jiangling Yi, Central South University  
Meng Zhang, Nanjing University of Finance and Economics

Though prior research, which is based on data from developed countries and provinces, has suggested that institutional quality to absorbing FDI has only a positive value, this study using a city level data in China examines whether institutional quality can also be a significant hindrance to FDI. Analyzing 284 Chinese cities from 2004 - 2014, we find that the relationship between them is not linear but U shaped. The reason is that the MNCs try to take different strategies to adapt the different institutional quality context. MNCs in the inferior institutional context are more likely to benefit from the institutional voids that may bring about the lower product requirements, penalty cost and trial-and-error cost and thus are harmed early on as institutions develop. But then subsequently, after institutional quality researches a threshold point, they are able to benefit gradually from the institutional orientation strategy in the higher quality institutional context and are able to secure critical resources and information through those channels rather than exploiting the institution loopholes as the benefits brought by the institution voids decrease. *(For more information, please contact: Jiangling Yi, Central South University, China: kuaileyjl@163.com)*

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**Session: 1.2.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Entry Mode, Value Creation, Operation Mode Change and Market Exit***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Sumit K. Kundu, Florida International University

*Foreign Divestment: A Critical Review of Contemporary Literature between 1996 and 2015*

Pratik Arte, University of Vaasa

Jorma Larimo, University of Vaasa

Foreign divestment plays an important role in international growth and performance of multinational enterprises (MNE). The past two decades have witnessed an increase in scholarly attention received by this topic. The present paper reviews 31 empirical works on foreign divestment. We selected the works published between 1996 and 2015 which have used one of the following theories: (1) transaction cost (TC)/internalisation theory, (2) eclectic paradigm (OLI framework), (3) institution based view (IBV), and (4) real options theory (ROT). The review was conducted using content analysis technique. First, our review pertains to the theoretical approaches used by the empirical works. It suggests that there is great degree of ambiguity among the arguments stemming from different theoretical perspectives. Predictions regarding environmental uncertainty, which are rooted either in the IBV or the TC/internalisation theory, complement each other. Similarly, TC/internalisation theory, eclectic paradigm, and IBV make identical predictions regarding ownership of intangible assets. The empirical review points towards several limitations in the existing literature. These limitations pertain to choice of home country, sample selection, and data sources. Furthermore, we found a great degree of discrepancy in operationalisation of similar set of variables, particularly concerning the firm-level variables. *(For more information, please contact: Pratik Arte, University of Vaasa, Finland: pratik.arte@uva.fi)*

*Changes in Foreign Operation Modes: A Structured Literature Review*

Moritz Putzhammer, WU Vienna

This paper addresses the growing but fragmented area research area of changes in foreign operation modes. The focus of my work lies on consolidating and conceptualizing existing research and setting the frame for future research needed. This is done through a structured literature review as well as the development of a holistic conceptual model portraying the complexity of a firm's foreign operation mode changes as well as their antecedents and consequences. Studies on changes in foreign operation modes examine different forms of changes. First, so-called between mode changes like changes between exporting and FDI or between multiple stages in the establishment chain are examined. Further, also changes within a certain operation mode like changes in exporting form, changes in licensing form or joint venture partners, ownership levels in FDI modes or changes between different forms of FDI are examined. Lastly, also so-called mode combinations, where modes are added to or deleted from already existing parallel operations in a foreign country, are subject to analysis in this area of research. *(For more information, please contact: Moritz Putzhammer, WU Vienna, Austria: moritz.putzhammer@wu.ac.at)*

*Firm Specific Advantages and Value Creation in Emerging Markets*

Tetsuya Usui, Nihon University

The transaction cost-based view of forming multinational enterprises (MNEs) has gained much attention as an appropriate theoretical lens to explain a logic behind firms' value creation activities at initial foreign market entry stage. Although previous studies have centered on its limitations concerning MNE transaction cost-minimizing behavior, particularly on value creation in local markets, few studies have investigated the optimal process of

home-based FSA selection and transfer management for value creation at the business unit level. In this study, by conducting explorative case studies on the emerging market entries and expansion stages of Japanese MNEs, we explore the dynamic patterns by how MNEs simultaneously achieve value creation and cost minimization and uncertainty avoidance behavior in the home-based FSA selection and transfer process. Our findings indicate that strategic orientation gradually changes toward value predicting behavior at an earlier stage of market entry rather than toward actual value creation behavior at a later stage by learning dynamic local market competitions and customer preferences. *(For more information, please contact: Tetsuya Usui, Nihon University, Japan: usui.tetsuya@nihon-u.ac.jp)*

#### *Dual Embeddedness of MNEs and Extent of Divestments*

Izzet Sidki Darendeli, California State University, East Bay  
Korcan Kavusan, Erasmus University

The international acquisitions has long been a topic of interest to researchers, still we know very little about the post-acquisition period: what happens to those acquisitions once the deal is complete, other than the performance effects related with them. The divestment of international acquisitions is a complex phenomenon and the main source of complexity comes from the fact that such divestments often are not discrete decisions, but rather MNEs can choose to divest a portion of their assets in addition to engaging in full divestments only. We argue that that, in typical divestment settings, firms respond to internal (firm) or external (environmental) pressures for divestment by identifying divestible subunit/s and employing a suitable mode. Through tracking U.S MNEs' international acquisitions between 1990 and 2014, we investigate the differential effects of relational embeddedness on partial or full divestment and selling the previously acquired asset to foreign or local firm. Our preliminary results indicate that although locational embeddedness does not have a significant effect on the likelihood of partial divestment, relational embeddedness has a positive and significant effect on the likelihood of partial divestment. These results have significant implications for managers who want to decide on the optimal divestment strategy at host-country locations. *(For more information, please contact: Izzet Sidki Darendeli, California State University, East Bay, USA: izzet.darendeli@csueastbay.edu)*

#### *When does Exit from Exports Benefit the Performance of SMEs?*

Andrea Kuiken, Jönköping International Business School

The purpose of this paper is to provide a better understanding of the relationship between exit from exports and the subsequent performance of SMEs. Based on the internationalization-performance literature I hypothesize that exit from export markets does not have a significant effect on performance unless the firm is active in a complex or dynamic environment. Using a panel data set with 822 Swedish manufacturing SMEs, covering the period 2008-2012, it is confirmed that exit from exports has no effect on performance unless the firm is facing a dynamic environment. The paper has a number of contributions to theory as well as practice among which that it emphasizes that exit from exports is an alternative path in the internationalization process that is not necessarily bad for the firm. *(For more information, please contact: Andrea Kuiken, Jönköping International Business School, Sweden: andrea.kuiken@ju.se)*

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**Session: 1.2.12 - Interactive**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

***International Business, Poverty, Inequality and Discrimination***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Simona Iammarino, London School of Economics

*Do the World's Poverty Alleviation Initiatives Overlook an Important Variable? Towards a Theory on Effects of Informal Intermediation*

Frithjof Arp, Nottingham University Business School

Alviani Ardisa, Nottingham University Business School

Poor entrepreneurs benefit less from poverty alleviation initiatives than less-poor entrepreneurs and access to formal microfinance reduces the incidence but not the amount of borrowing (Islam, Nguyen, & Smyth, 2015) from various types of informal sources (Arp & Ardisa, 2016b). Over time, less poor entrepreneurs reduce their reliance on informal borrowing while access to formal microfinance increases borrowing for consumption of the poorest without facilitating access to new business opportunities (Islam et al., 2015). To help explain these phenomena, the empirical part of this study examines an overlooked variable: Informal intermediation. That is, less-poor entrepreneurs borrow from formal lenders and lend to poorer ones. This forms a significant part of monopolistic competition (Chamberlin, 1947) rather than efficient market scenarios (Arp & Ardisa, 2016a). We find that access to formal microfinance creates new business opportunities for less-poor borrowers without new productive venture creation among the poorest of the poor. We conceptualise informal intermediation as a variable for future quantitative examinations of the effectiveness of formal microfinance, theorise direct and indirect effects, and develop propositions for further research. Our study advances theory on microfinance for poverty alleviation through entrepreneurship. *(For more information, please contact: Frithjof Arp, Nottingham University Business School, China: frithjof.arp@nottingham.edu.cn)*

*An Exploratory Case Study on the Development and the Legitimacy of the ISO/CEN Standard for Sustainable and Traceable Cocoa*

Jan Vang, Aalborg University

Dina Kusnezowa, Independent

Michael Hedegaard, Copenhagen Business School

This paper presents a new conceptual framework to assess the legitimacy of non-governmental initiatives regulating international commodity markets by means of standards. It draws on relevant dimensions of normative and empirical legitimacy and offers an alternative concept to the political understanding of legitimacy in traditional governance. Empirically, the paper explores the development of the ISO/CEN standard for sustainable and traceable cocoa which will be the first international standard for the sustainable production of an agricultural commodity. Normative legitimacy is assessed by analyzing the implementation of standard-development principles, while qualitative data collected from participants representing various stakeholder groups in the Danish, Ghanaian and Ivorian committees provides insights into the empirical legitimacy of the upcoming standard. *(For more information, please contact: Jan Vang, Aalborg University, Denmark: jan@business.aau.dk)*

*Corporate Social Responsibility in a Mining MNE in Ghana – A Case of Corporate Reputation Versus Sustainable Development*

James Tuffour, Anglia Ruskin University  
Swetketu Patnaik, Anglia Ruskin University

The concept of corporate social responsibility (CSR) is most relevant, amongst other sectors, in the context of extractive industries. Extant studies suggest that local areas where mining takes place are characterised by high ecological degradation, lack of social amenities and increased crime rates. Improper handling and disposal of hazardous chemicals and human waste into river bodies pose severe danger to aquatic life and affects basic standards of living of people dwelling in mining communities. Hence, there have been calls for Multinational Enterprises (MNEs) to localise CSR to reflect and adapt to the needs of the local community. In this paper we undertook a longitudinal exploratory study to explore motivating factors underpinning CSR activities of mining MNE in Ghana. We find that although the company has been making significant effort to localise its approach by involving local stakeholders, its CSR strategy is still driven by maintaining and protecting corporate reputation and not delivering sustainable development in the region. *(For more information, please contact: James Tuffour, Anglia Ruskin University, United Kingdom: james.tuffour@pgr.anglia.ac.uk)*

*Role of the Millennium Challenge Corporation on Infrastructure Development in West African Country of Burkina Faso: A Capacity Building Perspective*

Oussen Bagaya, National Chung Hsing University

Foreign aid from multinational development banks (MDBs) and bilateral development agencies (BDAs) plays a dominant role in financing international development (ID) projects in capacity building areas. Accordingly, this study integrates a multilevel model (a five-level conceptual framework) and an empirical design (secondary data) to examine, for each level of the framework, the quantitative and qualitative contributions from the Millennium Challenge Corporation (MCC) projects. We look at 4 core projects sponsored by the MCC and hosted by Burkina Faso. This research identifies that knowledge transfer (e.g., anti-corruption training), investment in project management/planning tools, employment creation, infrastructure investment (e.g., enhancing Government financial capability), and higher procurement performance for African contractors are the root contributions at project team, organization, industry, host country, and cross-country levels respectively. We believe the Millennium Challenge Corporation aid is a 'model' not only for public policy makers and project management practitioners in Burkina Faso, but for other donors worldwide. The study can be extended, using questionnaire survey to assess the satisfaction of the recipient country as they are the ultimate client. *(For more information, please contact: Oussen Bagaya, National Chung Hsing University, Taiwan: bagbenous@yahoo.fr)*

*The Role of the MNE on Income Inequality: Integrating the Institutional Environments of the Home and Host Countries in Explaining how Multinationals Contribute to the Allocation of Income*

Jose Godinez, University of Massachusetts Lowell  
Sirkwoo Jin, Merrimack College  
Alessa Witt, Salesforce

This paper presents a theoretical model of the role of the multinational enterprise (MNE) on the rising levels of income inequality. This model proposes that the institutional environment of the location on which the members of the top management team (TMT) of an MNE plays an important role on the decisions of how an MNE allocates profits in the host country. The model also acknowledges that MNEs operating in the same institutional environments will have differences in how profits are distributed since members of the TMT will translate external influences into managerial actions in different manners. The model also takes into account the tensions faced by MNEs in their income distribution due to the interaction of the institutional environments of the home and host countries. *(For more information, please contact: Jose Godinez, University of Massachusetts Lowell, USA: jose.r.godinez@gmail.com)*

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**Session: 1.2.13 - Interactive**  
**Track: 6 - Human resource management**

***Leadership, Employee Development and Training in the Context of MNCs***

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Mike Szymanski, University of Victoria

*Intercultural Effectiveness - The Role of Feminine Style Leadership in Multicultural Teams*

Haruka Marufuji, University of Manchester  
Claudio De Mattos, University of Manchester  
Nitin Sanghavi, University of Manchester

Considering how international and diverse business units have become in recent years, research specifically focused on leadership in multi/cross-cultural teams is surprisingly limited. More specifically, research on the overlap of cross-cultural leadership and feminine style leadership is extremely hard to come by. In order to contribute to the efforts of further understanding this research area, an exploratory study was carried out. Based on five in-depth interviews with carefully profiled respondents and considering the extant literature, we propose a model that point to factors impacting effective cross-cultural leadership and multi-cultural team performance. We aim at identifying relevant executive competencies associated with effective cross-cultural interactions. The study further suggests a new framework and a number of theoretical propositions. Suggestions are made for development and testing in the future. *(For more information, please contact: Haruka Marufuji, University of Manchester, United Kingdom: haruka.marufuji@postgrad.mbs.ac.uk)*

*Psychological Capital, Transformational Leadership and Employee Innovative Behaviour: A Preliminary Study of Japanese IT and Communications Professionals*

Jane LY Terpstra Tong, Monash University  
Motoki Watabe, Monash University  
Nobuhiko Goto, Monash University

In this preliminary study, we examined the relationships between psychological capital, transformational leadership and employee innovative behaviour. Using a dataset consisting of 31 ICT professionals based in Tokyo, we tested the following hypotheses: (1) Psychological capital (PsyCap) has a positive and direct effect on innovative behavior; (2) Transformational leadership has a positive and direct on innovative behavior; (3) PsyCap mediates the relationship between transformational leadership and innovative behavior. Our data supported all Hypotheses 1 and 3 but not 2. As predicted, PsyCap played a positive role in employee innovative behavior, both as an independent variable and as a mediator. The interesting finding in this study is related to transformational leadership. Our findings indicated that transformational leaders positively affected subordinate innovative behaviour via enhancing subordinate psychological capital, but it did not have any significant direct effect on subordinate innovative behaviour after PsyCap being controlled for. Given the above findings, it is clear that PsyCap is an important psychological resource that employees can draw upon to produce innovative performance. Knowing this, leaders could aim at developing subordinates' PsyCap through their transformational leadership behavior. This is of particular importance to Japanese who, relative to Americans or Chinese, have higher fear of failure, and uncertainty avoidance. Removing subordinates from worrying of failure and enhancing their confidence will likely help them overcome their innate fear and thereby strengthening individual innovative performance. *(For more information, please contact: Jane LY Terpstra Tong, Monash University, Hong Kong, SAR-PRC: jane.tong@monash.edu)*



*Impact of Servant Leadership on Subordinate Performance and Citizenship Behavior*

Farida Saleem, University of Lahore

C Gopinath, Suffolk University

We examined the impact of servant leadership on performance and organizational citizenship behavior through cognitive and affective trust of subordinates. Data was drawn from a sample of 268 supervisor-subordinate dyads. Results showed that servant leadership strongly influenced affective trust and OCB of subordinates while having no direct or indirect effect through cognitive trust on performance. Affective trust fully mediated the relationship between servant leadership and performance and partially mediated the relationship between servant leadership and OCB. Furthermore, we found affective trust rather than cognitive trust to be the mechanism by which a servant leader induced a higher level of citizenship behavior in subordinates. *(For more information, please contact: Farida Saleem, University of Lahore, Pakistan: fareeda.saleem@fjwu.edu.pk)*

*How Much is CEO Education Worth to a Firm? Evidence from European Firms*

Ottorino Morresi, University of Roma Tre

Alberto Pezzi, University of Roma Tre

The choice of university has always been important because of its influence throughout the entire career of the student after graduation. Graduating in a more prestigious school could mean a better and highly-paid job. Moreover, better schools are likely to attract talented and motivated students. As a result, students need instruments that drive their choice correctly towards the desired school and universities are interested in appearing good institutions in order to attract the best candidates. These needs have spurred the formation of an industry dedicated to evaluate the quality of university institutions around the world and made it possible to analyze whether students graduated in highly-ranked schools perform better during their working life. We focus on the education of CEOs leading European listed firms and their choice of graduating abroad, and put it in relation to firm performance. If better schools produce better managers, then we should find greater firm performance for firms led by managers graduated in highly-ranked schools. We do not find support of this assumption and show that the ranking position of the university does not appear to be linked to firm performance. This could mean that (1) university rankings provide us with a biased representation of a student's talent and/or (2) less prestigious institutions also attract skilled students. *(For more information, please contact: Ottorino Morresi, University of Roma Tre, Italy: ottorino.morresi@uniroma3.it)*

**Session: 1.2.14 - Interactive****Track: 5 - Organization strategy and management***Understanding Subsidiary Performance***Presented On:** July 3, 2017 - 10:45-12:00

Chair: Felipe Monteiro, INSEAD

*Foreign Subsidiary Performance in Emerging Markets: An Institutional Perspective*

Mark Mallon, Elon University

Orhun Guldiken, Manhattan College

Mirko Benischke, Erasmus University

Dong Feng, Old Dominion University

Trung Nguyen, Old Dominion University

The source(s) of competitive advantages of multinational enterprises (MNEs) internationalizing out of emerging economies remains a central puzzle in international business scholarship, with some arguing that such firms are at a severe disadvantage and must "catch up" to their developed-economy rivals, and others arguing that they

may possess unique advantages unavailable to firms from developed economies, such as abilities for coping with weak or volatile institutional environments. Using a sample of 216 wholly owned foreign subsidiaries operating in a broad cross-section of 30 emerging economies over the period of 2000-2013, we find that foreign subsidiaries of MNEs from emerging economies outperform those from developed economies when operating in these countries. Moreover, the performance effects are increased in volatile and capital-intensive industries. We discuss how these findings contribute to scholarly thought regarding the performance of emerging-economy multinationals. *(For more information, please contact: Orhun Guldiken, Manhattan College, USA: oguldiken01@manhattan.edu)*

*Host Country Economic Freedom, Regional Co-Location, Exports and Financial Performance of Multinational Subsidiaries in Emerging Economies*

Quyên Nguyen, University of Reading

We examine the relationships between the host country's economic freedom and the regional co-location of the subsidiary in the same home region as the parent firm on subsidiary exports, and the complex two-way relationships between subsidiary exports and financial performance. We develop our hypotheses drawing upon the insights from the research on foreign subsidiaries of multinational enterprises (MNEs). We use an original dataset of publicly-listed, majority-owned, and non-financial MNE foreign subsidiaries in five South East Asian countries. To address potential endogeneity concerns, we run two-stage least square regressions with an instrumental variable approach. First, we find support for our prediction that higher economic freedom of the host country is positively associated with higher exports of the subsidiary. Second, we find that the regional co-location of the subsidiary and the parent in the same home region is statistically significant and positive associated with subsidiary exports, suggesting a regionalization strategy of the subsidiary. Third, subsidiary exports have an insignificant relationship with overall financial performance and there is no reverse effect of performance on exports. We extend the literature by showing that country-level analysis needs to be augmented by the region-level analysis in determining export behaviours of MNE foreign subsidiaries. *(For more information, please contact: Quyên Nguyen, University of Reading, United Kingdom: t.k.q.nguyen@henley.ac.uk)*

*Identifying Key Determinants of the Occurrence and Types of Responses to Subpar Performance in Foreign Subsidiaries*

Vanessa C. Hasse, University of San Francisco  
Paul Beamish, Ivey Business School

Many multinational enterprises experience subpar performance in some of their foreign subsidiaries. Despite the clear importance to practitioners, there are surprisingly few comprehensive studies on the appropriate responses to be taken when such a situation occurs. This study focuses on identifying key determinants which specifically originate from an international business context, utilizing an attention-based view and a multinomial logit regression analysis. Our findings suggest that factors such as the MNE's overall performance, the number of expatriates, host country GDP growth, subsidiary roles, age, and ownership type all have predictive value in terms of the occurrence and the types of responses experienced by these subpar performing subsidiaries. *(For more information, please contact: Vanessa C. Hasse, University of San Francisco, USA: vhasse@usfca.edu)*

*Determinants of Foreign Subsidiaries' Status, Their Performance and Underlying Mechanisms*

Anran Li, Hong Kong University of Science and Technology

Several Unique characteristics of foreign subsidiaries distinguish them from local firms or organizations in general, and lead to distinctive organizational status issues. In this article we develop a theoretical framework that links the attributes of the foreign subsidiaries with organizational status determinants, as well as its implication for performance in a host country. Contributing to the International Business literature, the framework presents novel insights about determinants of subsidiaries status by decomposing the initial four

status determinants into seven subsidiary-specific ones. Also, this framework contributes to literature on Liability of foreignness (LOF) and Country-of-Origin (COO) by suggesting a LOF-mitigating effect by status and status derivation effect of COO. This framework also adds to status research by identifying more status determinants, and by proposing a status-performance mechanism specific to foreign subsidiaries. More broadly, this study uncovers a black box of status research in international contexts. *(For more information, please contact: Anran Li, Hong Kong University of Science and Technology, Hong Kong, SAR-PRC: aliai@connect.ust.hk)*

*Effect of Different Ethnological Identities on Banking Performance by MNEs vs Local Firms*

David W. Pan, Texas Woman's University  
Saad Almosa, Prince Sultan University  
Alan J. Pan, University of Amsterdam

This study investigates the effect of various firms' ethnological identities on their performance indices in the sector of financial services by comparing how international banks adapt to be comparable with domestic firms in the local context environment. The authors focus on a typology of domestic banks and foreign banks that are on a scale of compliance with the institutional, political, and theological environment of Saudi Arabia, a country where Islamic Shari'ah laws are strictly followed and adhered to in many aspects of life. Some banks navigate the minimally accepted ethnological standards and norms that are dominantly present in the local context, while others follow those standards and norms strictly in their home context. The authors contribute to existing research by proposing a classification system for firms intersected by religion entering a host market from international business perspectives. Bank performance data by foreign and domestic affiliation was examined by the degrees of Shari'ah compliance. The authors discuss the results by proposing an identity checklist of the actions, behavior, and content, direction, environment, and foundation (ABCDEF) to understand a firm's identity rather than a self-announced ethnological compliance. *(For more information, please contact: David W. Pan, Texas Woman's University, USA: dpan@twu.edu)*

*The Inverted U-Shaped Hypothesis and Firm Environmental Responsiveness: The Moderating Role of Institutional Alignment*

Yousef Eiadat, University College Dublin  
Alejandro M. Fernández Castro, CESUGA

The impact of regulatory coercion on firm environmental responsiveness is well discussed by institutional theorists. The intuitive nature of the relationship is positive and monotonic, i.e., the continuous strengthening of regulatory coercion prompts top management to be more environmentally responsive. This paper shows that (1) overall, there is an inverted U-shaped relationship between regulatory coercion and firm environmental responsiveness, that is, the continuous strengthening of regulatory coercion induces top management to bring their firms' environmental responsiveness up to a certain optimum level beyond which its ability to trigger more proactive and substantive environmental responsiveness begins to decelerate, while reactive and symbolic strategic conformity accelerates; (2) perceived institutional (mis)alignment moderates the Inverted U-shaped relationship between regulatory coercion and firm environmental responsiveness. Finally, results show that the Moderated Inverted U-shaped Hypothesis advances the long-standing and contentious debate about the relationship between regulatory coercion and firm environmental responsiveness. *(For more information, please contact: Yousef Eiadat, University College Dublin, Ireland: yousef.husein@ucd.ie)*

*Institutional Regulation, Institutional Alignment, Propensity to Take Risk, and EMS Adoption: Direct, Intervening, and Moderating Effects*

Yousef Eiadat, University College Dublin  
Alejandro M. Fernández Castro, CESUGA

EMS adoption is on the rise in Jordan. Yet, Jordanian companies continue to face extremely challenging institutional conditions including wars, political instability, religious and ethnic conflicts. This study used

institutional theory as a lens to understand the factors that enable EMS adoption in the chemical sector in Jordan. It posits that institutional regulation, institutional (mis)alignment, and propensity to take risk could influence managerial predisposition toward EMS adoption. While data collection in and on Jordanian companies can be challenging, survey based research was carried out to test our theory. Data were collected from two key informants from each company including the CEO to measure perceived institutional regulation, perceived institutional alignment, intentions to adopt EMS and top management's propensity to take risk. A structural model was developed and tested using AMOS. Results show that (1) institutional alignment is associated with positive managerial predisposition toward EMS adoption; (2) managerial propensity to take risk moderates the relationship between institutional alignment and managerial predisposition toward EMS adoption, and (3) institutional alignment fully mediates the relationship between institutional regulation and managerial predisposition toward EMS adoption. *(For more information, please contact: Yousef Eiadat, University College Dublin, Ireland: yousef.husein@ucd.ie)*

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**Session: 1.2.15 - Interactive**

**Track: 8 - International business policy**

### *Investment Attraction and Locational Competition*

**Presented On:** July 3, 2017 - 10:45-12:00

Chair: Irina Surdu, University of Reading

*The Varieties of Capitalism Approach and Lean Production in Latin America: Danone in Argentina and Brazil*  
Daniel Friel, Universidad de San Andrés

Although the institutional differences between emerging markets and the developed world have been well documented, there is still a need to examine how institutional contexts differ between emerging markets. This article uses the varieties of capitalism approach to explore how differences in institutional contexts in Argentina and Brazil caused Danone to adapt a lean production program in radically different ways in each of these countries. It argues that the ability of unions to negotiate significant salary increases combined with a desire of workers to have individual pride in their jobs caused the firm to empower them individually instead of creating teams as foreseen in this company's original lean production program. In Brazil the weakness of unions, combined with labor laws that promote employee turnover and the desire of workers to pursue a career and improve their salaries caused Danone to abandon plans to empower them. Instead, the company established mechanisms that enabled workers to receive promotions that were previously out of reach. Although the varieties of capitalism approach is generally used as a means to make generalizations about sets of countries, this article suggests that it can also be useful in exploring critical differences between them.

*(For more information, please contact: Daniel Friel, Universidad de San Andrés, Argentina: dfriel@udesa.edu.ar)*

*New Versus Old in the International Business Field*  
Rong Zeng, University of Calgary

Foreign direct investment (FDI) as an important phenomenon in business, has over decades attracted scholars to conduct relevant research, generating many valuable insights into FDI motives, patterns and activities. However, recent FDI trends show important changes in the competitive landscape. There is a significant increase in FDI from emerging countries, whereof many have state ownership, into competitive markets in developed host countries. There is also a revival in the use of mergers and acquisitions, among multinational enterprises (MNEs) from emerging countries and state-owned enterprises (UNCTAD, 2015). As these MNEs with non-traditional origins (mainly emerging country origin and state-ownership origin) have exhibited strategic behavior different from their counterparts in developed countries, there is a debate regarding whether new

theory is needed to explain their FDI activities. In this paper, we first review the extant theory on how MNEs internalize to transfer firm-specific advantages through FDI. Then we argue that no new general theory is needed for MNEs with these non-traditional origins based on our critical examination of the theoretical debate on FDI activities by these MNEs. However, new perspectives and research methods are needed. Finally, we give recommendations for future research areas due to the changing FDI landscape. *(For more information, please contact: Rong Zeng, University of Calgary, Canada: rong.zeng@ucalgary.ca)*

*The Country Specific Advantages and the Role of National Governments: An Analysis of the Internationalization of the Brazilian Capital Goods Sector*

Diego Bonaldo Coelho, ESPM  
Moacir de Miranda Oliveira Junior, USP

This article focuses on investigating promising links between public policies of assistance on internationalization and its impact on export performance. The aim was to analyze whether executives' perceptions regarding the role that national governments may adopt upon the conformation of a country specific advantage is likely to be incorporated in the form of strategic resources towards international expansion. The research methodology was of a quantitative nature. A survey was carried out with 178 companies of the capital goods sector and the partial least squares regression (PLS) was the statistical method applied for its analysis. The results reveal that the executives who perceive the national government as a strategic resource to internationalization seek to apply the offered incentives on international expansion. Nevertheless, recognizing the government as relevant to such a process does not necessarily mean that the given incentives will be incorporated by the companies as a strategic active asset, determinant to international expansion. Financial and risk mitigation incentives are exceptions. *(For more information, please contact: Diego Bonaldo Coelho, ESPM, Brazil: diego.coelho@espm.br)*

*The Other Side of Strategic Adaptation: Institutional Maintenance and Entrepreneurship by MNC Subsidiaries*

Ivar Padrón Hernández, Stockholm School of Economics

What are the ways in which multinational corporations challenge institutional pressures for conformity in different markets, and what is the role of subsidiaries? This paper seeks to answer these questions by exploring and explicating how three subsidiaries in a single MNC – Tomra Systems ASA - maintained and challenged different elements of local institutions as they handled the same headquarter strategic initiative. Early findings show that responses differed across the regulative, cognitive and normative pillars of local institutions, and that different pillars were challenged in different markets. This suggests that fine-grained, non-binary analyses of institutional conformity of MNC subsidiaries add explanatory power that may not be achieved through conceptualizations of overall strategic fit of strategies or institutional entrepreneurship. *(For more information, please contact: Ivar Padrón Hernández, Stockholm School of Economics, Sweden: ivar.padronhernandez@phdstudent.hhs.se)*

*A Tale of Two Economic System --- The Institutional Perspective of Chinese Outward FDI*

Yuanyuan Li, Rutgers Business School  
Marcus Crews, Rutgers Business School

Two years later from now will be the fortieth-year anniversary of first Chinese outward foreign direct investment project. Ever since 1978 "Open and Reform" practice, China has been making efforts on marketization and transition from central control economic system to free market-based economic system. This economic system transformation affects the development of outward FDI from China. Especially there is institutional stickiness (Boettke, Coyne, & Leeson, 2008), the co-existence of the two economic system brings dynamism in the pattern of global expansion of Chinese multinationals (MNCs). The two economic system respectively represents divergent degree of institutional affiliation of economic entity and thus the different effect on economic behaviors of these entities. In this study, I attempt to answer how institutional affiliation influences the international expansion pattern of Chinese MNCs. Before I delve in to the theoretical reasoning of this research,

a background knowledge of Chinese economic system and outward FDI are introduced in order to facilitate the better understanding and discussion of this paper. *(For more information, please contact: Yuanyuan Li, Rutgers Business School, USA: yuanyuan.li@rutgers.edu)*

*The Influence of Political and Societal Institutions on MNE Performance*

Asda Chintakananda, National Institute of Development Administration  
Brian Roy Tan, B.R.I.T. Management Consulting

This paper examines the political and societal impact on MNEs' performances overseas. In particular, we examine how these country-of-origin institutions continue to influence the transaction costs and resources of firms, which leads to different level of MNE performance overseas. We hypothesize that for countries with political institutions that are well-developed at home, MNEs will have higher performance overseas. However, this relationship will be moderated by their societal institutions – for countries with political institutions that are well developed at home, the performance level will be weakened for firms from countries that have high levels of collectivism and uncertainty avoidance. *(For more information, please contact: Asda Chintakananda, National Institute of Development Administration, Thailand: asda.chi@nida.ac.th)*

*Regional Institutions of India and Their Sub-National Mapping to Study Modes of Entry*

Rajdeepa Maity, EMLYON Business School

Most studies in international business ignore the influence of within-country differences and focus mainly on between-country differences. The focus of the paper is on within-country (India) differences in terms of modes of entry. I am interested in teasing out how regional/state level institutional credibility of India that impacts mode of entry (Green field versus JV). I am focusing on one investor country (France) and one host country (India) as it will help control for cultural differences and political practices between the two countries. The paper ascertains the importance of 'sub-national institutional credibility', a relatively newer concept in the studies of emerging markets especially in the Indian context. *(For more information, please contact: Rajdeepa Maity, EMLYON Business School, France: maity@em-lyon.com)*

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**Session: 1.3.1 - Panel**

***Invited Panel: Building Sustainable Societies -- Public Policies and Private Actors***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Melodena Stephens Balakrishnan, Karlshochschule International University

Discussant: Sarianna Lundan, University of Bremen

*Panelists:*

Sheikha Shamma bint Sultan bin Khalifa Al Nahyan, Alliances for Global Sustainability

Fadi Ghandour, Aramex / Wamda Capital

Fred Sicre, Abraaj Group

Faisal Gilani, Gavi, The Vaccine Alliance

Panel exploring the role of MENA firms and private equity investors in promoting various policy goals such as the growth of entrepreneurship and expanding the delivery of health services and treatments. *(For more information, please contact: Sarianna Lundan, University of Bremen, Germany: s.lundan@uni-bremen.de)*

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**Session: 1.3.2 - Panel****Track: 4 - Innovation and knowledge management*****Industrial Clusters in a Globalized World*****Presented On:** July 3, 2017 - 13:00-14:15

Chair: Ram Mudambi, Temple University

*Panelists:*

Ari van Assche, HEC Montreal  
Elisa Giuliani, Università di Pisa  
Harald Bathelt, University of Toronto  
Carlo Pietrobelli, Università degli Studi Roma Tre

While global value chains are an important new topic in the field of international business, there has been surprisingly little scholarly research on the implications of global value chains for locations, and especially for the formation, performance and survival of industrial clusters. In this panel, we bring together a cross-disciplinary group of scholars from the fields of international business, economic geography and development studies to reflect on five inter-related questions: (1) In which respect has the emergence of global value chains altered the structure and dynamics of industrial clusters? (2) Can a location's integration into global value chains induce cluster formation? (3) Does a cluster's connectedness to other clusters affect its innovation performance? (4) Which factors affect the resilience of industrial clusters to global shocks? (5) What are the implications for industrial cluster policy? (*For more information, please contact: Ari van Assche, HEC Montreal, Canada: ari.van-assche@hec.ca*)

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**Session: 1.3.3 - Panel****Track: 6 - Human resource management*****What Else is in the Black Box: Discovering and Uncovering the Full Flux of International Assignments*****Presented On:** July 3, 2017 - 13:00-14:15

Chair: Jasenko Ljubica, Tec de Monterrey

*Panelists:*

Kevin McKouen, University of Wisconsin  
Jasenko Ljubica, Tec de Monterrey  
Margaret Shaffer, University of Oklahoma  
Mihaela Dimitrova, Oakland University  
Secil Bayraktar, Ozyegin University  
Salma Raheem, London School of Economics and Political Science

Academic interest in the area of expatriate functioning during international assignments is not surprising and, in terms of almost exclusive attention to the dynamics of expatriate adaptation and/or adjustment, has been steady. What is surprising, however, is the lack of research trying to elucidate the myriad challenges and opportunities managers face while immersed in foreign cultures on such assignments, as well as the way these relate to managerial cognitions, attitudes and behaviors. Given the rapidly increasing need for skillful global managers as well as still fairly disquieting numbers related to expatriate failure rates, we believe it is time to branch out beyond adjustment and adaptation. This panel aims to integrate research and connect researchers

investigating specific aspects of expatriate life to share and discuss their respective contributions and to animate other scholars in the field to tackle this forsaken area of investigation. To do so, we organized this panel in an interactive informal manner consisting of three phases; introductory mini-presentations of topics/papers by invited authors from the field; topic-based round-table discussions with attendees guided by our panelists; an integration of round-table discussions; and a generation of conclusions, facilitated by the organizers, related to the state of current and potential future research examining the full flux of international assignments. *(For more information, please contact: Jasenko Ljubica, Tec de Monterrey, Mexico: jassenko01@net.hr)*

**Session: 1.3.4 - Panel**

**Track: 9 - Teaching IB**

***Experiential Learning in the Undergraduate International Business Curriculum***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: David Eric Sprott, Washington State University

*Panelists:*

Mark Ballam, San Diego State University  
 Allan Bird, Northeastern University  
 Jonathan Doh, Villanova University  
 Bertrand Guilotin, Temple University  
 Kiyohiko Ito, University of Hawaii at Manoa  
 William Newburry, Florida International University

In this panel, we will explore the role of experiential learning within the IB curriculum. The session will discuss various approaches to experiential learning, with a particular focus on ways that study abroad can be enhanced by experiential learning opportunities. The session panelists will also provide some theoretical foundations for the use of experiential learning as a pedagogical tool. The panel includes faculty members from a variety of schools, focusing on following topics: (1) Working with overseas partners in international study tours; (2) Alternative spring breaks; (3) Custom freshman study abroad; (4) Educational scaffolding and approaches for evaluating the transformative potential of experiential education; and (5) Using documentaries to teach international business. The discussion will also focus on the benefits and impact of experiential learning on not only students, but also instructors as well. *(For more information, please contact: David Eric Sprott, Washington State University, USA: dsprott@wsu.edu)*

**Session: 1.3.5 - Competitive**

**Track: 5 - Organization strategy and management**

***Parent-Subsidiary Relationships in MNEs***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Milla Wiren, University of Turku School of Economics

*Practice Adoption within an MNE: Intra-Organizational Pressures and Value Consistency*

Anne Jacqueminet, Bocconi University

This paper proposes a model of practice adoption to predict when the subsidiaries of a multinational enterprise (MNE) will implement practices mandated by their headquarters. We argue that subsidiary practice



implementation is a combined result of compliance to demands from headquarters, imitating peer subsidiaries, and internalizing the practice. More specifically, we argue that a subsidiary will implement new practices related to Corporate Social Responsibility (CSR) more fully (1) when the corporate mandate from the headquarters is more pressing, (2) when its peer subsidiaries have implemented similar actions and (3) when the practice is perceived as consistent with the subsidiary's own values. Regression results suggest that peers and headquarters influence a subsidiary's implementation of a practice only when the subsidiary perceives it as highly consistent with its own values—a finding that points to the need to rethink practice diffusion within complex organizations. *(For more information, please contact: Anne Jacqueminet, Bocconi University, Italy: anne.jacqueminet@unibocconi.it)*

*High Contributory Roles or Intermediate Units in Contemporary Corporations: An Integrated Framework and a Research Agenda*

Ana Botella-Andreu, Universitat de Valencia  
 José Pla-Barber, Universitat de Valencia  
 Cristina Villar, Universitat de Valencia

Intermediate units (or high contributory roles) are veins through which the Heterarchical Corporation connects central with peripheral elements. These units are bridges of knowledge flows; through them innovations are spread and opportunities are processed and signaled. The main characteristic they hold is having responsibilities over a number of subsidiaries. Its strategic importance is evident for the MNC in terms of regional and global strategy and efficiency gains but also for local contexts in which they are embedded. These units are unfairly under researched in the literature and the little that has been addressed seems to be dispersed and based on different theories and concepts. The aim of this work is to review and organize the referred literature around these new concepts and provide a research framework that facilitates guide for future research. *(For more information, please contact: Ana Botella-Andreu, Universitat de Valencia, Spain: ana.botella@uv.es)*

*Are Single and Dual Subsidiary Roles Associated with Different Contextual Factors? The Case of Subsidiaries with Regional Headquarter Responsibilities*

Iiris Saittakari, Aalto University School of Business  
 Joanna Scott-Kennel, University of Waikato

RHQ are not only an indicator of economic importance and but an essential element of international strategy. Yet, we know little about them. This paper examines associations between subsidiaries who have regional headquarters (RHQ) responsibilities and selected subsidiary- and location-specific advantages. Drawing on a unique dataset of 152 subsidiaries in six countries, we find 82 have dual roles as local subsidiaries with RHQ responsibilities. Subsidiary autonomy and relationships with buyers, rather than scope of activities or subsidiary size, are positively associated with RHQ. Location-specific advantages are not directly associated with a higher likelihood of subsidiary having RHQ responsibility, but our results suggest that subsidiaries of locally responsive MNEs are more likely to have RHQ responsibilities where access to regional markets and capital advantages are favorable, while subsidiaries of globally integrated MNEs are more likely to have RHQ responsibilities if the 'lifestyle' advantages are present. *(For more information, please contact: Iiris Saittakari, Aalto University School of Business, Finland: iiris.saittakari@aalto.fi)*

*In or Out? Attention Allocation in Dispersed Work Units in Multinational Organizations*

Julian Birkinshaw, London Business School  
 Susan Hill, City University  
 Anne-Katrin Neyer, Martin Luther Universität Halle-Wittenberg

In this paper, we investigate the role that spatial dispersion plays in how attention is allocated within work units of multinational organizations. We posit that tensions exist in allocating attention between internal and external sources of information. In particular, we argue that whether the members of a specific work unit predominantly

focus their search for information inwards or outwards is influenced jointly by the nature of the unit's goals and its degree of spatial dispersion. These patterns of attention allocation, in turn, create challenges for the performance of work units. Multi-source survey data collected from 48 work units in 15 multinational companies, comprising multiple member responses and two reporting levels per unit, was used to test the propositions. We find asymmetric effects of member goals conditioned on spatial dispersion: in low-dispersal work units, cooperative goals were associated with internal information usage, whereas competitive goals were associated with external search; the findings are reversed for high-dispersal units. A dual internal-external focus proved particularly important for the performance of geographically dispersed work units. Provisional post hoc analysis indicated that where members perceived the activities of their unit to be meaningful and enjoyable, work units were better able to attend simultaneously to internal and external information sources. *(For more information, please contact: Julian Birkinshaw, London Business School, United Kingdom: jbirkinshaw@london.edu)*

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**Session: 1.3.6 - Competitive**

**Track: 8 - International business policy**

***MNEs, Political Institutions and Influence***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Ana Tavares-Lehmann, InvestPorto and University of Porto

*How Do Political Connections Help EMNEs Overcome Institutional Distance?*

Liang Chen, University of Sussex

Yi Li, University of Sydney

Forming informal ties with political agents is viewed as a viable strategy for multinational enterprises (MNEs) to enter emerging countries. Less is known about how and why the value of political connections may vary as a means by which firms deal with crossborder institutional distance. We discuss the distinct mechanisms through which firms may benefit from connections with home and host governments. Based on the strategy tripod perspective, we explore how the importance of different types of political connections depends on the overall configuration of a firm's resources and industry characteristics, and may even reverse when the institutional context changes. Our analysis of a sample of Chinese high-tech manufacturing firms yields new insights into political connections, institutional distance and the strategy tripod perspective. *(For more information, please contact: Liang Chen, University of Sussex, United Kingdom: liang.chen@sussex.ac.uk)*

*The Role of International Institution in MNC-Host Country Bargaining in the Context of Emerging Markets*

Liubov Ermolaeva, Saint Petersburg State University

Andrei Panibratov, Saint Petersburg State University

Bojan Pantic, Saint Petersburg State University

Strategic interdependence of MNCs and governments has been examined in numerous studies. One of the best known models of MNC-Host country relationship was introduced several decades ago and called the bargaining power model. This model was revisited by scholars who applied it to different contexts. We aim to elaborate the bargaining power model applying it to emerging market MNC – emerging host country bargaining and to reveal the role of international institutions in this model. We use critical discourse analysis which allow us to identify several media discourses. *(For more information, please contact: Liubov Ermolaeva, Saint Petersburg State University, Russia: l.a.ermolaeva@gsom.pu.ru)*

*Government Intervention, Government Corruption and IPO Performance of Chinese Firms on the US Markets*  
 Muhammad Amin, University of International Business and Economics  
 Jianfeng Wu, University of International Business and Economics

Integrating institutional theory with signaling theory, we investigate the influence of government intervention and government corruption on the IPO performance of Chinese firms in the US. Employing the population of Chinese IPOs in the United States between 2003 and 2014, our results indicate that the government intervention has negative impact on foreign IPO performance. However, interacting government corruption with government intervention yield positive outcomes. We also explore the executive's international experience that positively relates with IPO performance and overcomes the negative impact of government intervention. Our research contributes in the entrepreneurship, strategy, international business, and foreign IPO studies. This study has many implications for researchers, policy makers, and firm's managers. *(For more information, please contact: Muhammad Amin, University of International Business and Economics, China: aminmuh.uibe@yahoo.com)*

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**Session: 1.3.7 - Competitive**

**Track: 3 - Marketing and consumer research**

### *The Role of Country of Origin and Country Image*

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Bernhard Swoboda, Trier University

*An Overview of Country-of-Origin Research: Using Knowledge Structure to Propose Future Opportunities*  
 Brian R. Chabowski, University of Tulsa  
 Saeed Samiee, University of Tulsa

Scholarly research regarding origin is deep-rooted within international business. Interest in the topic within international marketing has been extraordinary as evidenced by the large body of knowledge dealing with the origins of products and brands. Our goal in this research is to identify important topical influences forming the intellectual foundations of this domain, generically referred to as the country-of-origin (CO) literature. Using co-citation analysis via multidimensional scaling, we develop spatial representations of the CO literature to develop a research agenda going forward. Our database consists of 324 articles that contain a total of 19,673 citations and is split into two time periods (1980-2004 and 2005-2014) for examination. This longitudinal comparison reveals the development of the CO literature's foundations over time and provides a basis for discussing further progress. Key influential areas for the most recent period relate to consumer expertise, ethnocentrism, animosity, culture, product evaluations, foreign branding, and country image. *(For more information, please contact: Brian R. Chabowski, University of Tulsa, USA: brian-chabowski@utulsa.edu)*

*Hollowing-Out of US Manufacturing Sectors: The Enabling Role of National Retail Chains*  
 Shih-Fen S. Chen, Ivey Business School

A continuous decline of US manufacturing sectors occurred in the past 40 years, where national retail chains played an enabling role by sourcing more from foreign countries. In this study, we argue that foreign sourcing features a dilemma of low production costs and high transaction costs, to which private branding is a potential solution. By shifting the right of branding a product from manufacturers to retailers, private branding can neutralize the transaction cost penalty in foreign sourcing. Based on a sample of products stocked by a general merchandiser, we have found that foreign sourcing leads to private branding, which indicates that the coexistence of the two trends allows national retail chains to play an enabling role in hollowing out US manufacturing sectors. By combining production costs and transaction costs to explain the decline of US

manufacturers, this study contributes to international economics and organizational economics. It also provides useful guidelines for all parties of a distribution channel, foreign or domestic, to harmonize their joint actions in serving shoppers. *(For more information, please contact: Shih-Fen S. Chen, Ivey Business School, Canada: sfchen@ivey.uwo.ca)*

*Partner Evaluation in International Alliances: The Role of Consumer-Organization Identification*

Stephen Wilkins, British University in Dubai

Muhammad Mohsin Butt, Curtin University Sarawak Campus, Malaysia

Troy Heffernan, University of Plymouth

Previous research has concluded that consumer identification with an organization can lead to higher levels of product satisfaction; stronger loyalty and commitment to the organization; and increased support for the organization. This study investigates whether firms may derive any benefits from considering consumer-organization identification when they evaluate partners in a potential or existing international alliance. Data were obtained in Hong Kong and Sri Lanka at institutions of higher education that operate in collaboration with a foreign partner. A conceptual model was developed and tested using structural equation modelling. Dual consumer-organization identification was found to be a significant predictor of consumer satisfaction with the co-branded product and consumers' supportive intentions toward each partner. The perceived identity attractiveness of each partner was significantly related to the consumers' identification with each partner. The results suggest that when evaluating international partners, firms should consider consumer-organization identification in addition to firm resources, firm performance, management quality, marketing capability, and product/brand/strategic fit. *(For more information, please contact: Stephen Wilkins, British University in Dubai, United Arab Emirates: stephen.wilkins@buid.ac.ae)*

*Foreign-Invested Firms Coping with Nonmarket Competition in China: Rivals & Strategies*

Ziyi Chen, Tsinghua University

Zhenzhen Xie, Tsinghua University

Rui Wu, Tsinghua University

both agency theory and resource based theory with a competitive rivalry perspective, we argue that the extent to which foreign-invested firms are influenced by rivals' nonmarket strategies depends on 1) whether these strategies yield in agency cost or competitive resources of rivals, 2) the resource similarity between rivals and foreign-invested firms, and 3) the general level of competitiveness in market. An empirical study based on four-year panel data of 30,060 foreign-invested firms in China delivered support to our arguments. Specifically, we found that, compared with nonmarket strategies made by privately owned enterprises (POEs) and other foreign-owned enterprises (FOEs), those made by state-owned enterprises (SOEs) are less likely to hurt the performance of FOEs. Additionally, FOEs that have cumulated more intangible assets or operated in high-tech industries are better hedged from nonmarket competition from SOEs, POEs and other FOEs in China. Further, nonmarket strategies in provinces with higher levels of government intervention tend to result in less negative effects on the performance of FOEs. *(For more information, please contact: Zhenzhen Xie, Tsinghua University, China: xiezhzh3@sem.tsinghua.edu.cn)*

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**Session: 1.3.8 - Competitive**  
**Track: 4 - Innovation and knowledge management**

***Collaborating to Innovate: Opportunities and Challenges***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Erkkö Autio, Imperial College Business School

*Liberty in Law? Intellectual Property Rights and Global Alliance Networks*

Exequiel Hernandez, University of Pennsylvania  
Sarath Balachandran, University of Pennsylvania

We explore how intellectual property rights (IPR), a type of formal institution, affect firms' access to global alliance networks and their positioning within those networks. We employed a difference-in-difference design to assess the impact of IPR reforms across thirteen countries. We found that institutional improvements enabled firms from reforming countries to establish more international alliances, particularly if they operated in IP intensive industries, and to increase the geographic diversity of their partners. Access to global alliances became more 'democratic' by allowing firms that were of low status pre-reform to attract significantly more foreign partners post-reform. The findings raise several implications for research on institutions, networks, and alliances. *(For more information, please contact: Exequiel Hernandez, University of Pennsylvania, USA: exequiel@wharton.upenn.edu)*

*Mechanisms of Knowledge Control in International Joint Ventures: Navigating the Boundaries of Official and Unofficial Procedures*

Abdoulkadre Ado, Ryerson University  
Zhan Su, Université Laval  
Roseline Wanjiru, Northumbria University

This paper investigates Chinese knowledge control practices in joint ventures with African partners by examining 29 Sino-African joint ventures in 12 countries. This study provides insights into knowledge transfer and power dynamics in emerging country alliances. The results identify five strategies Chinese partners employ to control knowledge assets depending on the type of knowledge and the nature of the power available. We propose a dynamic conceptual model of knowledge control strategies within international joint ventures. This paper represents the first insightful perspective and analysis of power and knowledge interactions in the context of increasing and controversial Africa-China rapprochement. *(For more information, please contact: Abdoulkadre Ado, Ryerson University, Canada: aado@ryerson.ca)*

*Facilitating Local Collaboration and Innovation In Emerging Markets*

Karina R. Jensen, NEOMA Business School

A dynamic and evolving global marketplace demands an agile and adaptable organization that can respond to new opportunities in emerging markets. In order to foster innovation, organizations have to consider cross-cultural needs for improving communication and building a shared culture of innovation amongst global team members. How can multinational enterprises (MNEs) enable local knowledge-sharing and collaboration to enhance global innovation? In responding to this research question, a qualitative study has been conducted concerning the role of cross-cultural collaboration and innovation, involving interviews with 96 senior managers from 36 MNEs with HQ based in Asia, Europe, and North America; 60 global project leaders based in headquarters and 36 regional managers based in the Asian subsidiaries. Through the development of a theoretical model for local project collaboration in Asia, this paper provides unique insights to interactions that influence local collaboration during the global product innovation project process. By identifying critical

incidents, challenges and resolutions, the model presents four mechanisms that facilitate project collaboration and performance – recognition, responsiveness, engagement, and incentives for knowledge-sharing. *(For more information, please contact: Karina R. Jensen, NEOMA Business School, France: karina.jensen@neoma-bs.fr)*

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**Session: 1.3.9 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***MNEs' Subsidiary Strategies and Micromultinationals***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Pavlos Dimitratos, University of Glasgow

*Fostering Dispersed Entrepreneurship: The Interplay of Challenges and Enablers during International Expansion via Subsidiaries*

Esther Tippmann, University College Dublin  
Sinead Monaghan, Rutgers Business School  
Rebecca Reuber, University of Toronto

Young, entrepreneurial firms are increasingly engaging in rapid internationalization via the establishment of subsidiaries. We explore how they foster dispersed entrepreneurship during their metamorphosis from a co-located organization into a geographically distributed organization with pronounced entrepreneurship across all units, including newly established subsidiaries. We draw on two literature streams - new venture growth and entrepreneurship in multinational enterprises (MNEs) - to highlight the research gap in understanding how dispersed entrepreneurship is fostered. In order to address the process of cultivating dispersed entrepreneurship, theory-building, qualitative case studies were conducted of eight young, entrepreneurial firms domiciled in the United States and operating in the software-as-a-service sector. Our findings illustrate inherent challenges, yet highlight the enabling role of culture, talent and space in creating dispersed entrepreneurship, and the amplifying effect facilitated by the reinforcing dynamics between these pillars. By proposing a process model, this study contributes to international entrepreneurship, the role of visual symbols and surroundings in entrepreneurship, as well as entrepreneurship in MNEs. *(For more information, please contact: Sinead Monaghan, Rutgers Business School, USA: smonaghan@business.rutgers.edu)*

*Examining Entrepreneurial Stage of SME Internationalization: Impact of Firm-Specific Assets and Country-Specific Assets with Geographical Dispersion of Subsidiaries and Alliances*

Lei Li, Nottingham University Business School China  
Weilei (Stone) Shi, Baruch College  
Zhiang (John) Lin, University of Texas at Dallas  
Bat Batjargal, Nottingham University Business School China

This study examines expansion of geographical scope of high-tech SMEs in the entrepreneurial stage of internationalization. We find that geographical dispersion of foreign alliances is associated with lower risk of going international than that of foreign subsidiaries. We further reveal that firm-specific assets exert positive performance impact with geographically dispersed foreign alliances but have negative influence with foreign subsidiaries. In addition, we show that country-specific assets are beneficial with geographically dispersed foreign subsidiaries rather than foreign alliances. Our results shed new light on the applicability of knowledge-based view and transaction cost theory in international entrepreneurship. *(For more information, please contact: Lei Li, Nottingham University Business School China, China: lei.li@nottingham.edu.cn)*

*Dynamics between Subsidiary Withdrawal and Establishment: Role of Experience and Replaceability*

Naoki Yasuda, Rikkyo University  
Toshimitsu Ueta, NUS Business School

This study builds upon existing operational flexibility literature by combining literature on subsidiary withdrawals. In particular, it focuses on the dynamics between manufacturing subsidiary withdrawal and establishment. By applying ideas of the learning and the real option theory, this study proposes that the effect of the withdrawal of a manufacturing subsidiary from a focal country and manufacturing subsidiaries' establishment in third-party countries differs depending on the international experiences of multinational corporations (MNCs) and the replaceability of the subsidiaries. Using data from Japanese foreign affiliates, including transaction information among subsidiaries, we found that such significant effects exist. *(For more information, please contact: Naoki Yasuda, Rikkyo University, Japan: naoki.yasuda@rikkyo.ac.jp)*

*Intra-Regional Expansion of MNCs and Its Implication for Subsidiary Performance*

Naoki Ando, Hosei University

This study examines the relationship between intra-regional diversification of a multinational corporation (MNC) 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 MNC's geographic diversification on the performance at the entire MNC level. Thus, how intra-regional diversification affects individual subsidiaries within the region has not been explored. Using the panel dataset consisting of MNCs' investment in four geographic regions, this study finds that subsidiaries operating in host countries with underdeveloped institutions receive larger benefit from intra-regional diversification. It also finds that host country experience of an MNC increases the benefit from regional diversification that subsidiaries in the host country receive. In addition, this study shows that the relationship between regional diversification and subsidiary performance takes an S-shaped function. These results indicate that under which conditions, subsidiaries in the region are positively or negatively affected by intra-regional diversification. They also help understand the unexplored process from regional expansion to individual subsidiaries' performance to the MNC-level performance. *(For more information, please contact: Naoki Ando, Hosei University, Japan: nando@hosei.ac.jp)*

**Session: 1.3.11 - Interactive****Track: 1 - Internationalization process and entrepreneurship*****Business Models, Knowledge, Resources and Networks in Internationalization Process of SMEs***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Chang Hoon Oh, Simon Fraser University

*How Business Model Relates to Internationalization: Evidence from Brazilian Digital High Tech New Ventures*

Fernanda Ribeiro Cahen, Centro Universitario da FEI  
Somnath Lahiri, Illinois State University

Despite the importance accorded to firm internationalization in the information age, research on digital high tech new ventures (DHTNVs) remains limited. In this paper we study how business model of DHTNVs relate to their internationalization. Specifically, we explore the relationship between entrepreneur's international orientation, choice of business model, and firm internationalization. In addition, we explore the relationship between internal competence component of business model and internationalization. Further we explore how internationalization impacts entrepreneur's international orientation and business model. We accomplish our exploration by adopting an inductive case study approach and offering testable propositions. Our examination of

eight DHTNVs in Brazil yields knowledge that is new to the international business and strategic entrepreneurship literature. *(For more information, please contact: Somnath Lahiri, Illinois State University, USA: slahiri@ilstu.edu)*

*Business Model Antecedents in International Entrepreneurship: Evidence of Network Competence and Business Model Change in Finnish SMEs*

Agnes Asemokha, Lappeenranta University of Technology  
Lasse Torkkeli, Lappeenranta University of Technology  
Hanna Salojärvi, Lappeenranta University of Technology  
Sami Saarenketo, Lappeenranta University of Technology

Despite its potentially large role in the field, the concept of business model and its application has remained mostly absent from international entrepreneurship (IE) literature. The few existing studies that have assessed business models in IE have tended to be descriptive and limited in their scope, and thus the present study aims to clarify their dynamics empirically. We concentrate on explaining antecedents of business model change in internationalizing small- and medium-sized enterprises (SMEs) specifically, and hypothesize that the extent of business model change in them is determined by the extent of their network-related dynamic capabilities, captured in our study through the concept of network competence. The empirical part of the study consists of a cross-sectional sample of 90 Finnish SMEs. The results, obtained via regression modeling, indicate that the extent of business model change is determined by the level of dyadic, i.e. relationship-specific network competence. This study is one of the first to examine determinants of business model change in international entrepreneurship empirically, and thus its results contribute to the literature by clarifying the dynamics between business models and dynamic capabilities in the field. In addition, the study contributes in linking the business model concept to network-driven entrepreneurial internationalization. *(For more information, please contact: Lasse Torkkeli, Lappeenranta University of Technology, Finland: lasse.torkkeli@lut.fi)*

*Exporting by Experiential Knowledge: A Study of Emerging Context*

Sudip Kranti Tiwari, Nord University Business School  
Tor Korneliussen, Nord University Business School

The role of firm's individuals in the internationalization process of small size firms is widely acknowledged. The previous research emphasized on the role of individual in the process of opportunity discovery and exploitation. However, our understanding is particularly limited on how the individuals' experiential knowledge benefits when a firm move in the internationalization path. Considering the importance of micro export firms in the economic development of emerging markets, the purpose of present research is to investigate and explore the role of individuals' experiential knowledge in the three exporting phases (pre, initial and advanced) of emerging market micro firms (EMMFs). Drawing on the knowledge-based view, we applied multiple case studies to unfold how the individuals of EMMFs overcome the knowledge related barriers, and utilize that knowledge to accelerate the firm's exporting process. *(For more information, please contact: Sudip Kranti Tiwari, Nord University Business School, Norway: sudip.k.tiwari@nord.no)*

*Partnering Proactiveness' Effects on Internationalization and Technological Knowledge in Chinese and Indian New Ventures*

Shameen Prashantham, China Europe International Business School (CEIBS)  
Abby Jingzi Zhou, Xi'an Jiaotong-Liverpool University

While prior work usefully emphasizes the effects of structural network characteristics or stocks of social capital as a source of learning outcomes that add to new ventures' internationalization and technological knowledge levels, research tends to overlook the role of network-related behaviors. Such knowledge is vitally important for new ventures in emerging markets. We therefore ask: Do emerging market-based new ventures with higher levels of partnering proactiveness attain higher levels of technological and internationalization knowledge? We



address the above questions by undertaking survey research among 187 technology-based new ventures in China and India. Furthermore, we consider: Do new ventures in China and India differ in the effects of partnering proactiveness on internationalization and technological knowledge? Our results indicate that partnering proactiveness has positive and significant relationships with both internationalization and technological knowledge for the entire sample. The effect of partnering proactiveness on internationalization knowledge is partially mediated by network deepening whereas that on technological knowledge by network broadening. Finally, multi-group analysis shows a significant difference in the direct effect of partnering proactiveness on internationalization knowledge between the Chinese and Indian subsamples (higher for India) but no significant differences with respect to technological knowledge. *(For more information, please contact: Shameen Prashantham, China Europe International Business School (CEIBS), China: sprashantham@ceibs.edu)*

*Ready, Steady, Go: Determinants and Network-Based Moderators of SME Internationalization Readiness in Central Asia*

Nurgul Daminova, Kyrgyz State National University

Davor Vuchkovski, University of Ljubljana

Matevz Raskovic, University of Ljubljana and Shanghai University of International Business & Economics

This research fills the vast empirical gap on firm-level internationalization behavior from non-traditional peripheral transition markets of Central Asia, as well as the under-researched area of firm internationalization readiness among non-internationalized SMEs. The purpose of this paper is to assess the impact of selected determinants and network tie moderators (business and institutional) on two types of SME internationalization readiness (simple and higher level). Analyzing a sample of 178 Kyrgyz non-internationalized SMEs we find that in the case of simple SME internationalization readiness the interaction between resources and business network ties is strong and negative, while a similar interaction between resources and institution network ties is positive. Additionally, the interaction term between government support and institution network ties is also negative. In the case of higher-level readiness, the interaction term between resources and business network ties is again strong and positive, while the interaction term between international market outlook and institutional network ties is strong, but negative. *(For more information, please contact: Matevz Raskovic, University of Ljubljana and Shanghai University of International Business & Economics, Slovenia: matevz.raskovic@ef.uni-lj.si)*

*Boundary-Spanning and Boundary-Buffering in Global Markets: A German Perspective on the Internationalization of Family Firms*

Mark Lehrer, Suffolk University

Sokol Celso, Suffolk University

We offer a stylized view of family firms as internationalizers who choose to engage in “boundary-spanning” across global product markets while engaging in “boundary-buffering” to insulate themselves from global financial markets. The case of Germany, with its large stock of internationalized family firms, shows how boundary-buffering vis-à-vis global capital markets can be compatible with successful and sustained internationalization and boundary-spanning in global product markets. Insights from the German case serve to derive propositions. The developed concept of an internationalization pathway for family firms contrasts with the much more established concept of an internationalization process for family firms. The contrast between a “pathway” and a “process” amounts to the distinction between ends and means: the internationalization pathway (as defined here) has largely to do with strategic choice whereas the internationalization process (as defined in the literature) focuses more on barriers to internationalization and means for overcoming them. *(For more information, please contact: Mark Lehrer, Suffolk University, USA: mlehrer@suffolk.edu)*

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**Session: 1.3.12 - Interactive**  
**Track: 4 - Innovation and knowledge management**

### *The Geography of Innovation*

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Sjoerd Beugelsdijk, University of Groningen

#### *The New Geography of Research and Development: Determinants of Location Choices for Foreign Direct Investments in R&D*

Peter D. Oerberg Jensen, Copenhagen Business School  
Eliane Choquette, University of Aarhus  
Stine Jessen Haakonsson, Copenhagen Business School  
Søren Feodor Nielsen, Copenhagen Business School

This paper investigates the locational determinants behind the globalization of research and development (R&D) in the pharmaceutical and biotech industries. The study shows that host-country characteristics previously identified as important for location attractiveness in general play an important role in attracting R&D-related investments. Moreover, we find interrelationships between firms' R&D investment motives and host-country characteristics—the investment motive (i.e., market seeking, strategic asset seeking, or efficiency seeking) moderates the link between R&D investment-location decisions and host-country characteristics. The findings support contingency approaches arguing for a “fit” between strategy and location. The interrelationship between motive and characteristics is qualitatively different and stronger in emerging markets than in advanced economies. Investments driven by strategic asset seeking are attracted to locations in which the firm has previously made investments, which confirms the relevance of evolutionary approaches to internationalization. *(For more information, please contact: Peter D. Oerberg Jensen, Copenhagen Business School, Denmark: poe.smg@cbs.dk)*

#### *Global City Locations and the Geographical Dispersion of Knowledge Networks: Evidence from the Chinese Pharmaceutical Industry*

Vittoria G. Scalera, University of Amsterdam  
Alessandra Perri, Ca' Foscari University

Firms often establish knowledge linkages to geographically dispersed locations in order to source diversified knowledge. The involvement into global knowledge networks is particularly useful for actors from emerging countries, which may seek to offset the relative backwardness of their domestic knowledge base by accessing distant and diverse technology. Yet, not all locations offer the same opportunities for knowledge sourcing. This study investigates the relationship between global city locations and the spatial distribution of knowledge networks linked to China. Building on previous literature suggesting that global cities exhibit both properties of local clustering and global bridging, we investigate whether the leverage of global city locations is associated with lower or higher spatial distribution of knowledge networks. Using data on the full sample of USPTO pharmaceutical patents granted between 1975 and 2010 and linked to China, our results show that, consistent with the idea of a prevailing agglomeration mechanism, global city locations are associated with a lower geographical dispersion of inventor networks. However, this relationship is contingent on both the global city profile and the characteristics of the innovative organization that coordinates the knowledge network. *(For more information, please contact: Vittoria G. Scalera, University of Amsterdam, Netherlands: v.g.scalera@uva.nl)*

*Inward FDI, Innovative Cities and Technological Catch-up by Domestic Firms: Evidence from India*  
Ziko Konwar, University of Leeds

The paper investigates the extent to which FDI-mediated domestic technological catch-up is influenced by level of innovation across cities. The research study utilises an unbalanced firm-level panel dataset of 1624 Indian manufacturing firms (1991-2008) with 4522 firm-year observations. The model estimation is carried out in STATA 13.0 in two stages; firstly, by using semi-parametric (Levinsohn-Petrin) method to derive the dependent variable (TFP of domestic firms); and secondly, by using fixed effects model estimated in first-differences to relate TFP of domestic firms' with different measures of foreign presence. The findings indicate that the net spillover (technological catch-up) effect in city with high levels of innovation is larger compared to cities with lower levels of innovation. The paper discusses some of the possible major policy implications of the results and considers reasons for the plausible technological catch-up effect for innovative cities. *(For more information, please contact: Ziko Konwar, University of Leeds, United Kingdom: z.konwar@leeds.ac.uk)*

*Factors of Distance Influencing Knowledge Complexity in a Global Context*  
Jessica Salmon, Rutgers-Newark  
John Cantwell, Rutgers University

Scholars have long studied the complexity of knowledge in innovation. More recently, research has begun to focus attention on the role of knowledge recombination as a way to understand knowledge complexity, knowledge growth, and evolutionary search. Yet little is known about how knowledge complexity is growing in the broad context of globalization where the effects and influences of location may enter more prominently. We build on knowledge recombination patterns in global innovation activities to develop our theory of the relationship through which earlier contributions to knowledge become inputs to subsequent knowledge building that generates more (less) complex knowledge artifacts. We propose that knowledge complexity rises when recombined elements are sourced across two dimensions of distance, characterized by combining sources taken from disparate knowledge fields and distinct geographic locations. We add to the literature on complexity and knowledge recombination by explicating the mechanisms forming the structure of knowledge building. We also contribute to organizational form literature by highlighting the value of connecting previously unconnected distant elements and indicating advantages for informal and indirect knowledge sources, respectively. *(For more information, please contact: Jessica Salmon, Rutgers-Newark, USA: js1587@scarletmail.rutgers.edu)*

*Collaborative Public Spaces in Cluster Development: The Case of Dongguan, China*  
Michael Murphree, University of South Carolina  
Dan Breznitz, University of Toronto

This paper argues that the success of Taiwanese electronics manufacturers and their Mainland Chinese partners in Dongguan, China has been driven by the emergence of a collaborative public space (CPS). The CPS is a social space imbued with mutual trust enabling economic and political actors to interact, share concerns and plans, share knowledge and mutually upgrade capabilities. It is through the CPS that physically co-located Taiwanese firms, local governments and domestic firms were able to form a sustainable industrial cluster. We add to the literature on industrial clusters and the study of the relationship between social and physical space. *(For more information, please contact: Michael Murphree, University of South Carolina, USA: michael.murphree@moore.sc.edu)*

*MNEs and Clusters: The Creation of Place Anchored Value-Chains*

Fiorenza Belussi, University of Padova  
 Annalisa Caloffi, University of Padova  
 Silvia Rita Sedita, University of Padova

This paper analyses the presence and role played by MNEs within clusters. It argues that the entry of the MNE in the local context, its influence on inter-firms knowledge transfer, and its impact on the cluster's development, are strongly influenced by the specific stage of cluster evolution. MNEs may play a particular role both during the initial stage of cluster lifecycle –by giving rise to the cluster, and thus building place anchored value-chains - and during the cluster maturity, by acquiring firms with endowed high-competences and absorbing their localised subcontracting chains, thus, benefiting from the local pool of knowledge, and activating a growth path. Considering the increasing international fragmentation and the worldwide development of global supply chains, these processes can be seen as a moderator factor, anchoring production and governance in well distinguished clusters. Methodology includes a qualitative meta-analysis of international literature on clusters and MNEs, and a comparative case study analysis on four important clusters located in Italy, Guangdong (China), and Romania. *(For more information, please contact: Fiorenza Belussi, University of Padova, Italy: fiorenza.belussi@unipd.it)*

*Which Cities are Becoming Most Globalized, and Why? A Study of Changing Degrees of Reliance on Global Technological Knowledge Sourcing*

Salma Zaman, Rutgers University  
 John Cantwell, Rutgers University

Knowledge sourcing is becoming increasingly international and complex in character. Through increasing globalization, firms now have access to new and complementary international sources of technology. Our study explores how patterns of knowledge flows are changing at a city level. We explore how these patterns vary across different locations. Depending on the characteristics of a location, the proportion of international knowledge sources will vary vis-à-vis local knowledge sources. Our study includes an examination of six different cities and their knowledge sourcing trends. The cities included in our paper include a mix of developing and developed country cities. We discuss some possible explanations for why different knowledge sourcing trends arise. For our analysis, we use patents granted by the USPTO (for the years 1976 – 2014) as our primary data source. Backward patent citations from these granted patents are used to identify the location of inventors of prior knowledge sources, and the geography of knowledge building connections over time is assessed by using the inventor locations of cited (source) and citing (recipient) patents. *(For more information, please contact: Salma Zaman, Rutgers University, USA: salma.zaman@rutgers.edu)*

*Untangling Geographic Contexts and Cross-border Innovation in Emerging Economies: Agglomeration, Institutions, and Foreign Subsidiaries' Innovative Intensity*

Christine M.K. Chan, University of Hong Kong  
 Andy Chao Niu, University of Hong Kong  
 Lei Shi, University of Hong Kong

Cross-border innovation is the key organizational activities for multinational corporates (MNCs) to value creation and pursue the knowledge-generating capabilities. The increasingly contextual complexity in the host country embedded by foreign affiliates creates greater challenge and opportunities for the innovative activities of foreign affiliates outside their home region. Using China's Industrial Enterprise Database, this study is going to exam how geographical agglomeration contexts and geographical institutional contexts affect the cross-border innovation of MNCs of foreign subsidiaries within the host country. *(For more information, please contact: Lei Shi, University of Hong Kong, Hong Kong, SAR-PRC: shami.shi92@gmail.com)*

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**Session: 1.3.13 - Interactive**  
**Track: 9 - Teaching IB**

***Cultivating Cultural Intelligence & Student Engagement in the Classroom***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Joan Marie Lofgren, Aalto School of Business

*Strategic Planning for Xiaomi: Smart Phones, Crisis, Turning Point*  
Lung-Tan Lu, Fo Guang University

The aims of this case study are to design, practice, and evaluate a group of comparative strategies for one of the leading smart phone companies in the world: Xiaomi Inc. to turn a crisis into an expansion opportunity. First, the worldwide market of smart phones is illustrated. Second, we show the highly competition of smart phones in China market. Third, the development of Xiaomi Inc. is overviewed. Finally, we use several strategic matrixes: (1) IFE, (2) EFE, (3) CPM, (4) SWOT, (5) SPACE, (6) BCG, (7) IE, (8) GSM, (9) QSPM to evaluate and develop strategies for Xiaomi so as to change crisis into a turning point. *(For more information, please contact: Lung-Tan Lu, Fo Guang University, Taiwan: lulungtan@gmail.com)*

*Cultural Intelligence and Intercorrelation: A Multiple Group Comparison Study*  
Kowoon Kim, Florida International University  
Chen Wang, Florida International University

As the business environment has become more global, still largely relying on expatriates, an increasing number of multinationals have adopted cultural intelligence (CQ) as an integral component of their international human resource management (IHRM). This is due to the fact that there is abundant evidence that CQ is positively related to various performance outcomes (e.g., cultural adaptation, expatriate performance, global leadership, and cultural negotiation) within a wide variety of cultural contexts. While many previous studies, to date, have attempted to identify antecedents and consequences of CQ, one key research question remains unanswered; namely, how to identify high-potential talent for CQ development. The aim of this paper is to clarify the most essential factor that makes talent more high potential culturally. By analyzing pre- and post- CQ scores of 45 students, we empirically found that those with high correlation among four CQ sub-factors – Metacognitive CQ, Cognitive CQ, Motivational CQ, and Behavioral CQ – have greater potential for CQ development than those with low correlation. We also found that the average CQ may not be accurate in predicting potentiality for CQ development. The important implications of these findings are discussed. *(For more information, please contact: Kowoon Kim, Florida International University, USA: kkim021@fiu.edu)*

*The Impact of International Business Simulation Games on Student Engagement.*  
Tim Rogmans, Zayed University  
Wasseem Abaza, Zayed University

Despite the increasing and enduring use of business simulation games in management education in general and in international business courses in particular, little is known about their effectiveness as learning tools in these fields. This study uses a standard questionnaire developed by simulation game researchers in order to identify the impact of an international business simulation game on levels of student engagement, as measured through quantitative self-reports obtained through a survey among students. The results are compared to engagement levels experienced in more traditional classroom based case discussions. *(For more information, please contact: Tim Rogmans, Zayed University, United Arab Emirates: tim.rogmans@zu.ac.ae)*

*A Map is Worth a Thousand Words: Creating Cultural Maps to Integrate a Variety of Cultural Aspects*

Bradley James Koch, Grand Valley State University

Pamela Lynn Tremain Koch, Grand Valley State University

International business textbooks from American publishers are typically organized into five or six sections, one of which is often titled "environment." This environment section will have information on culture, generally a surface skimming jumble of topics typically including cultural dimensions (e.g. Hofstede, GLOBE), communication patterns (e.g., time, context), and etiquette differences as well as some reference to institutions (e.g. religious, educational, political, economic). The underlying framing of this section is usually that there are differences, differences are bad, and differences increase risk and transaction costs. Consequently, students develop a simplistic and generally negative view of cultural differences. They rarely achieve a deeper understanding of how these cultural puzzle pieces fit together to create an alternative way of organizing society. In order to encourage deeper understanding, we develop cultural maps that integrate cultural pieces into a coherent whole and encourage a higher synthesis/creation level of thinking on Bloom's Taxonomy rather than a lower level rote memorization of cultural attribute categories. This visualization tool has a positive impact on students and instructors because it encourages deeper understandings of different societies' cultures while also providing a mnemonic device for what is most central within the culture. *(For more information, please contact: Bradley James Koch, Grand Valley State University, USA: kochb@gvsu.edu)*

*A Pedagogical Process for Building Adaptive Cultural Selling Intelligence*

David Scott Baker, University of Louisiana at Lafayette

Duleep Delpechitre, Illinois State University

Rania Fakhoury, Lebanese University / UNDP

The teaching method described herewith integrates an adaptation of cultural intelligence theory into a structured platform to build cultural selling intelligence within a professional selling, sales management, or negotiation course. The process begins with a structured self-assessment of individual cultural awareness and proceeds to build cognitive cultural and sales process knowledge. It builds further with experiential application of motivational and adaptive behavioral cultural selling skills that can continue to be developed and applied on an individual level long after course completion. This method is highly adaptable to multiple levels of teaching formats including undergraduate, MBA, executive MBA, and even professional corporate training formats. It also extends IB teaching beyond the traditional IB classroom. *(For more information, please contact: David Scott Baker, University of Louisiana at Lafayette, USA: dbaker@louisiana.edu)*

*The Equifinality of Team Effectiveness: A Comparison of Student Teams Across Cultures*

Mourad Dakhli, Georgia State University

Erica Kovacs, Universidade Federal Rural de Pernambuco

Qing Li, Shanghai Business School

Entrepreneurship has been recognized as an important driver of economic development and prosperity. Consequently, as a course or as a program of study, entrepreneurship has increasingly occupied a prominent place in business education not just in the U.S., but across many countries. Traditionally, in entrepreneurship programs, student teams are tasked with the challenge of developing and proposing a new business venture, thus assuming the role of new venture teams (NVTs). NVTs have been defined as all team members that actively participate in both the development and implementation of the evolving strategy of new ventures. In this paper, we review pertinent advances in entrepreneurship and innovation literature, and extend research in this area to student-based NVTs across different cultural contexts by arguing that innovation and entrepreneurial success is a function of the underlying processes that take place within these unique team settings, and the cultural context in which these processes take place. Our model uses a grounded theory approach to integrate prior research in this area with insight gained from in-depth interviews with members of student NVTs across four cultures. Our preliminary results seems to support the "equifinality" of innovation in NVTs. In other words, student teams succeed, but the underlying processes that lead to success differ across

different cultural settings. We discuss the implications for course design, assessment, and suggest ways to adapt and localize best practices. *(For more information, please contact: Mourad Dakhli, Georgia State University, USA: mdakhli@gsu.edu)*

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**Session: 1.3.14 - Interactive**

**Track: 5 - Organization strategy and management**

***New Insights into Headquarter Relocations and the Headquarter-Subsidiary Relationship***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Ulf Andersson, Mälardalen University

*Leaving Home: An Institutional Perspective on Divisional/Regional HQ Relocations in Europe*

Alfredo Valentino, Luiss Guido Carli University

Benno Koch, LMU Munich

Building on prior research, we investigate theoretically and empirically the institutional factors that push top managers to relocate divisional and regional headquarters. To this end, we discuss how coercive, isomorphic, and normative pressures may differentially affect HQ relocation decisions. We contribute to the emergent research agenda on HQ relocations by providing a complementary explanation, unravelling the institutional factors. Starting from the assumption that firm decisions are not always based on purely efficiency motives, this paper argues that the relocation of divisional and regional headquarters can be considered as an answer to multiple institutional pressures faced by MNCs in their multiple institutional environments. For the empirical investigation we use a hand-collected dataset that is unique with regard to its comprehensiveness and scope, covering 95 relocation phenomena of regional and divisional HQs in Europe over a period of 13 years from 2000 to 2012. *(For more information, please contact: Alfredo Valentino, Luiss Guido Carli University, Italy: valentinoa@luiss.it)*

*Conceptual Study on Dynamic Capabilities Transfer*

Elzotbek Rustambekov, Bryant University

This is a conceptual paper that looks at dynamic capabilities as a specific type of knowledge that is geographically localized. Dynamic capabilities are knowledge-based processes that are developed over time by means of interactions among a company's resource bundles and capabilities. Dynamic capabilities enhance a company's capacity to leverage resources and organizational processes to increase profitability. Corporate headquarters were selected as a unit of analysis because of their knowledge-intensive nature. Empirical evidence suggests that just over five percent of headquarters relocate every year and that the reasons for the relocations go beyond tax incentives. It is argued that the geographical proximity of headquarters causes spillover of operational knowledge during interactions between managers. This operational knowledge includes various routines and contains dynamic capabilities. *(For more information, please contact: Elzotbek Rustambekov, Bryant University, USA: erustambekov@bryant.edu)*

*What Happens When You Got It? On the Consequences of Disaggregating Value Chain and Subsidiary Strategic Activities*

Noushan Memar, Mälardalen University  
Ulf Andersson, Mälardalen University  
Edward Gillmore, Mälardalen University

Today indeed fine slicing and disaggregating value chain are the common activities of the MNEs. Subsidiaries are mandated around the globe with MNE's core activities such as R&D. R&D Mandating a subsidiary not only presents the subsidiary with an ability to control a very important part of the value chain but it also creates an opportunity for the subsidiary to increase MNE dependency. With increased MNE dependency the subsidiary gains more bargaining power and thus the ability to influence strategic decisions within the MNE. In this study we investigate the effects of the activities performed by subsidiary managers' post R&D mandate on MNE strategy. To do that, first, we conceptualize the role of subsidiary property rights post mandate gain and its influence over dependencies in the MNE, and second, by drawing on middle management and the strategic activities of subsidiary managers we elucidate the moderating effect of strategic activities of subsidiary managers on the dependencies within the MNE. We then argue that the dependencies based on the managerial activities pursued by subsidiary managers on the intra and inter MNE linkages influence MNE strategy. *(For more information, please contact: Noushan Memar, Mälardalen University, Sweden: noushan.memar@mdh.se)*

*What Am I Worth to My Parent? A Longitudinal Analysis of When Regional Headquarters Add Value in MNCs*

Perttu Kähäri, Aalto University School of Business  
Wilhelm Barner-Rasmussen, Åbo Akademi University School of Business

This paper investigates under what conditions regional headquarters (RHQ) are able to add value to management of the multinational companies (MNCs) over time. The objective is to identify the value-adding processes that underlie the dynamics of RHQ and to clarify how these processes affect the position of RHQ within MNCs. We performed a longitudinal case study of nine RHQ in Finland and carried out a stepwise forecasting exercise, predicting on each round the likely future status of each RHQ 3-4 years later. In line with theory, this procedure provided clear examples of situations where low levels of both perceived and delivered parenting value had been followed by RHQ mandate loss, and high levels of perceived and delivered value had been followed by RHQ mandate retention. The main contribution of the study is a dynamic model depicting four patterns in which the value added by RHQ will typically evolve. We show how the actual ability of the RHQ to add value over time interacts with its perceived ability to do so in the eyes of MNC management, affecting the RHQ's mandate within the MNC structure. *(For more information, please contact: Perttu Kähäri, Aalto University School of Business, Finland: perttu.kahari@aalto.fi)*

*Micro-Processes of a Routine Transfer from Headquarters to Subsidiary: Local Adaptation Time and Institutional Context*

Majid Eghbali-Zarch, Memorial University of Newfoundland

Transfer of routines and practices from headquarters to subsidiaries across borders is prevalent, yet a challenging process for firms when they expand abroad. New institutional context imposes exogenous forces for local adaptation which in turn disrupts endogenous stability of the routine - stability due to the interplay between ostensive (codified and/or abstract understanding of the routine) and performative (practiced version) aspects of the routine. Change in routines is then needed to ensure adherence to the new context and in situations of successful routine transfer a new state of stability is ensued. Through simulation experiments, our study focuses on this transfer process and the pertinent states of stability and change in the focal routines and practices. Our study investigates the micro-processes of routines and their transfer from headquarters to subsidiary. We find that the relative time taken to adjust ostensive routine relative to the time needed for enacting the routine as performances matter. Too much time spent on enacting the revised version of ostensive routine at the subsidiary level can be detrimental. Firms may take as much time they need for the approval of changes in ostensive routine (to achieve local adaptation), but they need to be quickly executed the next time



the routine is activated. Too much time spent on implementation of the locally adapted routine may lead to a state of instability and too much variance. Transfer of routine and practice in this situation will be doomed to fail. *(For more information, please contact: Majid Eghballi-Zarch, Memorial University of Newfoundland, Canada: majidez@mun.ca)*

*Managing a Business Models' Portfolio: From Local Slaughterhouse to the World Largest Protein Processing Firm*

Cyntia Vilasboas Calixto, Fundação Getulio Vargas  
Maria Tereza Fleury, Fundacao Getulio Vargas

Usually, one multinational enterprise deals with a portfolio of business models, since its foreign subsidiaries cannot just copy the headquarters' model. Studies on the business model literature highlighted the complexity of this kind of organization, but they did not go further on their international operations. We believe it is relevant to understand what is different in those models and how the headquarters can cope with more than one business model by developing the ambidextrous capability. Thus, we are looking forward to identifying some organizational elements as well as analyzing the network in the host country, which in juxtaposition will determine the replication, renewal or even innovation of the original business model. We based our research on a single case study composed of interviews in the headquarters and foreign subsidiaries. In addition, we triangulated the information with several types of secondary data. JBS is the world largest animal protein processing firm, and it operates on four continents; an extreme case that helped us to grasp the phenomena. *(For more information, please contact: Cyntia Vilasboas Calixto, Fundação Getulio Vargas, Brazil: cyntiacalixto@gmail.com)*

*Entrepreneurial Deficits in MNE Subsidiaries: Open the Black Box*

Rong Zeng, University of Calgary  
Birgitte Grogaard, BI Norwegian Business School

In this paper, we examine the failure of MNEs to achieve local responsiveness, also referred to as entrepreneurial deficits. We argue that entrepreneurial deficits describe the absence of localised entrepreneurial capability in foreign subsidiaries and an ineffectiveness of headquarters to implement resource recombination for successful local market adaptation. We discuss how such entrepreneurial deficits can occur by drawing upon the dynamic capabilities literature and the concept of bounded reliability. We argue that internal bounded reliability challenges can constrain the subsidiary from developing entrepreneurial capabilities. We use eBay's entry into China to illustrate how bounded reliability hinders headquarters to address local needs. This lead to competitive disadvantages even when the MNE entered the foreign market through an acquisition of a target with intimate knowledge of, and great success in, the local market. By combining the dynamic capabilities perspective with bounded reliability, we provide an extended explanation at the microfoundational level for entrepreneurial deficits at the time of new market entry. With the knowledge of what contributes to entrepreneurial deficits, MNEs will have a better chance to develop entrepreneurial capabilities by safeguarding against these factors. *(For more information, please contact: Rong Zeng, University of Calgary, Canada: rong.zeng@ucalgary.ca)*

*Organisational Innovation in Multinational Business: Why Explaining the Unconventional Matters*

Teresa da Silva Lopes, University of York  
Mark Casson, The University of Reading  
Geoffrey G. Jones, Harvard Business School

This paper provides a systematic analysis of innovative organizational forms used by firms operating in a global context. It makes novel use of longitudinal data by assembling evidence from the nineteenth century until the present day thus supporting the growing number of calls for international business theory to address historical complexity. The paper examines a wide range of cases which do not fit the conventional theories in international business, which assume that multinationals' headquarters are located in the same country as its

main shareholders and top management, and which also consider that in the formation of alliances and contractual relations in the host country the entrepreneurs are local. The cases analysed, which include free-standing firms, born global firms, migrating multinationals, expatriate entrepreneurial firms, and multinational firms relying on cloaking arrangements, highlight the need for the theories of international business to take into account the role of the entrepreneur and also to consider the disaggregation of the different roles of headquarters between strategy/operational and risk management, thus providing a wider array of internalization options than currently considered by international business theory. They provide a much more realistic picture of the innovative organizational structures adopted by multinational enterprises operating in turbulent and unpredictable settings. *(For more information, please contact: Teresa da Silva Lopes, University of York, United Kingdom: teresa.lopes@york.ac.uk)*

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**Session: 1.3.15 - Interactive**

**Track: 8 - International business policy**

### ***Regulatory Regimes' Impact Upon MNEs***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Hinrich Voss, University of Leeds

*Building Collective Influence: A Framework for Understanding the Mechanisms in Trade Associations*

Tazeeb Rajwani, University of Essex

Thomas Lawton, Open University

Trade associations are influential within business sectors and in a wider societal context but their composition and function are not well understood in the management and organization literature. In this article, we explore the purpose and role of trade associations and develop a framework to understand their sources of influence. We argue that they are influential downward in shaping industry norms and behaviors and affecting members' strategic choices and actions; and upward, in informing public opinion and impacting policy formation and regulatory processes. We propose that the degree of influence is contingent on specific organizational characteristics, namely, centralization, resource, cohesion, task specialization, reputation and legitimacy. *(For more information, please contact: Tazeeb Rajwani, University of Essex, United Kingdom: tazeeb.rajwani@essex.ac.uk)*

*The Business Case for a Free Trade Agreement between the EU and Australia*

Gabriele Suder, University of Melbourne

The Free Trade Agreement (FTA) between Australia and the European Union (EU) holds the promise for strengthened political collaboration and increasing economic integration. The Australian Trade Commission, AusTrade, notes that the EU (including the UK) and the United States of America constitute the main sources of Foreign Direct Investment (FDI) for Australia, quoting totals of AUD\$170 billion and AUD\$163 billion respectively for 2014. Both figures had increased in this year, by 9% and 13%, as part of the pre-negotiation phase. At the same time, the EU notes that the Single Market was Australia's third-largest merchandise trading partner in 2014 (after China and Japan), being its second-largest source of imports (17.6% of Australia's total, after China) and fourth-largest market for exports (4.5% of the total, after China, Japan and South Korea). Bilateral relations are particularly positive and constitute a solid basis for the formalization of a prosperous sustainable engagement. This article investigates the premise stemming from a FTA for Australian business, in a context in which a number of other significant regional trade and investment agreements are signed; a context in which regional trade agreements (RTA) emerge across the world yet are criticized as a RTA- 'spaghetti bowl' of overlapping agreements, complex and multilayered, and potentially disrupted by disintegration such as

BREXIT, the United Kingdom's exit from the EU, and global challenges. The contemporary global complexity shapes the bilateral European Union (EU) - Australia business environment, in which trade is conducted and investments are made, and challenges will remain for the bilateral business environment in general, and specifically for the internationalizing firm or organization. *(For more information, please contact: Gabriele Suder, University of Melbourne, Australia: gs.suder@gmail.com)*

*Better Relations, Higher Risks: Ownership Choice in Cross-Border M&As and Home-Host Country Political Relations*

Gulinazi Dalashi, Peking University

In our paper, we consider the home-host country political relations as an important moderator influencing the relationship between host country risk and the ownership choice in the cross-border M&As. Furthermore, by taking MNE government ownership and MNE's cross-border M&A experiences in the host country as the moderators for political relation's moderation effect, we demonstrate that the moderation effect of home-host political relations on the relationship between host country political risk and the ownership choice of MNE in cross-border M&As is contingent on the MNE government ownership and MNE cross-border M&A experience in the host country. Based on our sample of Chinese MNEs, we find that home-host political relations moderates the relationship between host country political risk and the ownership choice of MNE in cross border M&A in the way that when home-host political relations is strong, MNEs will be more likely to choose full ownership in cross-border M&As as host political risks increase. We further demonstrated that this moderation effect is more salient for government-owned MNEs and MNEs with less cross-border experiences in the host country. *(For more information, please contact: Gulinazi Dalashi, Peking University, China: gulnaz@pku.edu.cn)*

*Trade in Services and the Australian Tourism Industry: Emerging Trends and Strategic Drifts*

Hussain Rammal, University of Technology, Sydney  
Pavlina Jasovska, University of Technology, Sydney  
Deborah Edwards, University of Technology Sydney

The falling barriers to cross-border trade, rapid technological advancement, and the increased purchasing power of consumers from developing economies has resulted in the growth of the international services sector. However, the increasing number of free trade agreements signed by governments may result in domestic firms being unprepared for new international entrants and intense competition, and may not be able to respond due to strategic drift. We explore the issue of market access and international competition in the Australian services sector by identifying the trends in the tourism industry, and the international trade commitments made by the Australian government. The findings of the study show that low barriers to entry in Australian tourism sector makes it attractive for international firms to enter the market. With the domestic firms are primarily small and medium enterprises, their ability to compete with large international firms is limited. We also find that the multitude of bilateral and multilateral agreements signed by the Australian government has further eroded the limited protection enjoyed by the local firms, and they have been unable to respond to these changes due to their size and limited resources. The study finds the need for greater interaction between government supported trade promotion organizations and local tourism firms. *(For more information, please contact: Hussain Rammal, University of Technology, Sydney, Australia: hussain.rammal@uts.edu.au)*

*Institutional and Regulatory Framework of the West African Monetary Zone: Implications for a Single Currency for the Zone*

Olivia Anku-Tsede, University of Ghana  
Endurance Adjei, University of Ghana  
Believe Quarqoo Dedzo, University of Ghana

This study examined the institutional and regulatory framework of the West African Monetary Zone (WAMZ) and the implications for a single currency the zone. The WAMZ is the second monetary zone in West Africa, created

by the Authority of Heads of State and Government of The Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone for the establishment of a single monetary zone. Using content analysis, the study obtained secondary data from the West African Monetary Institute (WAMI), the interim institution that carry out functions and activities leading to the take-off of the West African Central Bank. The documentary text analysis indicated that whilst some institutions of the WAMZ established by statutes have not yet been operationalized, most of the legal instruments that would regulate the monetary union have not yet been ratified and incorporated into national laws by Member States. Drawing on the institutional and optimum currency area theory, it was also found that achievement of the convergence criteria on a sustainable basis continued to pose a significant challenge for Member States, hence the inability of the zone to commence the monetary union. Among others, it is suggested that Member States should have full ownership of the monetary integration programme by incorporating the programme into their national budgets and development plans. Furthermore, the Authority of Heads of State and Government should illustrate more political commitment in order to accelerate the implementation of reforms to help achieve the objective of the single currency for member states. *(For more information, please contact: Olivia Anku-Tsede, University of Ghana, Ghana: oankutsede@gmail.com)*

*The Mature Industry Revolution: How Emerging-Market Firms are Consolidating Global Industries*

Ravi Ramamurti, Northeastern University

Peter James Williamson, University of Cambridge

In this conceptual paper we explore why the leading global firms in mature industries are often emerging-market multinationals (EMNCs) rather than developed-country firms, as Vernon's product-cycle hypothesis anticipated (Vernon 1966). We argue that the explanation lies in three competitive advantages that EMNCs enjoyed relative to rich-country rivals: mindset, capabilities, and resources. In turn, these stemmed from the size and growth of EMNCs' home markets at a time when these industries were flat or declining in developed countries. In addition, through aggressive acquisitions in developed countries and post-merger integration, EMNCs have solidified their global leadership. We conclude with a discussion of the risks inherent in the global consolidation strategy, and explore how developed-country firms might respond to this trend. *(For more information, please contact: Ravi Ramamurti, Northeastern University, USA: r.ramamurti@neu.edu)*

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**Session: 1.3.16 - Interactive**

**Track: 6 - Human resource management**

***Exploring Intercultural Interactions in International Business***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Yen Tran, Heriot Watt University

*The Impact of Language Barriers on the Careers of Foreign Academics in Japanese, Finnish, Spanish, and U.S.-American Business Schools*

Markus Pudelko, Tübingen University

Helene Tenzer, Tübingen University

Based on qualitative interviews with foreign management scholars working at leading business schools in Japan, Finland, Spain and the USA, we investigate how language barriers influence the careers of management scholars working outside their native language area. Exploring the interplay between English as the lingua franca of academia and the local languages used by business schools in different countries, we find that the impact of language on career advancement strongly differs depending on (1) the English proficiency of local faculty and staff and on (2) the international recruits' ability to work in the local language. In our analysis, we distinguish the influence of English and local languages on (1) foreign management scholars' performance in publishing and teaching as major career antecedents and on (2) recruitment and promotion opportunities as

key career outcomes. On this basis, we develop important practical recommendations for internationally mobile management scholars and business schools aiming to attract international faculty. *(For more information, please contact: Helene Tenzer, Tübingen University, Germany: helene.tenzer@uni-tuebingen.de)*

*Creating Shared Cognitive Ground in International Cross-Domain Interactions*

Tuuli Hakkarainen, Aalto University School of Business

This study contributes to the international management research by taking an actor-centric approach to study how shared cognitive ground is created in interpersonal interactions. Shared cognitive ground - referring to the shared codes, language and worldview between the interaction partners - matters for collaboration in the multinational corporation (MNC) context as it increases the effectiveness of interactions through mutual understanding. By building on the theory of social capital, this paper extends understanding of the least studied, the cognitive, dimension of social capital by investigating how individuals actually go about and create shared cognitive ground. More particularly, this study identifies the various strategies individuals adopt to create this mutual understanding in their cross-domain interactions. Due to the nature of their work, individuals in expert positions serve as an ideal empirical context for the study and lead to the main research question of "What kinds of strategies do experts use to create shared cognitive ground in their cross-domain interactions?". The study answers this question by interviewing 60 experts in three MNCs. *(For more information, please contact: Tuuli Hakkarainen, Aalto University School of Business, Finland: tuuli.hakkarainen@aalto.fi)*

*Perceived Training Opportunities and Knowledge Sharing – Evidence from the United Arab Emirates*

Washika Haak-Saheem, Dubai Business School

The present study explores the relationship between perceived training opportunities and knowledge sharing, including the moderating roles of intrinsic and extrinsic motivation and engagement in social interaction in the context of the United Arab Emirates. To test the proposed research model, we adopted the survey method for data collection, and examined four hypotheses by applying the partial structural equation modelling method to the data collected from 815 questionnaires. Results revealed a positive relationship between perceived training opportunities and knowledge sharing. Moreover, the relationship between perceived training opportunities and knowledge sharing is negatively and significantly moderated by intrinsic motivation. Furthermore, the relationship between perceived training opportunities and knowledge sharing is insignificantly moderated by extrinsic motivation and engagement in social interaction. This paper advances our understanding on human resource management practices and knowledge sharing by bringing to bear new evidence from a Middle Eastern emerging market setting – an area thus far relatively neglected in the literature. *(For more information, please contact: Washika Haak-Saheem, Dubai Business School, United Arab Emirates: wsaheem@ud.ac.ae)*

*Sending Expats or Hiring Locals? How International Experience Moderates the Relationship between Communication Barriers and Foreign Subsidiary Staffing*

Hendrik Klier, Heinrich-Heine-University Duesseldorf

Christian Schwens, Heinrich-Heine-University Duesseldorf

Helene Tenzer, Tübingen University

Communication between headquarters (HQ) and foreign subsidiaries of multinational corporations (MNCs) is crucial for coordination, control and knowledge transfer, but language barriers and geographic distance impede this exchange. Hypothesizing that MNCs counteract these communicative hurdles by appointing subsidiary top managers with adequate language skills, we investigate how the native language barrier, foreign language barrier, and geographic distance between HQ and a foreign subsidiary influence the choice between parent, host or third country nationals as subsidiary CEOs. Testing our hypotheses on a sample of 106 staffing decisions made by German firms in 35 countries, we find a negligible effect of the native language barrier, but establish that a foreign language barrier enhances and higher geographic distance lowers firms' propensity to staff the subsidiary CEO position with parent country nationals. An MNC's international experience was found to

moderate these relationships. *(For more information, please contact: Hendrik Klier, Heinrich-Heine-University Duesseldorf, Germany: hendrik.klier@hhu.de)*

*Knowledge Acquisition of Expatriates and Its Transfer upon Repatriation: Development of a Theoretical and Empirical-Based Model*

Sebastian Klar, University of Goettingen  
Jaime Bonache, Universidad Carlos III de Madrid  
Fabian Jintae Froese, University of Goettingen

International assignments are increasingly recognized as a knowledge acquisition and transferring mechanism. Yet the international HRM literature provides little empirical evidence on the knowledge expatriates acquire and its final transfer upon repatriation. Through an in-depth case study in a large German multinational enterprise, this study develops an integrative theoretical model of the type of knowledge expatriates acquire abroad, the characteristics of international assignments that determine learning potential, as well as the factors facilitating repatriate knowledge transfer. Theoretical and practical implications are also discussed. *(For more information, please contact: Fabian Jintae Froese, University of Goettingen, Germany: fabian.froese@gmail.com)*

*Translation of a Western Management Practice into an Emerging Market*

Virpi Outila, Aalto University School of Business  
Rebecca Piekkari, Aalto University School of Business  
Irina Mihailova, Aalto University School of Business

This paper explores how a Western management practice – employee empowerment – is translated in an emerging market, Russia. Drawing on Scandinavian institutionalism we aim at shedding light on how local actors translate this practice and how its meaning changes when it travels from a Western HQ to a subsidiary in Russia. The case study shows that Russian managers and employees used proverbs in order to make sense of empowerment. They resorted to proverbs as a means to explain their views and express similarities, differences and tensions between Western and Russian understanding of empowerment. Our research finds that in Russia employee empowerment is characterised by managerial control that aims at supporting employees and preventing them from making mistakes, which leads to punishment. This stands in sharp contrast to the Western understanding of employee empowerment. We adopt a novel language-sensitive approach to translation as an on-going process and underscore proverbs in theorizing about empowerment in the tradition of Scandinavian institutionalism. *(For more information, please contact: Virpi Outila, Aalto University School of Business, Finland: virpi.outila@aalto.fi)*

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**Session: 1.3.17 - Developmental Clinics**

***Innovation and Knowledge Management Clinic A***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Olli Kuivalainen, University of Manchester

*Managerial Decision Making and the Process of Internationalization: A Multiple Case Study*

Manfred Fuchs, University of Graz

This study is an exploratory examination of case studies that allow closely focusing on factors that help to explain managerial decision-making processes in internationalizing entrepreneurial firms. Selection of the cases included in this review was primarily driven by the need to provide the researchers access to company information. The aim was to integrate evolutionary and path dependency approaches, and analyze the

decision-making process not only as a purely rational activity, but also as an emerging, somewhat erratic, and unintended endeavor, with uncertain outcomes. The major finding is that successful internationalization is based on strongly structured entrepreneurial judgments and firm capabilities that permit adaptation to formerly unknown external environments. *(For more information, please contact: Manfred Fuchs, University of Graz, Austria: manfred.fuchs@uni-graz.at)*

*Paradigm Shift in International Business: A Fifty-Seven Year Retrospective*

Tian Wei, Fudan University  
Qianwen Wan, Fudan University

We identify key theoretical developments in the form of paradigm shift in international business (IB) research from Kuhn's philosophical view. By synthesizing how these paradigms emerged, developed, shifted and challenged, we capture a comprehensive picture of the development of IB field and carefully summarize the motivations and contributions that may emerge as scholars devote increasing attention to cross-country problems and theories. Particularly, we explore three interrelated paradigms, and their respective pre-paradigm stages, normal science stages and anomalies. We aim to offer a philosophical perspective to trace the growth and examine the existing fundamentals. *(For more information, please contact: Qianwen Wan, Fudan University, China: 14110690018@fudan.edu.cn)*

*Timing and History in Internationalization Processes: Raymond Vernon and the Development of Harvard Business School's First International Strategy*

Rolv Petter Amdam, BI Norwegian Business School

Studies of internationalization processes have focused more on why, where and how, rather than when firms internationalize. This paper addresses the question of when through a case study of how Harvard Business School developed its first international strategy and made its first foreign direct investment in the early 1970s. The study argues for the usefulness of a historical perception of time when addressing the question of timing of internationalization. By introducing the international entrepreneur as an actor who makes sense of experiences during a defined period of time in the historical perception of time, the paper shows how the question of who pushes the internationalization process forward is closely linked to the question of when. *(For more information, please contact: Rolv Petter Amdam, BI Norwegian Business School, Norway: rolv.p.amdam@bi.no)*

*Competitive Behavior of Young Firms: The Moderating Role of Firm Decision-Making Structure*

Kuo-Feng Huang, National Chengchi University  
Wen-Ching Sophia Chou, National Chengchi University

This paper, based on competitive dynamics and behavioral decision theory, attempts to investigate how board structure and share concentration affect a young entrant's competitive nonconformity behaviors. By using the 7,391 competitive actions of the Taiwan's commercial banks, our results show that for younger entrants, both large board size and more independent directors help firms to adopt competitive nonconformity strategies while more foreign directors and higher share concentration of total board directors discourage young firms to conduct competitive nonconformity strategies. The results lead to a better understanding of the young firm's competitive behaviors on the basis of competitive dynamics after the deregulation of an industry. *(For more information, please contact: Kuo-Feng Huang, National Chengchi University, Taiwan: kfhuang@nccu.edu.tw)*

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***Innovation and Knowledge Management Clinic A***

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Aya Chacar, Florida International University

***Knowledge Creation for Sustainable Performance on Emerging Economy MNEs***  
Joan Lilian Ogendo, Catholic University of Eastern Africa

The study examines knowledge creation and sustainable performance on emerging economy MNEs. Using a structural questionnaire, data were obtained from 25 listed MNEs and analyzed using descriptive and inferential statistics. The study reveals that knowledge creation has significant effect on sustainable performance. A theoretical implication illustrates that the dynamic theory of knowledge creation and the knowledge based theory of the firm have significant effect on stakeholders' theory. Methodological implication confirms the operationalization of knowledge creation as independent variable and sustainable performance as dependent variable, the use of cross-sectional survey and the application of regression analysis for the study. The researcher recommends future research on knowledge retention and other knowledge management concepts using longitudinal and case studies. *(For more information, please contact: Joan Lilian Ogendo, Catholic University of Eastern Africa, Kenya: joan\_lilian@hotmail.com)*

***Market Concentration and Technological Diversity of Korean Manufacturing Firms: An Inverted U Relationship***  
Byungchul Choi, University of Nottingham Ningbo China  
Kwangwook Gang, Ulsan National Institute of Science and Technology  
Seungbeom Kim, Hongik University

The Asian economic crisis in 1997 forced Korean government to implement a series of policies to reform market structures previously dominated by the cosy relations between politics and Korean multinational corporations (MNCs). This paper examines the impacts of market concentration on a firm's searching behavior of technological diversity within firms and how different types of firms respond to market concentration by forming the searching strategy. Using patent and financial data of 132 Korean manufacturing firms between 1998 and 2008, we find that market concentration has an inverted U-shape relationship with searching for the technological diversity. In addition, the curvilinear relationship varies depending on the different types of firms. Firm leverage negatively moderates the base relationship, whereas financial slack positively moderates. Our results show that a firm's searching behavior for new knowledge responds to market structure and this response varies depending on firm heterogeneities. *(For more information, please contact: Byungchul Choi, University of Nottingham Ningbo China, China: byungchul.choi@nottingham.edu.cn)*

***Determinants of Patent Rights Revisited***  
Nikolaos Papageorgiadis, University of Liverpool  
Chengang Wang, University of Bradford  
Georgios Magkonis, University of Bradford

This paper provides an update and extension to the seminal work of Ginarte and Park (1997) on the determinants of patent rights. We update the work of Ginarte and Park (1997) by studying the determinants of the strength of patent law of 43 countries in the post-TRIPS period 1998-2011. We then extend their work to the determinants of the strength of the enforcement of patent law in practice. We find that the determinants identified by Ginarte and Park (1997), such as GDP per capita, R&D expenditure, and secondary enrolment, continue to affect the strength of patent law in the years after the signing of the TRIPS agreement. The same variables are also found to affect the enforcement strength of patent law in practice. Two additional variables, the number of patent and trademark applications are also found to be associated with the enforcement strength



of patent law in practice. These results enrich the argument that the development of patent systems requires both international cooperation on developing harmonised patent protection standards as well as efforts from individual countries to foster and significantly expand their research base by creating a welcoming environment for the commercialization of intangible assets. *(For more information, please contact: Nikolaos Papageorgiadis, University of Liverpool, United Kingdom: n.papageorgiadis@liverpool.ac.uk)*

*Innovation among IT Managers*

Smitha R. Nair, Sheffield University Management School  
Kishore G. Pillai, Norwich Business School

The study focuses on individual innovativeness of IT employees in Indian firms. The effects of individual level factors like mental involvement and empowerment on the individual innovativeness have been examined. A relevant organisational factor has also been analysed, which is the organisational support for innovation. In addition, the moderating effects of the individual level factors on the effect of organisational support for innovation on innovativeness have also been examined. Data were collected from software developers working with Indian IT firms and were analysed using OLS regression. The results indicate that both the organisational and individual level factors have a positive influence on individual innovativeness. The analysis found support for the positive moderating effect of mental involvement, but not for empowerment. *(For more information, please contact: Smitha R. Nair, Sheffield University Management School, United Kingdom: s.nair@sheffield.ac.uk)*

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**Teaching IB Clinic**

**Presented On:** July 3, 2017 - 13:00-14:15

Chair: Liesly Riddle, George Washington University

*Immersion Experiences and Designing a Faculty-Led Study Abroad*

Thomas Gene Drape, Embry Riddle Aeronautical University

Faculty-led study abroad is a popular means for both faculty and student to spend time abroad developing holistic global skills that enable them to understand and successfully navigate across different cultures, contexts and worldviews. While an increasing means for faculty and student immersion, designing a productive and cost-effective faculty-led study abroad can be challenging. This presentation will propose three models for the development of a faculty-led study abroad, discuss the process for developing and marketing a cost-effective approach and lessons learned from previous international study tours comprising four different continents. The goal is for an interactive conversation with the audience as well on what has worked and not worked in study abroad programs. *(For more information, please contact: Thomas Gene Drape, Embry Riddle Aeronautical University, USA: drapet@erau.edu)*

*Teaching International Business Smartly - with a SMART Goal and Multiple Approaches*

Li Shen, Pennsylvania State University

I explored how teaching International Business can expose students to all the major components of International Business since the ability for business people to engage in the International Business arena is imperative for success in the global economy. To teach International Business, we define and compare an array of aspects, including differences in political, economic, cultural, and legal systems, and we discover how these differences manifest themselves in terms of trade, economic alliances, government regulatory bodies, and financial transactions. Through analysis of ongoing International Business events in the context of existing theory, students are expected to gain rich theories with in-depth integration and practice that empower them to

succeed in both their academic and professional pursuits. *(For more information, please contact: Li Shen, Pennsylvania State University, USA: lxs1027@psu.edu)*

*Developing and Growing a Global Business Undergraduate Major*  
Thomas Gene Drape, Embry Riddle Aeronautical University

US News and World Report ranks the Darla Moore School of Business at the University of South Carolina and the Stern School of Business at New York University as the top-ranked undergraduate programs in international business (IB). Interestingly, an undergraduate student interested in IB at either of the two universities cannot major only in international business. At South Carolina, IB “must be taken in combination with another major”, while at NYU, a student must “co-concentrate” in Global Business. So, one of the pedagogical questions to be addressed is if international business is a stand-alone undergraduate major? The answer to this question is paramount in the discussion of whether IB has a core set of subjects as part of the curriculum with a global body of teaching knowledge. This presentation will argue that some of the main competencies of IB are missing or inconsistent in our education in the United States and are needed in the development and growth of a Global Business major. *(For more information, please contact: Thomas Gene Drape, Embry Riddle Aeronautical University, USA: drapet@erau.edu)*

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**Session: 1.4.1 - Panel**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

### ***A Vision of Responsible Research in International Business***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Anne S. Tsui, University of Notre Dame

*Panelists:*

Anne S. Tsui, University of Notre Dame  
Andrew Delios, National University of Singapore  
Peter McKiernan, University of Strathclyde  
Klaus E. Meyer, China Europe International Business School  
Rosalie Tung, Simon Fraser University

The aim of this panel is to generate discussion among IB researchers about new directions for research that will generate reliable (repeatable and cumulative) knowledge with relevance for addressing important business and societal problems. The session draws on an interdisciplinary white paper, “A Vision of Responsible Research in Business and Management” (2016) co-authored by 24 senior scholars across five business disciplines from 23 universities in five countries. The white paper begins with a vision of 2030 when business schools around the world have adopted a mission of “business and management research in service of society” and have transformed their research programs toward this mission. It proposes a set of principles for responsible research as well as a set of actions by each of the stakeholders connected with the research eco-system. We will use a debate/dialectic format to discuss the pros and cons of the vision, principles, and actions. The session participants will be invited to join the debate. At the end of the session, we hope that the participants will leave with optimism about the potential of responsible research that will align business school research with societal needs. *(For more information, please contact: Anne S. Tsui, University of Notre Dame, USA: anne.tsui@asu.edu)*

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**Session: 1.4.2 - Panel*****The Rise of the Digital Economy and its Implications for Multinational Enterprise (UNCTAD Special Panel)***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Richard Bolwijn, UNCTAD

*Panelists:*

Richard Bolwijn, UNCTAD  
JT Li, Hong Kong University of Science and Technology  
Rajneesh Narula, University of Reading  
Abel Kinoti, Riara University

The World Investment Report 2017, scheduled to be launched on 6 June, will examine "Investment and the Digital Economy" focusing on the internationalization patterns of digital MNEs, as well as the effect of "digitalization" on global companies across all industries. It is essential for policymakers to know how the digital economy impacts on investment policies, and how investment policy can support digital development, with a view towards achieving the Sustainable Development Goals. *(For more information, please contact: Hafiz Mirza, UNCTAD, Switzerland: hafiz.mirza@unctad.org)*

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**Session: 1.4.3 - Panel*****Life Happens: Female Academics Share Stories (WAIB Sponsored Panel)***

**Presented On:** July 3, 2017 - 14:30-15:45

Chairs: Amanda E.K. Budde-Sung, University of Sydney and Yingying Zhang, CUNEF, Complutense University of Madrid

*Panelists:*

Lorraine Eden, Texas A&M University  
Nakiye Boyacigiller, Sabanci University  
Jane W. Lu, China Europe International Business School  
Melodena Stephens Balakrishnan, Karlshochschule International University  
Pamela Lirio, Université de Montréal  
Catherine Welch, University of Sydney Business School  
Stephanie Wang, Indiana University

This panel is a networking and experience sharing on the challenges and opportunities faced by women in academics. It takes a pre-registration format in which senior, mid-career and junior faculty members can share their experience through story-telling. The panel provides unique perspectives in discussing their critical issues and events faced by women in the academic world. All participants will discuss a wide span of topics that have been critical in their career development moment, including, but not limited to, work-life balance issues, career track decisions (consulting, administration, teaching, and research), leadership decisions, interacting with the business community, and evolving student expectations. *(For more information, please contact: Amanda E.K. Budde-Sung, University of Sydney, Australia: amanda.budde-sung@sydney.edu.au)*

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**Session: 1.4.4 - Panel**  
**Track: 9 - Teaching IB**

***Teaching International Business in an Increasingly Anti-Globalized World: Challenges and Opportunities***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Joseph Cheng, George Washington University

*Panelists:*

Julian Birkinshaw, London Business School  
Peter Buckley, University of Leeds  
Mary Ann Von Glinow, Florida International University

Two recent unexpected events in 2016 – the June 23 Brexit referendum on the UK's withdrawal from the European Union and November 8 election of Donald Trump as the next U.S. president, appear to have changed the world in significant ways that some fear may reverse the course of globalization toward a more segregated and less interconnected global community. The proposed panel will examine the challenges and opportunities facing IB teaching within the context of an increasingly anti-globalized world. Four distinguished IB scholars (Paul Beamish, Julian Birkinshaw, Peter Buckley, and Mary Ann Von Glinow) will serve as panel speakers and also help facilitate roundtable discussions involving all session participants. The main goal and expected impact of the proposed panel is toward an improved basis for understanding how to incorporate anti-globalization challenges into IB curricula, both in terms of course content and classroom teaching. Panel speakers will lay the groundwork for a debate from the perspectives of both IB instructors and students. Roundtable discussions will seek to identify where instructors can legitimately draw the line between "analysis" of globalization and "political commentary." This will help participants better design their IB courses and classroom teaching toward a more rigorous learning experience for students. *(For more information, please contact: Joseph Cheng, George Washington University, USA: joecheng@gwu.edu)*

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**Session: 1.4.5 - Competitive**  
**Track: 5 - Organization strategy and management**

***Configuration of MNE Activities: Growth and Performance Implications***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Lilac Nachum, City University New York

*Stay the Course? The Role of Performance Feedback in Assessing Limits to Country Portfolio Growth*

Guus Hendriks, RSM Erasmus University  
Pursey Heugens, RSM Erasmus University  
Arjen Slangen, RSM Erasmus University

We study how decision makers assess their firm's ability to cope with the existing diversity within its country portfolio and how such assessments affect the direction and amount of portfolio growth in terms of country exits and entries. The degree of diversity in a portfolio is likely to present an organizational system with important coordination costs that will limit decision makers in their pursuit of net portfolio growth. Building on performance feedback theory we expect that decision makers will engage in performance comparisons to understand the severity of the problems posed by portfolio diversity. Whether performance exceeds the aspirations held by decision makers will not only affect the financial means available to coordinate a portfolio,

but also influence to what extent such decision makers are encouraged to keep their firm on a growth course or abandon such a strategy in the face of diversity. Specifically, we hypothesize that below-aspirational performance will strengthen the negative relationship between a firm's extant level of country portfolio diversity and the net growth of that portfolio, whereas above-aspirational performance will weaken it. Using data on country exit and entry decisions by 186 retailers from 24 home countries over the period 2001-2007, we find support for our framework. Because international growth decisions are not taken in isolation, but take the form of managerial reflections on complex portfolios of activities, our study shows that cognitive and behavioral factors have a greater influence on portfolio growth processes than what is commonly assumed. *(For more information, please contact: Guus Hendriks, RSM Erasmus University, Netherlands: hendriks@rsm.nl)*

*Relatedness, Synergy and Performance*  
Artur Baldauf, University of Bern

Corporate performance of diversified firms partly depends on synergies between business-units. Drawing on the resource-based view and extant empirical research, we conceptualize synergies in a comprehensive construct of five intangible relatedness dimensions which refer to central organizational areas (i.e., human resources, technology, marketing, management, and production). We propose a positive relationship between intangible relatedness and firm performance and suggest that intangible relatedness will better predict performance than traditional relatedness scales (e.g., entropy index), which may be of limited validity. Survey data from top-managers of European firms confirm these effects for both subjective and objective performance, measured by organizational effectiveness and Tobin's Q, respectively. *(For more information, please contact: Artur Baldauf, University of Bern, Switzerland: baldauf@imu.unibe.ch)*

*Glamour vs. Reality? New Multinationals' Strategic Dilemma*  
Piotr Trapczynski, Poznan University of Economics  
Ellie R. Banalieva, Northeastern University  
Charles Dhanaraj, Temple University

New multinationals face a strategic dilemma when optimizing their portfolio market sophistication. On one hand, expanding mostly into advanced countries increases the strength of intangible resources more than proportionately due to increasing returns mechanisms. On the other hand, greater portfolio market sophistication reduces performance due to greater transaction costs. So should new multinational pursue the glamour of advanced economies or the reality of mid-to-lower-range economies? We provide a multi-method analysis of this strategic dilemma based on 100 Polish firms and simultaneous equations model of the strength of intangible resources – portfolio market sophistication – performance relationships. Qualitative case analyses supplement our results. *(For more information, please contact: Charles Dhanaraj, Temple University, USA: charles.dhanaraj@imd.org)*

*Reexamining the Internalization Theory: Are Wholly-Owned Subsidiaries More Efficient in Exploiting Intangible Assets than Alliances?*  
Zheng Cheng, University of Wisconsin Milwaukee  
Tailan Chi, University of Kansas

This study addresses the limitations of what is considered to be the most definitive empirical examination so far of internalization theory and provides a more reliable test. Internalization theory has long been accepted as the standard explanation for the *raison d'être* of multinational enterprises (MNEs). Morck and Yeung in their 1991 work find that MNEs can further exploit the value of their intangible assets though setting up wholly-owned subsidiaries overseas, and provide arguably most definitive empirical support of the theory. However, their empirical design leaves room for alternative interpretations that are not necessarily consistent with internalization theory. Utilizing a sample of 748 firm-year observations in the software industry (SIC=7372), this study investigates the differential roles of different forms of multinationality on the value creation effects of

intangible assets and provide a direct test the “internalization” effects. Thus, the results provide strengthened support for internalization theory under certain conditions. *(For more information, please contact: Zheng Cheng, University of Wisconsin Milwaukee, USA: chengz@uwm.edu)*

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**Session: 1.4.6 - Competitive**

**Track: 7 - Corporate governance and financial management**

***International Corporate Control and Accountability***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Tanusree Jain, Trinity College Dublin

*MNE Parent-Subsidiary Governance and Performance*

Bassam Farah, American University of Beirut

Paul Beamish, Ivey Business School

Luis Alfonso Dau, Northeastern University

We investigate whether, how, and why the mechanisms used by multinational enterprises (MNEs) to govern their foreign subsidiaries actually impact the performance of those subsidiaries. We contribute to the literature in four ways. First, by extending the literatures on corporate governance (CG), agency theory (AT), and MNE parent-foreign subsidiary relationships, we develop a new theoretical framework and propose that MNE parent-foreign subsidiary governance mechanisms impact long-term but not short-term subsidiary performance, although these effects diminish at higher levels. Second, we test this theoretical model on a large panel of Japanese MNEs with subsidiaries in more than 100 countries from 1990 to 2013 using subsidiary survival analysis and time-series subsidiary growth analysis. Third, we show that Japanese MNE parent-subsidiary governance mechanisms [i.e. ownership, expatriates, risk, and regional headquarters (RHQ)] generally impact foreign subsidiary long-term performance (survival) and in a nonlinear manner, but do not impact foreign subsidiary short-term performance (sales growth). Fourth, with these findings, we help partially address the puzzle in the literature on whether, how, and why CG mechanisms impact firm performance. *(For more information, please contact: Bassam Farah, American University of Beirut, Lebanon: bfarah.phd@gmail.com)*

*Operations Ownership or International Contracts?: An Institutional Economics View*

Francisco Figueira de Lemos, Uppsala University

This paper studies the impact of the legal environment on the governance modes of foreign operations within the scope of contract theory. The conceptual model examines the influence of informal and formal differences of the institutional environment on contractual and ownership modes of foreign operations, and particularly the different effects of regulatory and judiciary components. The empirical test applies Structural Equation Modeling and path analysis to a sample of up to 91 different countries. The results depict that the control of foreign operations by ownership is mainly affected by the legal differences between countries. The most substantial contribution of the study is the revelation of the legal environment variables as new measures for gravity models on international trade and foreign investment. *(For more information, please contact: Francisco Figueira de Lemos, Uppsala University, Sweden: francisco.lemos@fek.uu.se)*

*The Institutional Determinants of Anglo-American Governance Migration into Emerging Economies – Evidence from Africa*

Bruce Allen Hearn, University of Sussex  
Lars Oxelheim, University of Agder  
Trond Randoy, University of Agder

This study examines the influence of different block shareholders on firm adoption of Anglo-American governance attributes. Using a unique sample of 203 private sector IPO firms from across Africa between 2000 and 2017 we find firms with business group and state owners are less likely to adopt AA governance, while the opposite is true for those with nonexecutive director block owners, private equity and corporate block holders. We find that nonexecutives and state are less likely to influence adoption of AA governance in low institutional quality (high tribalism) environments whereas the opposite is true for private equity, corporate block entities and business groups (*For more information, please contact: Bruce Allen Hearn, University of Sussex, United Kingdom: b.a.hearn@sussex.ac.uk*)

*Does Financial Inclusion Induce Financial Stability? Evidence from Cross-Country Analysis*

Sajal Kabiraj, Dongbei University of Finance and Economics  
Shanmugan Joghee, Skyline University College  
Md Nur Alam Siddik, Begum Rokeya University

In recent times, financial inclusion and financial stability issue have become priority policy agenda across the world. However, there is relative dearth of empirical studies addressing and establishing the link between the same. This study fills this gap. Using panel data of 203 countries over the period of 2001-2013, this study empirically investigated whether financial inclusion contributes to country's financial stability, measured by Z-score. Robust results from GMM dynamic panel data estimator show that financial inclusion variables as measured by number of SME borrowers to total borrowers and ratio of outstanding SME loans to total loans have significant positive contributions to financial stability. Findings also indicate that GDP per capita, liquidity, proportion of private credit to GDP are positively and proportion of domestic credit provided to private sector is negatively associated with financial stability. Empirical findings of this study is of greater significance to the policymakers as it will invoke the attention of governments and policymakers to undertake such policies to accelerate financial inclusion of their countries which in turn will lead to country's greater financial stability. This study also contributes to empirical literatures of the issue of financial inclusion and financial stability by reconfirming (or otherwise) findings of previous studies. (*For more information, please contact: Sajal Kabiraj, Dongbei University of Finance and Economics, China: skabiraj@dufe.edu.cn*)

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**Session: 1.4.7 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***Networks, Venture Capitalists and Institutional Support In Internationalization***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Hemant Merchant, University of South Florida St. Petersburg

*The Antecedents of Information Exchange in Export Business Networks*

Noémie Dominguez, IAE Lyon, Jean Moulin Lyon University  
Ulrike Mayrhofer, IAE Lyon, Jean Moulin Lyon University  
Claude Obadia, ESCE International Business School

This research examines information exchange within export-firm networks. The authors draw upon relational contract theory and the network approach to better understand the role played by information exchange in

business networks. The empirical study is based on a survey conducted among 317 French exporters. The results, obtained using structural equation modelling, show that sense of belonging to a network and socialisation between members influence information exchange between export managers. The results also reveal that socialisation acts as a variable that mediates the link between sense of belonging and information exchange. Lastly, the results identify the antecedents of three constructs drawn upon by the authors: network selectivity, presence of a facilitator, and use of an IT tool. *(For more information, please contact: Ulrike Mayrhofer, IAE Lyon, Jean Moulin Lyon University, France: [ulrike.mayrhofer@univ-lyon3.fr](mailto:ulrike.mayrhofer@univ-lyon3.fr))*

*Why Do Venture Capital Funds Retain Equity Stakes in Startups After IPO? Information Economics and Growth Option Explanations*

Yong Li, State University of New York at Buffalo  
Sai Lan, Peking University

The ultimate objective of a venture capital firm for investing in a startup is to make a profit from exiting the startup. It has been observed, however, that after exit via IPO, many venture capital firms choose to retain a significant ownership stake in their investee ventures. Existing research on this apparently puzzling behavior has focused on the need to signal to the market the venture capital firm's confidence in the venture in the presence of information asymmetry between the venture capital firm and other participants in the stock market. In this paper, we propose and test an alternative explanation based on real option theory. Our analysis suggests that the two motives are not mutually exclusive but that the desire to profit from the growth option embedded in the venture after IPO is likely a more prominent driver. The study also examines a boundary condition for the value of growth options. *(For more information, please contact: Yong Li, State University of New York at Buffalo, USA: [yl67@buffalo.edu](mailto:yl67@buffalo.edu))*

*The Role of Banks in the Internationalization Process of SMEs: Blessing or Curse?*

Patrick Schueffel, Hochschule für Wirtschaft Fribourg  
Rico Baldegger, Hochschule für Wirtschaft Fribourg  
Nils Tuchschnid, Hochschule für Wirtschaft Fribourg  
Alexander Kaiser, Swinburne University of Technology

This study investigates the role of banks in the internationalization process of small and medium sized enterprises (SME). It first proposes a conceptual model of the effects a bank's involvement in the internationalization activities of an SME may have and subsequently tests it. We argue that high levels of bank involvement yield benefits to the internationalizing SME. *Ceteris paribus* it is therefore expected that SMEs which cooperate closely with their banks throughout their internationalization process internationalize broader and faster. The empirical results from the analysis of internationalizing Switzerland-based SMEs support this notion. *(For more information, please contact: Patrick Schueffel, Hochschule für Wirtschaft Fribourg, Switzerland: [patrick@schueffel.de](mailto:patrick@schueffel.de))*

*Government Imprinting Effect on Internationalization and Philanthropy: Firm and Individual Imprints*

Majid Ghorbani, Renmin University of China  
Byron Lee, China Europe International Business School

This study examines the effect of both corporate and individual imprinting on internationalization and corporate philanthropy decisions in the context of China, where many former state-owned firms have become private organizations and where many owners used to work for government institutions. Specifically, we test whether the recent national strategic direction of China in internationalization stems from an imprinting impact of privately-owned former SOEs. Moreover, we examine whether the prosocial behavior of corporate philanthropy stems from their former forms, and whether this history is imprinted in these privatized firms and continues to be reflected in their charitable donations. We test these government imprints separately on firms and on individuals and find that there is an impact of government imprinting on both levels with both imprinted



individuals and imprinted firms making more charitable contributions to society. Results indicate that when both the owners and firms are imprinted by the government, they are more likely to follow the government's lead in internationalization. Through this study we are able to contribute to the theory of imprinting and further understand the impact of imprinting in the emerging market of China. *(For more information, please contact: Majid Ghorbani, Renmin University of China, China: majidghorbani@gmail.com)*

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**Session: 1.4.8 - Competitive**

**Track: 4 - Innovation and knowledge management**

***Knowledge Sourcing and Learning***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Carl F. Fey, Aalto University School of Business and Chinese University of Hong Kong

*Knowledge Sources of Research and Innovation in Foreign Subsidiaries: An Enhanced Subsidiary Typology*

Filip De Beule, KU Leuven University

Ilke Van Beveren, Central Bureau of Statistics

This paper analyzes the drivers of multinational affiliates' R&D intensity and innovative performance, using a dataset based on the Community Innovation Survey for Belgium. Specifically, we investigate the role of foreign affiliates' local (host country) embeddedness on foreign affiliates' research efforts and innovation performance. We thereby distinguish between different types of subsidiaries, in order to disentangle differences in the use of knowledge sources between knowledge exploiting, sourcing and creating subsidiaries. Our findings show that foreign affiliates who are able to tap into local knowledge sources demonstrate higher research intensity, compared to firms lacking such access. Combined links to clients and public research institutions, in particular, have a powerful impetus on the research effort by foreign subsidiaries, especially for technology creating firms. Our results also indicate that knowledge sourcing subsidiaries make more use of collaboration with competitors. Our findings have important policy implications, especially in terms of the high dependency of the Belgian economy on foreign R&D. One way to attain a higher R&D intensity put forward by the EU would be to increase public expenditure on research and development, which would also indirectly increase the research intensity of (foreign) firms. *(For more information, please contact: Filip De Beule, KU Leuven University, Belgium: filip.debeule@kuleuven.be)*

*Building Absorptive Capacity through Firm Openness in Less Open Country*

Omid Aliasghar, University of Otago

Elizabeth L. Rose, University of Otago

Jing Zhang, University of Otago

It is widely accepted that making use of external knowledge sources – including both local and international partners – is critical to developing a firm's performance. However, it is still not clear why some firms successfully benefit from external sources, such as foreign MNEs, while others do not. We propose to open the black box that sits between external knowledge search and performance, by suggesting how having deep and broad relationships with external sources can lead to potential and realized absorptive capacity for the firm. Distinguishing clearly between potential and realized absorptive capacity may provide new insights into understanding why some companies are more successful at benefiting from access to open innovation. A sample of 171 suppliers operating in the Iranian automotive industry is used to test the proposed theoretical model, through a two-stage least squares approach. *(For more information, please contact: Omid Aliasghar, University of Otago, New Zealand: omid.aliasghar@otago.ac.nz)*

*Dual Institutional Embeddedness and Subsidiary's Adaption of Learning Strategies: The Strategic Roles of Subsidiary's Pragmatic Legitimacy Status*

Hsianglin Cheng, National Chung Cheng University  
Ming-Chang Huang, Yuan-Ze University

This study applies a strategic agency view to investigate the mediation roles of subsidiary pragmatic legitimacy status, defined as subsidiary's approval of exchange stakeholders, on the relationship between a subsidiary's dual institutional embeddedness and its learning strategies adoption. The results are based on a pair-wise survey of Taiwanese MNEs and their Chinese subsidiaries. It shows that subsidiaries perceive their legitimacy status changes (resulting from the dual institutional embeddedness) and react in two different learning patterns: (1) "destructive exploration": the status change of external legitimacy pushes a subsidiary to eliminate its original exploration (due to external political pressures) and then increase its both new exploitation and exploration (to cope with external cultural pressures); and (2) "ceremonial exploitation": the status change of internal legitimacy alarms the subsidiary to reduce its both exploration and exploitation at first (due to internal political pressures) and then increase its exploitation (to cope with internal cultural pressures). *(For more information, please contact: Hsianglin Cheng, National Chung Cheng University, Taiwan: cheng5689@gmail.com)*

*Close Together or Far Apart? The Geography of Host Country Knowledge Sourcing and Subsidiary's Innovation Performance*

Alessandra Perri, Ca' Foscari University  
Grazia Santangelo, University of Catania

We investigate the influence of the geography of host country knowledge sources developing different types of knowledge on the quality and generality of a foreign subsidiary innovation. We suggest that the quality of subsidiary innovation is greater when more familiar knowledge is sourced in distant host country locations. We also argue that the generality of subsidiary innovation is greater when less familiar knowledge is sourced from not too distant host country locations because the novel combination potential is limited when source and recipient are close together and codification becomes too complex when they are far apart. We test our arguments on a sample of US subsidiaries of the top European and Asian multinationals operating in the global semiconductor industry and find support for our arguments. *(For more information, please contact: Alessandra Perri, Ca' Foscari University, Italy: alessandra.perri@unive.it)*

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**Session: 1.4.9 - Competitive**

**Track: 8 - International business policy**

***Investment Attraction and Locational Competition***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Nikolaos Papageorgiadis, University of Liverpool

*Business Groups and Tax Havens*

Weichieh Su, National Chengchi University  
Danchi Tan, National Chengchi University

Setting up affiliated companies in tax havens is a legitimate but ethically dubious business practice. This study examines the conditions under which emerging business groups are more likely to adopt such a business practice. Business groups in emerging economies have been operating in weak institutional environments with substantial government intervention and ineffective market-supporting institutions. Having offshore companies in tax havens enables the groups to bypass some market transaction costs and institutional constraints, while

also providing them the opportunity to evade taxes and hide illegal conduct, such as bribery. Empirical evidences on a sample of Taiwanese business groups show that business groups with a higher level of prosocial orientation, as manifested in their resource commitment to establishing non-profit organizations, set up fewer offshore companies in tax havens. In contrast, groups that have a higher level of product and international diversification tend to adopt such ethically dubious business practice. However, highly internationalized groups are less likely to do so when they have committed substantial resources to prosocial activities. *(For more information, please contact: Weichieh Su, National Chengchi University, Taiwan: weichieh@nccu.edu.tw)*

*Historical Connections and War: The Case of Multinational Location Choice Strategies in Sub-Saharan Africa*

Caroline Witte, Erasmus University Rotterdam  
 Martijn Burger, Erasmus School of Economics  
 Enrico Pennings, Erasmus School of Economics

In this firm-level study, the relationship between historical connections, political uncertainty and location choice strategies of multinational enterprises (MNEs) is examined. We focus on how colonial relations influence the probability of investment in conflict areas in Sub-Saharan Africa. We exploit firm-level variation in a unique dataset comprised of FDI flows to all low income countries in Sub-Saharan Africa from 2003 to 2013 and estimate a mixed logit model. The results show that violent conflict can diminish the positive effect that colonial relationships have on the probability that an MNE invests in a country. This effect is confined to large conflicts where the probability of government takeover is largest. We also find that regime transitions erode the positive effect of colonial relationships on MNE location choice. *(For more information, please contact: Caroline Witte, Erasmus University Rotterdam, Netherlands: witte@ese.eur.nl)*

*Government, MNEs and Industry Development: A Perspective of Game Theory*

Taotao Chen, Tsinghua University  
 Afonso Fleury, University of São Paulo  
 Maria Tereza Fleury, Fundacao Getulio Vargas  
 Shichang Liu, Tsinghua University  
 Xiao Chen, Tsinghua University

A mass of scholars had studied the roles of government and MNEs in industry development. The general conclusion was that FDI had both positive and negative effects and the government played a crucial role in maximizing the positive effects. Although some scholars were aware of the game relationships between MNEs and government, the important questions that how the government bargained with MNEs to make its optimal choice and what were the bargaining chips have not been investigated adequately. To fill this research gap, this study analyzed the problem through the perspective of game theory based on the Brazilian automobile industry's case. First, we confirmed the roles of FDI and government in industry development and it was the dynamic game process. Second, we confirmed the roles of import-substitution for establishing and export-promotion policy for upgrading industry in the context of dynamic game. Furthermore, we explored some new policies such as further opening-up, which was always omitted in static analysis. Third, we found that the bargaining power of the government primarily came from the advantages of the local market. And the conclusion we explored may have the policy implication for developing countries especially for those with the huge local market. *(For more information, please contact: Taotao Chen, Tsinghua University, China: chentt@sem.tsinghua.edu.cn)*

*Reciprocity as an Alternative Governance Mode in International Business*

Jean Boddewyn, Baruch CUNY

Mike W. Peng, University of Texas at Dallas

Under transaction-cost economics, the three primary governance modes in international business are contractual make, buy or ally. However, recent research has defined the conceptual and theoretical bases of another set of means to obtain the intermediate products a firm needs when entering a market—namely, by plying a potential suppliers with philanthropic donations and/or by lobbying them so that social and political gifts as “non-contractual” exchange mechanisms can achieve by themselves what is usually expected from the three traditional “contractual” governance modes. The two nonmarket incentive mechanisms of philanthropy and lobbying can be related and interpreted through the well-established concept and theory of reciprocity, as understood under relational-models theory. This analysis reveals that reciprocity constitutes a distinct governance mode, and that it may be superior to “make, buy or ally” in reducing exchange costs. However, the international-business implications of these conclusions still need to be developed in terms of site specificity, the liabilities of foreignness and privateness, institutional voids, and obligatory relationships. *(For more information, please contact: Jean Boddewyn, Baruch CUNY, USA: jean.boddewyn@baruch.cuny.edu)*

**Session: 1.4.10 - Special Session*****Special Session of AJBS Best Papers*****Presented On:** July 3, 2017 - 14:30-15:45

Chair: Derek Lehmborg, North Dakota State University

*A Study of Profitability and Competitiveness of U.S. and Japanese Defense Contractors*

Tanya Peacock, Army-Baylor University

Kiyohiko Ito, University of Hawaii at Manoa

Kazuhiro Asakawa, Keio University

We study the degree of competitive advantage of U.S. and Japanese defense contractors that conduct business with their respective home country governments. By estimating the implicit return on military sales for defense contractors, we found context-specific competitive advantages gained from the home government sales segment. Our estimated elasticities of net income suggest that large U.S. defense contractors earn profits from military sales, while large Japanese defense contractors do not; however, the latter group of firms appears to retain competitive advantage in nonmilitary products by earning higher profits than its military products. Both U.S. and Japanese firms appear to leverage competitive advantage by conducting business with their home governments, while they are attuned to their unique institutional environment. Japanese firms seem to value the home government relationship for intangible benefits. *(For more information, please contact: Tanya Peacock, Army-Baylor University, USA: tanya.a.peacock.mil@mail.mil)*

*Family Friendly Work Practices in Japanese Firms: Their Impacts on Employee Turnover*

Yuhee Jung, Gakushuin University

Norihiko Takeuchi, Waseda University

No abstract available. *(For more information, please contact: Yuhee Jung, Gakushuin University, Japan: yuhee.jung@gakushuin.ac.jp)*

*Configuring Value-Added Activities in an Emerging Economy: Evidenced from Japanese Investments in China*  
Megan (Min) Zhang, University College Dublin

No abstract available. (For more information, please contact: Megan (Min) Zhang, University College Dublin, Ireland: [megan.zhang@ucd.ie](mailto:megan.zhang@ucd.ie))

**Session: 1.4.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Women, Transnational, Returnee , Diaspora and Migrant Entrepreneurs***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Camilla Nellemann, Copenhagen Business School

*Why Women Are More Successful Than Men on Crowdfunding Platforms? It's All About Languages - Affiliative Versus Assertive*

Candy H.Y Chiu, National Chengchi University

The success of female entrepreneurs on crowdfunding platforms has been given widespread coverage. Evidence has shown that women comparing with men are more likely to achieve funding goals when obtaining funds through crowdfunding. However, there is still a limited knowledge regarding this phenomenon, why female entrepreneurs perform better than male entrepreneurs has still remained in question. The purpose of this conceptual paper is to explain such issue by adopting perspectives of affiliative and assertive speeches that are used by each gender. It is believed that comparing with assertive language that generate calculus trust, affiliative speech develops relationship trust which in turn attracts more funders to invest in female entrepreneurs instead of males in reward-based crowdfunding. (For more information, please contact: Candy H.Y Chiu, National Chengchi University, Taiwan: [hychiucandy@hotmail.com](mailto:hychiucandy@hotmail.com))

*Women Entrepreneurs in Emerging Markets: Lessons from India and Philippines*

Tanvi Kothari, San Jose State University

Roldan Malu, San Jose State University

The purpose of this paper is to identify the factors that motivate women in emerging markets like India and Philippines to become self-employed. The paper throws light on the key tenets of grounded theory research and explains its use as a rigorous method for entrepreneurship research. Data were collected through in-depth case-studies of women entrepreneurs (WE) from diverse geographical, social, economical and industrial sectors in two of worlds fastest growing emerging market. We conclude that the WEs' paths to building competitive advantage in emerging markets manifests a number of features that are distinct from those of the women owned businesses from developed countries. This study provides a holistic understanding of women entrepreneurs in emerging markets, an under researched phenomenon by providing a framework to understand how they build their ventures' competitive advantage. The main message of our study is that Women entrepreneur's ability to (simultaneously) sell products or offer solutions to niche segments (demand-side) and capabilities to optimize resources by being innovative (supply-side) facilitates the competitive advantage for their ventures. The findings of this study provide guidelines for policy makers in emerging markets to incorporate policies that will enhance entrepreneurship despite the social constraints faced by these women. (For more information, please contact: Tanvi Kothari, San Jose State University, USA: [kothari.t@gmail.com](mailto:kothari.t@gmail.com))

*How Collectivism and Gender Affects Entrepreneurship? A Cross- Cultural Study*

Deepika Dixit, Indian Institute of Management, Kozhikode

Anubha Shekhar Sinha, Indian Institute of Management, Kozhikode

Around the world women's involvement in new business or start - up is increasing. This increase is not restricted to countries with individualistic culture like United States or United Kingdom, but also in countries with collectivistic culture like India, China (Lagace, 2008). This study considers 56 countries from year 2000 to 2013 to study women business involvement across globe. It explores the effect of a cultural dimension, collectivism on women business involvement. Specifically in collectivism, it studies the impact of in-group collectivism (IGC) at the level of family and institutional collectivism (IC) at the level of formal and informal institutions society on women entrepreneurship. Secondly it explores how trust mediates ingroup collectivism and women entrepreneurship and the indirect effect of trust with institutional collectivism and women entrepreneurship on 39 countries. Findings indicates that countries with low and high in-group collectivism encourages women entrepreneurship. This highlights the importance of family and formal and informal institutions in fostering women entrepreneurship. Family signifies the gender roles and power dynamics and formal and informal institutions signifies society and governance of the country. Also trust partially mediates the relationship of ingroup collectivism and women entrepreneurship and trust has indirect effect with institutional collectivism and women entrepreneurship (*For more information, please contact: Deepika Dixit, Indian Institute of Management, Kozhikode, India: deepikad08fpm@iimk.ac.in*)

*Social Ties, Social Capital, and Recruiting Managers in Transnational Ventures*

Sarika Pruthi, San Jose State University

Mike Wright, Imperial College London

Social capital provides access to resources, however, how migrant entrepreneurs use social capital in the recruitment of managers for their transnational ventures (TNVs) in the host and home countries, is less understood. We conducted eight in-depth interviews with transnational entrepreneurs (TEs) of Indian origin in the UK, and nine confirmatory interviews with managers of their TNVs. Our findings show that TEs substitute or complement international and local social capital in the recruitment of managers for their TNVs contingent on a) whether they live in UK or India, and b) whether they use social ties in UK or develop local ties in India to recruit managers. We discuss the implications of these findings. (*For more information, please contact: Sarika Pruthi, San Jose State University, USA: sarika.pruthi@sjsu.edu*)

*What Attracts Diasporas to Regions? Location and Jewish Diaspora Entrepreneurs*

Florian Täube, European Management School

Maria Elo, University of Turku

Erez Katz Volovelsky, Tel Hai Academic College

Diasporas are shaping the economic landscape; the new Argonauts co-developed the Silicon Valley, and places like Tallinn and Tel-Aviv compete openly for the mobile talent to increase their international competitiveness. Transnational diaspora entrepreneurs bring with them their businesses, new ideas and resources; thus, their impact on the receiving region is even higher. Still, the diasporans' viewpoints remain underexplored and little is known about their migratory/ location strategies. This qualitative study examines the migratory path of Jewish diaspora entrepreneurs, and how they choose a particular location. The findings illustrate differences in entrepreneurial types and contexts. (*For more information, please contact: Florian Täube, European Management School, Germany: taeube.florian@gmail.com*)

*Recontextualisation of International Knowledge by Returnee Entrepreneurs*

Yen Tran, Heriot Watt University  
 Xiaohui Liu, Loughborough University  
 Anh Truong, Heriot Watt University

Recontextualizing knowledge is the key to effective knowledge transfer across different business contexts. While knowledge recontextualization has been explored in intra-firm knowledge transfer within multinational enterprises, few studies have extended the concept of knowledge recontextualization to returnee mobility - an effective international knowledge transfer mechanism by returnee entrepreneurs. To address this gap, this study examines under what institutional conditions and individual characteristics returnee entrepreneurs can successfully recontextualize brought back international knowledge and enhance firm performance when operating in their home country. We highlight the tension between the unique advantages of returnees' knowledge transfer and challenges associated with knowledge recontextualization. We then suggest a set of propositions delineating the factors facilitating and inhibiting effective knowledge recontextualization by returnee entrepreneurs. *(For more information, please contact: Yen Tran, Heriot Watt University, United Kingdom: y.tran@hw.ac.uk)*

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**Session: 1.4.12 - Interactive**

**Track: 2 - Managing the value chain**

*Upgradation, Transformation and Firm Performance*

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Andreas Schotter, Ivey Business School

*Organizational Transformation Along the Smiling Curve: Upward or Downward?*

Chin-Jung Luan, National Dong Hwa University  
 Chengli Tien, National Taiwan Normal University  
 Mei-Sheng Sun, National Dong Hwa University

In this study, the smiling curve perspective is used to investigate the relationship between a firm's transformation strategy and firm performance. Employing data from the Taiwan Economic Journal database with a sample of 56 firms in the textile industry in Taiwan during the periods from 2000 to 2014, the results reveal that a firm's strategic move from production and manufacturing to research & development (R&D) (an upward move along the smiling curve) or from production and manufacturing to marketing (a downward move along the smiling curve) will not lead to better firm performance. These findings provide implications that R&D and marketing can be expensive and that transformation of a firm may take more time to realize strategic benefits from R&D and marketing. *(For more information, please contact: Chin-Jung Luan, National Dong Hwa University, Taiwan: cjluan@gms.ndhu.edu.tw)*

*The Scope of CSR Responsibility in a Global Factory System: A Social Network Approach*

Peter Enderwick, Auckland University of Technology

The extent of CSR responsibility of a multinational enterprise along a global value chain (GVC) is contested. Legal approaches highlight ownership, causation and awareness. The stakeholder approach broadens responsibility but fails to address the directness of linkages. Utilising a social network perspective to examine GVCs embedded within modern global factory systems, we argue that the extent of responsibility of the lead firm encompasses all activities and participants in the chain. Global factory systems, while contributing to geographical, ownership and task fragmentation of value chains, also significantly amplify linkages, interactions,

and awareness implying a concomitant increase in CSR responsibility. *(For more information, please contact: Peter Enderwick, Auckland University of Technology, New Zealand: peter.enderwick@aut.ac.nz)*

*Implementing Global-Local Strategies through Internal-External Processes: Creating an Ambidextrous Context through HRM Context*

Vijay Edward Pereira, University of Wollongong Dubai  
 Ashish Malik, The University of Newcastle Australia  
 Paresha N. Sinha, University of Waikato  
 Chris Rowley, City University of London

This paper explains the role of HRM mechanisms for implementing global and local strategies and co-ordinating internal and external processes in IT/BPO firms in India. It highlights the important role an organisation's human resource management (HRM) architecture plays in supporting ambidexterity. Employing a qualitative case study design, this paper presents evidence from three case organisations in India's Information Technology (IT) sector. The presence of a three-tier human resource management architecture (senior management team, core group of enabling functional managers and a differentiated operations structure), strong leadership team, shared vision, common information technology backbone, and high levels of quality and market-based organisational learning capabilities facilitated ambidexterity. The implications for offshore –outsourcing theory and practice are also discussed. *(For more information, please contact: Vijay Edward Pereira, University of Wollongong Dubai, United Arab Emirates: vijaypereira@uowdubai.ac.ae)*

*The Effect of Inter- and Intra-Organizational Distances on Failure of Globally Dispersed Innovation Activities*

Stephen Chen, University of Newcastle  
 Nidhida Lin, University of Newcastle

In this paper, we investigate how different dimensions of inter- and intra-organizational distance affect the failure of globally dispersed innovation activities. Using comprehensive data from the Offshoring Research Network, we observe significant differences in the impact of geographical, temporal, and social distances on the failure of globally dispersed innovation activities. More specifically, both intra- and inter-organizational social distance show s-shape relationships with the success and failure of globally dispersed innovation activities. Our findings contribute to the growing stream of literature on the operational challenges of globally distributed business processes by emphasizing the importance of various dimensions of distance. These findings also have important implications for strategic location decisions for both offshoring firms and service providers and improve our understanding of the role of intra- and inter-organizational distances in various dimensions. *(For more information, please contact: Stephen Chen, University of Newcastle, Australia: stephen.chen@newcastle.edu.au)*

*A Critique of Economic Upgrading: Problems with Inferring Upgrading from Observation*

Miguel Dindial, University of Leeds  
 Hinrich Voss, University of Leeds

Researchers have tried to understand how insertion into global value chains (GVCs) can lead to economic upgrading for the developing country firms (DCFs) involved. Many of these studies emphasize only surface implications by divorcing economic upgrading from its effect on interfirm bargaining power. Instead, upgrading is seen as a DCF's movement into higher value added activities and the creation and appropriation of value are assumed to be symbiotic. This paper addresses this core assumption by introducing insights from theories on power-dependence relations. We argue that the prevailing conceptualisation of upgrading can in fact co-exist with and even handicap a DCF's ability to capture value. This paradoxical perspective is illustrated through a simple dependence based theoretical model. *(For more information, please contact: Miguel Dindial, University of Leeds, United Kingdom: bn10m2d@leeds.ac.uk)*



*Uncovering the Unethical Footprint within the Economic Footprint of International Operations*

Subrata Chakrabarty, University of Texas - El Paso

Can the economic footprint of a firm also leave behind an unethical footprint? Can global value chains that are being managed to create competitive advantage also involve irresponsible practices? This study focuses on how irresponsible practices can seep into the management and coordination of global value chains. It analyzes subcontracting in global value chains as well as the unethical footprint that the subcontracting may leave behind. Global value chains play an economic as well as a social role in their host countries. Global value chains need to be investigated not just for their economic role but also for their social role, which involves an investigation of issues related to human rights, ethics, and social legitimacy. *(For more information, please contact: Subrata Chakrabarty, University of Texas - El Paso, USA: chakrabarty@gmail.com)*

*Knowledge Management Framework for Sustainable Organization Performance*

Sultan Al-Ahbab, Abu Dhabi University

Sanjay Kumar Singh, Abu Dhabi University

Sanjaya Singh Gaur, Sunway University

**Purpose:** The aim of this paper is to develop a conceptual knowledge management framework for helping organization in its efforts towards value creation for a sustainable competitive organizational performance. **Design/methodology/approach:** A systematic synthesis of existing literature in knowledge management was carried out to develop a theoretical framework. The practical relevance of the framework was enhanced through with the experience survey of key practitioners in the field. **Findings:** The literature synthesis revealed that the maturity of knowledge management practices is dependent on the force field effect of opposing pressures of enablers and barriers. Furthermore, knowledge management practices is found to directly impact the quality, innovation, operational and overall organizational performance of organizations. **Research limitations / Implications:** The proposed framework is well-suited for enhancing performance of public sector. Future researchers could adapt/enhance the framework to apply in different settings. **Practical Implications:** The findings provide practitioners and policy makers insights on all key aspects of knowledge management implementation such as the nature and intensity of different knowledge management enablers and barriers, and their impact on knowledge management practices. **Originality / value:** A comprehensive knowledge management framework for enhancing performance of public sector and related value change for sustainable competitive advantage. *(For more information, please contact: Sanjay Kumar Singh, Abu Dhabi University, United Arab Emirates: sanjay.singh@adu.ac.ae)*

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**Session: 1.4.13 - Interactive****Track: 6 - Human resource management***HRM Challenges and Opportunities with a Focus on China***Presented On:** July 3, 2017 - 14:30-15:45

Chair: Washika Haak-Saheem, Dubai Business School

*Ambivalence, Guanxi and the Chinese Diaspora: An Experiential Perspective on Transnational Business and Networking*

Fiona Moore, Royal Holloway University of London

Using an ethnographic study of three groups of Taiwanese elite professionals in three different locations, this paper answers debates in the literature on the Chinese networking practice of guanxi, exploring on whether or not it constitutes a unique cultural advantage for Chinese people doing business across borders. The study

concludes that guanxi is the subject of great ambivalence for Chinese businesspeople, and that it operates as part of a complex of identity-based networking practices, meaning that its outcomes are difficult to predict. Finally, the implications for accurately representing and analysing non-“Western” networking practices are discussed. *(For more information, please contact: Fiona Moore, Royal Holloway University of London, United Kingdom: fiona.moore@rhul.ac.uk)*

*Equality and Harmony: Diversity Management in China*

S. Bruce Thomson, MacEwan University  
William Wei, MacEwan University  
Phillip Swallow, MacEwan University

In short supply in the literature on diversity management are studies from China. This seems at odds with the growing importance of China. This paper focuses on diversity management in China by utilizing sixteen (16) articles found in both the English and Chinese databases. Considering the importance that has been placed on human resources in a knowledge economy sixteen (16) articles seems inadequate given the growing importance of diversity in the workplace. To utilize the benefits of its available workforce China must embrace diversity management to bring about not only competitive advantages but also harmony and equality in organizations. *(For more information, please contact: S. Bruce Thomson, MacEwan University, Canada: thomsons2@macewan.ca)*

*Job Satisfaction, Turnover Intention and Work Performance in Chinese Family Enterprises*

Xiaobin Shu, Central China Normal University  
Yeming Gong, EM Lyon Business School  
Jie Xiong, ESC Rennes School of Business  
Xin Hu, Central China Normal University

From agency theory and corporate governance perspective, we examined the influence of job satisfaction on turnover intention as well as on work performance, with the moderating effects of family membership (family members or non-family members) and managerial position (ordinary employees and managers) in family enterprises. Based on the analysis of survey data of 121 family enterprises in China, we find that family membership plays a key role in the governance of family enterprises. In particular, our results show that the relationship between job satisfaction and turnover intention is insignificant for family members, but significant for non-family members. Moreover, our findings also indicate that the effect between job satisfaction and work performance is less salient for family members, but more significant for non-family members. Our results further show that managerial position moderate the influence of family membership in the main effects above mentioned. This paper enriches the literature of family business by examining the importance of family membership and managerial position in the governance of family enterprises in an emerging country. *(For more information, please contact: Xin Hu, Central China Normal University, China: 7840574@qq.com)*

*Host Country Engagement and Relationship Building: The Influence of Guanxi on Western Expatriates' Job and Career Satisfaction in China*

Ying Guo, Xi'an Jiaotong-Liverpool University  
Hussain Rammal, University of Technology, Sydney

Extant research on cross-cultural adjustment suggests that expatriates' personality and their ability to build social networks can influence work-related outcomes such as job satisfaction and career success. However, recent surveys conducted by Human Resource consulting firms such as Brookfield and Mercer show that expatriates from Western countries rank China as the most difficult destination for overseas assignments. This suggests that the relationship building approach used in the expatriates' home countries, may not be as relevant in China, where guanxi is used to build networks and conduct business. Few studies have empirically tested guanxi building at the individual expatriate level, and this research attempts to address this issue. Survey

data from 240 Western expatriates in China were analyzed using PLS-SEM to examine the antecedents and outcomes of expatriate guanxi building in China. We find that expatriate career satisfaction is greater than job satisfaction, suggesting that guanxi takes an important role in expatriate career development in China. The findings also suggest that the emotional aspects of guanxi building should be paid more attention when initiating and maintaining interpersonal relations in China. *(For more information, please contact: Ying Guo, Xi'an Jiaotong-Liverpool University, China: ying-guo@hotmail.com)*

*Do Different Staffing Patterns and Home Country Nationals Influence the Adjustment of Expatriates in China?*  
Ying Guo, Xi'an Jiaotong-Liverpool University

China remains one of the most challenging destination for expatriate assignments. While there has been a growing number of studies on effective leadership style and cultural adjustment issues in China, there is little information about the differences (if any) in how self-initiated and organization-assigned expatriates attempt to adjust to the Chinese work environment, and whether group membership at work influences the individual's work-related outcomes. Furthermore, while the extant literature acknowledges that local managers in the host country can influence the adjustment process of expatriates, there is little evidence that explains how this takes place. Using four case studies, we investigate the adjustment of managers working in China on different staffing patterns, and compare it with host country nationals (HCNs) perspective from multinational enterprises (MNEs) in China to see how HCNs influence expatriate adjustment. We interviewed key informants from each case organization, and found that the mentoring or coaching program is more applicable compared to traditional pre- or post-arrival training workshops in this context as expatriates on various staffing patterns have different levels of understanding about local cultural and social values. The findings show that expatriate cross cultural adjustment in China plays an important role in their future career development. From the HCNs' perspective, the differences in cultural and social values meant that the interactions with expatriates were more about work-related and family-related activities rather than considering the expatriate colleague as in-group or out-group members. *(For more information, please contact: Ying Guo, Xi'an Jiaotong-Liverpool University, China: ying-guo@hotmail.com)*

*The Impact of MNCs' Formalisation-Based HR Integration on Subsidiary Employee Turnover in China: A Contingency Approach*

Katsuhiko Yoshikawa, London School of Economics & Political Science

Hyun-Jung Lee, London School of Economics & Political Science

This study investigates the impact of multinational corporations' (MNCs) use of formalisation-based human resource (HR) integration—i.e. the deployment of codified and standardised HR management policies and practices to subsidiaries—on employee turnover at their subsidiaries in China. Formalisation-based HR integration is typically used by MNCs' headquarters to control and coordinate HR activities across subsidiaries, but it can also be understood as resource transfer from the headquarters to its subsidiaries. Drawing upon the resource-based view of the firm, first, we propose that the formalisation-based HR practice helps reduce subsidiaries' employee turnover in emerging markets where local HR practices are either not well developed or are rapidly changing. Second, we also propose that this effect is contingent upon the following three factors: the presence of an expatriate managing director, the cultural distance between MNCs' home and host countries and the age of the subsidiary. The analysis of data from 150 subsidiaries of MNCs from the United States (US) and European countries provides results which largely support our hypotheses. Theoretical and practical implications are also presented. *(For more information, please contact: Katsuhiko Yoshikawa, London School of Economics & Political Science, United Kingdom: k.yoshikawa@lse.ac.uk)*

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**Session: 1.4.14 - Interactive**  
**Track: 5 - Organization strategy and management**

### *Cross-Border Acquisitions*

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Yinuo Tang, University of Hong Kong

#### *A Relational Typology of Dyadic Exchange: Simultaneity and Relative Importance of Institutional Distance*

Rimi Zakaria, University of Wisconsin - Whitewater  
Kun Michelle Yang, Central Michigan University  
Sumit K. Kundu, Florida International University

Although the importance of the interaction between formal and informal institutions is well recognized in the international business research, the interdependency of both the dimensions of institutions remains largely underexplored. In this paper, we examine the implications of Douglass North's notions of political economy of national institutions and economic transactions, using the pre-takeover negotiation context of cross-border merger and acquisition (M&A). Acknowledging the tension between formal and informal institutional dimensions in a two-party exchange, we propose a relational typology of institutional distance based on the difference between any given two countries institutional profiles, considering both the degree and simultaneity of formal and informal institutions. In addition to conceptually developing the typology, we empirically test how this newly proposed relational typology and the relative strength of formal and informal institutions influence the outcomes in cross-border mergers and acquisition deals. Considering the theoretical, empirical, and managerial implications of the current study, contributions and future research are discussed. *(For more information, please contact: Rimi Zakaria, University of Wisconsin - Whitewater, USA: zakariar@uww.edu)*

#### *Does Advisor's Network Centrality Facilitate Cross-Border Acquisitions by Emerging Market Enterprises?*

Sathyajit Gubbi, University of Groningen  
Ravi Madhavan, University of Pittsburgh  
Yi Tang, Hong Kong Polytechnic University  
Yinuo Tang, University of Hong Kong

We bring a social network perspective to a topic of great current interest to IB scholars: cross-border acquisitions by emerging market enterprises. Professional advisors, e.g., investment bankers, often guide buyers through the deal process. Advisors not only offer skilled advice, but also leverage their network resources to facilitate the deal. Thus, we ask if the advisor's network position helps make the deal more successful. We theorize a paradoxical network effect: While advisor centrality and advisor brokerage help complete deals, they also make the deal duration longer. A dataset of outbound acquisitions from China and India is supportive of our hypotheses. *(For more information, please contact: Yinuo Tang, University of Hong Kong, Hong Kong, SAR-PRC: tangyn04@hku.hk)*

#### *Factors Driving Market Returns of Rival Firms during Foreign Acquisitions: A Study of Industry Characteristics*

B. Elango, Illinois State University  
Karthik Dhandapani, IIM Tiruchirappalli

This paper seeks to understand the impact of a foreign acquisition on industry rivals in an emerging market context. Using a sample of 146 transactions of foreign firms making acquisitions in India, we analyze the impact on the market returns of rival firms. Overall, findings suggest that entry of foreign rivals by acquisition hurts local firms. Additionally, we find empirical evidence consistent with the IO-framework, wherein industry concentration and MNC market share affect returns of rival firms negatively, while in growing markets the

impact on returns is positive. This study offers new insights in understanding the dynamics of competing in emerging markets by incorporating the role of the industry context. *(For more information, please contact: B. Elango, Illinois State University, USA: elango@ilstu.edu)*

*How Do Cross-Border Acquisitions Affect Chinese Firms' Long-Term Performance?*

Wenjun Tu, Nottingham University Business School China  
 Xiaolan Zheng, Nottingham University Business School China  
 Lei Li, Nottingham University Business School China  
 Zhiang (John) Lin, University of Texas at Dallas

The surge of cross-border acquisitions (CBAs) of Chinese firms has been phenomenal in recent years. This study seeks to address whether and how CBAs affect Chinese firms' long-term performance. Drawing upon the institution-based view and absorptive capacity perspective, we examine the impacts of both micro-level organizational capabilities and macro-level home and host country institutional environments on long-term post-CBA performance of Chinese acquirers over the period of 1999-2013. We find that government ownership (reflecting institutional leverage capability) is positively associated with long-term post-CBA performance while R&D intensity (capturing absorptive capacity) assumes a curvilinear (U-shaped) relationship with it. We also reveal the evidence that the long-term post-CBA performance of Chinese acquirers is negatively associated with cultural distance but positively related to formal institutional distance. The positive moderating effect of cultural distance and negative moderating effect of formal institutional distance on the relationship between government ownership and long-term post-CBA performance of Chinese acquirers demonstrate the complexity of cross-national distance. *(For more information, please contact: Wenjun Tu, Nottingham University Business School China, China: wenjun.tu@nottingham.edu.cn)*

*Rice Theory: A Regional Culture Perspective on Cross-Border Acquisitions*

Hao Wang, Ohio State University  
 Yuping Zeng, Southern Illinois University Edwardsville  
 Oded Shenkar, Ohio State University

Rice theory proposes that a history of farming rice makes a culture more holistic thinking and collectivistic, whereas farming wheat makes a culture more analytical thinking and individualistic. Drawing on this theory, this examines how regional culture influences targets' performance post-acquisition. Using data of the Chinese beer industry from 1995 to 2006, we find that targets in rice culture perform better than those in wheat culture, and this effect is stronger when the acquirer is also in rice culture. We also demonstrate an asymmetric effect of cultural difference by showing that targets in rice culture acquired by firms in wheat culture performed better than targets in wheat culture acquired by firms in rice culture. Our findings suggest that regional cultural heterogeneity within one nation has important implications for acquisition research. *(For more information, please contact: Hao Wang, Ohio State University, USA: wang.6418@osu.edu)*

*Implementing Chinese M&As of Developed Market Firms: A Supportive Partnering Approach*

Rui Torres de Oliveira, College of Saint Benedict/St. John's University  
 Daniel Rottig, Florida Gulf Coast University

The rapid rise of Chinese outward foreign direct investments (OFDI) since the turn of the century has recently been fueled by a post-Recession wave of international M&As by Chinese firms in developed economies. This considerable wave originated from recent institutional changes in China, which entailed a new geopolitical focus on OFDI in strategically important international markets, and specifically impelled private firms to invest in developed economies through international M&As. Due to the significant capabilities gap between Chinese acquirers and target firms in developed markets, however, these transactions require a unique post-M&A integration approach that differs from those prescribed by extant, primarily Western-based research on the topic. Using a qualitative research approach based on executive interviews and information gathered through

secondary data sources, this paper examines the acquisition of the German Preh GmbH by the Chinese Joyson Company, Ltd. and provides an in-depth analysis of the post-M&A implementation approach used by the involved companies. Building on institutional theory and social capital theory to analyze and interpret the gathered qualitative data and information, this paper further develops a supportive partnering approach for implementing M&As by Chinese private firms in developed markets, and discusses the academic and practical implications of this new approach. *(For more information, please contact: Daniel Rottig, Florida Gulf Coast University, USA: drottig@fgcu.edu)*

*A Closer Look into the "Mirror": A Fuzzy Set Analysis of Firms' Global Architecture Design*

Yang Yang, Zhejiang University  
Jiang Wei, Zhejiang University  
Sali Li, University of South Carolina

Multinationals from emerging economies make cross-border acquisitions to leverage extant technology and capabilities of acquired companies in order to catch up with competitions in advanced countries. This study takes a contingency perspective to identify archetypes of EMNEs' global architecture design patterns leading to technological catchup and capability building. Using fuzzy set Qualitative Comparative Analysis (fsQCA) to analyze 33 cross-border acquisitions in China's manufacturing industry, this study depicts the boundary conditions of mirroring hypothesis from organizational and environmental dimensions. The empirical evidence presents five archetypes of design pattern and their performance implication on multinational enterprises. This study lead us to reassess the well-known mirroring hypothesis and to outline a unified framework to depict and explain EMNEs' post-acquisition architectural design. *(For more information, please contact: Yang Yang, Zhejiang University, China: yangyang611@zju.edu.cn)*

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**Session: 1.4.15 - Interactive**

**Track: 8 - International business policy**

***Intellectual Property Rights Protection***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Roger Strange, University of Sussex

*Business Value of IT in Competitiveness of Kazakhstan's Energy Sector: The Role of International Oil and Gas Companies in Sustainable Development of the Local Industry*

Irina Heim, University of Reading  
Kecheng Liu, University of Reading  
Yelena Kalyuzhnova, University of Reading

Under conditions of a long-term downturn in the global energy sector, management teams within oil and gas companies, as well as policy makers and the wider community are looking for new strategic approaches in order to enhance their organisational competitiveness. Adopting information technologies (IT) is essential for improving operational excellence in the new market conditions, since IT has been acknowledged as a strategic resource can potentially give a competitive edge to organisations. Currently, international oil and gas companies (IOC) are experiencing the convergence of new digital technologies. How local oil and gas companies respond to these trends is especially important for developing and transitional countries where technological expertise is missing. Kazakhstan's recent accession to the WTO and consequent abandonment of certain local content requirements has put more pressure on the local energy sector through increasing competition. For this paper we conducted 10 semi-structured interviews with CIOs and ICT experts from the oil and gas sector and found that levels of ICT adoption in Kazakhstan's energy sector is significantly different between international and large national oil and gas companies and local SMEs. This paper proposes what companies and government in

Kazakhstan can do in order to increase the competitiveness of the local economy. (For more information, please contact: Irina Heim, University of Reading, United Kingdom: [i.v.heim@pgr.reading.ac.uk](mailto:i.v.heim@pgr.reading.ac.uk))

*Intangible Assets: National Intellectual Capital Comparison of Southeast Asian and Northeast Asian Countries*  
Carol Yeh-Yun Lin, National Chengchi University

This paper promotes the importance of intangibles and advocates the concept that MNEs should refer to macro environment indicators for better decision making. A 48-indicator national intellectual capital measurement model, consisting human capital, market capital, process capital and renewal capital is introduced. Based on data spanning 2001-2015, the paper compares national intellectual capital of four each Northeast Asian (Hong Kong, Japan, Korea, Taiwan) and Southeast Asian (Indonesia, Malaysia, the Philippines, Thailand) economies. Data analysis reveals that market capital and process capital significantly explains GDP per capita (ppp) in the Northeast and Southeast regions respectively. This reflects the current concern of “relationship with international markets” in the Northeast region and “infrastructure building” in the Southeast region. Analyses on eight countries individually are conducted and relatively influential indicators are identified. Individual indicators that are highly correlated with GDP in the Northeast region are advanced ones such as gender equality and freedom of speech, whereas those in the Southeast region are basic needs such as years of education and internet/broadband subscribers. MNE decision makers can use the indicator list to weigh the strength and weakness of potential host countries for a systematic and comprehensive evaluation. Three implications are also proposed. (For more information, please contact: Carol Yeh-Yun Lin, National Chengchi University, Taiwan: [yehyunln@nccu.edu.tw](mailto:yehyunln@nccu.edu.tw))

*A Principal-Agent View on International Hotel Branding*  
Shih-Fen S. Chen, Ivey Business School  
Chya-Yi (Emily) Liaw, City University of Hong Kong

The establishment of an international hotel to serve travelers requires the joint inputs of a foreign manager and a local developer, in that the focal hotel may carry the brand of the foreign manager, the brand of the local developer, or the brands of both specialists. An international hotel can even bear the name of an integrated chain that covers hotel management and hotel development. In the study, we argue that the branding status of the focal hotel dictates the principal-agent relationship in the manager-developer dyad, where the brander/principal claims the gains in hotel reputation by paying a fee to buy out the contribution of the non-branding/agent. Naturally, the brander must incur a cost to monitor shirking by the non-branding in building and protecting hotel reputation, a special type of agency issue called branding agency. The right to brand an international hotel can be reallocated between the parties to support their cooperation in multiple markets. Integration of hotel management and hotel development under the hierarchy is necessary only when agency costs are too high in all market interfaces. This branding-governance connection contributes to two seemingly unrelated literatures on organizational economics and branding. (For more information, please contact: Shih-Fen S. Chen, Ivey Business School, Canada: [sfchen@ivey.uwo.ca](mailto:sfchen@ivey.uwo.ca))

*National Innovation Systems and Entry Mode Choice – Evidence from Indian Multinationals*  
K.V. Mukundhan, Indian Institute of Management Tiruchirappalli  
Sreevas Sahasranamam, University of Liverpool Management School

In this paper, we develop a contextual model to explain the impact of National Innovation Systems (NIS) variables on FDI-based entry mode choices of emerging market firms (EMFs). Particularly, we consider the effects of three NIS variables at the host country level - the volume of foreign capital inflow, the technological capability of the country and the availability of human talent – in explaining an EMF’s choice of FDI-based market entry modes. We test our hypotheses on a sample of 5865 Indian FDI-based entries between 2007 and 2014. We find that Indian firms emphasize WOS entry modes when entering host countries with high levels of inward capital flows and high market potential. The R&D investments made by the host country and the

existence of human talent in the host country also influences the choice of WOS entry modes over JVs. However, Indian firms prefer JVs over WOS in host countries that are at a higher political distance from them. We discuss the implications of our findings and describe avenues for future research towards the end of the paper. *(For more information, please contact: K.V. Mukundhan, Indian Institute of Management Tiruchirappalli, India: kidambim@gmail.com)*

*Industrial and Trade Policies in Latin America: A Tale of Three Paths*

Juan David Rodriguez-Rios, National Graduate Institute for Policy Studies - GRIPS (Japan)

Despite the oversimplified depiction of Latin America in the academic literature on development which takes the region as an aggregate proof of the failure of neoliberalism, Latin American countries have actually followed three different paths after the implementation of the so-called Washington consensus: one which is irrevocably neoliberal (i.e. horizontal industrial policy and liberal trade policy), and two other combining a mixed (both vertical and horizontal) industrial policy approach with either liberal or protectionist international trade policies. This study takes the cases of Mexico, Chile, and Brazil as representing each of the three different paths. This paper reviews the historical development of the three countries' policy approaches with their respective economic performances (measured by GDP and industrial value-added growth). The conclusions provide evidence to support the argument that the typical neoliberal formula, represented in the case of Mexico, has failed to bring about development. Of the other two heterogeneous paths, the Chilean approach which combines mixed industrial policy with liberal trade policy has been more successful in bringing about GDP and industrial growth than the protectionist trade approach represented by Brazil. *(For more information, please contact: Juan David Rodriguez-Rios, National Graduate Institute for Policy Studies - GRIPS (Japan), Japan: doc15111@grips.ac.jp)*

*A Value-Laden Well-Being Comparison for EU and Non-EU Member States: The Case of Turkey and Poland*

Ramazan Arikan, Ozyegin University

The study compares Turkey, a non-EU member state, and Poland, an EU member state, in respects to their openness to change values, emancipative values, secular values and well-being suggesting a structural equation model regarding the associations of the values and well-being. The results point out some differences between the two countries. Poland's well-being was related to its emancipative and traditional values; however, Turkey's well-being was related to its traditional values and not emancipative values. Furthermore, Turkey had both higher traditional values and well-being than Poland. *(For more information, please contact: Ramazan Arikan, Ozyegin University, Turkey: ramazan.arikan@ozu.edu.tr)*

*The Study of Competitiveness of Thai Exports to the U.S. Market*

Pornlapas Suwannarat, Mahasarakham University

This study primarily focuses on competitiveness measurement via revealed comparative advantage index (RCA) of Thai economic products being exported to the United States during 2007 – 2013. This is an original attempt to use this index to assess the competitiveness of important three Thai economic products exported to the United States. The dataset for the study has been provided by the Thai Ministry of Commerce and the World Bank. The study reveals that rubber exports to US market from Thailand have considerably comparative advantage and it is noticeably greater than those of other products. Conversely, the chemical and steel products exported to US market from Thailand have noticeably comparative dis-advantage in the US market. The findings of the study will contribute to knowledge of international competitiveness, especially in trade between Thailand, one of the spearhead countries of ASEAN, and the gigantic economy of a country like the United States. The volume and value of trade between these two countries is expected to grow rapidly and consistently with the arrival of the ASEAN economic community (AEC). *(For more information, please contact: Pornlapas Suwannarat, Mahasarakham University, Thailand: pornlapas.s@mbs.msu.ac.th)*



*The Death of Ethics: Revisiting the Case of AIG*

Joan Mileski, Texas A&M University-Galveston  
 Uche Nwabueze, Texas A&M University, Galveston

The aim of this paper is to delineate through a case study the erosion of morality, ethics and values in corporate America. The economic and moral challenges that businesses face today, it is suggested in the paper, is based on the fundamental principle of corporatism, which encapsulates a culture of profits at all cost, and thus the era of corporations as stewards of society is long gone. This paradigm shift in Corporate America serves to undermine ethical and moral principles that should be driving force and core ideology of businesses. This paper will explore the culture of unethical behavior at the American International Group (AIG). *(For more information, please contact: Uche Nwabueze, Texas A&M University, Galveston, USA: nwabuezeu@tamug.edu)*

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**Session: 1.4.16 - Interactive**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

*Environmentally Sustainable Business Conduct in MNEs: How, Why and Where?*

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Carlo Pietrobelli, Università degli Studi Roma Tre

*The Quadruple Bottomline: The Multinationality-Performance Relationship Revisited*

Róisín Donnelly, Bentley University  
 Tatiana Manolova, Bentley University  
 Linda Edelman, Bentley University  
 Anthony Buono, Bentley University

International diversification theory has argued that, at different stages of multinationality, there are benefits and costs to firm performance. However, there is no consensus as to when the benefits outweigh the costs. Concurrently, there has been a call to examine environmental, social and governance (ESG) performance alongside financial performance to understand multinational firms' broader roles in society. We explore the multinationality-performance relationship using both financial and ESG performance measures for 1415 US firms from 2001-2010. Findings indicate both a S-curve and inverted S-curve relationship, depending on the measure of performance. While Tobin's Q, community performance and diversity performance show some evidence of a S-curve, return on assets, employee relations, product and human relations performance show some evidence of an inverted S-curve and inverted U-curve. This indicates that liability of foreignness impacts firms' performance differently, depending on the performance measure and stage of multinationality. This paper contributes to the literature by calling for the use of more comprehensive measures of performance that can be compared and by contrasting how liability of foreignness affects performance depending on ESG and financial outcome. *(For more information, please contact: Róisín Donnelly, Bentley University, USA: rdonnelly@bentley.edu)*

*The Effect of Sustainable MNEs FDI on Global Emissions*

Mathew Egu, University of South Africa

This study uses selected World Development Indicators (WDI) to illustrate the effect of sustainable MNEs FDI on global emissions. Based on contemporary international business (IB) literature, we investigate the relationship between the net FDI inflows and CO2 emissions, in order to identify the real impact that the FDI has on sustainable development, using available secondary data over the years 1960-2015. The main finding of this study indicates that the world FDI net inflows are positively associated with the increases in global

emissions. However, the level of global emissions is significantly reduced by MNEs through stringent internal and external compliance standards. The evidence provided in this study is consistent with the findings of prior studies that attest to the fact that the pollution halo hypothesis is more prominent and applicable in IB research than the pollution haven hypothesis. Furthermore, this study uses Poisson regression to affirm the statistical significance of these relationships. The key overall findings of this study reveal that the harmful effects of MNEs FDI on global emissions is severe in Sub-Saharan Africa, North America, Middle East and North Africa, and East Asia and Pacific, and less harmful in Europe and South Asia. *(For more information, please contact: Mathew Egu, University of South Africa, South Africa: 46242597@mylife.unisa.ac.za)*

*Go Green! Inculcating A 'Green Self-Initiated Behaviour' among Employees: An Exploratory Study of UAE and UK*

Flevy Lasrado, University of Wollongong in Dubai  
 Norhayati Zakaria, University of Wollongong in Dubai  
 Arif Mohammed, University of Salford UK

As multinational corporations (MNCs) aimed at becoming environmentally sensitive, responsible leaders need to create a conducive organizational culture to inculcate green behaviours among employees. Such active engagement of employees in green initiatives can further enhance organization's environmental impacts and performance. This exploratory study examines the perceptions, attitudes, and values of managers on engaging employees in green involvement--we term it as self-initiated green-behaviors. Moreover, we will also explore the organizational factors that were implemented across the workplace and its underpinning sustainable strategies for green engagement with an overarching research question of: How can you promote self-initiated green behavior among employees and engage them in meeting green targets for organizations? We employed a qualitative method by designing a focus group study. We conducted a three-day workshop with forty (40) participants from the local (UAE) and international participants (UK) held in the city of Dubai and Manchester. Our findings suggest the need for training and education in MNCs about specific methods on motivating green behaviours among employees. Notably, behavioural changes in values, attitudes, and perceptions are not easy to manage because people will contemplate on 'what's in it for me? Thus, such behavioural change is more complex to manage, and requires longer time to occur as compared to the structural and technological change. The concluding remark in this paper will include future research directions. *(For more information, please contact: Flevy Lasrado, University of Wollongong in Dubai, United Arab Emirates: flevylasrado@uowdubai.ac.ae)*

*Strategic Eco-Efficiency Determinants of Chinese Companies in Brazil*

Maria Laura MacLennan, Centro Universitário da FEI  
 Fabio Lotti Oliva, FEA USP

This research investigates the influence of the strategic tripod on eco-efficiency strategies of Chinese companies operating in Brazil. Concerns about environmental sustainability are recurrent both in academy and in business, especially because of the impact of Chinese productive activities on the environment. China is an emerging country with the highest economic growth rates in the world, but its image also reflects their vulnerability on ecological issues. To this end, environmental sustainability is operationalized into eco-efficiency, translated into eco-innovation, eco-reputation and green manufacturing; methodology was quantitative, with data collected and analyzed by structural equation model. Authors find a positive association between internal resources and eco-efficiency in its three developments (eco-innovation, eco-green reputation and manufacturing). Industry-based view shows a positive association among green manufacturing and eco-reputation, but no with eco-innovation. Institutional aspects could not be associated with any of the eco-efficiency strategies. This research contributes to the understanding of strategic determinants on environmental initiatives and highlights the importance of resources for the implementation of green strategies abroad. Results do not confirm the relevance of local institutional aspects, which exposes the limited extent of this theory. It appears that Chinese eco-innovation is not influenced by institutional demands from local market. *(For more information, please contact: Maria Laura MacLennan, Centro Universitário da FEI, Brazil: ferranty@hotmail.com)*

*How Does Foreign Direct Investment Affect the Quality of the Environment? Air Pollution and US Foreign Affiliates in Europe*

Miguel Torres, University of Leeds  
João Paulo Bento, University of Aveiro

This article focuses on the European context and presents novel empirical evidence on the relationship between foreign direct investment and the environment through the estimation of an Environmental Kuznets curve using panel data. The findings suggest the existence of an inverted U-shaped relationship between per capita income and carbon emissions. We also find evidence for significant direct and indirect effects of wholly-owned European subsidiaries of US multinational corporations on carbon emissions. In light of these results we advance some recommendations for industrial policy and the trade agreements to reconcile trade, investment and environment interests. *(For more information, please contact: Miguel Torres, University of Leeds, United Kingdom: busmto@leeds.ac.uk)*

**Session: 1.4.17 - Developmental Clinics**

***Orgnaization Strategy and Management Clinic A***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Olivier Bertrand, SKEMA Business School

*Qantas and Emirates Strategic Alliance: A Major New Force Shaping and Reshaping the Competitive Dynamics of the 'Kangaroo Route'*

Golam Mostafa Khan, Sultan Qaboos University

In early 2013, Qantas and Emirates launched a strategic alliance whereby the two airlines combined their operations and aspects of marketing as part of a major restructuring undertaken by both the carriers. Emirates, the Dubai-based airline, and Qantas, the Sydney-based Australian carrier joined together to strengthen their position primarily on the Europe-Australia sector (also known as 'Kangaroo Route'). Since the launch of this alliance, both these carriers are not only operating smoothly but also exploring opportunities for further expansion of their services. Faced with the new competition brought about by this alliance, as well as by Etihad Airways and Qatar Airways, most of the other legacy carriers (British Airways, Singapore Airlines, Cathay Pacific and Thai Airways) operating services on this route are changing their services and operations.

The paper provides brief introduction to the global airline industry, Qantas and Emirates airlines, their alliances as well as the evolving competition on the Kangaroo Route. Developed as a comprehensive international business and strategy case, this would be very useful for students who could be encouraged to analyze and comment on the dynamic industry environment, as well as the evolving strategies followed by the competitors.

*(For more information, please contact: Golam Mostafa Khan, Sultan Qaboos University, Oman: mostafa.khan@hotmail.com)*

*Air Arabia: A Pioneer of Low Cost Carriers from the Middle East Pursues International Growth Strategies*

Golam Mostafa Khan, Sultan Qaboos University

Air Arabia, the Middle East's first low cost carrier (LCC) founded in 2003 is based at Sharjah International Airport in the United Arab Emirates. It is a publicly listed company and operates secondary hubs in Ras Al Khaima, Egypt, Morocco, and Jordan. As of early 2016, the company's services network includes over 100 destinations in Middle East, Indian subcontinent and Europe, and operated a fleet of 41 A320 aircraft. Air Arabia's strategic intent is to create the first pan-Arab LCC. They have, however, faced a major challenger 'flydubai', the Dubai-based LCC, which started operations in 2009. Since then, flydubai has grown aggressively

to gain substantial market share. Faced with such a major rival, Air Arabia has adopted diversification and growth strategies to target broader regional markets. Another major new regional LCC 'Salam Air' from Oman will start operations in late 2016. Air Arabia is watching these developments and wondering what strategies would be needed to sustain its position as a leading carrier in the region. *(For more information, please contact: Golam Mostafa Khan, Sultan Qaboos University, Oman: mostafa.khan@hotmail.com)*

*Global Professional Service Firms, Transnational Management and Core-Periphery Relations*  
Mehdi Boussebaa, University of Glasgow

In the last few decades, global professional service firms (GPSFs) have emerged as major international businesses. Yet the IB field has paid little attention to GPSFs, and the relevant research has tended to overlook the global power asymmetries and unequal exchange relationships that GPSFs (re)produce in the conduct of their work. This essay aims to help in addressing these limitations through secondary qualitative research on global management consultancies. I argue that, in serving clients internationally, GPSFs are institutionalizing internal hierarchies that mirror the long-standing core-periphery hierarchy of the world economy. This occurs because, I contend, GPSFs in practice operate largely as instruments of professionals located in 'core' nations. These professionals present the firm's structure as a neutral 'transnational' organizational design but, in practice, shape and use it as a platform from which to (1) serve multinational clients in the periphery, (2) grow demand in that zone, and (3) leverage core/periphery wage differentials. The overall outcome is an unspoken internal division of labour that mirrors the external international division of labour. In advancing this argument, I contribute to a better understanding of GPSFs as international businesses and how the professionals within them impact on the structure of the world economy. *(For more information, please contact: Mehdi Boussebaa, University of Glasgow, United Kingdom: mehdi.boussebaa@glasgow.ac.uk)*

### ***The Internationalization Process and International Entrepreneurship Clinic B***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Rudolf R. Sinkovics, University of Manchester

*How Do Crowdfunding Projects Successfully Raise Funds?*  
Kuo-Feng Huang, National Chengchi University  
Wen-Ching Sophia Chou, National Chengchi University  
Chwo-Ming Joseph Yu, National Chengchi University

From network effect perspective, prior studies suggest that the number of website members can enhance the propensity of successful fundraising via crowdfunding platforms. However, according to bystander effects, the number of project supporters is expected to have an inverse association with the actual backers, leading a higher failure rate of fundraising. Thus, our research proposes that crowdfunding projects need to use institutional legitimacy to mitigate such negative effect and increase the conversion from bystanders to backers, which in turn increase the propensity to raise funds successfully. By analyzing 191 Taiwan's crowdfunding projects on Flying V, our arguments are empirically verified and we provide insights for crowdfunding relevant research. *(For more information, please contact: Wen-Ching Sophia Chou, National Chengchi University, Taiwan: mssophiatw@gmail.com)*

*Effects of Network Linkages on Firms' Internationalization: The Case of Brazilian Software Sector*  
Luciana Albuquerque Alves, University of Southern Denmark

This paper seeks to examine the effects of different types of relationships the internationalization of emerging markets firms. The study uses a longitudinal dataset (1992-2013) of two different clusters in the Brazilian Software Sector to analyze the effect of domestic companies, multinationals and government relationships on firm's likelihood of engaging in international activities. *(For more information, please contact: Luciana Albuquerque Alves, University of Southern Denmark, Denmark: alves@sam.sdu.dk)*

*Transnational Entrepreneurs in the Gulf: Towards an Understanding of the Who, What, and Why*

Shobha Sasidharan Das, Qatar University  
Abeer Khalid Malik, Qatar University  
Rabia Ahmad Mughal, Qatar University  
Zainab Elnaeem El-Mahdi, Qatar University

Researchers have looked at Transnational Entrepreneurs in different parts of the world, yet, non-nationals, who comprise nearly half the population in the Gulf region, have not been studied much as entrepreneurs. Zahra, Wright, & Abdelgawad (2014) emphasize the importance of contextualization of entrepreneurship research. By drawing on existing research on Transnational Entrepreneurs, we extend it to those who operate in the unique context of the Gulf. We use a multiple-embedded case design to collect qualitative and quantitative data of three transnational entrepreneurs who have started businesses in their home country and host country of Qatar, a country which has 85% non-nationals. Insights from these case studies contribute towards an understanding of who the non-national entrepreneurs are, what motivates them, and why they start businesses while living in the Gulf on resident visas. *(For more information, please contact: Shobha Sasidharan Das, Qatar University, Qatar: shobha.das@qu.edu.qa)*

*Early and Rapid Internationalization of Micro Born Globals: The Case of Nepal*

Sudip Kranti Tiwari, Nord University Business School

In recent decades, born global firms are widely emerging in all around the world. The current literature and empirical research on early and rapid internationalization is, however bias with excessive focus on high-tech firms and western based context. Studies, which examine early and rapid internationalization with exclusive focus on samples derive from the population of high-tech industries in developed economies, cannot be equally applied to other context-specific research. Considering the importance of micro export firms in the economic development of emerging economies, the present study aims to investigate the factors influencing early and rapid internationalization of micro born globals (MBGs) operating in low-tech sectors of emerging economies. Drawing on the theoretical lens of knowledge based view and social network approach, I used four case studies, which enrich the literature of BGs by discovering the factors that can be key to the early and rapid internationalization of MBGs. *(For more information, please contact: Sudip Kranti Tiwari, Nord University Business School, Norway: sudip.k.tiwari@nord.no)*

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***International Business Policy Clinic A***

**Presented On:** July 3, 2017 - 14:30-15:45

Chair: Jeremy Clegg, University of Leeds

*The Uyghur and Han's Competition: A Closer Examination of the Effect of the One Belt One Road Policy*  
Bin Liu, Chinese University of Hong Kong

China's recent national policy known as "One Belt One Road" (OBOR) has provided great incentives for Chinese firms to speed up the pace of internationalization. But very few international business (IB) studies have been found to deal with the policy-related international expansion (strategy) and performance of firms in such a dramatic institutional change. This study is among the first to study their internationalization process using two types of Chinese sub-national (i.e., Uyghur's and Han's) firms in Xinjiang Uygur Autonomous Region under the context of OBOR. We propose that the (firm) owner's internality is intertwined with the externality of OBOR policy to jointly affect their exporting performance. As such, the Uyghur's firms should perform better than the Hans' counterparts in exporting to Central Asia regional markets, and the former also have clear advantages over the latter in further promoting foreign direct investment (FDI) activities in the markets. *(For more information, please contact: Bin Liu, Chinese University of Hong Kong, Hong Kong, SAR-PRC: liu.bin@link.cuhk.edu.hk)*

*Investigating the Role of a Country's Environment in the Emergence of Hybrid Social Organizations*  
Komal Kiran Kalra, University of Victoria  
Carlo Brighi, University of Victoria

Hybrid social organizations combine the dual logics – social logic of a non-profit and the commercial logic of a business. They are frequently cited as a source of business innovation and a means to solve some of the world's most pressing problems such as poverty. Newly established hybrid social organizations increasingly appear across different geographic locations. However, aside from the role of institutional environment, our knowledge of the factors influencing the emergence of these organizations is scarce. We recognize this gap and propose a more holistic approach by investigating the role of multiple elements of a country's local environment. More specifically, we discuss the influence of national culture, regulatory framework, political and economic environment on the likelihood of establishment of hybrid social organizations. Furthermore, we introduce some propositions that serve to analyze how the emergence of such organizations varies according to the context in which they are based. We propose measures that can be used to assess the impact of each element and formulate implications for future research on the origin of hybrid social organizations. *(For more information, please contact: Komal Kiran Kalra, University of Victoria, Canada: komal@uvic.ca)*

*"Teach a Man to Fish and You Feed Him for a Lifetime" The Influence of FDI's on Entrepreneurship in Developing Nations*

Raghid Al Hajj, Concordia University  
Abdulrahman Chikhouni, Mount Royal University

This paper tries to answer three questions: What is the effect of Multinational Enterprises (MNEs) from developed countries on local entrepreneurship in developing countries? Does this effect change based on the different entry modes of these MNEs? Moreover, what is the role the regulative institutional environment in this relation? By conducting an empirical study on a sample of 80 emerging countries we were able to find a U-shaped relation between FDI in the form of low equity MNEs and new firms creation. When it comes to High

equity MNEs, the positive effect of FDI decreased as the strength of the regulative environment increased. The relevance of the findings and the limitations of the study are discussed. *(For more information, please contact: Abdulrahman Chikhouni, Mount Royal University, Canada: achikhouni@mtroyal.ca)*

**Session: 1.5.1 - Panel**

**Track: 8 - International business policy**

***Globalization Under Threat: How Should IB Respond?***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Peter James Williamson, University of Cambridge

*Panelists:*

Lorraine Eden, Texas A&M University  
Stefanie Lenway, Opus College of Business  
Ravi Ramamurti, Northeastern University

Brexit; the rise of Donald Trump and nationalist parties, trade liberalization deals struggling: it is hard to avoid the conclusion that a backlash against globalization is underway. But new technologies along with social developments demographic imbalances and increasingly global issues such as climate change, continuing to drive the need for increased, and potentially deeper and more complex, inter-connections between activities and people across the globe. These forces appear to be on a collision course, potentially rendering traditional multinational strategies unsustainable. At the same time the overwhelming dominance of developed economy influencers is also giving way to greater influence of emerging market multinationals and governments from large emerging economies. This panel will explore how International Business (IB) teachers and researchers should respond to these developments. How can IB scholars best participate in the growing public debate and tackle some of the myths about internationalization that are being promulgated? What does a globalization backlash and the coming clash with the forced of global integration mean for the future strategies and structures of multinationals and how they should respond? Does it mean IB needs to revisit neglected research areas and launch new ones? *(For more information, please contact: Peter James Williamson, University of Cambridge, United Kingdom: p.williamson@jbs.cam.ac.uk)*

**Session: 1.5.2 - Panel**

**Track: 6 - Human resource management**

***Women in Business in the United Arab Emirates (WAIB Sponsored Panel)***

**Presented On:** July 3, 2017 - 16:15-17:30

Chairs: Janet Y. Murray, University of Missouri-St. Louis and Yingying Zhang, CUNEF, Complutense University of Madrid

*Panelists:*

Widad Haddad, Emerson Automation Solutions  
Francesca Gori, Accenture  
Asmaa Quorrich, YUM! Restaurants International  
Deborah Harris, Boeing  
Melodena Stephens Balakrishnan, Karlshochschule International University

This panel provides professional guidance on the challenges and opportunities faced by women in business, with especial emphasis in the case of the United Arab Emirates. Speakers from the industry and academia who are experts on the United Arab Emirates will bring their unique perspectives in discussing critical issues faced by women in the business world. They will discuss a wide span of topics that cover women leadership, career development, talent management, and gender bias in the workplace. *(For more information, please contact: Janet Y. Murray, University of Missouri-St. Louis, USA: murrayjan@umsl.edu)*

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**Session: 1.5.3 - Panel**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

***CSR of Emerging Country MNEs: Toward a New Research Agenda***

**Presented On:** July 3, 2017 - 16:15-17:30

Chairs: Elisa Giuliani, Università di Pisa and Valentina Marano, Northeastern University

*Panelists:*

Valentina Marano, Northeastern University  
Elisa Giuliani, Università di Pisa  
Ruth Aguilera, Northeastern University  
Jonathan Doh, Villanova University  
Bryan W. Husted, Tecnológico de Monterrey  
Anne Jacqueminet, Bocconi University  
Tatiana Kostova, University of South Carolina

While practitioners and scholars increasingly recognize the importance of CSR practices for emerging country multinational enterprises (MNEs), there are still questions about the usefulness of existing theoretical and empirical approaches in these settings. This workshop will provide an interactive forum for scholars interested in developing research in this area to discuss the challenges and opportunities related to conducting research, understand the current state of research, explore new avenues, and strengthen scholarly networks. Participants will be organized into small-group roundtables to examine specific topics concerning the CSR policies of emerging country firms. Established international business researchers will moderate the roundtables and elicit participants' input about the state of research in this area, new research questions, and innovative methodologies. The workshop will conclude by summarizing the findings of each roundtable, and offering guidance on current research directions, and views on integrating CSR issues into a research agenda on emerging country firms. *(For more information, please contact: Valentina Marano, Northeastern University, USA: v.marano@neu.edu)*



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**Session: 1.5.4 - Panel**  
**Track: 9 - Teaching IB**

***New Frontiers in Global Leadership Education: Next Generation Interactive, Multimedia Cases for Online and Traditional Courses***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Henry (Harry) William Lane, Northeastern University

*Presenter:*

Henry (Harry) William Lane, Northeastern University

This panel is a combination of an innovative presentation of an interactive, multimedia Next Generation case study and a professional development workshop. The market for graduate and executive management education is evolving and more schools are moving toward online programs and courses. Although online education has been called a disruptive innovation that threatens existing programs and the traditional university business model, the number of schools offering online programs has increased dramatically. Academics have many questions about online courses regarding development, quality and teaching. One question in particular is whether the pedagogy and materials used in traditional courses can be transferred to an online format? The presenter will address these questions and lead participants through the latest development in Next Generation interactive, multimedia cases; and provide examples from teaching a course in executing global strategy/cross-cultural management in online and traditional, on-the-ground MBA programs. *(For more information, please contact: Henry (Harry) William Lane, Northeastern University, USA: ha.lane@northeastern.edu)*

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**Session: 1.5.5 - Competitive**  
**Track: 5 - Organization strategy and management**

***New Insights on Cross-border M&As***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Louis Mulotte, Tilburg University

*Exploring the Impact of Cultural Tightness-Looseness on International Takeover Performance*

Chengguang Li, Paderborn University

Michele J. Gelfand, University of Maryland

Rudy Kabst, Paderborn University

Extant research has frequently studied culture's impact on cross-border acquisitions (CBAs) through the values-based cultural distance (CD) construct, typically using a composite measure that captures the aggregate differences of various cultural values dimensions between two nations. While CD has become a leading metaphor in international management, scholars argue that the predominant focus on value constructs provides an incomplete picture of cross-cultural interaction. Departing from the values-based CD approach, we direct attention to the intersubjectivist norms-based cultural tightness-looseness (CTL) concept – a cultural variation referring to the strength of social norms and the degree of sanctioning within societies. We theorize that cross-country differences in CTL influence the ability of firms to learn about and adapt to a foreign culture and explore CTL's role in affecting the performance of CBAs. Applying multilevel modeling to data for over 6,000 takeovers in more than 30 countries between 1980 and 2013, we find that cross-country differences in CTL negatively influence cumulative abnormal returns to CBAs. *(For more information, please contact: Chengguang Li, Paderborn University, Germany: chengguang.li@upb.de)*

*Why do Firms Initiate Partial Cross-Border M&As and do Nothing Thereafter: Toward a Theory of Inaction*

Katsuhiko Shimizu, Keio University  
Daisuke Uchida, Kyushu University

Under a rapidly changing and globalizing environment, cross-border mergers and acquisitions (M&As) have become increasingly important. Meanwhile, cross-border M&As involve various challenges including country and organizational cultural clash and liability of foreignness, resulting in numerous failures. While a partial acquisition followed by either further investment or abandonment is discussed as a useful way to address this dilemma, empirical research suggests that many partial acquisitions remain unchanged. To explore this puzzle, we draw on real options theory, inertia theory, and symbolic actions and impression management theory to examine the mechanisms behind inaction. We test hypotheses with a sample of 270 partial cross-border acquisitions by Japanese firms between 2003 and 2013. *(For more information, please contact: Katsuhiko Shimizu, Keio University, Japan: katsus@kbs.keio.ac.jp)*

*IJVs' Building of Adaptive Capability: The Double Edged Role of Organizational Communication*

Xiaoyun Chen, University of Macau  
Kevin Zhou, University of Hong Kong  
Xiaofeng Zhang, Harbin Institute of Technology Shenzhen Graduate School

This study examines the alignment between strategic orientation and internal communication on dynamic capability building for international joint ventures (IJVs). Using a sample of 147 IJVs in China, we find that customer and technology orientation foster IJV's adaptive capability, but their positive effects are contingent on communication patterns within the IJV. Horizontal communication strengthens and vertical communication weakens the effect of customer orientation on dynamic capability, whereas the effect of technology orientation are inhibited by horizontal communication but enhanced by vertical communication. *(For more information, please contact: Xiaoyun Chen, University of Macau, Macau: xychen@umac.mo)*

*How Does the Inherence Determines the Appearance?—Exploring Three Antecedents of Alliance Portfolio Configuration*

Wei He, Purdue University Northwest  
Sumit K. Kundu, Florida International University

Aiming at investigating the mechanism that influence the alliance portfolio configuration we adopt a two-dimensional typology that incorporates both alliance attributes and partner attributes to demarcate different types of alliance portfolio. The resulting four portfolio forms are applied for building the theoretical framework. Drawing on resource-based view and resource dependence theory, we develop a framework demarcating three key drivers of alliance portfolio configuration in terms of degree of heterogeneity. The resulting conceptual model explains how alliance management experience, organizational slack and brand image interacting with degree of internationalization impact the type of alliance portfolio configuration selected by a firm. The empirical findings suggest that the type of alliance portfolio chosen by a firm depends on the level of the above factors as well as their interaction with the degree to which the focal firm's business is internationalized. Overall, this study sheds insights on how alliance portfolio configuration can be described, predicted and measured. *(For more information, please contact: Wei He, Purdue University Northwest, USA: weihe@pnw.edu)*

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**Session: 1.5.6 - Competitive**  
**Track: 3 - Marketing and consumer research**

***Culture and Cultural Intelligence in International Marketing***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Marios Theodosiou, University of Cyprus

*The Cultural Intelligence Scale: Level of Analysis, Aggregations, and Misspecifications*

Melanie P. Lorenz, University of Toledo  
George R. Franke, University of Alabama  
Jase R. Ramsey, Saint Louis University  
Jack A. Clampit, University of Alabama  
Jamal Maalouf, Lebanese American University  
Amine A. Abi Aad, Lebanese American University  
Livia L. Barakat, Fundação Dom Cabral

Research on multiple intelligences has increased in the marketing literature. Similar to emotional intelligence, cultural intelligence (CQ) has emerged as a construct of interest in academic research. CQ is defined as an individual's capability to function and manage effectively in culturally diverse settings. CQ allows individuals to successfully meet international business demands. However, the cultural intelligence scale (CQS) has been challenged regarding its validity and application. The contribution of this paper is to provide evidence and guidance on how to empirically apply the CQS by reanalyzing CQ studies that were published between 2007 and 2014. (For more information, please contact: Melanie P. Lorenz, University of Toledo, USA: [melanie.lorenz@utoledo.edu](mailto:melanie.lorenz@utoledo.edu))

*Expatriates' Cultural Intelligence and Ethical Relativism: Effects on Opportunism and Customer Relationship Performance*

Melanie P. Lorenz, University of Toledo  
Jase R. Ramsey, Saint Louis University  
Clark D. Johnson, Saint Louis University  
George R. Franke, University of Alabama

Cultural intelligence (CQ) has become one of the most popular frameworks for the ability to adapt to diverse cultural environments. Even though this framework has existed for over a decade, researchers have only studied CQ in the context of positive outcomes in cross-cultural interactions. The primary purpose of this study is to show that CQ can potentially lead to negative outcomes in a cross-cultural context—specifically, opportunistic behavior. In order to pursue a balanced approach, we also examine a positive outcome and show that CQ can lead to superior customer relationship performance. To empirically test our hypotheses, we surveyed 230 expatriate employees working in customer-facing roles in the United States. The results support the hypotheses that cognitive CQ can lead to opportunistic behavior and cognitive and metacognitive CQ can lead to superior customer relationship performance. Further, we find that the employee's ethical perspective moderates these relationships. Our findings have significant implications for scholars and practitioners in international marketing and organizational behavior. (For more information, please contact: Clark D. Johnson, Saint Louis University, USA: [cjohns60@slu.edu](mailto:cjohns60@slu.edu))

*Perceptions and Effects of Cross-National Corporate Reputation: The Role of National Culture*

Bernhard Swoboda, Trier University

Johannes Hirschmann, Trier University

Few scholars have analysed the corporate reputation (CR) of multinational corporations (MNCs) internationally, but both CR perception and effect are likely to differ across nations. Most studies have compared a few countries, linked differences to selected Hofstede dimensions, and reported ambiguous results. This study addresses the important role of all cultural dimensions that may influence CR perceptions and effects by applying an appropriate method. By integrating signalling theory and each Hofstede dimension, hypotheses are proposed and tested using consumer surveys of a German MNC in 37 and 38 countries (and two US MNCs in alternative models). Multilevel structural equation modelling showed whether and how all cultural value dimensions affect CR perceptions and effects. The latter are strongly attributable to national culture, which explains up to 62% of country-level variance; however, the explanatory powers of cultural dimensions differ between CR perceptions and effects. Not all dimensions affect both. The results enhance extant research because their relative importance of Hofstede's dimensions and not only a possible role in country comparisons is shown. Hofstede's approach explains considerable country-level variances. MNCs learn which cultural dimensions are core antecedents of CR perceptions (IND, PD) and core moderators of CR effects on loyalty (MAS, IND, UA). (For more information, please contact: Bernhard Swoboda, Trier University, Germany: [b.swoboda@uni-trier.de](mailto:b.swoboda@uni-trier.de))

**Session: 1.5.7 - Competitive****Track: 2 - Managing the value chain***Globalization of Value Chain***Presented On:** July 3, 2017 - 16:15-17:30

Chair: Vijay Edward Pereira, University of Wollongong Dubai

*Value Chain Internationalization: The Effects of Performance Feedback*

Carlos Rodriguez, INCAE Business School

Luciano Ciravegna, University of London

This study analyzes experiential learning effects in offshoring. Using Performance Feedback Theory we propose that feedback mechanisms shape the patterns of geographical diversification and within country expansion of firms' offshoring activities. We argue that firms respond to different notions of performance feedback when describing value chain reconfiguration, where financial performance aspirations explain geographical diversification and operational performance aspirations explain patterns of within country expansion. We examine these relationships in a dataset of offshoring projects undertaken by 230 firms in the period between 1995 and 2012, finding support for our arguments. (For more information, please contact: Carlos Rodriguez, INCAE Business School, Nicaragua: [carlos.rodriguez@incae.edu](mailto:carlos.rodriguez@incae.edu))

*How Global Value Chains and Production Networks Blend into International Business?*

Luis Oliveira, University of São Paulo

Afonso Fleury, University of São Paulo

Despite the evolution observed in International Business literature in response to challenges posed to firms by globalization, it is intriguing that the field has resisted to a deeper incorporation of theories specifically developed to deal with global value chains and production networks. This situation threatens the appropriation of related concepts and frameworks, while also hampering the process of making sense from empirical research. We investigate this issue with an author co-citation analysis of bibliometric data from International

Business studies retrieved from Web of Science's Social Sciences Citation Index. Results revealed that the paradigms of Global Value Chains and Global Production Networks have been more closely linked to the research community focused on the study of the multinational enterprise. Nevertheless, those paradigms hold loose connections to such group of authors, while other scholars play more relevant roles in the social construction of this body of knowledge. Correspondingly, assumption incompatibilities have prevented advances in the integration of these theoretical streams within International Business. Among claims that this field has been running out of steam, disentangling such situation could provide the required fresh breath for new relevant empirical research questions. *(For more information, please contact: Luis Oliveira, University of São Paulo, Brazil: luis.oliveira@usp.br)*

*The Influence of Clusters' Characteristics on Insertion in Global Value Chains*

Cristina Espinheira Costa Pereira, Universidade Paulista  
 João Maurício Gama Boaventura, Universidade de São Paulo  
 Eduardo Armando, Faculdade FIA de Administração e Negócios  
 Greici Sarturi, Universidade Federal de Santa Maria

Our study aims to analyze how competitive factors affect clusters' ability of insertion in Global Value Chain (GVCs). In order to achieve this objective, we performed a comparative analysis between the Oxfordshire Health Science Cluster in England and the Health Sciences Cluster in Ribeirão Preto in Brazil. We collected data from secondary sources and interviews with specialists. Results indicated that both cluster presents similar characteristics regarding their competitive factors, such as presence of large and small firms inserted into a global market and presence of support institutions. However, the Oxfordshire Health Science Cluster in England present a higher level of competitiveness in the presence of collaborative projects dimension since this cluster is a knowledge creator and look for GVCs to improve its own technologies in international partnerships. On the other hand, Ribeirão Preto Cluster look for access to new technologies and markets in international partnerships. In other words, England cluster is more attractive for partners to establish relationship. *(For more information, please contact: Cristina Espinheira Costa Pereira, Universidade Paulista, Brazil: cristina\_e cp@hotmail.com)*

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**Session: 1.5.8 - Panel**  
**Track: 9 - Teaching IB**

***Where Next? Understanding the Shifting Environment of Executive Education and Considering Implications for Institutions, Programs, and Professors***

**Presented On:** July 3, 2017 - 16:15-17:30

**Chairs:** Derek Lehmborg, North Dakota State University and Ashok Som, ESSEC Business School

*Panelists:*

Stephane Girod, IMD  
 Andreas Schotter, Ivey Business School  
 Mary Teagarden, Thunderbird School of Management

Executive education is in the midst of major shifts and disruption. Academic institutions must adapt their strategies in order to remain competitive in the area of executive education. Advances in technology have opened up opportunities that did not exist before. The playing field has become more international. The client companies, executive participants, providers of executive education, educational content, and locations where educational activities take place have become more global. Meanwhile, an increasing number of non-academic competitors have entered the executive education marketplace, and the lines between content delivery, experiential learning, customized experience, and coaching have become increasingly blurred. This panel

discusses these trends in order to better understand what academic institutions can do to increase their competitiveness in the executive education arena. *(For more information, please contact: Derek Lehmborg, North Dakota State University, USA: derek.lehmborg@ndsu.edu)*

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**Session: 1.5.9 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***FDIs, Location, Distance, Survival and Performance***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Majid Eghbali-Zarch, Memorial University of Newfoundland

*How Does Geography Dynamically Affect Internationalization*  
Shuna Shu Ham Ho, Simon Fraser University

Geographic distance that hinders internationalization is constant, but as firms internationalize, geography varies across space and time. Internationalization decisions should thus consider geography rather than focusing solely on geographic distance. Drawing from the literature on agglomeration, an important construct in geography, I hypothesize that a firm tends to internationalize into a geographically distant country, when it has learned from inward foreign direct investments (FDIs) and other firms involved in outward FDIs that are both agglomerated in the firm's home location. When a firm has learned that some other firms from the same home location have conducted outward FDIs in a geographically distant country by applying the knowledge acquired from agglomerated inward FDIs from the country, the firm is likely to follow the others by entering the distant country. I further hypothesize that when a firm has become experienced in such learning, it is even more likely to choose a geographically distant country once it internationalizes. In order to test these hypotheses empirically, I collected a unique sample of 351 firms, which chose their first host countries between 2011 and 2015, and whose home locations had different levels of agglomeration. The findings provide support to show that geography dynamically affects internationalisation. *(For more information, please contact: Shuna Shu Ham Ho, Simon Fraser University, Canada: shu\_ham\_ho@sfu.ca)*

*Foreign Direct Investment in Subnational Geographic Locations: Microlevel Analysis in Denmark*  
Christian Geisler Asmussen, Copenhagen Business School  
Bo Nielsen, University of Sydney  
Cecilie Dohmann Weatherall, Kraks Fond Institute for Urban Economic Research  
Ditte Håkonsson, Kraks Fond Institute for Urban Economic Research

This paper examines the factors determining the subnational geographic location of the investments of multinational enterprises (MNEs). We combine traditional industrial cluster mechanisms and global city attributes with internalization theory to build a conceptual framework of conditions under which foreign rather than domestic ownership confers more benefits than costs on an organizational unit. We test this framework on a dataset of more than 40,000 workplaces located across 93 municipalities in Denmark. Our study investigates the relationship between a number of micro-location characteristics and the probability of a workplace being foreign owned. The results show that while locational aspects of industrial clusters and global cities are systematically related to foreign ownership, some of these relationships are dependent on the type of activities the workplace carries out. *(For more information, please contact: Christian Geisler Asmussen, Copenhagen Business School, Denmark: cga.smg@cbs.dk)*

*State Fragility as a Multi-Dimensional Institutional Context for Entrepreneurship: Advancing a Developing-Country Research Agenda*

Joshua Ault, Thunderbird School of Global Management  
Andrew Spicer, University of South Carolina

While the international entrepreneurship literature has begun to expand its scope to include the world's poorest and least-developed countries, it has not yet reached a consensus about how to conceptualize and measure the relevant cross-national differences that shape the wide range of entrepreneurial activities across the developing world. To address this gap, we propose that the multidimensional analysis of "state fragility" found in the field of international development provides an established conceptual framework to facilitate discussion of the best methods and measures to systematically compare and contrast the wide diversity of entrepreneurial processes and outcomes found across the developing world. Based on our review of the state fragility literature, we develop a series of propositions to illustrate how a holistic analysis of the state and its capacities can further integrate and advance a developing-country entrepreneurship research agenda. *(For more information, please contact: Joshua Ault, Thunderbird School of Global Management, USA: josh.ault@thunderbird.asu.edu)*

*Adaptation Responses to Institutional Voids in Developing Markets*

Rene L. Olie, Rotterdam School of Management, Erasmus University  
Suzana B. Rodrigues, FUMEC University

In this paper, we explore the strategic responses to institutional voids of entrepreneurial foreign firms entering developing countries. Research on this issue is largely missing. We discuss two types of strategic responses: cognitive adaptation and relational adaptation. Cognitive adaptation denotes the extent to which entrepreneurial firms modify their business models according to local contexts. Relational adaptation applies to actions and activities taken to interact and strategically manage external parties and stakeholders. We develop hypotheses about the performance effects of these two strategic responses for different types of institutional voids. In this context, we distinguish between resource-based voids and bureaucratic voids. Our empirical results show that the two strategies, and combination thereof, have diverging effects depending on the type of void addressed. *(For more information, please contact: Rene L. Olie, Rotterdam School of Management, Erasmus University, Netherlands: rolie@rsm.nl)*

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**Session: 1.5.10 - Competitive**

**Track: 4 - Innovation and knowledge management**

***Performance and Learning***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Paul Beamish, Ivey Business School

*Bricolage and Financial Performance of Emerging Market Firms: A Moderated Mediation Model of Ambidextrous Learning and Organizational Formalization*

Liang Wu, Sun Yat-sen University  
Heng Liu, Sun Yat-sen University  
Jianqi Zhang, Sun Yat-sen University

This study proposes unpacking the "black box" through which firms in emerging economies can have a positive financial profit from bricolage. Specially, we examine both how and when bricolage enhances financial performance by considering ambidextrous learning as a mediator and organizational formalization as an important contingency. Empirical results from 211 Chinese firms indicate that bricolage have a positive effect on financial performance which is mediated by ambidextrous learning. The results also demonstrate that

organizational formalization positively moderates the relationship between bricolage and financial performance via ambidextrous learning. We discuss how our findings may extend bricolage, ambidexterity, and organizational structure literature and provide implications for managerial practice. *(For more information, please contact: Liang Wu, Sun Yat-sen University, China: wuliang7@mail2.sysu.edu.cn)*

*Performance Implications of Balancing Explorative and Exploitative Innovation in Small and Medium-sized Enterprises: The Moderating Effect of Internationalization*

Martin Hemmert, Korea University  
Youngwoo Lee, Daegu University

Based on the knowledge-based view and ambidexterity theory, we study the effects of the weight of explorative innovation and of internationalization on the financial performance of small and medium-sized enterprises (SMEs). Analyzing data from a sample of 570 Korean SMEs, we find an inverted U-shaped relationship between the weight of explorative innovation and financial performance, indicating that for SMEs with limited resources and managerial competencies, strategically balancing explorative and exploitative innovation enhances their financial performance. Furthermore, we find a negative moderating effect of internationalization on performance, indicating that firms which focus on explorative innovation may achieve greater profitability when they choose to sell their products in the domestic market, rather than taking the additional risks involved in internationalization. *(For more information, please contact: Martin Hemmert, Korea University, Korea, South: mhemmert@korea.ac.kr)*

*Business Group Affiliation, Innovation and Firm Performance: Evidence from India*

Sathyajit Gubbi, University of Groningen  
Burcu Yedikapu, Faculty of Economics and Business, University of Groningen

In this study, we examine whether business group affiliation impacts the relationship between innovation and firm performance. Using a panel data of 145 firms in the Indian pharmaceutical industry, we manually measure innovation in terms of new product launches. Our analysis of data provides empirical support for group affiliation benefits to be more pronounced for domestic market product launches as compared to foreign market product launches. *(For more information, please contact: Sathyajit Gubbi, University of Groningen, Netherlands: s.r.gubbi@rug.nl)*

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**Session: 1.5.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Internationalization Process of Entrepreneurial Internationalization, INVs and Born Globals***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Mark Lehrer, Suffolk University

*International Expansion of Born-Global Firms: Moves That Lead to Success*

Serghei Musaji, IE Business School

In this paper, we examine the competing arguments in the choice between concentrated or dispersed, related or unrelated internationalization of the born-global firms with standardized products/services and with outsourced international sales. Institutional theory arguments suggest that concentrated and related internationalization are good as they help to reduce legitimacy costs. On the other hand, competition theories claim the opposite since enhanced concentration and reliance on similar markets increase intra-network



competition in the limited space for continuous growth. We develop a moderated mediation model and test how these factors influence born-global firm's sales units' and its own business growth. Analyzing the path of the sales network-development of the one of the globally leading money transfer firms, we find that successful international expansion of a born-global firm is the one that pursues concentration and market relatedness. *(For more information, please contact: Serghei Musaji, IE Business School, Spain: smusaji.phd2017@student.ie.edu)*

*Dynamics of Entrepreneurial Internationalization: A Theoretical Framework*

Hadi Fariborzi, University of Calgary

In this paper, I propose a dynamic model using system dynamic framing to explain entrepreneurial internationalization. The proposed framework is informed by three models from extant literature trying to capture dynamics of internationalization, namely the Entrepreneurial Internationalization Process model of Jones and Coviello (2005), the New Internalization Theory framework suggested by Verbeke and Kano (2015) and the Dynamic Capabilities perspective proposed by Al-Aali and Teece (2014). With this framework, we can explain the entrepreneurial dynamic process of identifying international opportunities, seizing them, and the feedback effects of such internationalization in terms of learning and accumulated market knowledge. The framework also sheds light on the opportunity seizing capability of the firm using the notion of firm-specific advantages of the firm transferred to or created in the new location. *(For more information, please contact: Hadi Fariborzi, University of Calgary, Canada: hfaribor@ucalgary.ca)*

*The Internationalization of Niche Firms: A Challenge to Existing Theories?*

Jean-Francois Hennart, Tilburg University  
Antonella Zucchella, University of Pavia

We document an increasing disconnect between the empirical evidence and our theories of firm internationalization--the Uppsala model, and the export process (EP) and international entrepreneurship (IE) literatures. There is, for example, little empirical support for the predictions of the Uppsala and EP literatures that small firms are likely to eschew selling abroad, and that if they do they will rely on networks. Contrary to the models that predict a progression from low to high commitment modes as firms internationalize, many firms do not change modes as they develop their foreign sales. Furthermore, there is little empirical support for the IE hypothesis that the founders of fast internationalizing firms have an unusual level of international experience. We argue that the disconnect between theory and empirical evidence is due to the failure of these three theories to consider the variety of strategies firms use to internationalize. We focus on global niche strategies and show that they can account for many of the features of the empirical evidence that do not fit in these three theories. *(For more information, please contact: Jean-Francois Hennart, Tilburg University, Netherlands: j.f.hennart@uvt.nl)*

*International Market Entry Opportunity Related Processes of Young Internationalizing Firms*

Peter Gabrielsson, University of Vaasa  
Mika Gabrielsson, University of Eastern Finland  
Paresha N. Sinha, University of Waikato

We address an important research gap with regards to the nature of the processes related to opportunities surrounding international market entry (Kirznerian discovery processes versus Schumpeterian disruptive processes) used in foreign entries by young internationalizing firms. We examine how decision-making logic influences this nature and the marketing and financial performance consequences of these entries. We develop a theoretical model and postulate a set of hypotheses describing their relationships. In this model, we also discuss the moderating role of a firm's international entrepreneurial orientation, alertness, and networking. Important managerial implications and interesting future research avenues are presented. *(For more information, please contact: Paresha N. Sinha, University of Waikato, New Zealand: psinha@waikato.ac.nz)*

*The Effect of Absorptive Capacity on the Growth of Internationalizing Firms – An International-Opportunity Approach*

Niklas Aakerman, Linnaeus University

This study sets out to make a contribution to internationalization process literature by emphasizing the role of knowledge for the international growth of firms beyond the initial market entry. This is accomplished by applying an absorptive-capacity logic to understand the effects of internal processes of assimilating and sharing of externally acquired knowledge. The application of knowledge is conceptualized as the realization of international opportunities in foreign markets. These effects are tested in regression analysis using cross-sectional survey data from 144 Swedish internationalizing SMEs with operations in the Baltic States, Poland, Russia, or China. The results show that knowledge assimilation is positively associated to the realization of international opportunities and that knowledge sharing does not show any significant effect. The results concerning knowledge sharing suggest that for exporting SMEs the social integration mechanisms of the absorptive capacity framework is less influential than expected. *(For more information, please contact: Niklas Aakerman, Linnaeus University, Sweden: niklas.akerman@lnu.se)*

*Genuine Uncertainty and International Entrepreneurship: Organizing Early Internationalizing Firms to Exploit International Opportunities*

Hirokazu Kano, Waseda University

This paper argues that international entrepreneurship (IE) research can link the pursuit of international opportunities by entrepreneurs to the issue of organizing early internationalizing firms by incorporating the concept of genuine uncertainty. Recent research on IE has focused on the notion of international opportunities by drawing on classical and contemporary entrepreneurship research. However, few IE scholars have paid attention to the means by which such opportunities are exploited across national borders. This paper shows that the concept of genuine uncertainty is helpful in remedying this theoretical shortcoming in IE research. Since future market conditions are unknown under the condition of genuine uncertainty, opportunities are inherently subjective. Hence, entrepreneurs need to organize their firms experimentally to exploit subjective opportunities by themselves. We argue that organizing early internationalizing firms can be understood as cross-border entrepreneurial experimentation under the condition of genuine uncertainty. Our approach may be suitable for analysis of early and rapidly internationalization because it emphasizes that opportunities are exploited through forward-looking entrepreneurial action. Further, our approach is consistent with the suggested future direction of IE research that pays attention not to the notion of opportunities themselves but to entrepreneurial actions to exploit opportunities. *(For more information, please contact: Hirokazu Kano, Waseda University, Japan: hkano1128@fuji.waseda.jp)*

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**Session: 1.5.12 - Interactive**

**Track: 4 - Innovation and knowledge management**

***Individuals and Cross-Border Knowledge Sharing***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Silvia Massini, University of Manchester

*Relevance Discovery in the International Knowledge Transfer Process: Knowledge Gatekeepers and Contextual Interpretation*

Andrei Kuznetsov, University of Central Lancashire

Olga Kuznetsova, Manchester Metropolitan University

The paper explores conceptually the process of relevance discovery prompted by a major alteration in the institutional settings that have caused a radical change in the existing management knowledge paradigm as new mostly "imported" knowledge replaces the "old" knowledge base. This situation puts significant pressure on a particular group of experts designated in the literature as "knowledge gatekeepers". Their role is particularly important when transferred knowledge requires contextual interpretation in order to be considered useful by other members of the social group. The paper focuses on recontextualisation as a critical element of relevance discovery and the transformation of "imported" knowledge from irrelevant to relevant, and analyses the factors that influence the ability of knowledge gatekeepers to cope with the task of contextualisation. An account of two field studies of post-communist marketisation is used to illustrate the challenges of contextualisation. *(For more information, please contact: Andrei Kuznetsov, University of Central Lancashire, United Kingdom: akuznetsov@uclan.ac.uk)*

*How Does Performance Feedback Affect Boundary Spanning in Multinational Corporations? Insights from Technology Scouts 2*

Felipe Monteiro, INSEAD

Thomas Klueter, IESE

As much as prior research has shed light on the boundary-spanning processes of global organizations and their (positive) impact on an MNC's performance, whether, when and how past performance ultimately shapes an MNC's boundary-spanning activities remains an open question in management research. To tackle these questions, we examine the behavior of technology scouts in global organizations who span organizational and national boundaries to tap into novel knowledge and span internal boundaries to present this knowledge to constituents inside the MNC. Drawing on the behavioral theory of the firm, we propose that the intensity of organizational boundary spanning, the likelihood of spanning national boundaries and the way technology scouts span internal boundaries to engage with members inside the organization are sensitive to how the MNC has performed relative to its aspirations. We support our theoretical expositions with insights gained from interviewing senior industry professionals with direct experience in technology scouting in MNCs. *(For more information, please contact: Felipe Monteiro, INSEAD, France: felipe.monteiro@insead.edu)*

*Opportunity Recognition of Academic Entrepreneurship: PageRank Analysis for University Professors at Different Entrepreneurial Stages*

Hsu-wei Hsu, NTU

Yi-Dan Huang, STPI, NARLabs

Nearly NT\$40 billion in scientific research budgets is used every year in Taiwan. With the atmosphere of campus innovative entrepreneurship gradually more prevalent in recent years, more and more professors have employed systematic and potential scientific discoveries to develop new ventures or to help expand emerging

industries. However, while university professors are usually the main technology providers, they often have the myth of “technology first” in the face of entrepreneurship, which is a diversified construct. This research distinguishes the relevance among different constructs in different stages of academic entrepreneurship. Nine university professors and their affiliated new venture team were interviewed in Stage 1 to discuss 4 theoretical contexts during the process of academic entrepreneurship: entrepreneurial cognition, team operation, resource competency, and institutional environment. In Stage 2, an interview transcript was used to conduct semantic analysis, and the social network measurement value offered by Heidemann et al. (2010) is taken as the PageRank value to differentiate the important parameters and to draw the network diagram in various entrepreneurial stages. Research results show that “opportunity recognition” is the key to the final success of academic entrepreneurship. *(For more information, please contact: Hsu-wei Hsu, NTU, Taiwan: d96724009@ntu.edu.tw)*

*Expatriate Knowledge Sharing: The Importance of Perceived Deep-Level Similarity*

Emmy van Esch, Hong Kong Baptist University  
 Flora F. T. Chiang, Hong Kong Baptist University  
 Thomas A. Birtch, University of Nottingham, Ningbo

Expatriates play a critical strategic role in the international knowledge sharing process in MNCs. As knowledge agents and boundary spanners, expatriates are expected to share knowledge with their host country national (HCN) colleagues. Consequently, it is essential to identify how to enhance knowledge sharing between expatriates and their HCN colleagues. Survey data was collected from 84 expatriate-HCN dyads working in 31 different host countries. Drawing on the person-person (P-P) fit literature, we demonstrated that when expatriates perceive high similarity with their HCN colleagues in terms of deep-level characteristics such as values, personality, goals, and abilities (i.e. high P-P fit) they are more likely to engage in knowledge sharing than when they perceive low deep-level similarity with their HCN colleagues (i.e. low P-P fit). In addition, it was found that this process was mediated by information elaboration. By examining the underlying attributes of the individual employees involved in the knowledge sharing process, this study extends prior studies that have considered knowledge sharing as largely structural or organizational processes. Implications for research and practice are discussed. *(For more information, please contact: Emmy van Esch, Hong Kong Baptist University, Hong Kong, SAR-PRC: evanesch@hkbu.edu.hk)*

*The Roles of Boundary Spanners and Mentalizing Skills in Alliance Learning and Knowledge Transfer*

Xinlu Qiu, Norwegian School of Economics  
 Sven Haugland, Norwegian School of Economics

Although there is growing awareness of the significance of learning and knowledge leakage in inter-firm collaboration, most studies have been at the firm or firm-to-firm level; few have investigated individual-level effects on learning and knowledge leakage. There is thus a gap in the literature on our understanding of micro-level issues. The individuals who are responsible for the day-to-day management of inter-firm collaboration are often referred to as boundary spanners. In this paper, we emphasize the roles boundary spanners perform in promoting learning and avoiding knowledge leakage between firms. We draw on theory of mind, particularly the concept of mentalizing skills, and we develop a conceptual framework examining the role of boundary spanners' mentalizing skills. We posit a set of propositions suggesting how differences in mentalizing skills among boundary spanners may influence a firm's ability to reveal the true intentions of its partner, identify the partner's ability to absorb new knowledge, and implement specific behaviors that will facilitate learning and prevent knowledge leakage. *(For more information, please contact: Xinlu Qiu, Norwegian School of Economics, Norway: xinlu.qiu@nhh.no)*

*Managers in MNCs Receiving Knowledge from Geographically Distant Individuals: The Moderating Effects of Cognitive, Social and Organizational Proximity*

Renate Kratochvil, WU Vienna  
Esther Tippmann, University College Dublin

Managers in subsidiaries of multinational corporations (MNCs) are challenged to receive global knowledge when confronted with non-routine problems, and having no solution available. To develop a tailor-made solution, the responsible manager is required to locate heterogeneous sets of knowledge through search and obtain it through collaboration with the holding individual. However, receiving of knowledge entails a dilemma to the problem solver: heterogeneous sets of knowledge are most likely held by individuals located in different countries. At the same time, it is challenging to obtain these sets of global knowledge from geographically distant individuals. Hence, we argue, that cognitive, social, and organizational proximity between two individuals have a moderating effect on receiving knowledge from geographically distant individuals. Resolving this question, hypotheses are tested on a dataset of 260 ties from 84 problem solving projects facilitated in 36 different MNCs. This study intends to contribute to the knowledge-based view of the firm as well as problem solving perspective in strategy. *(For more information, please contact: Renate Kratochvil, WU Vienna, Austria: [renate.kratochvil@wu.ac.at](mailto:renate.kratochvil@wu.ac.at))*

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**Session: 1.5.13 - Interactive**  
**Track: 6 - Human resource management**

***Global Challenges and Opportunities in IHRM***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Rosalie Tung, Simon Fraser University

*The Role of Culture for International Employer Branding - A Model Proposal to Explain International Employer Attractiveness*

Birte Karoline Manke, Leuphana University of Lüneburg  
Benjamin Bader, Leuphana University of Lüneburg

Globalization raises many new challenges for Multinational Enterprises (MNEs). One of the most underresearched but increasingly important topics is employer branding, which has to change its scope to a more international perspective. Particularly, the strategic orientation of MNEs is made difficult by a fundamental dilemma: Standardize their messages and operations or adapt to local and regional needs? These two streams are based on assumptions of divergence, convergence, or crossvergence of values within different cultural spheres. Uptil now, only a few comparative empirical studies have been conducted that have looked more closely on national preferences and differences regarding employer attractiveness. We aspire to enhance research in this field and close the research gap and need for an international employer attractiveness framework. Therefore, we propose a more holistic and actor-centric model, that merges the employer knowledge concept with P-O-fit-theory by integrating individual, organizational, and contextual variables. Our specific contribution is the shift of focus from a domestic to an international scope and incorporating the cultural value development debate and P-O-fit theory to employer branding research. *(For more information, please contact: Benjamin Bader, Leuphana University of Lüneburg, Germany: [benjamin.bader@leuphana.de](mailto:benjamin.bader@leuphana.de))*

*Global Isomorphism or Rational Choice? Problematizing Recruitment Processes for Knowledge Workers in an Exemplary Industry*

Frithjof Arp, Nottingham University Business School

Organizations depending on globally mobile knowledge workers are assumed to institute suitably international recruitment processes. However, data from 235 advertised positions and 164 recruitment processes in 41 countries suggest they do not. This phenomenon is problematized and, drawing on institutional theory, global isomorphism offered as explanation. Isomorphic recruitment processes that involve contradictions of purpose, formulaic selection criteria and insufficient communication can have far-reaching societal impact: In the higher education industry examined, it may cause insufficiently sound management education that negatively influences the next generation of knowledge workers. Implications are discussed for other industries and a model offered to help integrate theories and provide a basis for further research. *(For more information, please contact: Frithjof Arp, Nottingham University Business School, China: frithjof.arp@nottingham.edu.cn)*

*Multinationals and the Changing HR Roles within a MENA Context: The Case of Jordan*

Faten Baddar Alhusan, Newcastle University London

Fawaz Alhussan, IESEG School of Management

Lulu Alhesan, Middlesex University Dubai

This paper aims to report on an in-depth longitudinal study of human resource reform within three privatised Jordanian undertakings overtaken by French MNCs under the Jordanian government privatisation and structural reform programme to explore the nature of changes introduced in the HR function's roles and the factors that influenced the shift in the role played. For this purpose, this study draws on insights from role and institutional theories, and Ulrich's HR function role model. It concludes that the change in the HR function's role is required at operational and strategic levels and, at the same time, it is shaped by a number of contingencies that are embedded in broader institutional contexts that require paying attention to the specific contextual organisational as well as political and social needs of the region *(For more information, please contact: Faten Baddar Alhusan, Newcastle University London, United Kingdom: faten.baddar-alhusan@ncl.ac.uk)*

*Mind the Gap: The Role of HRM in Creating, Capturing and Leveraging Rare Knowledge in Hostile Environments*

Gabriele Suder, University of Melbourne

Carol Reade, San Jose State University

Monica Riviere, ISC Paris Business School

Andreas Birnik, CreoPop

Niklas Nielsen, Mecom Holding

Multinational enterprises (MNEs) have increasingly entered markets in less developed regions of the world afflicted with weak institutions and political conflict. Some are characterized by 'extreme' cases of institutional voids and terrorism, creating a hostile environment for the organization and its people. This in-depth qualitative study of a service company, a European telecommunications joint venture in Afghanistan, seeks to shed light and build theory on the human resource management (HRM) dimension of managerial learning and knowledge acquisition in hostile environments, as part of the MNE's organizational learning process. Specifically, we investigate how knowledge gaps, can be addressed through supportive HR practices, and how knowledge classified as 'rare' can be captured and leveraged through HR interventions such as debriefing. We stipulate that HR practices and interventions adapted to hostile environments, together with expatriate willingness to learn and share new knowledge, play a critical role in the creation, capturing and leveraging of rare knowledge for subsequent use by the MNE in other hostile locations. The study has implications for international human resource management and organizational resilience, under the proposition that competitive advantage can be gained through exploitation of rare knowledge acquired in hostile environments. *(For more information, please contact: Gabriele Suder, University of Melbourne, Australia: gs.suder@gmail.com)*

*Impact of Perceived Corporate Social Responsibility on Attitudes and Behaviors of Pharmacists Working in MNCs*

Muhammad Khaleel, Universiti Sains Malaysia

Shankar Chelliah, Universiti Sains Malaysia

Sana Rauf, Universiti Sains Malaysia

Muhammad Jamil, Islamic International University Islamabad

**Purpose:** This study tries to find out how corporate social responsibility (CSR) initiatives are perceived by pharmacists and how it influences employees' organizational commitment and organizational citizenship behavior and role of perceived supervisor support in the study. **Methodology:** Pharmacists of different hierarchical levels from five multinational pharmaceutical industries in Pakistan were selected as study samples. Data was collected from 136 pharmacists working in Punjab Region. PLS-SEM was used to test the hypotheses. **Results:** The results from this study found that CSR was a predictor of affective organizational commitment (AOC) and organizational citizenship behavior (OCB). AOC fully mediates the relationship between CSR and OCB. While perceived supervisory support did not moderate the relationship between AOC and OCB. Pharmaceutical firms can promote commitment towards organization and OCBs by initiating CSR activities. **Implications:** This research is one of the innovative studies that empirically examine the predicting role of CSR and moderating role of perceived supervisory support on employees' attitude and behaviors in the pharmaceutical companies' context. Moreover this research will also help the management by adopting CSR activities as core element in shaping employees attitudes and behaviors. **Originality:** It is a significant study shifting the focus of research into organizational behavior context and further influences employee's attitudes and behavior due to perceived CSR in the pharmacy industry. *(For more information, please contact: Muhammad Khaleel, Universiti Sains Malaysia, Malaysia: kshiry2000@gmail.com)*

*The Role of Human Resource Management in Promoting Corporate Social Responsibility in the Emerging Market Operations of Multinational Corporations*

Michal K. Lemanski, University of Nottingham Ningbo

Rajan Lamuel Gaikwad, Nottingham University Business School China

There exists a considerable potential for HRM to become a part of CSR management, and the HRM function can actively contribute to development and execution of CSR activities. In particular, some HRM practices have a potential to directly increase company's social performance, while others can indirectly support the general CSR strategy. Multinational companies can employ a number of different practices to enhance, or to hinder their social responsibility. This paper reports on an ongoing research project and presents five case studies of MNCs operating in the emerging market context. It attempts to make a contribution to the still small but quickly growing body of literature on the link between HRM and CSR. Specifically it addresses the issues of practices aimed at corporate social responsibility, both genuine efforts to act responsibly and "greenwash", i.e. fake CSR. The results point out to the role of the emerging market context as an important factor putting the impact of human resource management on the social responsibility of MNCs at risk. *(For more information, please contact: Michal K. Lemanski, University of Nottingham Ningbo, China: michal.lemanski@nottingham.edu.cn)*

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**Session: 1.5.14 - Interactive**  
**Track: 5 - Organization strategy and management**

### ***Headquarter Control and Subsidiary Initiatives***

**Presented On:** July 3, 2017 - 16:15-17:30

Chair: Julian Birkinshaw, London Business School

#### *Strong-Armed Headquarters Control and Tame Subsidiary Responses in a Contemporary Chinese MNC: The Case of Huawei*

Jacky Hong, University of Macau  
Robin Snell, Lingnan University  
Akinyemi Smith, Lingnan University

Employing qualitative, single case study methodology, we investigated the power relationships between the headquarters (HQ) and overseas subsidiaries of an iconic PRC-based multinational corporation (MNC), which appears to have been highly successful in economic terms. Drawing on Harzing's (1999) model of control mechanisms and on Oliver's (1991) model of strategic responses to institutional processes, we found an overwhelmingly asymmetrical power relationship between the HQ and the subsidiaries. It appeared that the HQ was exerting dominance through a plethora of ineluctable control mechanisms, and that responses by employees in the subsidiaries mainly entailed acquiescence with no room for avoidance. There were also signs of defiance, typically expressed by exiting the firm, and of active agency, which included working hard and letting surveillance systems showcase efforts and achievements. Our contribution is to show that the focal firm has evolved comprehensive systems, which yoke customer outreach by the subsidiaries to centralized product innovation at the HQ, and that the HQ's use of extensive, and perhaps psychologically excessive control mechanisms is legitimized by economic success. *(For more information, please contact: Jacky Hong, University of Macau, Macau: fbaflh@umac.mo)*

#### *Antecedents of Headquarter Support Decision to Foreign Subsidiary: Insights from Signaling Theory*

Chia-Wen Hsu, National Chung Cheng University  
Homin Chen, National Taiwan University  
Yin-Ru Chen, National Taiwan University

This paper extends signaling theory to the study of headquarter support decision on foreign subsidiaries. We explore features under the headquarter-subsidiary context to investigate how signals from foreign subsidiaries determine headquarter support decision-making. We argue that signals of foreign subsidiaries to be particularly valuable for corporate headquarter to make support decision as they reduce information asymmetries between headquarter and subsidiaries. The empirical analysis of 357 subsidiaries in China shows that corporate headquarter support decision to foreign subsidiary is positively influenced by subsidiaries' preemptive signal, local competitive signal, and reputation signal. We conclude that signaling theory offers a valuable addition to existing theoretical development of headquarter-subsidiary relationship. *(For more information, please contact: Chia-Wen Hsu, National Chung Cheng University, Taiwan: cwhsu@ccu.edu.tw)*

#### *Same Same but Different: How the Same Headquarters Decision Can Contribute to Value Added and Value Subtraction Simultaneously in a MNC*

Amalia C. Nilsson, Uppsala University  
Henrik Dellestrand, Uppsala University

The headquarters' value adding role entails making strategic and deliberate decisions in order to extract value from and for the MNC. However, there is limited consideration for how these decisions can impact individual



subsidiaries. In this paper we explore the effects of headquarters decision making on subsidiaries. We focus on the subsidiary's perspective in order to highlight the implications that headquarters decision making can have on the receiving end, allowing us to elaborate on situations where decisions can add value to the MNC simultaneously as they subtract value from individual subsidiaries. *(For more information, please contact: Amalia C. Nilsson, Uppsala University, Sweden: amalia.nilsson@fek.uu.se)*

*Agency Controls, Autonomy and Subsidiary Initiatives: A Study from Greece*

Erifilli Chatzopoulou, Athens University of Economics & Business  
Pavlos Dimitratos, University of Glasgow  
Spyros Lioukas, Athens University of Economics & Business

This empirical study uses the agency theory framework on the association between autonomy of the subsidiary and its initiative. Specifically, we investigate the relationship between outcome controls and behavior controls on strategic and operational autonomy, and in turn, on subsidiary initiatives. We collected data related to activities of MNC subsidiaries operating in Greece. The findings provide evidence on the dissimilar effects of agency controls on the two types of autonomy and, respectively, on the different effects on subsidiary initiatives. Hence, they contribute to how agency theory monitoring can be linked to subsidiary initiatives, effectively enriching the subsidiary entrepreneurship literature on the prior mechanisms influencing initiatives. *(For more information, please contact: Pavlos Dimitratos, University of Glasgow, United Kingdom: pavlos.dimitratos@glasgow.ac.uk)*

*Initiative Selling Activities for Headquarters Acceptance of Subsidiary Initiatives*

Christine Holmström Lind, Uppsala University  
Alexander Gorgijevski, Uppsala University  
Katarina Lagerström, Uppsala University

Drawing on the 'issue selling' literature and the attention based theory of the firm, this paper investigates the impact of various initiative selling activities by MNC subsidiaries for the acceptance of subsidiary initiatives by the MNC headquarters. Based on data from 80 MNC subsidiaries, the study reveals that the moves that matter most for the headquarters acceptance of subsidiary initiatives are related to the packaging of the subsidiary initiatives and the preparation of the subsidiary initiative process. *(For more information, please contact: Christine Holmström Lind, Uppsala University, Sweden: christine.holmstrom\_lind@fek.uu.se)*

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**Session: 1.5.15 - Interactive**

**Track: 7 - Corporate governance and financial management**

***Corporate Governance Across the World***

**Presented On:** July 3, 2017 - 16:15-17:30

**Chair:** Victor Zitian Chen, University of North Carolina at Charlotte

*Making Shareholder Primacy Work Better*

Emmanuel Adegbite, De Montfort University  
Kenneth Amaeshi, University of Edinburgh  
Chizu Nakajima, London Metropolitan University

One of the major criticisms of shareholder primacy relates to its ability to create enormous negative corporate externalities (i.e. third party costs) and the inability of the State and the market to completely curtail the excesses of firms, mainly due to information asymmetry. This creates a governance challenge. Drawing insights

from a case study of Fidelity Bank, Nigeria, this paper problematises Corporate Social Responsibility (CSR) as a form of self-regulation – a perspective which is often marginalised in the literature and in practice – and explores how it can simultaneously enable firms to recognise and internalise their externalities, while preserving shareholder value. In particular, it presents a governance model which allows managers to focus on their single objective of shareholder value without the challenges of pursuing multiple and sometimes conflicting objectives, albeit without creating negative impacts to non-shareholding stakeholders. It further presents some implications for corporate governance, strategy, and regulation. *(For more information, please contact: Emmanuel Adegbite, De Montfort University, United Kingdom: emmanuel.adegebite@dmu.ac.uk)*

*Impacts of Capital Structure on Performance of Banks in a Developing Economy: Evidence from Bangladesh*

Sajal Kabiraj, Dongbei University of Finance and Economics  
Shanmugan Joghee, Skyline University College  
Md Nur Alam Siddik, Begum Rokeya University

Capital structure decision plays an imperative role in firm's performance. Recognizing the importance, there has been many studies inspected the rapport of capital structure with performance of firms and findings of those studies are inconclusive. In addition, there is relative deficiency of empirical studies examining the link of capital structure with performance of banks in Bangladesh. This paper attempted to fill this gap. Using panel data of 22 banks for the period of 2005-2014, this study empirically examined the impacts of capital structure on the performance of Bangladeshi banks assessed by return on equity, return on assets and earnings per share. Results from pooled ordinary least square analysis show that there are inverse impacts of capital structure on bank's performance. Empirical findings of this study is of greater significance for the developing countries like Bangladesh because it will call upon concentration of the bank management and policy makers to pursue such policies to reduce reliance on debt and to accomplish optimal level capital structure. This research also contributes to empirical literatures by reconfirming (or otherwise) findings of previous studies. *(For more information, please contact: Sajal Kabiraj, Dongbei University of Finance and Economics, China: skabiraj@dufe.edu.cn)*

*Ownership Concentration and Exporting of Emerging Market Firms*

Ziliang Deng, Renmin University of China  
William Vega, Renmin University of China

Despite the extraordinarily high ownership concentration widely observed in emerging market firms as a result of institutional voids, there is little research on how ownership concentration affects exporting behavior of emerging market firms. We hypothesize that high ownership concentration has a negative relationship with export intensity, because highly concentrated ownership in emerging markets bridges the interests of owners and managers therefore managers must be cautious in exploring risky international markets. Moreover we hypothesize that export country diversification accentuates the relationship between ownership concentration and export intensity, because broad geographic dispersion increases risk exposure. Empirical analysis based on a panel dataset collected from publicly listed firms in Peru during 2005 to 2014 support the hypotheses. The study highlights the risk aversion attitude activated by ownership concentration, which protects emerging market firms from overconfidently exploring international business opportunities. The study extends the conventional literature on ownership concentration and international business from an emerging market perspective. *(For more information, please contact: Ziliang Deng, Renmin University of China, China: ziliang.deng@ruc.edu.cn)*

*The Benefits of Family-Control: How Family Corporate Governance Enables Investment*

Luiz Ricardo Kabbach de Castro, Universidade de São Paulo

Aline Damasceno Pellicani, Universidade de São Paulo

Aquilés Kalatzis, Universidade de São Paulo

In this paper, we examine the effect of family firms' governance mechanisms on the investment-cash flow sensitivity. We find that family control tends to alleviate the necessity of internal funds to investment after controlling for family firms heterogeneity, and industry and year effects. The reduced sensitivity of investment to cash flow is less pronounced in family firms that use governance practices that enhance family's control over cash flow rights, particularly, due to family management. Overall, family control seems to attenuate market inefficiencies through pyramidal business groups in an emerging market with low institutional development and small capital market like Brazil, reconciling prior conflicting results on family effect on investment-cash flow sensitivity. *(For more information, please contact: Luiz Ricardo Kabbach de Castro, Universidade de São Paulo, Brazil: luiz.kabbach@sc.usp.br)*

*Impact of Financialization on Labor Policies at Japanese Joint-Stock Companies: Case of Nikkei Index 400*

Kostiantyn Ovsianikov, University of Tsukuba

This paper aims at finding out how financialization has affected labor policies at selected Japanese listed enterprises. I consider the adoption of the shareholder-oriented reforms of corporate governance as financialization key element. In Japan, the partial shift from the stakeholder model of corporate governance towards the one preoccupied with firm's equity value occurred in early 1980s. This was a consequence of unraveling ties between corporations and partner financial institutions under the 'main bank system'. Whereas the latter consists in 'relational' supervision of corporate managers by partner banks, the shareholder model implies arm's-length and rule-based monitoring. JPX-Nikkei Index 400, on which this paper focuses, was introduced in 2015, being a product of the government-initiated structural reforms. It is composed of companies that overall satisfy shareholders' demands for outsider monitoring and equity value creation. This paper argues that the promotion of arm's-length supervision at the Nikkei Index 400 firms is largely responsible for an increasing number of temporary workers as well as their growing job insecurity. Apart from the link with deregulation, whose effects are also similar in the U.S., precarious conditions of part-time workers are further exacerbated by the existing institutional duality that the Japanese labor regulations entail. *(For more information, please contact: Kostiantyn Ovsianikov, University of Tsukuba, Japan: k.ovsiannikov@gmail.com)*

*Corporate Governance and Elites*

Franklin Nakpodia, Northumbria University

Emmanuel Adegbite, De Montfort University

Suleiman Tahir, Planning Resource Ltd, Nigeria

In this paper, we caution the widely-held notion in the literature that institutions act as a check on the behaviour of economic actors, by examining the role of elites as shapers of institutional effectiveness. As the literature on the institutional theory of corporate governance has paid limited attention to the role of elites, we show the extent to which corporate governance is a reflection of elitist influences in developing countries. Employing Nigeria as the study context and engaging a qualitative content analysis methodology, we highlight the relationship between the effectiveness of corporate governance mechanisms and elitist preferences and interventions. In doing this, we identify three elitist groups which shape the legitimacy and effectiveness (or otherwise) of the institutional drivers of corporate governance, especially in weak institutional contexts. We demonstrate that understanding the influence of elites is central to achieving good corporate governance in such environments. *(For more information, please contact: Franklin Nakpodia, Northumbria University, United Kingdom: f.nakpodia@northumbria.ac.uk)*

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**Session: 1.6 - Townhall**

***Global Business in a Less Globalized World – Where to Go from Here?***

**Presented On:** July 3, 2017 - 17:45-18:45

Chair: Tomas Hult, Michigan State University

*Global Business in a Less Globalized World – Where to Go from Here?*

Tomas Hult, Michigan State University

Paul Beamish, Ivey Business School

Nakiye Boyacigiller, Sabanci University

Peter Buckley, University of Leeds

Torben Pedersen, Bocconi University

This special session will involve a Q&A format, led by the Panel Chair, with questions being addressed by the Panelists on the general topic of “Global Business in a Less Globalized World – Where to Go from Here?” The panel does not intend to have any formal presentations; it is meant to be a moderated debate on the current state of globalization, reactions against globalization, government-MNC-local communities interaction, and the role and responsibilities of IB research and education in the current environment. *(For more information, please contact: Tomas Hult, Michigan State University, USA: hult@msu.edu)*

## ABSTRACTS FOR TUESDAY, JULY 4, 2017

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**Session: 2.1.1 - Panel**

**Track: 11 - Host track: Managing turbulence and ambiguity**

### *Tracing the Contours of a New Era for International Business: Regaining Legitimacy and Relevance for its Study*

**Presented On:** July 4, 2017 - 09:00-10:15

Chairs: Jean Boddewyn, Baruch CUNY and Daniel Rottig, Florida Gulf Coast University

*Panelists:*

Simon Collinson, University of Birmingham

Arie Y. Lewin, Duke University

Mary Ann Von Glinow, Florida International University

Robert E. Grosse, Thunderbird School of Global Management

In 2011, a group of AIB scholars were given the opportunity to reflect on the nature of our community: What makes it distinctive? Where and how does it add value for researchers and practitioners? What relevant stakeholders affect it and are affected by it? Their thinking resulted in a 2013 AIB Insights article "The Domain of International Business and the AIB" by Collinson, Doz, Kostova, Liesch and Roth. Unfortunately, a "conspiracy of silence" has met this call for reflection and change. Now, Simon Collinson has updated this 2013 article to outline today's challenges to international-business (IB) scholarship, education and engagement. His profound analysis will be commented on by a number of IB notables that have not only followed these developments but have also taken various initiatives towards their resolution. Their names, affiliations and topics are listed in this panel proposal. Our purposes are to: (1) spark conversation on the major problems now facing international business, its education, IB publications and the AIB; (2) suggest practical solutions regarding IB scholarship, faculty and programs, and (3) inspire engagement by AIB leaders and members. *(For more information, please contact: Jean Boddewyn, Baruch CUNY, USA: jean.boddewyn@baruch.cuny.edu)*

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**Session: 2.1.2 - Panel**

**Track: 5 - Organization strategy and management**

### *Life at the Top – Debating the Key Determinants of TMT International Decisions*

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Andre Sammartino, University of Melbourne

*Panelists:*

Elizabeth Maitland, University of New South Wales

Ruth Aguilera, Northeastern University

Gokhan Ertug, Singapore Management University

Liena Kano, University of Calgary

What most shapes MNE executives' thinking and actions? In this panel, we will explore several emergent perspectives on the most salient drivers of C-level MNE managers' decision-making. We will contrast behavioral and institutional approaches to explaining the way international decisions are framed and enacted. Specifically, we aim to look at cognition and bounded 'reliability' on the behavioral side, and governance structures, social networks and status dimensions on the institutional side. In each instance, we highlight leading edge research

in the MNE context and argue that context of MNE decision-making serves as the richest environment for extending and testing theory. We have brought together panellists with diverse disciplinary roots to explore and debate the prospects for promising multi-disciplinary theorising and empirical analyses. *(For more information, please contact: Andre Sammartino, University of Melbourne, Australia: samma@unimelb.edu.au)*

**Session: 2.1.3 - Panel**

**Track: 1 - Internationalization process and entrepreneurship**

***Micromultinationals: The New Kids on the Block in International Entrepreneurship***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Pavlos Dimitratos, University of Glasgow

Discussant: Jean-Francois Hennart, Tilburg University

*Panelists:*

Ulf Andersson, Mälardalen University

Luciano Ciravegna, University of London

Olli Kuivalainen, The University of Manchester

Rebecca Reuber, University of Toronto

Micromultinationals (mMNEs) are those small firms that engage in advanced foreign forms (i.e. beyond exporting) to expand. They are dissimilar than international new ventures or born globals that are solely distinguished by speed to internationalisation in their activities. In this panel discussion, we explore how mode (mMNEs) is different than speed (international new ventures) and what does this mean for the international entrepreneurship field. Empirical evidence on the expansion of these firms is emerging. mMNEs are likely to challenge the international entrepreneurship literature since the organisational routines, contextual variables and theories affecting their activities may be dissimilar than those of other international entrepreneurial firms. Their growth could also challenge the mainstream multinational enterprise literature that typically suggests that headquarters have some important say to the strategy of the whole organisation and its subsidiaries.

*(For more information, please contact: Pavlos Dimitratos, University of Glasgow, United Kingdom: pavlos.dimitratos@glasgow.ac.uk)*

**Session: 2.1.4 - Panel**

***Challenges of Continuous Transformations Facing Chinese Organizations (IACMR-AIB Collaborated Symposium)***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Zhi-Xue Zhang, Peking University

*Panelists:*

Zhi-Xue Zhang, Peking University

Victor Nee, Cornell University

Anne S. Tsui, University of Notre Dame

This symposium will focus on research topics that address important business issues arising from ongoing economic and organizational transformations in China. We expect the presentations enable IB scholars to know the changes of Chinese business environments and Chinese companies. Three panelists will present their

research projects and findings. Victor Nee will present his multiyear research examining the emergence of new organizational and institutional forms in China, discussing how norms and networks promote economic performance in the absence of formal institutions. Anne Tsui will report her study on income inequality in Chinese organizations by focusing on the employment experiences of employees in organizations with varying levels of income inequality. Zhi-Xue Zhang will present a project examining multilevel factors' influences on organizational creativity and innovation of Chinese companies, identifying the mechanisms enabling Chinese companies' innovation. After the presentations, participants will be invited to join the Q & A interaction. Integrating scholars' effort in understanding big issues in Chinese business and management from both macro and micro perspectives, this session aims to inspire participants to know how Chinese business and companies are developed, to think about where Chinese companies are going, and to realize the challenges that Chinese companies are facing. *(For more information, please contact: Zhi-Xue Zhang, Peking University, China: zxzhang@gsm.pku.edu.cn)*

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**Session: 2.1.5 - Competitive**

**Track: 6 - Human resource management**

***The Role and Impact of Language in International Business***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Nakiye Boyacigiller, Sabanci University

*Evident and Hidden Language Barriers to Knowledge Processing in Multilingual Teams*

Helene Tenzer, Tübingen University

Markus Pudelko, Tübingen University

Mary Zellmer-Bruhn, University of Minnesota

Mary Maloney, University of St. Thomas

This study investigates how language diversity affects knowledge processing in multinational teams (MNTs). Based on qualitative case studies of 15 MNTs in three German automotive corporations we show how MNT members' lack of lexical and syntactical proficiency in the working language creates evident language barriers, which cause ostracism and sidelining of low-proficiency team members and consequently impede knowledge accumulation and exchange. We also reveal how pragmatic and prosodic transfer between team members' mother tongues and the working language creates hidden language barriers, which cause divergent sensemaking and agreement illusion, thus negatively affecting knowledge examination and accommodation. Our findings introduce a cautionary note to communication accommodation theory and encourage a more complex and complete conceptualization of communication challenges in global organizations. They furthermore elucidate the intricacies of knowledge processing in multinational team settings and refine extant theory by distinguishing fundamentally different knowledge processing activities. *(For more information, please contact: Helene Tenzer, Tübingen University, Germany: helene.tenzer@uni-tuebingen.de)*

*Language Skills and Cross-Cultural Adjustment: The Role of Expatriates' Fear of Terror*

Philipp Paulus, Trier University

Katrin Muehlfeld, Trier University

Prior research has identified language skills as potentially beneficial for a variety of outcomes during an expatriate assignment, such as relationship building, interpersonal communication, and effective functioning at home and at work. Based on the expatriate adjustment model by Black et al. (1991), integrating it with social identity theory-based literature on the influence of language proficiency on expatriate adjustment, and applying this conceptualization to the context of hostile environments, we develop a set of hypotheses to explain the distinct influences of host country language and of English language skills on cross-cultural adjustment (CCA) of

expatriates living in terrorism-endangered environments. Using data from 105 expatriates currently located in environments that can be considered as risky, we show that host country language proficiency influences CCA positively, while English language proficiency has no effect on CCA. Moreover, we investigate the expatriate's fear of terror, showing that host country language proficiency increases terror-sensitivity, which, in turn negatively influences CCA. We discuss the implications of our findings for future research and for human resource management in multinational enterprises. Our study contributes to the emerging literature on expatriation to dangerous environments as well as to the literature on the role of language in IB. *(For more information, please contact: Philipp Paulus, Trier University, Germany: paulusph@uni-trier.de)*

*The Role of Language in the Selection of Entrepreneurial Opportunities for Societal Support*

Philip J. Steinberg, University of Wuppertal  
 Diemo Urbig, University of Wuppertal & Indiana University  
 Vivien D. Procher, University of Wuppertal  
 Léo-Paul Dana, Montpellier Business School

The evaluation and selection of entrepreneurial opportunities for societal support often takes place in a global and, thereby, foreign language context. While previous research demonstrated that foreign language use influences individuals' decision-making, our knowledge on the impact of foreign language use on the evaluation and selection of entrepreneurial ventures is limited. Building on recent advancements on the role of emotional affect in judgments and decision-making, we theorize and empirically test the effect of foreign language use on the decision to select social entrepreneurial opportunities for societal support. In an experimental study, with different projects, which vary in their potential positive stimuli on empathetic emotions, we vary the language of projects' presentations. We observe a substantial effect of foreign language use on the selection decision, such that desirability evaluations receive less and feasibility evaluations more weight on the selection decision in a foreign language setting. Furthermore, foreign language use negatively affects the assessed desirability levels of the entrepreneurial opportunities, especially for projects with a substantial positive stimulus. Thus, our study adds to the literature by providing new insights on how foreign language use affects the selection decision in a highly international, innovative and entrepreneurial context. *(For more information, please contact: Philip J. Steinberg, University of Wuppertal, Germany: steinberg@uni-wuppertal.de)*

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**Session: 2.1.6 - Competitive**

**Track: 8 - International business policy**

*The Institutional Context of MNE Behaviour*

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Rajneesh Narula, University of Reading

*The Influence of National Institutions and Organisational Field Pressures on Subsidiaries' Responses to the Transfer of Sustainability Reporting*

Gabriela Gutierrez-Huerter O, King's College London

This article investigates the influence of the host country national institutions and organisational field pressures on the subsidiaries responses to the transfer of sustainability reporting. Based on a comparative case study of five subsidiaries of a UK MNC in the United States, France, Denmark, the Netherlands and Brazil and drawing from an institutional lens integrating both schools the new and the comparative institutionalism, our paper addresses recent calls for a combination of IB and CSR streams for the exploration of CSR in the international context. We contribute to the emerging field addressing the interactions of national institutions and organisational pressures on CSR and advances current knowledge in the transfer of practices literature by showing that the influence of the national institutions and organisational field pressures on the responses to the



transfer of “explicit” CSR is not absolute, as suggested by extant research, but rather, relative to other mechanisms at other levels of analysis. *(For more information, please contact: Gabriela Gutierrez-Huerter O, King's College London, United Kingdom: gabriela.gutierrez\_huerter\_o@kcl.ac.uk)*

*Business Model Adaptation to Institutional Voids in Developing Countries: The Case of Jumia, the Amazon of Africa*

Augustine Awuah Peprah, Ca' Foscari University of Venice  
Claudio Giachetti, Ca' Foscari University of Venice

Business model adaptation to institutional voids in developing countries is critical for the survival of firms seeking to explore the opportunities in these markets. However, extant literature has not articulated the central issues relating to how firms adapt business model to developing countries. We tackle this issue by taking the perspective of a developing country-based firm adapting a business model designed for developed economies to its local context. Based on a longitudinal case study of Jumia - an online retailing company in Africa, we show that a developing country-based firm attempting to exploit the success of established business models proposed by developed country-based firms in its local context, cannot simply replicate the model proposed by developed country-based firms, but has to adapt it with the aim of filling the various infrastructural voids, regulatory voids and cultural voids of its home country. We find that the business model adaptation to these various types of institutional voids in developing countries involves three phases consisting of legitimacy phase, localization phase and consolidation phase. *(For more information, please contact: Augustine Awuah Peprah, Ca' Foscari University of Venice, Italy: augustine.peprah@unive.it)*

*Overcoming Institutional Distance - The Employment of Institutional Capital In Foreign Subsidiaries*

Pao T. Kao, Uppsala University  
Hsi-Mei Chung, I-Shou University  
Sven Dahms, I-Shou University

Foreign subsidiaries face challenges in balancing the external institutional pressures faced in host countries, with the internal institutional pressures associated with adopting organizational practices and routines from their parent firms. Informed by institutional theory, we argue firms are likely to employ and utilize institutional capital when expanding into countries with greater institutional distance. We operationalize institutional capital as the family ties that exist within family business groups, and propose hypotheses to explain how institutional capital is employed to deal with greater institutional distance. Our hypotheses are tested using a Multilevel Mixed-effects Linear Model to analyze a sample of Taiwanese family business groups. Our results show firms are more likely to utilize institutional capital when entering countries with greater regulative and cognitive institutional distances. However, contrary to our expectations, firms are less likely to utilize institutional capital when entering countries with greater normative distances. Our research provides a framework for a firm's employment of institutional capital in foreign operations, and contributes to the continuing discussion of institutional distance and foreign market entry and expansion strategy. *(For more information, please contact: Pao T. Kao, Uppsala University, Sweden: pao.kao@fek.uu.se)*

*Importance of Outward Internationalisation Incentives, Resources, Capabilities and Risk*

Miguel Torres, University of Leeds  
Jeremy Clegg, University of Leeds

Most economies have in place national policy to promote the internationalisation of domestic firms. Although such promotion policy is widespread, the “designing-in” of policy effectiveness is not pre-planned; rather, policy has evolved, historically, unscientifically and by imitation. We investigate the process by which firms evaluate public incentives designed to promote outward internationalization. We build on previous research that has established the distinct factors associated with firms' use of public support measures. These earlier studies have also shown that deficiencies within programmes manifest in low participation rates and misuse of incentives.

However, scholars have not extended this reasoning to focus on the underlying processes involved, and have paid little attention to the steps through which firms elect to use public support, and how support operates upon, and within, the firm. In particular, the link between use of public incentives towards internationalization and the importance attached to these incentives has been overlooked. General failure to understand this link is a potential source of policy inefficiency, reducing the effectiveness of those public programmes that employ incentives. The use of public support appears to be associated with the opportunity cost to the firm of public incentives, and with the increased risk inherent with internationalization. *(For more information, please contact: Miguel Torres, University of Leeds, United Kingdom: busmto@leeds.ac.uk)*

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**Session: 2.1.7 - Competitive**

**Track: 5 - Organization strategy and management**

***Global Linkages: Determinants and Consequences of Country Connectivity and Multimarket Contact***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Frithjof Arp, Nottingham University Business School

*When Near is Far and Far is Near: A Quantile Regression Model of FDI, Geographic Location and Connectivity*  
Lilac Nachum, City University New York  
Grace Hong Hyokyoung, Michigan State University  
Grigorios Livanis, Northeastern University

Building on sociology theory of space that separates physical geography from its constructed connotations, we suggest that the impact of countries' geographic location on their FDI performance is contingent upon their idiosyncratic characteristics and their connectivity to other countries. Quantile regression analyses of FDI flows and stocks to 159 countries observed during 1980-2011 show that countries with different endowments and varying levels of connectivity experience the consequences of geographic location differently. The relationships vary significantly across the FDI distribution, with the impact of the contingency effects diminishes as the volumes of FDI increase. These findings entail that geography is not destiny, and its consequences can be shaped by actions of policymakers and the strategies of MNEs. They call for the development of FDI location theory that acknowledges the contingency effects and the changing determinants of FDI across different levels of the FDI distribution. *(For more information, please contact: Lilac Nachum, City University New York, USA: lilac.nachum@baruch.cuny.edu)*

*Status in a Strange Land? Context-Dependent Value of Status in Cross-Border Venture Capital*  
Elisa Alvarez-Garrido, University of South Carolina  
Isin Guler, University of North Carolina at Chapel Hill

We argue that the value of status, a relational resource ingrained in a network of relationships, is contingent on the context. Focusing on international expansion, we investigate the extent to which a firm can exploit status advantages from its home country in a host country, contending that it depends partly on the relationships between the two countries. Building on the interorganizational relationships and international management literature, we hypothesize that two conditions influence how valuable home-country status will be in a given host country: the interconnectedness of the home and host countries and the relative global position of the two countries. Correcting for endogeneity, we find support for our hypotheses in a study of 462 VC-backed biotechnology ventures in 25 countries between 1990 and 2006. *(For more information, please contact: Elisa Alvarez-Garrido, University of South Carolina, USA: elisa.alvarezgarrido@moore.sc.edu)*

*No Place Like Home: Host Country Contingency Effects on Multimarket Competition*

Yu-Ching Chiao, National Chung Hsing University  
 Shu-Mei Hsu, National Chung Hsing University  
 Hung-Wei Chang, National Chung Hsing University

We develop a theory to explain how market importance and local competitive intensity affect the rivalry deterrence impact of multimarket contact. Examining the sample of the leading global shipping companies, we find that (1) a higher degree of multimarket contact leads to rivalry deterrence in support of the mutual forbearance hypothesis, (2) market importance triggers MNC competition, while competitive rivalry is weaker in overlapped cross-market competition; and (3) local competitive intensity increases MNC competition, especially for subsidiaries facing increasing pressure from local responsiveness. This research expands the literature on multimarket competition and contributes to the study of international business. *(For more information, please contact: Yu-Ching Chiao, National Chung Hsing University, Taiwan: chiaoy@dragon.nchu.edu.tw)*

*Multimarket Competition, Competitive Aggressiveness, and MNCs Performance: A Contingency Approach*

Chun-Chien Lin, National Chung Hsing University  
 Yu-Ching Chiao, National Chung Hsing University  
 Shu-Mei Hsu, National Chung Hsing University

The purpose of this study is to extend on past research of the drivers and consequences of competitive aggressiveness, and explore how the internal and external factors affect rivals' competition in multipoint markets. The present study fills the gap in competitive dynamics with two dimensions of competition and cooperation, especially the competitor behavior in a cooperation network, and offers more insights to MNCs' competitive aggressiveness in multimarket contact circumstances. Our research expands the literature through three key findings. First, multimarket contact positively affects the focal firm's competitive aggressiveness. Second and third, a higher degree of resource similarity and culture distance weakens the relationship between multimarket contact and competitive aggressiveness. Notably, competitive aggressiveness leads to a greater performance. We reach these conclusions by testing our hypotheses on a sample of the top 20 firms in the global container shipping industry with 336 quarterly data from 2007 to 2010, by constructing a database of 1,506 news articles with 5,190 competitive actions. *(For more information, please contact: Chun-Chien Lin, National Chung Hsing University, Taiwan: alittleken@hotmail.com)*

**Session: 2.1.8 - Competitive****Track: 4 - Innovation and knowledge management***Perspectives and Approaches to Studying Innovation in the MNE*

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: John Cantwell, Rutgers University

*On the Antecedents of Individual-level Absorptive Capacity*

Harun Emre Yildiz, Uppsala University  
 Adis Murtic, Linköping University  
 Udo Zander, Stockholm School of Economics  
 Anders Richtner, Stockholm School of Economics

Absorptive capacity stands out as one of the most important capabilities for Multinational Corporations for effective management of knowledge. Given this, the concept has attracted remarkable scholarly attention. To address calls for research on micro-foundations and antecedents of absorptive capacity, this paper focuses on determinants of individual-level absorptive capacity. We examine the extent to which individuals' capability to

recognize, assimilate and exploit new knowledge from environment is shaped by their overall ability, different forms of work motivation (i.e., intrinsic and extrinsic), exposure to diverse country contexts and personal characteristics. Drawing on motivation-ability-opportunity framework, we develop and test a set of hypotheses. Using unique dataset collected from 648 engineers, we find that intrinsic motivation and overall ability are key antecedents of individuals' absorptive capacity. On the other hand, extrinsic motivation does not emerge as a significant predictor, which stresses the importance of not considering motivation a unitary concept. Furthermore, counter to our predictions, we find that past international assignments to distant countries are detrimental to absorptive capacity. However, our results also suggest that assignments to distant countries is an opportunity for absorptive capacity development only for those individuals who are more open to new experiences. Theoretical and practical implications are discussed. *(For more information, please contact: Harun Emre Yildiz, Uppsala University, Sweden: emre.yildiz@fek.uu.se)*

*A Microfoundations Approach to Studying Innovation in the Multinational Subsidiaries*

N. Nuruzzaman, Rutgers Business School  
Rakesh Sambharya, Rutgers University

This study employs microfoundations perspective to study innovation in subsidiaries of multinational enterprises (MNE). Based on the upper echelons perspective, we argue that managers' demographic characteristics, such as age and education, as well as prior MNE work experience and industry experience affect subsidiary innovation. We further argue that managers' industry experience serves as external boundary spanning capability and therefore it has a greater effect in subsidiaries that are autonomous. In contrast, managers' prior MNE work experience functions as internal boundary spanning capability and therefore it has a smaller effect in subsidiaries that are less autonomous or engage in R&D. *(For more information, please contact: N. Nuruzzaman, Rutgers Business School, USA: n.nuruzzaman@rutgers.edu)*

*A Fused Perspective on Management Innovation in the MNC*

Emma Stendahl, Stockholm University  
Ali Yakhlef, Stockholm University  
Esther Tippmann, University College Dublin

Despite considerable research on the generation and implementation of new practices, processes, and structures - or management innovations in the multinational corporation (MNC), there is an underlying assumption that the generation (creative activities) and implementation (execution activities) are two separate processes, both temporally and geographically. We argue that this overlooks critical synergistic capacities between generation and implementation as well as social dynamics inherent to management innovation. In an effort to address these shortcomings, we propose a fused perspective of management innovation in MNCs, seeking to answer the question how can MNCs intertwine the generation and implementation processes to achieve management innovation? We build on a longitudinal case study, rich qualitative data, and an inductive analysis to develop a process model. This study offers contributions to the literatures on management innovation, boundary spanning in MNCs, as well as parenting advantage in the MNC. *(For more information, please contact: Emma Stendahl, Stockholm University, Sweden: emma.stendahl@sbs.su.se)*

*A Broader Perspective for the National Innovation Systems: Capabilities as Factors of National Innovation*

Emine Beyza Satoglu, Izmir Katip Celebi University  
Sengun Yenyurt, Rutgers University

The aim of this paper is to examine National Innovation Systems (NIS) of the countries from a broader perspective. In doing so, we adopted capabilities approach and applied explanatory factor analysis to identify capabilities. The empirical analysis for the panel data covers 75 countries with thirty years time span from 1985 to 2014. In measurement of NIS, 15 indicators is used and four factors are identified as capabilities of National Innovations Systems. The factors related to the National Innovations systems are defined as "Human and

Production Capability", "Macro Institutional Capability", "Innovation Capability", and "Liberal Structure". The findings of the paper helps to understand factors influencing national innovation institutions and related capacity, capability and institutional structure in creation and diffusion of technologies. *(For more information, please contact: Emine Beyza Satoglu, Izmir Katip Celebi University, Turkey: eminebeyza@gmail.com)*

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**Session: 2.1.9 - Competitive**

**Track: 7 - Corporate governance and financial management**

***Is Corporate Governance a Key Factor in Internationalization?***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Quyen Nguyen, University of Reading

*Myths about Collinearity and Clusters in International Business Research: Identification, Consequences, and Remedies*

Thomas Lindner, WU Vienna

Multicollinearity and clustering of data are frequent issues in quantitative empirical research in International Business. There are, however, prevailing myths about their effects on regression results. This paper provides illustrations of how collinearity between variables of interest and data clustering on at least two levels can affect results in International Business research. Shortcomings of empirical results given insufficient treatment of collinearity and clustering are identified. Recommendations are made about how spurious findings and result instability can be avoided. A complex example that combines multicollinearity and clustering is given to approximate typical quantitative research questions in IB. This example is meant to act as an illustration for applied researchers to identify different kinds of misspecification. *(For more information, please contact: Thomas Lindner, WU Vienna, Austria: thomas.lindner@wu.ac.at)*

*Internalisation Theory and Internal Capital Markets of Multinational Enterprises*

Quyen Nguyen, University of Reading

This study brings unique ideas from internalisation theory in the international business (IB) literature to the study of internal capital markets, financing, and tax planning strategies of multinational enterprises (MNEs). Insights about the role of MNEs in overcoming external capital market imperfections through the use of internal capital markets are proving instrumental in understanding corporate international finance in MNEs. The ability to access capital in multiple locations to take advantage of differences in cost of financing, and to create a pool of internal financing sources through internal capital markets, which are used to fund international business activities, is an important firm-specific advantage (FSA) of MNEs. However, the use of internal capital markets may raise tax concerns because it gives MNEs opportunities to arbitrage tax differentials across countries to reduce the overall corporate taxes. This article synthesizes, critically analyses, and assesses these lines of research with the goal of highlighting the main themes it explores, the key results it establishes, and the leading open questions it raises. *(For more information, please contact: Quyen Nguyen, University of Reading, United Kingdom: t.k.q.nguyen@henley.ac.uk)*

*The Delicate Path to Internationalization for Family Firms. Balancing External Capital, External Managers and Foreign Work Experience*

Antonio Majocchi, University of Pavia  
 Alfredo D'Angelo, Università cattolica di Milano  
 Emanuele Forlani, University of Pavia  
 Trevor Buck, Glasgow University

Using a transaction costs approach (TCA) we combine the recent "heterogeneity" and "bifurcation bias" views of family firms to develop hypotheses concerning internationalization and the presence of nonfamily owners, nonfamily managers, interaction between them, and foreign work experience. Tests are performed with a sample of 6,893 family SMEs from four different EU countries. We find the export intensity of family firms is positively associated with the separate presence of outside investors and outside managers, but this positive influence mainly comes from interaction between them. As an alternative to hiring outsiders, the foreign work experience of family managers is associated with internationalization, and may mitigate bifurcation bias. *(For more information, please contact: Antonio Majocchi, University of Pavia, Italy: antonio.majocchi@unipv.it)*

*The Effect of Internationalization on Firm Capital Structure: A Meta-Analysis*

Stefan Schmidt, WU Vienna  
 Thomas Lindner, WU Vienna  
 Florian Klein, WU Vienna

Despite extensive research on the relationship between internationalization and firm capital structure and its significance for firm profitability, findings on this research area remain inconclusive. In this paper, we review the literature on the internationalization-capital structure relationship and investigate its direction, effect size, and multiple contingencies through a meta-analysis of 31 past studies with at least two separate samples in each study. Our cumulative evidence indicates lower debt ratios of multinational corporations compared to domestic firms in line with arguments of increased risk and agency costs in international operations. However, our results also reveal several contextual contingencies that can significantly impact the size and direction of the effect of internationalization on capital structure. We contribute to an integration of international business and finance literature and point to directions for future research on determinants of the internationalization-capital structure relationship and its multiple contingencies. *(For more information, please contact: Florian Klein, WU Vienna, Austria: florian.klein@wu.ac.at)*

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**Session: 2.1.10 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***Psychic Distance and Creativity***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Oscar Martín Martín, Public University of Navarre and Uppsala University

*Perceptions of Psychic Distance in the Context of International Business: An Experimental Approach*

James F. Nebus, Suffolk University  
 Sokol Celso, Suffolk University

The concept of 'psychic distance' has been used to explain a wide range of MNC decisions and outcomes. However, as we propose and test in this study, the distance construct is based on a set of oversimplified assumptions. In particular we investigate three assumptions: symmetry, context independence, and similarity versus dissimilarity. First, while previous research in international business has already identified the nationality of the observers as a source of asymmetry, we build on studies cognitive psychology to postulate the presence

of other, systematic sources of asymmetry. Second, we argue also that perceptions of 'distance' are not just a function of the features of the countries in the dyad. They depend also on the features of other countries that are considered in a particular context. Third, we contend that dissimilarity is a distinct construct, which is different from and not the opposite of similarity. Unlike the extant IB literature, we argue that the similarity and dissimilarity constructs explain different dimensions of psychic distance. We develop three hypotheses corresponding to these assumptions and assess, through a series of experiments, the impact of cognitive biases on the validity of these assumptions and on the measurement of psychic distance. *(For more information, please contact: James F. Nebus, Suffolk University, USA: jnebus@suffolk.edu)*

*Parental Guidance Recommended? The Internationalisation of the High-Technology Spinoff Reconsidered*  
Catherine Welch, University of Sydney Business School  
Alexandria Kriz, Mercer

Despite the focus of international entrepreneurship on the new, innovative firm, this research area has shown little interest in firm origins in general and the spinoff process in particular. In this paper, we rectify this neglect, and demonstrate how incorporating these origins can improve understanding of the international activities of the high-technology spinoff. We take a contextualist approach to the spinoff process, viewing it as a political process taking place within the parent organisation. We investigate the link between these origins and firm internationalisation, using an empirical case study of eight spinoff firms from the one parent organisation. We conclude that our study suggests the need to revisit how resources have been conceptualised and theorised in existing internationalisation models. *(For more information, please contact: Catherine Welch, University of Sydney Business School, Australia: catherine.welch@sydney.edu.au)*

*Ownership Level and Subsidiary Survival in Foreign Acquisitions: The Moderating Effects of Experience, Cultural Distance and Host Country Development*  
Yi Wang, University of Vaasa  
Jorma Larimo, University of Vaasa

In this study we analyze the general effect of acquirers' ownership level on the survival in foreign acquisitions. Furthermore, we attempt to address five potential moderating effects: international, regional, and target country experience, cultural distance, as well as host country development. The developed hypotheses are tested on a sample of 1345 acquisitions made by 174 Finnish firms in 59 countries during the period of 1980-2005. The results indicate that in general ownership level of acquiring firms increases the probability of survival of foreign acquired units. We further found that the impact of ownership level of acquiring firms is contingent upon cultural distance and host country development, but not on international, regional, and target country experience of acquiring firm. *(For more information, please contact: Yi Wang, University of Vaasa, Finland: wyi@uva.fi)*

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**Session: 2.1.11 - Interactive**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

***Rethinking Business Models for Sustainability***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Anne Jacqueminet, Bocconi University

*Disentangling the Involvement of Multinational Corporations in Social Innovation: The Issue of Knowledge, Power and Embeddedness*

Christine Holmström Lind, Uppsala University

Olivia H. Kang, Uppsala University

Anna Ljung, Uppsala University

Mats Forsgren, Uppsala University

There is surprisingly limited research in international business that has integrated our extensive knowledge of business innovations in MNCs with concerns about MNCs role and involvement in social innovations. In fact, international business scholars have been comparatively uninterested in analyzing this role of MNCs. In addition to this, the role of MNCs in the development of social innovations has been more or less neglected in the vast majority of the social innovation literature. This paper addresses this gap in research by presenting a number of propositions focusing on the context underlying and influencing MNCs involvement in social innovations. The propositions are based on three different but related perspectives on the MNC; the MNC as a distributed knowledge system, the business network view on MNCs and the MNC as a political actor. *(For more information, please contact: Christine Holmström Lind, Uppsala University, Sweden: christine.holmstrom\_lind@fek.uu.se)*

*The Integration of Egyptian Small Farmers into Agro-Food Global Value Chains: The Role of MNEs in Egyptian Agribusiness, the Case of Heinz*

Salma Soliman, Middlesex University

Marina Papanastasiou, Middlesex University

Georgios Mergos, Athens University

Lakshmi Narasimhan Vedanthachari, Middlesex University

Institutional inefficiencies, prevalent in developing countries, constraint the establishment of effective links between smallholder farmers and global markets. The role of Multinational Enterprises (MNEs) in bridging such gaps is receiving increased attention in the literature. This paper provides evidence from the agribusiness sector in Egypt to investigate the role of MNEs in integrating smallholder farmers into the agro-food Global Value Chains (GVCs). This is an important area of investigation as it is directly linked to the strategic issues of food security and poverty reduction; both of which are amongst the main sustainable development goals. The paper focuses on the experience of Heinz in cooperating with the United States Agency for International Development (USAID) to build the capacities of tomato smallholder farmers in Egypt and include them in GVCs. The paper contributes to the current body of knowledge on the potential role of MNEs in sustainable development. It also explores the conditions under which MNEs are likely to positively influence smallholder farmers in developing countries and eventually contribute to food security and poverty reduction. *(For more information, please contact: Salma Soliman, Middlesex University, United Kingdom: s.s.soliman@mdx.ac.uk)*



*CSR, Business Models and Value Generation in Emerging Market Multinationals*

Afonso Fleury, University of São Paulo  
 Mary Melo, University of São Paulo  
 Luis Oliveira, University of São Paulo  
 Roberta Souza, University of São Paulo  
 Rodrigo Yaryd, University of São Paulo

In this article, we seek to advance the issue of CSR in emerging market multinationals. These have been seen as evading the challenges posed by that matter, configuring a stereotype of firms practicing corporate social irresponsibility. We argue that it is necessary to advance in that assessment for two main reasons. The first is that the image created for EMNEs is based on data collected by databanks. The second is that it is necessary to perform a more integrated analysis of how EMNEs are managing their CSR initiatives. For this, we developed an analytical framework to answer the following questions: Do emerging country multinationals tend to overlook the creation of value through the incorporation of CSR into their business models? Are the governance modes they adopt for managing CSR initiatives aligned with their strategic attitudes towards CSR? We address those questions by studying five Brazilian multinationals operating in the extractive industry, one of the most criticized industries in the public debate about CSR. That analysis showed that those firms seldom adopt defensive strategies and externalization as governance mode for their CSR programs, relying most of all on proactive and accommodative strategies associated to collaborative and internalization governance mode. *(For more information, please contact: Luis Oliveira, University of São Paulo, Brazil: luis.oliveira@usp.br)*

*Consumer Intention Toward Bring Your Own Shopping Bags in an Emerging Market: An Application of Ethics Perspective and Theory of Planned Behavior*

Sheng-Hsiung Chang, Tamkang University  
 Ching- Hsien Chou, Tamkang University

Following Chan et al (2008)'s research, the current study integrates Hunt and Vitell (1986)'s ethics perspective and Theory of Planned Behavior (i.e. TPB) to present a model that explains consumers' intentions to Bring Your Own Shopping Bags (BYOB) when grocery shopping. The proposed model is empirically validated in Taiwan. Based on a survey of 601 respondents, the findings suggest that deontological evaluations were positively related to attitude, subjective norm, and perceived behavioral control, while teleological evaluation was positively related to perceived behavioral control. In addition, the results of this study also indicate that green consumers' attitude and perceived behavioral control has a positive relationship with BYOB intention, while subjective norm does not have a significant relationship with BYOB intention. In sum, this study contributes to the literature by providing insights for applying general ethics and theory of planned behavior to explain green consumers' BYOB behavior. The results of this study provide policy makers with a more effective policy to increase green behaviors. Managerial implications and research limitations are also discussed at the end of this paper. *(For more information, please contact: Sheng-Hsiung Chang, Tamkang University, Taiwan: shchang@mail.tku.edu.tw)*

*The Multiple Faces of CSR: An International Comparison of a Multidisciplinary View of CSR Best Practices Based on Stakeholder Engagement and Collective Community Values*

Sonja Helena Bickford, University of Nebraska Kearney  
 Chris J. Waples, University of Nebraska Kearney  
 Angela K. Hollman, University of Nebraska Kearney  
 Matthew R. Bice, University of Nebraska Kearney  
 Ben J. Brachle, University of Nebraska Kearney  
 Riitta-Liisa Heikkinen-Moilanen, University of Lapland, Arctic Centre  
 Nate A Bickford, University of Nebraska Kearney

Organizations, whether private or public, need strategy and vision to survive in today's fast-paced, diverse marketplace. In addition to typical organizational challenges (e.g., technological advancement, cultural

expectations, market shifts), broadening calls for meeting a variety of stakeholder expectations and increasing sustainability which all have created challenges, especially when considering the definition of success within the context of contemporary political and societal concerns for global organizations. Corporate social responsibility (CSR) has, over the past few decades, become an important strategic tool for addressing these concerns. In this paper we discuss the need and framework for a study using stakeholder engagement theory and practice as a core focus with the aim of establishing best practices for CSR for comparable rural communities in the United States and Finland. *(For more information, please contact: Sonja Helena Bickford, University of Nebraska Kearney, USA: bickfordsh@unk.edu)*

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**Session: 2.1.12 - Interactive**

**Track: 4 - Innovation and knowledge management**

### *Institutions and Innovation Strategies*

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Karina R. Jensen, NEOMA Business School

#### *Governmental Support to Entrepreneurship and National Innovation Performance: Moderating Effect of Culture Value*

Hemin Song, Beijing Normal University

Yingying Zhang, CUNEF, Complutense University of Madrid

Entrepreneurship, as the process of forming innovation, plays an important role in improving innovation performance. And the culture, as the important indicator of social soft power, can influence the process of innovation. We propose moderating effect model of culture value on the relationship between governmental support to entrepreneurship and national innovation performance by exploring a database of 54 countries. Using ordinary least squares, we confirm the hypotheses that the power distance, individualism, and uncertainty avoidance negatively moderate the relationship between governmental support to entrepreneurship and national innovation performance except masculinity. And finally, we provide some suggestions for policy. *(For more information, please contact: Hemin Song, Beijing Normal University, China: songhemin@mail.bnu.edu.cn)*

#### *The Unholy Trinity: Competitiveness, Technology Licensing, and Taxes*

Michael Troilo, University of Tulsa

Michal Zdziarski, University of Warsaw

J. Markham Collins, University of Tulsa

How does the ease of paying taxes impact the likelihood of technology licensing and, hence, the sales of firms acquiring such licenses? We address this question using a dataset of nearly 5,500 firms across 30 countries for the period 2009-2013. All three measures of tax compliance do reduce the likelihood of technology licensing as expected, but technology licensing has only modest effects on sales. Foreign ownership of firms increases both the likelihood of technology licensing as well as annual revenues. At the national level, firms in Low Efficiency economies benefit the most from technology licensing and foreign ownership in terms of the impact on annual sales. *(For more information, please contact: Michal Zdziarski, University of Warsaw, Poland: m.zdziarski@uw.edu.pl)*

*Religion and Innovation. A Country Institutional Approach*

Alexander Assouad, Belmont University

Praveen Parboteeah, University of Wisconsin, Whitewater

Given the importance of religion as a norm setting mechanism and the extant literature that has neglected its impact on firms, we examine the role of religion as an antecedent of firm-level innovation. We utilize a country institutional profile approach focusing on the cognitive, normative and regulative aspects of religion and how they are related to firm-level innovation. We hypothesize that religion affects the country level environment and impacts firm-level behavior regarding innovation. We therefore synthesize arguments from the economics and international business literature, and test our hypothesis on a sample of firms from 30 countries. We find partial support for the hypotheses, which provide interesting insights to the relationships between a firm level construct and religion. *(For more information, please contact: Alexander Assouad, Belmont University, USA: alexander.assouad@belmont.edu)*

*Someone Rises Someone Falls: Exercise of Dynamic Capabilities vs Ad Hoc Problem Solving When Facing Similar Threat from Intellectual Properties*

Haoyu Zhang, Zhejiang University

Xiaobo Wu, Zhejiang University

Hongqi Xu, Zhejiang University

Much has been known about the significance of dynamic capabilities. Yet, little has been known about the role of dynamic capabilities in threat managing, since most existing work favored "opportunity side" much more than "threat side". Winter (2003) proposed two different ways to change in front of threats, namely ad hoc problem solving and the exercise of dynamic capabilities, which is heuristic but rough. By comparing two rising emerging markets multinational manufacturers who encountered similar threats from IP in the process of internationalization and chose different ways to enhance their IP capabilities, we seek to address this gap. Through figuring out the constitutions of "dynamic capabilities", the determinants of firms' choice on the way to change, and the occasion when "exercise of dynamic capabilities" outweighs "ad hoc problem solving", this research promotes a better understanding of dynamic capabilities as an important factor in threat management and offers managerial implications of capability building to managers. *(For more information, please contact: Haoyu Zhang, Zhejiang University, China: haoyu\_zhang@zju.edu.cn)*

*Intermediate Institutions and Technology Transfer in Developing Countries: Perspectives from Sub-Saharan Africa*

Ellis Luther Chilie Osabutey, Middlesex University

Richard Croucher, Middlesex University

There has been an emerging view that the quality of state institutions can influence technology transfer in host countries. The bulk of such studies have ignored the role of intermediate institutions. We compare academic and local expert views of how technology and knowledge (T&K) transfer could be enhanced in the developing world, taking the Ghanaian construction industry as an exemplar. The academic argument that the development of strong intermediate institutions is likely to improve T&K policy and practice is explicated. We then investigate expert perceptions of the industry's T&K transfer problems and their proposed solutions. Their views confirm, but also develop and nuance those of the academics by suggesting that certain types of intermediate institutions, such as regulatory and professional bodies, have a more significant role to play than others. *(For more information, please contact: Ellis Luther Chilie Osabutey, Middlesex University, United Kingdom: e.osabutey@mdx.ac.uk)*

*From Import Substitution to Export Promotion: The Influence of the Indian Government on Innovation System Catch-Up*

Kristin Brandl, University of Reading  
 Vittoria G. Scalera, University of Amsterdam  
 Ram Mudambi, Temple University

The inward-looking governmental policies of many emerging markets have been challenged by the rise of export promoting East Asian 'tiger economies'. Thus, many countries started transitioning from one policy regime to the other, leading to fundamental changes of their economic systems. Domestic governments are main actors in driving these changes, by shaping institutional environments and domestic innovation systems. We question how a government influences the development of its country's innovation system through its innovation mission and innovation policy. Through a study of the Indian pharmaceutical industry in transition between policy regimes, we find that the government's innovation mission and active participation in the innovation system, boosts the country's innovation output in the early phases of transition, even though the quality of this output is fairly low. Following policy changes and accompanied foreign MNE entrances, domestic firms are then able to create qualitative better innovation reflecting also an innovation system catch-up. We contribute to academic literature on the development of emerging market economies with insight on the importance of governmental activities on innovation system catch-up and on institutional change theory. *(For more information, please contact: Kristin Brandl, University of Reading, United Kingdom: k.brandl@henley.ac.uk)*

*Acquisition Similarity, Strategic Intents and Institutional Distance*

Qian Li, Shanghai International Studies University  
 Jie Xiong, ESC Rennes School of Business  
 Jeff Yan, Grenoble Ecole de Management

Little research focused on the relationship of acquisition similarity and the post-acquisition performance, such as sustainability in product innovation of high technology industry. I focus on two dimensions of acquisition similarity, namely technological similarity and organizational similarity, to investigate their impacts on post-acquisition performance. By so doing, the two dimensional analysis of acquisition similarity enriches the traditional SCI measurement of acquisition in technology based industry. I argue that acquisition similarity influences different strategic intents, which impacts on sustainable performance after acquisition. In international acquisition, institutional distance negatively moderates the relationship between acquisition similarity and organizational exploitation, but positively moderates the relationship between acquisition dissimilarity and organizational exploration. *(For more information, please contact: Qian Li, Shanghai International Studies University, China: liqian@shisu.edu.cn)*

*Does Corruption Hinder Innovation in International Markets and Local Market? Micro Evidence from China*

Qunyong Wang, Nankai University  
 Helen (Huifen) Cai, Middlesex University London  
 Na Wu, Tianjin University of Economics and Finance  
 LenTiu Wright, Huddersfield University Business School

This paper examines the effect of corruption on entrepreneurial innovation in China using micro data from the Enterprise Survey of the World Bank. The results suggest a significant negative effect of corruption on innovation. We also highlight the importance of a so far overlooked factor: market orientation. The Enterprises with international markets are hurt most severely by corruption, followed by enterprises with local markets. Similar conclusions are drawn with product innovation, process innovation, and market innovation except organization innovation. A two stage residual inclusion (TSRI) method is used to overcome the endogeneity caused by unobserved characteristics that may influence innovation or performance, and the results verify that our conclusions are robust. Since market orientation is characterized by different firm sizes and ownership, our finding is meaningful for policy making about SMEs and exports. Our conclusions disprove the "grease the

wheels" hypothesis, and shed light on a new perspective to focus on the long run effect of corruption. A shrinkage method is used to make variable selection which greatly reduces model dimension and improves the efficiency of inference. *(For more information, please contact: Helen (Huifen) Cai, Middlesex Univerity London, United Kingdom: h.cai@mdx.ac.uk)*

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**Session: 2.1.13 - Interactive**

**Track: 11 - Host track: Managing turbulence and ambiguity**

***An MNE and Government Response to Market Uncertainty***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Tim Rogmans, Zayed University

*Home-Country Turbulence as a Trigger for Outward FDI*

Helena Barnard, GIBS, University of Pretoria

John Luiz, GSB, University of Cape Town

South Africa faced considerable turbulence in the second half of the 20th century. This turbulence resulted partly from institutional change, specifically the weakening and then restoration of the property and political rights of the full population. Turbulence also resulted from the widespread resistance to Apartheid and associated social instability. By longitudinally examining the South African case from 1956 to 2012, it is clear that turbulence, more than the weakness of institutions, triggered outward FDI (OFDI). In fact, OFDI was high even once social stability had returned but during institutional reforms, suggesting that firms avoid complex, rapid change in the environment. This study contributes to the growing body of literature on home-country effects in the internationalization of firms by providing empirical evidence of the hitherto overlooked role of home-country turbulence in the internationalization of emerging market MNEs. *(For more information, please contact: Helena Barnard, GIBS, University of Pretoria, USA: barnardh@gibs.co.za)*

*Political Risk and Chinese Outward Foreign Direct Investment*

John Robert Anderson, University of Northern Iowa

Ilan Alon, University of Agder

Dylan Sutherland, Durham University

Political risk, unexpected fluctuations in the political environment of business, like other kinds of risk, is normally negatively related to investment: that is, the higher the risk, the less the investment. However, when it comes to Chinese investment, the academic literature shows paradoxical and unexpected results. Past results suggest Chinese MNEs are not mindful of political risk, naïve about its impacts, or ignore it altogether. The purpose of this article is to explain why the empirical evidence on Chinese FDI has shown a positive or non-significant relationship with political risk. We examine the literature in depth as well as the measures that have been used. We then establish econometric models to show why these results were achieved using alternative measures and conceptualizations of political risk and Chinese foreign direct investment. The results are definition and measure specific. Due to data distortions in the dependent variable (Chinese FDI) and inconsistent and inappropriate measures of political risk some past literature is inconsistent with theory. We also find that the relationship between one proxy of political risk, economic freedom, and Chinese investment abroad is curvilinear. That is, Chinese investment is high at both low and high levels of political risk. Our results show great care should be taken in analyzing the impact of political risk on Chinese FDI and particular attention needs to be given to both the conceptualization and measurement of both political risk and Chinese FDI variables. *(For more information, please contact: John Robert Anderson, University of Northern Iowa, USA: john.r.anderson@uni.edu)*

*Why MNEs Decide Divesting from Emerging Market? Explaining with the Integrated Theoretical Framework*

Andrei Panibratov, Saint Petersburg State University  
Tashauna Brown, Saint Petersburg State University

Foreign divestments over the last few decades have been generally viewed as a sign of failure of international strategy. Since internationalization is becoming more and more complicated in terms of consequence of stages and effects of investments, this paper discusses whether it is a voluntary business strategy or a last resort for a multinational enterprise. The decision-making process and execution of foreign divestment has been an increasing phenomenon that has been noted by researchers over the years as a very complicated decision, however a holistic theory has yet to be developed to address this issue. In this paper, the integrated theoretical framework on FD decision is suggested, with real options, bounded rationality and prospect theory being three pillars. *(For more information, please contact: Andrei Panibratov, Saint Petersburg State University, Russia: panibratov@mail.ru)*

*Closed Today! We Will Reopen Tomorrow: MNEs' Temporary and Permanent Divestment as Responses to Terrorist Attacks*

Chang Liu, Indiana University  
Dan Li, Indiana University

This study discusses multinational enterprises' (MNEs') responses to host country terrorism. We argue that as MNEs expose to higher level of host country terrorism impact, they face higher level of risks on the one hand, but also acquire important knowledge about coping with terrorism on the other. And the joint effects of these two competing mechanisms determine MNEs' final divestment decisions. We test our hypotheses using a sample of 49 Fortune US 100 companies and their subsidiaries operating in 97 host countries during the period from 2007 to 2013. Our findings suggest that there is a U shape relationship between exposure to host country terrorism and MNEs' exit from that country, and this relationship is more pronounced in countries where terrorism receives higher publicity. Also, the likelihood that MNEs temporarily rather than permanently exit from a host country decreases faster as exposure increases in countries where terrorism receives higher publicity. *(For more information, please contact: Chang Liu, Indiana University, USA: liu407@indiana.edu)*

*Effects of Institutional Compatibility on ASEAN Regional Trade Integration*

Doren Chadee, Deakin University  
Hernan 'Banjo' Roxas, Deakin University

The paper builds on institutional theory by introducing a new concept called institutional compatibility and argues that member countries of Regional Integration Agreements can achieve greater trade integration by ensuring that their institutions are compatible with each other. Using data for 10 ASEAN countries for the 1996-2012 period, we develop selected institutional compatibility indices to test their effects on regional trade integration. The results suggest that compatibility of rule of law in ASEAN contributes the most to regional trade integration, followed by compatibility of the regulatory quality and control of corruption. The findings highlight the importance of undertaking institutional reforms among members of RIAs in order to ensure regional institutional compatibility for achieving greater regional economic integration. *(For more information, please contact: Doren Chadee, Deakin University, Australia: chadee@deakin.edu.au)*

*Measuring Risk Perception across Borders: The Effects of Cultural Intelligence, Emotional Intelligence, and Organisational Culture*

Amadeus Kubicek, Rabdan Academy  
Ramudu Bhanugopan, Charles Sturt University

Drawing from the social theory of risk this study examined the mediating role of emotional intelligence in the relationship between risk perception and cultural intelligence, and the moderating role of organisational culture between risk perception and emotional intelligence. Data were collected from a sample of 343 respondents from Australia, United States of America, United Kingdom and Singapore. The results showed that there is a positive relationship between risk perception and cultural intelligence, and between risk perception and emotional intelligence, and that the relationship between risk perception and cultural intelligence is mediated by emotional intelligence. Furthermore, our findings offer insights into mechanisms of the underlying relationship between risk perception and emotional intelligence that take endogenous contingencies of organisational culture as a moderator in a multi-cultural setting. Implications for theory and practice, as well as avenues for future research are discussed. *(For more information, please contact: Ramudu Bhanugopan, Charles Sturt University, Australia: bramudu@csu.edu.au)*

*(National) Government Effectiveness and (Global) Financial Crisis: Together, What do These Mean for MNE Internationalisation?*

Christopher Williams, Durham University Business School  
Vrabie Alina, Durham University Business School

We investigate the dual impact of host country government effectiveness and global financial crisis on MNE internationalisation. Drawing on institutional and transaction cost theories, we develop and test hypotheses for the effect of government effectiveness (a spatially-distributed institution) and the global financial crisis (a temporal adverse event with worldwide impact) on MNE ownership mode choice. We consider both direct and interaction effects between these features of the international institutional environment. Using a sample of 1374 foreign investments by Germany's largest car makers between 2005 and 2012 into 86 countries, the analysis shows whether a host country's government effectiveness influences how MNEs respond in the presence of global financial crisis. While we find full ownership to be more likely after the onset of a global financial crisis, we also see that, in the presence of the crisis, national level government effectiveness fails to alleviate the heightened uncertainty associated with shared ownership in times of recession, credit crunch, decreasing consumer confidence and financial instability. Findings also highlight the importance of global crisis for MNE strategy over and above traditional measures of uncertainty in international markets such as political constraints, cultural distance and rules encouraging FDI. *(For more information, please contact: Christopher Williams, Durham University Business School, United Kingdom: chris.williams@durham.ac.uk)*

*Institutional Environment Determinants of Board Structure: Social Elites on Boards of Business Group Firms*

Bruce Allen Hearn, University of Sussex

This study examines the differential impact of the quality and structure of institutional environment on proportions of boards comprised of social elites in business group constituents as opposed to unaffiliated firms. Using a unique sample of 136 private sector initial public offering (IPO) firms from 17 emerging African economies we find business group constituents are associated with marginally higher proportions of social elites in board roles. This is positively moderated by common law legal origin - underscoring the importance of elites in monitoring and oversight of market governance - and inversely moderated by institutional quality - reflecting narrow political economies. *(For more information, please contact: Bruce Allen Hearn, University of Sussex, United Kingdom: b.a.hearn@sussex.ac.uk)*

**Session: 2.1.14 - Interactive**  
**Track: 5 - Organization strategy and management**

***MNE Performance and Competitiveness***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Stephanie Wang, Indiana University

*The Influences of Export Market Dynamism on Exporters' Organizational Capabilities and Performance*  
 Amonrat Thoumrungroje, Assumption University  
 Olimpia Racela, Mahasarakham University

Building on the environment-strategy-performance paradigm, information-processing theory, and dynamic capabilities theory, we conceptualize relationships among export market dynamism, information and communication technologies (ICT) utilization and proactive export market development capabilities, and export performance. From a self-administered survey of 259 exporters in Thailand, the results show partial support to our hypotheses. After checking for potential of common method variance (CMV) and correcting for it, our results reveal interesting findings. Amid a dynamic market environment, firms that proactively develop their export markets tend to improve both market and financial performances. However, market dynamism only drives ICT utilization, which increases proactive export market development capabilities amongst more experienced exporters. *(For more information, please contact: Amonrat Thoumrungroje, Assumption University, Thailand: amonratthm@au.edu)*

*Fuzzy Logic and Strategic Fit: A Configurational Approach to Internationalization Performances of Emerging Economy Firms' Foreign Direct Investment*  
 Yi Li, University of Sydney  
 Lin Cui, Australian National University  
 Klaus E. Meyer, China Europe International Business School  
 Di Fan, Curtin University

Despite the "strategic fit" concept is intuitively appealing, researchers pay relatively little explicit attention to strategic fit in recent international business (IB) studies. To contribute the further development of this important theoretical paradigm, this study seeks to map emergent economy (EE) firms' comprehensive foreign direct investment (FDI) tracks leading to their desired internationalization performances. We adopt a strategic fit perspective to investigate EE firms' strategy-performance relationship in a holistic and configurational approach of theory building, and a fuzzy-set qualitative comparative analysis (fsQCA) method in particular. Empirically, we choose the context of Chinese outward FDI. By differentiating 'good' and 'bad' fit configurations, our findings indicate that multiple equifinal configurations of environment, FDI strategy, and TMT's structure factors will help EE firms to achieve strategic fit that deliver high internationalization performance in complex strategic settings. *(For more information, please contact: Yi Li, University of Sydney, Australia: yi.li2@sydney.edu.au)*

*A Deeper Look into the International and Product Diversification-Performance Relationship*  
 Pablo Garrido-Prada, Universidad Autónoma de Madrid  
 María Jesús Delgado-Rodríguez, Universidad Rey Juan Carlos  
 Desiderio Romero-Jordán, Universidad Rey Juan Carlos

This paper investigates the influence of international diversification on the performance of product diversification and vice versa, correcting by endogeneity issues. We conduct a Structural Threshold Regression analysis by using a novel panel data set comprising 85 Spanish listed companies from non-financial sectors



during 2006–2011. The results reveal that international diversification positively influences the product diversification–performance relationship. But product diversification has no clear impact on international diversification–performance relationship. Further, we find that a minimal upfront investment in international diversification strategy is needed to generate a positive effect on product diversification performance. Finally, product diversification has a significant positive side effect on liquidity performance and international diversification shapes the long-term debt performance. The findings imply that the combination of both, product and international strategies, are needed to fully determinate diversification performance And it offers a guideline for managers to improve firm performance by combining both strategies. This research extends previous empirical studies developing separate hypotheses in which each type of diversification may moderate the performance of the other type differently, and it uses firms from a European country correcting for the potential bias due to the endogeneity of both types of diversification and firm specific characteristics. *(For more information, please contact: Pablo Garrido-Prada, Universidad Autónoma de Madrid, Spain: pablo.garrido@uam.es)*

*Organizational Slacks, CSR Engagement, and Multinational Corporations' Performance in Emerging Economies: A Contingent Framework for Value Creation*

Yalan Xu, Chinese University of Hong Kong  
Xufei Ma, Chinese University of Hong Kong

With the prevalence of globalization and internationalization, there is no doubt that the track record of multinational corporations (MNCs) has been mixed with regard to their Corporate Social Responsibility (CSR) involvement in emerging economies. Thus, building on an integration of slack resource theory and resource management perspective, this study develops a theoretical framework to examine organizational slacks as the antecedents of corporate social responsibility (CSR) engagement, and the related effects on MNCs' performance in the context of emerging economies. It is suggested that such relationships are moderated by ownership type and business group affiliation of these firms. We propose that CSR engagement mediates the relationship between organizational slacks and MNC's performance. We further propose that the effect of organizational slacks on CSR and the effect of CSR on their performance are stronger for MNCs without state ownership than those state-owned ones, and stronger for independent MNCs than business group affiliates. This study has contributions on resource management perspective and CSR research. *(For more information, please contact: Yalan Xu, Chinese University of Hong Kong, Hong Kong, SAR-PRC: xuyalan@baf.cuhk.edu.hk)*

*Will Political Connection Be Helpful for Firm's Internationalization Strategy?*

Xinming Deng, Wuhan University  
Xianyi Long, Wuhan University  
Ting Zhang, Wuhan University  
Huizi Wang, Wuhan University

This article took all private owned companies in China went public during 2006—2010 as subjects, looking into private owned companies' political contributions and principles to its international development. By dividing international dimensions, we looked into different ways of using international strategy to raise company values between political related and nonpolitical related private companies in home country. Here are the main conclusions: Firstly, company internationalization has generally positive influence on company's value, and international depth contributes positively to company's performance, while international breadth has negative influence on company's performance; secondly, for private owned companies, political ties in home country have non-significant positive influence on internationalization. Moreover, private company's political ties in home country has significant positive influence on international depth but has more significant negative influence on international breadth; thirdly home country's institutional environment has significant moderating effect on relation between private company's political ties and internationalization ,and research showed that institutional environment has significant positive moderating effect on relations of private company's political ties and international depth, but negative moderating effect on relation between political ties and international breadth; fourthly, compared with private companies with no public relations, international strategies conducted by

private companies which have already built political ties in home countries are more likely to improve company performance. What's more, we found that in short term, political related private company's international depth has significant influence on company's operation. But for long term, international depth has non significant influence on rising company's market value. However, non-political related private company's performance is positively affected by international breadth, not international depth, which proves the significant influence private company's political ties on its international paths or modes decisions. *(For more information, please contact: Xinming Deng, Wuhan University, China: xm\_deng@163.com)*

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**Session: 2.1.15 - Interactive**

**Track: 8 - International business policy**

***The Institutional Context of MNE Behaviour***

**Presented On:** July 4, 2017 - 09:00-10:15

Chair: Surender Munjal, University of Leeds

*Do Development Banks Affect Firm Performance?*

Omar Nohad Toulan, IMD

Andre Carvalhal, Brazilian Development Bank

There is a vast literature on the role of development banks (DBs). However, there are only a limited number of studies that analyze the effect of DBs on governance and firm performance. This research evaluates the role of the Brazilian Development Bank (BNDES) in the performance and governance of listed companies. Our analysis of 481 Brazilian listed companies from 2000 to 2013 shows that firms where BNDES is a shareholder exhibit better governance, higher valuations, and superior performance. Furthermore, firm performance is much higher when BNDES has least 15% of the voting capital of the firm. *(For more information, please contact: Omar Nohad Toulan, IMD, Switzerland: omar.toulan@mcgill.ca)*

*Where does Corporate Social Responsibility Pay? An Institutional Perspective Based on Scott's Three Pillars*

Jiyoung Shin, Simon Fraser University

Jon Jungbien Moon, Korea University

Jingoo Kang, Nanyang Business School

This study investigates how the relationship between corporate social performance (CSP) and financial performance can be moderated by the national institutional characteristics of different countries. We classify national institutions into Scott's three pillars: regulative, normative, and cognitive. Using social performance data from 2,827 firms in 18 countries over the years 2002 through 2012, we find that regulative and normative characteristics positively moderate the relationship between CSP and financial performance. However, we find no evidence that cognitive characteristics have any moderating effect on the relationship. *(For more information, please contact: Jon Jungbien Moon, Korea University, Korea, South: jonjmoon@korea.ac.kr)*

*Macroeconomic Determinants of FDI in Iran: Sanctions Matter?*

Mehdi Rasouli Ghahroudi, Institute for Management and Planning Studies (IMPS)

Li-Choy Chong, Universitu of St. Gallen

In this paper, we examine the impact of the macroeconomic determinants of foreign direct investment inflows. We also investigate the moderating role of sanctions in FDI inflows into Iran over the period from 1990 to 2014. The empirical results reveal that macro determinants such as infrastructure, exchange rate, inflation rate, investment return, and governance have a long-run impact on FDI inflows in Iran. Our findings also show that GDP growth rate and trade openness have no significant effect on FDI. However, international sanctions against

Iran as a moderating variable together with other macroeconomic factors such as political stability and exchange rate have a negative effect on inward FDI flows and can therefore deter foreign investment. *(For more information, please contact: Mehdi Rasouli Ghahroudi, Institute for Management and Planning Studies (IMPS), Iran: M.rasouli@imps.ac.ir)*

*Foreign Ownership and Bribery: Agency and Institutional Perspectives*

Jingtao Yi, Renmin University of China  
Da Teng, Coventry University  
Shuang Meng, Renmin University of China

In this study we examine the effectiveness of formal institutions (as the macro-level mechanism) and external auditing (as the micro-level mechanism) in controlling multinational firms' engagement in bribery. We adopt World Bank's data and investigate 38,673 firms in 113 countries. Our results suggest that a firm's engagement in bribery is positively related to its foreign ownership. Furthermore, we demonstrate the substitute effects of formal institutions and external auditing in controlling this unethical activity. We argue that in a situation whereby formal institutions are weak, a firm's internal governance mechanism plays a vital role in controlling bribery. *(For more information, please contact: Jingtao Yi, Renmin University of China, China: yjjingtao@rbs.ruc.edu.cn)*

*Effects of CSR on Firms' Outward FDI: A Legitimacy Signaling Perspective*

Xiao Pan, Xi'an Jiaotong-Liverpool University  
Tao Bai, Xi'an Jiaotong-Liverpool University

We identify CSR at home country as an important impetus to firms' outward investment. Through integrating signaling and institutional theory, we argue that through CSR engagement, firms can get perceived legitimate by stakeholders from both domestic and international markets, which facilitates firms' OFDI. We further argue that the more consistently, and more efforts engaged in CSR, the stronger signal sent to stakeholders, which generates higher level of legitimacy. However, political connections with government back at home may hurt the legitimacy from foreign stakeholders gained through CSR. Based on Chinese publicly listed firms from year 2012-2015, we find strong support for our proposed hypotheses. *(For more information, please contact: Tao Bai, Xi'an Jiaotong-Liverpool University, China: tao.bai@xjtlu.edu.cn)*

*Institutional Overlap, Contestation and Accessibility: How Institutional Diversity Affects International Management*

Robbert Maseland, University of Groningen

This paper discusses the implications of current developments in institutional theory for theories about the consequences of institutional diversity for international management. It argues that the stress on competition between multiple institutional logics and the renewed emphasis on complexity and agency in institutional theory are at odds with the traditional institutional distance concept, understood as the degree of dissimilarity between homogeneous country institutional profiles. Instead of a single concept of institutional distance affecting all possible IB outcomes, we need tailored concepts capturing how different aspects of institutional diversity affect different decisions and outcomes in IB. Specifically, I argue that (1) the amount of overlap in institutional logics between societies determines entry decisions, (2) the amount of accessibility of a host country's institutional enforcement mechanisms drives entry mode decisions, and (3) the extent of contestation of employed institutional logics in society drives legitimacy and long-run performance. Empirical support for these claims comes from an analysis of World Values Survey data, showing that each of these proposed concepts is a better predictor of the associated outcome than institutional distance is. I conclude that the proposed diversity concepts are both theoretically better grounded and empirically more relevant than institutional distance is. *(For more information, please contact: Robbert Maseland, University of Groningen, Netherlands: r.k.j.maseland@rug.nl)*

*Non-Conventional Forms of Outbound Foreign Direct Investment (OFDI) by Multinational Enterprises (MNEs):  
Are They Good for the Domestic Employment of MNEs at Home?*

Eunsuk Hong, SOAS University of London  
In Hyeock Lee, Loyola University Chicago  
Shige Makino, Chinese University of Hong Kong

Although an increasing number of MNEs has been reported to engage in outbound FDI as means for tax breaks, against trade friction, and/or for financial hedge in foreign countries, abundant studies have still focused on the 'conventional' forms of outbound FDI only that are to search for (1) resources, (2) new markets, and/or (3) strategic assets from foreign countries. This study attempts to fill this gap by investigating the impetus and consequences of MNEs' 'non-conventional' forms of outbound FDI. Using a sample of 3,343 subsidiaries established by 706 Japanese parent companies operating in 61 countries over the period of 1996-2010, the study investigates the characteristics of MNEs' non-conventional outbound FDI (1) for tax breaks, (2) against trade friction, and (3) for financial hedge, and examines their impact on the domestic employment hired by parent MNEs at home. Our 3SLS estimation results show that the impacts of Japanese MNEs' non-conventional outbound FDI on MNE home employment vary across different forms of motivations. *(For more information, please contact: Eunsuk Hong, SOAS University of London, United Kingdom: eh19@soas.ac.uk)*

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**Session: 2.2 - Plenary**

***AIB Fellows Eminent Scholar of the Year Plenary***

**Presented On:** July 4, 2017 - 10:45-12:00

Chair: Sarianna Lundan, University of Bremen

*Presentation of the AIB Fellows Eminent Scholar Award to Dani Rodrik*  
John Daniels, University of Miami

*Keynote Speaker:*  
Dani Rodrik, Harvard University

*Panel Discussion:*  
Dani Rodrik, Harvard University  
Bernard Hoekman, European University Institute  
Ram Mudambi, Temple University  
John Daniels, University of Miami

No abstract available. *(For more information, please contact: Sarianna Lundan, University of Bremen, Germany: s.lundan@uni-bremen.de)*

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**Session: 2.3.1 – Special Session**

***AIB Fellows International Educator of the Year Special Session***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Paul Beamish, Ivey Business School

*Presentation of the AIB Fellows International Educator of the Year Award to George K. Najjar*  
Robert E. Grosse, Thunderbird School of Global Management

*Keynote Speaker:*  
George K. Najjar, Lebanese American University

*Panel Discussion:*  
George K. Najjar, Lebanese American University  
Paul Beamish, Ivey Business School  
Nakiye Boyacigiller, Sabanci University  
Robert E. Grosse, Thunderbird School of Global Management

No abstract available. *(For more information, please contact: Sarianna Lundan, University of Bremen, Germany: s.lundan@uni-bremen.de)*

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**Session: 2.3.2 - Panel**

***JIBS and JIBP - Complementarities and Contrasts***

**Presented On:** July 4, 2017 - 13:00-14:15

*Panelists:*  
Alain Verbeke, University of Calgary  
Sarianna Lundan, University of Bremen  
Bernard Hoekman, European University Institute  
Simon Evenett, Universität St. Gallen

No abstract available. *(For more information, please contact: Sarianna Lundan, University of Bremen, Germany: s.lundan@uni-bremen.de)*

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**Session: 2.3.3 - Panel****Track: 1 - Internationalization process and entrepreneurship*****International Entrepreneurship in Emerging Markets*****Presented On:** July 4, 2017 - 13:00-14:15

Chair: Gary Knight, Willamette University

*Panelists:*

Gary Knight, Willamette University  
Subramanyam Raghunath, Indian Institute Of Management, Bangalore  
Pervez N Ghauri, University of Birmingham  
Shameen Prashantham, China Europe International Business School (CEIBS)

International entrepreneurship is the early internationalization of 'born global' or 'international new venture' firms. Most are small and medium-sized enterprises. Despite the resource scarcity typical of such firms, many achieve substantial internationalization at an early age. Globalization and technological advances are among the factors facilitating the rise of such ventures in emerging markets – for example, Brazil, Russia, India, and China –fast-growth countries in a middle stage of economic development. Foreign and domestic firms increasingly launch new international ventures in emerging markets. The panel sought to raise awareness of international entrepreneurship (IE) in emerging markets. Panelists perspectives facilitated deeper discussion into IE's impact on governance, strategies, and other approaches in the private and public sectors. The panel addressed important questions on strategy and performance in the context of emerging markets, with a view to advancing research, teaching, and practice in this vital area. The panel was relevant to the AIB in light of IE's growing importance to AIB members, the 2017 setting in the Middle East (home to several emerging markets), and the rise of emerging markets as a fascinating, yet under-researched international context. *(For more information, please contact: Gary Knight, Willamette University, USA: gknight@willamette.edu)*

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**Session: 2.3.4 - Panel****Track: 8 - International business policy*****Corporate Taxation and Tax Havens:  
Trends, Mechanisms, Enablers, and Possible Solutions*****Presented On:** July 4, 2017 - 13:00-14:15

Chair: James F. Nebus, Suffolk University

*Panelists:*

James F. Nebus, Suffolk University  
Lorraine Eden, Texas A&M University  
Chris Jones, Aston University  
Matti Ylönen, Yale University

It has become the norm that MNEs avoid paying taxes by taking advantage of tax havens in conjunction with tax avoidance mechanisms as relocating intangible assets, manipulating transfer pricing, serial inversions, and rerouting funds. We label as "enablers" the factors that allow these firm practices to continue despite country attempts to collect their "fair share". One of the main enablers is that countries' tax codes have failed to keep pace with the globalization of business. Profit is the basis of taxation in almost all tax codes, and the profit metric is not transparent, can be easily shifted geographically, and is subject to creative accounting. Another

enabler is that countries have conflicting goals of increasing tax collection but at the same time being tax competitive in order to attract investment and create jobs. Our panel will be part presentation and roundtable discussion followed by Q&A on what are the important trends and possible solutions to countries collecting their "fair share." This topic addresses the conference theme of building sustainable societies and the impact of MNEs on their home and host countries. Fiscally strained developing countries have been particularly hard hit by MNEs siphoning off profits from local operations to tax havens. *(For more information, please contact: James F. Nebus, Suffolk University, USA: jnebus@suffolk.edu)*

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**Session: 2.3.5 - Competitive**

**Track: 5 - Organization strategy and management**

***Emerging Market Multinationals: Resources and Capabilities***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Emmanuel Adegbite, De Montfort University

*Integration of the Resource-based View and Institutional Theory to Explain MNEs' ODI Strategy and Performance: A Theory*

Linjie Li, Birkbeck, University of London

Xiaming Liu, Birkbeck, University of London

Following an analytical induction approach by an & Gray (1994), this paper synthesizes past research on the resource-based views (RBV) and institutional theory's (IT) role on MNEs' ODI, and extend RBV and IT in International business context via developing a new model in line with integration of RBV and IT, for better explain and predict MNEs, especially EMEs' Outward direct investment (ODI) strategy and performance. In this paper, we illustrate the boundaries, limitations and integration mechanisms of RBV and IT, and argue that in international business context, RBV and IT construct not only complement, but also interact with each other. MNEs select, accumulate and formulate firm-specific resources in home country institutional environments, and variations of MNEs' embedded home country institutional environments contribute to the heterogeneity of their specific resources. Incorporating both institutions' indirect enabling role and direct supplying role of firms' formulation of resources, we propose a new concept "institution-based resource", which helps to explain why traditional IB theory cannot fully interpret EMEs internationalization practices. In addition, we argue that value and applicability of MNEs' resources vary upon institutions. Institutional factors and resource-based factors moderate each other's effect on MNEs' internationalization strategy and performance. *(For more information, please contact: Linjie Li, Birkbeck, University of London, United Kingdom: lli06@mail.bbk.ac.uk)*

*The Process and Evolution of Capability Upgrading in Emerging Market*

Stephanie Wang, Indiana University

Focusing on emerging countries, I propose a theoretical framework regarding the process and evolution of capability upgrading. Drawing insights from organizational learning theory, I aim to advance the capability upgrading literature in four ways. First, I scrutinize the multifaceted properties of capability upgrading in directional, temporal, and locational dimensions. Second, I propose four upgrading mechanisms (four-I mechanisms), namely, imitation of best practices in the market, integration of best practices with external entities, incorporation of best practices from other firms, and internal development of best practices. I explain how firms adopt a mixture of the four-I mechanisms as a meta-learning channel to upgrade. Third, I suggest that the effectiveness of upgrading via the four-I mechanisms is contingent upon two distinctive emerging economy characteristics. I highlight how underdeveloped economic conditions and underdeveloped institutional conditions provide both enabling and constraining effects on the four-I mechanisms. Fourth and finally, I analyze the dynamics of upgrading and suggest that the combination of the four-I mechanisms evolves with the

development stages of firms and of emerging economies. *(For more information, please contact: Stephanie Wang, Indiana University, USA: slwang@indiana.edu)*

*Rethinking Catch-Up by Emerging Market MNEs: "Capability Holes" And The Race To The Future*

Peter James Williamson, University of Cambridge

Ravi Ramamurti, Northeastern University

The rise of multinationals from emerging markets (EMNEs) has often been characterized as a process by which they catch up with the superior stocks of resources, capabilities and experience enjoyed by incumbent multinationals who earlier expanded from developed home countries (DMNES). In this paper we argue that this characterization needs to be re-thought, because the requirements for competitive success in the global markets are also changing. Thus, while EMNEs do need to close their "capability holes", DMNEs are also face gaps between their current vectors of capabilities and the new market requirements that they also need to fill. Moreover, the new capabilities that DMNEs need to develop may include many of the same capabilities that EMNEs have amassed in their own home markets. This leads us to model competition between EMNEs and DMNEs as a "race to the future" in which both groups are seeking to fill their respective capability holes to meet the future needs of global markets. We use this framework to explore the different types of capability holes EMNEs and DMNEs are facing and the respective processes by which these holes might be filled. This leads us to propose new directions for future research. *(For more information, please contact: Peter James Williamson, University of Cambridge, United Kingdom: p.williamson@jbs.cam.ac.uk)*

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**Session: 2.3.6 - Competitive**

**Track: 9 - Teaching IB**

***Building New Tools for IB Teaching***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Liesl Riddle, George Washington University

*The Show Must Go on: Brazilian Ticketing Services Provider Bilheteria Digital Trails the International Market*

Beatriz Kury, Pontifical Catholic University of Rio de Janeiro (PUC-Rio)

Guilherme Feldman, Pontifical Catholic University of Rio de Janeiro (PUC-Rio)

Jorge Carneiro, FGV Sao Paulo School of Business Administration

This teaching case describes the beginning of the internationalization process of Bilheteria Digital, a Brazilian ticketing services provider. The company had already a relatively wide coverage of the domestic market on its segment, when an opportunity to do business in Angola spontaneously emerged, arousing the attention of its managers to new ventures overseas. The company managers were trying to answer some important questions and the case explores those issues. Should the expansion be incremental? Which countries should be selected first? Which entry modes should it employ? *(For more information, please contact: Jorge Carneiro, FGV Sao Paulo School of Business Administration, Brazil: jtcarneiro@gmail.com)*

*Peer Assessment of Contributions into Group Projects as a Tool for Group Monitoring and Individual Learning in the Multi-Cultural Classroom*

Susanne Sandberg, Linnaeus University

Carina Lejonkamp, Linnaeus University

The increased internationalisation of higher education creates opportunities and challenges when planning education for a cross-cultural classroom environment. Students from different nationalities and cultures are



brought together for both individual and collaborative learning processes. The pedagogical topic and issues to be discussed are related to the usage of peer assessment of contributions into group projects as a tool for group monitoring and individual learning in a cross-cultural classroom environment. Students at an international master programme in international business strategy in Sweden have reported on their perceptions on both their own and the other group members' contributions into the group work. The potential contribution and usefulness of such a tool, as well as the usage of group reports in courses with individual grading, will be further problematized and discussed for a cross-cultural learning environment. *(For more information, please contact: Susanne Sandberg, Linnaeus University, Sweden: susanne.sandberg@lnu.se)*

*Swinging the Pendulum from Offline to Online: Now It's Time to Talk about Hybrid International Business Courses*

Tanvi Kothari, San Jose State University

Mobile learning also known as m-learning is thought to place Universities and institutions at the forefront of pedagogical excellence of practice, answering student requirements for flexibility and ubiquity: 'anywhere, anytime, and any device' access to information (Fetaji, Ebibi & Fetaji, 2011). Additionally, College-goers have changed in a number of significant ways since the time when most current faculty were themselves undergraduates; various forms of demographic, personal, academic, and social analysis confirm that reality. Hence, it would be helpful to assess the value of course innovations like hybrid/blended courses for undergraduates to help faculty and administrators fully align them with the needs of current generations of students. Hybrid courses allow faculty to implement course redesign strategies that successfully integrate pedagogy and technology with demonstrated improvements in student success. The goal of this presentation is to provide an overview of a hybrid core International Business undergraduate course implemented at Lucas College and Graduate School of Business, San Jose State University. We will specifically highlight the importance of the in-class sessions (using mobile devices and free apps), online content to synchronize the content and a Global Career Day for a business school experience. Benefits to students, instructors, administrators, and researchers will be discussed. *(For more information, please contact: Tanvi Kothari, San Jose State University, USA: kothari.t@gmail.com)*

*Experiential Learning for the U.S. International Business Education: Internship Program through American Chamber of Commerce*

Yongsun Paik, Loyola Marymount University

For students who want to pursue their career in the global economy, it is becoming increasingly apparent that the understanding of international business and development of global competencies—such as the ability to effectively adjust and relate to different cultures, accommodate and respond to differing competitive and political environments, deal with rapid change and uncertainty, and meet the challenge of duality involving thinking global yet acting local should be a top priority. Combining current technological innovations and experiential field learning, the proposed international internship model that American Chamber of Commerce (AmCham) sponsors, provides American students with a great opportunity to acquire the global competences through rich experience and exposure during their study abroad. This model will enhance the effectiveness of the international business education and ultimately improve the global competitiveness of talent graduating from U.S. business programs. Furthermore, this model has generalizability and any business schools around the world can adopt it in order to upgrade their international business education. *(For more information, please contact: Yongsun Paik, Loyola Marymount University, USA: yspaik@lmu.edu)*

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**Session: 2.3.7 - Competitive**

**Track: 6 - Human resource management**

***Human Resources Management, Global Strategy, and Firm Performance***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Carol Yeh-Yun Lin, National Chengchi University

*Contextual Factors Influencing International Staffing Policies and Talent Management in US Multinationals*

Shirley J. Daniel, University of Hawaii at Manoa

Zhou Chen, University of Hawaii at Manoa

Benwari L. Kedia, University of Memphis

This study develops and tests a model that links key elements of global strategy with important policies and practices in international human resource management. We examine how four strategic contexts in which the firm operates -- regional geographic focus, industry, size and level of internationalization -- impact three areas of international human resource management practices -- international staffing, international experience in hiring and promotion, and the importance of seven specific international business skills. The level of empirical analysis is the firm, and the data is drawn from a survey of over 800 managers from US corporations of various sizes, industries, and levels of international sales. The results indicate that strategic context does influence international human resource management practices. Firm size, the level of internationalization, and a stronger regional focus on Europe and Asia are associated with a more polycentric staffing policy. Firms with a stronger focus on Asia, Latin America, and the Middle East, and especially Europe, place higher importance on international experience in hiring and promotion, while firms focusing on Africa do not. Size, as measured by revenues, and the degree of internationalization is also positively related to the importance of international experience. *(For more information, please contact: Shirley J. Daniel, University of Hawaii at Manoa, USA: sdaniel@hawaii.edu)*

*Rethinking the Role of Talent Management in Emerging Market Firms: The Bridge to Absorptive Capacity and Firm Performance in Russian and Chinese Contexts*

Marina Latukha, Saint-Petersburg State University

Anna Veselova, Saint-Petersburg State University

Louisa Selivanovskikh, Saint-Petersburg State University

This paper investigates the relationship between talent management practices, absorptive capacity, and a firm's performance. We build a theoretical framework and examine how talent management practices, specifically talent attraction, development and retention, are related to a firm's absorptive capacity and firm performance. The theoretical framework suggests that talent development increases the overall level of absorptive capacity, particularly the level of knowledge acquisition, assimilation, transformation and exploitation. Further, our research focuses on the analysis of 120 companies headquartered in Russia and China showing the applicability of our theoretical framework and proving the role of talent management in absorptive capacity and firm performance in an emerging market context. *(For more information, please contact: Marina Latukha, Saint-Petersburg State University, Russia: marina.latuha@gsom.pu.ru)*

*Cultural Conflict through Subsidiary Staffing and Subsidiary Performance: Evidence from Korean Subsidiaries in 63 Countries*

Ajai Gaur, Rutgers University  
Chinmay Pattnaik, University of Sydney  
Jeoung Yul Lee, Hongik University  
Deeksha Singh, Rutgers University

Drawing from the notion of cultural friction and based on the agency and transaction cost theoretical rationalizations, this study examines the impact of cultural conflict within foreign subsidiaries on subsidiary performance. We argue that cultural conflict, arising from a higher presence of PCNs in culturally distant locations has a detrimental effect on subsidiary performance. This effect is strongest when the cultural friction is at the TMT level and weakest when friction is at the regular employee level. This relationship is however contingent on other factors that work as a drag or lubricant for cultural friction between PCNs and HCNs. We identify governance mode and language differences between home and host countries as drag factors, and host country experience and subsidiary interdependence as lubricants that condition the effect of cultural conflict on subsidiary performance. Empirical findings based on a longitudinal sample of 7,495 foreign subsidiary observations of 467 Korean MNEs in 63 countries during 1990-2014 provide robust support for our theoretical predictions. *(For more information, please contact: Deeksha Singh, Rutgers University, USA: deeksha.singh@rutgers.edu)*

*Global Alignment or Localization? Empirical Examination of Global Reward Management in MNEs and Influencing Factors*

Michael Tekieli, ESCP Europe Business School  
Marion Festing, ESCP Europe Business School

The degree to which multinational enterprises standardize their global management practices results from the interplay between certain pressures on local adaptation and global alignment. Drawing on a conceptual framework and survey data from reward managers of 49 foreign subsidiaries operating mainly in Europe, the present study examines MNEs' global reward management and influencing factors. Our results show that localization pressures varied between reward practices, remained stable between the different host countries, and were strongest for benefits. Alignment pressures were found to be strong for all reward practices, remained stable between different home countries, and were strongest for performance-related pay. The degree of alignment and localization pressures is reflected in similarities between subsidiaries' practices in relation to headquarters and local competitors. This study provides a framework which suggests to researchers as well as practitioners that global reward management is not a simple choice between standardization and localization but rather asks for a differentiation between different practices and employee groups such as senior, middle management, and operational employees. *(For more information, please contact: Michael Tekieli, ESCP Europe Business School, Germany: mtekieli@escpeurope.eu)*

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**Session: 2.3.8 - Competitive**

**Track: 4 - Innovation and knowledge management**

***Knowledge Flows Within the MNE***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Kazuhiro Asakawa, Keio University

*How can Isolated Foreign Subsidiary Initiate Knowledge Inflow from the Headquarters?*

Naoto Nadayama, Kanagawa University

Knowledge transfer is a critical issue of global strategic management in MNEs. However, recent study suggested that it is far from perfect, and that there are foreign subsidiaries isolated from the knowledge flow within the MNE. This paper builds on and contributes to the discussion, by proposing that these isolated foreign subsidiaries can initiate the knowledge inflow of headquarters' strategic resources. This paper analyzes such a subsidiary initiative, through an ethnographic fieldwork for over one year in a Japanese ICT company's Finnish subsidiary which initiated an adoption of its headquarters' Lean Practice. Then, this paper proposes that the initiation process would be an evolutionary self-learning with considerable localization, and that the process would be influenced by the subsidiary managers' motivation for both internal embeddedness and autonomy within the MNE. *(For more information, please contact: Naoto Nadayama, Kanagawa University, Japan: naoto.nadayama@gmail.com)*

*Reverse Knowledge Flow in Emerging Economy Multinationals - Role of Network Embeddedness and Absorptive Capacity*

Nivisha Singh, Indian Institute of Management Indore

Prashant Salwan, Indian Institute of Management, Indore

Increasingly the parent firms are acting as a receiver of knowledge from their internationally dispersed subsidiaries. Leveraging knowledge from their geographically dispersed subsidiaries is emerging as a major source of competitive advantage. This paper examines how the knowledge transfer from subsidiaries in developed nation impacts the performance of their parent based in emerging economies. This paper also examines much less researched role of network embeddedness and absorptive capacity on reverse knowledge transfer. This study is conducted on Indian multinationals. *(For more information, please contact: Nivisha Singh, Indian Institute of Management Indore, India: f12nivishas@iimdr.ac.in)*

*Reverse Innovation: Understanding the Bottom-Up Process of Knowledge Creation and Transfer within Global Multinationals*

M. Saidur Rahman, University of Victoria

Wade Danis, University of Victoria

Monika Winn, University of Victoria

Much of the theoretical development concerning multinational innovation and knowledge transfer has primarily focused on the developed markets. Few studies, to date, have explored the basic principles guiding reverse innovation; even fewer analyzed the reasons why and how multinationals take the risks of experimenting in emerging markets before rolling out a product in the global markets. In this conceptual paper, we ask: How do multinationals acquire, assimilate, transform and exploit knowledge of reverse innovation? We draw on insights from absorptive capacity theory, literature review and analysis of four successful reverse innovation cases on GE, Harman International, Logitech, and Motorola to propose a six-step 'ground-up' process of reverse innovation. We also explore the most critical internal and external environmental factors that influence the

process of knowledge generation, deployment, and transfer from emerging to developed markets. *(For more information, please contact: M. Saidur Rahman, University of Victoria, Canada: msrahman@uvic.ca)*

**Session: 2.3.9 - Competitive**

**Track: 2 - Managing the value chain**

### *Global Value Chain and Allied Strategies*

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Filip De Beule, KU Leuven University

#### *An Institutional Examination of Sustainability in Supply Chains Using the Foreignness Perspective*

Arpita Joardar, University of Massachusetts Dartmouth

Joseph Sarkis, Worcester Polytechnic Institute

Foreignness and its relationship to sustainability is an underexamined and potentially insightful relationship. The insight gains from this relationship are particularly cogent when considering sustainable supply chain management practices, international business, and cross-cultural relationships. This paper draws from institutional theory and examines sustainability of supply chain partners from a foreignness perspective. A comprehensive conceptual framework evaluating the relationships of foreignness to economic, social and environmental sustainability is presented and discussed in this paper. In addition, contingent factors such as level of development of supplier's nation, level of global integration of buyer and type of industry, on sustainability performance of focal firms are also conceptually evaluated. The direct and contingency frameworks introduced in this paper are presented along with research propositions that allow for furthering understanding and theoretical development within the sustainable supply chain management and the international business fields. Practical and research implications are also included with a research agenda to further investigate these relationships. *(For more information, please contact: Arpita Joardar, University of Massachusetts Dartmouth, USA: ajoardar@umassd.edu)*

#### *Scale Development and Validation for Economic Upgrading Within Global Value Chain (GVC)*

Mohammad Tarikul Islam, Deakin University

Michael Jay Polonsky, Deakin University

The role of supplier firms in upgrading is emphasised within the literature of global value chain (GVC). However, there has not been a valid measure to assess upgrading making it difficult to empirically measure the extent of upgrading is occurring in the supplier firms. This study constructs and tests a measure of economic upgrading using a sample of Bangladeshi garment suppliers, and assessing four multi-item scales. The measure was found to be reliable, as well as have convergent and discriminant validity. Several suggestions are provided for using the measure in subsequent research and managerial decisions are offered. *(For more information, please contact: Mohammad Tarikul Islam, Deakin University, Australia: mtisl@deakin.edu.au)*

#### *Let the Subsidiarity Make the Decision? The Double-Edged Sword Effect of Decision Autonomy on the Quality Consistency and Its Remedies*

Jeff Yan, Grenoble Ecole de Management

Le Wang, Xi'an Jiaotong University

Maggie Mei, Grenoble Ecole de Management

This paper investigates how to achieve product quality consistence between products manufactured by the subsidiaries and by their parent firms. According to country-of-origin effects, products from the country-of-origin

have set a benchmark, thus whether the subsidiary's product qualities reach or exceed this benchmark point is an important factor in the purchase decision of customer. However, little is known concerning the antecedents of product quality consistence between subsidiaries and their parent firms. This paper hypothesizes that decision autonomy of a subsidiary has an inverted-U relationship with product quality consistency. It further argues that number of expatriates at a subsidiary is positively related to quality consistency; while subsidiary entry by Mergers & Acquisitions (M&A) is negatively related to quality consistency. Finally, it proposes that expatriates positively moderate the inverted-U shaped relationship between decision autonomy and quality consistency. Mergers & Acquisitions negatively moderate that relationship. Empirical analyses based on a sample of 150 subsidiaries of multinational corporations operating in China support most of our hypotheses. Implications for both managers and international business scholars are discussed further. *(For more information, please contact: Jeff Yan, Grenoble Ecole de Management, France: jie.yan@grenoble-em.com)*

*Determinants of Foreign Divestments via Aelloffs*

Panagiotis Ganotakis, University of Wollongong in Dubai  
Paliitha Konara, University of Huddersfield

In this paper, by using a large sample of foreign subsidiaries in Spain, we examine what explains their divestment via sell-offs. Theoretically we contribute by integrating divestiture theory with Resource Based Theory and by examining first the role that a firm's unique resources have on its likelihood of being divested and second by arguing that the characteristics of subsidiaries most influential when a divestment takes place, are different when the acquiring firm is a host country firm in relation to being a foreign one. Empirically we contribute by being able to focus only on foreign divestment via sell-offs, moving away from studies that considered both liquidations and sell offs together as non-surviving ventures, and by ensuring causality. Our results suggest that innovative firms are less likely to be divested even in a period of financial crisis, weak subsidiary performance is not as important as previous studies perceived and subsidiaries that export are more likely to be divested to other foreign MNEs. *(For more information, please contact: Panagiotis Ganotakis, University of Wollongong in Dubai, United Arab Emirates: panagiotisganotakis@uowdubai.ac.ae)*

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**Session: 2.3.10 - Competitive**

**Track: 6 - Human resource management**

***Exploring the Role of International Experience and Cross-Cultural Exposure***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Martha Maznevski, Ivey Business School

*International Work Experience and the Career Success: A Comparison of Assigned and Self-Initiated Expatriates*

Vesa Hannu Suutari, University of Vaasa  
Chris Brewster, University of Vaasa  
Dickmann Michael, Cranfield University  
Liisa Mäkelä, University of Vaasa  
Christelle Tornikoski, Grenoble Business School

This paper examines the long-term effect of expatriation on careers, comparing the impact of international work experience on the career success of assigned and self-initiated expatriates. Our sample consists of employees who were working abroad in 2004 and we examine their subjective and objective career success eight years later. Despite the 'dark side of international careers' arguments associated with the repatriation literature, we find that the long-term impacts of international work experience on career success are generally positive and mainly unrelated to whether the work experience was acquired as an assigned or self-initiated expatriate. Companies recruit employees with international experience externally but are much more likely to offer further

internal jobs to assigned expatriates. This reinforces the need for further research and for companies to see all those with international experience as important elements of the workforce. *(For more information, please contact: Vesa Hannu Suutari, University of Vaasa, Finland: vsu@uva.fi)*

*International Experience and Cultural Intelligence Development: A Social Learning Theory Framework*

Snejina Michailova, University of Auckland

Dana L. Ott, University of Auckland

Cultural intelligence (CQ) is a valuable set of skills for individuals during cross-cultural interactions. Based on the premise that CQ is a set of malleable capabilities that can be developed and improved through international experience (IE), we review existing research in regards to this relationship. A careful analysis of the relationship between IE and CQ reveals inconclusive and contradictory findings within the extant literature. We argue that this is mainly because the studies lack a theoretical foundation to explain the link between these two constructs. We suggest that Social Learning Theory (SLT) is a powerful tool that can explain how and why IE can lead to the development of CQ. SLT views learning as being affected by both observation and experience, and includes four fundamental elements: attention, retention, participative reproduction and motivation. We propose a SLT framework complemented by a set of testable propositions to explain the link between IE and CQ development. We suggest how further research can advance its understanding and outline the practical implications of such examinations. *(For more information, please contact: Snejina Michailova, University of Auckland, New Zealand: s.michailova@auckland.ac.nz)*

*Does International Work Experience Pay Off for CFOs? Empirical Evidence from European MNCs*

Stefan Schmid, ESCP Europe, Berlin Campus

Frederic Altfeld, ESCP Europe, Berlin Campus

Prior research on the determinants of executive compensation has mostly focused on the CEO. This study turns a spotlight on the CFO, who is often perceived as the second most important executive in the firm. We ask the question whether CFOs' international work experience is reflected in their compensation levels. Integrating human capital and social capital perspectives, we suggest that working abroad provides CFOs with valuable knowledge and skills, but staying abroad for too long results in weaker social network ties. Thus, we propose an inverted U-shaped relationship between CFOs' international work experience and their compensation levels. Furthermore, we suggest that this relationship is contingent on characteristics of the CEO. Data from a sample of European MNCs support the proposed relationships. Our study contributes to the literature on executive compensation, specifically by providing a comprehensive understanding of how and when international work experience pays off for CFOs. *(For more information, please contact: Stefan Schmid, ESCP Europe, Berlin Campus, Germany: sschmid@escpeurope.de)*

*Participant's Social Complexity Beliefs and Perceived Optimal Contact in Cultural Intelligence Development through Contact-Based Training*

Valerie Alexandra, San Diego State University

Contact-based cross-cultural training (CCT) is essential in cultural intelligence (CQ) development; however, little is known about how individual differences and training characteristics influence CQ development. This work argues that, as worldviews, participants' social complexity beliefs predict participants' perception of expectation disconfirmation and ultimately CQ development in the context of contact-based CCT. Furthermore, relying on person-situation interactionism research, contact characteristics are expected to moderate the relationships of social complexity beliefs with perception of expectation disconfirmation and CQ development. The hypotheses were tested in a pre-and post-design study involving 174 management students who participated in a multi-week contact-based CCT. The results revealed that social complexity beliefs were positively and indirectly related to overall CQ development, and the perception of expectation mediated the relationship. Certain contact characteristics moderated the effect of social complexity beliefs on the perception of disconfirmation and CQ

development: the effect was stronger when participants perceived lower commonality of goals with culturally different contact participants or when participants perceived greater status equality with culturally different contact participants. Implications for CCT selection and design are discussed. *(For more information, please contact: Valerie Alexandra, San Diego State University, USA: valexandra@mail.sdsu.edu)*

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**Session: 2.3.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Decision-making in Internationalization: Decision-Making Logic, Readiness and Management Teams***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Sami Saarenketo, Lappeenranta University of Technology

*Logic of Decision-Making and SMEs' International Performance*

Masoud Karami, University of Otago

Oscar Martín Martín, Public University of Navarre and Uppsala University

Sylvie Chetty, Otago University

We study the relationship between the entrepreneurs' logic of decision making and SMEs' international performance. While this relationship has been studied from different perspectives, relatively little empirical evidence on the juxtaposition of effectual and causal logics and international performance has been obtained to date. We study this juxtaposition from effectuation theory perspective in the specific context of SMEs' foreign market entry. Further, although the importance of networking capability in effectual decision-making and systematic market selection in causal decision-making has been explained in existing literature, direct evidence for their mediation effect is lacking. We contribute to international entrepreneurship literature by considering the juxtaposition of decision-making logics and SMEs' international performance and explaining the mechanisms through this influence happens. *(For more information, please contact: Masoud Karami, University of Otago, New Zealand: masoud.karami@postgrad.otago.ac.nz)*

*Managerial Decision Making and the Process of Internationalization: A multiple Case Study Analyses*

Manfred Fuchs, University of Graz

This study is an exploratory examination of case studies that allow closely focusing on factors that help to explain managerial decision-making processes in internationalizing entrepreneurial firms. Selection of the cases included in this review was primarily driven by the need to provide the researchers access to company information. The aim was to integrate evolutionary and path dependency approaches, and analyze the decision-making process not only as a purely rational activity, but also as an emerging, somewhat erratic, and unintended endeavor, with uncertain outcomes. The major finding is that successful internationalization is based on strongly structured entrepreneurial judgments and firm capabilities that permit adaptation to formerly unknown external environments. *(For more information, please contact: Manfred Fuchs, University of Graz, Austria: manfred.fuchs@uni-graz.at)*



*By Accident or Design: The Internationalisation of Australian Innovative SMEs Utilising Wholly Owned Foreign Entities In China*

Jane Louise Menzies, Deakin University  
 Ismail 'Sol' Abdulhak, Monash University  
 Stephen Ogden, Deakin University

This study explores the factors that enable the internationalisation of innovative SMEs that are utilising wholly owned foreign entities (WOFEs) in China. The examination of these issues for WOFEs remains underexplored, especially in the context of developed economy SMEs entering emerging markets, in the case of this study, Australian SMEs entering China. We add to the research literature by exploring the role of entrepreneurship, innovation and organisational knowledge in the internationalisation of SMEs in the less explored context of WOFEs in China. Our study is based on interviews with business managers from 14 innovative Australian SMEs utilising a qualitative research design. Innovation supported by the firm's knowledge (technological, specialist and international) were found to be the source of competitive advantage for Australian SMEs. Our results highlight the significance of the entrepreneur's ability to recognise and seize opportunities either proactively or reactively, which provided the catalyst for internationalisation. Utilising product and positional/marketing innovation was the more prevalent type of innovation utilised by the WOFEs in the Chinese market, which was supported by technological knowledge for high-technology SMEs and specialist knowledge for low-technology SMEs. *(For more information, please contact: Jane Louise Menzies, Deakin University, Australia: jane.menzies@deakin.edu.au)*

*I am Better than You Know: Testing the Relationship between Self-Awareness on Entrepreneurs' Readiness and Firm Growth in Three Cultures*

Yejun Zhang, University of Oklahoma  
 Victor Lau, Hang Seng Management College  
 Tzvetan Davidkov, Sofia University  
 Desislava Yordanova, Sofia University

Addressing previous challenges in entrepreneurship literature, this study investigated the underlying relationship between entrepreneurs' self-awareness on entrepreneurial readiness and firm growth. Drawing on Resource-based View, Social Cognitive Theory and Self-awareness Theory, we found that the extent of agreement between an entrepreneur's and employee's perceptions of entrepreneur's entrepreneurial readiness (i.e., social network and intrinsic motivation) is positively related to firm growth. In addition, we further examined the congruence and incongruence effects of these perceptions. We tested our predictions using multi-source multi-culture data from entrepreneurs in Shanghai (N=200), Hong Kong (N=158) and Bulgaria (N=117). Results from polynomial regression and response surface analysis revealed insights into entrepreneurs' self-awareness. Theoretical and practical implications of the findings as well as future research directions are discussed. *(For more information, please contact: Yejun Zhang, University of Oklahoma, USA: yejun@ou.edu)*

*How we are Led, How we are Oriented, and the Global Boundaries we Seek to Cross: International Diversification and Firm Performance*

Indu Ramachandran, Texas State University  
 Vishag Badrinarayanan, Texas State University

Due to rapid globalization of industries international diversification has become a very important albeit complex strategic decision for organizations. Firms have realized that in order to compete in the global marketplace and to sustain their competitive advantages, they have to engage in internationalization, and have to learn to manage in a more complex international environment. This study contributes to the extant literature on international diversification by developing and testing an integrated framework examining the influence of top management heterogeneity, as well as, firm-level strategic orientations (market orientation and entrepreneurial orientation) on international diversification. The framework also revisits and tests the international diversity-firm performance relation. Using data gathered from 234 managers from industries where international

diversification is prevalent, the study demonstrates that both market orientation and entrepreneurial orientation bolster international diversification. Although top management team heterogeneity does not appear to exert a direct influence on international diversification, it demonstrates positive effects on both market orientation and entrepreneurial orientation. For organizations interested in international diversification, the results point toward ensuring a top management team with diversity in skills and experiences as well as simultaneously fostering market and entrepreneurial orientations. *(For more information, please contact: Indu Ramachandran, Texas State University, USA: i\_r38@txstate.edu)*

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**Session: 2.3.12 - Interactive**

**Track: 7 - Corporate governance and financial management**

***Governance Actors and Teams in a Global Context***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Fiona Kun Yao, University of Illinois at Champaign-Urbana

*The Materiality of Directors' and Officers' Insurance Information: The Case for Disclosure*

Victoria Krivogorsky, San Diego State University

Yan Luo, San Diego State University

This paper advocates for the regulation of the disclosure of the information contained in directors' and officers' liability insurance policies. To prove the merit of the argument, it is demonstrated that this information meets the disclosure criteria identified in both the SEC Staff Report on Public Company Disclosure (2013) and the Business and Financial Disclosure Required by Regulation S-K (2016) and an Exposure Draft: IFRS Practice Statement Application of Materiality to Financial Statements, published by the Board in October 2015. *(For more information, please contact: Victoria Krivogorsky, San Diego State University, USA: vkrivogo@mail.sdsu.edu)*

*Corporate Governance and Global Compact Membership: The Effect of Women on the Board and Independent Directors*

José Milton de Sousa-Filho, University of Fortaleza

Manuel Castelo Branco, University of Porto

Bryan W. Husted, Tecnológico de Monterrey

We examine the effect of women on the board and independent directors on membership in the United Nations Global Compact among European companies. In order to test our hypotheses, we build a sample of 495 firms from 12 European countries. Due to missing values, hypotheses were tested with a five-year panel for 2011 to 2015, totaling 2,475 observations. We tested our hypotheses with multilevel mixed-effects logistic regression model, considering that Global Compact membership is a dichotomic variable. We found that both women on the board and independent directors affect positively the adoption of Global Compact. These findings provide new insights into the relationship between corporate governance and Global Compact adoption by European companies. *(For more information, please contact: José Milton de Sousa-Filho, University of Fortaleza, Brazil: miltonsousa@gmail.com)*

*TMT Attention and MNE Foreign Entry Decisions*

Jing'an Tang, Sacred Heart University

Jianzu Wu, Lanzhou University

According to attention-based view in strategic management, attention allocation plays an important role in strategic decision-making, especially in the more complicated international context. Analyzing data from 116

manufacturing firms listed on the Chinese Stock Exchanges, we found that the attention allocation of Top Management Teams (TMT) mediates the relationship between TMT characteristics and their decisions on foreign entry mode. Specifically, a TMT having members with more international experiences or higher levels of education tends to pay more attention to the opportunities in the foreign market, and thus choose a full control entry mode. Meanwhile, a TMT comprising of more senior members or longer tenure members tends to pay less attention to the opportunities in the external environment, and thus take a shared control entry mode. *(For more information, please contact: Jing'an Tang, Sacred Heart University, USA: tangj3@sacredheart.edu)*

*Board Effectiveness in Chinese Fund Management Companies*

Jing Zhou, Southwestern University of Finance and Economics

On Kit Tam, RMIT University

Ping Yu, RMIT University

With a generally weak investor protection environment and no governance voice in the fund management companies (FMC) to which their investment is entrusted, fund investors in China are left with the internal governance mechanisms to safeguard their interest. The board of directors of FMC is the key internal governance mechanism for that purpose, and the FMC board is required under Chinese law since 2003 to place fund investors' interest (ahead of FMC shareholders) as top priority in discharging its responsibilities. At present there is scant assessment and research on this, and little is known about how such mechanisms work. Using a panel data of 288 firm-year observations covering more than 98% of FMC in China from the period between 2006 and 2010, this paper examines the corporate governance challenges confronting the fledging Chinese fund management industry by analysing how key governance settings affect the performance of the board of directors in protecting the interest of fund investors. The results show that board effectiveness can be enhanced if (1) a listed company is the controlling shareholder, and (2) a female CEO or board chairperson is in place. *(For more information, please contact: Jing Zhou, Southwestern University of Finance and Economics, China: zhouqingzheng19@163.com)*

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**Session: 2.3.13 - Interactive**

**Track: 6 - Human resource management**

***Advancing Global Talent Management***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Linzi J. Kemp, American University of Sharjah

*Talent Management during Strategic Renewal: Managing Self-Initiated Change Agents*

Kati Järvi, Hanken School of Economics

Violetta Khoreva, Hanken School of Economics

To contribute to the execution of strategy and to the competitive advantage of a firm, talent management can be used to identify key positions and talent. However, during strategic renewal or when the basis of a firm's competitive advantage is shifting, recognizing resources that can have a strategically disproportionate impact – such as key positions and talent – can become an even more daunting task. By studying a company undergoing strategic renewal, we revisit the existing conceptualization of talent management and its assumption of temporal order in which the identification of key positions precedes talent identification. Based on our findings, we re-conceptualize talent management to comprise the identification of key projects, the identification of talent among volunteers, the execution of key projects, and the creation of key positions. We put forward a redefinition of talent management, outline the activities and processes of talent management during strategic renewal, and elaborate on the role of talent as self-initiated change agents. By examining an understudied empirical context – a company undergoing major strategic renewal – our study responds to recent calls to

broaden the empirical scope of talent management research. (*For more information, please contact: Violetta Khoreva, Hanken School of Economics, Finland: violetta.khoreva@hanken.fi*)

*Organizational Agility in Global Talent Management: Conceptual Configurations and Consequences with Evidence from the Middle-East*

Leigh Anne Liu, Georgia State University  
 Yusuf Sidani, American University of Beirut  
 Akram Al Ariss, Toulouse Business School  
 Eddy Ng, Dalhousie University

Using qualitative interview data from forty-eight companies in six countries in the Middle-East, we inductively identify three characteristics of agility in global talent management. Specifically, agility organizations display flexibility, inclusiveness, and sustainability when navigating complexities involving global or localized contexts in managing diverse talents. Furthermore, we document in what ways agility in talent management is linked with how successful organizations: (1) respond to talent attraction and development for both foreign and local workforce, (2) interact with ownership and management structures, and 3) negotiate cultural tradition of wasta with professional management. The present paper enhances our understanding on how different characteristics of agility (or agile organizations) aid in the development of successful global talent management practices. (*For more information, please contact: Leigh Anne Liu, Georgia State University, USA: laliu@gsu.edu*)

*The Eastern Mentoring Relationships versus the Western: An Inductive Study*

Abby Jingzi Zhou, Xi'an Jiaotong-Liverpool University  
 Émilie Lapointe, University of Nottingham Ningbo China  
 Steven Shijin Zhou, Xi'an Jiaotong-Liverpool University

Following the pioneering work of Kram (1983; 1985), a wide array of research has tried to better understand the dynamics of mentoring relationships. Yet most research to date drew on Western theories and assumptions to quantitatively test mentoring-related hypotheses. Hence, the more indigenous aspects of mentoring relationships have been largely overlooked. Our study aims to fill this critical gap in the literature by using an inductive approach to examine mentoring relationships in the Chinese context. In-depth interviews were conducted among a sample of 15 mentors and mentees in the mainland China to explore their experience of the mentoring relationship. Findings suggest a need to reframe current theorizing on mentoring relationships by integrating it with the local context and culture. Implications for future mentoring research are discussed. (*For more information, please contact: Abby Jingzi Zhou, Xi'an Jiaotong-Liverpool University, China: jingzi.zhou@xjtlu.edu.cn*)

*Talent Management: Women's Career Choices in Arab Middle Eastern Context*

Liza Jane Howe-Walsh, University of Portsmouth  
 Sarah Turnbull, University of Portsmouth  
 Saleena Khan, Institute of Management Technology (IMT) Nagpur- Maharashtra  
 Vijay Edward Pereira, University of Wollongong Dubai

This study extends add to the limited body of research regarding the influences on women's career choices in the Arab Middle East. Through the lens of social cognitive career theory we explore the experiences that have influenced Emirati women's career choices. The paper identifies factors that inspire Emirati women to enter Science Technology Engineering and Mathematics (STEM) professions and Technology in particular. Considering the challenge faced by governments globally to address talent management and in particular the under-representation of women working in STEM fields the study has significant implications for Human Resource Management policy and practice initiatives. Drawing upon 21 one-to-one interviews with female Emiratis working in the Information Technology (IT) sector in the United Arab Emirates, our findings highlight the choice of career in technology as a profession is driven by familial influences and the desire to be considered a role

model to other women. Additionally the study identified government sponsorship and organisational reputation as key influences on Emirati women's career choices. *(For more information, please contact: Liza Jane Howe-Walsh, University of Portsmouth, United Kingdom: liza.howe-walsh@port.ac.uk)*

*The Role of Perceived Career Prospects and International Orientation in Determining Job Satisfaction of MNE Employees: A Moderated Mediation Model*

Kushal Sharma, SolBridge International School of Business  
Jean-Luc Cerdin, ESSEC Business School  
Yuan Liao, IESE Business School

We examine how MNE employees' perception regarding whether their organization considers them as talent or not affects their perceived career prospects in the organization as well as their job satisfaction. Specifically, we hypothesize that MNE employees' self-perception as talent relates to their perceived career prospects. We also predict that perceived career prospects mediate the relationship between talent perception and job satisfaction, and that this relationship is moderated by employees' cultural intelligence and internationalism career anchor. We find evidence of strong relationship between the direct effects we predict. However, contrary to expectations, cultural intelligence does not moderate the relationship between perceived career prospects and job satisfaction. We discuss the implications of such findings and suggest areas for future research. *(For more information, please contact: Kushal Sharma, SolBridge International School of Business, Korea, South: kushal.sharma@essec.edu)*

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**Session: 2.3.14 - Interactive**

**Track: 5 - Organization strategy and management**

***International Alliances: Antecedents and Effects***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Michael Witt, INSEAD

*Determinants and Different Colors of Trust in the Relationship between Developed-Developing Economy Partners: A Dyadic Perspective*

Zaheer Khan, University of Kent  
Yong Kyu Lew, Hankuk University of Foreign Studies  
Shaowei He, University of Northampton  
Pushyarag Puthusserry, University of Sussex

The role of social capital becomes pervasive when developed economy multinationals invest in developing economies due to the institutional/cultural differences known as liabilities of foreignness. This paper aims to unveil inter-organizational trust building between Japanese multinationals and their developing country partners in Pakistan. It explores the determinants of trust and how trust influences in the inter-organizational relationship. We take into account the dyadic views of the three key Japanese assemblers and fifty of their Pakistani-owned components local firms supplying components directly to the Japanese assemblers. The findings provide support for the importance of relational social capital in explaining inter-organizational relations and exchanges. It points out that from the Japanese assemblers' side promissory, competence, and goodwill related factors necessitate developing their trust on the suppliers. However, the local Pakistani suppliers' trust on the Japanese assemblers is largely dependent on promissory and competence related factors. The developed economy assemblers and developing economy suppliers differently weigh on relative values of social capital in the power- and knowledge-asymmetric inter-organizational relationship. In such relationship contexts, developing relational capital such as goodwill-based trust which has more relational attachment to the inter-organizational relationship is very difficult to develop. This research shows the importance of taking a dyadic

perspective on the investigation of trust-building between developed and developing economy partners. *(For more information, please contact: Zaheer Khan, University of Kent, United Kingdom: khan.zaheer@gmail.com)*

*The Influence of Country and Firm Networks on International Alliance Formation: Evidence from the Aircraft Manufacturing industry 1944-2000*

Joao Albino-Pimentel, University of South Carolina  
 Pierre Dussauge, HEC Paris  
 Louis Mulotte, Tilburg University

We examine how a firm's position in the network of industry ties and the position of its home country in the network of intergovernmental ties influence its make-or-buy decisions. We argue that firm centrality provides opportunities for collaboration while home country centrality reduces the value of collaboration. We also argue that the influence of firm and country centrality on a firm's decision to collaborate varies with the magnitude of the resources required to undertake new product development. We find support for our predictions in the aircraft industry during the 1944-2000 period. We contribute to the network and international alliances literatures. *(For more information, please contact: Joao Albino-Pimentel, University of South Carolina, USA: joao.albino-pimentel@moore.sc.edu)*

*Determinants of Early Movers in International Strategic Alliances: A Study of Technology-Intensive Indian Firms*

Mohammad Fuad, Indian Institute of Management, Lucknow  
 Amita Mital, Indian Institute of Management, Lucknow

Firms form strategic alliances to acquire complementary valuable resources of partners. Drawing upon the resource-based view the study examines the entry-timing of technology-intensive firms in emerging market in the formation of international strategic alliances. We study the determinants of early movers in alliance formation post liberalization of the Indian economy in technology intensive industries. Our findings suggest that firms which lack technological and financial resources move early to enter into alliances. Additionally, the degree of internationalization negatively impacts early alliance formation. Our findings support the view that lack of resources lead emerging market firms to enter into alliances with foreign partners earlier than their competitors during institutional changes. *(For more information, please contact: Mohammad Fuad, Indian Institute of Management, Lucknow, India: fuad10@gmail.com)*

*The Effect of the Subnational Environment on the Longevity of International Joint Ventures*

Maximilian Stallkamp, Ivey Business School  
 Andreas Schotter, Ivey Business School

We show that international joint ventures (IJVs) located in either very unfavourable or very favourable local contexts tend to survive longer than IJVs in intermediate environments. Drawing on two different streams of research on IJV longevity, we argue that challenging environments can promote IJV stability by creating a more permanent dependence of the foreign MNE on the local partner. We hypothesize a curvilinear (inverted U-shaped) relationship between a location's openness to foreign business and the termination hazard faced by IJVs. Using city-level data from 94 Chinese municipalities, we leverage subnational differences in openness to foreign business to test our hypothesis in a single-host-country, single-home-country research design. *(For more information, please contact: Maximilian Stallkamp, Ivey Business School, Canada: mstallkamp@ivey.ca)*

*Interplay of Inter-Partner Diversity and Governance on the Performance of International Alliances*

Hiroshi Yasuda, Aoyama Gakuin University

This research analyses diversity between partners in strategic alliances from a number of different points of view, and attempts to understand how this diversity influences the performance of the alliances. The article

presents a model which comprehensively shows this influence on performance, and also the role of alliance governance in this relationship. Hypotheses are proposed reflecting this model, and they are empirically tested using the data collected from a survey of alliance managers. It was clarified that the diversity of capabilities and viewpoints has a positive influence on the alliance performance through promoting the creation of new knowledge, while the diversity of corporate culture and operating routines has a negative influence on the alliance performance through impeding the efficient management of alliances. This study also discussed the role of alliance governance in moderating the negative influence of diversity, and the moderating effects of relational governance were confirmed. In order to achieve good performance in alliances, it is necessary to design an appropriate relational governance structure which can make use of the diversity in capabilities and viewpoints that each partner brings to the project, while overcoming the difficulties entailed by the diversity of corporate culture and operating routines. *(For more information, please contact: Hiroshi Yasuda, Aoyama Gakuin University, Japan: yasuda@busi.aoyama.ac.jp)*

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**Session: 2.3.15 - Interactive**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

***International Business and Human Rights***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Elisa Giuliani, Università di Pisa

*A New Paradigm to Address Labour Issues in Global Supply Chains*

Sun Hye Lee, Warwick Business School

Kamel Mellahi, Warwick Business School

Michael Mol, Copenhagen Business School

Labour issues in global supply chains have been a thorny problem for focal firms as well as for suppliers. Studies have been attempting to explicate root causes and to provide solutions, focusing on the bilateral relationship between focal firms and suppliers: from arm's length to close collaboration. Yet, the constant outbreaks of such troubles suggest that there needs an epochal approach. This study reveals that focal firms have come to believe that suppliers have gained enough power in supply chains to undermine their initiatives and only collective actions can coerce them to act in accordance with ethical sourcing initiatives. The pendulum seems to be swinging back from the cooperation model to a more power based model driven by coercion and top-down control. In this paper, based on interviews with managers involved in setting up and managing inter-firm – third party organization (TPO) alliances, we examine the antecedents of this coercive model and their effectiveness in addressing labour issues in supply chains. *(For more information, please contact: Sun Hye Lee, Warwick Business School, United Kingdom: phd13sl@mail.wbs.ac.uk)*

*Human Rights Reporting of Developed and Emerging Market MNEs: An Exploratory Comparative Analysis*

Stefan Zagelmeyer, Alliance Manchester Business School

This paper presents an analytical framework which combines legitimacy theory, stakeholder theory, signalling theory and institutionalism to analyse the drivers of corporate human rights reporting, focusing on cross-country variation. Based on a content analysis of corporate reports of 240 randomly selected MNEs from eight countries, our paper shows that emerging MNEs are on a different developmental trajectory when compared to advanced MNEs, the latter scoring systematically higher in terms of the human rights reporting. We also observe cross-country variation in the use of different reporting channels of human right issues. These findings are discussed with reference to the analytical framework. *(For more information, please contact: Stefan Zagelmeyer, Alliance Manchester Business School, United Kingdom: stefan.zagelmeyer@manchester.ac.uk)*

*Building Peace in Myanmar - The Co-Evolution of MNEs and Emerging Economy Institutions*

Jan Hermes, University of Oulu  
Irene Lehto, University of Oulu

Peacebuilding, that is the creation of effective, accountable and inclusive institutions in conflict affected regions, is one of the UN's Sustainable Development Goals. It is no longer the sole responsibility of political actors but increasingly part of corporate activities, too. In conflict affected, emerging economy contexts MNEs have been recognized to play decisive roles in regards to steering the course of building peace. In order to understand how MNEs co-evolve with their turbulent host environment in order to support its stabilization we utilize institutional theory to analyze their interaction mechanisms. We draw on a sensemaking approach to investigate the perceived temporal and contextual, recursive influences of MNEs and institutions by 20 political actors involved in Myanmar/Burma's peacebuilding. Our findings point at (potentially) positive co-evolution mechanisms that originate from imported standards of responsible business reinforcing local normative institutions, and producing new cognitive and regulative institutions to support socially stabilizing business practices. We hence contribute to theoretical understanding of societally conducive and detrimental co-evolutionary processes between MNEs and institutions in a turbulent, emerging economy context and make suggestions for policy-makers with emphasis on guiding the involvement of MNEs as active peacebuilders. *(For more information, please contact: Jan Hermes, University of Oulu, Finland: jan.hermes@oulu.fi)*

*Voluntary Commitments to Supra-national Institutions: Who engages with Global Unions?*

Htwe Htwe Thein, Curtin University  
Klaus E. Meyer, China Europe International Business School  
Cheng Li, China Europe International Business School

In the shifting global institutional infrastructure for international business, supra-national institutions are emerging not only as a result of inter-governmental collaboration, but through voluntary commitments of multinational enterprises (MNEs) to the standards or processes established by third parties. We argue that the voluntary adoption of supra-national institutions is driven by domestic institutional and competitive pressures that MNEs experience in their home country. Testing these arguments on the worldwide population of MNEs that have signed agreements with a Global Union Federation (GUF), we find empirical support for the view that home country institutional pressures have a strong influence on who signs earlier rather than later. While informal pressures arising from the legitimacy of trade unions have positive effects of early commitment, restrictive formal employment law has an opposite effect. In contrast, we do not find evidence for industry or ownership type related influences. *(For more information, please contact: Htwe Htwe Thein, Curtin University, Australia: htwehtwe.thein@curtin.edu.au)*

*Do Internationalization, and Product Diversification affect Human Rights? A Worldwide Empirical Study*

Rakesh Sambharya, Rutgers University  
Irene Goll, University of Scranton

This study examines the relationships between market strategies (internationalization, product diversification) and non-market strategies (human rights) on the 335 largest global companies from 31 countries. Hypotheses generated from the institutional and stakeholder theoretical perspectives proposed a curvilinear relationship between market and non-market strategies. Data on the respect for human rights was collected from the Annual Reports of the MNE's parent company. The results of Generalized Least Square (GLS) regressions generally support the hypothesized relationships but there are significant differences between MNEs from Europe, North America, and Asia and rest of the world (ROW) for these relationships. *(For more information, please contact: Rakesh Sambharya, Rutgers University, USA: sambhary@camden.rutgers.edu)*



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**Session: 2.3.17 - Developmental Clinics**  
**Track: 8 - International business policy**

***The Internationalization Process and International Entrepreneurship Clinic C***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Rebecca Reuber, University of Toronto

***The Impact of International Orientation and Export Commitment on Export Performance of Emerging SMEs***

Marcelo André Machado, Universidade do Vale do Rio dos Sinos - UNISINOS

Walter Meucci Nique, UFRGS

From a slow and gradual process, the internationalization that small and medium firms (SME) faced, in the last years, has acceleration its pace. For many authors, the internationalization of SME is transformed by a new competitive context in which there is a compression of time and space. However, many studies indicate that the faster internationalization of SMEs may be related to more committed and experienced executives in international activities. The international orientation of SME managers seems to represent a basic condition for the entry of these firms into international activities and the superior performance in these markets. Other studies indicate that the export performance of SMEs would be influenced by the commitment of organizational resources of the export activity. Therefore, based on a survey of 540 Brazilian exporting SMEs, this paper aimed to evaluate the role of international orientation and export commitment in the export performance of Brazilian SMEs. The results indicate that international orientation does not directly impact international performance but suggests an influence on the commitment to the export activity of SMEs. However, the exporting commitment of the companies surveyed has an influence on the performance of the SMEs surveyed. *(For more information, please contact: Marcelo André Machado, Universidade do Vale do Rio dos Sinos - UNISINOS, Brazil: mmachado@unisinos.br)*

***Success Factors of Female Entrepreneurs Exporting in a Lower Emerging Economy***

Gloria Sraha, All Nations University College

Limited literature is known about the operations of female exporters which prevents theory development and policy direction in gender issues in emerging economies. This study examines the international performance of Ghanaian female entrepreneurs who are extensively involved in exporting value added products to gain competitive advantage in their operations. This study applied a qualitative research approach. Six interviews were conducted with female entrepreneurs of small and medium sized enterprises to investigate the success factors of their export operations. The study found that living or working abroad is not associated with international performance as the entrepreneurs did not live or work abroad prior to exporting. Experiential knowledge acquired through exporting enabled high allocation of resources and commitment to export activities. Product and price was the most adapted export marketing strategies in foreign markets. The study concludes that applying the right export marketing strategy coupled with the right capabilities and resources empower SMEs to achieve high international performance. This research contributes to the entrepreneurship literature focused on gender studies in emerging economies in Africa. *(For more information, please contact: Gloria Sraha, All Nations University College, Ghana: sraha.gloria@gmail.com)*

*Migration, Culture and Home-Country Entrepreneurship*

Dekuwmini Mornah, Virginia Military Institute  
 Michael Morris, University of Florida  
 Raymond MacDermott, Virginia Military Institute

In this paper, we review the literature and examine the potential effects of out-migration on home-country entrepreneurship, taking into account the differential effects of host and home countries' entrepreneurial orientations and cultures. We adopt a resource-based theory and conjecture that all things being equal, out-migration affects home-country entrepreneurship through the activities of return migrants, remittances, and knowledge transfers. However, we recognize that the true effects of out-migration are enhanced or moderated by differences in entrepreneurial cultures of the host and home countries as well as the entrepreneurial orientation of the migrant. *(For more information, please contact: Dekuwmini Mornah, Virginia Military Institute, USA: mornahd@vmi.edu)*

*CEO Compensation and the Internationalization Strategy of IPO Firms: A Tale of Two Theories*

Orhun Guldiken, Manhattan College  
 Asligul Erkan, Buena Vista University  
 Mirko Benischke, Erasmus University

This study relies on agency and behavioral agency theories to investigate how CEO compensation in the form of stock options and performance-contingent-bonus influences the internationalization strategy of initial public offering (IPO) firms. We argue that IPO firms led by CEOs whose compensation includes high levels of stock option and performance-contingent-bonus grant are more likely to pursue the riskier strategy of internationalization. Data from a random sample of 187 firms that have completed an IPO between 2005 and 2010 generally provide support for this argument. At a broad level, the current study makes a theoretical contribution to the literature by showing that classical agency theory – as opposed to behavioral agency theory – is at play in the context of IPO firms' CEO compensation decisions. On a more specific level, this study directly responds to call made in the recent literature to investigate why certain IPO firms pursue an internationalization strategy whereas others do not. *(For more information, please contact: Orhun Guldiken, Manhattan College, USA: oguldiken01@manhattan.edu)*

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*Innovation and Knowledge Management Clinic B*

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Grazia Santangelo, University of Catania

*Industry Structure, Institutional Environments and International Knowledge Sourcing*

Se Ho Cho, Rutgers University

What conditions and circumstances influence firms' knowledge sourcing, especially their sourcing of internationally dispersed knowledge? In this paper, I investigate the effect of industry structure and institutional environments on firms' international knowledge sourcing. First, I suggest that foreign participation in the home country become a channel for recognition of foreign developed technology. I also argue that industry concentration as a competitive environment at home can positively affect firms' international knowledge sourcing. Next, I develop theoretical propositions that how the changes in institutional environments and institutional distance influence international knowledge sourcing behavior of firms. I propose that a country's openness can positively influence firms' international knowledge sourcing through international connectedness. In addition, the relationship between institutional distance and knowledge sourcing is explored by applying the concept of the liability of foreignness. The issues illustrated in this research provide practical ideas and guidelines of international knowledge sourcing as a policy agenda to other countries. Governments can find this

helpful in designing a policy agenda for their firms' international knowledge sourcing. *(For more information, please contact: Se Ho Cho, Rutgers University, USA: shcho1981@gmail.com)*

*Are External and Internal R&D Complementary or Substitute for the Product Innovation of International Joint Ventures in China?*

Luqun Xie, The Hong Kong University of Science and Technology  
 JT Li, Hong Kong University of Science and Technology  
 Jun Xia, University of Texas at Dallas

The product innovation of international joint ventures (IJVs) is often seen as an outcome of the combinative capability to synergize and apply different knowledge components from both foreign and local partners. In the era of open innovation, it becomes more common for the IJVs to conduct the internal (in-house) R&D and external R&D beyond the firm boundaries simultaneously. Such external R&D includes contracting or joint R&D programs with the local business partners and research universities or institutes. In this study, we argue that in an emerging market like China, due to the market ambiguity and cultural barriers, there exists a substitute effect between external and internal R&D for product innovation of IJVs. However, a high combinative capability of IJV will mitigate the substitute effect such as the local partner diversity of IJVs is high and the foreign partners of IJVs are from Hong Kong, Macau and Taiwan (HMT). On the contrary, the local market uncertainty will strengthen the substitute effect. We find support for these hypotheses with a unique dataset of IJVs in China from 2002 to 2006. Discussions will be provided. *(For more information, please contact: Luqun Xie, The Hong Kong University of Science and Technology, Hong Kong, SAR-PRC: lxieac@connect.ust.hk)*

*Modern Caravanserai on the New Silk Road: Co-Evolution of Dubai and International Business*

W. Travis Selmier II, Indiana University

The New Silk Road Initiative has been conceived, or re-conceived, as networks of land and sea links with state-of-the-art logistic centers. Financial networks and the air transportation enabling these networks to thrive require hubs where all three networks intersect. Where they intersect we see hub airports. Dubai- in conjunction with her sister UAE states- is uniquely placed to combine logistics, finance, communication and flights to become the key integrated financial and transportation hub on the emerging Silk Route. Innovation in finance, including establishment of a global Islamic hub, further enhances Dubai's competitive position. Symbiotic co-evolution of international business and Dubai is predicted to lead to a new form of caravanserai which enables MNE managers to rest, to exchange information, and to transact. *(For more information, please contact: W. Travis Selmier II, Indiana University, USA: wselmier@indiana.edu)*

*Multinational Enterprises' Spillover Effects on Sustainable Development of Host Markets: A Comparative Case Study in China*

Mengmeng Shan, Shanghai University  
 Jianxin You, Tongji University  
 Huchen Liu, Shanghai University

Multinational enterprises (MNEs) produce essential environmental as well as economic contributions to the host countries. Basing on theories of corporate social responsibility (CSR) and spillover effects, this paper aims to explore the important roles played by MNEs in the pursuit of sustainable development of host countries. In this paper, a triangle-dimensional framework of spillover mechanism of MNEs' sustainable strategies is presented. We also investigate the factors impacting the communication process of spillover effects of MNEs' sustainable strategies. Finally, this paper reports a comparative case study of two MNEs in China to demonstrate the proposed framework. *(For more information, please contact: Mengmeng Shan, Shanghai University, China: tosmm1988@163.com)*

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**International Business Policy Clinic B**

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Miguel Torres, University of Leeds

*Conceptual Analysis: Middle East Historical Overview of Maternal and Child Health Policy, 1789-2016*  
Immanuel Azaad Moonesar, Mohammed Bin Rashid School of Government

In the 19th century, the Eastern Mediterranean Region countries (commonly known as the Middle East) and cities such as Cairo, Istanbul, Levant, Bahrain, Kingdom of Saudi Arabia and Oman all embraced public health as an initiative to improve the health status of the citizens. However, research studies have shown that as the improvement of public health policy and practices were evident as they moved towards the adoption of international measures that occurred during the 20th century. One of EMR main challenges during the 20th century era was the cultural and traditional conservatism barrier with regards to the role of women working in the public service; therefore, impacting the nursing and midwifery practices and policy-making processes. Moreover, lately policy recommendations have been on a topic of debate in the Middle East where has been evidence of very little adoption of the policy recommendations through Millennium Development Goals 4 and 5 goals. This conceptual analysis paper highlights the need for more cross collaboration between governments and ministries within the Middle East context for improving and promoting sustainable development within the arena of maternal and child health including quality of life, lowering mortality rates and monitoring the life expectancy rates. *(For more information, please contact: Immanuel Azaad Moonesar, Mohammed Bin Rashid School of Government, United Arab Emirates: immanuel.moonesar@mbrsg.ac.ae)*

*Submitted: Sanction Regime: Revolutionary Iran, a Country Under Sanctions in an Age of Globalization*  
Masoud Kavooosi, Howard University

After two years of intense negotiation between Iran and the P5+1 countries (US, Russia, China, France, UK + Germany) over Iran's nuclear program, a deal was struck resulting in the relaxation and removal of sanctions imposed on the country. Before the agreement-formally titled the Joint Comprehensive Plan of Action (JOPA) – was reached, economic sanctions had been the west's weapon of choice against an Iran that they viewed as too close to a nuclear weapon. The objective of this study is to analyze the effectiveness of economic sanctions on a key Middle Eastern power in possession of significant reserves of strategic critical raw materials. This research focuses on the viability of sanctions as a policy instrument in an increasingly globalized economy. It is further to investigate the limits of trade and investment restrictions on an entrenched and revolutionary economy in an age of globalization. *(For more information, please contact: Masoud Kavooosi, Howard University, USA: mkavooosi@howard.edu)*

*Mukhtar: A Solution for I-Government in a Developing Country*  
Rania Fakhoury, Lebanese University / UNDP  
Bilal Chebaro, Lebanese University

E-government is undergoing a dramatic change, especially in developed countries, but also in many parts of the developing world. Advancement in technology and pluralization of citizen friendly e-service provision are the driving forces behind these changes. This paper argues that e-government in developing countries need to embrace these changes selectively and draw on a range of e-government models that are appropriate to different contexts while putting the needs and interests of citizens at the heart of reform efforts. The paper explores the limitations of hierarchy and rigidity associated with the traditional e-government approach and the problems of disintermediation associated to this perspective. In order to tap on the resources of the e-government and maximize the relationship with the citizens and its impacts, this study is building on a structuralized concept "I-government" as a complementarity to e-government that offers a better solution of

citizens that shall extend the coverage to non-users of e-services. I-government serves intelligently all citizens with services adapted to their characteristics, needs and wants. It is the implementation of all the necessary tools (ICT or non-ICT) to reach efficient and transparent public services. One of the tools is the disintermediation that are mainly based on reducing the cost of services transactions. Thus, the contribution of this paper is to create a framework of the role of human intermediary which aim to reduce the gap between i-government readiness and citizen's ability to use the e-services. The paper examines the case of Mukhtar's laws and regulations in a developing country and how they can shape the public sector reform agenda highlighting the factors that might impact these reforms if implemented efficiently. *(For more information, please contact: Rania Fakhoury, Lebanese University / UNDP, Lebanon: raniamag@gmail.com)*

*Women's Disempowerment and the Market for Skin Whitening Products: Experimental Evidence from India*

Arzi Adbi, INSEAD

Chirantan Chatterjee, Indian School of Business

Zoe Kinias, INSEAD

Jasjit Singh, INSEAD

Free market advocates consider consumer choice unambiguously welfare-enhancing, but critics argue that availability of certain products can be detrimental for society. Contributing to this debate, we study the case of controversial skin whitening products sold widely by both multinational and domestic firms in emerging markets. Although positioned as empowering female consumers by providing more choice, these products have been scrutinized for perpetuating women's disempowerment by reinforcing sociocultural biases. To test these claims, we experimentally examine a possible relationship between women's disempowerment and preference for skin whitening products in India, and find some evidence of a positive relationship. Participants primed temporarily to feel more disempowered show greater preference for the stronger (and medically risky) products, but not for the milder ones. Implications from our findings for corporate social responsibility and policy are discussed. *(For more information, please contact: Arzi Adbi, INSEAD, Singapore: arzi.adbi@insead.edu)*

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***Host Track: Managing Turbulence and Ambiguity Clinic***

**Presented On:** July 4, 2017 - 13:00-14:15

Chair: Helena Bernard, GIBS, University of Pretoria

*Modularity and Firm Performance: The Moderating Role of Technology Turbulence and Strategic Flexibility*

Jaykumar Padmanabhan, Indian Institute of Management, Bangalore

Modularity, turbulence and flexibility have been a subject of interest, particularly in high tech markets where tasks are partitioned and sourcing done optimally from the best possible supplier across the globe. In this paper, we study the relationship between these variables and the performance of firms. Our findings from survey data of 144 firms in the semiconductor industry show that performance of firms in a modular industry decreases with increase in modularization in the short term. But the long-term performance of firms has an inverted U-shaped relationship with modularization. We also find that the strategic flexibility and technology turbulence moderate the relationship. *(For more information, please contact: Jaykumar Padmanabhan, Indian Institute of Management, Bangalore, India: jaykumar.padmanabhan@iimb.ernet.in)*

*The Nuclear Strategy Tripod: How Toshiba Coped with 3/11*

Camilla Nellemann, Copenhagen Business School

In March 2011 the global nuclear industry was struck by the Fukushima accident which immediately and greatly affected the global business environment for nuclear power. I analyze how Toshiba strategically adapted to the

changing circumstances from the perspectives of the strategy tripod. However, I define industry-specific variables based on my literature review of nuclear research in order to operationalize the framework. At the industry level, I identify cooperative behavior as the most important variable, while the critical resources and capabilities are vertical integration, technology and market-political ambidexterity. The public opinion, energy policy, industrial policy and security policy are essential institution-level variables, yet the public opinion variable is weaker compared to the other variables. My analysis of Toshiba utilizes a variety of textual data, ethnography in Fukushima, semi-structured interviews and a survey. The main conclusion is that the company was able to maintain its strategy for nuclear power because the long-term effect of 3/11 on the business environment in Toshiba's main markets is manageable. My research contributes to the debate in International Business (IB) about the relative impact of institutions on global strategy. *(For more information, please contact: Camilla Nellemann, Copenhagen Business School, Denmark: cn.eco@cbs.dk)*

*The Multinational Enterprise Faced By a Heightened Legitimacy Crisis: To Fight, Flee or Pretend?*

Habiba Nefisa Alambo, Louisiana State University

I examine the impact of organizational contingencies on the response strategies employed by multinational enterprises (MNEs) in heightened legitimacy crises. I extend the agreed upon notion within MNE research that MNEs respond to institutional pressures by negotiating for legitimacy by highlighting alternative responses for MNEs that are faced by extreme situations. I argue that in times of a heightened legitimacy crisis, in which institutional pressures threaten the MNE's core logic, negotiation for legitimacy may be less applicable due to the extremity of the situation. In such situations, the MNE may have to give greater attention to either securing its core logics or maintaining its legitimacy. The MNE may have to look past negotiation and consider the relationship it has with the respective institutional environments of interest i.e. organizational contingencies such as the MNE's degree of embeddedness, size and salience and institutional distance and foreignness. I present a conceptual model based on propositions that specify how organizational contingencies impact the MNE's management of its legitimacy by way of engaging in withdrawal, decoupling and issue selling. This model seeks to promote an understanding of MNE reactions to unique and extreme institutional complexities. *(For more information, please contact: Habiba Nefisa Alambo, Louisiana State University, USA: halamb1@lsu.edu)*

*Environmental Turbulence and New Venture Performance: Entrepreneurship among Young Professionals in Times of Economic Crisis*

John Dencker, Northeastern University

Marc Gruber, École Polytechnique Fédérale de Lausanne

Argyro Nikiforou, École Polytechnique Fédérale de Lausanne

Due to the recent economic crisis, unemployment in many countries has increased considerably, with many highly educated individuals seeking to emigrate. In order to counter this brain drain, governments have sought to encourage skilled professionals to become entrepreneurs. Because young professionals are key drivers of growth in firms, a critical societal issue is therefore whether these individuals can create successful new ventures. Answering this question is also important conceptually, as it requires scholars to advance theory on the interplay between human capital and the characteristics of the opportunity. We seek to do so by developing a framework to explore how young professionals' education and experience interact with the innovativeness of the opportunity to influence start-up performance. Analyses of data obtained from 379 young professionals in Greece, combined with secondary data on opportunities, reveal that start-up performance is increasing as opportunity innovativeness increases—in contrast to our predictions. Yet, consistent with our framework, the innovativeness-performance link is contingent on founder human capital, albeit in complex ways: although education enhances start-up performance as innovativeness increases, experience can be a "double-edge sword" in innovative and non-innovative settings, and can diminish returns to education in the pursuit of innovative opportunities. *(For more information, please contact: John Dencker, Northeastern University, USA: j.dencker@northeastern.edu)*

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**Session: 2.4.1 - Panel****Track: 8 - International business policy*****International Business Policy in A New Global Reality*****Presented On:** July 4, 2017 - 14:30-15:45

Chair: Ari van Assche, HEC Montreal

*Panelists:*

Ari van Assche, HEC Montreal  
Bernard Hoekman, European University Institute  
Simon Evenett, Universität St. Gallen  
Jeremy Clegg, University of Leeds

The world is riding a wave of nationalism, and it is starting to shape the international business policy environment. From America to Europe to Asia, politicians of the sort of Donald Trump, Nigel Farage and Xi Jinping base their appeal on the idea that they are standing up for their own countries. They want to make their countries great again by building walls and stepping away from multilateral cooperation. Trump, for example, has signaled his distaste of NAFTA and TPP, while a majority of Britons have rejected the greatest unification project in world history, the European Union. In this panel, we bring together leading experts in the fields of trade policy and international business to reflect on the implications of these recent macro-level events on international business policy. *(For more information, please contact: Ari van Assche, HEC Montreal, Canada: ari.van-assche@hec.ca)*

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**Session: 2.4.2 - Panel*****Writing Better Theory in IB*****Presented On:** July 4, 2017 - 14:30-15:45

Chairs: Stephanie Wang, Indiana University and Dan Li, Indiana University

*Panelists:*

Tailan Chi, University of Kansas  
Alvaro Cuervo-Cazurra, Northeastern University  
Igor Filatotchev, City University London  
Rebecca Reuber, University of Toronto

Writing good theory is the key to career success in our profession. However, less agreement exists about definitions of "theory," and even less agreement exists regarding the meaning of a "theoretical contribution." The purpose of this inaugural panel on "writing better theory" in AIB is to present the audience with the successful experiences and valuable insights on writing good theory in international business, by six prominent scholars and editors (Professors Julian Birkinshaw, Tailan Chi, Alvaro Cuervo-Cazurra, Igor Filatotchev, Marjorie A. Lyles, and Rebecca Reuber). This panel also offers the opportunity to interact with these scholars to possibly revolve participants' individual challenges in developing and publishing their research. This 75-minute session will be interactive. *(For more information, please contact: Stephanie Wang, Indiana University, USA: slwang@indiana.edu)*

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**Session: 2.4.3 - Panel****Track: 1 - Internationalization process and entrepreneurship*****International Service Research: Taking Stock and Looking Forward*****Presented On:** July 4, 2017 - 14:30-15:45

Chair: Kristin Brandl, University of Reading

*Panelists:*

Pawan S. Budhwar, Aston University  
Hemant Merchant, University of South Florida St. Petersburg  
Michael Mol, Copenhagen Business School  
Elizabeth L. Rose, University of Otago  
Patrik Strom, University of Gothenburg

Services increasingly dominate the international business environment. Concomitantly, there has been an increase, albeit a slow one, of research on service trade, service industries, service firms, service activities, and service workers in an international business context. A variety of academic approaches, such as economic geography, internationalization theory, operations and supply chain management, strategic management, and human resource management study this phenomenon through many perspectives, theories and methods. However, despite this growing interest researchers are still challenged by the intricate nature of services, which is magnified in the complex international business environment and puts into question the applicability of traditional IB theories. Moreover, the fragmented, disciplinary views of international services produce a limited and narrow perspective on the topic. Thus, the objective of this panel is to connect service researchers from different IB domains and facilitate a debate on their applied lenses, theories, and methods. This should serve as the beginning of an integration of international service knowledge across domains, with the ultimate aim of better understanding services in the international business environment. *(For more information, please contact: Kristin Brandl, University of Reading, United Kingdom: k.brandl@henley.ac.uk)*

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**Session: 2.4.4 - Panel*****Experiences and Lessons from Chinese Multinational Enterprises' Internationalization (IACMR-AIB Collaborated Symposium)*****Presented On:** July 4, 2017 - 14:30-15:45

Chair: Zhi-Xue Zhang, Peking University

Discussant: JT Li, Hong Kong University of Science and Technology

*Panelists:*

Wenbo Xiang, Sany Heavy Industry Co.  
Changqi Wu, Qingdao Haier Co., Ltd and Peking University  
Tony Fang, Stockholm University

After having solid positions in the domestic market, some Chinese companies began to venture into global markets. Some Chinese companies have successfully harvested substantial shares in global markets, becoming multinational enterprises (MNEs). This panel intends to understand how these newly emerged MNEs from China operate in global markets, and the experiences and lessons they have learned during internationalization. This panel will invite three speakers to share their insights. Changqi Wu will discuss the motivations, behaviors and implications of Haier Groups, showing the ways and the channels that internationalization of Chinese



multinationals can bring in to sustainable development to both the home and host countries. Wenbo Xiang, the CEO of Sany Heavy Industry will share Sany's acquisition of Putzmeister and the operation and performance after the acquisition, and he will also discuss Sany's experiences in investing emerging markets and lessons learned from venturing into the US market. Tony Fang will discuss how and why Volvo Cars has been able to continuously progress and probably even more innovatively under Chinese ownership. Based on their longitudinal research on various divisions of Volvo Cars in China, Sweden and elsewhere, Tony Fang will share their observations behind Volvo Cars' success story. *(For more information, please contact: Zhi-Xue Zhang, Peking University, China: zxzhang@gsm.pku.edu.cn)*

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**Session: 2.4.5 - Competitive**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

***FDI, GVCs and Their Economic Impacts***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Ram Mudambi, Temple University

*Multinational Enterprises, Structural Change and Resilience: The Case of the British Regions*

Simona Iammarino, London School of Economics

Andrea Ascani, London School of Economics

This paper presents a joint analysis of two paramount phenomena characterizing most advanced countries in recent decades: namely, the rise of foreign direct investment (FDI) and the pervasiveness of the service economy. The aim of the study is to examine the structural transformation of regional economic systems within the UK by focusing on the role played by inward FDI in facilitating economic change. Specifically, we analyse how the activities of foreign multinational enterprises (MNEs) operating in manufacturing industries favour the development of the service sector within a local economy. From the conceptual standpoint, this research brings together different strands of literature in an original way. These include works on the impact of FDI on local economies, studies on economic structural transformation and regional resilience as well as contributions on the identification of local multipliers. From an empirical standpoint, the article first considers a specific demand-side channel for structural transformation, namely the forward linkage generated by foreign manufacturing MNEs to the benefit of local service producers. We are able to test for the relevance of this transmission channel with our data and we find that outsourcing of services by foreign MNEs operating in the manufacturing sector is pervasive as compared to outsourcing by domestic manufacturing firms in UK. On this basic premise, this paper subsequently hypothesises that MNE activity in manufacturing can function as a 'catalyst' of regional structural change from manufacturing to services via outsourcing. Our main empirical analysis, therefore, focuses on the multiplicative effects that FDI in manufacturing has on the creation new service jobs in a region. In order to produce reliable estimates of such a local multiplier, our methodology in this second stage of analysis relies on the adoption of a shift-share instrumental variable approach. Our main data includes information on employment and plant ownership as reported in the Annual Census of Production Respondents Database (ARD), a business-level database collected by the UK Office of National Statistics (ONS). *(For more information, please contact: Simona Iammarino, London School of Economics, United Kingdom: s.iammarino@lse.ac.uk)*

*Performance Effects of Migrant Remittances: The Role of Institutional and Cultural Attributes*

Eleni Eleanna Nemesis Piteli, University of Sussex

Peter Buckley, University of Leeds

Mario Kafourous, University of Leeds

We extend IB research that has largely focused on FDI by examining how an under-theorized type of financial inflow (remittances) influences the economic performance of recipient countries. Our contribution lies in

theorizing and documenting the mechanisms through which the value-generating effects of remittances are influenced in different ways by the host country's institutional and cultural context. Our analysis of 49 countries complements research on FDI and helps us understand why some nations can use remittances to improve their economic performance (whereas others fail to do so) and the role that different institutional and cultural attributes play in determining such outcomes. *(For more information, please contact: Eleni Eleanna Nemesi Piteli, University of Sussex, United Kingdom: eenp20@sussex.ac.uk)*

*Income Inequality as a Driver of Entrepreneurial Activity: A Cross-National Fuzzy Set Analysis*  
Krista Lewellyn, University of Wyoming

The notion that economic rewards play a motivating role in entrepreneurial activity around the world has been put forth in both scholarly literature as well as the popular business press. Yet, the relationship has had limited theoretical and empirical exploration. In this study we examine the relationship between income inequality and entrepreneurial activity as one that is embedded in various configurations of formal and informal institutions. The theoretical framework is empirically validated using fuzzy set qualitative comparative analysis. The findings reveal that both productive and necessity entrepreneurial activity are related to both the presence and absence of income inequality but only in certain contexts that are characterized by distinct institutional complementarities. *(For more information, please contact: Krista Lewellyn, University of Wyoming, USA: klewelly@uwyo.edu)*

*Entrepreneurial Upgrading? Exploring the Interplay between Global Finance, Knowledge Flows, and Technology-Driven Venture Creation in Kenya*  
Eunkyung Park, Aalborg University  
Daniel S. Hain, Aalborg University  
Roman Jurowetzki, Aalborg University

In this paper, we propose a new form of upgrading that arises from global interaction, what we call entrepreneurial upgrading, to describe the local development in terms of tech-based venture creation in Nairobi, Kenya. We observe a recent phenomenon, where a growing number of local entrepreneurs receive overseas funding by established western venture capitalists. The possibility for local development through global connection resembles what is often discussed as "industrial upgrading" in the global value chain (GVC) literature, but we also find that a number of aspects of new firm creation in Nairobi differ from typical cases of industrial upgrading. As this phenomenon involves international early-stage equity investors, we draw on the literature on international venture capital (VC) investments and their impact on regional and national development to complement unexplained mechanisms behind this form of upgrading. After presenting the cases of new tech-based ventures that are funded by international venture capitalists, we extract some general findings from the cases and propose entrepreneurial upgrading as an extension of upgrading typology used in GVC literature. *(For more information, please contact: Eunkyung Park, Aalborg University, Denmark: eunkyung@business.aau.dk)*

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**Session: 2.4.6 - Competitive**

**Track: 7 - Corporate governance and financial management**

***Chiefs and CEOs in a Global World***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: John Dencker, Northeastern University

*Is a Powerful CEO "Powerful" Enough to Turn Around a Company?*

Chengli Tien, National Taiwan Normal University

Chin-Jung Luan, National Dong Hwa University

This article investigates whether CEO duality can successfully turn around firms with declining performance. Data were collected from the Taiwan Stock Exchange and Taiwan Economic Journal for sampled firms in the electronics industry in Taiwan from 1996 to 2012. The results show that CEO duality is not suitable for declining firms to turn their deteriorating performance around. We also find that CEO education mitigates the negative impact of CEO duality on firm turnaround. The higher the CEO's educational level, the lower the correlation between CEO duality and firm's turnaround performance. This article furthers the debate over theoretical perspectives on agency, stewardship and investment in human capital to fill knowledge and theoretical gaps; in addition, the evidence-based findings offer boards of directors practical knowledge to implement when developing a turnaround strategy insofar as these findings provide another avenue for future research on CEO duality. *(For more information, please contact: Chengli Tien, National Taiwan Normal University, Taiwan: cctien@ntnu.edu.tw)*

*Foreign Ownership and Female Representation on Corporate Boards in Emerging Markets*

Mariano L.M. Heyden, Monash Business School

Nikolaos Kavadis, University Carlos III Madrid

Jana Oehmichen, Georg-August University Goettingen

Abdullah Al Mamun, University of Newcastle

In this study we examine the influence of foreign institutional investors on female representation on corporate boards of directors in emerging markets. We adopt an institutional theory lens to understand the tensions between two drivers of female (under)representation in the boardroom: Local institutional context and foreign institutional investors. We then build the argument that country-of-origin features of institutional investors matter for explaining their inclinations to pursue female representation on corporate boards in emerging markets. We develop and test hypotheses on a large longitudinal sample of firms from six emerging markets in Asia for the 2007-2011 period. Our findings suggest that (1) the greater a host country's gender inequality, the lower the female director representation on corporate boards; (2) institutional investors originating from countries with lower gender inequality, will help alleviate gender inequality in the boardroom of firms located in countries with higher gender inequality; (3) institutional investors from countries with higher gender inequality, will accentuate gender inequality in the boardroom of firms located in countries with high gender inequality. We discuss implications and avenues for future research. *(For more information, please contact: Mariano L.M. Heyden, Monash Business School, Australia: pitosh.heyden@monash.edu.au)*

*Chief Marketing Officers and Firm Performance: A Multinational Perspective on the Value Relevance of the Chief Marketer*

Atanas Nik Nikolov, Washington State University  
 Mihail Miletkov, University of New Hampshire  
 Plamen Peev, Towson University

The current research examines the effect of the marketing function of the firm, operationalized as the presence of a marketing executive position, on the firm's return on assets. The global data set of publicly traded companies is broken down by continent in order to identify cross-regional differences. Results suggest that the mechanism through which the effect takes place varies across world regions. While the presence of a chief marketing officer (CMO) in the top management team of public firms is directly and positively related to firm performance in Latin America and the U.S., a more indirect pattern of influence emerges in Europe and Asia, whereby the effect of CMO presence on firm performance manifests itself through an interaction with the complexity of the firm's operating environment – specifically, the more market segments a company competes in, the more likely it is that the CMO would add value to the firm's bottom line. *(For more information, please contact: Atanas Nik Nikolov, Washington State University, USA: n.nikolov@wsu.edu)*

*What Explains the CEO-Worker Pay Ratios? Evidence on the Effects of Culture and Equity around the World*

Ming Ju, Temple University  
 Steven Balsam, Temple University  
 Jongmoo Jay Choi, Temple University

The CEO compensation relative to average worker underscores popular apprehension related to equity vs. efficiency. Using firm-level data from 44 countries for 2002-2015, we show that the CEO-average worker pay ratio in the same firm is associated with national characteristics such as culture and societal equity orientation. Specifically, we find that the CEO-worker pay ratio is positively associated with power distance and masculinity of the national culture and negatively with uncertainty avoidance and long-term orientation. The pay ratio also reflects societal equity orientation measured by income and wealth distribution proxies. The results are robust for firm-level effects reported in domestic studies. The adjusted R-squared of the combined model of country and firm-level variables is higher than that of the domestic model with firm variables alone. This study documents the importance of national culture and equity orientation as determinants of the CEO-worker pay ratios globally. *(For more information, please contact: Ming Ju, Temple University, USA: ming.ju@temple.edu)*

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**Session: 2.4.7 - Panel**  
**Track: 9 - Teaching IB**

*Challenges and Opportunities in Teaching Emirati Students in the Country with 200+ Cultures*

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Nikola Perovic, Higher Colleges of Technology (Dubai Women's College)

*Panelists:*

Nikola Perovic, Higher Colleges of Technology (Dubai Women's College)  
 Dinesh Kumarajeeva, Higher Colleges of Technology (Dubai Women's College)  
 Mary Precy Lego, RMIT University and Higher Colleges of Technology (Dubai Women's College)

The United Arab Emirates and especially, Dubai, is a dichotomy of aspirations of being an epicenter of international business and globalization, countered with insular cultural proclivities. The phenomenon is vividly evident in the country's demographics—a country population of 9.5 million of which 88.5 % are expatriates.

The only way to make sense of enduring sustainability of this potent milieu is to put the UAE, especially the "Dubai Experiment", in an international business context. It is in this context that the pedagogical excellence and related challenges have to be studied in teaching and learning of "International Business" course work in undergraduate and graduate school space in the UAE. (For more information, please contact: Nikola Perovic, Higher Colleges of Technology (Dubai Women's College), United Arab Emirates: nperovic@hct.ac.ae)

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**Session: 2.4.8 - Competitive**

**Track: 3 - Marketing and consumer research**

***Ethnocentrism, Xenocentrism and Cultural Orientations of Consumers***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Subrata Chakrabarty, University of Texas - El Paso

*Cultural Orientation and Ethnic Orientation as Triggers of Impulse Buying Behavior in Multi-Ethnic Markets*

Enrique P. Becerra, Texas State University

Vishag Badrinarayanan, Texas State University

This study explores the relationships between and substitutability of cultural orientation and ethnic orientation as predictors of behaviors in mature, multi-ethnic markets. Given that prior research indicates that impulse buying behavior is influenced by cultural orientation and ethnic orientation, it was chosen as the context for this study and the proposed hypotheses were tested using data collected from the four largest ethnic groups in the U.S. Results show that impulse buying tendency influences impulse buying behavior and that a collectivist cultural orientation exerts a negative influence on impulse buying behavior. Two measures of ethnic orientation – ethnic attachment and ethnic identity – were evaluated as substitutes for cultural orientation. The former correlates with cultural orientation and exerts a negative effect on impulse buying behavior whereas the latter does neither. Overall, the results support that ethnic attachment can be used as a proxy for cultural orientation. However, other measures of ethnic orientation – such as ethnic identity – are not substitutable with cultural orientation. Ethnic orientation measures can help, coupled with cultural orientation, to segment and reach ethnic groups based on behavior, ethnic attachment, or ethnic identity. Based on the findings, implications are offered for theory and practice. (For more information, please contact: Vishag Badrinarayanan, Texas State University, USA: vb16@txstate.edu)

*What is Xenocentrism? A Scale Proposal (Xscale) for Measuring its Consumer and Social Dimensions*

José I. Rojas-Méndez, Carleton University

Sindy Chapa, Florida State University

The purpose of this study is to establish a conceptual framework of xenocentrism in the context of consumer behavior and subsequently to develop a scale assessing its dimensionality, reliability, and validity. A mixed methodology approached was used in this research during an 18-month period. The data for Study 1 was collected in Mexico (n=356) using a multi-stage research process. For validation purposes, the ethnocentrism and cosmopolitanism scales were compared and tested against xenocentrism. Study 2, for external validation purpose, was carried out in Colombia (n=318) and Ecuador (n=315). The findings demonstrated that xenocentrism has to do with individuals' positive attitudes towards foreign cultures and negative attitudes towards one's own culture in terms of consumer preferences and social behaviors. The proposed scale to measure xenocentrism (XSCALE) which includes two factors; consumer xenocentrism and social xenocentrism, shows high levels of reliability and validity. The development of XSCALE is groundbreaking research in consumer behavior and international business, and should be used to segment consumers and identify potential markets for business expansion at a global level. (For more information, please contact: José I. Rojas-Méndez, Carleton University, Canada: jose.rojas@carleton.ca)

*How Foreign Retailers can Reduce Negative Reactions by Local Consumers – An Investigation of Retailers' Activities and of Consumer Ethnocentrism*

Marta Keane, University of Fribourg  
Dirk Morschett, University of Fribourg

This study investigates whether localised corporate social responsibility activities and perceived brand localness influence consumers' willingness to buy from a foreign retailer, and whether these influences interact. It also investigates the moderating role of consumer ethnocentrism. Three experiments with a cumulated sample of 984 US respondents were conducted whereby the geographic focus of corporate social responsibility and/or the level of perceived brand localness were manipulated. Hierarchical multiple regression analysis was applied to test the hypotheses. The results indicate that both appeals positively impact consumers' willingness to buy from a foreign grocery retailer. These appeals also interact positively. Consumer ethnocentrism was found to significantly increase the effect of localised corporate social responsibility activities but not perceived brand localness. The findings provide retail marketers with practical implications regarding the importance of positioning of a retail brand as part of the domestic market. To attract consumers, particularly ethnocentric consumers, retail managers should localise corporate social responsibility activities. *(For more information, please contact: Dirk Morschett, University of Fribourg, Switzerland: dirk.morschett@unifr.ch)*

*Customer-based Corporate Reputation Perceptions: A Cross-national Comparison of National Culture Value Approaches*

Bernhard Swoboda, Trier University  
Cathrin Huber, Trier University  
Nadine Batton, Trier University

This study addresses the important but often neglected differences in national cultural value approaches in research on consumer behavior by comparing the roles of the four major approaches for perceived corporate reputation (CR) across nations: Hofstede, Schwartz, the GLOBE study, and Inglehart. A consumer survey focusing on a multinational corporation (MNC) was conducted in 29 countries to compare the roles of those societies' cultural value approaches as antecedents of consumers' CR perceptions using the still-novel multilevel structural equation modeling (SEM). Individual CR perceptions across nations are strongly attributed to national culture. Nevertheless, cultural value approaches provide a different explanation of the variance in CR perceptions (36.4%-77.3%). Specific cultural value dimensions within each approach show varying explanatory power and differ from those that are most important in the context of moderation models. Novel insights into the roles of cultural value approaches are provided for international marketing research. For MNCs aiming to use their CR to attract consumers in foreign countries, this study indicates that culture strongly cross-nationally affects consumers' CR perceptions and identifies the most important cultural value approach and particular dimensions. This study contributes to cultural research in marketing by deepening our understanding of various cultural approaches and their importance to MNCs. *(For more information, please contact: Bernhard Swoboda, Trier University, Germany: b.swoboda@uni-trier.de)*

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**Session: 2.4.9 - Competitive**  
**Track: 6 - Human resource management**

***Contextual Influences on MNE Employees' Adjustment and Ability to Contribute***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Snejina Michailova, University of Auckland

*Organizational Commitment and Voice Behaviors among Expatriates and Host Country Nationals: Evidence from China and Malaysia*

Émilie Lapointe, University of Nottingham Ningbo China  
Ben Whitter, University of Nottingham Ningbo China

In today's global economy, many organizations seek to increase their international activity and presence, which suggests that expatriates and host country nationals (HCNs) represent increasingly important human resources for organizations. As previous studies largely focused expatriates' adjustment rather than HCNs' experience, little is known about the relative standing of HCNs and expatriates in terms of attitudes and behaviors or about the associated implications. This study contribute to fill this gap by examining organizational commitment components (affective, normative, high sacrifices and few alternatives) and voice behaviors among expatriates and HCNs. Drawing on a sample of 266 HCNs and 198 expatriates from China and Malaysia, we hypothesize that HCNs will report higher levels of commitment than expatriates and that, on the opposite, expatriates will report higher levels of voice behaviors than HCNs. Moreover, we hypothesize that affective commitment will be positively related to voice behaviors among both expatriates and HCNs. High sacrifices commitment should be negatively related to voice behaviors among HCNs and few alternatives commitment negatively related to voice behaviors among expatriates. Results supported the hypotheses. Findings will be discussed in light of social exchange theory and side-bets theory and in light of their implications for international human resource management. *(For more information, please contact: Émilie Lapointe, University of Nottingham Ningbo China, China: emilie.lapointe@nottingham.edu.cn)*

*The Influence of Expatriates' Cultural Intelligence on Embeddedness and Knowledge Sharing: The Moderating Role of Host-Country Collectivism*

Sebastian Stoermer, University of Goettingen  
Samuel Edward Davies, University of Goettingen  
Fabian Jintae Froese, University of Goettingen

Drawing from social cognitive theory, we examine the relationship between expatriates' cultural intelligence, organizational embeddedness, and knowledge sharing in the workplace. Furthermore, we investigate the role of host country in-group collectivism as a country level boundary condition. We collected multi-wave data from 1327 expatriates residing in 30 countries – representing ten distinct cultural clusters. Results of multilevel path analysis show the positive effects of cultural intelligence on organizational embeddedness and a cross-level interaction between cultural intelligence and country level in-group collectivism. Accordingly, the positive relationship between cultural intelligence and organizational embeddedness is stronger in countries with high in-group collectivism. Further, cultural intelligence and organizational embeddedness exert positive main effects on knowledge sharing in the workplace. Results further suggest that organizational embeddedness functions as a mediator in the link between cultural intelligence and knowledge sharing in the workplace. We offer theoretical and practical implications derived from the study's findings. *(For more information, please contact: Sebastian Stoermer, University of Goettingen, Germany: sebastian.stoermer@wiwi.uni-goettingen.de)*

*With or Without You: Influence of Partner Location on Expatriate Adjustment and Absenteeism*  
 Rotumba Arachchige Ishanka Chathurani Karunaratne, Georg-August-Universität Göttingen  
 Fabian Jintae Froese, University of Goettingen

A growing number of expatriates go abroad but leave their family behind. Drawing from social support theory, this study investigates the influence of partner location (living abroad together versus living apart) on expatriate cross-cultural adjustment and absenteeism, and the moderating effects of perceived organizational support (POS) and communication frequency among partners. Results of a multi-wave, dyadic survey of 148 expatriates and their partners show that unaccompanied expatriates have lower work and general adjustment and higher absenteeism. Furthermore, the negative effect on work adjustment was buffered by POS and the negative effect on general adjustment was buffered by more frequent communication among partners. Theoretical and practical implications are provided. *(For more information, please contact: Rotumba Arachchige Ishanka Chathurani Karunaratne, Georg-August-Universität Göttingen, Germany: ishankac@gmail.com)*

*Locker Room Talk or Sexual Harassment? Institutional and Individual Gender Discrimination on International Assignments*

Benjamin Bader, Leuphana University of Lüneburg  
 Anna Katharina Bader, University of Göttingen  
 Tassilo Schuster, University of Erlangen-Nürnberg  
 Birte Karoline Manke, Leuphana University of Lüneburg

Gender discrimination has received only limited attention in research on expatriates insofar that country-effects were mostly neglected. Our study, based on status construction theory, argues that institutional discrimination in host countries does affect the individual gender discrimination of expatriates via macro-micro processes. Based on empirical research surveying 160 expatriates in Asian and African countries, we find that work place gender discrimination is indeed higher, when the institutional discrimination (i.e. a lower status of women over men) in the country is higher. Moreover, we show that work place gender discrimination decreases job satisfaction directly and indirectly via an increased level of frustration. *(For more information, please contact: Benjamin Bader, Leuphana University of Lüneburg, Germany: benjamin.bader@leuphana.de)*

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**Session: 2.4.10 - Competitive**

**Track: 5 - Organization strategy and management**

***Impact of the TMT and the Board on Internationalization and Performance***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Andre Sammartino, University of Melbourne

*Board Embeddedness Across Country Experience-Based Social Subnetworks and Performance Implication of Internationalization*

Guoguang Wan, Hong Kong University of Science and Technology  
 Haoyuan Ding, Shanghai University of Finance and Economics (SUFE)  
 Yichuan Hu, Chinese University of Hong Kong  
 Zhengyu Li, Shanghai University of Finance and Economics (SUFE)

This study considers board embeddedness in country experience-based subnetworks within their social network. Experience-based subnetworks are differentiated according to the common experiences shared by the members in different countries. We argue that a balance of board embeddedness across such country experience-based subnetworks (i.e. similar tie strength between each subnetwork and the board) makes the relationship between internationalization and firm performance more positive by fostering knowledge collision in the process of



forming corporate strategies on internationalization. However, the positive moderating effect of such balance declines as the status inequality increases among the subnetworks. Archival data of US companies supports our arguments. *(For more information, please contact: Zhengyu Li, Shanghai University of Finance and Economics (SUFU), China: li.zhengyu@sufe.edu.cn)*

*Top Management Team International Experience and International Strategic Decision-Making Process: A Decision Level Analysis of Rationality and Performance*

Akbar Azam, FAST- National University of Computer and Emerging Sciences  
Cristina Boari, University of Bologna  
Fabiola Bertolotti, University of Modena and Reggio Emilia

Although firms face often the complexity of decisions related to international strategies by employing a top management team (TMT) with international experience to improve the decisions' effectiveness, the mechanisms underlining this effect are still under-studied. Building on the information processing and the managerial cognition literatures, we propose that the effect of TMT international experience on international decision effectiveness is mediated by international strategic decision-making rationality. Our results support our hypotheses. We contribute to literatures on upper echelons theory and strategic decision-making process in the context of international firms by explaining how TMT international experience affects (decision) performance. *(For more information, please contact: Akbar Azam, FAST- National University of Computer and Emerging Sciences, Pakistan: akbar.azam@nu.edu.pk)*

*International Breadth, International Depth, and MNE Performance: The Contingent Effect of CEO Tenure*  
Yu-Kai (Mike) Wang, Soochow University

The results of extant research on how internationalization affects MNE performance remain inconclusive. To address this issue, this study applies a decomposed concept of internationalization and simultaneously includes a critical moderating effect, chief executive officer (CEO) tenure. Based on upper echelons theory and the literature on internationalization, this study argues that CEO tenure negatively moderates the association between international breadth and MNE performance while it positively moderates the association between international depth and MNE performance. The empirical results support our arguments. This study contributes to the literature by enhancing our understanding of the contingent value of CEO tenure in the relationships between international breadth and depth and MNE performance. Our findings also offer some practical implications on how boards of directors can monitor and counsel their CEOs effectively. *(For more information, please contact: Yu-Kai (Mike) Wang, Soochow University, Taiwan: ywang012@scu.edu.tw)*

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**Session: 2.4.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Internationalization Process: Challenges and Opportunities and the Role of Context***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Manfred Fuchs, University of Graz

***Retail Internationalization into Emerging Markets: How Shopping Malls Affect Entry Decisions of Branded Retailers***

Renata Gomes, Pontifical Catholic University of Rio de Janeiro (PUC-Rio)

Jorge Carneiro, FGV Sao Paulo School of Business Administration

Branded retailers (firms that manage the manufacturing and the sale of their products through mono brand stores), almost exclusively originated from developed markets, are a relevant player in the retail arena and have recently internationalized intensively into some emerging markets. However, this particular player has been virtually neglected in the international retail literature, which has focused instead on mass merchandise retailers (supermarkets and department stores). However, the need for brand control and the importance of the brand experience for consumers of branded retailers' products strongly affect their internationalization path. In this study, we investigate how shopping mall companies modified (developed market) branded retailers' perception of psychic distance and of risk regarding a particular emerging market (Brazil), which affected their choice of target market, their foreign entry mode and their adaptation of one component of their marketing mix (store location). *(For more information, please contact: Jorge Carneiro, FGV Sao Paulo School of Business Administration, Brazil: jtcarneiro@gmail.com)*

***The Globalization of Management Ideas: The Role of Business Schools, Consultants and Business Media***

Lars Engwall, Uppsala University

Matthias Kipping, York University

Behlül Üsdiken, Sabanci University

The literature on internationalization has a strong focus on the way manufacturing companies move from their home market to foreign countries. There has been some attention devoted to service companies but still there are many reasons to pay their internationalization a more profound interest. This is even truer for organizations that are disseminating ideas. Among them, business schools, management consultants, and business media are particularly worth further studies due to their significance in the modern world. Therefore the present paper presents a model for the analysis of their internationalization based on the two dimensions (a) Place of delivery and (b) Origin of audience. In this way four modes of internationalization are identified: (1) Compatriots at home, (2) Compatriots abroad, (3) Foreigners at home, and (4) Foreigners abroad. These four modes are then in the paper analysed for business schools, management consultants and business media, respectively. This analysis reveals in which way and to which extent the four modes are practiced as well as the problems associated with their implementation. *(For more information, please contact: Lars Engwall, Uppsala University, Sweden: lars.engwall@fek.uu.se)*

***The Effect of Orientation towards International Markets in Performance of SMEs: A Comparative Study of Manufactures and Service Exporter Firms***

Rosalina Torres-Ortega, Linnaeus University

Luis Zarate-Montero, University of Costa Rica

This study examines how the extended concept of market orientation previously tested on international new ventures firms called orientation towards international markets (OIM), which has four components: customer

orientation, competitor orientation, interfunctional coordination and innovativeness and technological capability) affects business performance, as measured by customer performance and financial performance, in the context of in global and intercontinental SMEs, and whether this effect varies between industries. We use a data collected by web survey in a sample survey of a data set of 140 SMEs. The technique of confirmatory factor analysis is used to test the measurement properties of the study constructs, and multi-group confirmatory factor analysis is used in testing the measurement invariance. Subsequently, a structural equation modeling procedure is used to test the research hypotheses. The results show that the OIM components have a positive and significant effect on business performance in global and intercontinental SMEs in both industries comparison between service and manufactures firms through customer and financial performance. *(For more information, please contact: Rosalina Torres-Ortega, Linnaeus University, Sweden: rosalina.torres@lnu.se)*

*The Sharing Economy and the Challenges of Internationalization*

Valentina Marano, Northeastern University  
 Stephen Tallman, University of Richmond  
 Hildy J. Teegen, University of South Carolina

We study the internationalization challenges of sharing economy firms with an in-depth case comparison of Airbnb and Uber. These leading sharing economy companies have engaged in aggressive global expansion efforts, and in the process, have faced strong pushback from different stakeholders across many of the foreign countries they have entered. As a result, they offer an interesting opportunity to examine the relevance of existing internationalization theories to industries that have adopted the innovative business models of the sharing economy. We show that these companies' business models insulate them from some of the internationalization challenges identified in global strategy literature, and involve others that have not been examined before. We also develop novel theoretical insights into how such challenges impact these companies' processes of internationalization. We conclude by discussing the findings' relevance for research in global strategy. *(For more information, please contact: Valentina Marano, Northeastern University, USA: v.marano@neu.edu)*

*Evidence from Chinese Acquisitions of Made in Italy firms – The Acquisition of a Premium Manufacturing Firm*

Alessandra Vecchi, University of Bologna

Outward Foreign Direct Investments (OFDI) from emerging economies have begun to increase significantly and have been growing at a faster pace than FDI from the developed world. This research seeks to assess the impact of Chinese acquisitions and their implications for the Made in Italy luxury sector and its firms. This paper presents the preliminary results stemming from a single case study on a Chinese acquisition in order to provide some in-depth insights over the influences and the motives driving Chinese firms to invest in the premium manufacturing Made in Italy, the patterns and modes of the Chinese acquisitions as well as the competitive strategies and the distinctive challenges that both investors and acquired firms have to face. From the findings, it emerges that both the investor and the acquired firm need to overcome several key challenges if they want to mutually benefit from the acquisition. *(For more information, please contact: Alessandra Vecchi, University of Bologna, Italy: alessandra.vecchi@unibo.it)*

*Did Local Government Promote China' Outward Foreign Direct Investment?*

Aizhen Chen, Xiamen University  
 Jiawen Yang, George Washington University

The surge in China's outward foreign direct investment (OFDI) has come from the rapid pace of economic development and policies implemented by central governments. However, big imbalanced development of OFDI in different provinces reflects that local government, as an important policy facilitator of the "go global" strategy and local economic development, plays a vital role in local OFDI. Using Chinese province-level dataset over the period 2006-2013, we offer new evidence indicating that in general local government is not the important driver

of China's OFDI. However, the results of sub regions show that local government significantly promoted OFDI in eastern region. In central region although the development of financial market and market competition promoted local OFDI, local government' fiscal support and the development of SOEs inhibited local OFDI. In western region local government had no significant impact on local OFDI. *(For more information, please contact: Aizhen Chen, Xiamen University, China: azchen@xmu.edu.cn)*

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**Session: 2.4.12 - Interactive**

**Track: 4 - Innovation and knowledge management**

***Knowledge Management Within the MNE***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Tatiana Kostova, University of South Carolina

*Globally Networked: Boundary Crossing Ties in the Multinational Corporation*

Torben Pedersen, Bocconi University

Giuseppe Soda, Bocconi University

Diego Stea, Copenhagen Business School

Multinational corporations (MNCs) need to sense, source, and mobilize knowledge when and where it arises, whether at home, or elsewhere in the world. For this reasons, MNCs greatly benefit from employee networks of relationships that crosscut intraorganizational barriers, allowing for the efficient mobilization of knowledge across boundaries. Yet, how can MNCs promote the formation of ties that crosscut intraorganizational barriers, linking distant and diverse organizational members? Furthermore, which organizational members are more likely to be able to develop these boundary-crossing networks? We map the geographical, hierarchical, and functional diversity separating all employees within the supply chain community of a large MNC, and examine the factors that are associated with the presence of intraorganizational ties that cut across geographical, hierarchical, as well as functional boundaries. We find that the employees with the highest proportion of crosscutting ties are those having a global mandate, high levels of expertise, and a collaborative orientation in their networking behaviors. In addition, we show that mandate, expertise, and networking orientations are more important for employees with large formal workflow networks, and that exchange information mainly face-to-face vis-à-vis indirectly (e.g., via mail, or videoconference). *(For more information, please contact: Torben Pedersen, Bocconi University, Italy: torben.pedersen@unibocconi.it)*

*Differentiated Impacts of Justice Perceptions on Governance Mechanisms in Inter-Organizational Exchanges*

Cheng-Min Chuang, National Taiwan University

Chih-Fang Chiu, National Taiwan University

Chih-Chuan Yeh, National Taiwan University & Overseas Chinese University

This study explores how various justice perceptions of transaction parties affect two major governance mechanisms, e.g., contracting complexity and level of trust, in the context of repeated inter-organizational transactions. An empirical study of 97 inter-firm contracts demonstrated that various justice perceptions own differentiated impacts on contractual complexity and trust which in turn affect the performance of inter-organizational exchanges. Among others, interactional justice is most influential, through both the direct effect and the interacting effect with distributive and procedural justice. *(For more information, please contact: Cheng-Min Chuang, National Taiwan University, Taiwan: cmchuang@ntu.edu.tw)*

*MNC Knowledge Transfer: A Directional Relevance Perspective*

Davor Vlajcic, University of Zagreb, Faculty of Economics and Business  
 Marina Dabic, Nottingham Trent University / University of Zagreb  
 Miriam Moeller, Queensland University

Knowledge transfer becomes one of the most important activities of multinational corporations (MNCs). With the exception of the obvious headquarter-subsidary direction (conventional knowledge transfer), recent developments in MNCs resulted in the intensification of subsidiary-headquarter - reverse knowledge transfer. However, the obvious bi-directional MNCs knowledge-flow is by and large controlled by the usability and adaptability of transferred knowledge within each unit. This exploratory study focuses on highlighting mechanisms to increase absorptive capacity across subsidiary and headquarter units. We test this using data from 104 expatriate managers working in subsidiaries of foreign-owned MNCs operating in EU member state Republic of Croatia. We find that subsidiary knowledge positively affects the reverse knowledge-transfer process. Secondly, reverse knowledge transfer activity is enhanced with knowledge transferred from headquarter to subsidiary (conventional knowledge transfer). The third contribution is the development of a dynamic knowledge-transfer model which uses a framework of relevance theory in explaining how conventional and reverse knowledge transfer mechanisms interact in enhancing MNCs knowledge flow. Last but not least, the results indicate that knowledge has been extracted from subsidiaries in less developed country and transferred to headquarter in more developed countries, pointing on eternal question, what type of knowledge can a less developed county offer to countries which are on a higher development level and with an already well-established market economy. *(For more information, please contact: Marina Dabic, Nottingham Trent University / University of Zagreb, Croatia: mdabic@efzg.hr)*

*Communication and Its Effect on Knowledge Transfer in Service and Manufacturing MNCs*

Manami Suzuki, Hosei University  
 Naoki Ando, Hosei University  
 Hidehiko Nishikawa, Hosei University

The purpose of the present study is to examine communication between the parent firms and the foreign subsidiaries and its effect on knowledge transfer. In addition, the study investigates the effect of the differences in industry (manufacturing or service) and entry mode (acquisition or greenfield) on the subsidiaries' performance through knowledge transfer from headquarters (HQ). Most previous research on knowledge transfer has focused on a particular industry (e.g., automobile industry, bank industry or service industry), or has not considered the effect of the type of industry on knowledge transfer. The results of this study suggest that the frequency of communication between parent companies and foreign subsidiaries, and the perceived importance of communication with the parent firm were positively associated with the performance of the subsidiaries through knowledge transfer in both types of industry. However, the benefits from communication of the service firms were greater than those of the manufacturing firms. With regard to knowledge transfer, the current study also found that acquisition impeded knowledge transfer from the acquiring parent firms to the acquired subsidiaries. The implications for MNCs' successful performance through knowledge transfer are discussed. *(For more information, please contact: Manami Suzuki, Hosei University, Japan: msuzuki@hosei.ac.jp)*

*Lateral Diffusion of Subsidiary Practices Within Multinationals: A Regional Perspective*

Ali Taleb, MacEwan University

In this exploratory qualitative study, we examine how subsidiary-level strategic practices diffuse to sister organizational units within multinational enterprises (MNEs). We use a case-based approach to investigate the diffusion of multiple strategic practices developed by the Canadian subsidiary of a large MNE with particular interest in the regional dimension of the phenomenon. The results of our fine-grained analysis of data make several contributions. Firstly, the study sheds some light on how bottom-up and peer-to-peer transfers of practices. Secondly, it unravels the three-pillar model of isomorphism as autonomous forces and establishes the

empirical link between isomorphism and practice diffusion. Thirdly, it fosters the current debates on the regional nature of international strategy from a practice transfer perspective. Finally, we submit five propositions for future empirical testing. All these findings have important theoretical and practical implications. *(For more information, please contact: Ali Taleb, MacEwan University, Canada: taleba@macewan.ca)*

*Cross-border Knowledge Transfer Modes in Global New Product Development in MNCs*  
Yang Liu, Queen's University Belfast

Cross-border knowledge transfer plays an important role on the competitive advantage of multinational corporations (MNCs). This research aims to understand how knowledge can be transferred in each phase of global new product development (NPD). A qualitative single-case study of an automotive MNC was conducted. Semi-structured interviews were conducted with informants in the case company to explore the activities and cross-border knowledge transfer modes in global NPD. Three modes of cross-border knowledge transfer are discovered from the lead R&D center perspective: knowledge sourcing, knowledge exchange, and knowledge impartation. Knowledge sourcing was leveraged mainly in early phases of NPD, knowledge exchange was apparent in the middle phase of NPD, and knowledge impartation happened mainly in the late phases of NPD. This study contributes to our understanding through showing how knowledge can be transferred in global NPD activities and the difference of knowledge transfer modes depending on the phase of global NPD. *(For more information, please contact: Yang Liu, Queen's University Belfast, United Kingdom: yang\_liu2011@yahoo.com)*

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**Session: 2.4.13 - Interactive**

**Track: 2 - Managing the value chain**

***Globalization of Value Chain and Impact on the Firm***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Luciano Ciravegna, University of London

*The Impact of Internationalization on Home Country Charitable Donation of Emerging Market Firms: A Global Value Chain Perspective*

Heng Liu, Sun Yat-sen University

Jinhui Luo, Xiamen University

Victor Cui, University of Manitoba

Whether internationalization promotes or inhibits CSR endeavors such as home donation is a critical question that remains controversial. Drawing on the strategic view of CSR and global value chain perspective, we argue that the outward internationalization of emerging market firms may impede their home country charitable donation, partly because as they internationalize, they are often embedded in the low-end positions of the global value chain, which negatively affect the motivation and capability of their donation to home market. Such relationship is even stronger for firms with a lower level of R&D investment. We tested our theory using data collected from 2,099 public listed firms in China between 2008 and 2012. Theoretical contributions and policy implications are also provided. *(For more information, please contact: Heng Liu, Sun Yat-sen University, China: liuheng8@mail.sysu.edu.cn)*

*Beyond Uppsala, Born Global and Cage: Toward a New Model*

Justin Paul, University of Puerto Rico  
Rosarito Sanchez, University of Puerto Rico

We develop a new model -CPP (Conservative, Predictable and Pacemaker) model- for firms to create sustainable competitive advantage and to zoom in to the global markets in this article. We examine the path, process, pattern and pace of internationalization with a clustering analysis, based on the data of Information Technology firms from Puerto Rico, an island territory of the United States, and introduce CPP as a tested framework to take up the research stream beyond the established models such as Uppsala, Born Global and CAGE. This paper is based on primary data collected from the senior managers of those firms. The CPP model can be used as a framework for real life industry analysis as well as in academic research dealing with the growth and competitiveness of firms. *(For more information, please contact: Justin Paul, University of Puerto Rico, USA: justin.paul@upr.edu)*

*Supplier Strategies for Capability Development in Global Value Chains (GVCs)*

Samia Ferdous Hoque, University of Manchester  
Noemi Sinkovics, University of Manchester  
Rudolf R. Sinkovics, University of Manchester

This paper examines the strategies of small and medium sized suppliers to develop capabilities that enable them to engage in upgrading within global value chains (GVCs.) Furthermore, the paper explores the impact of upgrading on suppliers' internationalisation. To this end, we investigate the strategic behaviour of two Bangladeshi garment manufacturers. Both started out as small suppliers for multinational enterprises (MNEs) and have eventually grown into micro-multinationals. The studied firms are involved in a specific form of international outsourcing relationship with their buyers; namely, tacit promissory contracting. The study adopted a multiple case study design that involved interviews with managers/owners of the firms. The analysis yielded two key findings. Both firms have improved existing and/or developed new capabilities during the upgrading process. Furthermore, the results indicate that upgrading seems to have enhanced the degree of suppliers' internationalisation. The paper contributes to the international business (IB) literature by systematically analysing the interplay between suppliers' strategy, capability development, upgrading, and firm internationalisation. We investigate these relationships by integrating concepts from three strands of literature; IB, GVC and strategic management. *(For more information, please contact: Rudolf R. Sinkovics, University of Manchester, United Kingdom: rudolf.sinkovics@manchester.ac.uk)*

*Services in GVCs: From Enabling to Mastering GVCs*

Metka Stare, University of Ljubljana  
Andreja Jaklic, University of Ljubljana

We discuss the changing nature of services in GVC and focus on value creation process, development of management capabilities and their implications for development of pure services GVCs. The findings suggest that (i) integration of business functions and their interactions generate new resources; (ii) creation of value depends on network - based capability development, which leads to development of new services activities, upgrading and new models or GVCs (essential for further creation of value) and that (iii) the mapping of pure service GVCs shows the evolution and/or deviation from the existing concepts that call for upgrade of theoretical concepts of GVC. *(For more information, please contact: Andreja Jaklic, University of Ljubljana, Slovenia: andreja.jaklic@fdv.uni-lj.si)*

*The Dynamics of Relationships within Global Value Chains: Perspectives from MNEs and their Suppliers*

Giovanna Magnani, University of Pavia  
 Antonella Zucchella, University of Pavia  
 Roger Strange, University of Sussex

We investigate the dynamics of the relationships within global value chains, through several longitudinal case studies involving selected lead MNEs and their suppliers. We track the evolution of the relationships by focusing on the isolating mechanisms possessed by each firm, and the power asymmetries inherent in the relationships. We consider these relationships both from the perspective of the lead firms and from the perspective of the suppliers. *(For more information, please contact: Giovanna Magnani, University of Pavia, Italy: g.magnani@unipv.it)*

*An Investigation on the Effect of MNC Cultural Distance on Firm Performance: A Value Chain Perspective*

Rui Wang, Peking University  
 Xiaoyu Zhou, ShanghaiTech University

To address the fact that multinational corporations' (MNCs') activities and outcomes are often embedded in the local industry environment, we incorporate a new value chain perspective in examining MNC cultural distance, which is commonly treated as a country-level construct. We conceptualize market distance and partner distance to distinguish MNCs' organizational level from MNCs' national level social embeddedness in host countries. Based on organizational learning theory, we propose different performance implications for these two distances. An MNC's long distance to host markets enables it to explore new possibilities and opportunities, whereas its short distance to local partner allows it to exploit efficiency and improve execution effectiveness. We use a hierarchical linear model on 548 MNCs in the Chinese automobile industry. The result largely supports our hypotheses. *(For more information, please contact: Rui Wang, Peking University, China: rwang@gsm.pku.edu.cn)*

*The Diffusion of Corporate Sustainability in the Global Automotive Supply Network: An Empirical Examination*

Bruno Barreto de Góes, Temple University  
 Masaaki Kotabe, Temple University  
 José Mauricio Geleilate, University of Massachusetts, Lowell  
 Ellen Campos de Sousa, Florida International University

This paper seeks to answer questions, such as, who is responsible for ensuring that all network members meet the necessary corporate sustainability standards in order to adequately fulfill the demands of stakeholders? Why do some firms engage in corporate sustainability and others do not? What contributes to the effective diffusion of corporate sustainability in a supply network? These hypotheses are tested on a sample of 10,728 firms in the automotive sector, linked by 45,044 inter-firm relationships. Strong support for our hypotheses provides both researchers and managers with an interesting discussion of how this emerging business paradigm, where corporate sustainability is becoming the norm and no longer the exception, may have significant implications on how value chains are structured within this sector. *(For more information, please contact: Bruno Barreto de Góes, Temple University, USA: degoes.bruno@temple.edu)*



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**Session: 2.4.14 - Interactive**  
**Track: 5 - Organization strategy and management**

***Aspects of Foreign Direct Investment***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Arjen Slangen, RSM Erasmus University

*Institutional Distance and Entry Mode Choices in Sequential Foreign Direct Investment*

Xiaoyu Liu, Saint Mary's University  
Harrie Vredenburg, University of Calgary

By a systematically review of Chinese SOCs' entry strategies in the energy industries in North America between 1993 and 2014, we examine the relationship between institutional distance and entry strategies. Based on a content analysis of primary interviews and archival data, we distinguish three different entry stages: confirmatory entry, convergent entry and congruent entry. The three stages are related with the different institutional pillars of regulatory, cognitive and normative domains. Our data suggest that in a sequential FDI, the time required for MNEs to adapt to local institutions are increasing from regulatory dimension and cognitive dimension to normative dimension. Our research contributes to the international business field by testing the three institutional pillars simultaneously in MNEs' entry strategies. Our research also contributes to the institutional theory by providing a fine-grained conceptual and empirical analysis of the relative strength of the three institutional pillars from a longitudinal point of view. *(For more information, please contact: Xiaoyu Liu, Saint Mary's University, Canada: xiaoyliu@ucalgary.ca)*

*Bidding for FDI: Explaining Sectoral Differences in Tax Rates through Auction Theory*

Nicholas James Bailey, University of Northern Iowa  
Brian Warby, University of Northern Iowa

Policy makers throughout the world view foreign direct investment (FDI) as integral to their country's economic development goals. In an effort to attract FDI, potential host countries often find it necessary to provide preferential tax policies in that attraction effort. Previous literature has found mixed evidence when looking at the relationship between tax rates and FDI. We argue that variations across industries are important for understanding the relationship. We frame the process of securing FDI through the lens of auction theory. Countries trying to attract FDI in industries that have little locational constraints, such as manufacturing, act as bidders in a sealed-bid auction and will offer tax breaks to multinational enterprises (MNEs), sellers of FDI seeking concessions to reduce their tax bill and increase profitability. On the other hand, when there are a limited number of countries to invest in an industry with strict locational constraints, the MNE acts as the bidder, which results in a positive relationship between tax rates and FDI. Using a mixed methods approach, we find robust support for our arguments. *(For more information, please contact: Nicholas James Bailey, University of Northern Iowa, USA: nick.bailey@uni.edu)*

*Can't Take the Heat? Climato-Economic Theory and Foreign Subsidiary Locations*

Amanda E.K. Budde-Sung, University of Sydney  
Tanya Peacock, Army-Baylor University

The relationship between subsidiary locations, economics, and climate can be traced through the lens of organizational psychology. We build upon climato-economic theory to investigate the issue of foreign direct investment (FDI) and location choice. Our findings suggest that U.S. multinational enterprises (MNEs) tend to have fewer foreign subsidiaries in countries with extreme temperatures and more sunshine, and they prefer locations with warmer weather, rather than colder weather. Climate emerges as an important factor in location

choice, with equivalent or equal weighting to other factors, including economic and cultural factors. This research contributes to the FDI literature and extends the climato-economic theory by incorporating a consideration of climate into explanations of foreign direct investment patterns. *(For more information, please contact: Amanda E.K. Budde-Sung, University of Sydney, Australia: amanda.budde-sung@sydney.edu.au)*

*Spatial Dispersion of Subsidiaries, Network Scope and the Geographic Distance Firms Add While Expanding Internationally*

Guus Hendriks, RSM Erasmus University

This study looks at the geographic distance multinational enterprises add beyond the confines of their existing subsidiary network when they expand internationally. It argues that is important to consider such decisions in relation to the firm-level spatial dispersion of subsidiaries in a network and the scope of that network. Tobit models reveal that large international retailers add higher levels of geographic distance when they have experience in dealing with large networks and more elevated degrees of dispersion, but limit the distance added when both of these subsidiary network characteristics are combined. This study suggests that firms which aim to manage both a large and geographically dispersed network of international operations may encounter a number of difficulties with respect to network balance, knowledge transfer processes, attention allocation, communication and travel, information asymmetries, as well as opportunity costs of time. *(For more information, please contact: Guus Hendriks, RSM Erasmus University, Netherlands: hendriks@rsm.nl)*

*Trade Costs and Locations Choices of Foreign Direct Investments*

Tiago Rodrigues Loncan, University of Strathclyde

The paper empirically examines how trade costs affect the location choices of foreign direct investments (FDI). We estimate empirical models employing conditional logistic and nested models, building on a dataset of 2,845 investments undertaken by German multinational enterprises (MNE), located in 30 host countries. Our results show that MNE prefer to locate investments in countries charging high import tariffs and adversely affected by high transportation costs (distant countries). These findings are in line with theories of horizontal FDI, particularly with the so-called trade costs jumping hypothesis which advocates that MNE invest in foreign markets motivated by market access, replacing export flows with FDI to save on trade costs. However, such effects hold only when MNE invest in high income countries. When MNE invest in lower income countries, preferences switch for markets with lower import tariffs and locations geographically closer to headquarters. This second piece of evidence is consistent with theories of vertical integration strategies, in which MNE's strategic purpose when investing in foreign markets is to minimise production and distribution costs. Our results validate theories of both horizontal and vertical FDI, and we show that the impact of trade costs on FDI location is contingent on the integration strategy employed. *(For more information, please contact: Tiago Rodrigues Loncan, University of Strathclyde, United Kingdom: tiago.rodrigues-loncan@strath.ac.uk)*

*How do Domestic and Foreign Firms' Local Supplier Investments Differ in Vietnam?*

Soonkyoo Choe, Yonsei University

Jihoon Kang, Yonsei University

Pham Thi Minh Xuan, Yonsei University

Drawing on the logic of the flexibility versus commitment trade-off, this study investigates the effect of ownerships on local supplier investment and how this effect varies across different configurations of local market orientation, investment incentives, and institutional improvement in Vietnam. To perform the empirical test, this study uses a sample of 1,409 manufacturing firms in Vietnam and finds support for some of our hypothesized relationships. The findings indicated that foreign firms invest in local suppliers less than domestic firms and the investment level of joint ventures is higher than that of wholly owned subsidiaries. Also, the findings highlighted that foreign firms increase their local supplier investment if they focus on Vietnam market. However, the moderating effects of investment incentives and institutional improvement were not confirmed.

*(For more information, please contact: Soonkyoo Choe, Yonsei University, Korea, South: skychoe@hotmail.co.kr)*

*Establishment Modes and Network Relationships of Foreign Subsidiaries*

Alfredo Valentino, Luiss Guido Carli University  
Matteo Giuliano Caroli, Luiss Guido Carli University  
Ulrike Mayrhofer, IAE Lyon, Jean Moulin Lyon University

This research examines how the establishment mode of foreign subsidiaries (greenfield vs acquisition) influences the type of network relationships (social vs business) they develop in local markets. The authors use the network approach to better understand the role played by local subsidiaries for the development of networks in multinational enterprises. The empirical study is based on a dataset covering 42 foreign subsidiaries located in Italy. The results show that acquired subsidiaries are more likely to engage in business relationships than greenfield subsidiaries. In contrast, greenfield subsidiaries tend to pay more attention to social relationships than acquired subsidiaries. *(For more information, please contact: Alfredo Valentino, Luiss Guido Carli University, Italy: valentinoa@luiss.it)*

*A Non-Engaged Approach to MNE Corporate Political Activity: Developing Adaptive Political Capabilities*

Maria A. De Villa, EAFIT University  
Tazeeb Rajwani, University of Essex  
Thomas Lawton, Open University

MNEs often follow an engaged CPA approach in developed host markets, whereby they deploy political capabilities to participate actively in governments to influence political affairs. While some political contexts in host markets frequently require a different approach. Our study shows that some emerging-country multinationals deploy a non-engaged CPA approach to sustain international operations in some political contexts that entail adapting to, rather than influencing, political affairs. We contribute by advancing this CPA approach through the conceptualization and development of adaptive political capabilities. We advocate that developed and emerging-country MNEs may benefit their internationalization by understanding how emerging-countries MNEs are learning to manage international operations in some political contexts. *(For more information, please contact: Maria A. De Villa, EAFIT University, Colombia: mdevilla@eafit.edu.co)*

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**Session: 2.4.15 - Interactive**

**Track: 8 - International business policy**

***MNEs, Political Connections and Influence***

**Presented On:** July 4, 2017 - 14:30-15:45

Chair: Pavlos Dimitratos, University of Glasgow

*Political Uncertainty and CSR Investment: International Evidence*

Bryan W. Husted, Tecnológico de Monterrey  
Walid Saffar, Hong Kong Polytechnic University

Using a large panel of elections in 44 countries for the period 1999-2014, we show that political uncertainty during election years can affect CSR activities and engagement. We posit that managers will delay CSR investment decisions during election periods, implying that the CSR engagement will decrease during election periods relative to non-election periods. Our results lend strong, robust support to this prediction. *(For more information, please contact: Bryan W. Husted, Tecnológico de Monterrey, Mexico: bhusted@itesm.mx)*

*Foreignness: Premium and Liability*

Hao Ma, Peking University

Miao Wang, Peking University

Liability of foreignness, an important concern in the international management literature, has been documented as a major factor affecting an MNE's entry decisions, operations, and performance within a host country. The positive side of an MNE's foreignness, i.e., foreignness as assets, benefits, or advantages, however, is also getting increasing attentions in the literature. Against such a backdrop, this article attempts to formally advance the concept of premium of foreignness, juxtapose it with liability of foreignness, and propose the simultaneous consideration of both premium and liability when studying MNEs operating abroad. Specifically, it argues that the premium of foreignness depends on three levels of factors, i.e., the host country's attitude toward all MNEs' foreignness per se, the overall status and respectability of an MNE's home country, and the MNE's home country's global competitiveness in a particular industry. The premium of foreignness is different from firm-specific advantages of MNEs or the advantages arising from their multinationality and global presence. To an MNE in a particular host country, premium and liability of foreignness could both exist at the same time, and they jointly determine the MNE's entry and operation as well as its performance in that country. An integrative typology of such joint effects is advanced along with a series of theoretical propositions which are expected to help enhance our understanding of the overall effect of MNEs' foreignness. *(For more information, please contact: Miao Wang, Peking University, China: wmiao@pku.edu.cn)*

*The Korean Model of Economic and Business Competitiveness: A New Theoretical Approach*

Hwy-Chang Moon, Seoul National University

The economic success of South Korea (Korea, hereafter) has inspired many studies, but the previous studies have not been able to comprehensively and systematically explain the country's achievements. Based on an intensive literature review, this paper discusses some of the apparent problems of these studies and introduces a new model of four factors – agility (speed + precision), benchmarking (learning + best practices), convergence (mixing + synergy), and dedication (diligence + goal-orientation), or the ABCDs for explaining competitiveness. With a critical review of the academic literature on the Korean economy and the sources of competitive advantage, the usefulness of the ABCD model is explored and distinguished from other theories and models. The ABCD model was originally created to explain Korea's economic growth, but it can also be applied to other countries and other units of analysis. *(For more information, please contact: Hwy-Chang Moon, Seoul National University, Korea, South: cmoon@snu.ac.kr)*

*Do Political Connections Matter for Firm's Innovation? Evidence from Eastern Europe and Central Asia*

Sorin M.S. Krammer, Leeds University Business School

Alfredo Jimenez, Kedge Business School

We argue that the extent of political connections developed by a firm will impact differently its radical and incremental innovation. Moreover, the effect of political connections on innovation will be negatively moderated by firm's bribery. These conjectures are tested using a dataset of more than 8,000 firms in 30 transition countries from Eastern Europe and Central Asia. Our empirical findings confirm that firms' investment in political connections both in time and money increase the probability of radical innovation in a non-linear fashion, but has no significant impact on the probability of incremental innovation. In addition, bribes have a negative moderating effect on the relationship between political connections and radical innovation. These results confirm the importance of political connections for firm activities but caution firms on their heterogeneous impact and the detrimental interplay with other important non-market strategies such as bribery. *(For more information, please contact: Sorin M.S. Krammer, Leeds University Business School, United Kingdom: sorin.krammer@gmail.com)*

*State-Ownership and the Scale and Scope of Internationalization: The Moderating Role of Home Country Market Development*

Niccolo Pisani, University of Amsterdam  
 Omar Nohad Toulan, IMD  
 Thijs Gussenhoven, University of Amsterdam

The purpose of this paper is to investigate the relationship between state-ownership and the scale and scope of internationalization. We argue that the relationship is negative for both measures of internationalization. Moreover, we argue that the developing (versus developed) market status of the firm's home country negatively moderates the relationship between state-ownership and both the scale and scope of internationalization. We test our hypotheses on a comprehensive sample of firms drawn from the 2014 Fortune Global 500 list. Whereas our empirical analysis does not provide enough support for the negative relationship expected when considering the scope of internationalization, the results we obtain show a negative association between state-ownership and the scale of internationalization and also confirm the negative moderating effect of coming from a developing market. Thus, this study enhances our understanding of the specific internationalization pattern that characterizes state-owned companies. Furthermore, it emphasizes the relevance of considering contingencies at the institutional frontier to understand the peculiarities associated with the international expansion of state-owned firms. *(For more information, please contact: Niccolo Pisani, University of Amsterdam, Netherlands: n.pisani@uva.nl)*

*Internationalization in Times of a Shifting Policy Environment: : A Springboard Perspective in the Chinese Logistics Industry*

Srinath Rengarajan, University of St. Gallen  
 Xiaoxu Zhang, University of St. Gallen  
 Ulf Richter, Tongji University

The institution-based perspective has gained increasing attention in international business research. Extant studies on the interactions between organizations and their institutional environment focus on the influence of institutions on organizational conduct and governance and organizational responses to particular institutional situations. We study these responses in the context of the internationalization of emerging market multinationals from a springboard perspective. This paper presents an eclectic classification of organizational strategies in the cases of institutional pressures, multiplicity, and voids. We then apply the lens of institutional perspective and internationalization efforts using springboard strategies on the Chinese logistics industry, at a time when there are significant institutional transitions embodied by the One Belt One Road initiative and the Made in China 2025 policy. In doing so, we intend to shed light on how EM MNEs respond to and leverage their institutional environment for international expansion and development. Further, we identify institutional transitions as field with high potential and invite researchers to devote efforts in understanding strategic responses of organizations in this particular context. *(For more information, please contact: Srinath Rengarajan, University of St. Gallen, Germany: srinath.rengarajan@student.unisg.ch)*

*Measuring Economic and Social Impacts of Hyperconnectivity: A Cross-Country Efficiency Comparison*

Erkan Bayraktar, American University of the Middle East  
 Marina Apaydin, American University of Beirut

The aim of this study is to measure cross-country differences in the relative efficiency of economic and social impacts of hyperconnectivity with regard to its drivers using data envelopment analysis (DEA) and canonical correlation analysis (CCA). CCA confirms the existence of a strong and significant relationship between Environment, Readiness and Usage drivers of hyperconnectivity and social and economic outcomes on a country level. After eliminating the administrative differences among countries, DEA findings indicate that developing economies are the most efficient ones followed by the emerging and advanced economies. The main structural differences found among the different economies are: Political & Regulatory Environment, Infrastructure &

Digital Content, Affordability, and Individual Usage. Relatively favorable legislative conditions in advanced economies do not contribute much to produce economic and social impacts. Emerging economies were the most effective ones to use infrastructure & digital content followed by developing and advanced countries respectively. For emerging economies, relatively better affordability of technologies did not produce much economic and social impact. Even though Individual usage was high in advanced economies, it did not generate sufficient impact. Policy-makers should aim to improve efficiency of transformation of hyperconnectivity into economic and social impacts in their respective countries. *(For more information, please contact: Erkan Bayraktar, American University of the Middle East, Kuwait: bayraktar.erkar@gmail.com)*

*Doing Business in the Arab World: The Role of Wasta and Networking in Relationship Satisfaction and Performance*

Sheila M. Puffer, Northeastern University  
 Ron Berger, College of Law & Business  
 Ram Herstein, Business School  
 Daniel J. McCarthy, Northeastern University  
 Avi Silbiger, Lev Academic Center - JCT

This paper reports an empirical study of the Arabic culturally based business structure called Wasta, a system of reciprocal favors that relies upon social networks. Despite the importance of networks in emerging markets both for local and foreign firms, few studies have been published on the Arab world. We examine Wasta, which refers to how Arabs interact with other parties including MNEs, as well as EMNEs from other emerging markets. Cultural distance is perpetuated by the largely deficient experience of Western MNEs in dealing with Wasta and its three dimensions (affective relations - likes or hates; conative relations - gifts or favors; and cognitive relations - recognizes or knows skills of the other party). We surveyed 891 people in three Arab groups in the Palestinian Authority and analyzed their reactions to the three aspects of Wasta, Mojamala, Hamola, and Somah. The three groups consisted of local businesspeople, students, and leaders, the latter of which we identified as politicians and professors in the Palestinian Authority region. The findings generally support our hypotheses, and they show some differences across the three groups regarding how the three dimensions affect satisfaction with interpersonal relationships as well as performance in those relationships. *(For more information, please contact: Sheila M. Puffer, Northeastern University, USA: s.puffer@neu.edu)*

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**Session: 2.5.2 - Panel**

***The Power of Constructive Reviews and Ways to Improve the Review Process***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Bo Nielsen, University of Sydney

*Panelists:*

Ilya Cuypers, Singapore Management University  
 Bo Nielsen, University of Sydney  
 Sjoerd Beugelsdijk, University of Groningen  
 Gokhan Ertug, Singapore Management University

High quality reviews are an essential part to ensure the quality of publications in leading scholarly journals such as the Journal of International Business Studies (JIBS). However, few scholars are formally trained to write high quality reviews and the process is often seen as a necessary evil (i.e. a service to the community). As important as the review process is in determining not only the progress of an academic field but also people's careers, it seems warranted to pay more attention to it (Miller, 2006). This panels aims to help IB scholars to understand the review process better and to help them understand what it takes to write constructive and value adding

reviews. To do so, we have brought together several discussants that sit on the Editorial Review Board of JIBS or hold Editorial positions at JIBS or other leading journals. These discussants together will cover topics pertaining to reviewing both qualitative and quantitative studies, and what Editors are looking for in reviews. These insights will then be used as the starting point for a discussion with the audience that will also seek for ways how we might be able to improve the review process and the quality of reviews. *(For more information, please contact: Ilya Cuypers, Singapore Management University, Singapore: ilyacuypers@smu.edu.sg)*

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**Session: 2.5.3 - Panel**

***Research on the SDGs: Perceptions from Academia and International Organisations (UNCTAD Special Panel)***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Richard Bolwijn, UNCTAD

*Panelists:*

Richard Bolwijn, UNCTAD  
 Elisa Giuliani, Università di Pisa  
 Lilac Nachum, City University New York  
 Mary Wanjiru Njoroge-Kinoti, University of Nairobi

The scale, scope and ambition of the Sustainable Development Goals (SDGs) creates an opportunity for IB research to systematically analyze the relationships between MNEs and developing countries, sustainability, socially responsible investment, socially responsible behavior and public policy. Such research is highly important because it can provide evidence to support effective sustainable practices by MNEs, and the design of policies to support them. At the same time, the United Nations and other international organisations (IOs) are tasked with implementing the SDGs and working towards their achievement. This panel seeks to bring together representatives of international organisations and academics with a view to supporting appropriate, concrete policy-orientated research towards the achievement of the SDGs. *(For more information, please contact: Hafiz Mirza, UNCTAD, Switzerland: hafiz.mirza@unctad.org)*

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**Session: 2.5.4 - Panel**

**Track: 10 - Theme track: Contribution of MNEs to building sustainable societies**

***The Impact of Multinational Enterprises (MNEs) in Africa (Africa Chapter Symposium)***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Kevin Ibeh, Birkbeck University of London

*Panelists:*

Yaw A. Debrah, Swansea University  
 Ulf Richter, Tongji University  
 Annette Nijs, China Europe International Business School

The proposed panel session will discuss the impact of multinational enterprises – home grown, emerging and traditional - on contemporary African economies and societies. Against the backdrop of the rising importance of intra-African FDI and the widespread presence of emerging and traditional MNEs across Africa, panellists will evaluate and discuss the relative effectiveness of these three MNE categories in engaging with Africa's

opportunities, needs and challenges. The discussion will also cover impacts, if any, on selected UN Sustainable Development Goals, including building resilient infrastructure and promoting inclusive and sustainable industrialization. The session offers significant scope for reflections on best practice lessons on MNE behavior, not only from the African context, but also other global regions and the international business theory. Panellists will first present brief perspectives, following which the audience will be actively instigated to join the discussion and to share thoughts and insights. *(For more information, please contact: Kevin Ibeh, Birkbeck University of London, United Kingdom: k.ibeh@bbk.ac.uk)*

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**Session: 2.5.5 - Competitive**

**Track: 6 - Human resource management**

***Emerging Topics and Alternative Perspectives in Understanding Global Work***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Henry (Harry) William Lane, Northeastern University

*Cultural Differences in Decision-Making Behavior: A Mosaic View of Culture*

Sven Horak, St. John's University

Bindu Arya, University of Missouri-St. Louis

This research explores cross-cultural economic decision-making behavior by taking a mosaic view of culture. Decision-making behavior is tested in a behavioral experiment among participants in South Korea and in a benchmark experiment in Germany. We find significant evidence that the mosaic view of Korean culture (aggregate of three affective ties based on age, educational-institution and regional origin) leads to cross-cultural differences in economic decisions contrary to what neoclassical economic theory would suggest. Because economic decisions frequently involve decision-makers that share membership in common social groups, we utilize social identity theory to reason that awareness of group membership in some cultural contexts induces a greater preference for more selfless, "in-group interested" decisions while anonymity makes personal identity salient promoting more "self-interested" economic decisions. Our results indicate that these effects are more pronounced in Korean participants compared with German participants. *(For more information, please contact: Sven Horak, St. John's University, USA: horaks@stjohns.edu)*

*How Is Emotion Generated in Cross-Cultural Interactions: The Micro-Foundations of Cultural Friction*

Qiu Wang, Birmingham City University

Hanna Gajewska De Mattos, University of Leeds

This paper explores how emotion unfolds over the process of cross-cultural interaction for knowledge transfer, a point that has been neglected by the emerging literature to re-conceptualize the culture. Based on a 9-month inductive field study of one Chinese I.T. service multinational company, we find out that the source of emotionality derives from individuals' cultural identity in interaction with the performance conflicts that arise when people attempt to share their knowledge in a cross-cultural context. The twin conflicts within the cooperative process itself and within the performance that results, are engendered first by specific asymmetries in knowing within the transfer process, and are felt deeply by the individual as a negative affect. Precisely how the individual is affected depends on his or her culturally-mediated appraisal. These affective states then consolidate into a discrete emotional experience and influence the individual's cross-cultural knowledge transfer behaviour, in the way that can be predicted from theory, consistent with the adaptive theme of the triggered emotions. In the light of our findings, we propose a process model of the relationship between emotion and cultural friction in the context of international business. *(For more information, please contact: Qiu Wang, Birmingham City University, United Kingdom: qiu.wang@bcu.ac.uk)*



*From an Imperialist to a Responsible Agenda: Going beyond the Limitations of Cross-Cultural Training Models*

Betina Szkudlarek, University of Sydney Business School

Laurence Romani, Stockholm School of Economics

In international organizations, cross-cultural training (CCT) is a commonly applied intervention to support successful global work across cultural boundaries. However, in the professional community delivering the training, accusations of imperialism and cultural blindness are levelled at the models most commonly used in CCT. Likewise, in research, some voices label as 'colonial' the knowledge that is the hallmark of CCT. Our study investigates the limitations to CCT that are voiced by research and practitioners. It presents how the community of trainers addresses these limitations in practice, in particular, the alleged imperialist and oppressive propensities of CCT models. It builds on a longitudinal multi-sided ethnography and online debates about CCT. This investigation indicates that, overall, many trainers tend to adopt an evasive approach to the problem and offer training that can build on stereotyping and essentialization of the cultural other. Some claim that suboptimal design is a response to the requirements imposed by human resource (HR) managers; others, however, develop alternative forms of CCT. Combining the trainers' solutions with the concerns expressed in research, we propose a number of principles that aim to support HR managers in making informed decisions regarding the design of cross-cultural interventions. Our study contributes to research in three major ways. First, it problematizes the assumption that CCT contributes to improved intercultural interaction. Second, it highlights the role played by HR managers in the design of CCT. Finally, it proposes three principles to shift CCT from an imperialist to a globally responsible agenda. *(For more information, please contact: Betina Szkudlarek, University of Sydney Business School, Australia: b\_szkudlarek@yahoo.com)*

*Countercultural Management: An Underexplored Reality of Global Work*

Dan V. Caprar, The University of Sydney

Sunghoon Kim, University of New South Wales

Benjamin W. Walker, University of New South Wales

In this article, we draw attention to an underexplored reality of global work: the use, and usefulness, of countercultural management practices, (i.e., management approaches that are not aligned with accepted local cultural norms). Indeed, in a field dominated by a general belief that going against the culture is problematic, what we know about countercultural practices is mainly found in side-conversations tailing the much discussed topic of localization versus standardization of management practices. Countercultural practices enter these conversations as examples of "bad management", or as surprising or bothersome results in studies aiming to prove the need for cultural congruence. We review evidence showing that practices that seem to be countercultural can be, in fact, appropriate and effective, and explain why and when this is the case. In doing so, we reveal the phenomenon of countercultural management practices as an important aspect of global work that needs more attention not only because it has been largely ignored, but also because it can open up new avenues for increased understanding of, and more nuanced practical insights for, managing global work. *(For more information, please contact: Dan V. Caprar, The University of Sydney, Australia: dan.caprar@sydney.edu.au)*

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**Session: 2.5.6 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***Internationalisation Process: Distance, Speed, Exit, Re-entry***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Jean-Francois Hennart, Tilburg University

*A Multidimensional Perspective of SME Internationalization Speed: Individual, Firm and Contextual Influences*

Linda Hsiu-yun Hsieh, SOAS, University of London

John Child, Universities of Birmingham and Plymouth, UK; Sun Yat-sen University, China

Rose Narooz, Coventry University

Said Elbanna, Qatar University

Joanna Karmowska, Oxford Brookes University

Svetla Trifonova Marinova, Aalborg University

Pushyarag Puthusserry, University of Sussex

Terence Tsai, China-Europe International Business School

Yunlu Zhang, China-Europe International Business School

This paper makes two main contributions to the existing literature on the speed of SME internationalization. First, it develops a multidimensional perspective by considering how early a firm internationalizes, the speed of deepening its international sales, the speed at which it enlarges its geographic scope and the speed of diversifying the entry modes it uses in its international operations. It offers additional empirical evidence relevant to the ongoing debate about the concept of internationalization speed. Second, the paper addresses two contextual factors (industry, level of home economy development) which have been under researched in this field. It examines the influence of context, entrepreneurial characteristics (international experience, perception of opportunities abroad, proactivity) and firm characteristics (innovation capability, social and business ties) on the internationalization behavior of SMEs. The adoption of a multidimensional perspective on internationalization speed is justified both theoretically and in terms of our results. The findings from a sample of 180 export-active SMEs show that each dimension of internationalization speed is predicted by a different set of antecedents. *(For more information, please contact: Linda Hsiu-yun Hsieh, SOAS, University of London, United Kingdom: hh24@soas.ac.uk)*

*CAGE in Cyberspace? How Digital Innovations Internationalize in a Virtual World*

Noman Ahmed Shaheer Siddiqui, University of South Carolina

Sali Li, University of South Carolina

How can mobile apps internationalize in the cyberspace and what strategies can they utilize to facilitate the internationalization process? By examining factors affecting the internationalization speed of 127 mobile apps that were launched in App Store in the last quarter of 2014, we find that despite the readily availability of these mobile apps to international users via global platforms, the speed of international penetration is still subject to CAGE distances. However, our results also suggest that app developers may be able to overcome these distances by involving users in their digital innovations as a demand side bricolage. Our study not only helps to enhance the understanding of the rising phenomenon of mobile apps and their internationalization process, but also to extend the frontier of demand-side strategies in the international context. *(For more information, please contact: Noman Ahmed Shaheer Siddiqui, University of South Carolina, USA: noman.shaheer@grad.moore.sc.edu)*

*How do International Performance, Marketing Capabilities, and Market Turbulence Jointly Influence a Foreign Exit Decision?*

Qun Tan, Xiamen University  
 Carlos MP Sousa, Durham University  
 José Mata, University of Lausanne

More and more firms are exiting their foreign markets. However, while this phenomenon is increasingly important in today's globalized business environment, there has been little empirical research to explore the reasons for firms' exit decisions. To address this gap in the literature we develop a model to examine the moderating impact of marketing capability and market uncertainty on the relationship between international performance and exit decision. Our results, based on data collected from multiple informants in 180 Chinese outward foreign direct investment firms, generate new insights for academics and practitioners. *(For more information, please contact: Qun Tan, Xiamen University, China: qun.tan@xmu.edu.cn)*

*How Long Do Firms Wait Before Venturing Back into Previously Exited Markets? An Empirical Exploration of Foreign Market Re-Entry*

Irina Surdu, University of Reading  
 Kamel Mellahi, Warwick Business School  
 Keith Glaister, University of Warwick

This study examines foreign market re-entry after initial entry and exit. Based on a unique sample of over 1,000 cases of re-entry, we examine what distinguishes early movers into a previously exited market from later re-entrants. We find that institutional legitimacy and the presence of other foreign (re)entrants motivates early re-entries. In turn, higher levels of prior knowledge and experience do not lead to firms being early re-entrants, but in turn reduce the ability of firms to respond to positive cues for institutional legitimacy via early re-entries. Interestingly, motives for the exit as well as the degree of resource commitment have been found as key determinants of re-entry timing as firms react to the exit experience and attempt to salvage some of the sunk costs lost upon exit by re-entering early. This study proposes that there are similarities but mostly differences between de novo foreign market entrants and re-entrants concerning the antecedents of timing decisions. *(For more information, please contact: Irina Surdu, University of Reading, United Kingdom: i.surdu@henley.ac.uk)*

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**Session: 2.5.7 - Panel**  
**Track: 9 - Teaching IB**

*International Business: International Classroom. Benefits and Challenges of Developing and Teaching IB Courses and Programs to Students from Multiple Language Backgrounds*

**Presented On:** July 4, 2017 - 16:15-17:30

**Chairs:** David M Berg, Hamline University and James M. Hagen, Hamline University

*Panelists:*

David M Berg, Hamline University  
 James M. Hagen, Hamline University  
 Tiziano Bursi, University of Modena and Reggio Emilia  
 Stella Cho, United International College  
 Chie Iguchi, Keio University

In a global economy, programs and courses in International Business often draw students with international interests and backgrounds. Their diverse perspectives and cultural insights enrich the IB classroom and are valued by faculty and institutions. In addition to international students in domestic classrooms, some

institutions develop and run IB programs in other than their local language and/or in partnership with universities in other countries. Finally, IB faculty often teach, either on a short- or longer-term basis, at institutions outside their home country. These diverse arrangements facilitate the benefits of IB education, and yet may raise some challenges. The objective of this panel is to explore and discuss some of these issues, through presentation, Q&A and discussion with session attendees, who are likely dealing with some of the same issues, and may have further questions or insights to share. Panelists have been chosen to represent a spectrum of countries and program types, from US classrooms with international student populations to both graduate and undergraduate programs in English in both Europe and Asia, as well as some faculty who have taught in both and programs that were both started in a non-local language and converted after the program had already been established. *(For more information, please contact: David M Berg, Hamline University, USA: dberg06@hamline.edu)*

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**Session: 2.5.8 - Panel**

**Track: 4 - Innovation and knowledge management**

***New Modes of Cooperation in Emerging Markets: A CEE and Russia Perspective***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Lukasz Puslecki, Poznan University of Economics and Business

Discussant: Piotr Trapczynski, Poznan University of Economics

*Panelists:*

Andrei Panibratov, Saint Petersburg State University

Matevz Raskovic, University of Ljubljana and Shanghai University of International Business & Economics

Marian Gorynia, Poznan University of Economics and Business

Andreja Jaklic, University of Ljubljana

Marina Latukha, Saint-Petersburg State University

Michal Staszkw, Poznan University of Economics and Business

Krzysztof Wach, Cracow University of Economics

Taking into consideration this year's theme "The contribution of MNEs to building sustainable societies" the aim of this panel is to discuss new modes of cooperation in the CEE region, given its unique historic, socio-cultural, institutional and economic types of embeddedness and disembeddedness, which provides a particularly challenging, albeit dynamic landscape for international business due to a rich and dynamic context, which is also becoming a gateway into Europe for other overseas MNCs (i.e. Chinese, other Asian, Central Asia etc.). Companies functioning in a competitive global environment, with greater risk and complex product development and the need for ever more innovative services and products, enforces on them, especially in the last few decades, in various sectors of the economy, the implementation of cooperation in the framework of partnerships. As a result, one can observe the development of more advanced and complex alliances between companies, containing, among others, a growing number of global strategic relations, the existence of cultural and organizational differences between the partners, and the commitment of many parties in the implementation of the partnership. We will pay specific attention to the issue of how the companies, universities and institutions develop and implement modern modes of cooperation in the forms of open innovation alliances, public-private partnerships and cross-border partnerships. Moreover, we will try to discuss the current role of universities in the development of collaboration between business and academia, and the challenges faced by educators and researchers in CEE. Three sets of question will be explored: (1) What are the key success factors to develop Open Innovation Alliances and successful cross-border partnerships in Central & Eastern Europe (CEE) and Russia? (2) What modern modes of cooperation can be applied and developed in the CEE region and Russia? In which industries? In which dimension – local, domestic, international? (3) What are the main barriers and challenges for the universities in CEECs taking into account business-academia collaboration? How can universities more effectively transfer research knowledge to decision makers? All these questions will be set

against the broader background of trying to show that CEE is not just “good enough” research context, but actually a uniquely global transitional IB context with a particular context richness. *(For more information, please contact: Lukasz Puslecki, Poznan University of Economics and Business, Poland: lukasz.puslecki@ue.poznan.pl)*

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**Session: 2.5.9 - Competitive**

**Track: 7 - Corporate governance and financial management**

***Ownership Types Around the World and Corporate Implications***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Luiz Ricardo Kabbach de Castro, Universidade de São Paulo

*Dividends and Underinvestment in China: Did Foreign Investors Expropriate Liquidity during the Global Financial Crisis?*

Wei Huang, Nottingham University  
John W. Goodell, University of Akron  
Abhinav Goyal, University of Liverpool

Little attention has been given to the flow of liquidity between regions internationally with different levels of temporary financial constraints. Examining approximately 18,000 firm-years from China, we find that foreign controlling ownership of Chinese firms was associated with an extraordinary increase in dividend payouts during the 2007–2009 global financial crisis (GFC), with concomitant underinvestment. This evidence is robust to a matched sample of domestically controlled firms selected using propensity-score matching; as well as to an alternative control sample of firms invested by Qualified Foreign Institutional Investors (QFIIs). We interpret our results as not due to a general clientele effect, but suggesting foreign controlling shareholders in China acted specifically to expropriate (export) liquidity through dividends. These findings reveal a principal-principal agency cost during the GFC. *(For more information, please contact: John W. Goodell, University of Akron, USA: johngoo@uakron.edu)*

*Sovereign Wealth Funds' International Investments: The Role of Politicization and Bilateral Relations*

Vittoria G. Scalera, University of Amsterdam  
Samuele Murtinu, University of Groningen  
Roger Strange, University of Sussex

We investigate the determinants explaining which cross-border target acquisitions by sovereign wealth funds (SWFs) actually materialize. Drawing upon institutional theory and the literature on SWFs and host country reactions to inward foreign investments, we hypothesize that cross-border acquisitions are less likely to materialize when SWFs are highly politicized, but more likely to materialize when the SWF home countries and the target host countries have cordial relations – as evidenced by the existence of bilateral trade agreements and strong political ties. Additionally, we claim that bilateral political and trade relationships may moderate the negative effect of SWF politicization. By means of probit models on both realized and potential cross-border acquisition dyads between SWFs and target companies, we test our hypotheses using data on 509 cross-border acquisitions made by 25 SWFs over the period 1997-2013. Our results are robust to controls for time effects, firm-specific fixed effects, fund-specific characteristics – such as accountability and transparency, internationalization, strategic goals and assets under management –, institutional distance, and differences across countries and over time. Our findings suggest that many acquisitions do not materialize because of SWF politicization, while cordial relations between home and host countries facilitate the deal realization. Further, the concerns about highly politicized SWFs are exacerbated when there are bilateral trade agreements in force between the home and host country. Beyond SWFs, these results may be extended to other cross-border

investments in which political and non-market strategies are predominant. *(For more information, please contact: Vittoria G. Scalera, University of Amsterdam, Netherlands: v.g.scalera@uva.nl)*

*East or West, Money's The Best? Cultural Orientations of Blockholders and Value Creation in Cross-Border Acquisitions*

Victor Zitian Chen, University of North Carolina at Charlotte  
Ajai Gaur, Rutgers University

The corporate governance literature has suggested that powerful shareholder groups may hold diverse sociocultural logics and thus heterogeneous nonpecuniary interests. Our scholarly examination of shareholder heterogeneity in such sociocultural diversity has been very limited. In particular, it remains unclear whether such diversity among multiple powerful shareholder groups may affect the financial value to the minority shareholders. In this paper we take a novel approach by answering these questions in two steps. First, we examine whether different large shareholder groups are related to different foreign cultural value orientations in the context of cross-border acquisitions (CBAs). Second, we examine whether such cultural diversity among these large shareholders affects shareholder value creation (or loss) in these CBAs. Using a global sample of US listed acquirers during 2001-2014, the findings suggest "yes" to both questions. *(For more information, please contact: Victor Zitian Chen, University of North Carolina at Charlotte, USA: zchen23@uncc.edu)*

*Behind the Scenes: International Evidence on the Monitoring Role of the Norwegian Pension Fund*

Nico Lehmann Lehmann, University of Goettingen  
Almasa Sarabi, University of Goettingen

This paper revisits the monitoring role of international institutional ownership. Based on a novel setting that improves the identification of causal effects, it examines whether the presence of institutional ownership improves firm-level monitoring and in turn increases firm value. The paper tracks in detail the investment positions of the Norwegian Pension Fund between 2010 and 2014 and exploits the funds' entries (initial investment in firms) as well as exits (subsequent divestiture from firms) in a two-fold differences-in-differences (DiD) design with two-natural control groups and a comprehensive fixed-effect structure. The respective DiD results document significantly positive monitoring as well as performance effects in the course of the fund's entries. Corroborating these results, exits of the funds are subsequently followed by significant declines in monitoring and performance. A variety of sensitivity tests, for example, addressing parallel trends assumptions or reverse causality concerns, ensure the validity of these results. Overall, the paper's findings highlight the beneficial role of institutional ownership. *(For more information, please contact: Nico Lehmann Lehmann, University of Goettingen, Germany: nico.lehmann@wiwi.uni-goettingen.de)*

*The Value of Risk Transfer in Mergers: Role of Country Legal Institutions and Large Shareholders*

Narjess Boubakri, American University of Sharjah  
Jean-Claude Cosset, HEC Montreal  
Dev Mishra, University of Saskatchewan  
Hyacinthe Somé, Université de Sherbrooke

In a global sample of 1,184 mergers & acquisitions (M&As) covering 40 target countries, we investigate whether high risk taking firms choose to acquire low risk taking firms by paying higher premiums, and how does governance environment embedded in country legal institutions and ownership structures affect perceived valuation effect of such acquisitions. Consistent with the existing literature we find that greater risk transfer (RT) from acquirers to targets is associated with higher perceived valuation effect, however, such effect is entirely transferred to target firms. The target premiums and target announcement abnormal returns are increasing in the level of risk transfer. Further, we examine if risk transfer (RT) is capturing ownership quality transfer and investor protection transfer. We find that the valuation impact of RT is greater when bidders feature stronger ownership structures than that of targets, and the acquirer country strongly protects investors'

rights relative to the target country. These results are stronger for vertical and cross-border M&As, and when the acquirer obtains full control of the target after the M&A deal. *(For more information, please contact: Dev Mishra, University of Saskatchewan, Canada: mishra@edwards.usask.ca)*

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**Session: 2.5.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Role of Resources, Technology, Institutions and Standardization vs. Adaptation in Internationalization Process***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Mehmet Demirbag, University of Essex

*A Resource-Based View on the International Performance of Emerging Economy MNEs: An Empirical Investigation of Chinese Firms*

Jie Fu, Tianjin Normal University/University of Toulouse 1 Capitole

Stephen Nicholas, Tianjin Normal University & University of Newcastle

The resource-based view (RBV) of firms undergoing international expansion emphasises the key role of domestic firm-specific resources (ownership advantages) for assuring performance. However, many Chinese firms, without significant firm-specific resources and ownership advantages have accelerated their international operations. This phenomenon strongly contrasts with the traditional tenet in the RBV, where firm-specific resources explain both international expansion and subsequent international performance. Our study explores the firm-specific resource view from the perspective of Chinese firms and documents how internationalization generates sustained profits for Chinese firms at the mid-stage of the international expansion cycle between 2009 to 2013. Moreover, controlled-subsidiaries that relied on internal earning reinvestment were more likely to enlarge their international scope. Conversely, greater capabilities on domestic-listing and internal R&D investment lowered subsidiaries' propensity to internationalize. In this respect, our study underlines the necessity of investigating both restraining and promoting effects of firm-specific resources on firm performance for distinct organizational hierarchies. *(For more information, please contact: Jie Fu, Tianjin Normal University/University of Toulouse 1 Capitole, China: jie.fu01@gmail.com)*

*Inbound and Outbound Institutional Relatedness and Business Excellence for Emerging Market Firms*

Juan Wang, East China University of Science and Technology

Qihu Wang, East China University of Science and Technology

Haifeng Yan, East China University of Science and Technology

Drawing on institutional theory we examine the impact of inbound and outbound institutional relatedness on the business excellence of emerging market firms (EMFs). Using a sample from the "Most Respected Companies" over the years 2002-2015 in the context of China, we find that institutional relatedness to home country governments has negative impact on EMFs' business excellence, but it facilitates their establishment of institutional relatedness to stock exchanges and foreign firms. Furthermore, EMFs' institutional relatedness to inbound and outbound stock exchanges and foreign firms has greatly enhanced their business excellence. These evidences suggest that EMFs should go public and go abroad but not go to governments in their search of business excellence. However, EMFs can take advantage of their home governments to establish beneficial relationships with prominent institutions, such as stock exchanges and foreign firms. *(For more information, please contact: Juan Wang, East China University of Science and Technology, China: wangjuan1101@126.com)*

*The Institutional Determinants of Private Equity Ownership's Influence on Founder Retention as CEO at IPO in Africa*

Bruce Allen Hearn, University of Sussex  
Igor Filatotchev, City University London

This study examines the influence of private equity retained ownership post-IPO in influencing whether the founder entrepreneurial CEO secedes at IPO. Using a unique sample of 136 private sector IPO firms from over 17 African equity markets between 2000 and 2014 we find that both Business Angel (BA) and Venture Capital (VC) retained ownership is associated with increased likelihood that founder is retained at IPO event. This is inversely moderated by formal institutional quality. We argue that in dense network political economies where relational governance is necessitated then private equity entities are more supportive of founder retention at IPO given the importance of founder's social networks, capital and reputation in securing access to critical resources and information ensuring survival of firm. In high quality contracting environments there is relatively less importance in founder skills and attributes and a greater emphasis of the IPO marking a transition into professionalized management – thereby stimulating a succession event of founder as CEO *(For more information, please contact: Bruce Allen Hearn, University of Sussex, United Kingdom: b.a.hearn@sussex.ac.uk)*

*Business Group Reputation and Affiliates' Internationalization Strategies*

Debmalya Mukherjee, University of Akron  
Erin E. Makarius, University of Akron  
Charles E. Stevens, Lehigh University

A more nuanced examination of how the reputation of a business group (BG) arises and how it affects the internationalization decisions of BG affiliates is needed. We do so by exploring how BG-specific characteristics influence the quality and prominence of a BG's reputation. Then, we offer a typology linking BG reputation quality and prominence with BG affiliate internationalization strategies in terms of geographic scope, location choice and speed. We contribute to the literature by identifying sources of BG heterogeneity, highlighting the influence of positive and negative reputations, and indicating the multilevel complexity of internationalization when considering BGs and their affiliates. *(For more information, please contact: Debmalya Mukherjee, University of Akron, USA: dmukher@uakron.edu)*

*Global Factory Revisited in The Light of the Emergence of 3D Printing - Disruptive Technologies and International Business*

Martin Hannibal, University of Southern Denmark  
Gary Knight, Willamette University

The emergent technology commonly known as 3D printing is shifting the nature of manufacturing, sourcing, and other value-chain activities. The technology has the potential to substantially disrupt the structure and operations of international business. In this paper, we leverage the explanatory power of the global factory (e.g., Buckley and Ghauri, 2004) to frame our discussion of the likely impact of 3D printing. We develop models to highlight the variables and relationships most suited to our explication and offer a nuanced explanation of the potential impact of 3D printing on the global industrial ecosystem. Key variables that we identify include affordability, customization, logistical impracticality, delivery, demand, sustainability, materiality and materials, standardization, technical competencies, size, standards, complexity, and intellectual property rights. We conceptualize a continuum on 3D's likely impact that spans de-globalization to globally distributed manufacturing identified with the global factory paradigm. We conceptualize the potential re-distribution of global manufacturing at four levels of analysis – global, country, local area, and household – and offer examples of how such production might evolve. We conclude with a discussion of managerial and practical implications. *(For more information, please contact: Martin Hannibal, University of Southern Denmark, Denmark: mhhk@sam.sdu.dk)*



*How Do New Technology Based Firms Gain Legitimacy Globally Using Standards Creation Processes?*

Jaykumar Padmanabhan, Indian Institute of Management, Bangalore

Subramanyam Raghunath, Indian Institute Of Management, Bangalore

To achieve growth new firms need access to resources and capabilities. Hence, firms engage in the process of seeking and obtaining legitimacy in international forums to get access to resources needed for growth. Cooperating with large international established firms enables them to access development activities and substitute their research and development efforts. Through the case study research methodology and using the theoretical lens of actor network theory we show how start-up firms that participated in the standard creation gained legitimacy in a sociotechnical system that spans multiple countries and regions. We also study the implications for technology entrepreneurship. *(For more information, please contact: Jaykumar Padmanabhan, Indian Institute of Management, Bangalore, India: jaykumar.padmanabhan@iimb.ernet.in)*

**Session: 2.5.12 - Interactive****Track: 4 - Innovation and knowledge management*****MNEs and the Local Context*****Presented On:** July 4, 2017 - 16:15-17:30

Chair: Niron Hashai, HU School of Business

*Does Vertical Specialization Benefit Indigenous Tech-Capability? The Case of China*

Jason Z. Yin, Seton Hall University

Miao Liu, University of Michigan

It remains a challenge to empirically verify whether the large scale of exports as the result of China's export-oriented growth strategy and participation in global vertical specialization (VS) has transformed into its indigenous technological capability. In the current literature of export performance study, however, there is a methodological gap in quantifying the domestic contents of exports from total exports. Therefore the domestic technological change cannot be clearly identified and analyzed. This paper bridged the gap by employing a unique Input-Output model to derive the domestic contents from total exports and to analyze the nature of related technological change. Our data analysis of China's exports of manufacturing products for 1992-2009 reveals: (1) China's participation in the global vertical specialization in high-tech sector grew accelerated chronically; (2) the VS participation was more aggressive in high-tech than in the medium-tech, low-tech and resources based sectors; and (3) the net domestic contents in China's exports in high-tech sectors grew much faster than the other sectors. The findings indicate that China's export-oriented growth strategy, instead of creating dependence on low-tech and resource-based exports, had led to a rapid growth in sophisticated high-tech manufacturing with its indigenous capability. *(For more information, please contact: Jason Z. Yin, Seton Hall University, USA: yinjason@shu.edu)*

*Dancing with Shark: Search Strategy, Environmental Complexity, and Survival of Local Firms*

Jie Wu, University of Macau

Ka Fai Lao, University of Macau

JT Li, Hong Kong University of Science and Technology

Feng Wan, University of Macau

This study examines competitive dynamics between foreign and local firms. We posit that the entry of foreign firms significantly reduces the survival rate of local firms in the short term, but this effect gradually diminishes over time. Our results obtained from an agent-based simulation study further reveal that the negative effect of foreign entry is heightened as environmental complexity increases. However, local firms with a broader

knowledge search better confront with the negative impact of foreign entry over time. We also find that the negative effect of foreign entry on local firms' survival is weaker for local firms with a strong retrieval capacity. *(For more information, please contact: Jie Wu, University of Macau, Macau: jiewu@umac.mo)*

*MNE Subsidiary Survival and Advancement in a Coevolving Dual Context*

Johanna Clancy, National University of Ireland, Galway  
Paul Ryan, Trinity College Dublin  
Ulf Andersson, Mälardalen University  
Majella Giblin, National University of Ireland, Galway

The subsidiary has been characterised as a 'janus-faced' organisation with a dual allegiance to its local network and the MNE (Birkinshaw, 1998). The subsidiary's ability to create knowledge in its local context emanates from its capacity to have a voice in its internal network and to evolve through a combination of local initiatives and corporate parental support (Cantwell and Mudambi, 2005). In contrast to existing studies (Achcaoucaou et al, 2014; Ciabuschi et al, 2014, Figueredo, 2012; Meyer et al., 2011; Mudambi and Swift, 2012), which all take a rather static view of the dually embedded subsidiary, our contribution lies in taking a dynamic co-evolutionary perspective. We longitudinally track the guided coevolution of subsidiary role and local network's knowledge stock. We subscribe more to the complementarity for balanced coevolution in both contexts (Ciabuschi et al., 2014) over the trade-off thesis, in that reliance on one context for resources may limit access to resources in the other context (Gammelgaard and Pedersen, 2010). We show how the subsidiary is both a catalyst and coordinator of resource and knowledge flow in a form of guided coevolution to ensure requisite variety and hence accentuate the importance of dual embeddedness in understanding subsidiary evolution. *(For more information, please contact: Johanna Clancy, National University of Ireland, Galway, Ireland: johanna.clancy@nuigalway.ie)*

*More than Meets the Eye: Contextual Intelligence and Reverse Innovation from an Emerging Economy*

Kenneth G. Huang, National University of Singapore  
JT Li, Hong Kong University of Science and Technology

Under what circumstances is reverse innovation more likely to occur? What factors influence firms' choice to take innovations developed for an emerging market like China to an advanced market like the U.S.? To address these questions, we develop a framework drawing upon the theory of contextual intelligence and the exploration-exploitation perspective. We employ a novel approach to identify and analyze the innovative activities of 886 Chinese and foreign firms in China carrying out reverse innovations to the U.S. We find that firms gaining greater contextual intelligence—the ability to understand the limits of their knowledge, diagnose the local context, and exercise context-specific knowledge—through more local operational experience in China and practice/experimentation will more likely develop such reverse innovations. A mature regional technological market with more technological assets enhances this relationship. These findings have managerial and policy implications for transnational innovation management. *(For more information, please contact: Kenneth G. Huang, National University of Singapore, Singapore: kennethhuang@nus.edu.sg)*

*The Knowledge Effect and Competition Effect of FDI on Entrepreneurial Process*

Junichi Yamanoi, Waseda University  
Xufei Ma, Chinese University of Hong Kong  
Yangwen Wang, Renmin University of China

Entrepreneurship is a process consisting of opportunity identification, evaluation and exploitation. Foreign direct investment (FDI) has influences on the process and thus affects the exploitation consequence as a new venture creation. We argue that FDI's knowledge effect, represented by technology transfer and spillover, promotes the identification of entrepreneurial opportunities. Then the identified opportunity is evaluated base on the benefits and costs calculation. At this stage, the competition effect brought by FDI, reflected in the improved

productivity of industry incumbents, increases the entry barrier of new ventures. When the startup costs outweigh the anticipated benefits of the identified opportunity, the likelihood of final stage exploitation drops. Thus we hypothesize an inverted-U shape between FDI level and new venture creation. Furthermore, we propose that FDI's knowledge effect penetrates industry and geographic boundaries. Finally, we introduce government-market relationship as a moderator on the nexus between FDI and new venture creation. Empirical results offer supports to our hypotheses. *(For more information, please contact: Yangwen Wang, Renmin University of China, China: wangyangwen@rbs.ruc.edu.cn)*

*Is R&D Really the Secret Sauce? A Multilevel Investigation of R&D, Market Openness and Corporate Social Inconsistency*

Limin Fu, University of Adelaide  
 Dirk Michael Boehe, University of Adelaide  
 Marc Orlitzky, University of South Australia

R&D can enhance a firm's corporate social performance (CSP), but it can also shift resources away from R&D and demotivate firms to pursue CSP. To address this tension, we decompose the multidimensional concept of CSP and investigate the impacts of R&D on corporate social inconsistency (CSI), defined as the within-firm variability of a firm's social performance in different social issues. Building on the resource management literature and evolutionary economics, we propose that R&D is positively related to CSI because the complementarity between R&D and CSI can create synergies between a firm's market and nonmarket strategies. The unilateral specialization in specific social issues, typical of CSI, can also emerge from the path dependent nature of R&D and bounded rationality. Since country-specific institutional environments can shape innovative behavior differently, we then hypothesize that selection pressure resulting from market openness positively moderates the relationship between R&D and CSI. This is because selection pressure reinforces incentives for synergies by bundling R&D and CSI. Our hypotheses are empirically supported using multilevel data of 873 firms from 30 countries between 2008 and 2012. *(For more information, please contact: Limin Fu, University of Adelaide, Australia: limin.fu@adelaide.edu.au)*

*Us vs. Them: Unlearning by Governments and MNEs for Win-Win Outcomes in Host Countries*

Veeresh Dayal Srivastava, ESC Rennes School of Business and University of Liverpool  
 Seong Young Kim, ESC Rennes School of Business

MNEs are faced with unfamiliar environments and stakeholder orientations in many parts of the world. Similarly, stakeholders like governments may find it difficult to understand the motives and concerns of MNEs, esp. those from socio-economic systems that may be alien to their belief systems. Apparently, these two stakeholders have an inherent conflict of interests, where profit motive of MNEs are pitted against the welfare-maximizing motives of modern democratic governments. The key may lie in finding a common ground that is win-win, for both the motives to be realized together, e.g. by focusing on dynamic growth and development giving space for both, rather than on who gets what in a static, zero sum game. The key to reaching such a common ground may lie in shaking the beliefs that stem from the traditional win-lose orientations of public vs. private good and finding out what may help both simultaneously. The future of MNE and host government relations may well depend on this key common ground. This paper argues that that unlearning, an emerging domain of knowledge in strategy and management literature, could play a constructive role in doing so, by altering the fundamental beliefs involved. *(For more information, please contact: Veeresh Dayal Srivastava, ESC Rennes School of Business and University of Liverpool, France: veeresh.srivastava@online.liverpool.ac.uk)*

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**Session: 2.5.13 - Interactive**  
**Track: 6 - Human resource management**

### ***Strategizing in International HRM***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Cordula Barzantny, Toulouse Business School

#### *Value Creation and Capture through Human Resource Management Practices: Gazing through the Business Model Lens*

Ashish Malik, The University of Newcastle Australia  
Pawan S. Budhwar, Aston University

A business model refers to a firm's blueprint for creating and capturing value through a set of interlocking activities. This paper focuses on explicating, by utilising the resource-based view (RBV) theory, the key human resource management (HRM) practices that support firms' value creation and capture elements of a business model. We present a processual understanding of how several HRM practices differently support in value creation and capture processes. Employing an inductive approach via qualitative data analysis of ten case study organisations from the Indian IT /BPO industry, we found that the dominant business model focuses on efficient and differentiated services. From an HRM perspective, by developing client-centric values/culture, investing in a range of learning and development activities and following a control-oriented work design, value creation is possible. Further, the adoption of an industrial approach to training, focused hiring, process-focused HRM and project-based performance management support value capture. We conclude by highlighting the key implications of our findings for both theory and practice. *(For more information, please contact: Vijay Edward Pereira, University of Wollongong Dubai, United Arab Emirates: vijaypereira@uowdubai.ac.ae)*

#### *The Role of National Culture in Strategic Human Resource Management: Evidence from Japan and the U.S.*

Takashi Sakikawa, Niigata University

I built management practices-performance hypotheses drawing not only on the perspectives common so far in the strategic human resource management (SHRM) literature, namely the universalistic and contingency ones, but also on knowledge and insights from cross-cultural research. Then, I empirically tested the hypotheses based on evidence from Japanese and U.S. production team. The results revealed the potential of national culture, among other contextual factors, to moderate the relationships between management practices and performance and its significance in the research and practice of SHRM. This study contributes to the development of the burgeoning field of international SHRM. *(For more information, please contact: Takashi Sakikawa, Niigata University, Japan: saki@mot.niigata-u.ac.jp)*

#### *MNC HRM Strategic Orientation in the Euro-Mediterranean Region: The Case of French Multinationals in Tunisia*

Dorra Yahiaoui, Kedge Business School  
Hela Chebbi, EDC Paris Business School  
Mehdi Boussebaa, University of Glasgow

The development of international cooperation within the Euro-Mediterranean region in the last two decades has led to a growing degree of investment by European multinational corporations in South-Mediterranean countries, especially North African ones. Yet little research is available on how such multinationals control and manage their operations in those countries. This paper contributes to addressing this gap through a qualitative study of two French multinationals operating in Tunisia; focusing in particular on how the strategic HRM orientation of these firms is evolving in this part of the Euro-Mediterranean region? Drawing on interviews with both French and Tunisian managers, we examine the HRM policies used by the two companies in their Tunisian

subsidiaries in the beginning of their implementation process in the mid-2000s and a decade later in 2016. The findings show that their HRM strategic orientation has changed differently in North Africa. The ethnocentric model is no more followed. The suggested framework highlights the factors explaining this evolution. We discussed the implications of this finding for research on multinationals and suggested a few areas for future research. *(For more information, please contact: Hela Chebbi, EDC Paris Business School, France: hela.chebbi@edcparis.edu)*

*The Paths of Managing International Human Resources of Emerging Market Multinationals: Reconciling Strategic Goal and Control Means*

Di Fan, Curtin University  
 Jie Xia, Monash University  
 Mike Mingqiong Zhang, Monash University  
 Cherrie J. Zhu, Monash University  
 Zijie Li, University of International Business and Economics

Embracing the convergence–divergence–crossvergence debate in the field of international human resource management (IHRM) and linking it to the context of emerging market multinational enterprises (EMNEs), our key contribution is to provide a precise and feasible architecture of convergence–divergence–crossvergence response that takes into account the global versus local dilemma, as well as the headquarters–subsidiary relationship. By incorporating the latest theoretical development and case observations of EMNEs, we identify localization as a strategic goal and autonomy as a control means that foster EMNEs' choosing their own paths in managing international human resources. Under the architecture, the two types of crossvergent IHRM strategies – deliberate and emergent – are further distinguished. Propositions are developed for future empirical testing. *(For more information, please contact: Di Fan, Curtin University, Australia: david.fan@curtin.edu.au)*

*Integration Mechanisms Utilised by Multinationals from Emerging Markets*

Amarachi N. Amaugo, University of South Wales  
 Faten Baddar Alhusan, Newcastle University London

This study examines the integration mechanisms utilised by multinational companies from Emerging economies (EMNCs) to control and coordinate – integrate their overseas operations as a strategy to overcome foreignness liability and to transfer parent company/best practices. Based on a multiple case study design of four case studies of companies acquired in Nigeria by MNCs from South Africa, Singapore and the United Arab Emirates, the authors find that EMNCs used primarily used four integration mechanisms and to varying degrees and they tended to rely more on the personal centralised approach. *(For more information, please contact: Faten Baddar Alhusan, Newcastle University London, United Kingdom: faten.baddar-alhusan@ncl.ac.uk)*

*Why Don't We Learn from International Mergers & Acquisitions: An Empirical Study of Challenges for International and Strategic HRM*

Cordula Barzantny, Toulouse Business School  
 Magali Larquey, Toulouse Business School

Many companies in various industries are compelled to go through external growth and Mergers and Acquisitions if they want a chance to grow and survive on the international scene and in highly competitive world markets. However, 70% of M&A's never attain their initial goal, mainly because of the human factor. It is often believed that synergies are solely dependent on numbers and technology when in fact the lack of people synergy is what causes M&A's to fail (Cartwright & Cooper, 1990). Therefore the human element seems crucial to corporate striving for success. This research uses the idea that cultural difference, due to different nationalities and cultural contexts, may play an important role in the failure of most international M&A's. Therefore the various cultural context mixes posit drastic challenges to global human resource management, notably for the management of talent and the strategic management of people. After a review of existing

research, we conducted an empirical study by observations and interviewing several M&A experts in various high technology industry settings. Following a content analysis, we identified that people management with a double focus on individual and collective bases can be particularly leveraged for success through global and strategic management policies. *(For more information, please contact: Cordula Barzanthy, Toulouse Business School, France: c.barzanthy@tbs-education.fr)*

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**Session: 2.5.14 - Interactive**

**Track: 5 - Organization strategy and management**

***On the Role of the TMT, Corporate Board, and Global Leadership***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Charles Dhanaraj, Temple University

*CEO Functional Background and Shareholder Value of Chinese Acquirers' Cross-border Mergers and Acquisitions: The Moderating Role of Financial Leverage*

Shouming Chen, Tongji University

Jianchao Hao, Fudan University

Yuanyuan Hu, Tongji University

This paper linked the CEO functional background to shareholder value of Chinese acquirers' cross-border mergers and acquisitions (CBM&As), and examined the moderating role of financial leverage in this relationship. Drawing on upper echelons theory and the method of event study, we developed and tested hypotheses based on the sample of 328 CBM&As from the year of 2008 to 2015. The result showed that there was a positive relationship between CEO throughput functional experience and shareholder wealth effects. And the relationship was found to be stronger when financial leverage was higher. The result didn't show that CEO output functional experience had an influence on shareholder wealth effects. *(For more information, please contact: Shouming Chen, Tongji University, China: schen@tongji.edu.cn)*

*Managerial Discretion in Internationalization of Family Controlled Family Managed Firms: The Case of Indian Family Firms*

Arindam Mondal, MDI Murshidabad

Sarada Devi Gadepalli, Indian Institute of Management Calcutta

Sougata Ray, Indian Institute of Management Calcutta

We investigate the impact of family ownership and CEO attributes on internationalization strategy of family firms. Empirical results based on a unique panel dataset of large Indian family controlled and family managed firms for the period 2007 to 2013 indicate that while ownership considerations of family firms create impediments in internationalization efforts, firms with either a first generation founder CEO or an owner-CEO with international exposure at the helm, are able to do so more effectively. Our results suggest that discretionary objectives of the dominant coalition derived from the idiosyncratic ownership and CEO attributes are responsible for heterogeneous strategies of family firms. We also theorize the moderating influence of family CEO attributes on the relationship between family ownership and internationalization strategy. Our study has several implications for the theory of family business internationalization. *(For more information, please contact: Arindam Mondal, MDI Murshidabad, India: arindam.elec@gmail.com)*

*Corporate Social Responsibility and Age of Productivity: Upper Echelon Prospective*

Qaiser Rafique Yasser, Preston University  
 Abdullah Al Mamun, University of Newcastle  
 Michael Seamer, University of Newcastle

What is the relationship between corporate social responsibilities and director age? To shed light on this issue, we examine whether and how positive and negative corporate social responsibility (CSR) events relate to the directors' age in Asian emerging economies. By using the upper echelon hypothetical perspective of Hambrick and Mason (1984), we found that the demographic characteristics of top management teams particularly director age having a significant relationship with corporate social responsibilities. Demographic characteristics of directors are an important way to measure individuals' cognitive bases; cognitive bases in turn combine to create certain team abilities and tendencies, resulting in patterns in board decision outcomes. *(For more information, please contact: Qaiser Rafique Yasser, Preston University, Pakistan: qaiser\_rafique1@hotmail.com)*

*Microfoundations of Global Performance: Evidence from Elite Football Teams on the Impact of Bicultural Managers*

Mike Szymanski, University of Victoria  
 Stacey R. Fitzsimmons, University of Victoria  
 Wade Danis, University of Victoria

Successful organizations develop dynamic capabilities aligned with their competitive environments. As environments become more globally competitive, certain dynamic capabilities become more advantageous; such capabilities are driven by top managers with different sets of cognitive attributes. Using multilevel data from 355 elite football teams, we find support for a moderated relationship among the degree of global competition, biculturalism of top managers, and team performance. When the competitive environment is highly global, bicultural top managers positively affect performance by seizing cognitively distant opportunities. When the competitive environment is less global, monocultural managers positively affect performance by seizing cognitively proximate opportunities. *(For more information, please contact: Mike Szymanski, University of Victoria, Canada: mikeszym@uvic.ca)*

*Demystifying Cross-Cultural Challenges in Task-Based Global Virtual Teams*

Maria Alejandra Gonzalez-Perez, Universidad EAFIT  
 Andres Velez-Calle, Universidad EAFIT  
 Misha Mariam, University of Washington  
 Alfredo Jimenez, Kedge Business School

The purpose of this paper is to study the process by which millennials working in Global Virtual Teams (GVTs) address challenges to ensure effective functioning and accomplishment of desired outcomes. Qualitative analysis of data from over 500 participants reveals two broad set of findings. First, the expected problems - predominantly cross-cultural in nature - are more often than not eclipsed by other team and task-based phenomena during the course of project. We find that culture is not the ultimate threat that it is portrayed for millennials to be in the context of contemporary GVTs, in fact, it was found that for millennials cultural distance doesn't matter. The second set of findings concern distinct cultural schemes that GVTs apply in order to deal with expected and unexpected challenges. These include challenge reconstruction schemes and solution generation schemes. *(For more information, please contact: Maria Alejandra Gonzalez-Perez, Universidad EAFIT, Colombia: mgonza40@eafit.edu.co)*

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**Session: 2.5.15 - Interactive**  
**Track: 3 - Marketing and consumer research**

### ***Emerging Markets and Digital Business***

**Presented On:** July 4, 2017 - 16:15-17:30

Chair: Dirk Morschett, University of Fribourg

#### *Pricing Strategies of Domestic vs Multinational Firms in an Emerging Market: An Empirical Study*

Georgios Batsakis, Brunel University London  
Satwinder Singh, Brunel University London  
Goudarz Azar, Brunel University London  
Rahul Singh, Birla Institute of Management Technology

A challenge firms encounter when operating in rapidly changing economies, highly competitive markets and idiosyncratic institutional environments is the price that needs to be set for their products and services. Based on an in-depth statistical analysis of a unique data set of 307 domestic and Multinational Enterprises (MNEs) in India - second largest emerging economy in the world, this study finds that market-leading firms tend to adopt a low pricing policy. Counter-intuitively, we also find that a lower threat level of new entrants reduces the probability of firms adopting a higher price. If the firm is selling large number of differentiated products, it tends to adopt a higher pricing policy. MNEs that are leaders in their product range, and those facing higher competition tend to adopt higher pricing policy, while those selling a large number of unrelated products tend to adopt a lower pricing policy. *(For more information, please contact: Georgios Batsakis, Brunel University London, United Kingdom: georgios.batsakis@brunel.ac.uk)*

#### *Health Marketing in an Emerging Market: The Critical Role of Signaling Theory in Breast Cancer Awareness*

Vijay Edward Pereira, University of Wollongong Dubai  
Judith Fletcher-Brown, University of Portsmouth  
Munyaradzi Nyadzayo, University of Wollongong Dubai

The study explores the health marketing literature via signaling theory, to uncover the unique social, economic, cultural, institutional challenges and opportunities faced by both consumers and health marketers in breast cancer awareness (BCA) in an emerging economy. An interpretive-inductive approach via focus groups and interviews with a total of 30 participants was used to identify viable strategies of raising BCA in India. We do this by advancing a conceptual framework and several propositions that evolve from the opportunities and challenges emerging from the study. The findings reveal that complex social challenges at national, state and community levels, can impact negatively on the reputation of India's health sector to provide care and effective signaling of BCA messages. Also, the traditional social marketing strategies could be effective if implemented at local levels via community health activists. The study contributes to health marketing practices, particularly our knowledge of BCA in emerging economies. *(For more information, please contact: Vijay Edward Pereira, University of Wollongong Dubai, United Arab Emirates: vijaypereira@uowdubai.ac.ae)*

#### *The Effects of Social Media on Young Professionals' Work Productivity: Evidence from an Emerging Market*

Christian Tabi Amponsah, Yorkville University  
Ganga Bhavani Maddula, Manipal University

The study surveyed 488 young professionals to examine the relationship between social media and productivity in the workplace. Drawing on uses and gratifications theory, random samples were taken from a study group of individuals between the ages of 18 and 35 years. The results indicate that there is a positive relationship between productivity in the workplace and social media. However, the impact appears to be related to certain



specific uses. Networking, finding information, and sharing and exchanging knowledge appear to have a greater impact on the professional enhancement of young professionals. Additionally, the results show that more females (64%) than males (36%) are influenced by social media sites in the professional discharging of their duties. Furthermore, respondents indicated that social media is a catalyst for the enhancement of their professional development. The study concluded that organizations should take advantage of the strengths of social media use by developing appropriate policies for the workplace that govern the use of social media sites to help them gain a competitive advantage. *(For more information, please contact: Christian Tabi Amponsah, Yorkville University, Canada: chris\_tabi@hotmail.com)*

*Toward a Resource-Based View of Global vs. Foreign Consumer Culture Positioning Strategy in Social Media*

Bing Liang, Victoria University of Wellington  
 Hongzhi Gao, Victoria University of Wellington  
 Hongxia Zhang, Peking University  
 Mary Tate, Queensland University of Technology

A growing power of social media calls for a re-evaluation of branding strategies that prevail in traditional media. There is a striking lack of conceptualization of social media branding in the international business research domain. Based on a Resource-Based View of branding strategy, we attempt to answer the following research question in the study: "How does an international brand with global or foreign consumer culture positioning strategy acquire and exploit external resources (ties) in social media branding in a host country market?" Our research propositions are developed around the notion that the brands with different consumer culture positioning strategies acquire different combinations of ties to enlarge their follower networks in social media. A key managerial implication is drawn from this study: incentives offered in social media should be tailored to the types of the ties that the brand is building with social media users, and further moderated by the purpose of the social media networks, brand-centric or non-brand centric. *(For more information, please contact: Hongzhi Gao, Victoria University of Wellington, New Zealand: hongzhi.gao@vuw.ac.nz)*

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**Session: 2.6 - Townhall**

***The Contribution of AIB Chapters around the Globe: Opportunities, Challenges, Innovation and Best Practices***

**Presented On:** July 4, 2017 - 17:45-18:45

Chairs: Daniel Rottig, Florida Gulf Coast University and Sumit K. Kundu, Florida International University

*The Contribution of AIB Chapters around the Globe: Opportunities, Challenges, Innovation and Best Practices*

Abel Kinoti, Riara University  
 William Newburry, Florida International University  
 Lukasz Puslecki, Poznan University of Economics and Business  
 Subramanyam Raghunath, Indian Institute Of Management, Bangalore  
 Elizabeth L. Rose, University of Otago

The Academy of International Business (AIB) currently operates 18 regional chapters in order to facilitate networking and the exchange of knowledge at the local level. The purpose of this panel is to bring together former and current AIB chapter chairs to discuss innovative ideas and best practices for managing and developing chapters. Former and current chapter chairs from the 6 continents on which AIB is operating chapters as well as the AIB vice president of administration in charge of chapters will attend the panel and provide the interested audience with an overview of AIB chapters, share valuable information about AIB's

chapter strategy and how to establish a new chapter including related AIB policies, discuss innovative practices for managing and growing a young chapter, for institutionalizing and developing an established chapter, and for operating and developing chapters in emerging markets. Panelists will further share knowledge and experiences across chapters, discuss opportunities and challenges when managing chapters and provide advice to current and future chairs and organizers of established and potential chapters in a question and answer round. *(For more information, please contact: Daniel Rottig, Florida Gulf Coast University, USA: drottig@fgcu.edu)*

**ABSTRACTS FOR WEDNESDAY, JULY 5, 2017**

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**Session: 3.1.1 - Panel****Track: 1 - Internationalization process and entrepreneurship*****Micro- and Macro-Level Determinants of Family Firm Internationalization Strategy*****Presented On:** July 5, 2017 - 09:00-10:15

Chair: Liena Kano, University of Calgary

*Panelists:*

Ellie R. Banalieva, Northeastern University  
 Jean-Luc Arregle, EM Lyon Business School  
 Jean-Francois Hennart, Tilburg University  
 Alain Verbeke, University of Calgary

What shapes family firm internationalization? In this panel, we will assess the uniqueness of family firms and examine various different, emergent perspectives on the major determinants of their internationalization-related decision-making. Following recent calls to apply mainstream international business frameworks to the family firm context, this panel seeks to expand on the current boundaries of family firm research and to demonstrate that microfoundations, family firm heritage and institutions are the most salient drivers of family firm internationalization. These drivers contribute to explaining heterogeneity of family firms, and thus to solving the existing dichotomy in the field that derives from two competing perspectives on the role of the family as either an enhancer or a barrier to internationalization. The panel is expected to extend our knowledge on family firm internationalization and help explore the prospects for multi-disciplinary theoretical development and empirical analyses of family firms in the global economy. *(For more information, please contact: Jenny Hillemann, Vrije Universiteit Brussel, Belgium: jenny.hillemann@vub.ac.be)*

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**Session: 3.1.2 - Panel****Track: 5 - Organization strategy and management*****Strategic Capability Upgrading and Global Competitiveness*****Presented On:** July 5, 2017 - 09:00-10:15

Chair: Seung Ho Park, China Europe International Business School

*Panelists:*

Armando Borda, ESAN University  
 Alvaro Cuervo-Cazurra, Northeastern University  
 William Newburry, Florida International University  
 Seung Ho Park, China Europe International Business School  
 Stephanie Wang, Indiana University

In this panel, we discuss how emerging market firms identify important strategic capabilities and upgrade these to improve their global competitiveness. Emerging market firms have become an increasingly influential component of the global economy. Both scholars and firm managers are realizing that these firms possess a different mix of capabilities than their developed world counterparts that help them build new business models for global competition. However, as these firms expand globally and encounter increasingly sophisticated competitors, their managers realize that some of the capabilities that enabled their firms to succeed at home do

not transfer well abroad, that their firms lack new and in some cases more sophisticated capabilities to compete in a wide variety of countries, and that their firms suffer from relative disadvantages in their capabilities stemming from their country of origin. We will discuss different mechanisms by which firms upgrade capabilities, the effects of their home countries' economic and institutional conditions on upgrading, and the evolution of upgrading. We aim to deepen the conventional arguments on capability upgrading by discussing the process and dynamics of capability upgrading in emerging market contexts and by highlighting contextual differences between advanced and emerging countries. *(For more information, please contact: William Newburry, Florida International University, USA: newburry@fiu.edu)*

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**Session: 3.1.3 - Competitive**

**Track: 11 - Host track: Managing turbulence and ambiguity**

***International Business Risk: New Perspectives***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Vijay Edward Pereira, University of Wollongong Dubai

*How do Firms Change Their Dominant Logic in the Face of Non-Market Events?*

Chang Hoon Oh, Simon Fraser University

Jiyoung Shin, Simon Fraser University

Jennifer Oetzel, American University

The objective of this study was to examine how past corporate- and country-specific experience with non-market risk (e.g., violent conflict) changes managers' dominant logic about responding to major discontinuous risk in subsequent investment decisions. We hypothesize that the greater the temporal proximity of the firm's experience to the risk, and the greater the severity and frequency of the event, the more likely that risk can moderate the relationship between violent conflict and firm expansion. We test our hypotheses using over 30,000 observations consisting of a sample of 625 Fortune Global 500 firms and their wholly owned subsidiaries between 1999 and 2008. Results suggest that recent, frequent, and high-impact country-specific experience can change a firm's dominant logic of risk avoidance. Corporate experience can also shift managers' perspectives but only for certain types of risk. *(For more information, please contact: Chang Hoon Oh, Simon Fraser University, Canada: coh@sfu.ca)*

*Innovation in Risky Markets. Multinational and Domestic Firms in the UK Regions*

Simona Iammarino, London School of Economics

Luisa Gagliardi, University of Geneva

This paper analyses the relationship between firm engagement in innovation and perception of market risk. We conceptualise this relationship on the basis of different strands of literature, emphasising the relevance of ownership and location advantages. By exploiting a firm-level panel dataset based on the UK Community Innovation Survey for the period 2002-2008, we test whether heterogeneous innovation behaviours in relation to risk perception characterise multinationals (MNEs) and single domestic enterprises, and whether this relationship changes across regional innovation systems. Our results confirm previous empirical literature on the perception of obstacles to innovation: firm awareness of market risk is positively associated with the probability to engage in innovation activities. This result however is mainly driven by the behaviour of firms belonging to MNE groups. In addition, while MNEs react consistently regardless their regional context and industry, domestic firms' innovative behaviour is negatively affected by disadvantaged external conditions provided by less dynamic regions. These findings suggest that the interplay between firm characteristics (ownership advantages) and regional heterogeneity (location advantages) is a crucial dimension to be considered in designing industrial

policies. (For more information, please contact: *Simona Iammarino, London School of Economics, United Kingdom: s.iammarino@lse.ac.uk*)

*The Mechanisms of NGOs' Attention Acquisition in Developing Countries: A Study of Environmental NGOs in China*

Jie Xiong, ESC Rennes School of Business  
Qian Li, Shanghai International Studies University

We follow the logic of attention based view (ABV) to examine how the NGOs utilize different mechanisms to gain the attention of the focal party, in order to solve the social problems. Based on the data of 25 environmental NGOs (ENGOS) in China, we conducted a qualitative inductive study to better understand the attention management in developing countries. Our results confirm the disadvantaged position of NGOs and their positive roles in facilitating to solve the social problems. In searching for solutions to environmental problems, we found that ENGOS implement ways (such as active, passive and neutral) to interact with the focal party, which is the governmental authorities. We further identified different patterns of the mechanisms Chinese ENGOS undertaking to manage the attention acquisition from the governmental authorities, subject to the intensity of political intensity of their activities. Moreover, we go further to examine the different response of governmental authorities to the divergent activities. Our study uncovers the black-box of NGOs' operation in China, with its contribution to the ABV literature and NGO studies in general. (For more information, please contact: *Jie Xiong, ESC Rennes School of Business, France: jie.xiong@esc-rennes.com*)

*Sanctions in International Business: Multidisciplinary Contributions and Research Domains*

Syed Tariq Anwar, West Texas A&M University

The purpose of this paper is to systematically review and discuss economic sanctions and their related areas which impact multinational corporations (MNCs), governments, domestic firms, and international business (IB). In the last 15 years, sanctions have grown multifold and can create hurdles and restrictions for domestic as well as MNCs. Sanctions often originate from regional and global disputes that relate to geopolitical, geostrategic, and country-specific problems and disagreements. The literature on sanctions remains multidisciplinary and multifaceted. At the same time, sanctions-specific literature in IB remains limited and sparse. Because of heightened interest in sanctions, this paper aims at reviewing and discussing sanctions' multidisciplinary literature and their multifaceted research domains and research investigations. We specifically reviewed over 100 studies that add value to the literature from 1960 to 2016. The paper's main contribution is to systematically review those studies which can be used and replicated by IB researchers. We believe that future research can benefit by looking at sanctions and their multidisciplinary domains in the IB area since sanctions impact MNCs, governments, and international and local firms regarding dealing with turbulence and ambiguity. (For more information, please contact: *Syed Tariq Anwar, West Texas A&M University, USA: sanwar@mail.wtamu.edu*)

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**Session: 3.1.4 - Competitive**

**Track: 5 - Organization strategy and management**

***Determinants of Foreign Market Entry and Exit***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Chengguang Li, Paderborn University

*Antecedents and Outcome of Real Options Reasoning in Market Entry Decisions*

Ali Ahi, Lappeenranta University of Technology / School of Business and Management

Olli Kuivalainen, The University of Manchester

Sanna Sundqvist, Lappeenranta University of Technology / School of Business and Management

We aim to understand what organizational activities lead to international market entry decisions based on real options reasoning (ROR). First, we look at the antecedents of ROR by arguing that the attention structure of the firm is an important indicator guiding firms to adopt ROR market entry decisions. Second, we argue that entrepreneurial orientation, as an internal capability, can guide firms to follow the premise of ROR when investing abroad. Finally, we suggest that following ROR when making market entry decisions has performance implications. We develop hypotheses accordingly and test them using large scale quantitative data obtained from international firms in Finland. Our results reveal that both attention structure and internal organizational capabilities positively affect likelihood of following ROR, which then has positive performance implication. *(For more information, please contact: Olli Kuivalainen, The University of Manchester, United Kingdom: olli.kuivalainen@manchester.ac.uk)*

*Corruption Pervasiveness, Subsidiary Localization Strategy and Host Market Exit*

Michael A. Sartor, Queen's University

We study the relationship between host market corruption pervasiveness, the subsidiary localization strategies implemented by MNEs and the likelihood of host market exit. We assume that the pervasiveness of corruption in the host market threatens to undermine the legitimacy of foreign-investing firms in the host market environment. In this context, the strategic insights proffered by resource dependence theory (RDT) and institutional theory (IT) are characterized by distinct spatial orientations. RDT predicts that subsidiaries will implement proximal (or, host market-oriented) localization strategies in which host country partners and employees are hypothesized to be best-suited to efforts to enhance the subsidiary's legitimacy and reduce the likelihood of host market exit. Conversely, IT suggests that distal (or, home market-oriented) localization strategies, in which subsidiaries prefer to engage home country partners and employees in the subsidiary investment, are better-suited to reducing the likelihood of exit from increasingly corrupt host market environments. Leveraging this theoretical tension, we investigate the relative efficacy of these strategies by developing competing hypotheses with respect to the moderating impact of proximal and distal localization strategies upon the likelihood of market exit in increasingly corrupt host market environments. Testing the hypotheses with a sample of 1,239 subsidiary investments in 31 countries during 1998-2005, we find that a proximally-oriented partnering strategy heightens the likelihood of market exit under conditions of more pervasive host market public corruption, but not more pervasive private corruption. Conversely, a distally-oriented expatriate staffing strategy increases the likelihood of market exit under conditions of both more pervasive public corruption and private corruption. *(For more information, please contact: Michael A. Sartor, Queen's University, Canada: michael.sartor@queensu.ca)*

*Strategy Shaping Process in International Expansion: The Role of Organizational Acculturation*

Yingying Zhang, CUNEF, Complutense University of Madrid

Chad Albrecht, Utah State University

Li Tian, Nankai University

Yu Zhou, Renmin University of China

This study explores the interaction between organizational acculturation and strategy shaping process as a firm enters international markets, especially when the market is very dynamic and the cultural distance is high. We build an organizational acculturation typology and use qualitative comparative cases to explore this interactive process at multiple levels. Strategic players' acculturation capability interacts to shape the strategic process of the firm, determining the performance of the firm's subsidiaries. We suggest propositions for further research, with both theoretical and practical implications discussed. *(For more information, please contact: Yingying Zhang, CUNEF, Complutense University of Madrid, Spain: yzhang@cunef.edu)*

*International Cultural Ambidexterity: Balancing Tensions of Foreign Market Entry into Distant and Proximate Cultures*

Christiane Prange, Tongji University

Olga Bruyaka, West Virginia University

Understanding the role of culture in internationalization is essential for international business research and practice given various challenges that managing a portfolio of culturally diverse locations represents for a multinational firm. In the present paper we subscribe to the literature stream that shifts the research focus from considering the tensions of internationalization as a trade-off towards balancing tensions by embracing a paradoxical mindset. Specifically, we apply the ambidexterity lens to the cultural dimension of internationalization and introduce the concept of international cultural ambidexterity (ICA) that allows us to conceptualize how multinational companies can balance tensions within their portfolios of foreign locations. In addition to discussing tensions specific to the cultural aspect of internationalization and specifying different types of foreign location portfolios with varying degrees of ICA, we discuss existing and novel ways to measure ICA empirically and trace valuable avenues for future research on this topic. *(For more information, please contact: Christiane Prange, Tongji University, China: cprange@tongji.edu.cn)*

**Session: 3.1.5 - Competitive****Track: 1 - Internationalization process and entrepreneurship***Emerging Multinationals***Presented On:** July 5, 2017 - 09:00-10:15

Chair: Ravi Ramamurti, Northeastern University

*Domestic or Host Market Network Linkages: Are They Equally Important for Emerging Market Multinationals?*

Huan Zou, SOAS, University of London

Jie Zhang, Fudan University

Based on Mathew's Linkage-Leverage-Learning (LLL) framework (2007), we examine the impact of domestic market linkages and host market linkages on firms' innovativeness, in a sample of Chinese firms that have invested in international markets. The findings indicate that host market linkages contribute positively to firms' product and organizational innovation. Domestic market linkages with institutional players solely impact firms' product innovation. We find some synergetic effects between domestic and host market linkages, and these two types of linkages jointly shape organizational innovation. By providing new empirical insights into innovation via leverage from different linkages, this study helps advance the LLL framework and understanding of emerging

market multinationals. *(For more information, please contact: Huan Zou, SOAS, University of London, United Kingdom: h.zou@soas.ac.uk)*

*Emerging Multinationals and Cross-Border M&As*

Mike W. Peng, University of Texas at Dallas  
Joyce C. Wang, University of Texas at Dallas

This article integrates residual control and resource-based theories to understand the value creation mechanisms behind emerging multinationals' cross-border M&As. Our theoretical framework builds on (1) the residual-control aspect of acquisitions, (2) a trade-off analysis of acquirers' investment importance relative to targets' incentive loss, and (3) the evolving resource portfolios of emerging multinationals over time. At the early internationalization stage, emerging multinationals, lack of firm-specific advantages, exploit country-specific advantages and acquire related foreign targets. Exposed to the global and domestic market competition, emerging multinationals may catch up in terms of organizational resources and capabilities. Hence they are more likely to leverage the accumulated firm-specific advantages to explore residual rights of unrelated foreign targets. Emerging multinationals that pursue residual controls of corporate assets in line with their specific advantages tend to create value and thus have important performance implications. *(For more information, please contact: Mike W. Peng, University of Texas at Dallas, USA: mikepeng@utdallas.edu)*

*The Internationalization of New Ventures in a Post-Liberalization Era: The Shifting Role of Industry Concentration*

Abrar Ali Saiyed, Ahmedabad University  
Stephanie A. Fernhaber, Butler University

Despite the conscious shift in the last decade towards researching new venture internationalization in the context of emerging economies, little is known regarding the role of external factors such as industry structure. In this paper, we focus in on the relationship between industry concentration and new venture internationalization. We consider two competing arguments, based on whether emerging economy ventures are driven by opportunistic or necessity-based motives in responding to industry concentration through internationalization. Acknowledging that economic transitions take time, we then argue that the motives, and subsequently the role of industry concentration on new venture internationalization, shift over time following liberalization. Drawing on a panel dataset of new ventures from 67 industries founded in India post-liberalization between 1994 and 2014, our results confirm that the relationship between industry concentration and new venture internationalization shifts gradually from a U-shaped relationship to an inverted U-shaped relationship over this time period. *(For more information, please contact: Stephanie A. Fernhaber, Butler University, USA: sfernhab@butler.edu)*



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**Session: 3.1.6 - Competitive**  
**Track: 6 - Human resource management**

***Methodological Concerns and Innovations in the Study of International Business***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Mike Szymanski, University of Victoria

*Measurement Validity in the Hofstede and GLOBE National Culture Dimensions*

Sunil Venaik, University of Queensland Business School  
Paul Brewer, University of Queensland Business School

The Hofstede and GLOBE national culture dimensions are commonly used by business and management educators, researchers and practitioners to understand cultural differences between countries. However, there are fundamental problems in using these dimensions to learn about cross-cultural differences. Firstly, there is a lack of face validity in many of the items used to determine the culture scores. Second, national culture scores for similar dimensions across the two models for common countries are either unrelated or negatively related, and for dissimilar dimensions are often more strongly related than with the similar dimensions. A lack of face, convergent and discriminant validity seriously undermines the credibility of the dimension scores in representing the culture phenomena that they claim to represent. Hence using these scores to infer the broader characteristics of societies, individuals and organizations is invalid and the managerial prescriptions based on such research are misleading. *(For more information, please contact: Sunil Venaik, University of Queensland Business School, Australia: svenaik@business.uq.edu.au)*

*Measurement Invariance of the Attributional Complexity Construct: Cross-Cultural examination across USA, France, India, Estonia, and Vietnam*

C. Lakshman, University of Texas Rio Grande Valley  
Aarti Ramaswami, ESSEC Business School

Although Attributional Complexity (AC) has recently come to the fore in IB research in the context of cross-cultural leadership effectiveness, its measurement properties in cross-cultural situations are unknown. Attributional processes have been recognized in IB research as critical elements in cross-cultural adaptability and adjustment for a long time. Recent research has identified AC as a critical determinant of one's capability to understand behavior across cultural contexts, thereby laying the foundation for an effective process of leader-subordinate interaction. Given the cross-cultural variations in attributions, it is imperative for researchers to verify the measurement invariance of AC. We examine the measurement invariance of AC in five countries and present supporting evidence for a reduced version (18 of 28 items) of the original scale. Our results suggest that AC is likely conceptualized similarly across the five societies examined but still subject to scale response bias, as any other construct in such contexts. Our results imply that AC can be safely used in cross-cultural contexts without running the risk of substantive misinterpretation. We provide an analysis and identify directions for future research, while noting implications and limitations of the study. *(For more information, please contact: C. Lakshman, University of Texas Rio Grande Valley, USA: lakshman.chandrashekar@utrgv.edu)*

*Distant or Close? Proximity as Driver of Managerial Collaboration in MNCs*

Olaf Rank, University of Freiburg

In this study, I test the relative importance of two types of proximity predicting interpersonal collaboration among senior managers in MNCs: geographic proximity and social proximity. While it has been shown that each type of proximity separately has positive effects on managerial collaboration, it is largely unclear whether spatial

distance or similarity in managers' attitudes is more important with respect to building and maintaining collaborative relationships. Within a case study design, data have been gathered on the collaborative ties among 187 senior managers of a German high-tech MNC. Applying a class of exponential random graph models (ERMGs), the results clearly reveal the high importance of geographic proximity, whereas they only offer limited support for a positive effect of social proximity on managerial collaboration. *(For more information, please contact: Olaf Rank, University of Freiburg, Germany: olaf.rank@vwl.uni-freiburg.de)*

*Internationalization of Chinese Banking and Financial Institutions: A Fuzzy-set Analysis of the Leader-TMT Dynamics*

Yiyi Su, Tongji University  
Di Fan, Curtin University  
Rekha Nicholson, Newcastle University London

Received international business (IB) and international human resource management (IHRM) theories have generally reached consensus on the important role of leader and top management teams (TMTs) in deciding and shaping the firm's internationalization process. However, what remains unclear is how a well-functioning TMT is formed to effectively achieve the desired internationalization goal. Utilizing a unique sample of Chinese banking and finance institutions' (BFIs) initial public offering in overseas, this study explores how Chinese BFIs configure the leader-TMT dynamics to achieve high internationalization performance. Using a set-theoretic approach and the technique of fuzzy-set qualitative comparative analysis, a distinct taxonomy of the leader-TMT dynamics (namely, grass-root, strategic executor, born-global and glocal) is developed. Our findings provide novel insights into the IHRM variations within Chinese BFIs' TMT formation based on a theoretically and methodologically extended leader-TMT dynamics perspective. Implications for practice are discussed and avenues for future research are suggested. *(For more information, please contact: Yiyi Su, Tongji University, China: suyiyi@tongji.edu.cn)*

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**Session: 3.1.7 - Competitive**

**Track: 8 - International business policy**

***Regulation of MNEs***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Anna Dimitrova, ESSCA School of Management

*Accountability-Avoiding Foreign Direct Investment: Incorporating Tax Havens and Tax Avoidance to International Business Research*

Chris Jones, Aston University  
Yama Temouri, Aston University  
Matti Ylönen, Yale University  
Alex Cobham, Tax Justice Network

The goal of this paper is to assess the role of tax havens in International Business (IB) research. It is our contention that the profit shifting activities of MNEs has been a neglected issue both empirically and theoretically in IB. This is surprising given the pervasiveness of this activity brought to light with the leaks of the Luxembourg tax rulings, and the European Commission's state aid investigations of Apple and others, and set within the wider context of the state of OECD public finances given the financial crisis. This paper will briefly synthesise the cross-disciplinary research that examines the role of tax havens. We then comment on how IB theory can be utilised to explain this phenomenon and discuss how tax haven presences can be measured utilising firm-level data in conjunction with the Tax Justice Network's Financial Secrecy Index. Finally, we outline

fruitful areas of future research that scholars in IB may wish to investigate. *(For more information, please contact: Chris Jones, Aston University, United Kingdom: c.jones2@aston.ac.uk)*

*The Influence of Antitrust Regimes on Foreign and Domestic Acquisitions: The Case of Brazil*

Anju Seth, Virginia Tech

Marcio R. Moran, Institute of Management Foundation (USP)

Since their liberalization in the 1990s, there has been a sharp increase in foreign direct investment flows into emerging economies. A defining characteristic of these flows is the increasingly important role of mergers and acquisitions (M&A) relative to greenfield investments as the preferred mode of undertaking FDI. While these acquisitions may add value to both acquiring and target firms, they also give rise to antitrust concerns and may also heighten nationalistic tendencies to protect domestic “national champions.” Our paper adds to the literature by examining the influence of merger antitrust regimes on foreign M&A relative to domestic M&A and the implications of these decisions for multinational firms. We highlight the policy dilemmas that arise in the complex interaction of numerous stakeholders in this context, and present the empirical evidence for how they are resolved in the context of the political economy of Brazil. *(For more information, please contact: Anju Seth, Virginia Tech, USA: aseth@vt.edu)*

*The Role of Pre-Market-Entry Mode Choice and Post-Entry Subsidiary Operating Approaches in Managing Institutional Direct and Distance Effects*

Daniel Rottig, Florida Gulf Coast University

A growing body of research has focused on the effects of institutional distance on the strategies and operations of multinational corporations in foreign markets, yet the direct effects of institutions (due to different institutional profiles of home and host countries) is largely lacking in the literature. Building on institutional and social capital theories, this paper advances a conceptual framework that considers both institutional direct and distance effects as antecedents of liabilities of foreignness that multinational corporations face in international markets, and discusses the role of entry mode selection and subsidiary operating approaches as moderators of this relationship. In so doing, this paper sheds light onto the under-research role of institutional direct effects (in addition to institutional distance effects), conceptualizes three types of liabilities of foreignness, and aims to provide a more encompassing discussion on how multinational corporations can mitigate and manage these three types of liabilities of foreignness in institutionally different markets through their pre-market-entry mode choices and post-entry subsidiary operating approaches. *(For more information, please contact: Daniel Rottig, Florida Gulf Coast University, USA: drottig@fgcu.edu)*

*Support or Escape: How Home-Country Subnational Institutions Shape Chinese Firms' Outward FDI*

Cuifen Weng, Peking University

David Morgan, University of New South Wales

Peter Sheldon, University of New South Wales

Ricardo Flores, Victoria University

This study aims to reconcile the paradox of the ‘support’ and ‘escape’ views of home-country institutional effects on firms’ outward FDI (OFDI) decisions by exploring different effects of institutional constraints and government support at subnational level in China. Drawing upon new institutional economics and resource-based view, we argue that the ‘support’ and ‘escape’ mechanisms can co-exist at subnational level and that their effects are contingent on firms’ prior OFDI experience and ownership type. Using a sample of 877 Chinese firms, we find that private firms and firms with prior OFDI experience are more likely to ‘escape’ subnational institutional constraints, whereas state-owned enterprises (SOEs) and firms without OFDI experience are less likely to ‘escape’. Further, subnational government support is an important driver for firms with prior OFDI experience to conduct new OFDI, but provides little incentive for firms without such experience to initiate their first OFDI. Our study opens the ‘black box’ of home-country institutional effects and provides new avenues for future research

on the interrelationship between home-country subnational institutions, organizational characteristics, and firms' international strategies and outcomes. *(For more information, please contact: Cuifen Weng, Peking University, China: cuifen.weng@student.unsw.edu.au)*

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**Session: 3.1.9 - Competitive**

**Track: 4 - Innovation and knowledge management**

***Regulations and Innovation***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Deli Yang, Trinity University

*Patent Uncertainties and Global Norms for National Treatment: A Longitudinal Comparison between the U.S. and China*

Deli Yang, Trinity University

Mahmut (Maho) Sonmez, University of Texas at San Antonio

Uncertainties in the patent system concern policy makers and practitioners, but few studies seem to examine the phenomena. With the global norms for national treatment to domestic and foreign applicants and rising technology transfer, patent uncertainties help expose the gap between global expectations and national realities. Within this remit, we examine pendency and granting, and national treatments between the U.S. and China, and progress (or regress) made in the past 30 years. Our findings show that local and foreign applicants continue to enjoy equal but longer pendency than before in both nations. However, within the equal pendency, domestic applicants endure more uncertainty than their foreign peers in the US, but the opposite is true in China. In granting, foreign applicants are more privileged than their local peers for Chinese patents, and both types of applicants enjoy equal treatment in the US. Cross-country analysis reveals that both applicants for Chinese patents endure shorter pendency and lower uncertainty than those for US patents. Domestic applicants endure lower granting in China than in the US, but foreign applicants enjoy equal granting between the two nations. *(For more information, please contact: Deli Yang, Trinity University, USA: dyang@trinity.edu)*

*Determinants of the Adoption Timing of ISO 9000 and ISO 14000: The Japanese Context*

Kazuhiro Asakawa, Keio University

Kiyohiko Ito, University of Hawaii at Manoa

Despite the growth in the literature pertaining to the adoption of ISO 9000 and 14000 over the past decade, there is no consensus as to the relative impacts of different factors – including economic, institutional, and international – on firm-level adoption of ISO standards. In particular, the extent to which adoption of ISO is associated with the importance of international market remains underexplored. Moreover, the relative impact of different markets on ISO adoption is a relevant yet totally neglected subject. How does the economic, institutional, and international factors, influence the timing of adoption of ISO standards? In an effort to begin to address this literature gap, we take a broader, eclectic view, investigating the adoption of the two ISO standards, using a large-scale sample of businesses in Japan. We found that the importance of international market, and more specifically particular markets, influences firms' adoption of ISO standard. *(For more information, please contact: Kazuhiro Asakawa, Keio University, Japan: asakawa@kbs.keio.ac.jp)*

*How Do VCs Foster Startup Innovation? The Fit Between VC Firm Strategy and Startup Regulatory Uncertainty*  
Elisa Alvarez-Garrido, University of South Carolina

While VC firms foster startup innovation, we do not understand the mechanisms for such effect. Unlike corporate VC firms, which leverage their complementary assets, I argue that VC firms leverage their management capabilities, helping the startup be more effective and devote their resources and attention to innovation. I consider an international setting, where there is empirical variation in the effect, and focus on regulatory uncertainty, as a problem that lowers startup innovation. I test the effect of VC strategy on startup innovation, controlling for the matching between VC firms and startups. I find evidence that VC local specialization fosters startup patents and publications when there is regulatory uncertainty, supporting the idea that VC firms foster innovative outcomes indirectly through mitigating the costs of context uncertainty. *(For more information, please contact: Elisa Alvarez-Garrido, University of South Carolina, USA: elisa.alvarezgarrido@moore.sc.edu)*

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**Session: 3.1.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Liability of Foreignness, Culture and International Entrepreneurship***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Gary Knight, Willamette University

*Liability of Foreignness and Organizational Ecology*

Dean Xu, Monash University

Yuping Zeng, Southern Illinois University Edwardsville

We examine both intrapopulation and interpopulation density effects on foreign firms' exit rates from a host country. The lack of constitutive legitimacy is an important aspect of the liability of foreignness experienced by foreign firms. An increased density of host country firms raises the exit rates of foreign firms, whereas an increased density of firms from the same home country provides constitutive legitimation for these firms. The intrapopulation legitimation effect among home country firms strengthens with a greater psychic distance between the host and home countries. Meanwhile, an increase in the density of foreign firms from other countries also benefits a focal firm by transferring legitimacy to the focal population. These intrapopulation and interpopulation density effects interact such that the legitimation effect of home country firms becomes stronger when the density of other or host country firms increases. Results based on a dataset containing 68,723 firm-year observations on 28,843 foreign firms in China support our predictions. *(For more information, please contact: Dean Xu, Monash University, Australia: dean.xu@monash.edu)*

*Consequences of Cultural Practices for Entrepreneurial Intentions*

Jing Liu, Baruch College, CUNY

Kaiqin Ning, Baruch College, CUNY

Naomi A. Gardberg, Baruch College, CUNY

Nenad Apostoloski, Baruch College, CUNY

In response to a call for studies of cross-level interactions in entrepreneurship research at large and EI research in specific, this paper investigates the moderating effect of national culture on the relationships between individual perceptions of entrepreneurial capabilities and feasibilities and EI. Employing the theory of planned behavior (TPB) and Hofstede's cultural framework, we revealed that the relationships between perceived entrepreneurial capabilities and feasibilities and EI were significantly positive and robust across cultures. Furthermore, we found that these relationships were moderated by power distance, individualism, and long-

term orientation. By bridging the individual and country-level factors that influence EI, we help alleviate the dearth of cross-level interactions in the entrepreneurship literature and contribute to the infant-stage comparative entrepreneurial research. We also enhance the study of culture on entrepreneurial process by combining a holistic approach with a general Population sample and multi-level modeling techniques. We provide policy makers and practitioners with various development directions of culture dimensions to facilitate EI formation and thus cultivate entrepreneurial/behaviors. *(For more information, please contact: Jing Liu, Baruch College, CUNY, USA: jing.liu@baruch.cuny.edu)*

*A Social Entrepreneurial Orientation to Social Entrepreneurship*  
Jinyun Sun, Fudan University  
Byron Lee, China Europe International Business School

While social enterprises are an emerging organizational form, studied over previous decades the literature remains unclear as to how social enterprises are formed and the factors that are key to the success of the social enterprise in its dual goal mission. Consequently, the purpose of this paper is to provide a structured understanding of social entrepreneurship through the use of a framework linking the characteristics of a social entrepreneur with the dual outcomes of the firm through the social entrepreneurial orientation (SEO). In the entrepreneurship literature, Lumpkin and Dess (1996) proposed the entrepreneurial orientation, building on this concept and applying it to the social entrepreneurship literature, we propose the entrepreneurial (pro-activeness, risk taking and innovativeness) and social dimensions (compassion and pro-social motivations) of the social entrepreneurial orientation and discuss the importance of the interdependence of both these dimensions in relation to performance on dual economic and social goals. We then suggest some contingency factors that may moderate the SEO-performance relationship. In proposing the social entrepreneurial orientation, our aim is to provide a more structured tool to help advance the study of social entrepreneurship and advance the literature by identifying key components that lead to both economic and social success. *(For more information, please contact: Jinyun Sun, Fudan University, China: jysun@fudan.edu.cn)*

*Entrepreneurial and psychological traits affecting the internationalisation of SMEs*  
Juan Velez-Ocampo, Institución Universitaria Salazar y Herrera  
Carolina Herrera-Cano, Universidad EAFIT

The studies on born globals (BG), international new ventures (INV) and small technology-based enterprises (STE) originated in emerging markets have not reached consensus on the entrepreneurial and psychological traits that affect the internationalisation of small and medium-sized enterprises (SMEs). This paper examines features that influence the international entrepreneurial orientation of small and medium enterprises from emerging markets; to do so, 11 SMEs were observed and analysed in a case-by-case basis using a methodology inspired by the phenomenological interpretative analysis (IPA). The analysis of the collected empirical data highlighted five main features that positively influence the internationalisation of the observed SMEs in spite of the different challenges that these emerging markets organizations have to face: technical expertise of entrepreneur, opportunistic behaviour towards internationalisation, international focus from inception, ability to build networks and value creation based on personal traits of the entrepreneur. *(For more information, please contact: Maria Alejandra Gonzalez-Perez, Universidad EAFIT, Colombia: mgonza40@eafit.edu.co)*

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**Session: 3.1.12 - Interactive**

**Track: 11 - Host track: Managing turbulence and ambiguity**

***Impact of Turbulence on Operations and Doing Good***

**Presented On:** July 5, 2017 - 09:00-10:15

**Chair:** Hemant Merchant, University of South Florida St. Petersburg

*Managing Guanxi Intragroup and Intergroup Networks for Company Performance: Case Study of Chinese SMEs in the UK*

Nora Nuo-Yin Wang, National Chung Hsing University

This study first examines the depth of Chinese national culture dimension and guanxi effect between and among network members with a regard to corporate performance and profit. The growing number of Chinese SMEs in the United Kingdom provides an appropriate context in which to study intragroup and intergroup Chinese networks and corporate strategic management. This paper also explores how guanxi is built: guanxi means ganqing, face and loyalty for which members are often obliged for their group and renqi (popularity) can be applied to achieve personal goals while reciprocity and social interaction are adopted to initiate and nourish guanxi. Findings from in-depth case studies reveal that the deep-rooted concept and the coherent network relationship is a useful resource for information acquisition and structural effectiveness but the static habituation also poses some confinements for business expansion. *(For more information, please contact: Nora Nuo-Yin Wang, National Chung Hsing University, Taiwan: noywang\_tw@yahoo.com.tw)*

*Frog cooking recipe: Everyday sensemaking in international business*

Michal Budryk, Uppsala University

This paper offers a review of the sensemaking perspective, a theoretical approach which is fairly uncommon in the field of international business, and outlines an analytical framework based in this perspective which can be applied in international business research. Sensemaking has been focused on managerial perceptions of the environmental change and the actions connected to them with a focus on changes including high pressure on the managers, e.g. crises. The author suggests that the macroeconomic changes in the global business environment constituted by the rising international activity of emerging market firms paralleled by the increase of wealth in emerging market are changes of a different nature, i.e. slow pace and thus not putting immediate pressure on the managers, but nonetheless observable in the long term. The author proposes avenues for further research on the intersection of the sensemaking perspective and IB. *(For more information, please contact: Michal Budryk, Uppsala University, Sweden: michal.budryk@fek.uu.se)*

*Managing Sustainability beyond Corporate Borders: The Diffusion of Corporate Sustainability in Global Supply Networks*

Bruno Barreto de Góes, Temple University

Masaaki Kotabe, Temple University

This study is a theoretical investigation of the strategic relevance of corporate sustainability diffusion in global supply networks for both focal and non-focal firms within global supply networks, as well as the determining factors of a firm's capacity to diffuse and performance in diffusing corporate sustainability within its supply network? The theoretical contributions of this study are divided into two parts. The first part seeks to establish a more solid cause and effect relationship to explain why firms that are more highly exposed to stakeholder scrutiny (i.e. focal firms) should necessarily face a higher risk of being held responsible for the sustainability-related misconducts of lesser exposed members of the network (i.e. supplier sustainability risk). The first part also proposes an expansion of the dichotomous categorization of corporate sustainability initiatives as either mandatory or voluntary, to add what we termed: semi-voluntary corporate sustainability initiatives. This addition serves to explain why certain firms adopt non-mandatory corporate sustainability initiatives, which apparently destroy shareholder value. We argue that this distinction is important because cases concerning semi-voluntary initiatives are likely to involve higher levels of supplier sustainability risk. In part two of the theoretical development we introduce a theoretical framework to explain the existing heterogeneity among different firms within a supply network in regards to their ability to implement the diffusion of corporate sustainability initiatives in the network (i.e. network dominance) and propose that it results from the interaction among three network-related firm characteristics: relative resource value, resource substitutability, and relative

network position. Lastly, we discuss why higher levels of network dominance increase the likelihood that firms will be able to ensure a high level of corporate sustainability diffusion in the network. *(For more information, please contact: Bruno Barreto de Góes, Temple University, USA: degoes.bruno@temple.edu)*

*Global Security Risks, Political Stability, and Firm Responses: Assessing Family Businesses' Resiliency to Terrorist Activity*

Luis Alfonso Dau, Northeastern University  
Elizabeth M. Moore, Northeastern University  
Katharine Petrich, Northeastern University  
Max Abrahms, Northeastern University

The purpose of this project is to understand the impact of global security threats and political instability on the performance of family firms. As a result of recent global security threats, specifically terrorist activity, it is important to examine how different actors respond. Despite the intention and motivation behind terrorist activity, we argue that family businesses tend to be more resilient to terrorist activity due to the added motivation stemming from the socio-emotional dimension and solidarity associated with such firms.

Furthermore, we propose that family firm performance in the aftermath of terrorist activity is positively moderated by institutional quality, which has the ability to mitigate contextual complications and provide stability. A case study analysis of Indian family firms is developed to evaluate these arguments. *(For more information, please contact: Elizabeth M. Moore, Northeastern University, USA: moore.el@husky.neu.edu)*

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**Session: 3.1.13 - Interactive**

**Track: 9 - Teaching IB**

*Sharing Experiences & Good Teaching Practices*

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Susanne Sandberg, Linnaeus University

*Bringing the Principles of Responsible Management Education (PRME) into the Australasian International Business Classroom: The Case of the Cambodian Garment Industry*

Fiona Hurd, Auckland University of Technology  
Swati Nagar, Auckland University of Technology

In this working paper, we argue for authentic and contextually relevant cases to embed an ethical perspective throughout the IB curriculum, adhering to the PRME principles of engaging our students. We provide justification for a greater emphasis on viewing the development of ethical decision-making skills in International Business students. To respond to this need, we present an experiential case study exercise, with a scenario based on an SME assessing the viability of outsourcing manufacturing to the Cambodian Garment Industry. The next stage in our research is to test the case in both IB Strategy undergraduate classes, and compile reflective accounts from our students, to explore how such exercises impact their development of ethical decision-making skills. *(For more information, please contact: Swati Nagar, Auckland University of Technology, New Zealand: swati.nagar@aut.ac.nz)*

*Challenges of GVT in the International Business Classroom: A Longitudinal Exploration of Experiences (2007-2016)*

Virginia Ilene Cathro, University of Otago



This paper outlines a longitudinal content analysis of student experiences in the Global Enterprise Experience (GEE) (2006 – 2016) an experiential learning activity designed to support integrated learnings for business content, cultural awareness and global competencies including leadership skills in a global virtual team (GVT). The study finds that challenges described by each cohort of students echo the experiences of the previous cohort regardless of digital technology affordances. Our student samples reiterate challenges found within the extant GVT literature, namely: challenges of commitment and creativity associated with the leadership role, challenges with emotions, and with technical aspects of communication encompassing technology as well as the multifaceted impact of time. More recently they describe the duality of advantages and disadvantages associated with the simultaneous use of multiple technologies. Implications for international business educators are discussed as too in a future research agenda. *(For more information, please contact: Virginia Ilene Cathro, University of Otago, New Zealand: virginia.cathro@otago.ac.nz)*

*Introducing Sustainability and Social Responsibility into International Business Teaching Curricula: Experience of a China Campus of a Western University*

Michal K. Lemanski, University of Nottingham Ningbo

This is an experience-based presentation reporting on a developing project. The aim is to discuss the rationale for, and factors affecting incorporation of sustainability and social responsibility into international business curricula. I recently took up leadership of the Sustainability Ethics Responsibility Group (SERG) at a campus of a British university in China, and I am going to present the experience of efforts aimed at incorporation of sustainability and social responsibility in to our courses and curricula. The presentation covers development of pedagogy with both policy and practical considerations as I will be presenting the experience of my school and drawing a road-map for future involvement of international business educators and program administrators. I hope this session will be attended by colleagues who are responsible for curricula design, especially those from universities with overseas campuses. Further, I hope to attract attention of those academic teachers who work in locations where sustainability and social responsibility has not yet secured its place in university classrooms, as well as those who introduce or consider introducing subjects dealing with sustainability and social responsibility in their international business modules. *(For more information, please contact: Michal K. Lemanski, University of Nottingham Ningbo, China: michal.lemanski@nottingham.edu.cn)*

*Innovation in Teaching International Business in GCC Countries: Practitioners' Perceptions of Smart Campus*

Syed Aziz Anwar, Hamdan Bin Mohammed Smart University

This study makes an attempt to find out the perceived relevance of smart campus in international business programs in the Gulf Co-operation Council (GCC) countries. An over-arching objective of this study is to enhance decision makers' capacity to design and offer international business programs through a smart campus in response to the changing market needs in the GCC countries characterized by internationalization of business education and socio-economic change. The study highlights the possibility of a paradigm shift taking place mainly due to the emerging popularity of online academic and professional program in the GCC countries and elsewhere in the world. *(For more information, please contact: Syed Aziz Anwar, Hamdan Bin Mohammed Smart University, United Arab Emirates: s.anwar@hbmsu.ac.ae)*

*LOST: Learning by Doing and Creating a Multicultural Classroom*

Miikka J. Lehtonen, Aalto University School of Business

This paper is a story about how I taught a multicultural and multidisciplinary student body the basics of teamwork by asking them to redesign the restaurant experience and then implement it. From a pedagogical point of view, this paper addresses two issues that are especially relevant in IB: namely, how to manage a multicultural classroom and how to design a learning space that supports learning by doing or Problem-Based Learning (PBL). *(For more information, please contact: Miikka J. Lehtonen, Aalto University School of Business, Finland: miikka.j.lehtonen@aalto.fi)*

*Matrixthinking Methodology for Innovation in the Context of International Entrepreneurship: A Perspective of Colombian Universities for Teaching IB*

Ricardo Andres Lopez, Universidad Autonoma de Occidente  
Paola Podesta, Universidad EAFIT

Innovation has become in the main characteristic for any entrepreneur in today's changing and competitive environments. Colombian Universities, particularly Universidad Autónoma de Occidente and Universidad EAFIT have incorporated different strategies into their International Entrepreneurship courses in undergraduate and graduate programs. In its international entrepreneurial education, these universities use innovating methodologies to help students of the find innovating Business opportunities, leading to entrepreneurial projects to be growing and sustainable, and be able to compete soundly in the international arena. This paper analyses the use of an innovation methodology, as a tool for the design and identification of Higher Education Institution entrepreneurial systems, and how it reflects on entrepreneurial education, namely, international entrepreneurship. *(For more information, please contact: Ricardo Andres Lopez, Universidad Autonoma de Occidente, Colombia: ralopez@uao.edu.co)*

*Using Articles to Apply International Business Principles*

Jessica Salmon, Rutgers-Newark

Here I address Area 3: Tools and methods of learning in the IB classroom. Specifically I use a tiered learning method applied to assessing articles. Tiered in two ways, first in the work the instructor asks them to complete, secondly in that assessing an article is a building block to completing research projects. As such, I train my students how to complete major projects by practicing in incremental steps. *(For more information, please contact: Jessica Salmon, Rutgers-Newark, USA: js1587@scarletmail.rutgers.edu)*

*Teaching Cases for Executive Education*

Camilla Nellemann, Copenhagen Business School

In this presentation I will introduce two of the teaching cases that we use in our executive teaching for owner-managers. The first case concerns the Danish owner-managed company Fiberline Composites which recently received a capital injection from the Japanese company Mitsubishi Rayon. The cases explores the opportunities and challenges of working with a foreign partner. The second case concerns the Danish company KALK which recently internationalized with export to Scandinavia and Germany and opened a branch in Sweden. This case explores the long-term planning for an owner-managed business operating in several markets. I hope to have a fruitful discussion with the session participants on how to develop and teach cases for executives. *(For more information, please contact: Camilla Nellemann, Copenhagen Business School, Denmark: cn.eco@cbs.dk)*

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**Session: 3.1.14 - Interactive**  
**Track: 3 - Marketing and consumer research**

### ***Culture and International Marketing***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Stefan Schmid, ESCP Europe, Berlin Campus

#### *Consumer Cultural Value Orientations and Evaluation of Organizational Response to Product Complaints*

Etayankara Muralidharan, MacEwan University

Wenxia Guo, Acadia University

Hesham Fazel, University of Bisha

William Wei, MacEwan University

We investigate how perceptions of organization's responses to product failure complaints are influenced by the interplay of consumer's cultural value orientations. Adapting extant research conducted in the service recovery area and using experimental design with data from Canada and Hong Kong, we examine how consumer perceptions of organizational responses to product failure complaints interact with their cultural value orientations. Our results reveal that power distance, uncertainty avoidance, and collectivism interact with organizational responses to influence perceptions of justice. Implications for international business are discussed. *(For more information, please contact: Etayankara Muralidharan, MacEwan University, Canada: muralidharane@macewan.ca)*

#### *Why Does Psychic Distance Inhibit International Business-to-Business Relationships?*

Silviu Horia Tiorean, Abertay University Dundee

Guido Berens, Erasmus University Rotterdam

Cees van Riel, Erasmus University Rotterdam

In spite of technological advances and the removal or reduction of tariffs and other barriers to trade, often international buyer-supplier relationships struggle. In this paper we examine the effects of the psychic distance between the countries where the buyer and the supplier reside on purchase intentions. Moreover, we look into the causal mechanism through which the psychic distance between the buyer and the supplier influences the extent to which the two will enter a business relationship. Two causal pathways are explored, a more emotional pathway, through organizational identification, as predicted by the psychological distance theory, and a more rational pathway, through trust and expected relationship quality, as predicted by internationalization theory. Through an experiment on Dutch purchasing managers, we show that the rational pathway better mediates the effect of distance on buying intentions, while the emotional pathway plays a less important role. Looking at the several dimensions of distance, we find that differences in educational, industrial and political development matter more than differences in culture, language and religion. *(For more information, please contact: Silviu Horia Tiorean, Abertay University Dundee, United Kingdom: s.tiorean@abertay.ac.uk)*

#### *The Influence of Consumer Regulatory Focus on National and Global Identity*

Arilova A. Randrianasolo, John Carroll University

Alexey V. Semenov, San Jose State University

Hadi Alhorr, Saint Louis University

International business and international marketing research has found that consumer national and global identities respectively influence consumer attitudes toward globally and locally oriented positioning strategies. The research reported here contributes to this knowledge by proposing and providing empirical support for the role which regulatory focus plays in the development of national and global identities. Specifically, the authors

propose that promotion and prevention regulatory focus mediate the relationship between personality traits and collective national and global identity. The mediation is empirically tested with a sample of nonstudent respondents from India. The results support the mediations, which provide theoretical and managerial implications. *(For more information, please contact: Arilova A. Randrianasolo, John Carroll University, USA: arandrianasolo@jcu.edu)*

*Panel Data Analysis of Key Indexes for Banking Services by Their Respective Ethnological and National Identity*

David W. Pan, Texas Woman's University  
Margaret Young, Texas Woman's University  
Alan J. Pan, University of Amsterdam

This paper has identified the various effect of firms' national and ethnological identities on banks' operational efficiency and sustainable profitability and how these banks adapt to compete in the Kingdom of Saudi Arabia and the United States of America through a series of comparative panel data analyses. We also proposed a classification system for firms to align their ethnological identity with that of their intended market segment in their host entomological context from international business perspectives. Numerous results are found to be inconsistent with the previous findings that banks of Islamic identity would have a lower operational efficiency but a better sustainable profitability. Conventional banks with international root perform better than their counterparts in both Saudi Arabia and the banks of similar size in the United States. *(For more information, please contact: David W. Pan, Texas Woman's University, USA: dpan@twu.edu)*

*Consumer Racism: An Empirical Investigation of Antecedents and Outcomes*

Nicholas Mathew, Cleveland State University  
JiEun Park, Cleveland State University

The paper reviews the concept of Consumer Racism (CR) and proposes to investigate the possible antecedents and outcomes of CR. CR refers to an individual's antipathy toward a given ethnic group's products or services as a symbolic way of discriminating against that group. CR studies racism from the consumer's perspective. CR is a concept that will be highly relevant to consumers in multi-ethnic and multi-racial societies. It is a concept that will also be important in cross-cultural marketing. Marketing and business literature has largely overlooked the concept of racism from the consumer perspective. This paper seeks to fill the research gap on CR by postulating hypotheses related to the potential antecedents and outcomes of CR. The hypothesized antecedents are the Big Five Personality types, General values (Universalism and Dogmatism), and Consumer based values (Ethnocentrism, Nationalism, Cosmopolitanism, and Susceptibility to Normative Influence). The hypothesized outcomes are Purchase Intention and Product Evaluations. The paper concludes with a discussion on the practical and theoretical implications of CR. *(For more information, please contact: Nicholas Mathew, Cleveland State University, USA: nicholas.mathew@gmail.com)*

*Sustainable Food Consumption: Subcultures, Micro-Cultures and Acculturation of Expatriates' Buying Behavior in Host Country*

Lynn L. K. Lim, FHNW University of Applied Sciences and Arts Northwestern Switzerland  
George Londob, FHNW University of Applied Sciences and Arts Northwestern Switzerland

This paper examines the extent which subculture, micro-culture and acculturation influence sustainable food consumption of expatriates. The subculture relates to ethnicity and nationality while micro-culture looks at individual-based consumption factors. We gather primary data through semi-structured interviews with expatriates, retailers and sustainable labeling organizations. We also analyze secondary data gathers through online forums of expatriates. We subsequently observe participants in an unbiased natural setting to explore more in-depth the consumption cultural phenomenon. The initial findings from this research show that expatriates have varying degrees of familiarity and understanding of sustainable food labels and concepts in their consumption of sustainable food. Nevertheless their consumption habits relate to ecological, economic and

social dimensions. There are differences on subculture, micro-culture and acculturation influence on sustainable food consumption in host country depending on the various factors in each cultural context. Integration into the new consumption is evident and economic considerations remain an important factor in expatriate's sustainable food consumption. Our findings aim to provide international marketers some insights into effective green marketing strategies that respond to the needs of expatriates as global consumers, and to contribute to the existing models of consumer acculturation. *(For more information, please contact: Lynn L. K. Lim, FHNW University of Applied Sciences and Arts Northwestern Switzerland, Switzerland: lynn.lim@fhnw.ch)*

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**Session: 3.1.15 - Interactive**

**Track: 8 - International business policy**

***Economic Integration and International Business***

**Presented On:** July 5, 2017 - 09:00-10:15

Chair: Lucia Piscitello, Politecnico di Milano

*Making Sense of Political Connections: Corruption or Strategy?*  
Tolga Ulusemre, Hawaii Pacific University

This paper examines how different institutional logics differently shape the way managers make sense of and respond to political connections by integrating the institutional logics framework and the tripartite sensemaking framework with the insights gained into the political connections phenomenon in China through field research. The paper shows that some expatriate managers have actually been able to navigate in the Chinese institutional system by operating in a gray area, where they find a balance between the two dissimilar logics, i.e. bureaucratic logic prevalent in their home country and patrimonial logic prevalent in their host country. In this regard, some expat managers find political connections to be essential in order to operate in the Chinese institutional system, and they do not think of it necessarily as corruption. However, they believe it can turn into corruption depending on the nature of the political ties and on the way these ties are utilized. *(For more information, please contact: Tolga Ulusemre, Hawaii Pacific University, USA: tulusemre@hpu.edu)*

*Does it Matter Where Subnational Regions Are? Within-and between- Subnational-Cluster Differences in Institutional Environments and Foreign Affiliate Performance*  
Andy Chao Niu, University of Hong Kong  
Christine M.K. Chan, University of Hong Kong

This study regards the subnational cluster, consisting of geographically proximate subnational regions, as an important within-country geographical boundary that affects foreign affiliate performance. By drawing insights from the theories of regionalization and institutional economics, we examine the between- and within-subnational-cluster differences in the temporal and spatial dynamics of formal institutions, i.e., the institutional development and institutional imbalance, and their effects on foreign affiliate performance. Using a sample of foreign affiliates in 31 subnational states within 7 subnational clusters of China during 1998-2008, our study shows that foreign affiliate performance increases in the subnational cluster with better-developed or less-imbalanced formal institutions, and in the subnational state with relatively medium-developed or relatively less-imbalanced formal institutions within the subnational cluster. *(For more information, please contact: Andy Chao Niu, University of Hong Kong, Hong Kong, SAR-PRC: superniuchao@gmail.com)*

*The Relationship between Japanese MNE Ownership and Subsidiary Profitability in China During Economic Liberalization*

Megan (Min) Zhang, University College Dublin  
Paul Beamish, Ivey Business School

This paper examines the relationship between Japanese MNEs' ownership choices and subsidiary profitability (O-P relationship) in China during economic liberalization. Prior studies have suggested that an MNE's ownership level is negatively associated with the financial performance of its subsidiaries in developing countries. Nevertheless, China's economic liberalization facilitated dramatic institutional changes and improved the market-supporting mechanisms throughout the country. Drawing upon the institution-based view of the firm and more recent data, this study examines whether the past conclusion still holds. The study suggests that the quality of market institutions at the subnational level was positively associated with the overall profitability of Japanese subsidiaries in China without changing the O-P relationship. Nevertheless, the temporal improvement of market-oriented institutions positively moderated the O-P relationship. *(For more information, please contact: Megan (Min) Zhang, University College Dublin, Ireland: megan.zhang@ucd.ie)*

*Effects of International Trade Linkages on National Wages: The Power of Structural Position and FDI impacts*

Ying-Yu (Kerri) Chen, National Dong Hwa University  
Yi-Fang Chiang, Feng Chia University  
Wen-Chiung Chou, Kainan University  
Gi-Ren Liu, National Cheng Kung University

One of the most controversial issues with respect to the international trade is its effects on national wages. Empirical studies of international economic integration organization (IEIO) have been focused more on the volume of trade between countries. Recent advances in the study of network have evidenced it to be a powerful tool to measure for IEIO. Conceptualizing the international trade linkages as a network, we employ the network approach with two-mode data and address research questions through investigating how the network centrality, together with the inward FDI, influences national wages. Data samples are longitudinal and from 194 countries. We found that a country's network centrality has positive effect on its national wages. FDI is found to mediate the relationship between network centrality and national wages. However, a country's network centrality does not have effect on inducing FDI from foreign investors. Another worth noting finding is the negative moderating effect of inward FDI. Drawing on network and resource dependence perspectives, we find general support for the hypotheses that network centrality facilitates national wages by virtue of power in the structural position and the key mediating role of FDI in a way that extends the literature on international trade and FDI theories. *(For more information, please contact: Ying-Yu (Kerri) Chen, National Dong Hwa University, Taiwan: kc615486@gmail.com)*

*Regulations, Regulatory Authority, and Foreign Direct Investment in the Global Financial Services Sector*

Danielle Renee Jones, University of Illinois at Urbana-Champaign

In this study, I examine the effects of quality of regulations at different levels of society as well as the effects of differences in regulatory authority by testing the relationships between inward FDI and the quality of host country macro-level regulations, financial sector regulations under the authority of the state, and self-regulation within the financial services sector. Using panel data techniques, I find that host countries with weak macro-level regulations and strong financial sector regulations under the authority of the state encourage FDI from financial sector MNEs. However, financial sector regulations in the host country under the authority of private actors within the industry do not appear to have a significant effect on the MNEs' location decisions within the industry. Overall, this study demonstrates that quality of regulations and regulatory authority matter in the context of attracting inward FDI in the financial services sector. *(For more information, please contact: Danielle Renee Jones, University of Illinois at Urbana-Champaign, USA: jonesdr2@gmail.com)*

*Trade Barriers Facing Australian Firms in GCC Countries*  
 Hernan 'Banjo' Roxas, Deakin University  
 Doren Chadee, Deakin University

The Australian government and the GCC countries have been negotiating the possibility of a free trade agreement (FTA) between the two regions for some time in order to invigorate trade and investment between the two regions. An integral element of an FTA involves the reduction and eventual elimination of trade barriers. This study attempts to identify the main barriers facing Australian firms doing business in the GCC region. Based on a survey of a sample of 374 businesses currently doing business in the GCC region, it is found that although tariffs constitute important barriers, non tariff barriers (NTBs) are the most severe and commonly faced constraints experienced by Australian firms in the GCC region. The findings provide trade policy makers with new insights for the development of a more effective FTA. *(For more information, please contact: Hernan 'Banjo' Roxas, Deakin University, Australia: banjo.roxas@deakin.edu.au)*

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**Session: 3.2.1 - Special Session**

***2017 Peter J. Buckley and Mark Casson AIB Dissertation Award Presentations***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Sumit K. Kundu, Florida International University

*Three Essays on the Influence of Political Connections on Firms International Expansion Strategy (Ph.D. Awarded by HEC-Paris)*

Joao Albino-Pimentel, University of South Carolina

This dissertation is composed of three essays, each contributing to address part of the puzzle regarding how different types of political connections affect firms' international expansion strategies and performance. The first essay examines how political connections moderate the relationship between host country attributes and international strategy in a sample of greenfield investments in manufacturing during the 2003-2010 period. The second and third essays examine how political connections directly impact a firm's international expansion strategies and performance. The second essay investigates the role of different types of political connections on a firm's international investments amount and risk profile. Finally, the third essay analyzes the role of political connections as an explanatory factor of firms' ability to accelerate the provision of funding and development of their project finance-based investments. Both the latter two essays rely on an original dataset on various political connections enjoyed by the largest French firms during the 2003-2012 period. *(For more information, please contact: Joao Albino-Pimentel, University of South Carolina, USA: joao.albino-pimentel@moore.sc.edu)*

*Responses to Subpar Performance in Foreign Subsidiaries (Ph.D. Awarded by Western University)*

Vanessa C. Hasse, University of San Francisco

Much of the IB literature has emphasized growth-related aspects such as the internationalization mechanisms of multinational enterprises (MNEs). Receiving much less attention, however, is the fact that many MNEs observe one or more of their foreign subsidiaries performing poorly. Despite the clear importance to practitioners, surprisingly few comprehensive studies exist on the phenomenon and even fewer have assumed a specifically international perspective where mechanisms can unfold differently than at the domestic level. This thesis aimed to address this gap by offering a theory-driven research framework that 1) identifies the determinants of responses to subpar performance at three different levels of analysis, 2) explores the effects of these responses on the rate of recovery or exit, and 3) investigates the concept of time in this regard, by predicting the timing of a response and the implications of this timing for the likelihood of recovery versus exit. Hypotheses were tested using a sample of 17,982 observations, representing 5,669 subsidiaries in 94 countries, and applying sequence

analysis, multinomial logit regression, gap time competing-risk event history analysis, OLS regression, and estimations of curvilinear effects in logit regressions. The findings suggest that subpar performance at foreign subsidiaries is not a rare phenomenon and that concepts specifically relevant in an international context play an important role. The implications for research/practice are discussed and intended to spark future research. *(For more information, please contact: Vanessa C. Hasse, University of San Francisco, USA: vhasse@usfca.edu)*

*Managing Complex Multinational Enterprises: Internal Network Structure and Expatriation Strategies (Ph.D. Awarded by University of Reading)*

Jongmin Lee, University of Reading

This thesis emphasizes the internal network structure of the multinational enterprise (MNE), in order to explore specific and related research questions as to how MNEs manage a complex portfolio of differentiated subsidiaries operating in a range of locations. In particular, this thesis investigates the impacts of the MNE's internal network structure on expatriate deployment strategies that play a significant role in managing its complex organizational network. Based on the view of the MNE as an 'internally differentiated interorganizational network', this research highlights that the MNE's internal network structure determines the level of managerial complexity faced by headquarters and further affects managerial decisions related to expatriate configurations across the MNE network. A multi-faceted investigation of 130 Korean MNEs and their 2,119 overseas subsidiaries operating in 77 countries demonstrates that the expatriation strategies employed by the MNE vary considerably upon the structural attributes of the MNE's internal network, corroborating the main argument of this thesis. Three empirical papers included in this thesis scrutinize various aspects of the MNE's internal network structure and their influences on expatriation strategies, from the perspective of both the MNE and the subsidiary. This thesis makes several important contributions to both theory and practice. First, this research advances our knowledge of MNE management by scrutinizing the role of the internal network structure on managerial decision-makings in complex MNEs. Second, this thesis contributes to the expatriation literature by illustrating a dynamic aspect of expatriation strategies in MNEs and by shedding light on the overall configuration of expatriate utilization across the MNE network from the perspective of the MNE as a whole. Finally, the findings of this thesis highlight that understanding the internal network structure is very crucial for the managers of MNEs that aim to benefit from their multiple embeddedness without being overwhelmed by the managerial complexity stemming from the diversity. *(For more information, please contact: Jongmin Lee, University of Reading, United Kingdom: jongmin.lee@henley.ac.uk)*

*Three Essays on Corruption, Government Transparency and Foreign Direct Investment (Ph.D. Awarded by George Washington University)*

Neli Kouneva Loewenthal, George Washington University

Three essays on the common theme "Corruption, Transparency and Foreign Direct Investment (FDI)" comprise this dissertation. Broadly speaking, this dissertation addresses global issues at the intersection of business, government and disruptive technology that affect economic development, poverty alleviation and environmental sustainability. My objective is to offer insight on how multinational enterprises (MNEs) and government can collaboratively achieve greater progress on curbing corruption and on stimulating economic progress and sustainability in emerging markets. Evidence is drawn from both proprietary primary data and secondary data sources. Two different methods multi-level Bayesian analysis and ordinal probit regression complement each other in the analysis of the data and contribute to the results' robustness. The results present a richer view of the relationship between firms' investment decisions and institutions in the global economy, and extend the theory on transparency, corruption, and FDI in disruptive technology. The study synthesizes ideas from behavioral economics, political science, sociology, and international relations to bring fresh new perspective and more nuanced understanding of the dynamics between institutions and MNEs' cross-border investments. In the following pages of this abstract I provide a summary of the contributions of each of the three essays that are included in my dissertation. In the first essay, the focus is on understanding the effect of emerging markets' governmental transparency on MNEs' behavior as it relates to corruption. Given the paucity of prior research on the topic, the study makes several significant contributions to the literature and to policy development. First,



this essay studies a less examined question in institutional theory, namely, whether MNEs affect their institutional environment. Second, I find a novel application of institutional theory by presenting a case for government transparency the quantity and quality of information that is made available to the public and is relevant to evaluating a country's institutions as an emerging institution that on its own cannot decrease the level of corruption. Institutional misalignment and interaction effects with organized crime, national culture and collective action hinder the intended positive effect of transparency. Third, I treat corruption as a collective action problem, rather than an agency problem, which is the prevailing paradigm in the corruption literature. Fourth, this essay challenges the tenet that government transparency decreases corruption and presents a case that, under some circumstances, transparency increases business and grand corruption. Fifth, it opens the 'black box' of corruption by studying specific types of corruption, such as business corruption and grand corruption. Lastly, my research unbundles the generic theme of government transparency into specific components more amenable to policy intervention. In the second essay, I analyze the effects of corruption on the amount of FDI in disruptive technologies vs. conventional technologies. My empirical approach is based on panel data of firm-level amount of investment to a country, as the primary dependent variable, and on Bayesian statistical analysis. Focus on the renewable technology investment, in particular, contributes to the sustainability literature by pointing in direction to the fact that good environmental sustainability policies alone are not likely to attract FDI to emerging markets unless these policies are in alignment with strong anti-corruption institutions. Firms' FDI to emerging markets is critical to economic development and to the firms' business growth. Decisions involving location selection and amount of investment once the location has been selected are highly complex and dependent on macro-economic, industry, and firm factors. How these factors interplay with countries' institutions is an important to the in the international business issue which my dissertation addresses. Among my findings' key contributions is that the effect of institutional distance is contingent upon the nature of firm's technology disruptiveness. In a world of disruptive technology, such as massive open online courses that threaten business schools, virtual cryptographic currency that threatens clearinghouses, or investment fintech that threatens investment banks, studying the differences between conventional businesses and disruptors in terms of their FDI choices is important to economic progress. Moreover, my dissertation contributes to institutional theory by finding that MNEs' cross-border investments differ in their sensitivity to host-country institutions depending on the nature of their home-country legal systems. The third essay ties together the first two essays of this dissertation and focuses on C-Suite executives' entry decisions as they relate to host government transparency and corruption. To overcome the challenges of paucity of data on executives' country entry decisions, I perform an experimental design analysis with a scenario-based survey of 300 C-suite executives across various industries. The results have theoretical contributions to the strategy location diversification literature. This essay posits that transparency avoidance and corruption are non-market strategies. The results indicate that firms are resistant to admit but nevertheless may invest in corrupt countries. Decoupling between culturally and legally accepted rhetoric and actions is a possible explanation for the results of the survey. The dissertation has also methodological contributions including novel to the FDI strategy literature Bayesian analysis and multi-method empirical tests that add robustness to the results. Finally, the dissertation offers empirical contributions. Using both data per investment deal and proprietary survey data is a significant advantage of this research. Such methodology is highly appropriate but has rarely been utilized in the strategic management and the international business literature. Deal-level secondary data in combination with C-Suite executives survey data complement each other and allow for testing of firms' decisions about both FDI location selection and amount per FDI transaction. The dissertation has several practical implications that can be of interest to business executives, policy makers and the society at large. For business executives the implications are that without them taking responsibility for corruption in the markets in which they operate, corruption will continue to thrive. The myth that government officials alone should be held accountable for high corruption should be replaced with a shift of the attention towards corporate corruption. Only by instilling strong intra-firm ethics and compliance cultures, MNEs will be able to avoid going down the corruption path. The dissertation can guide policy-makers in their pursuit of government transparency by alerting them of the dangers they can face if their anti-corruption institutions are weak. The implications of the research are that governments should strive for progress in transparency in alignment with anti-corruption institutions. Transparency, by itself, can shed light on corruption, but it cannot decrease it. Moreover, in corrupt countries, improving anti-corruption institutions should be a prerequisite to attracting FDI from clean firms, and from firms investing in disruptive technologies. In the age of disruption, paradigm shift to embracing disruptive technology is needed among policy makers around the globe. The dissertation's limitations provide a fertile ground for

several streams of future research. First, the theoretical propositions of the first essay can be parsed and tested empirically as reliable measures of strength of Right of Information laws, cultural dimensions of emerging market countries, level of countries' organized crime and media release of corruption information become available. Second, the second essay's findings external validity can be tested in the context of the financial sector which with its clearly defined fintech and traditional financial services businesses lends itself nicely for measurement of disruptive vs. conventional technology. Finally, the hypotheses of the third essay can be re-tested with a survey of French or other civil-law country to examine whether institutional differences might change the findings. Moreover, more precise measure of the perception of firms' technology disruptiveness can be potentially found via focus group interviews with CEOs who participated in the survey. *(For more information, please contact: Neli Kouneva Loewenthal, George Washington University, USA: nelik@gwu.edu)*

*A Text Analytic Approach to Study Host Country Nationalist Sentiments and MNE Responses during National Conflicts (Ph.D. Awarded by Chinese University of Hong Kong)*

Xiaocong Tian, Shanghai University of Finance and Economics

International business scholars have conducted lots of studies on MNE strategic choices in host country. However, most of the strategic choices investigated by these scholars are those need a long time to be implemented and take effect, and little is known about how MNEs can instantly respond to host country environmental changes. Integrating literature from communication and political sociology, this dissertation explores how MNEs respond rhetorically and which rhetorical strategies are more effective when nationalist sentiment is high during national conflicts. Taking advantage of advanced textual analysis, this dissertation first analyzes 557,372 social media textual comments to exploratively study nationalist sentiment. The detailed procedures include pretreatment, text mining, content categorization and sentiment analysis. Based on previous literature and the results of advanced textual analysis, I develop two types of nationalist sentiment, namely expressive nationalist sentiment and instrumental nationalist sentiment. Utilizing rhetorical theory, I then argue that MNEs respond differently to different types of nationalist sentiment during national conflicts between home and host country. I propose that when host country expressive nationalist sentiment is high, MNEs will be more likely to have rhetorical focus on pro-social conducts versus other aspects and use more positive rhetorical tone. However, when host country instrumental nationalist sentiment is high, MNEs will be less likely to have rhetorical focus on pro-social conducts versus other aspects and will use less positive rhetorical tone. Furthermore, I examine the moderating role of MNE subsidiary home country identification, and predict that MNE subsidiary home country identification can weaken the positive relationships between expressive nationalist sentiment and rhetorical strategies. Also, MNE subsidiary home country identification can strengthen the negative relationship between instrumental nationalist sentiment and rhetorical strategies. I choose China as my empirical research context, and study Chinese nationalist sentiment during national conflicts between 2011 and 2014. Using 17,000 social media posts of 127 Weibo accounts operated by Fortune Global 500 companies from America and Japan, I provide empirical evidences for these hypotheses. This dissertation aims to have several contributions. First, it contributes to the research on how MNEs manage relationship with host country public and stakeholders by exploring how and why MNEs actively conduct rhetorical strategies when nationalist sentiment is high. Second, this dissertation develops two types of nationalist sentiment and links them with MNE rhetorical strategies, and thus provides new explanations for MNE strategic choices. It also demonstrates methodological advances by adopting advanced textual analysis to develop and accurately measure nationalist sentiment. Third, this study uses social media as a textual data source and investigates how MNEs use indigenous language to communicate with host country public, thus enriches our understanding about how MNEs can make more effective rhetorical strategies in host country. *(For more information, please contact: Xiaocong Tian, Shanghai University of Finance and Economics, China: tian.xiaocong@sufe.edu.cn)*

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**Session: 3.2.2 - Panel****Track: 10 - Theme track: Contribution of MNEs to building sustainable societies*****National and Supra-national Institutions in International Business*****Presented On:** July 5, 2017 - 10:45-12:00

Chair: Klaus E. Meyer, China Europe International Business School

*Panelists:*

Steve Brammer, Univeristy of Birmingham  
 Jonathan Doh, Villanova University  
 Htwe Htwe Thein, Curtin University  
 Florian Wettstein, University of St. Gallen

Supra-national organizations and governance mechanisms may be complement or conflict with national institutions. Some national institutions take extra-territorial character in that they influence MNEs behavior in countries other than the home country, including for example the OECD anti-corruption convention and political sanctions of selected nations such as Iran, Myanmar or North Korea. Important norms are created through multilateral organizations such as the United Nations, in particular through the publication of 17 Sustainable Development Goals by the United Nations (Resolution adopted by the General Assembly on 25 September 2015). Our Panel addresses the all five areas of critical importance – People; Planet; Prosperity; Peace and Partnership (Transforming our world: the 2030 Agenda for Sustainable Development, 2015). *(For more information, please contact: Klaus E. Meyer, China Europe International Business School, China: kmeyer@ceibs.edu)*

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**Session: 3.2.3 - Panel****Track: 8 - International business policy*****Regional Economic Integration and Emerging Market Multinationals: The Case of ASEAN*****Presented On:** July 5, 2017 - 10:45-12:00

Chair: Pavida Pananond, Thammasat University

*Panelists:*

Pavida Pananond, Thammasat University  
 Peter Enderwick, Auckland University of Technology  
 Chang Hoon Oh, Simon Fraser University  
 Nitin Pangarkar, National University of Singapore  
 Michael Witt, INSEAD

This panel will analyze how regional economic integration impacts the development and international expansion of emerging market multinational enterprises (EMNEs). Specifically, it explores whether and how a regional approach to strategy in ASEAN is emerging among local firms. ASEAN launched a plan for a common market, the ASEAN Economic Community (AEC), in December 2015. When completed, the AEC will be the sixth-largest single market in the world. This is likely to have a profound impact on the strategies of local firms. Traditionally known mostly important export base for MNEs from advanced economies, the ten members of ASEAN aspire for their combined market to become a single market and production base that offers meaningful size and scale for intra- and extra-regional firms. Yet, questions remain whether and how member countries and their local firms can capitalize on the opportunities that this diverse region has to offer. Through an

investigation of different strategies that different EMNEs from the region are pursuing, this panel expects to draw theoretical and managerial implications on key international business concepts, such as the competitive advantages and the internationalization strategies of EMNEs, home-country institution impacts on local firms, and linkages to regional and global value chains. *(For more information, please contact: Pavida Pananond, Thammasat University, Thailand: pavida@tbs.tu.ac.th)*

**Session: 3.2.4 - Panel**

**Track: 9 - Teaching IB**

***Teaching IB in Africa (Africa Chapter Symposium)***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Yaw A. Debrah, Swansea University

*Panelists:*

Yaw A. Debrah, Swansea University  
Annette Nijs, China Europe International Business School  
Kevin Ibeh, Birkbeck University of London  
Chris Ogbechie, Lagos Business School

The session focuses on teaching IB in sub-Saharan Africa *(For more information, please contact: Yaw A. Debrah, Swansea University, United Kingdom: y.a.debrah@swansea.ac.uk)*

**Session: 3.2.5 - Panel**

**Track: 5 - Organization strategy and management**

***Effective IP Strategies for Operating in Weak IP Enforcement Countries***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: James F. Nebus, Suffolk University

*Panelists:*

James F. Nebus, Suffolk University  
Deli Yang, Trinity University  
Adam Cross, Xi'an Jiaotong-Liverpool University  
Peggy Chaudhry, Villanova School of Business

Our panel treats IP infringement differently in two ways. First, the problem of IP infringement has been defined too broadly to counteract with a single strategy. Instead, it is helpful to consider IP infringement as a spectrum in terms of the complexity of organization and technologies that imitators must possess to make their copycat products a commercial success. At one end of the spectrum is piracy of trademarks or "look alike" brand counterfeits of apparel and accessories with prestige logos. At the other end is theft of patented IP in R&D intensive industries which develop products based on complex technologies that require more sophisticated production and deployment. In between are "licensing overruns" in which contracted licensees exceed the amount of production stipulated under their licensing contract and sell the excess production locally. Also along the spectrum are "knock offs" of drugs and foods that can have detrimental effects to the consumers who ingest them. Second, IP strategy needs to be contingent on the country environment as it must be adapted to different country conditions: degrees of IP enforcement, cultural attitudes towards imitation, local imitator

capabilities, local consumer sensitivity to price and quality, and local availability of inexpensive factors of production. *(For more information, please contact: James F. Nebus, Suffolk University, USA: jnebus@suffolk.edu)*

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**Session: 3.2.6 - Competitive**

**Track: 6 - Human resource management**

***New Insights on Expatriation and Related Phenomena***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Jasenko Ljubica, Tec de Monterrey

*Expatriate Management and Competitive Advantage: The Case of Emerging Market MNCs*

Huaichuan Rui, Royal Holloway, London University

Miao Zhang, Kingston University

Alan Shipman, Open University

Recent research draws attention to the large number of expatriates sent abroad by Chinese multinational corporations (CMNCs), especially to emerging markets. It is generally assumed that their large number, and any competitive advantage this generates, relate predominantly to their low cost, compared to other MNCs' expatriates and/or locally available labour. Our research uses an integrative perspective drawing on the resource-based view (RBV), international human resource management (IHRM) and "country of origin" literature and extensive case-study research on 27 CMNCs in 12 emerging markets. This reveals that the competitive advantage created by Chinese expatriates is closely related to the use of expatriates at both managerial and operational levels. It is achieved through human resource management that exploits their relatively lower cost, higher productivity and hardship tolerance (compared to host or third country counterparts) and their knowledge/resource reconfiguration capability, through a centralised and collective expatriation management system. These together enhance CMNCs' competitive advantage through not only offering cost effective and differentiated products but also transferring the reconfiguration knowledge. This study enhances understanding of the competitiveness of emerging market multinationals (EMNCs) by showing how the competencies, combination and management of their expatriates create a distinct source of competitive advantage. It also advances IHRM research on expatriates by investigating their use from a competitive advantage perspective. *(For more information, please contact: Huaichuan Rui, Royal Holloway, London University, United Kingdom: huaichuan.rui@rhul.ac.uk)*

*Expatriates as Influencers in Global Work Arrangements: Their Impact on Foreign Subsidiary Employees' ESOP Participation*

Jana Oehmichen, Georg-August University Goettingen

Carolin Ahrens, Georg-August University Goettingen

Michael Wolff, University of Goettingen

For multinational enterprises (MNEs), a tremendous challenge exists in integrating their employees all over the globe to align with the overarching goals of the firm. This calls for deeper insights into the interplay between global work and strategic human resource management (HRM). Prior research shows that employee stock-ownership plans (ESOPs) are a powerful HRM practice to enhance employee commitment, reduce employee turnover, and increase firm performance. However, it is still puzzling as to what drives employee participation on a global scale. Drawing on the knowledge-based view, the authors consider expatriates as implicit knowledge facilitators. They assume that expatriates enhance subsidiary employees' evaluation of the program's outcomes, which in turn positively influences employees' ESOP participation. Additionally, the authors employ distance measures as potential contingency factors derived from group-level and institutional-level characteristics.

Results confirm their thoughts and suggest that expatriates especially contribute to HRM practice implementation when group-level distance and institutional distance are greater. Overall, findings support their arguments (1) that expatriates can be a mechanism to bridge distance, and (2) that they can foster the implementation of HRM practices within MNEs. *(For more information, please contact: Jana Oehmichen, Georg-August University Goettingen, Germany: jana.oehmichen@wiwi.uni-goettingen.de)*

*Transferring Corporate Values across Borders: The Role of Inpatriation in Multinational Companies*

Tomoki Sekiguchi, Kyoto University  
 Tomokazu Takeuchi, Gakushuin University  
 Shiho Nakamura, Ritsumeikan University  
 Azusa Ebisuya, Osaka University  
 Norihiko Takeuchi, Waseda University

For multinational companies (MNCs), transferring corporate values from headquarters (HQ) to foreign subsidiaries is critical for success, but this transfer is quite challenging because of the geographically and culturally dispersed nature of MNCs. To address this issue, the present study investigates factors that facilitate the internalization of corporate values among an MNC's foreign subsidiary employees sent to HQ as inpatriates. Using a sample of 110 foreign subsidiary employee-supervisor dyads in a Japanese MNC, in which foreign subsidiary employees were assigned to the Japanese HQ, we found that developmental job assignments and psychological mentoring during inpatriation influenced the internalization of corporate values among employees, partially and sequentially mediated by proactive socialization behavior and organizational identification. Our findings have significant implications for the theory and practice of MNCs in transferring corporate values across borders. *(For more information, please contact: Tomoki Sekiguchi, Kyoto University, Japan: tomoki@econ.kyoto-u.ac.jp)*

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**Session: 3.2.7 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***International Opportunities, Creativity, Innovation and Ambidexterity in Internationalization***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Mohammad Roohanifar, Manchester Metropolitan University

*Export Innovation. The Role of New Imported Inputs and Multinationality*

Claudio Fassio, Lund University  
 Davide Castellani, University of Reading

This paper focuses on the determinants of export innovation, that is innovation in a firm export product portfolio. Our main hypothesis is that imported inputs play a key role in enabling firms to export new products. We provide a relevant contribution to the existing literature by controlling for the participation of domestic firms to multinational groups and by controlling for the possible externalities from foreign and domestic MNEs. Based on a sample of more than 11,000 Swedish manufacturing firms over the period 2001-2012, we show that importing new products is a key determinant of innovation in exported products. Furthermore, our results point into the direction of a differentiated effect of importing new products vs. being part of a MNE as factors explaining export innovation for large and small firms. Foreign MNEs have an ambivalent effect on export innovation of Swedish firms. On the one hand, SMEs acquired by foreign MNEs show a short term reduction in export innovation but, on the other hand, foreign MNEs can provide some positive externality, both to SMEs and large firms, which contributes to their export innovation. *(For more information, please contact: Claudio Fassio, Lund University, Sweden: claudio.fassio@circle.lu.se)*

*Creativity as a High-Level Resource in the International Involvement of the Firm*

Silvio Luis de Vasconcellos, UNIVALI - Universidade do Vale do Itajaí  
 Ivan Lapuente Garrido, Unisinos Business School  
 Ronaldo Couto Parente, Florida International University

This study contributes filling the gap of investigation about the relationship between organizational creativity with the firm's international involvement. We propose international involvement as an alternative to evaluate the internationalization of firms of the creative economy, since such companies develop their strategies considering the market as global, before even selling abroad. We investigated 78 audiovisual producer firms in Brazil. We analyzed the data through regression analysis. The results confirmed not only the direct relationship between organizational creativity and international involvement but mainly the mediating role of innovative and entrepreneurial capabilities. *(For more information, please contact: Silvio Luis de Vasconcellos, UNIVALI - Universidade do Vale do Itajaí, Brazil: silviolvasconcellos@gmail.com)*

*Unpacking the Dynamics Of Product-Market Ambidexterity in the Pursuit of International Opportunities: Insights from Emerging Market Firms*

Lianxi Zhou, Brock University  
 Hui Xu, Nankai University  
 Shou-ren Xu, Peking University  
 Youngchun Feng, Tianjin University of Finance and Economics

This paper examines how emerging market firms pursue their international opportunities by developing the dynamics of product-market ambidexterity. For the purpose of comparison, we chose four large firms in China and conducted longitudinal analyses using various sources of information. Two of the firms represent the traditional incremental internationalization, and the other two firms serve as examples of accelerated internationalization. We found that the incremental internationalization is best characterized by structural ambidexterity in product exploitation and market exploration at the initial stages, whereas the accelerated internationalization is most explained by market exploration and exploitation when first entering foreign markets. Moreover, these firms are found to keep strategic priorities by structural ambidexterity and punctuated ambidexterity at later stages of their international development. This research reveals the dynamic process of product-market ambidexterity in the pursuit of international opportunities in emerging market firms. It contributes to the knowledge-based process view of international entrepreneurship. *(For more information, please contact: Lianxi Zhou, Brock University, Canada: lzhou@brocku.ca)*

*Corporate Diversification, Ambidexterity, and Firm Performance: Evidence from EMNEs*

Chia-Wen Hsu, National Chung Cheng University  
 Heng-Yih Liu, Yuan Ze University

We investigate the effect of organizational ambidexterity on the relationship between corporate diversification and firm performance for emerging economy MNEs (EMNEs). We develop the theoretical framework based on an integration of the literature on corporate diversification with organizational ambidexterity perspective. Using a sample of 156 EMNEs over a period of 11 years from 2000 to 2010, we find that both geographic and product diversifications have a U-shaped curvilinear relationship with the firm performance. We also find that organizational ambidexterity plays a positive moderating role in the relationship between corporate diversification and firm performance. Theoretical and managerial implications are discussed. *(For more information, please contact: Chia-Wen Hsu, National Chung Cheng University, Taiwan: cwhsu@ccu.edu.tw)*

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**Session: 3.2.9 - Competitive**  
**Track: 4 - Innovation and knowledge management**

*Spillovers in and from Host Countries*

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Annique Un, Northeastern University

*Export, Skills, and Innovation*  
Annique Un, Northeastern University

We analyze how exporting influences product innovation. Building on the knowledge-based view, we separate a direct effect that we call learning from exporting, in which the firm uses knowledge gained in foreign markets directly to innovate products, from an indirect effect that we call learning by exporting, in which the firm interacts the knowledge gained in foreign markets with the knowledge of its skilled employees to innovate products. We then predict that whereas learning from exporting has an inverse U-shaped relationship with product innovation, which reflects a diminishing return from foreign knowledge, learning by exporting has a U-shaped relationship with product innovation, which reflects the cost of integrating foreign and employees' knowledge for innovation. *(For more information, please contact: Annique Un, Northeastern University, USA: a.un@neu.edu)*

*Reverse FDI Spillovers from Host Country Firms to Foreign Firms: Evidence from Emerging Market Banks in Developed Markets, 2000-2014*

Ziliang Deng, Renmin University of China  
Xiaohui Yuan, Renmin University of China

This study examines whether and how emerging market multinational corporations (EMMNCs) can receive reverse efficiency spillovers when investing in developed markets. Considering the importance of geographic proximity on spillovers and the characteristics of EMMNCs, we hypothesise that, when locating into developed markets, EMMNC subsidiaries receive positive spillovers from local firms, but negative competition effects from peer EMMNCs. As knowledge is embedded in institutional environments, we hypothesise the institutional distance between the host and home countries negatively moderates the reverse spillovers. To test the hypotheses, we employ a panel dataset of 93 emerging market bank subsidiaries in developed markets, pooled with 95,907 developed market bank observations, over the period from 2000 to 2014. This study extends the literature on FDI spillovers. *(For more information, please contact: Ziliang Deng, Renmin University of China, China: ziliang.deng@ruc.edu.cn)*

*Estimating Technological Spillover Effects in Presence of Knowledge Heterogeneous Foreign Subsidiaries: Evidence from Colombia*

Isabel Alvarez, Universidad Complutense de Madrid  
NADIA ALBIS, Observatorio Colombiano de Ciencia y Tecnología

This paper analyses the effects of heterogeneous foreign subsidiaries in the generation of knowledge spillovers beneficial for domestic owned firms. The empirical analysis uses firm-level panel data for manufacturing firms in Colombia for the period 2003-2012. We identify two different types of subsidiaries according to their technological responsibilities and mandates, to empirically test the existence of differential effects on domestic firms' productivity. Our results confirm that only those subsidiaries oriented to creative technological activities exert significant and positive effects, while those subsidiaries oriented to exploitative technological activities do not generate knowledge spillover effects. These findings contribute to arguments in the existing literature



supporting the distinctive role and relevance of heterogeneous foreign subsidiaries in developing host contexts. (For more information, please contact: Isabel Alvarez, Universidad Complutense de Madrid, Spain: [isabel.alvarez@ccee.ucm.es](mailto:isabel.alvarez@ccee.ucm.es))

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**Session: 3.2.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***FDIs, Networks and Partnering in Internationalization***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Jane W. Lu, China Europe International Business School

*The Role of Host Country Networks in Foreign Investment Location Decisions*

Sokol Celo, Suffolk University

Aya Chacar, Florida International University

Yannick Thams, Suffolk University

Extent theory emphasizes the role of host country factors and home-host countries' 'distance' on the choice of foreign investment location (FIL). This study argues host country network (HCN) ties to other than the home country or 'third' countries constitute a third set of drivers of FIL. HCNs have an important signaling role and can facilitate social and knowledge capital development about third country institutions, product markets and resources essential to 'third-country motivated' investments -or those ultimately targeting third countries in addition to or instead of host countries. We flesh out potential benefits of host country networks and their role as attractors to host country investments and argue that the propensity to invest (PI) into a host country is positively associated with HCN. We further refine our arguments taking a more granular approach to distinguish between foreign direct investments (FPI) and portfolio investments (FPI) in conceptualizing PI and HCN as their motivations and social and knowledge capital needs differ. The hypotheses made are supported when tested using nearly half a million firm investment data aggregated to measure the impact of HCN on PI between more than 24,000 country dyads. (For more information, please contact: Sokol Celo, Suffolk University, USA: [scelo@suffolk.edu](mailto:scelo@suffolk.edu))

*Examining the Effect of Home Country Characteristics: Outward FDI of Emerging Market Firms to Advanced Markets*

Rama Krishna Reddy, Indiana University South Bend

Frances Fabian, The University of Memphis

In this study, we explore how the institutional and resource environment of emerging market countries influence the outward foreign direct investments (OFDI) of their firms to advanced markets. Using a sample of 208 foreign direct investments from 48 emerging markets between 2006 and 2012, we tested seven home country characteristics for significance in predicting the scale of OFDI. We found the development in political institutions positively predicted the scale of OFDI, but the opposite for economic institutional development. Factor market development, capital market size, and technological readiness are also positively related to OFDI from emerging markets to advanced markets. Our results highlight the importance of considering how the home country environment can motivate or enable the OFDI investment behavior of EMFs to advanced markets. (For more information, please contact: Rama Krishna Reddy, Indiana University South Bend, USA: [rakreddy@iu.edu](mailto:rakreddy@iu.edu))

*How Network Positions Matter for Firm's Internationalization? An Empirical Study of the Distribution Channels in Semiconductor Industry*

Joseph Shyh-Yeu Tzou, National Taiwan University

This study argues that firm's network positions play important roles in its internationalization, and intends to provide a network explanation for the purported relationship between firm's network positions and its internationalization in the context of semiconductor industry. This study adopts the quantitative methodology to explore the research questions. Drawing on thirty years of observations for each of the five years from 1980 to 2010 for distributor firms in the semiconductor industry, this study utilizes panel data regression to examine the effects of a firm's network positions on its internationalization. The sample of this study is the 113 franchised semiconductor distributor firms in Taiwan of the WSTS's (World Semiconductor Trade Statics) 63 member companies. WSTS's member companies represent more than 75% of the world semiconductor market. Worldwide top 20 semiconductor suppliers are WSTS members. This virtually includes all major semiconductor manufacturers from 4 major regions, namely America, EMEA (Europe, Middle East, and Africa), Japan and Asia Pacific. Results of this study support the positive relationship between firm's centrality of its network positions and its internationalization, the positive relationship between firm's structural holes of its network positions and its internationalization, and the positive relationship between firm's brokerage of its network positions and its internationalization. The moderator effects of firm's joining association and going IPO in the structural holes-internationalization relationship are supported by this study, while the moderator effects of firm's joining association and going IPO in the centrality-internationalization relationship are not supported by this study. (For more information, please contact: Joseph Shyh-Yeu Tzou, National Taiwan University, Taiwan: [joesyztzou@gmail.com](mailto:joesyztzou@gmail.com))

*Asymmetry Reduction Theory of FDI: The Aspiration-Resource-Control (ARC) Framework*

Xin Li, Copenhagen Business School

In this paper, I first briefly introduce Moon & Roehl's (1993, 2001) imbalance theory of FDI that attempts to provide a unifying logic for understanding both traditional FDI and reverse FDI. Then I identify three deficiencies in the design of the imbalance theory that might be responsible for the relative lack of impact of a potentially powerful logic of imbalance-balancing originated by Edith Penrose (1959). Converting the notion of imbalance into the notion of asymmetry, I then propose an asymmetry reduction theory (ART) as a candidate unifying theory of FDI. The ART is further operationalized into an aspiration-resource-control (ARC) framework. I conclude the paper by discussing that Dunning's OLI model can be treated as a special case of the ARC framework and extending the ART/ARC model to understanding various rationales of non-conventional FDIs, such as FDIs by state-owned enterprises (SOEs), FDI as competitive escapism, FDIs as risk diversification, etc. (For more information, please contact: Xin Li, Copenhagen Business School, Denmark: [xl.int@cbs.dk](mailto:xl.int@cbs.dk))

*Role of Informal Networks in Mitigating the Liability of Outsidership: Case of the Iranian Bazaar*

Marina Apaydin, American University of Beirut

Yusuf Sidani, American University of Beirut

Jon Thornberry, American University of Beirut

This paper proposes a refinement of the Uppsala internalization model (Johanson & Vahne, 1977; Johanson & Vahne, 2009) grounded in the network theory, by developing an intermediate position between an 'insider' and an 'outsider' for conditions when the transformation of an outsider into an insider (as suggested by the model) is limited by institutional constraints. A 'mediator' position represents one of the sides of 'patron-client' informal networks (Denooux, 1993) whereby the other side is represented by the 'insider.' We argue that this setup would help mitigate the Liability of Outsidership (Johanson & Vahne, 2009), a replacement of the Liability of Foreignness (Hymer, 1976; Zaheer, 1995) in a modern networked business world. We contextualize our proposition for the case of Iran, a large rising Asian economy with known institutional limitations, and suggest that the informal network of local merchants (bazaaries) could play an important mediating role in Multinational Enterprises (MNE) internationalization process in this country. We review the history of the bazaaries to develop

our arguments and make a series of propositions exemplifying possible ways the bazaaries could influence the internationalization process in Iran. *(For more information, please contact: Marina Apaydin, American University of Beirut, Lebanon: ma266@aub.edu.lb)*

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**Session: 3.2.12 - Interactive**

**Track: 3 - Marketing and consumer research**

### *Strategic Perspectives in International Marketing*

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Subrata Chakrabarty, University of Texas - El Paso

#### *Is Fair Trade Really Fair? The Moderating Role of Fair Trade Strategy*

Chen-Yu Lin, Feng Chia University

Hsiu Ying Huang, Feng Chia University

This study aims to examine how weak brands can compete with strong brands by the introducing of fair trade (FT) certificated products. Two experimental studies were used to test if and how weak brands can gain more benefits from FT strategy than can strong brands. The results of this study revealed the introduction of FT products contributes more to weak brands than strong brands in terms of the increase of purchase intention. This could be attributed to a relative large increase of emotional value for weak brands than for strong brands when adopting a FT strategy. The results also showed that both weak and strong brands benefit from increased perceived social value, but it showed no evidence of improved perceived functional and financial value. The result of this study enhances our understanding of how consumers make decisions on FT products and helps brand managers in crafting better FT strategies by the introducing of FT products. *(For more information, please contact: Hsiu Ying Huang, Feng Chia University, Taiwan: huanghy@fcu.edu.tw)*

#### *Marketing Collaborations of International SMEs: Implications for Performance*

Agnieszka Chidlow, The University of Birmingham

Ulf Elg, Lund University

Pervez N Ghauri, University of Birmingham

We argue that international SMEs can increase their level of market and brand orientation by collaborating with business partners, and that this will also have a positive impact on performance. Prior research has shown that market and brand orientation are key contributors to successful business performance. However, research to date has not fully explored how inter-firm collaboration for these two key orientations can enhance business performance. This study advances our understanding of SMEs' inter-firm market and brand orientation and how these two constructs are related to financial and market performance. It is based upon a survey of international SMEs in Sweden and Switzerland. The results reveal that both inter-firm market and brand orientation had a significant positive impact on financial as well as market performance. The study also found that inter-firm brand orientation had a positive moderating effect on the link between market orientation and financial performance, while there was a negative moderating effect for market performance. We discuss the implications of our findings for SME managers and their implications for international marketing research. *(For more information, please contact: Agnieszka Chidlow, The University of Birmingham, United Kingdom: a.chidlow@bham.ac.uk)*

*The Winners and Losers in Global Wine Markets*

Tatiana Zalan, American University in Dubai

Geoffrey Lewis, University of Melbourne

Even though globalization is not a new phenomenon for the wine industry, the competitive dynamic changed considerably in the last thirty years with the rise of New World producers. The purpose of this research is to gain insights into how major wine producing countries have positioned themselves in the key international wine markets, establish who have been the winners and losers of globalization to date, and to offer tentative explanations about the causes of success or failure. We focus on four Old World producers (France, Italy, Spain, Germany), six New World producers (Argentina, Australia, Chile, New Zealand, South Africa and the U.S.); and seven import markets (the U.S., the U.K., China and Hong Kong, Germany, Canada, Japan and Australia). Our approach to analysing competitiveness is novel in two ways: (1) as we are more interested in end-market positioning, we use import data (value, volume and unit value) in local currencies and (2) we use Google Motion charts to analyze competitive dynamic. We find that France and Italy are the clear winners of globalization that have succeeded in carving sustainable competitive positions and may hold valuable lessons for losers and hopefuls. *(For more information, please contact: Tatiana Zalan, American University in Dubai, United Arab Emirates: tzalan@aud.edu)*

*The Necessity and Benefit of Product-related Social Responsibility for MNEs: An Analysis from Consumer Perspective*

Chin-Wen Chang, National Taiwan University

This study aims to purport the concept of product-related social responsibility (PrSR) in multinational enterprises (MNEs) context to solve the limited effect of corporate social responsibility (CSR) on purchase intention. Beginning with explaining three major issues lead to the limited CSR effect on MNEs: lack of CSR knowledge, suspicion of the CSR motive, and missing link of parent company's CSR activity to the product, this study then provides definition and distinctiveness of PrSR for supplements. They are the relatedness the consumer perceives between the taken social responsibility and the product, and the feeling of participation in realizing the social responsibility. Propositions suggest the benefit MNEs obtain is that PrSR may encourage the purchase intention, which CSR unable to achieve. Moreover, PrSR will reward MNEs with a larger purchase by the consumer when the product quality is assured. Managerial implication suggests managers in MNEs may start organizing their PrSR plans because giving the customer the practical consequence and effort spent in manufacturing the product and inviting their participation will be more appealing to consumers than providing the vision of CSR will achieve. *(For more information, please contact: Chin-Wen Chang, National Taiwan University, Taiwan: chwennchang@gmail.com)*

*A Consumer (Demand-Side) Perspective on Marketing Adaptation*

Cher-Min Fong, National Sun Yat-Sen University

Hsiao-Hui Ho, Tajen University

Hui-Wen Wang, National Sun Yat-Sen University

Hsing-Hua Chang, National Sun Yat-Sen University

The major purpose of this article is to investigate how a service firm's country-of-origin affects consumer reactions to its standardization/ adaptation of two marketing elements: services and branding strategies. This consumer-based study adopts a demand-side perspective that differs from conventional firm-based studies focusing on the supply-side perspective. This research proposes that the relative superiority of two country images (service firm's home country and host country) can affect consumer reactions to the service firm's standardization/adaptation, and consumer ethnocentrism will further moderate the predicted relationship. The results of two experimentations support the hypotheses. *(For more information, please contact: Cher-Min Fong, National Sun Yat-Sen University, Taiwan: cmfong@bm.nsysu.edu.tw)*

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**Session: 3.2.13 - Interactive**  
**Track: 6 - Human resource management**

***Cultural Competencies for Global Managers and Employees***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Maria Alejandra Gonzalez-Perez, Universidad EAFIT

*Cultural Intelligence and Work-Related Outcomes: A Meta-Analytic Review*

Christopher Schlaegel, Maastricht University  
Nicole Franziska Richter, University of Southern Denmark  
Vas Taras, University of North Carolina at Greensboro

Over the last decade the research on cultural intelligence (CQ) has grown to a point that a quantitative synthesis of the existing empirical evidence on the relationship between CQ and various work-related outcomes is needed. Based on 88 studies (100 independent samples, 24,119 individuals) the results of the bivariate meta-analyses indicate that CQ and its underlying dimensions are positively associated with expatriation intention, job satisfaction, cultural adjustment, transformational leadership, and different performance outcomes (task performance, contextual performance, and team performance). The results of commonality analysis indicate that while the dimensions of CQ are highly correlated, the CQ dimensions show differential relationships with the different outcome variables, supporting the separability of the CQ dimensions. *(For more information, please contact: Nicole Franziska Richter, University of Southern Denmark, Denmark: nicole\_richter2001@yahoo.de)*

*Intercultural Competence in Emerging Markets: A Contextualized Approach to Global Talent Management*

Alexander James Corner, Georgia State University  
Leigh Anne Liu, Georgia State University  
Allan Bird, Northeastern University

Researchers and practitioners agree that intercultural competence is essential for managers and employees due to the globalized business world faced by multinational enterprises (MNEs). Cross-border interactions are ever more common, and the rapid economic growth of emerging markets has focused attention on their unique characteristics and the associated requirements for global talent management. However, existing measures of intercultural competence are almost exclusively based on research in developed markets, and they lack contextualization and validation in emerging markets. Additionally, distinctive characteristics of emerging markets may elicit different facets of intercultural competencies. We examine the existing measures and analyze their applicability to the emerging markets context by first exploring in detail the differences between emerging and developed markets, and then evaluating their suitability in response to the specific demands of this dynamic environment. We connect macro level economic and societal trends with the need for MNEs to deploy individuals with appropriate competencies in emerging markets. We propose the key areas of intercultural competence that are especially salient in emerging markets to be recognizing perspectives, managing relationships, and navigating uncertainty. We delineate specific aspects of existing measures that apply to emerging markets, and discuss theoretical and practical implications for researchers and professionals. *(For more information, please contact: Alexander James Corner, Georgia State University, USA: ajcorner@gsu.edu)*

*The Role of Social Networks and Cultural Intelligence in Affecting the Fate of the Deviant*

James Oldroyd, Brigham Young University

Joel Evans, Alfaisal University

John Bingham, Brigham Young University

Anurag Gupta, Indian School of Business

International MBA programs offer participants a unique cross-cultural environment to develop social capital and business acumen. But this pluralistic context produces an uncertainty regarding appropriate ethical norms and how students should react to peers who engage in non-normative behavior. In this paper, we explored peer reactions to non-normative behavior and its effect on an individual's performance. In a three-step longitudinal study of an international MBA cohort, we predicted and found that non-normative behavior led to diminished performance, and that this effect was mediated by a reduction in friendship ties as peers engage in social sanctions. However, we found that cultural intelligence and foreigner status moderated these effects, such that cultural intelligence attenuated the negative effect of non-normative behavior on friendship ties, and foreigner status attenuated the effect of reduced friendship ties on performance. We discuss the role of social sanctions in reducing deviant behavior, highlighting the cultural and temporal limitations as well as implications for encouraging normative behaviors in international organizations. *(For more information, please contact: James Oldroyd, Brigham Young University, USA: oldroyd@byu.edu)*

*The Development and Validation of the Quasi-Observational Cultural Intelligence (OO-CQ) Instrument*

Vas Taras, University of North Carolina at Greensboro

As cross-cultural interactions are becoming commonplace, cultural intelligence becomes critical to career and organizational success. Accordingly, measuring cultural intelligence is a very important task. Despite a variety of available CQ measures, most of them suffer from a series serious limitations. This paper presents a new Cultural Intelligence instrument that uses a drastically different approach from that commonly used in CQ measures. The existing instrument almost exclusively rely on subjective self-evaluation and self-reporting of one's own cultural intelligence. The instrument described here relies on priming and quasi-observational data. Unlike a traditional hypothesis testing or instrument development study, this one is of the sort that could be described as method invention. Although the presented instrument is similar to the earlier work with respect to the dimensionality of the resulting data, the methodology to obtain those data is qualitatively different. The paper describes the logic and development process of the new instrument, as well as provides the results of the instrument validation study. *(For more information, please contact: Vas Taras, University of North Carolina at Greensboro, USA: v\_taras@uncg.edu)*

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**Session: 3.2.14 - Interactive****Track: 7 - Corporate governance and financial management*****Capital Markets and Internationalization*****Presented On:** July 5, 2017 - 10:45-12:00

Chair: Igor Filatotchev, City University London

*Financial Transparency of Microfinance Institutions: Influence of Performance, Stakeholders, and Society*

John W. Goodell, University of Akron

Abhinav Goyal, University of Liverpool

Iftekhar Hasan, Fordham University and Bank of Finland

We investigate the determinants of microfinance institution (MFI) financial transparency and report a positive association of transparency with MFI performance; however subsequent structural-equation modeling and other

tests conclude that causality is in the direction of transparency levels determining portfolio quality. Regarding stakeholders, we find greater transparency is positively associated with MFIs being for-profit and negatively associated with taking deposits—even when controlling for prudential regulation and other factors. We conclude that MFI transparency is positively responsive to for-profit shareholders but negative to depositor discipline. Finally, at the country-level we observe that MFI transparency is positively associated with social trust and de jure regulation, and negatively associated with de facto national governance. *(For more information, please contact: John W. Goodell, University of Akron, USA: johngoo@uakron.edu)*

*M-Score and Z-Score for Detection of Accounting Fraud*

Ganga Bhavani Maddula, Manipal University  
Christian Tabi Amponsah, Yorkville University

The purpose of this study is to compare two forensic accounting tools—the Beneish M-score and the Altman Z-score models—for the effective detection of fraud in corporate bodies. Using a data set from Toshiba's published corporate financial statements from 2008 to 2014, analyses are made with the primary intent of detecting malfeasance using the two models. The methodology used in this research is as suggested by Beneish Massod for M-score and Altman for Z-Score. The results show that whereas the Beneish model was not able to detect any fraud, the Altman Z-score provided some indication that the company's financial statements were flawed. Although the Beneish model is very popular for predicting fraudulent financial statements, the results of the present study do not indicate its efficacy. The study concludes that selecting the right forensic tool can influence the outcome of fraud detection. The outcome of the study provides useful direction to investors, financial auditors, and forensic auditors when making policy decisions. This paper provides an evidence on the effectiveness forensic tools in detection of financial statements fraud of corporate bodies. This is the first study to present the two popular tools on latest big corporate scandal - Toshiba, Japan. *(For more information, please contact: Ganga Bhavani Maddula, Manipal University, United Arab Emirates: ganga.bhavani@manipaldubai.com)*

*Are There Round-Number Biases in the International Market?*

Tao Chen, Open University of Hong Kong

This paper investigates whether the trading behavior of investors reveals the round-number bias. Consistent with Bhattacharya, Holden & Jacobsen (2012), we show excessive selling (buying) pressure immediately above (below) the round number threshold in the international market. Meanwhile, intraday returns are found to be the highest (lowest) at prices ending in 9 (1). These results support the global presence of round-number biases. Moreover, we indicate informed trades are more likely to occur around the round number and can be effective in interpreting the round-number bias. The explanatory power of informed trading remains after various robustness checks. *(For more information, please contact: Tao Chen, Open University of Hong Kong, Hong Kong, SAR-PRC: tchen@ouhk.edu.hk)*

*Earnings Management and Internal Control in Bank-Dominated Corporate Governance: Evidence from Japan*

Hideaki Sakawa, Nagoya City University  
Naoki Watanabel, Nagoya City University

This paper empirically investigates the relation between internal governance and earnings management in Japanese listed firms during 2006-2014. After several accounting financial scandals like Enron or Worldcom, the importance of sound internal control systems has been internationally recognized. Post the recent accounting fraud in large companies such as Olympus Corp. and Toshiba Corp., Japanese internal governance systems are also widely criticized. Different from US and UK, Japan is known as bank-dominated corporate governance system. Thus, we predict that bank-client relation represented as bank-appointed directors and bank-appointed audit board members are expected for mitigating opportunistic earnings management. Our results show that bank-appointed audit board members with financial expertise contribute to mitigation of managerial opportunistic earnings management. Furthermore, neither outside directors nor ACs are helpful to decrease

opportunistic managerial earnings management. Our findings imply that Japanese bank-dominated corporate governance systems are functional to substitute the monitoring role of independent directors or Audit Committees in US and UK. *(For more information, please contact: Hideaki Sakawa, Nagoya City University, Japan: sakawa@econ.nagoya-cu.ac.jp)*

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**Session: 3.2.15 - Interactive**

**Track: 8 - International business policy**

***The Mitigation of Political Risk and MNEs***

**Presented On:** July 5, 2017 - 10:45-12:00

Chair: Francisco Figueira de Lemos, Uppsala University

*MNEs and the Co-Creation of Irresponsibility in the Authoritarian Context of a Middle Eastern Nuclear Energy Project*

Anna-Lena Punken, Universitaet Hamburg

Dirk Ulrich Gilbert, Universitaet Hamburg

This paper addresses the potential and limitations of Political CSR (PCSR) in contexts differing from its standard cases of Western Multinational Enterprises (MNEs) engaging in developing country contexts of limited statehood. Using a case study on a nuclear energy project in a Middle Eastern authoritarian state, we contribute to recent debates linked to PCSR and corporations as political actors. Benefitting from empirical data derived from semi-structured qualitative interviews conducted in Jordan, we give profound insights into interlinkages of governments and MNEs. We show how the authoritarian business environment and different kinds of political agency unaddressed by PCSR lead to the co-creation of irresponsibility. *(For more information, please contact: Anna-Lena Punken, Universitaet Hamburg, Germany: anna-lena.punken@wiso.uni-hamburg.de)*

*Tension between MNEs and Indigenized Local Firms in the Mozambique Petroleum and Gas Industry*

Albert Wöcke, Gordon Institute of Business Science, University of Pretoria

Marco Morgado, Gordon Institute of Business Science, University of Pretoria

Developing countries endeavour to attract foreign direct investment (FDI) for the positive spillovers that it brings but face socio-political challenges. These spillovers may not be of direct benefit to local citizens and governments introduce indigenization policies as a result. Indigenization policies generally require that locals own equity in the local operations of an MNE, which may not be to the direct benefit to the MNE. We describe the tension between multinational enterprises (MNEs) and local firms that MNEs have to partner with due to indigenization policies. We used an in-depth qualitative study of six case studies that included MNEs and local firms in the Mozambican petroleum and gas industries. The contributions from our study are: firstly to provide a better understanding of the potential strategies used by indigenized local firms to get and maximise benefits they obtain from spillovers of inward FDI; secondly, it contributes to the extant literature by conceptualising the abovementioned tension and its mediating mechanisms. *(For more information, please contact: Albert Wöcke, Gordon Institute of Business Science, University of Pretoria, South Africa: wockea@gibs.co.za)*



*Does Corporate Social Responsibility Help Emerging Multinationals Profit from International Diversification? Evidence from Korean MNEs*

Sang-Bum Park, Korea University

Focusing on multinational firms in an emerging economy, we suggest and test the moderating effect of corporate social responsibility on the relationship between international diversification and firm performance. CSR activities are identified into two dimensions according to global and local codes, and their different impacts on stakeholder perceptions and firm profitability in international business are argued. Fixed effect regressions provide empirical evidence to support our main hypothesis that proposes the interaction effect of global CSR codes and international diversification on firm performance, which is measured as market-to-book ratio and return on assets. Implications are discussed in the conclusion. *(For more information, please contact: Sang-Bum Park, Korea University, Korea, South: sb80.park@gmail.com)*

*Internationalizing into Developing Countries – Businesses, Governments or Non-Governmental Organizations as Potential Partners?*

Thilo Heyer, University of Cologne

Market entry modes have been extensively studied in the international business literature in the past decades. Especially when a company internationalizes to a developed country it generally relies on other businesses as partners or governs its operations independently. Yet with regard to developing countries, companies also seem to engage in intensive collaborations with governments or non-governmental organisations often due to institutional pressures and risk mitigation strategies. While this approach seems reasonable, we do not know under what circumstances and contingencies firms rather choose to collaborate with businesses, governments or non-governmental organisation with regard to their market entry in developing countries. The aim of this conceptual paper is exactly that. *(For more information, please contact: Thilo Heyer, University of Cologne, Germany: heyer@wiso.uni-koeln.de)*

*Perceptual Determinants Inhibiting MNC Bribery and Institutional Pressures*

Byung Il Park, Hankuk University of Foreign Studies  
Sungjin J. Hong, Yeungnam University

The effect of institutional factors in inhibiting firm-level bribery practices has been largely neglected in the international business domains. Based on an institutional duality perspective, this study proposes that both external and internal institutional factors influence the extent to which multinational corporation (MNC) subsidiaries comply with anti-bribery measures. Empirical examinations were undertaken both in China and South Korea by considering the substantial differences in their institutional environments. According to our results, the primary determinants deterring MNC subsidiary bribery in China are cognitive influence and the guidance of MNC parent firms, whereas those in South Korea are all the external institutional influences in terms of regulatory, normative, and cognitive pillars. These findings contribute to the international business literature by enlarging our understanding of the relationship between the extent of perceived institutional pressures and firm-level strategic responses to the pressures. In addition, this study offers practical implications not only for local governments but also for MNCs. *(For more information, please contact: Sungjin J. Hong, Yeungnam University, Korea, South: shong@ynu.ac.kr)*

*Institutional Voids and Exporters' Response: Evidence from China*

Jia Li, Swansea University  
Ling Liu, The University of Edinburgh

Trading companies have played significant and strategic roles in international trade. The transaction costs economics, indicated that the role of trading companies is to reduce the transaction costs during export. The local institutions, which are considered as main determinants on business models in transition economies, are

most likely to affect the transaction costs during export, and trading companies' characteristics and their methods of reducing transaction costs. With six Chinese ETCs and their export processes as qualitative cases, this study identified four institutional voids associated with transaction costs for Chinese exporters and examine how Chinese Exporting trading companies (ETCs) responded to those costs and facilitated export between domestic manufacturers and foreign buyers. *(For more information, please contact: Jia Li, Swansea University, United Kingdom: jia.li@swansea.ac.uk)*

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**Session: 3.3.1 - Special Session**

***2017 JIBS Decade Award***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Alain Verbeke, University of Calgary

*A Retrospective on their article by the winners of this year's JIBS Decade Award - Reconsidering the issues raised in their 2007 JIBS paper on "The determinants of Chinese outward foreign direct investment"*

Peter Buckley, University of Leeds  
 Jeremy Clegg, University of Leeds  
 Adam Cross, Xi'an Jiaotong-Liverpool University  
 Xin Liu, BNP Paribas  
 Hinrich Voss, University of Leeds  
 Ping Zheng, University of Wolverhampton

*Discussants and Commentators:*

Exequiel Hernandez, University of Pennsylvania  
 Ravi Ramamurti, Northeastern University  
 Jenny Hillemann, Vrije Universiteit Brussel

*(For more information, please contact: Alain Verbeke, University of Calgary, Canada: averbeke@ucalgary.ca)*

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**Session: 3.3.2 - Panel**

**Track: 8 - International business policy**

***A Practitioner's View of International Business Policy***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Ari van Assche, HEC Montreal

*Panelists:*

Ana Tavares-Lehmann, InvestPorto and University of Porto  
 Carlo Pietrobelli, Università degli Studi Roma Tre  
 Walid Hejazi, University of Toronto

The Academy of International Business has recently decided to launch a new publication Journal of International Business Policy to chronicle and analyze the complex relationships between the world of business and the world of non-business entities such as governments, NGOs and supranational organizations. To showcase the importance and complexity of this underexplored research direction, we in this panel bring together leading

practitioners in the field of foreign direct investment policy to reflect on future research directions for international business scholars. *(For more information, please contact: Ari van Assche, HEC Montreal, Canada: ari.van-assche@hec.ca)*

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**Session: 3.3.3 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***Role of Entrepreneurs in Internationalization, Expatriate and Immigrant Entrepreneurs***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Rebecca Reuber, University of Toronto

*Inter-Role Transitions: Inter-Role Differences, Self-Identification Battles, and Performance of Immigrant Entrepreneurs*

Serghei Musaji, IE Business School

Julio De Castro, IE Business School

This paper examines the implications of the mixed self-identification with the previous and the new roles for performance in the post-transition environment. Building on role transitions and identity literature, we contend that stronger self-identification with the previous role against the newer role reinforces the influence of the inter-role knowledge-related and economics-related differences on performance in the new context. Applying this prediction to the context of immigrant entrepreneurship, we suggest that being older, being a female, and not being naturalized (as determinants of the stronger self-identification with the home country) strengthen both: (a) the negative effects of the immigrants' home-to-host countries' knowledge-related linguistic differences, and (b) the positive effects of the positive home-to-host economic differences on immigrant entrepreneurs' business performance in the host country. Our findings from a multilevel analysis of a panel of 4,615 immigrant entrepreneurs from 101 countries of origin in 13 Western European states (where they operate as independent agents of one of the globally-leading money transfer firms) are largely consistent with these theoretical predictions. At the same time, the interesting nuances in the findings offer some insights for further theory extensions. *(For more information, please contact: Serghei Musaji, IE Business School, Spain: smusaji.phd2017@student.ie.edu)*

*Returnee Social Network, Resource Acquisition, and International Entrepreneurship*

Daomi Lin, Sun Yat-sen University

Wei Zheng, Peking University

Jiangyong Lu, Peking University

Xiaohui Liu, Loughborough University

Mike Wright, Imperial College London

Building on social network theory and the strategic entrepreneurship literature, we investigate the relationship between outsidership of returnee entrepreneurs and the mediating impact of resource acquisition on the performance of returnee-founded firms. Our findings show that returnee entrepreneurs can overcome outsidership through strategic actions such as locating in cities with prior experience or collaborating with local top management team (TMT) members who serve as local brokers to facilitate resource acquisition. This study extends existing research on returnee entrepreneurship by shedding light on their within-group heterogeneity and the boundary conditions under which returnee entrepreneurs overcome outsidership. It also uncovers a missing mechanism between outsidership and successful exploitation of opportunities across national borders. *(For more information, please contact: Daomi Lin, Sun Yat-sen University, China: lindm6@mail.sysu.edu.cn)*

*Host Country Human Capital, Home Country Connections and Returnees' Transnational Entrepreneurship*  
 Xiru Zhang, Industrial and Commercial Bank of China  
 Daomi Lin, Sun Yat-sen University  
 Xiaoyu Zhou, ShanghaiTech University

Research about the antecedents of returnees' start-up decisions is largely underexplored. Using a returnee survey data from China in 2012, we investigate the relationship between returnees' host country human capital, home country connections, and their transnational start-up decisions. Building on human capital theory and international business literature, we argue that returnees' general and specific human capital accumulated overseas is positively related to transnational opportunity identification and thus their start-up decisions upon return, and the effect of specific human capital is stronger than that of general human capital. We also argue that returnees' connections with home country while overseas positively moderate the relationship between human capital and start-up decisions, and the moderation effect is stronger in the relationship between general human capital and the start-up decisions. *(For more information, please contact: Daomi Lin, Sun Yat-sen University, China: lindm6@mail.sysu.edu.cn)*

*Founder Experience - An Asset or a Liability? The Case of International Expansion*  
 Niron Hashai, HU School of Business  
 Shaker Zahra, University of Minnesota

This study tests the proposition that the domain specific prior experience of founders facilitates new venture growth in the short run, but in the long run becomes an obstacle to experiential learning and continued growth. We test this proposition in the context of new ventures' international expansion, a process that provides opportunities for learning. Consistent with our hypotheses we show that earlier in new ventures' internationalization, founders' prior industry-specific international experience of their founders has a stronger positive effect on international expansion than their prior general international experience. Yet, once new ventures gain international experience, founders' prior industry specific international experience is positively associated with a slowdown in international expansion, while their prior general international experience is not. By identifying the roles of founders' specific and general experiences in new ventures growth, the study offers new insights into the issues of knowledge formation and growth in young entrepreneurial firms. *(For more information, please contact: Niron Hashai, HU School of Business, Israel: nironh@huji.ac.il)*

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**Session: 3.3.4 - Panel**  
**Track: 9 - Teaching IB**

***Incorporating the X-Culture Project in International Business Curriculum: Challenges and Best Practices***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Vas Taras, University of North Carolina at Greensboro

*Panelists:*

Alexander Assouad, Belmont University  
 David Scott Baker, University of Louisiana at Lafayette  
 Stephan Gerschewski, Hannam University  
 Suchita Jha, Symbiosis International University  
 Karen Lynden, Rowan-Cabarrus Community College  
 Daniel Rottig, Florida Gulf Coast University  
 Sumati Varma, Delhi University  
 Anne Marie Zwerg, Universidad de La Sabana

X-Culture ([www.X-Culture.org](http://www.X-Culture.org)), launched in 2010, is gaining popularity: over 100 IB professors from 40 countries take part in this international collaboration project with their 4,000 students every semester. The students from different countries work in GVTs and complete a business project, learning in the process the challenges and best practices of global cross-cultural collaboration. While the concept of X-Culture is very simple, some instructors have difficulties finding optimal ways to integrate the project in their course, devising a grading systems that, and helping students to fully utilize the opportunities offered by the project. The purpose of this session is to bring together academics with X-Culture experience and those who may only be considering adding this IB experiential learning project to their course so that they could share insights, ideas, concerns, and best practices and collectively develop ways to optimize the use of experiential learning projects, including X-Culture, in their IB courses. *(For more information, please contact: Vas Taras, University of North Carolina at Greensboro, USA: [v\\_taras@uncg.edu](mailto:v_taras@uncg.edu))*

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**Session: 3.3.5 - Competitive**

**Track: 4 - Innovation and knowledge management**

*Innovating in and for Emerging Markets*

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Jean-Luc Arregle, EM Lyon Business School

*Overseas R&D and Reverse Exporting of Developed Market MNEs in Emerging Markets*

Ziliang Deng, Renmin University of China

John Cantwell, Rutgers University

This research re-conceptualizes the MNE subsidiary R&D from a demand-based view and a knowledge connectivity perspective. We argue overseas R&D activities in emerging markets of multinational enterprises (MNEs) headquartered in developed countries will help boost product export to developed markets, if such R&D assimilates the local knowledge embodied in the host market demand. We also argue that such “reverse” benefits of overseas R&D will be stronger for MNE subsidiaries that receive indigenous knowledge spillover, have a diversified commitment to both local and export markets, participate globally competent activities, and manufacture industrial products rather than consumer products. We employ panel data on 3,836 OECD MNE subsidiaries in China during 2004-2008 and find evidence supporting the hypotheses. By highlighting the importance of market demand and connectivity in stimulating “reverse” knowledge contributions, this study complements the literature that overly suggests the competence-exploiting mandate of DMNE subsidiaries in emerging markets. *(For more information, please contact: Ziliang Deng, Renmin University of China, China: [ziliang.deng@ruc.edu.cn](mailto:ziliang.deng@ruc.edu.cn))*

*New Product Development Strategies in Multinational Corporations: Fulfilling the Needs of Developed and Emerging Markets*

Yang Liu, Queen's University Belfast

Multinational corporations (MNCs) face the challenge of heterogeneous market conditions across countries. Prior studies have shown the significant requirement gap between developed markets and emerging markets regarding the product costs. Addressing the requirement gap needs the product standardization-adaptation balance. In this study, I examine how MNCs could achieve such a balance through new product development (NPD) strategies. Through a qualitative case study of five MNCs, I found three NPD strategies and five contingent factors. In addition, through an ambidexterity perspective, I found that MNCs implemented the NPD strategies through differentiation and integration mechanisms to manage exploration and exploitation activities. This study contributes to the standardization-adaptation studies through examining NPD strategies in MNCs,

focusing on the requirement gap of product costs. It reveals the contingent factors and adopts the ambidexterity perspective to advance the understanding of NPD strategies for the standardization-adaptation balance. *(For more information, please contact: Yang Liu, Queen's University Belfast, United Kingdom: yang\_liu2011@yahoo.com)*

*Do International Ventures Benefit from Marketing Capability in Emerging Markets? The Contingent Value for New Product Development*

Min Ju, University of Missouri-St. Louis  
Kevin Zhou, University of Hong Kong  
Gerald Yong Gao, University of Missouri-St. Louis

Whether foreign firms benefit from their marketing capability in emerging markets is a critical yet less researched issue. Building on the resource-based view, we propose that marketing capability enhances new product performance for foreign firms operating in emerging markets. However, its effect is contingent on market forces in the highly uncertain and turbulent environment. Using a survey data of 110 foreign firms in high-tech industries in China, we find that marketing capability is less effective for new product performance at high levels of market uncertainty and technological turbulence. We further prove that firms can develop capability breadth to deal with the decreased efficacy of marketing capability when facing high market uncertainty, in order to capitalize on its positive value in driving innovation. *(For more information, please contact: Min Ju, University of Missouri-St. Louis, USA: jum@umsl.edu)*

*Patent Premium in Countries with Weak Intellectual Property Rights Protection*

Lanhua Li, Zhejiang University  
Can Huang, Zhejiang University  
Zhe Qu, Fudan University

Given the high opportunity cost of patenting in countries with weak intellectual property right protection, it is paradoxical that the patenting activities by multinational corporations and indigenous companies has increased in some of those countries in the past decade. We undertake a large-scale firm-level study in the context of China (an emerging economy with weak intellectual property right protection) to investigate the cost and benefit associated with patenting activities there. We employ the method of matching to investigate whether the total factor productivity of multinational corporations and indigenous companies grew faster after they applied for patents in China than had they not done so, and also compare the increase of total factor productivity at various levels of market competition. *(For more information, please contact: Lanhua Li, Zhejiang University, China: 11520006@zju.edu.cn)*

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**Session: 3.3.6 - Competitive**

**Track: 2 - Managing the value chain**

***Offshoring, Reshoring and International Diversification***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Somnath Lahiri, Illinois State University

*Why Do Firms Use Theoretically Misaligned Entry Modes? A Study of Business Process Offshoring*

Stefano Elia, Politecnico di Milano

Marcus M. Larsen, Copenhagen Business School

Lucia Piscitello, Politecnico di Milano

We study why some firms systematically select international entry modes that do not comply with theoretical predictions. Supported by empirical analyses of entry mode decisions in the context of business process offshoring, we argue that theoretically misaligned entry-mode decisions can be regarded as the innovative outcome of a process of wide search. To spur such search, we emphasize the role of international experience with failure and unfamiliar activities in prompting decision makers to question existing routines and practices and thus proactively search for new and novel solutions. However, decision makers facing too much 'unknown ground' (i.e., experience with both failure and unfamiliarity) are more likely to retain existing practices of operations, and thus comply with theoretical predictions. *(For more information, please contact: Stefano Elia, Politecnico di Milano, Italy: stefano.elia@polimi.it)*

*The Reshoring of Business Services: Reaction to Failure or Persistent Strategy?*

Stefano Elia, Politecnico di Milano

Filippo Albertoni, Politecnico di Milano

Silvia Massini, University of Manchester

Lucia Piscitello, Politecnico di Milano

This paper investigates whether reshoring of business services is the result of the company response to performance shortcomings of the initiative offshored or instead is motivated by persisting with the original offshoring strategy when external conditions change, regardless of offshoring performance. Our empirical analysis, based on data from the Offshoring Research Network, shows that both arguments hold. In particular when offshoring had been motivated by accessing to new markets and its performance is unsatisfactorily, companies are likely to relocate. However, unsatisfactory performance of activities offshored for efficiency reasons or search of talent, do not necessarily lead companies to relocate elsewhere. *(For more information, please contact: Stefano Elia, Politecnico di Milano, Italy: stefano.elia@polimi.it)*

*The Diversification-Performance Relationship: Evidence from 67 Economies*

Jinlong Gu, University of Sussex

Yong Yang, University of Sussex

The literature on product diversification and performance has generally limited to the impact of degree and relatedness of diversification on performance, while relatedness is a rather broad concept. This paper aims to examine the diversification-performance link with a finer classification of related diversification within the context of value chain integration. Our data contains over 13000 multinational manufacturing firms from 67 economies over the period of 2008-2013. We find that moderate level of diversification yields the highest performance than low and high level of diversification. We also find the positive role of relatedness on diversification-performance link. In addition, our results indicate that horizontal integration is superior to vertical

integration in terms of the exploitation of relatedness' positive role on performance. *(For more information, please contact: Jinlong Gu, University of Sussex, United Kingdom: jinlong.gu@sussex.ac.uk)*

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**Session: 3.3.7 - Competitive**

**Track: 5 - Organization strategy and management**

***Innovation Investments at Home and Abroad: Determinants and Consequences***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Elisa Alvarez-Garrido, University of South Carolina

*Why Do Foreign Firms Conduct R&D Investments in an Emerging Market? A Resource Dependence Perspective*

Jun Xia, University of Texas at Dallas

Qian Gu, Georgia State University

Marshall S. Jiang, Brock University

Zhouyu Lin, Fuzhou University

Deviating from most existing studies that focused on the internationalization of research and development (R&D) in developed countries, this study investigates why foreign firms engage in R&D in emerging markets. Drawing on resource dependence theory, we argue that the dependence on local stakeholders stimulates the host-country R&D of foreign firms. Moreover, this relationship is strengthened by foreign competition in the host-country. Using a sample of China-based foreign manufacturing firms in a longitudinal setting, we find that foreign firms with connections to higher-level local governments, stronger linkages with local universities, and higher dependence on local customers tend to have higher levels of host-country R&D. Furthermore, the industry concentration of foreign direct investment (FDI) strengthens the positive effects of local government connections and customer dependence on host-country R&D. *(For more information, please contact: Jun Xia, University of Texas at Dallas, USA: jun.xia@utdallas.edu)*

*The Interplay between Innovation and Political Investment on Firm Performance: From the Perspective of Dynamic Capabilities*

Can Li, Peking University

Changhui Zhou, Peking University

Drawing from dynamic capabilities view, we explore the interplay between two possible pathways enhancing firm productivity in transition economies, i.e. innovation and investment in political tie. Based on a sample of 9693 firms across 27 transition economies, we find that both product innovation and organizational innovation are positively related to productivity. Meanwhile, bribery and managerial investment in political tie are not strongly related to productivity. Besides, a negative moderation effect of managerial investment in political tie is found to constrain firms in benefiting from organizational innovation. The findings imply the tense existing for managers to balance between the market-oriented resource orchestration and political-oriented tie investment. *(For more information, please contact: Can Li, Peking University, China: lcan@pku.edu.cn)*

*Interfirm Collaboration Networks, Innovation Intensity and the Foreign Divestment Decisions of Firms*

Viacheslav Lurkov, BI Norwegian Business School

Gabriel R.G. Benito, BI Norwegian Business School

We investigate the role of interfirm collaboration networks for foreign divestment decisions of firms. We argue that foreign operations risk being divested when positive changes in access to domestic social capital occur. Opportunities emerging from increases in direct and indirect relationships with other firms domestically may lead firms to reconfigure their value chain activities and resources across locations. Likewise, we hypothesize



that firm innovation intensity affects the likelihood that firms divest their foreign subsidiaries. We find that increases in domestic interfirm collaboration intensity and innovation intensity individually and in combination positively and significantly affect firms' propensity to divest foreign operations. *(For more information, please contact: Viacheslav Iurkov, BI Norwegian Business School, Norway: viacheslav.iurkov@bi.no)*

**Session: 3.3.8 - Panel**

**Track: 11 - Host track: Managing turbulence and ambiguity**

***Free Trade in an Era of Global Terrorism, Misplaced Priorities and Rising Nationalism: The Way Forward***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Mohammad N. Elahee, Quinnipiac University

*Panelists:*

Mohammad N. Elahee, Quinnipiac University  
 Crystal Jiang, Bryant University  
 Eileen Kwesiga, Bryant University  
 Li Shen, Pennsylvania State University

Until recently, the continuation of steady growth of free trade was a foregone conclusion accepted by most academics, business executives, and policy experts. The impressive growth of international trade, along with cross-border investments and movement of people since the end of the Cold War led to a proliferation of free trade agreements across the globe. However, dislocations caused by the forces of globalization and the spread of global terrorism have given rise to isolationism, nationalism, protectionism, and xenophobia that threaten to reverse free trade. Some recent economic and political developments such as the global financial crisis, European sovereign debt crisis, Britain's exit from the European Union, the election of an avowed anti-free trade, anti-globalist candidate Donald Trump to the Presidency of the United States, and the frequent demonstrations against free trade in different parts of the world begs the question – "Is the era of free trade over?" The panel, drawing from examples from South Asia, South East Asia, China, and Africa will bring a multi-lens perspective in their discussion and discuss the causes of discontent against free trade and also offer a road-map for continuation of globalization and free trade. *(For more information, please contact: Mohammad N. Elahee, Quinnipiac University, USA: mohammad.elahee@quinnipiac.edu)*

**Session: 3.3.9 - Competitive**

**Track: 6 - Human resource management**

***Understanding Relationships Between Leadership, Culture, and Diversity***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Allan Bird, Northeastern University

*Staying on Track: The Buffering Effect of Culture on Leadership Strength and Its Relationship to Derailment Potential and Competencies*

Mary Sully de Luque, Thunderbird School of Global Management  
 Yi Zhang, Zayed University  
 Jean Leslie, Center for Creative Leadership

This paper examines the notion that derailment potential and leadership strength are complex but related to facets of leadership development and effectiveness. Using data from 766 managers from two subsidiaries in

Japan and US, the authors argue that managers can develop leadership strength to guard against some aspects of derailment. Further, the paper shows that aspects of culture have a buffer effect on relationships of leadership strength and derailment. The relationship between leadership strength and derailment was found to be stronger in US than in Japan. Implications of the findings are discussed for talent management practices and cross-cultural studies. *(For more information, please contact: Mary Sully de Luque, Thunderbird School of Global Management, USA: mary.sullydeluque@thunderbird.asu.edu)*

*The Effects of Diversity in Innovation: The Moderating Role of Universal-Diverse Leaders*

Satoko Suzuki, Kyoto University  
Kosuke Takemura, Shiga University

Past research has shown mixed results for the effect of diversity toward innovation. We hypothesize that leadership is a key in bringing the success. In particular, we focus on the leader's Universal-Diverse Orientation. Leaders who have a high universal-diverse orientation ("universal-diverse" leaders) moderate the relationship between the two antecedents of creativity, namely conflict and social integration, and creativity. The conceptual model is assessed using a survey data of 41 teams from a mid- and large-sized Japanese companies. The results show that diversity is negatively associated with group's social integration, and that social integration has positive effect on creativity. However, diversity has no effect on conflict. Furthermore, conflict has no effect on creativity. The results also indicate that the universal-diverse leader moderates the relationship between social integration and creativity. This research contributes to the diversity and group performance literature in three ways. First, it identifies a new moderator in the relationship between diversity and group performance. Second, it shows that diversity and conflict, as well as conflict and creativity, are not related in certain contexts. Third, it connects two research streams: diversity and group performance literature and leadership literature. It also aims to contribute to the emerging Positive Organizational Scholarship perspective (Journal of International Business Studies, 2016), in international business research. *(For more information, please contact: Satoko Suzuki, Kyoto University, Japan: satoko1117@gmail.com)*

*Supervisors' Upward Exchange Relationships and Organizational Citizenship Behavior: Testing the Moderating Role of Individual-Level Cultural Orientation*

Mahfooz Alam Ansari, University of Lethbridge  
Nachiketa Tripathi, Indian Institute of Technology Guwahati  
Rehana Aafaqi, University of Lethbridge  
Sangeeta Tripathi, North Eastern Regional Institute of Management (NERIM)

Drawing on the dominant lens of social exchange and conservation of resources theory, and cross-cultural management literature, we examined the role of individual-level cultural orientation as a conditional variable in the relationship between supervisors' upward exchange relationships (also called leader-leader exchange or LLX) and organizational citizenship behavior (OCB). Data were obtained by means of questionnaires (subordinate-rated measures of cultural orientation and positive/negative affect, and supervisor-rated measures of LLX and OCB) from 157 employees and their 62 supervisors representing two large petrochemical refineries located in the North-Eastern part of India. Controlling for positive/negative affect, supervisor and subordinate gender, and the duration of their work relationships, LLX-Affect had a significant positive relationship with OCB-Altruism ( $R^2 = .15$ ), and the other three dimensions of LLX (contribution, loyalty, and professional respect) were positively associated with OCB-Conscientiousness ( $R^2 = .17$ ). As expected, the effect was significantly moderated by employee cultural orientation. We describe an explanation of the individual-level employee cultural orientation, offer directions for future research, and discuss implications for practice that include the development of high-quality exchange relationship between well-connected leader-member relationships. *(For more information, please contact: Mahfooz Alam Ansari, University of Lethbridge, Canada: mahfooz.ansari@uleth.ca)*

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**Session: 3.3.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Institutions, Entrepreneurial Activity and Foreign Market Entry and Expansion***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Douglas Dow, University of Melbourne

*Home Country Institutions and International Expansion of Emerging Market Firms*

N. Nuruzzaman, Rutgers Business School

Deeksha Singh, Rutgers University

This study employs institution-based view to study the internationalization of firms from emerging markets. There are two competing arguments in institution-based view literatures: institutional leverage vs institutional escapism. The former argues that firms from emerging markets turn home country institutional void into their advantages in internationalization process, while the latter argues that institutional hardship at home motivates firms from emerging markets to expand in foreign markets. This study primarily focuses on the effect of hazards created by political and legal institutions on firm internationalization through exporting activity. We contribute to extant literatures by acknowledging that firm responses toward home country political and legal hazards are heterogenous, depending on boundary condition imposed by home country business infrastructure, firm's connection to home country government, firm's managerial resources and human capital. By incorporating various resources, we combine two legs of strategy tripod, institution-based view and resource-based view, in studying the behavior of emerging market firms. Furthermore, our study also attempts to address the limitation of previous empirical studies that have been limited to China. We take advantage of World Bank Enterprises Surveys in emerging markets, and test our hypotheses to 9000 manufacturing firms from 81 emerging markets. Our results show support for institutional escapism argument. Moreover, firm's ability to escape political and legal hazards at home is negatively moderated by weak business infrastructure, connection to home government and managerial resources. In contrary, human capital in the form of skilled workers positively moderates the relationship between home country institutional hazards and international expansion. *(For more information, please contact: N. Nuruzzaman, Rutgers Business School, USA: n.nuruzzaman@rutgers.edu)*

*Russian Entrepreneurs in China: The Case of Small and Medium-Size Enterprises*

Veronika Khasanova, University of Nottingham Ningbo

Michal K. Lemanski, University of Nottingham Ningbo

Using the qualitative multiple-case study approach we put under scrutiny the motives of Russian individual entrepreneurs and SMEs for choosing China as a location of business operations, and their strategies for the Chinese market. The findings show that the personal characteristics of the entrepreneurs who hold senior roles in their companies play the most significant role for choosing China as a location for international investment. The next important driver is a desire to get an access to a growing Chinese market. Contrary to some of the previous studies which suggest the instability of the Russian economy is one of the strong push factors for Russian foreign investment, the explored SMEs do not "escape" from the unpredictability of the Russian market. However, considering the developing conflict between Russia and Ukraine, and the European Union, which led to an economic decline in some markets in Russia, the entrepreneurs start to perceive their Chinese enterprises as means of risk-diversification. Further, the role of the government, believed to be very high in the internationalization of Russian large companies, appears to be low in the case of small entrepreneurial firms. Implications of such findings are discussed, and directions for future research are proposed. *(For more information, please contact: Michal K. Lemanski, University of Nottingham Ningbo, China: michal.lemanski@nottingham.edu.cn)*

*The Effect of the Institutional Environment on Early-Stage International Entrepreneurial Activity*

Susan L. Young, Kennesaw State University  
Sinead Monaghan, Rutgers Business School

Entrepreneurial firms are entering international markets to exploit global opportunities at an increasing pace. However, this process requires a significant degree of legitimacy to ensure access to resources, engagement with relevant stakeholders, firm performance and growth, and ultimately to negate liability of foreignness. Drawing on institutional theory, we generate six propositions to address the following question: How does the host country institutional environment affect the internationalization efforts of early stage entrepreneurial activity? This research contributes to three key gaps in extant research: (1) the exploration of the effect of the institutional environment on early stage entrepreneurial firms; (2) comparative entrepreneurial internationalization and (3) taking into account all three institutional aspects—normative, cognitive and regulatory—how institutions affect entrepreneurial activity in overcoming the liability of foreignness is examined. (For more information, please contact: Susan L. Young, Kennesaw State University, USA: syoun103@kennesaw.edu)

*Emerging Market Environmental Influences on Strategic Responses of EMNCs: A Knowledge-driven Typology of EMNC Strategies*

Indu Ramachandran, Texas State University  
Joshua Daspit, Mississippi State University

Emerging markets are increasingly becoming important contributors to the global economy and account for a significant share of global foreign development investment outflows. Emerging market multinational corporations (EMNCs), however, are often resource constrained and compete in markets plagued with uncertainty compared to multinational corporations from developed economies. To understand how EMNCs create competitive advantage despite such disadvantages, we suggest that EMNCs configure their potential and realized absorptive capacities depending on the mix of institutional factors and local density. Based on the fundamental notion that institutional transitions in emerging economies affect strategic choice, and with a focus on formal and informal institutional factors as well as the degree of competition (local density) in emerging economies, four specific knowledge-driven strategies are proposed that illustrate how EMNCs configure absorptive capacity to be more competitive in the global marketplace. (For more information, please contact: Indu Ramachandran, Texas State University, USA: i\_r38@txstate.edu)

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**Session: 3.3.12 - Interactive**

**Track: 4 - Innovation and knowledge management**

*Capabilities and Innovation*

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Simon Collinson, University of Birmingham

*Knowledge Management Practices as a Source of Absorptive Capacity of Emerging Market Firms: Evidence from Russia*

Marina Latukha, Saint-Petersburg State University  
Sergey Pitinov, Saint-Petersburg State University  
Ekaterina Mitskevich, Saint-Petersburg State University

In this paper we introduce knowledge management (KM) practices as a source of absorptive capacity (AC) and discuss its connection to organizational performance. We study the intentional and conscious KM practices that tend to be applied within a firm, and build the theoretical framework showing how particular KM practices

increase the dimension of AC through certain antecedents or group of antecedents, at the same time influencing organizational performance. Recognizing the relative complexity of AC development, with this research we aim to provide a clear indication of knowledge management practices that contribute to formation of AC. Based on the sample of 94 companies operating in Russia, our findings reveal KM practices connected with learning mechanisms and work organization being associated with higher potential AC; and realized AC being conditioned with the practices related to information technologies, training and development, learning mechanisms and work organization. *(For more information, please contact: Marina Latukha, Saint-Petersburg State University, Russia: marina.latuha@gsom.pu.ru)*

*MNC's Business Development Technology Knowledge in Business Customer's Digital Future*

Lynn L. K. Lim, FHNW University of Applied Sciences and Arts Northwestern Switzerland

Matthias Maehlitz, FHNW University of Applied Sciences and Arts Northwestern Switzerland

This paper presents a study that analyzes how a multinational company's innovation and technology knowledge assist foreign business customers to digitally transform for future internationalization in the borderless sharing and digital economy. The role of technology companies as enablers of the digital transformation is still establishing, in particular the research on the role of technology companies' business development function. We conduct in-depth interviews with multinational technology and innovation business developers and business customers from international context to find out their knowledge and perception of digital transformation strategy, the MNC's role in helping to transform digitally and globally, and prior technology and innovation knowledge. Initial findings suggest that the business developers' role and their potential contributions lead business customers' into the digital transformation journey, while customers struggle to fully grasp the meaning of digital transformation and to start the transformation process. Both technology and strategic advices, including monitoring and idea generation are methods which can overcome customer's challenge in digital transformation. Meaningful engagement of multinational technology company's through their business developers clear differentiated responsibilities and roles serves as a key alignment between customer's global business and information technology departments in digital transformation. *(For more information, please contact: Lynn L. K. Lim, FHNW University of Applied Sciences and Arts Northwestern Switzerland, Switzerland: lynn.lim@fhnw.ch)*

*Converting Market Knowledge into Export Performance Outcomes: The Role of Knowledge Integration Mechanisms*

Ana Catarina Cadima Lisboa, ESTG/Polytechnic Institute of Leiria

Market knowledge has been acknowledged as crucial for firm survival and success in the modern international setting. It can be generated through exploration and exploitation, two knowledge-creation activities. However, its conversion into export performance outcomes may be conditioned. This study examines the influence of export market exploitation and exploration in three dimensions of export performance: market effectiveness, adaptiveness and profitability; and looks at the moderating role of knowledge integration mechanisms in that conversion. Findings show that export market exploitation is positively related to export market effectiveness, export adaptiveness and export profitability whereas export market exploration only significantly influences export adaptiveness. KIM show a moderating effect of the relationship between the studied knowledge-creation activities and export performance. Specifically, these mechanisms facilitate the conversion of export market exploitation into all three dimensions of export performance. Interestingly, they present an inhibiting effect on what regards the relationship between export market exploration and export performance. *(For more information, please contact: Ana Catarina Cadima Lisboa, ESTG/Polytechnic Institute of Leiria, Portugal: ana.lisboa@ipleiria.pt)*

*Technological Capabilities and MMC-Parents' Knowledge Sourcing*  
Se Ho Cho, Rutgers University

This study investigates MNC-parents' knowledge sourcing behavior in the context of technological capabilities. Although the roles of foreign subsidiaries have become important as being technology creators and technology messengers between home and host countries, MNC-parents are still the most important and largest actors in technology creation and sourcing. While prior studies paid attention to the importance of international knowledge sourcing through foreign subsidiaries, there has been a lack of attention given to MNC-parents' direct international knowledge sourcing behaviors. Thus, I investigate how the technological capabilities of firms and technological capabilities of foreign countries affect the location of intra-field vs. inter-field knowledge sourcing by a MNC-parent in the home country. I develop a theory of the link between the embeddedness of MNC-parents' technological capabilities in the innovation system of the home country and its motivation for knowledge sourcing. This research introduces new ideas about the knowledge sourcing behaviors of firms that mainly conduct their technological activity in their home country. It enriches the existing knowledge sourcing literature and provides a balanced understanding of MNCs' knowledge sourcing by investigating the international knowledge sourcing on the MNC-parents' side. *(For more information, please contact: Se Ho Cho, Rutgers University, USA: shcho1981@gmail.com)*

*Emerging Market Firms: Operational or Innovation Capabilities?*

Pradeep Ray, University of New South Wales  
Sangeeta Ray, Sydney University  
Zahid Riaz, Lahore School of Economics  
Vikas Kumar, University of Sydney

This study explores what capabilities enable emerging market firms (EMFs) to internationalise in knowledge intensive industries in global markets. Whereas firms from the OECD are well endowed in resources, latecomer firms from developing countries are generally resource poor and their establishment, development and international expansion have taken place within an institutional environment that is markedly different from that found in Western economies. Hence, despite not being endowed with traditional resources, how EMFs learn to transform comparative advantages into firm-specific capabilities deserves attention. The study explores how Indian IT firms "moved up the value chain," moving out of the "low road" where the barriers to entry are low and competition is based mainly on cost, to the "high road" where competition is based on differentiation. The research entailed deductive econometric analyses on 584 companies using panel data method, which tested our predictions on capabilities that contribute to internationalization of EMFs. The findings of our panel data analysis reveal that internationalization of EMFs does not conform to an evolutionary process. The findings of this paper suggest EMFs migrate their capabilities swiftly in a dynamic pattern resembling a leapfrogging strategy. The findings of this study present a novel and contemporary insight on how EMFs develop higher level capability, which enables them to leapfrog in a fast changing technology space. *(For more information, please contact: Vikas Kumar, University of Sydney, Australia: vikas.kumar@sydney.edu.au)*

*The Emerging Multinational Product Innovation as a Competitive Advantage Toward Developed Markets: The Brazilian Revolver The Judge in USA*

Marcelo André Machado, Universidade do Vale do Rio dos Sinos - UNISINOS  
André Luiz Volkman Azambuja, Universidade do Vale do Rio dos Sinos - UNISINOS

This work aimed to evaluate product innovation as a resource in the internationalization of an emerging multinational company (EMNC), the Brazilian company Taurus in the North American market. Through Resource Based View (RBV), we discuss the role of product innovation as a resource for generating competitive advantage in the internationalization process of the firm. For this, the case of the revolver The Judge, was studied for how this innovative product generated competitive advantage to Taurus in the USA. In-depth interviews were conducted with managers involved in the development of the product and its introduction into the USA market, as well as document analysis and direct observation. The possibility of exploring the North

American market with an innovative product was fundamental in the process of internationalization for the firm in the United States. It was noticed that the product innovation was a strategic resource in the internationalization since the Brazilian company was the first to produce and commercialize on a world-wide scale, a revolver of double caliber. *(For more information, please contact: Marcelo André Machado, Universidade do Vale do Rio dos Sinos - UNISINOS, Brazil: mmachado@unisinis.br)*

*Knowledge Sharing, Innovation Capability & Competitive Advantage: A Study*

AlShaima Taleb Hussein, Abu Dhabi University  
Sanjay Kumar Singh, Abu Dhabi University  
Amrik S. Sohal, Monash University

**Purpose** – It attempts to examine the impact of Enjoyment in helping others, organizational rewards and information and communication technology use on knowledge donating and collecting. It also examines the effect of knowledge donating and collecting on firm innovation capability and competitive advantage, as well as it examines the mediating relationship of firm innovation capability between knowledge donating & collecting and firm competitive advantage. **Design/Methodology/Approach** – This is quantitative research, where data is collected using a questionnaire from a law enforcement agency in the U.A.E with a sample size of 605 collected from police officers. **Findings** – The study found that knowledge collecting has a positive effect on firm innovation capability and competitive advantage, wherein innovation capability mediates the relationship between knowledge collecting and firm competitive advantage. **Implications** –It proposes a research model for empirical studies that knowledge sharing enablers, processes and outcomes in the context of law enforcement sector in the U.A.E. In addition, it could give law enforcement agencies assistance in how to promote knowledge sharing culture to sustain innovation performance in the U.A.E *(For more information, please contact: Sanjay Kumar Singh, Abu Dhabi University, United Arab Emirates: sanjay.singh@adu.ac.ae)*

*Organizational Mechanisms of the Reading School of Internalization Theory*

Yen-Chen Ho, University of Reading  
Daniel O'Connell, University of Reading

This paper develops an internalization theory based explanation of the emergence of semiconductor design MNEs to serve international markets through a network of design centers. Facing a global coordination challenge, these design MNEs leverage the information efficiency of the MNE to foster integrative coordination and interdependent specialization across geographically separated design centers. This paper sets forth a conceptual model of the under-considered information enhancing and economizing properties as the basis of internalization theory and conceptualizes two mechanisms of information efficiency—integrative coordination and interdependent specialization. These mechanisms create efficiency-based and capabilities-based advantages for the global competition of semiconductor MNEs. The paper contributes to the IB literature by elaborating the underlying information-processing perspective of the Reading School of internalization theory and its implications for the global capability development of MNE. *(For more information, please contact: Yen-Chen Ho, University of Reading, United Kingdom: y.ho@pgr.reading.ac.uk)*

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**Session: 3.3.13 - Interactive**  
**Track: 6 - Human resource management**

***Identity Transformations in the Global Workforce and Related Outcomes***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Cristina Gibson, University of Western Australia

*The Role of Organizational Identification in MNEs: Employee Satisfaction and Behavioural Intentions at Home Country and Foreign Subsidiaries*

Stephen Wilkins, British University in Dubai

Muhammad Mohsin Butt, Curtin University Sarawak Campus, Malaysia

Carrie Amani Annabi, Heriot-Watt University, Dubai

Organizational identification is a powerful construct that can impact upon employee performance, employee satisfaction, organizational citizenship, and staying intentions. Although the extant research has considered how employees in multinational enterprises (MNEs) identify with the foreign subsidiary and the organization as a whole, to our knowledge, no research has compared the organizational identification levels of employees at home and foreign branches. This study assesses the extent to which organizational identification is related to employee satisfaction, extra-role behaviours and staying intentions. A structural model was developed and tested using a sample of 515 staff working at universities in Malaysia, the United Kingdom, and the United Arab Emirates. Employee identification, satisfaction and extra-role behaviours were found to be lower at foreign branches than at the home branches, and turnover intentions were higher. These results suggest that MNEs could improve individual and organizational performance by implementing strategies that strengthen the organizational identification of employees at foreign subsidiaries. *(For more information, please contact: Stephen Wilkins, British University in Dubai, United Arab Emirates: [stephen.wilkins@buid.ac.ae](mailto:stephen.wilkins@buid.ac.ae))*

*IntELS (Internationally Educated Local Staff): Are they Foreign in the Workplace?*

Mary Precy Lego, RMIT University and Higher Colleges of Technology (Dubai Women's College)

Sharif As-Saber, RMIT University

Ron Edwards, Asia Pacific University

In emerging economies such as Vietnam, internationalisation has led to an increasing demand for highly skilled workers. As a result, many higher educational institutions have sought to internationalise their programmes (Brookes and Becket, 2011). According to Archer (2005), international higher education provides the global perspective necessary in the current labour market. Employers prefer graduates who are able to work and communicate across cultures. Consequently, following graduation, growing population of internationally educated staff are joining local workforces. They may have studied at a university abroad, an offshore branch campus of a foreign university in their home country, or a twinning or joint programmes. While some of these internationally educated local staff (IntELS) adapt well, a significant number find employment in their home country challenging and unsatisfying (Nguyen, 2013). The paper is a work-in progress and it proposes that IntELS be recognized as a distinct component of the workforce with characteristics that distinguish them from expatriates. This will enable organisations to develop tailored approaches for a successful integration into the local workforce. *(For more information, please contact: Mary Precy Lego, RMIT University and Higher Colleges of Technology (Dubai Women's College), Australia: [s3173979@student.rmit.edu.au](mailto:s3173979@student.rmit.edu.au))*



*Who Am I? Multicultural Identity, External Networks and Creativity*

Siu Yin (Sally) Cheung, Hong Kong Baptist University  
 Dilek Yunlu, Northeastern Illinois University  
 Margaret Shaffer, University of Oklahoma

Global work experience is a highly valued asset both for individuals and organizations. Drawing on social capital theory, we examine the relationship between multicultural identity and creativity mediated by external networks. Using data from 349 number global employees, we found that multicultural identity have a positive relationship with individual creativity. Furthermore, our results show that external networks partially mediate the relationship between multicultural identity and creativity. We make several contributions to creativity and social capital literature. *(For more information, please contact: Dilek Yunlu, Northeastern Illinois University, USA: d-yunlu@neiu.edu)*

*Expatriate Cultural Identity Typology and Work-Related Outcomes: A Qualitative Study in China and Japan*

Ling Eleanor Zhang, Royal Holloway, University of London  
 Vesa Peltokorpi, Saitama University

Research on bicultural individuals is predominately based on adolescent, international student, and teenager samples. In this paper, we contribute to bicultural research on working adults by focusing on expatriates. Specifically, we use the qualitative data from 79 Nordic expatriates in China and Japan to create a typology of monocultural-, cosmopolitan-, integrated bicultural-, and conflicting bicultural expatriates to move beyond the monocultural assumption of expatriates' cultural identity and demonstrate the importance of expatriates' host country language proficiency in their cultural identity. We also examine work-related outcomes of these four expatriate types. *(For more information, please contact: Ling Eleanor Zhang, Royal Holloway, University of London, United Kingdom: ling.zhang@rhul.ac.uk)*

*To the Manner Born: How Earned Status and Inherited Status Influence Conformity*

Gokhan Ertug, Singapore Management University  
 Emmanuel Kypraios, Università della Svizzera italiana  
 Matteo Prato, Università della Svizzera italiana

How status affects conventionality is a question with a long tradition. The bulk of this literature focuses on how "earned status", that is the status that is acquired through recognition and deference by peers or audiences, affects actors' conventionality. Literature in social psychology has shown however, that actors also inherit status on the basis of ascribed characteristics (such as nationality). We investigate how the inconsistency between the status actors earn through their actions and the status they inherit affect their propensity to adopt conventional choices. We suggest, as we develop and detail further in our study, that the status inconsistency for low-status actors from a high-status group prompt a different behavior than status inconsistency for high-status actors from a low-status group. We study the role of status inconsistency on the repertoire choice of conductors of the major US orchestras between 1896 and 1970. Our results show that high status conductors from low status countries are more likely, than their peers (from high status countries), to play compositions largely adopted in the field, whereas low status actors from high status countries are more likely to play unconventional ones than their peers (from low status countries). *(For more information, please contact: Gokhan Ertug, Singapore Management University, Singapore: gokhanertug@smu.edu.sg)*

*Multiculturalism within Individuals*

Davina Vora, State University of New York at New Paltz  
 Lee Martin, University of New South Wales  
 Andre A. Pekerti, The University of Queensland  
 Stacey R. Fitzsimmons, University of Victoria  
 C. Lakshman, University of Texas Rio Grande Valley  
 Salma Raheem, London School of Economics and Political Science

The potential benefits of multicultural individuals in the workforce are increasingly being explored in the international business literature, yet lack of clarity and consistency remains a challenge, inhibiting the progress of the field. We review the range of conceptualizations and operationalizations for multiculturalism within individuals, and propose a new conceptualization of multiculturalism as the degree to which someone has knowledge of, identifies with, and has internalized more than one societal culture. We recommend how to measure these three necessary components of multiculturalism and identify promising avenues for future research on multiculturalism within individuals. *(For more information, please contact: Davina Vora, State University of New York at New Paltz, USA: vorad@newpaltz.edu)*

*Dominant Group Member Acculturation, Cultural Value Distance, and Organizational Commitment: Evidence from the United States and China*

Qin Han, University of Lethbridge  
 Jennifer Jennings, University of Alberta  
 Ian Gellatly, University of Alberta

This paper applies the concept of acculturation—i.e., cross-cultural encounters and the consequent changes—to the organizational behavior literature. We introduce and develop the construct of dominant group member acculturation as a supplement to the conventional model about minority group member acculturation. We define this construct as the process by which dominant group members adapt to cultures of the minority groups with whom they interact in their homeland. We also propose the construct of an individual's cultural value distance, which refers to the multidimensional difference between one's cultural values and the average of one's peers. We investigate how the acculturation experiences of dominant group members influence their cultural value distance. Drawing upon self-categorization and person-organization fit perspectives, we also examine how employees' cultural value distance impacts their affective organizational commitment. We used primary survey data collected from both China and the United States in 2013. Our research contributes to the literatures on acculturation and international management and possesses pragmatic implications for human resource management. *(For more information, please contact: Qin Han, University of Lethbridge, Canada: qin.han@uleth.ca)*

*Biculturals 1 – 1 Monoculturals: An Empirical Comparison of Biculturals' and monoculturals' performance*

Mike Szymanski, University of Victoria  
 Ebru Yesim Ipek, Simon Fraser University

This study explores potential differences between biculturals and their monocultural peers in terms of performance and behaviour within multicultural teams. In doing so, 535 association football players participating in the 2012-2013 English Premier League season were examined. While there were no significant differences in creativity levels and cognitive skills utilization, differences in leadership behaviours and stress susceptibility levels were identified. Significant differences between biculturals in teams managed by bicultural managers and monocultural managers were also found. *(For more information, please contact: Mike Szymanski, University of Victoria, Canada: mikeszym@uvic.ca)*

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**Session: 3.3.14 - Interactive**

**Track: 5 - Organization strategy and management**

***New Perspectives on Firm Internationalization***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Yalan Xu, Chinese University of Hong Kong

*Challenges to the Internationalization of the Brazilian Fashion Industry*

Mariana Bassi Suter, University of York

Maria Laura MacLennan, Centro Universitário da FEI

Renata Spers, University of São Paulo

Companies from emerging economies (EMEs) have arisen as major competitors in the international context, yet they face many challenges to market their products abroad. This study examines the challenges faced by Brazilian fashion exporters based on the literature about EMEs. Our aim is to compare EMEs characteristics described in the literature with the particularities found on Brazilian fashion export reality. The paper is based on a qualitative and exploratory methodology. In depth interviews were conducted with market agents. The data analysis allowed us to detail the attributes identified in the literature relating them to the fashion industry. We identified that many of the challenges faced by the Brazilian exporters are external to the company, such as high duty and exchange rates variation. There are also internal challenges, such as the lack of quality and customer support. Another outcome ascertained regards an aspect not addressed in the background theory: traces of copy of international collections. The study contributes to the literature of international business by combining theoretical aspects developed based on EMEs, confronting them with the reality of Brazilian fashion exports and shows a new dimension of EMEs related to creative industries. This study brings a contribution to the fashion industry managers by pointing out challenges and opportunities of development towards an increased maturity in international operations. *(For more information, please contact: Mariana Bassi Suter, University of York, United Kingdom: mbsutter@gmail.com)*

*Effects of Industry Characteristics and Business Group Affiliation on Firms' Export Behaviour: Evidence from India*

Apalak Khatua, XLRI Jamshedpur

Kaushik Roy, Indian Institute of Management Calcutta

In this paper, we explore how industry characteristics affect developing economy firms' export behaviour. Business groups are ubiquitous in developing economies and many of them are aggressive participants in the export markets. To study how industry characteristics affect export behaviour across industries and how business group affiliation moderates that relationship, we analysed around 19,000 non-financial Indian firms for the timeframe of 1999-2015. We have attempted to enrich theory at the intersection of international business, IO and business group literature. We identified three industry characteristics, such as profitability, capital intensity and dominance of MNCs, which influence firms' export behaviour. Our empirical evidence concludes that business group affiliation positively moderates export intensity of the affiliate in certain situations. *(For more information, please contact: Apalak Khatua, XLRI Jamshedpur, India: apalak@xlri.ac.in)*

*Organizational Adventurousness: The Endogenous Effects on Global Market Entry*

Chuandi Jiang, Saint Louis University  
 Ramazan Arikan, Ozyegin University  
 Jie Yang, University of Texas at Tyler  
 Douglas Roy, Saint Louis University

The cross-cultural research in International business (IB) field has predominantly relied on national culture to investigate firms' international strategy, notably Hofstede's cultural framework. A large volume of IB studies emphasized on the adverse outcomes associated with culture, which is ex parte. IB research is multilevel in nature, the reliability of cross-cultural research methodologies that uses single cultural framework is increasingly questioned. Stahl and Tung (2015) suggested a more balanced treatment of culture in IB studies. To answer this call, this study develops an organizational culture dimension called "organizational adventurousness" (OA) to switch the focus on the effects of culture at national level to the organizational level. Defined as the "degree to which members of an organization are adventurous, aggressive, externally oriented, risk-taking, willing to face challenges, and adaptive to uncertain situations", OA bridges the levels between individual and national culture and extends the understanding of firms' cultural motives to enter foreign markets with high degree of uncertainties. We argue that OA is the endogenous motivation for firms' cross-border risk-taking activities, including aggressive market entry and entry mode choices. *(For more information, please contact: Chuandi Jiang, Saint Louis University, USA: chuandijiang@slu.edu)*

*Western Financial Services MNCs in Asia: Operationalising Commitment to Internationalisation*

Gordon Roy Perchthold, University of Sydney

The transfer of knowledge is widely referenced in the IB literature as the reason for the existence of the MNC. Yet emphasis has been on knowledge being transferred 'forward' -- from Headquarters to host markets. There is a paucity of literature addressing the mechanisms within the MNC's operationalised Administrative Structures that mediate the transfer of experiential knowledge and its absorption in the 'reverse' direction -- from host markets to Headquarters. This paper draws from primary research, predominantly interviews with Chairpersons and CEOs, addressing 31 Western bank and insurance MNCs internationalising towards Asia. Primary data was supplemented with secondary data from the MNC's date of founding, as far back as the early 19th century, producing 12 MNC case studies. Critical Realist methods process traced and applied inductive and abductive analysis along the full longitudinal history of each case study. A synthesised MNC knowledge flow framework is developed in this paper. Empirical data then finds that MNCs operationalise the constructs of their Administrative Structure in different configurations with different properties defined by their internationalisation pathways. These differential Administrative Structures mediate experiential knowledge transfer and the absorptive capacity within the MNC. They reflect mechanisms that result in differential levels of bounded rationality at Headquarters. *(For more information, please contact: Gordon Roy Perchthold, University of Sydney, Australia: gper4441@uni.sydney.edu.au)*

*The International Scale of European Multinationals: An Updated Perspective on the Regional 'Strategies' of MNEs?*

Christoph Czychon, University of Bamberg  
 Carolin Fleischmann, University of Bamberg

We provide an updated perspective on the 'regional strategies' of MNEs by reviewing the existing literature and analyzing the home-region orientation and international scale of European multinationals for the 2005-2014 period. We determine several challenges in the discourse whilst our sales data for 65 European MNEs provide evidence for a decrease of home-region orientated MNEs from 83,1% to 55,4%. Alongside, our sales and employee data suggest an increase in inter-regional MNE business activity. We thus conclude that strategic decision-makers can achieve a three-region-based balance between centralization and decentralization. Furthermore, our work implicates that we are looking at two separate issues, firm classification and firm

strategy, that are both relevant to the future agenda and understanding in our field. *(For more information, please contact: Christoph Czychon, University of Bamberg, Germany: christoph.czychon@uni-bamberg.de)*

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**Session: 3.3.15 - Interactive**

**Track: 8 - International business policy**

***FDI Impact on Home and Host Countries in the Policy Domain***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Panagiotis Ganotakis, University of Wollongong in Dubai

*Added Distance, Entry Mode Choice, and the Moderating Effect of Experience: The Case of British MNEs in Emerging Markets*

Georgios Batsakis, Brunel University London

Satwinder Singh, Brunel University London

We argue that a Developed Market Multinational Enterprise's (DMNE) decision regarding the mode of entry into an Emerging Market (EM) will be affected by the geographic and administrative distance between the locations in which the MNE has previously held operations. Drawing our arguments on Transaction Costs Economics (TCE) and Internalization Theory we propose that for low and high geographic and administrative distance, DMNEs will opt to enter EMs via a wholly owned subsidiary (WOS), while for moderate levels of distance via a joint venture (JV). Furthermore, we argue that DMNE's previous international experience in EMs will have a positive effect on the suggested U-shaped relationship, alleviating the negative effects associated with the coordination and knowledge dissipation costs incurred due to the level of distance. We test our hypotheses against a dataset composed of 316 entries of FTSE 250 British MNEs in 39 EMs over the period 1971–2010. *(For more information, please contact: Georgios Batsakis, Brunel University London, United Kingdom: georgios.batsakis@brunel.ac.uk)*

*The Impact of State Fragility on FDI Inflows: Empirical Investigation in the Mediterranean Region*

Anna Dimitrova, ESSCA School of Management

Dora Triki, ESCE International Business School, Paris

The originality of this study resides in the fact that it examines the impact of state fragility, as measured by the Fragile States Index (FSI), on FDI inflows to seven Southern and Eastern Mediterranean (SEMED) countries, namely Algeria, Egypt, Israel, Lebanon, Morocco, Tunisia and Turkey, over the period 2007-2014. The FSI is borrowed from the field of Political Studies and constitutes a composite indicator including economic, social and political/military factors. We test three hypotheses: 1) FDI inflows in the SEMED countries are positively associated with economic factors; 2) FDI inflows in the SEMED countries are positively related to social factors, and 3) FDI inflows in the SEMED countries are negatively associated with political instability. Our empirical investigation affirms our first hypothesis. It also shows that political factors play an important role in attracting FDI. However, in contrast with previous research, FDI inflows in the region appear to be resilient to the deterioration of political factors. The social indicators also emerge as an important explanatory variable of the FDI inflows. However, in contrast with our hypothesis, inward FDI seem to be immune to social improvement, which means that investors are not very much concerned about social issues in the SEMED countries. *(For more information, please contact: Anna Dimitrova, ESSCA School of Management, France: anna.dimitrova@essca.fr)*

*Outward FDI from India: Sub- National Institutions Matter*  
Rishika Nayyar, Indian Institute of Foreign Trade

The surge in outward FDI from developing and emerging economies has generated the debate around the theoretical underpinnings of the internationalization of firms assumed to be munificent in traditional FSAs. Ignored in the literature on internationalization of firms coming from strong institutional environment- advanced markets, institution based view has become an important theoretical lens to understand the drivers of emerging market firms internationalization. The paper reviews the theoretical debate and empirical studies conducted to unravel an important question that goes to the core of International business frameworks: "What determines the outward FDI from emerging markets?". On the basis of literature review and some preliminary evidence, we argue for the consideration of sub-national as opposed to the national level of institutions to advance understanding of the rising flow of outward foreign direct investment by Indian firms. A series of propositions are proposed to explore the underlying logic behind how sub-national institutions affect the propensity of the firms to engage in outward FDI and how this propensity could be moderated by the industry related factors. (For more information, please contact: Rishika Nayyar, Indian Institute of Foreign Trade, India: rishikadse@gmail.com)

*Partner Selection in Economic Integration Agreements: The Role of Alliances in International Organizations*  
Yener Kandogan, University of Michigan-Flint  
Jens Hiller, Bergische Universitaet Wuppertal

This study expands the international trade literature on selecting partners in economic integration agreements by incorporating the alliance theories of the political science literature. Basically, the influential role of alliances in international organizations are examined by extending economic determinants of free trade agreements (FTAs). The empirical analysis shows that alliance factors significantly affect the likelihood of FTAs nearly doubling the explanatory power of models using only economic factors. Accordingly, this likelihood varies with the objective of the organization, the depth of the alliance between two countries, and the power a potential partner holds in the network of international organizations. The database of international organizations used is developed by the authors. (For more information, please contact: Yener Kandogan, University of Michigan-Flint, USA: yener@umflint.edu)

*How Much Does Host Country Public Service Matter? A Longitudinal Analysis of Sixty-Two Developing Countries*  
Stephanie Wang, Indiana University  
Yadong Luo, University of Miami  
Juan Bu, University of Miami

We examine how developing country public service conditions (physical infrastructure and governmental service) influence foreign firms' investment commitment to these economies. Drawing insights from the resource dependency theory, we suggest that as a host developing country's physical infrastructure and governmental service improve, a foreign firm will strengthen its investment commitment to the host country concerning both asset size and workforce size. This is because it is hard for a foreign firm to control and influence public service, and thus it needs to alter their exposure and susceptibility to the service by modifying the scale of investment commitment. However, this positive propensity is further conditional upon how much the foreign firm's local experience is and how much it depends on host country local markets. We test our arguments by a sample of 3,064 foreign firms investing in 62 developing countries during 2006-2014. We found that a foreign firm's investment commitment is largest when the quality of both physical infrastructure and governmental service is high. Moreover, the effect of physical infrastructure becomes weaker as a firm's operational length in the host country increases, whereas the effect of governmental service becomes weaker as the firm's exporting orientation increases. (For more information, please contact: Stephanie Wang, Indiana University, USA: slwang@indiana.edu)

*Strategic Motivations of Foreign Manufacturing FDI in Emerging Africa Market: Evidence from Ghana*  
Samuel Bucklock Ato Dadzie, Ghana Institute of Management and Public Administration

The purpose of this study empirically examined the eclectic paradigm with regards to motivational strategies of foreign manufacturing MNCs in Ghana. We surveyed 115 manufacturing subsidiaries established in Ghana between 1994 and 2013. Statistical analyses including binomial logistic regression were performed to analysed the data and test the models. Our findings show that MNC with extensive international experience, large market size of host country increase the probability of foreign firms investing in efficiency seeking FDI in Ghana, while country risk and cultural distance decrease the probability MNC investing in efficiency seeking FDI in Ghana. Furthermore, the bigger the firms size of the parent firm, increase the probability of foreign firms investing in market seeking FDI but does not have any effect on ES FDI in Ghana. *(For more information, please contact: Samuel Bucklock Ato Dadzie, Ghana Institute of Management and Public Administration, Ghana: sdadzie@gimpa.edu.gh)*

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**Session: 3.3.17 - Developmental Clinics**  
**Track: 3 - Marketing and consumer research**

***The Internationalization Process and International Entrepreneurship Clinic D***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Gary Knight, Williamette University

*Corruption on Firm Innovative Capabilities and Export: A Focus on Sub-Saharan Africa*  
Younghoon An, University of Manchester

This paper examines the influence of innovation capabilities on firm internationalization specifically on firm export, and the effect of corruption on this relationship. Although profound research has been done on firm innovation and export, little attention has been paid upon the effect of corruption on innovation strategy and firm internationalization. This study uses bribery which is one of the aspect of corruption known to affect firm behavior and performance. The sample used for this research comes from 6 sub-Saharan countries; Democratic Republic of Congo, Ghana, Kenya, Tanzania, Uganda and Zambia have been used. The paper argues that the higher the innovation capability of the firm, the higher the export intensity of the firm. However, drawing upon the corruption literature, this paper argues that corruption weakens the relationship between innovation and export as firms. The result supports the argument of this paper. *(For more information, please contact: Younghoon An, University of Manchester, Korea, South: younghoon.an@postgrad.manchester.ac.uk)*

*Application of Categorical Principal Component Analysis (CATPCA) as an Assessment Tool to Global Value Chain Determinants Affecting Traceability Adoption in Kenya's Horticultural Export*  
Martin Kang'ethe Gachukia, Riara University

This paper seeks to review the key value chain governance determinants discussed in value chain literature and their effect to adoption of traceability in the Kenyan horticultural export. Specifically, this empirical assessment seeks to establish the critical GVC determinant factors that have an influence to the adoption of traceability in Kenya's horticultural export; the assessment follows from the criticism that most of GVC scholarship has followed the case study approach. While the EU's public regulation 178/2002 spelt out the minimum requirements on food safety, however a surge for extra levels of certifications through private standards and certification procedures came into play; consequently leading to governance readjustment in most agricultural value chains that were export oriented, this saw as well the inclusion of standards as part of governance typologies. This paper is based on a census survey where 83 fresh fruits and vegetable exporters were accessed out of 120 exporters registered. It employs categorical principal component analysis (CATPCA) over

the principal component analysis (PCA) approach in order to deal with the multicollinearity problem among categorical explanatory variables used while predicting binary response variable of adoption of traceability. From the CATPCA output, three components under food value chain governance determinants were extracted and renamed as external integration, internal integration and nature of transactions. These components were regressed on the dependent variable of traceability systems. Jointly the former two components were found not to be significant while the third was significant at p-value of 0.05. By respecifying the model to the significant component of nature of transaction the odds ratio revealed that nature of transaction is approximately 8 times as important in determining the decision for adoption of traceability to Kenyan horticultural exporters. It is also emergent that nature of transaction continues to be a key governance determinant to Kenya's FFV export sector specifically to European Union, Middle East and Eastern and South Africa. *(For more information, please contact: Martin Kang'ethe Gachukia, Riara University, Kenya: martinlogistics@gmail.com)*

*The Role of Modularity in Governance Choice of MNEs: Evidence from the Semiconductor Industry*

Jaykumar Padmanabhan, Indian Institute of Management, Bangalore

Subramanyam Raghunath, Indian Institute Of Management, Bangalore

Innovation in Multinational Enterprises has become dispersed across locations and partner firms. In this paper, we study the relationship between modular architectures and determining the governance choice involved. The link between architectural modularity and the relationship to the governance choice decision is important as this enables us to examine questions related to success of task partitioning at an industry level. Our findings suggest that besides modularity, factors such as access to specialist expertise, availability of complementary skills and experience of the suppliers in a varied range of technologies and systems play a significant role in the governance choice. *(For more information, please contact: Jaykumar Padmanabhan, Indian Institute of Management, Bangalore, India: jaykumar.padmanabhan@iimb.ernet.in)*

*An Analysis of the Cross-Border Electronic Commerce: Evidence from Six Countries*

Masahiro Ida, Hannan University

Kazumi Tada, Hokusei Gakuen University

Terry Wu, University of Ontario Institute of Technology

Although e-commerce has experienced a rapid growth in recent years, the topic of cross-border electronic commerce (or cross-border EC) has not been adequately analyzed. This study examines the cross-border e-commerce in six countries, namely China, Japan, Germany, South Korea, U.K, and the U.S. We build on previous studies to develop a conceptual framework for hypotheses testing. The empirical results reveal that cross-border EC adoption rate is influenced by the level of uncertainty avoidance as well as geographical and psychological distances. It is hoped that this research will stimulate further research on cross-border EC, which is a new phenomenon in international business. *(For more information, please contact: Masahiro Ida, Hannan University, Japan: ida@hannan-u.ac.jp)*



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**Marketing and Consumer Research Clinic A**

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Carlos MP Sousa, Durham University

*Using Brand Fit to Manage the Complexity of Place in Brand Architecture*

Melodena Stephens Balakrishnan, Karlshochschule International University

Leila Hamzaoui-Essoussi, University of Ottawa

Nicolas Papadopoulos, Carleton University

Ulf Richter, Tongji University

Sreejith Balasubramanian, Middlesex University

Ian Michaels, Zayed University

This study was designed to extend the knowledge of brand fit to include place and industry in a product brand architecture model context and by doing so examining the ability of place brands to influence customer perception of a brand. The complexity of managing brand architecture strategies increases with the inclusion of place brands as brands can have related place origin effects based on component sourcing, assembly, design, manufacture and retail. Organizations have a choice to position brands locally, regionally, globally or glocally, adding to the intricacy of the strategy process. Literature review identifies that the traditional interpretation of COO in the context of the country is not sufficient and the concept needs to be extended to include other places and industry. Perceptions of a Dubai, UAE based global luxury hotel brand was collected from China, Germany and UAE. A total of 519 usable questionnaires were returned. The major contributions of the study consist of the definition and operationalization of brand fit, and the effect of familiarity and knowledge of product brand and place brands (other than country like city brands), and industry familiarity on brand perception. *(For more information, please contact: Melodena Stephens Balakrishnan, Karlshochschule International University, Germany: mstephensb@karlshochschule.de)*

*Business Model Innovation: Delivering Customer Value Proposition through Cultural Eco Map*

Andrejs Cirjevskis, RISEBA University of Business, Arts and Technology

In this paper we apply the construct of Cultural Eco Map model to understand the sources of new customer value proposition (CVP) creation in the case of Riga Central Market (RCM) of Latvia. Based on a qualitative process study we investigate the development of new business model configurations in RCM, a huge infrastructural establishment. Theoretically, we take a resources-based view on competitive advantage. Hence, we argue that cultural resources can underpin CVP in achieving competitive advantage and generating superior performance. We conduct a qualitative analysis drawing on single case of RCM to make three contributions. First, we apply the lens of business model innovation in exploiting of Latvian cultural environments. Second, we examine how RCM can reinvent of business models by means of innovating of customer value proposition by assessing Latvian cultural resources through Cultural Eco Map. Our analysis reveals that the sources of customer value creation and value capturing in the business model of RCM are rooted on several interdependent cultural value drivers including novelty at the customer value proposition level. Third, we link the customer value proposition of business model, cultural resources of the locality with the external international opportunities and discuss implications for theory on business models. *(For more information, please contact: Andrejs Cirjevskis, RISEBA University of Business, Arts and Technology, Latvia: andrejs.cirjevskis@riseba.lv)*

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**Organization Strategy & Management Clinic B**

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Birgitte Groggaard, BI Norwegian Business School

*Globalization vs. Internalization: The Emergence of Global Fintech Markets*  
Glen Taylor, California State University, East Bay

International business has been defined in terms of cross-border transactions that can be internalized by the multinational firm. The theoretical issue addressed in this paper is related to the construct of domestic versus international markets. To the extent that markets emerge that themselves transcend location and political boundaries, does internationalization theory apply? The core concept of emergence comes from systems theory, where a distinctively new and more complex entity arises from the interactions of smaller, simpler entities. This is the essence of globalization as considered in this paper – the proposition that something truly global in nature might arise from the interaction of nation states that would qualify as distinctive, with its own properties that cannot be reduced to the properties of the parts of which it composed. In this paper we consider financial services to be a leading contender for global emergence. *(For more information, please contact: Glen Taylor, California State University, East Bay, USA: glen.taylor@csueastbay.edu)*

*Competitive Action-Response Strategies of Mobile Network Operators in Sub-Saharan Africa: An Exploratory Analysis*

Max (Marcellinus) Dike, Aalto University School of Business

Driven by the quest for enhanced performances, mobile network operators (MNOs ) have continued to expand across the Sub-Saharan Africa (SSA ) regional market. Using mainly online-sourced secondary data, complemented with interviews with industry informants, I explored the competitive action-response strategies of the MNOs in the three most strategic country mobile markets of Kenya, Nigeria, and South Africa. I found that the MNOs are embroiled in aggressive rivalries, often initiated by the smaller ones that sought to boost their performances, with promotional price undercutting as the predominant weapon. Rivals responded to defend their market positions against the aggressive attacks by their belligerent counterparts, albeit differently. Whereas some MNOs responded promptly and ferociously, others were rather slow and mild. As the aggressors were rather irked by rival responses and pushed further, they prompted more responses, leading to a series of actions and responses that created protracted price wars. *(For more information, please contact: Max (Marcellinus) Dike, Aalto University School of Business, Finland: m.dike@ymail.com)*

*Board Capital, Ethnic Diversity and Strategic Change in South African Firms*

Dzidziso Samuel Kamuriwo, Cass Business School  
Amon Chizema, Birmingham Business School

We examine how board capital, composed of directors' human and social capital affects strategic change. We build our arguments based on resource dependence theory and how board ethnic diversity may enhance or reduce overall board capital and hence the overall importance of its contribution to strategic change. We build a set of hypotheses and test them on a random sample of 165 firms listed on the Johannesburg Stock Exchange in 2010. We find support for the effect of ethnic diversity and board capital on strategic change. *(For more information, please contact: Dzidziso Samuel Kamuriwo, Cass Business School, United Kingdom: d.s.kamuriwo@city.ac.uk)*

*The Balance between Organizational and Managerial Factors toward Innovation in VUCA World: Evidence from Tunisian Firms in a Post-Revolution Context*

Dora Abidi, Osaka University  
Koichi Nakagawa, Osaka University

Former researchers examined the positive impact of the organizational entrepreneurial orientation and managerial cognition about the environmental changes on innovation. However, new environmental conditions have occurred and affected the firms as well as its innovation decision because of the increasing of Volatility, Uncertainty, Complexity and Ambiguity (VUCA) in the Business arena. Furthermore, factors which help innovation to thrive may eventually hamper its performance in a VUCA environment. Based on a sample of 67 Tunisian enterprises, this study focuses on a VUCA environment and re-examines the joint impact of organizational and managerial factors on innovation in post-revolution context. Our results indicate that organizational entrepreneurial orientation as well as the managerial cognition about the environmental changes impacts positively the innovation performance. However, these two factors simultaneously negatively influence the innovation performance. Consequently, we argue that in a VUCA environment, innovation performance would be hampered if managers and organization are both highly innovation oriented and the balance between organizational and managerial orientation is important to avoid environmental risks and achieve a higher performance. Our study emphasizes the importance of the balance toward innovation. Thus, managers of entrepreneurial firms should remain vigilant with regard to their environmental perceptions in VUCA environment. *(For more information, please contact: Dora Abidi, Osaka University, Japan: abidi.dorra@gmail.com)*

***Human Resource Management Clinic B***

**Presented On:** July 5, 2017 - 13:00-14:15

Chair: Betina Szkudlarek, University of Sydney

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*Expatriate Managers in Difficult Posts: Sociopolitical Context, Management Behavior, and the Moderating Role of Corporate Social Responsibility Perceptions*

Carol Reade, San Jose State University

Recent literature in international human resource management highlights the difficulties faced by expatriates when located in developing countries with a challenging sociopolitical context. Such context includes violent conflict such as war and weak institutions and other manifestations of relatively low economic, social and political development. Studies have generally shown a negative effect of sociopolitical context on employee attitudes and behavior including lower commitment and higher turnover intentions, while there is some evidence to support a positive influence on employee innovation behavior. The proposed study aims to contribute to this literature by considering 1) the independent and combined effects of sociopolitical conflict and sociopolitical development on an expatriate's commitment, country leave intentions and innovation behavior, and 2) the potential moderating role of expatriate perceptions of their firm's corporate social responsibility activities in the host country. Specifically, it is proposed that any negative/positive effects of the sociopolitical context on expatriate attitudes and behavior will be lessened/enhanced by the extent to which expatriate managers perceive alignment between their firm's corporate social responsibility activities and the United Nations Global Compact and Sustainable Development Goals. This paper presents the background and rationale for the proposed study and develops initial research hypotheses. *(For more information, please contact: Carol Reade, San Jose State University, USA: carol.ream@sjsu.edu)*

*Labor Motivation of Temporary Workers: A Study of the Construction Companies in Abu Dhabi*

Fauzia Jabeen, Abu Dhabi University

Mian M. Ajmal, Abu Dhabi University

The purpose of this study is to explore the employee motivation of temporary workers in the construction industry in United Arab Emirates. The research process was based on focus group interviews and through observation method of construction Laborers in Abu Dhabi, United Arab Emirates. A convenience sample of 300 workers were obtained across 2 labor camps in the UAE. The data collected was analyzed using an array of descriptive and inferential statistical analysis. The findings reveal that economic factors remain preeminent. Also, socio-psychological factors were considered to have a relatively low effect on productivity which is probably understandable in a developing country context. The study will provide an insight to the workers motivation to various big and small construction companies operating in the UAE, and will also provide recommendations to enhance the motivation with a combined approach of content and process theories. *(For more information, please contact: Fauzia Jabeen, Abu Dhabi University, United Arab Emirates: fauzia.jabeen@adu.ac.ae)*

*Impact of National Culture on Software Adoption Rate: A Study on Windows 10 Update Rate*

Hwansung Ju, Temple University

Culture is a deep-rooted source that makes differences among the countries and asymmetry in culture affects how consumers behave as well. This paper will address this relationship by applying Hofstede's six cultural dimensions to the consumer's response to a new product within the software industry. To empirically test the relationship in a real-life based setting, I analyzed how consumers in different cultural background reacted to Windows 10 update. The results suggest that users in low Masculinity, low Power Distance, high Indulgence culture were more open to the new software products. Additionally, I could observe an inverted-U shaped relationship between Long Term Orientation culture of users and their software adoption rate. In overall, users in culture which 1) conforms to the software policy to update the software, 2) does not feel comfortable with situation that might create inequality, and 3) enjoys benefits of new products regardless of social norm tend to have higher innovation penetration rate. This paper also implies that innovation in software products was not considered "uncertainty" anymore, nor something requires investment of time and efforts. *(For more information, please contact: Hwansung Ju, Temple University, Korea, South: hwansung.ju@temple.edu)*

**Session: 3.4.1 - Panel****Track: 4 - Innovation and knowledge management*****Contextually-Relevant Innovation Across the World*****Presented On:** July 5, 2017 - 14:30-15:45

Chair: Alvaro Cuervo-Cazurra, Northeastern University

*Panelists:*

Kazuhiro Asakawa, Keio University

Helena Barnard, GIBS, University of Pretoria

Shige Makino, Chinese University of Hong Kong

Torben Pedersen, Bocconi University

This panel will discuss the importance of the context of innovations and, in particular, of how the country in which innovations are developed affects not only the innovations but also how such innovations are created. We propose a contextually dependent view of innovations that analyzes how particular conditions of consumers, of the country such as regulations, institutions, infrastructure, as well as the mindsets that innovators develop by

growing up in a particular country, influence the way in which innovations provide solutions to problems. We also want to promote the discussion on the role of context in influencing the transferability of innovations across borders and their use in other locations. *(For more information, please contact: Alvaro Cuervo-Cazurra, Northeastern University, USA: a.cuervocazurra@neu.edu)*

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**Session: 3.4.2 - Competitive**

**Track: 4 - Innovation and knowledge management**

***Innovating in Global Networks***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Jessica Salmon, Rutgers-Newark

*The Roles of MNEs in Evolving Multiplex Production Network Evidence from Chinese Aerospace Industry*

Yihan Wang, HEC Montreal

Ekaterina Turkina, HEC Montreal

This article studies the roles of MNEs in formation and evolution of high-end manufacturing production networks in emerging economies, which reflect the accelerating interconnectivity of geographically dispersed establishments in the progress of globalization. With special focus on the Chinese aerospace industry, we integrate the horizontal partnership network and vertical supply chain network to a two-period multiplex production network. We discover that, MNEs' presence in multiplex Chinese aerospace production network fundamentally reshapes the scattered production network towards scale-free "small world" structure and contributes to the overall network robustness. MNEs act as boundary spanners that agglomerate domestic firms in local clusters. They also have high brokerage authority that orchestrates connections between different clusters. Finally, from a dynamic perspective, prior low-level partnerships with MNEs significantly contribute to the formation of strategic alliance at later phase. *(For more information, please contact: Yihan Wang, HEC Montreal, Canada: yihan.wang@hec.ca)*

*Knowledge Transfer in Global Production Networks: An Integrated Sender-Receiver Model*

Jian Du, Zhejiang University

Xiaoran Chang, Zhejiang University

Dong Wu, Zhejiang University

One of the major challenges a global flagship faces is to manage its knowledge transfer in global production network (GPN), and the globalized use of knowledge is seen as a basis for competitive advantage. The paper aims to clarify an integrated model of the knowledge transfer from global flagships to local firms from a GPN perspective. The empirical results from 105 Chinese local firms are shown as following: a global flagships intensity of knowledge transfer, distance of knowledge transfer between a global flagship and a local firm, and the local firms absorptive capacity determines the knowledge transfer performance; intensity of knowledge transfer has mediating effects on the relationships between a global flagships commitment, willingness to engage in knowledge transfer and knowledge transfer performance; these effects vary under different types of ties between global flagships and local firms. A set of managerial implications are also discussed. *(For more information, please contact: Dong Wu, Zhejiang University, China: wudong@zju.edu.cn)*

*On the Geography of Emerging-Industry Innovation Networks: The Case of Wind Turbines*

Snehal Awate, Indian School of Business

Ram Mudambi, Temple University

We study the entry of locations into emerging industry innovation networks. Our approach encompasses simultaneously three dimensions of innovation: technology, geography, and people. We hypothesize that the number of active technologies in a location (innovation breadth) as well as the extent of specialization in these technologies (innovation depth) have negative curvilinear effects on the location's degree centrality in an industry's global innovation network. However, innovation breadth has a larger impact than depth. Further, we show that emergent innovative locations are more likely to increase innovation breadth in the industry's technologies than innovation depth. This suggests that new locations in emerging industries may exhibit a faster movement towards centrality in the global innovation network than established innovative locations. Our results show that the forces of geographic dispersal observed in the emerging stages of industries may be much stronger in today's knowledge economy. *(For more information, please contact: Snehal Awate, Indian School of Business, India: snehal\_awate@isb.edu)*

*Relationship-Based Product Innovations: Evidence from the Global Supply Chain*

Ruey-Jer Bryan Jean, National Chengchi University

Daekwan Kim, Florida State University

Daniel Bello, Georgia State University

Global supply chains offer a range of expertise to suppliers interested in generating innovative new products from their close, working relationships with other firms. However, research on whether and how social capital between firms can be leveraged for innovation is equivocal, conceptualizing little of the underlying processes responsible for mobilizing social capital and yielding mostly contradictory empirical results. This study proposes and tests the intermediate mechanisms of proactive customer orientation and joint learning capability as two distinctive capabilities that may account for the way social capital drives relationship-based radical innovation. The conceptual model posits the social capital-innovation link is neither simple nor direct, and an empirical test on 204 Taiwanese suppliers demonstrates the complexity of the innovation generation process. Largely confirming our conceptualization, two pathways from social capital to innovation are revealed: joint learning capability fully mediates the link while proactive customer orientation's role is moderated by aspects of the suppliers tie to its international customer. Finally, implications for theory and practice for innovation in global supply chain relationships are drawn. *(For more information, please contact: Ruey-Jer Bryan Jean, National Chengchi University, Taiwan: bryan@nccu.edu.tw)*

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**Session: 3.4.3 - Panel****Track: 6 - Human resource management*****GLOBE- The Next Steps: Panel Discussion of the New Phase of GLOBE Research Study*****Presented On:** July 5, 2017 - 14:30-15:45

Chair: Ali Dastmalchian, Simon Fraser University

*Panelists:*

Ali Dastmalchian, Simon Fraser University  
Mansour Javidan, Arizona State University  
Secil Bayraktar, Ozyegin University  
Medha Satish Kumar, Simon Fraser University

The Global Leadership and Organizational Behavior Effectiveness project (GLOBE) since its inception in the early 1990s has focused on the complex interplay of societal culture, leadership and organizational effectiveness. After 20+ years of research activity involving hundreds of scholars around the world resulting in three award winning scholarly books, hundreds of refereed journal articles and many more academic presentations, GLOBE researchers are embarking on new endeavours. Having recently obtained a research grant from the Canadian government (SSHRC grant), the GLOBE project is moving forward on three fronts. The first is an expansion of original studies on societal culture but focusing on improved research methodology along with a target of Middle East and African Countries. The second focus is on the expanding role of women in leadership positions world-wide. The third focus is on the relationship between societal culture and high impact HR practices. These areas are, in fact, interrelated and the purpose of this panel is to explore the interrelationships among them with AIB scholars. We propose to briefly introduce each area, and then discuss the interrelationships with the audience. The focus will be on proposing research questions of interest and explicating the methods best able to answer these questions. *(For more information, please contact: Ali Dastmalchian, Simon Fraser University, Canada: ali\_dastmalchian@sfu.ca)*

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**Session: 3.4.4 - Competitive****Track: 5 - Organization strategy and management*****M&A: The Role of Experience and Learning*****Presented On:** July 5, 2017 - 14:30-15:45

Chair: Katsuhiko Shimizu, Keio University

*Divergent Alliance Learning and Cross-Border M&A Entries*

Jinsil Kim, University of Texas at Dallas  
Jun Xia, University of Texas at Dallas  
Seung-Hyun Lee, University of Texas at Dallas

Drawing on a learning perspective, we argue that prior alliance experience may have divergent learning effects on subsequent M&A entries into a host country depending on whether the alliances were made as an institutionally embedded choice when regulations restrict foreign M&As or as a strategic choice when regulations encourage foreign M&As. While in the former case, MNCs that had M&A in mind might stretch themselves and learn beyond what alliance relationship offers, whereas in the latter case, MNCs just focus on learning about the particularities of managing alliances. Thus, alliance experience before the change in regulations from restricting to encouraging cross-border M&As in the host country may also change from a positive effect on subsequent

M&As to a negative effect. Additionally, we argue that this effect is moderated by economic distance. Analyses based on a sample of 1,561 MNCs from 40 different home countries entering China through M&As over an 11-year period (2003–2013) provide considerable support to our predictions. *(For more information, please contact: Jinsil Kim, University of Texas at Dallas, USA: jinsil.kim@utdallas.edu)*

*Direct or Indirect Acquisition Experience? Success and Failure of Cross-Border Acquisitions from Organizational Learning and Institutional Theory*

Tian Wei, Fudan University  
Shu Deng, Fudan University

This study pre-acquisition phase with an emphasis on the public takeover phase that is critical to acquisition success and failure but largely remains misunderstood in existing literature. From an organizational learning theory, we specify acquisition experiences into two categories: direct acquisition experience (acquisition experience of the acquirer), and indirect acquisition experience (acquisition experience observed by the acquirer). With 2,800 cross-border acquisition cases from 1997 to 2016, we come to a conclusion that direct acquisition experience positively affects while indirect acquisition negatively affects the likelihood of subsequent deal completion in cross-border acquisition. Moreover, we further conclude that institutional distance between home and host country negatively moderates the former main effect while positively moderates the latter one. Our study contributes both to the organizational learning and institutional theory. *(For more information, please contact: Shu Deng, Fudan University, China: 16110690022@fudan.edu.cn)*

*Growth of the Firm and the Choice of Capital Market*

Yinuo Tang, University of Hong Kong  
Yanfeng Zheng, University of Hong Kong  
Danqing Wang, University of Hong Kong  
Jie Jiao, Tsinghua University

Growth capability and strategic resources such as financial capital are central to a firm's competitiveness and success. Two important capabilities that firms rely on are productivity, which generates resources and develops the firm internally, and acquisition capability, which obtains assets and enlarges the firm externally. Despite the strategic importance of choosing an appropriate financial market for a public offering to capture value from a firm's growth capabilities, limited attention has been paid to this choice and its contingent factors. We examine how Chinese firms' growth capabilities influence their choice of financial markets and suggest that productive EMFs are more likely to choose cross-listing while acquisitive EMFs are less likely. This study synthesizes the growth theory of the firm and the institution-based view of strategy. It also extends our understanding on how firms' intrinsic capability influence the value of 'changing external conditions'. A dataset of 1138 Chinese Firms' supported our hypotheses. *(For more information, please contact: Yinuo Tang, University of Hong Kong, Hong Kong, SAR-PRC: tangyn04@hku.hk)*



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**Session: 3.4.5 - Competitive**

**Track: 1 - Internationalization process and entrepreneurship**

***International Entrepreneurship: INVs, Born Globals and Their Trajectories***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Jorge Carneiro, FGV Sao Paulo School of Business Administration

*The Role of Slack Resources in Internationalization of Young Firms*

Hadi Fariborzi, University of Calgary

Olga Petricevic, University of Calgary

Mohammad Keyhani, University of Calgary

This study explores the role of slack, especially in human resources of the firms on their capability to internationalize early in their life cycle. We analyzed data from the panel study of 3140 firms in Kauffman Firm Survey and contribute to international business and entrepreneurship studies by arguing finding a curvilinear effect for the role of human resource slack on the internationalization propensity of young firms. In addition, we identify boundary conditions including industry's level of technology and internationalization as well as managers level of engagement in the firm and managers education, that help explain the conflicting results reported in past studies. *(For more information, please contact: Hadi Fariborzi, University of Calgary, Canada: hfaribor@ucalgary.ca)*

*Integrating Time-Use into Theory of MNE Entrepreneurial Initiative*

Christopher Williams, Durham University Business School

Wendelien van Eerde, Amsterdam Business School

Prior research into MNE entrepreneurial initiatives has drawn from various theoretical bases, including entrepreneurial cognition, knowledge-based view, and management control theory. Empirical studies and cases, however, have consistently pointed to the temporal dimension, highlighting the dynamic elements of learning, capability development and evolution and consequences of conflict. By incorporating time-use theory into the analysis, we develop new theoretical insight regarding the temporal dimension of MNE entrepreneurial initiatives. Our analysis offers a basis for a more explicit focus on time-use in studies of entrepreneurial initiatives in MNEs than has been offered to date. Implications for research and practice are discussed. *(For more information, please contact: Christopher Williams, Durham University Business School, United Kingdom: chris.williams@durham.ac.uk)*

*Entrepreneurial Internationalization: An Exploitative Process of Organizational Renewal*

Igor Kalinic, University of Leeds

Cipriano Forza, University of Padova

Jeremy Clegg, University of Leeds

In this research, we examine the entrepreneurship-driven internationalization as a non-linear process that occurs time and focus on the organizational changes triggered by the process. By analysing five case SMEs, we find that during the internationalization of production firms react to the changing external environment not only by adapting their strategies but also by implementing a number of incremental changes long after the initial entry into the foreign market. The pace (continuous) and the scope (radical) of the change implies that entrepreneurship-driven SMEs tend to focus on exploitation of resources and knowledge through a series of adaptations that lead to a radical organizational renewal without sudden introduction of completely new capabilities. That challenges the predominant opinion of the necessity to combine both explorative and

exploitative capabilities to manage successfully the internationalization process. *(For more information, please contact: Igor Kalinic, University of Leeds, United Kingdom: i.kalinic@leeds.ac.uk)*

*When Born Globals Aren't: Creation Indeterminacies, Boundary Spanning, and the Exploitation of International Opportunities*

Sumit K. Kundu, Florida International University

Jerome A. Katz, Saint Louis University

Maija A. Renko, University of Illinois at Chicago

International entrepreneurial opportunities often undergo exploitation through the creation of International New Ventures (INVs). However, INV theory faces problems because of indeterminacies around the when and how of INV creation, resulting in a myriad of models. This article proposes an alternative model based on the BRIE (boundaries, resources, intent, exchange) model of organizational emergence, building on the concept of international boundary spanning. The article outlines the advantages of conceptual clarity and operational consistency of the resulting approach, along with the model's connection to traditional international business measures of speed, intensity, and scope. The work concludes with suggestions for future use and expansion of the model. *(For more information, please contact: Sumit K. Kundu, Florida International University, USA: kundus@fiu.edu)*

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**Session: 3.4.6 - Competitive**

**Track: 7 - Corporate governance and financial management**

***Foreign Directors, Global Boards and World Leadership***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Michael Witt, INSEAD

*Uncertainty, Board Ownership, and Conformity in Multinationality to the Market Leader*

Claudio Giachetti, Ca' Foscari University of Venice

Makafui Kwame Kumodzie-Dussey, Ca' Foscari University of Venice

Ettore Spadafora, University of South Carolina

B. Elango, Illinois State University

Although several scholars have tried to unravel the factors that influence a firm's decision to conform to multinationality decisions of industry rivals, there is a lack of studies examining corporate governance antecedents of this phenomenon. In response, we examine the extent to which board members push the firm to conform to the multinationality decisions of the market leader under different levels of uncertainty. We first examine how uncertainty idiosyncratic to the firm, i.e., 'firm-level uncertainty', affects the decision to (non)conform to the multinationality decisions of a market leader. We then proceed to ascertain how the amount of equity owned by firms' board members, i.e., 'board equity ownership', moderates the firm uncertainty-conformity relationship. Our results show that the relationship between firm-level uncertainty and conformity in multinationality to the market leader is positive when board equity ownership is high, while is negative when board equity ownership is low. We test our hypotheses using data on 58 Italian ceramic tile manufacturers within the 2005-2009 timeframe. *(For more information, please contact: Claudio Giachetti, Ca' Foscari University of Venice, Italy: claudio.giachetti@unive.it)*

*Who Can Stand Up for Good Governance? The Effect of Relative Audit Committee Power on Monitoring Effectiveness*

Laura Jacobey, University of Goettingen  
 Igor Filatotchev, City University London  
 Michael Wolff, University of Goettingen  
 Toru Yoshikawa, Singapore Management University

We challenge the prevalent agency assumption that audit committees' (AC) monitoring activities necessarily lead to board action. Using a panel of 434 European firms, we find support for our arguments that ACs need to have high relative board power in order to induce boards to limit managerial discretion manifested in earnings management. Based on the attention-based view, we argue that board attention is limited and not necessarily concentrated on AC issues. Larger proportions of powerful board members present on the AC lead to higher board attention on AC issues and that this is a means for the AC to get its voice heard, induce board action and be effective. The effectiveness of relative AC power, however, differs depending on macro-level contingencies such as analysis' coverage and investor protection in the firm's country. *(For more information, please contact: Laura Jacobey, University of Goettingen, Germany: laura.jacobey@gmail.com)*

*Foreign Leadership in the Boardroom: The Impact of Firms' Local Socio-Cultural Context*

Yannick Thams, Suffolk University  
 Keith James Kelley, University of Michigan-Flint  
 Mary Ann Von Glinow, Florida International University

Most comparative governance research argues that firms' boards of directors reflect the characteristics of their national environment. We complement this view by examining the interplay of firms' local socio-cultural context and board composition. Drawing on institutional theory, we study the determinants of foreign board diversity, an under-researched board characteristic. We theorize on local factors such as: attitudes toward immigration, level of cultural conservatism and level of policy conservatism that may limit firms' ability to internationalize their boards. Using a sample of S&P 1500 from 2004 to 2014, we find support for our theory after controlling for many alternative explanations. *(For more information, please contact: Yannick Thams, Suffolk University, USA: ythams@suffolk.edu)*

**Session: 3.4.7 - Panel****Track: 1 - Internationalization process and entrepreneurship*****EMMNCs' Post-Acquisition Strategies***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Mehmet Demirbag, University of Essex

*Panelists:*

Mehmet Demirbag, University of Essex  
 Dana Minbaeva, Copenhagen Business School  
 Chris Brewster, University of Vaasa  
 Geoffrey Wood, University of Essex

Emerging market multinational corporations' (EMMNCs') impact on international business and the world economy have grown dramatically in recent years in volume, size and scope. For example, while only 19 firms from emerging and developing economies were featured in the Fortune Global 500 list in 1990, this number increased to 137 in 2015. Some EMMNCs have even become the market leaders in their respective industries. For example, Huawei technologies and ZTE, both of China, are now the second and the fifth-largest global

manufacturers of telecom equipment; Mexico's Grupo Bimbo is the largest bread maker in the world and Russia's United Company Rusal is the largest aluminium producer globally (Boston Consulting Group 2012, Forbes 2015). As the profiles of emerging economies increase, so will their influence, and the global ranking of their MNCs. Many observers view these companies not only as hidden engines of global trade and economic growth now and as important actors in fundamental changes in the global economic system in the near future. *(For more information, please contact: Mehmet Demirbag, University of Essex, United Kingdom: mdemirc@essex.ac.uk)*

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**Session: 3.4.8 - Panel**  
**Track: 9 - Teaching IB**

### ***Teaching International Business through Experience***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Anne Marie Zwerg, Universidad de La Sabana

*Panelists:*

David Scott Baker, University of Louisiana at Lafayette  
Marc Idelson, Nottingham University  
Dilek Zamantili Nayir, Marmara University  
Anne Marie Zwerg, Universidad de La Sabana

Experiential learning (EL) is a "hot" topic in International Business and Cross-Cultural Management Education (IB-CCM). However, the use of experiential learning approach is limited due to a lack of information about existing tools and projects and how they can be incorporated in the curriculum. The proposed panel will bring together academics who have developed and successfully used various experiential learning projects in IC-CCM education programs. The goals of the panel are to share information about the existing EL projects, share experiences, discuss challenges and best practices of using EL to improve IB-CCM education, provide a networking opportunity for academics interested in the EL approach, and discuss how this panel can contribute to further discussion on the role of EL in IB-CCM education, possibly through special issues on EL in academic journals, targeted conferences and seminars, and better research on the issue. A similar panel at an AIB conference several years ago led to a publication of the Palgrave Handbook of Experiential Learning in IB. We are now thinking about publishing the second volume of the book, so the panel will serve a meeting point for the initial pool of chapter authors. *(For more information, please contact: Karen Lynden, Rowan-Cabarrus Community College, USA: karen.lynden@rccc.edu)*

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**Session: 3.4.9 - Competitive**  
**Track: 8 - International business policy**

***Economic Integration and International Business***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Douglas Dow, University of Melbourne

*A Neglected Factor in Entry Mode Research: The Role of Decision-Maker Personality*

Peter Magnusson, University of Alabama  
Douglas Dow, University of Melbourne  
Daniel Baack, University of Denver

This study diverts from traditional entry mode research, which has primarily focused on firm and environmental characteristics to drive decisions, by responding to calls for a better understanding of managerial cognition's role in internationalization decisions. Using a quasi-experimental approach involving 233 Australian managers, this paper explores the role that the decision-maker's personality traits plays in entry mode decisions. This work is grounded in the theory of purposeful work behavior, which suggests that the decision-maker's personality is expected to influence strategic decisions. The results, incorporating both mediating and moderating effects, indicate that three of the 'Big Five' personality dimensions play a significant role in a manager's preference for particular entry modes. *(For more information, please contact: Douglas Dow, University of Melbourne, Australia: d.dow@mbs.edu)*

*Is China a Single United Market for Foreign Investors? – Federalism, Chinese Style and Inward FDI in China*

Eunsuk Hong, SOAS University of London

One of most prominent institutional features of China's reform in promoting transition towards market economy is a decentralized, multi-layer, multi-regional governance structure with a hard budget constraint, which is often described as "Federalism, Chinese style". Under the evolution of China's foreign direct investment (FDI) policies with specific emphasis on the "gradualism" of opening China's economy to foreign businesses, such institutional setting leads us to a question: "Is China a single united market for foreign investors?" This study attempts to provide a systematic quantitative analysis on the relationship between Federalism, Chinese style and the location of inward FDI. To answer this question, this paper develops a spatial dynamic model that explicitly addresses (i) spatial externalities and (ii) path dependent effects of FDI, and (iii) heterogeneous host location factors, in examining spatial distribution of inward FDI in China with respect to Federalism, Chinese style. An empirical application of this model to a panel dataset of inward FDI in China at the provincial level over 1997-2012 shows that location of FDI in China is determined by a combination of closely associated negative spatial externalities and positive path-dependent effects of FDI. This result implies that the Chinese market is highly fragmented for foreign investors. *(For more information, please contact: Eunsuk Hong, SOAS University of London, United Kingdom: eh19@soas.ac.uk)*

*Global Trade Networks and CSR Signaling: Analyzing Trade Relationships and their Impact on Firms*

Luis Alfonso Dau, Northeastern University  
Elizabeth M. Moore, Northeastern University  
Margaret Alyce Soto, Northeastern University

This study examines the effects of global integration on firm-level corporate social responsibility signaling. Building on complex interdependence theory and institutional theory, we propose that increased global trade networks encourage firm-level corporate social responsibility signaling, resulting from the heightened pressures of complex interdependence. Further, we argue that these global trade networks encourage greater signaling

from state firms than private firms, because they increase the accountability of state firms to supranational institutions, whereas private firms are already accountable to the state and domestic institutions. Analyses from 11,990 firms and 153 countries from 2000 to 2014 provide robust support for the arguments. *(For more information, please contact: Elizabeth M. Moore, Northeastern University, USA: moore.el@husky.neu.edu)*

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**Session: 3.4.11 - Interactive**

**Track: 1 - Internationalization process and entrepreneurship**

***Managerial Resources, Managers' Perceptions, Risk Taking and International Performance***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Sinead Monaghan, Rutgers Business School

*Internationalisation and Risk: A Narrative Synthesis and Research Agenda*  
Jonas Strømfeldt Eduardsen, Aalborg University

Risk is a central construct in international business. However, to date, research on risk and internationalisation has not been systematically reviewed. The current article addresses this gap, by systematically reviewing existing literature on risk and internationalisation published in peer-reviewed journals. A narrative synthesis was performed in order to identify key themes and synthesise the findings across all studies within each theme in order to bring together research evidence and give an overall picture of current knowledge. The review identifies three themes. The first theme revolves around the role and impact of risk in firm internationalisation. The second theme focuses on manager's experience of risk in internationalisation. Finally, the third theme focuses on how firms assess and deal with risks when internationalising. Building upon this review, promising avenues for future research are suggested. These include examining how decision-makers identify and understand risk in relation to internationalisation and the factors interacting to influence manager's subjective assessment of risk associated with internationalisation, the ways in particularly SMEs deal with risks associated with internationalisation, and the conditions under which internationalisation is likely to reduce risk and vice versa. *(For more information, please contact: Jonas Strømfeldt Eduardsen, Aalborg University, Denmark: jse@business.aau.dk)*

*CEO Risk Taking Propensity and Internationalization*  
Fladina Zilja, BI Norwegian Business School  
Hamid Boustanifar, BI Norwegian Business School

Internationalization studies have pointed to the importance of risk and managerial risk attitudes for understanding firm internationalization choices. Previous research has built on the assumption of risk averse managers or has conceptualized risk taking as highly situational e.g. depending on managerial international experience. In this study, we employ a measure of managerial risk taking propensity based on managers' private investment decision that is reflective of managerial intrinsic risk preferences. Doing so allows us to test the relative influence of managerial risk taking propensity on internationalization choices. Using a sample of 3392 M&A undertaken by 983 Norwegian firms in the period 2000-2013, we provide empirical evidence that managerial risk taking propensity positively impacts the share of international M&A and the political, cultural, administrative and economic distance between the home and host country. We find partial support for the significance of managerial risk taking in M&A diversity and no support for its impact on demographic, knowledge and financial cross-national distance. *(For more information, please contact: Fladina Zilja, BI Norwegian Business School, Norway: fladina.zilja@bi.no)*

*The Influence of Managers' Risk Perception on the Internationalization Process*

Gabrielle Ribeiro Rodrigues Silva, Federal University of Paraná  
 Gustavo Abib, Federal University of Paraná  
 Zandra Balbinot, ESG, Université Du Québec À Montréal

Risk is a relevant factor at many levels of international activity, whether entering new markets or changing strategy. While there are studies that have identified the risks involved in the internationalization process, there has been little research assessing risk perception and its relationship with international behavior. The objective of this study is to identify relationships between managers' sociodemographic and cognitive characteristics and their perceptions of risk and the degree of internationalization of exporting firms. We conducted a survey with a sample of 176 firms and the structural equations modeling statistical technique was employed. The results did not support some of the hypotheses inferred from the literature and so an alternative model that was capable of explaining the relationships observed was constructed. The alternative model is based on a framework in which sociodemographic characteristics no longer have a direct influence on risk perception, since the relationship is mediated by the deliberative cognitive style and ultimately also affects the organization's degree of internationalization. *(For more information, please contact: Gabrielle Ribeiro Rodrigues Silva, Federal University of Paraná, Brazil: gabii.ribeiro@hotmail.com)*

*Exploring Emerging Market SMEs' Risk Perception on Internationalization: The Role of Firm Profile, Managers' Cognitive Characteristics, and Entry Mode*

Leandro Rodrigo Canto Bonfim, Federal University of Paraná  
 Gabrielle Ribeiro Rodrigues Silva, Federal University of Paraná  
 Paulo Henrique Muller Prado, Federal University of Paraná  
 Gustavo Abib, Federal University of Paraná

This research investigates emerging markets small and medium-sized enterprises' managers risk perception regarding internationalization. We examine how their perception of risk influences firms' internationalization degree. Likewise, we assessed firm-level characteristics, managers' cognitive characteristics (tolerance for ambiguity and cognitive style), and entry mode as antecedents and consequents of risk perception and internationalization. We provided empirical evidence for the relations we proposed through a partial least square structural equation model with data gathered from a survey with 149 SMEs from Brazil. Our results show that firms with managers with higher levels of risk perception have higher levels of internationalization degree, and that managers from smaller and younger firms perceive lower levels of risk on internationalization. We also found that firms' characteristics affect both entry mode and internationalization degree. Regarding cognitive characteristics, we found that only deliberative cognitive style affects risk perception, and that deliberative managers' are prone to be tolerant for ambiguity. *(For more information, please contact: Leandro Rodrigo Canto Bonfim, Federal University of Paraná, Brazil: leanbonfim@yahoo.com.br)*

*How Do SME Managers Perceive Export Performance?*

Arash Sadeghi, University of Otago  
 Elizabeth L. Rose, University of Otago

Despite the proliferation of studies on export performance, we still know relatively little about how managers actually assess their firms' export performance. It seems that academic research in this area lags behind practice and studies have predominantly focused on the most visible aspects of judging export performance, while the bulk of the iceberg, which is the process underlying this assessment, is yet to be fully understood. The objective of this study is to contribute to our understanding of this issue by exploring SMEs managers' perceptions of different aspects of export performance. A total of 10 exporting SMEs in New Zealand were studied using semi-structured interviews. Overall, we found that there is a gap between the dominant assumptions underlying the common operationalizations of export performance in the extant literature and the way this phenomenon is perceived by the SMEs managers. The findings reveal that, despite similarities between studied firms, the definition and scope of export performance is idiosyncratic to the type of firm and its setting.

Therefore, it seems highly unrealistic to assume that there is a single, unambiguous export performance measurement model by which all SMEs can be judged. *(For more information, please contact: Arash Sadeghi, University of Otago, New Zealand: arash.sadeghi@otago.ac.nz)*

*A Framework for Evaluating Perceived Export Performance: A Fuzzy AHP Approach*  
Arash Sadeghi, University of Otago

Despite considerable research on export performance, relatively little scholarly attention has been devoted to incorporate managers' perspectives in operationalizing this concept. The existing measures of export performance are typically based on uniform and predefined criteria that are decided on by researchers. The aim of this study is to propose a more nuanced framework for measuring export performance in the presence of multiple, and potentially conflicting, goals that account for different approaches to export performance assessment. By adopting a contingency approach, we develop an individualized perceived export performance (IPEP) framework to capture the mental map that shapes managerial perception of export performance. In particular, we attempt to align export performance measures to the strategic priorities of individual organizations by incorporating a mix of differentially-weighted goals, indicators, and benchmarks. We propose the use of a fuzzy analytic hierarchy process (AHP) approach in order to prioritize the individual firm's export goals and to determine the weights of indicators for measuring each goal, based on managers' judgments. *(For more information, please contact: Arash Sadeghi, University of Otago, New Zealand: arash.sadeghi@otago.ac.nz)*

*Human Capital, Social Capital and International Intensity in New Ventures*  
R. Isil Yavuz, Ozyegin Universitesi

While the importance of human capital and social capital on new venture internationalization is well-established, the interplay between the two is less understood. Drawing on knowledge and social network theories, I argue that general human capital interacts positively with formal social capital while it interacts negatively with informal social capital in affecting international intensity in new ventures. I examine GEM data on solo entrepreneurs with newly founded new ventures from 2008 to 2012 and from 61 countries around the world. Results support my hypotheses. I discuss the implications for entrepreneurship theory and practice. *(For more information, please contact: R. Isil Yavuz, Ozyegin Universitesi, Turkey: isil.yavuz@ozyegin.edu.tr)*

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**Session: 3.4.12 - Interactive**

**Track: 4 - Innovation and knowledge management**

***Innovation, Cross-border Acquisitions and Collaborations***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Michael Mol, Copenhagen Business School

*Business Ties and the Performance of Cross-Border M&A in Developed Markets: Tests of the Mediating and Moderating Effects*

Monica Yang, Adelphi University

Cong Cheng, Zhejiang University of Technology

This study examines the determinants of the performance of cross-border mergers and acquisitions (cross-border M&A) in developed markets initiated by firms from emerging markets. Drawing on social network theory and organizational innovation literature, we hypothesize that business ties of the acquiring firm increase the performance of cross-border M&A via enhancing the acquiring firm's technological innovation capability and that



environmental turbulence strengthens this mediating model. To test the model, we collected data from 186 Chinese firms in the Yangtze River Delta Area initiating cross-border M&As in developed markets. As predicted, we found that (1) business ties of the acquiring firm are positively related to the performance of cross-border M&A; (2) technological innovation capability of the acquiring firm positively mediates the relationship between business ties of the acquiring firm and the performance of cross-border M&A; (3) environmental turbulence positively moderates the relationship between business ties and technological innovation capability. The implications of these findings and directions for future research in cross-border M&A are discussed. *(For more information, please contact: Monica Yang, Adelphi University, USA: yang2@adelphi.edu)*

*Acquirers' Prior Related Knowledge and Post-Acquisition Integration: Evidences from Four Chinese Firms*  
 Qi Ai, University of Northampton  
 Hui Tan, Royal Holloway University of London

This paper examines the role of acquirers' prior related knowledge in the post-acquisition integration process. The purpose of this study is to identify what constitutes the key prior related knowledge that can contribute to the M&A success following Chinese firms' outward M&As to Europe, and explain how prior related knowledge affects post-acquisition reverse knowledge transfer. We find that, in addition to knowledge about the target, prior international business experience, R&D capability, and performance and industrial status are key components of acquirers' prior related knowledge that can contribute to the success of M&A integration and post-acquisition reverse knowledge transfer. Indeed, Chinese acquirers' prior related knowledge can influence the reverse knowledge transfer from acquired firms to acquirers by directly improving acquirers' absorptive capacity and building a harmonious organisational climate to facilitate such transfer. *(For more information, please contact: Qi Ai, University of Northampton, United Kingdom: qi.ai@northampton.ac.uk)*

*The Structure of MNC R&D Collaboration Networks and Performance*  
 Janja Annabel Tardios, King's College London

We examine how cohesion in R&D collaboration networks affects MNC innovative and financial performance. We distinguish between intra- and inter-organizational; single- and multi-country R&D collaboration networks. We suggest that high levels of intra-organizational multi-country and inter-organizational single-country cohesiveness benefit performance, whereas in intra-organizational single-country and inter-organizational multi-country R&D collaboration networks lower cohesiveness levels are more beneficial. We examine R&D collaboration networks of 150 MNCs and their subsidiaries using 2003 to 2012 patent data to account for the relationships between actors. The results add to most recent studies on MNC innovation that use network structure to explain firm performance. *(For more information, please contact: Janja Annabel Tardios, King's College London, United Kingdom: janja.tardios@kcl.ac.uk)*

*Modularization & Supplier-Buyer Integration's Role in Brazilian Automobile Industry*  
 Yue Zhao, Florida International University  
 Ronaldo Couto Parente, Florida International University  
 Lucas Wenger, Florida International University  
 Ivan Pineda, Florida International University

This study focuses on the moderating effect of modularity and supplier-buyer integration on the relationship between firm performance and product portfolio complexity. Drawn upon knowledge based view, we argue that modularization and supplier integration can effectively facilitate knowledge transfer and knowledge creation and this process can mitigate the negative impact of complexity on business unit performance. We empirically test this argument in the context of Brazilian automotive industry. *(For more information, please contact: Yue Zhao, Florida International University, USA: yzhao028@fiu.edu)*

*Technology Catch-Up in Newly Industrialized Countries through Internal R&D Investment or External Foreign Acquisitions*

Barclay E. James, Universidad San Francisco de Quito  
 Rajeev J. Sawant, Baruch College  
 Joshua S. Bendickson, University of Louisiana at Lafayette

We theorize and test how a newly industrialization nation acquires technological capabilities through internal research and development investment or through external foreign acquisitions. We suggest that firms with greater research and development intensity are more likely to make foreign acquisitions for capability development. Second, we hypothesize that firms' motivation to acquire technological capabilities will lead them to acquire firms in more advanced nations. Finally we suggest that increasing research and development intensity will also lead to acquisitions in more advanced nations. To test our hypotheses we used a sample of Taiwanese firms; we find support for each of our three hypotheses. *(For more information, please contact: Joshua S. Bendickson, University of Louisiana at Lafayette, USA: josh.bendickson@gmail.com)*

*Untangling the Process of Transferring Organizational Practices in International M&As: Multiple Phases and Moderators*

Carl F. Fey, Aalto University School of Business and Chinese University of Hong Kong  
 Harun Emre Yildiz, Uppsala University  
 Sergey Morgulis-Yakushev, Stockholm School of Economics

Gaining access to knowledge is the key motivation for many international M&As and the majority of M&As are unsuccessful. As such, it is critical to understand how to facilitate successful knowledge transfer in international M&As. Most extant research models knowledge transfer as a black box and consider it a process taking place all at once. In this paper we suggest that it is more accurate to model knowledge transfer as a multi-stage process. In addition to the role of traditional factors (i.e., tacitness of knowledge and trustworthiness of knowledge sender) in this process, we also explore several under-research moderators such as unlearning and practice incongruence. We test our model on a unique dataset collected from two managers at each of 181 foreign acquisitions in China. Results provide support to a stage approach to knowledge transfer and confirm that all four of our predicted moderators (tacitness of knowledge, partner trustworthiness, unlearning, and practice incongruence) significantly affect different stages of the knowledge transfer process in international M&As. *(For more information, please contact: Carl F. Fey, Aalto University School of Business and Chinese University of Hong Kong, USA: carl.fey@aalto.fi)*

*Generating Tacit Knowledge across Borders: International Collaboration and Design Innovation in Norway*

Xinlu Qiu, Norwegian School of Economics  
 Marcelo Cano-Kollmann, Ohio University

We study design innovation in Norway and the degree to which it relies on international linkages for its generation. Using a dataset spanning 40 years (1976 to 2015) of design patents by both Norwegian firms and inventors, we map the design innovative activity of Norway and the pipelines that allow the generation of design knowledge in collaboration with other countries. Our fine-grained data allows us to test the conditions under which firms can orchestrate the creation of tacit knowledge across international borders. We find that bimodal innovation displays a bimodal patterns depending on the intensity of the technology (low-tech vs. high-tech design) and the capabilities of the firms (smaller domestic firms vs. highly sophisticated MNEs). *(For more information, please contact: Marcelo Cano-Kollmann, Ohio University, USA: canokoll@ohio.edu)*

*Understanding the Impact of Global Key Clients on the Weak Supplier's Technological Innovation Capabilities*  
 Lianxi Zhou, Brock University  
 Hui Xu, Nankai University  
 Youngchun Feng, Tianjin University of Finance and Economics

This study investigates how the evolving relationships between a weak supplier and its global key accounts impact the supplier's technological innovation capabilities. Drawing on the learning loops perspective, the paper describes different stages of relationship learning and the barriers involved. In-depth analysis of nine cases leads to theory development for a better understanding of the processes underlying the development of technological innovation capabilities of a weak supplier in an emerging economy. It concludes that relationship dynamics and the capacity for resource integration are important mechanisms leading to the building of technological innovation capabilities, especially when the suppliers are in weak market positions. This study contributes to international buyer and supplier relationship management and technological innovation. (For more information, please contact: Lianxi Zhou, Brock University, Canada: lzhou@brocku.ca)

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**Session: 3.4.13 - Interactive**  
**Track: 6 - Human resource management**

***Expatriate Management - Revisiting Old Paradigms and Exploring New Avenues***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Vesa Peltokorpi, Saitama University

*The Mediating Effects of Adjustment on the Travel Strain-Performance Relationship among Global Business Travelers*

Jase R. Ramsey, Saint Louis University  
 Melanie P. Lorenz, University of Toledo

Global business travel is especially vexing due to the high demand on being able to adjust to a foreign culture. Additionally, the air travel climate post 9/11 has increased travel strain. Although extensive research has been done on expatriate adjustment, very little pragmatic research has been put forth on the much shorter term nature of global business travel. This paper integrates stress and adjustment theories to examine the antecedents and consequences of global business travel adjustment. Results from a lagged cross-sectional design survey from the busiest airports in both North and South America empirically demonstrate that travel strain has a negative effect on adjustment. Additionally, adjustment has a mediating positive effect on both trip satisfaction and performance. (For more information, please contact: Jase R. Ramsey, Saint Louis University, USA: ramseyjr@slu.edu)

*Familiar in Foreign: The Power of Community in Self-Initiated Expatriate Retention Cognitions*

Dilek Yunlu, Northeastern Illinois University  
 Hong Ren, University of Wisconsin - Milwaukee  
 Katherine Fodchuk, Advanced Learning Partnerships

Our model of expatriate engagement examines the influence of self-initiated expatriate (SIE) community proactive tactics on community embeddedness, which in turn influences SIE retention cognitions. We demonstrate that proactive tactics positively influence expatriate community embeddedness, and the latter leads to retention cognitions. In addition, we examine the moderating role of organizational identity. We find that, for individuals who have lower levels of organizational identification, community embeddedness is particularly important. (For more information, please contact: Dilek Yunlu, Northeastern Illinois University, USA: d-yunlu@neiu.edu)

*Intra- and Inter-Regional Diversification and Expatriation Strategies*  
Jongmin Lee, University of Reading

How do multinational enterprises (MNEs) manage a large portfolio of subsidiaries geographically dispersed across multiple locations? This study formulates four patterns of firm internationalization accounting for both intra- and inter-regional (country and regional) diversifications, and further examines how different international diversification patterns affect expatriation strategies in MNEs. Our investigation of Korean MNEs demonstrates that intra-regional diversification negatively affects expatriate utilization while inter-regional diversification is positively associated with intensive expatriation. This result indicates that intra- and inter-regional diversification has conflicting impacts on expatriate strategies in MNEs. Our classification of four internationalization patterns provides a deeper insight into the managerial complexity associated with international diversification of MNEs. This study also extends current understanding of the implication of internationalization by exploring the management phase rather than the performance side. *(For more information, please contact: Jongmin Lee, University of Reading, United Kingdom: jongmin.lee@henley.ac.uk)*

*Adding Host Country Nationals to the Equation for Expatriate Success: An Intergroup Contact Perspective*  
Chun-Hsiao Wang, National Central University  
Arup Varma, Loyola University Chicago

Although the amount of support and interaction that expatriates receive from host country nationals (HCN) are critical to expatriate success, little research has examined how they are related and how they contribute to expatriate success as a collective phenomenon. Drawing upon the intergroup contact theory, this paper proposes a five-stage process model describing from the HCN perspective how the interaction with the expatriate reduces the HCN's negative stereotypes about the expatriate, when the effect of interaction with the expatriate can be strengthened, and what the effects are in terms of the HCN's behaviors towards the expatriate, which are critical to the success of expatriate assignment. Implications for the expatriate literature and practice, as well as suggestions for testing, are discussed. *(For more information, please contact: Chun-Hsiao Wang, National Central University, Taiwan: wangch@cc.ncu.edu.tw)*

*Political Skills, Self-Evaluations and Cross-Cultural Adjustment among Self-Initiated Expatriates*  
Heidi Wechtler, Macquarie University  
Alexei Koveshnikov, Aalto University

In this paper, we examine the influences of self-initiated expatriates' core self-evaluations on their cross-cultural adjustment. In addition, we theorize and test the role of self-initiated expatriates' political skills as a mechanism explaining these influences. We find that among the core self-evaluations only emotional stability is consistently and positively associated with general living, interactional and work adjustment. Other self-evaluations, with the exception of the effect of locus of control on work adjustment, do not exhibit significant associations. At the same time, self-initiated expatriates' locus of control and self-esteem appear to be conducive to the development of their political skills. Ultimately, expatriates' political skills mediate via indirect and complementary effects the relationships between their locus of control and self-esteem, on the one hand, and general living and work adjustment, on the other hand. Overall, the study is among the first ones to shed light on the role of expatriates' political skills and its mediating influence on their cross-cultural adjustment. *(For more information, please contact: Heidi Wechtler, Macquarie University, Australia: heidiwechtler@gmail.com)*

*'Global Assignees' and 'Family': A Literature Review and Research Agenda*  
Thao Quyen Dang, University of Technology Sydney

The role of the family in the adjustment of expatriates has been long argued in the literature. However, there remains limited academic literature that addresses the issue of what constitutes a family, and what role they play. With the rise of multinational enterprises from emerging economies, there is a need to better understand the role of extended families, and non-traditional family units. In this study, I undertake a systematic and structured review of the literature on global assignees and the role of the "family". Using a step-wise data collection technique and analysis of the studies using both qualitative and quantitative techniques, I find lack of consistencies in the findings, and gaps in methodology. The study provides a future research agenda to address these gaps, and highlights the implications of it for both research and practice. *(For more information, please contact: Thao Quyen Dang, University of Technology Sydney, Australia: thaoquyen.dang@student.uts.edu.au)*

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**Session: 3.4.14 - Interactive**

**Track: 7 - Corporate governance and financial management**

***Domestic and Foreign Investors in the Economic and Social Performance Divide***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Narjess Boubakri, American University of Sharjah

*Heterogeneity of Institutional Investors and Their Influence on Internationalization in Emerging Economy Firms*

Vidya Sukumara Panicker, Indian Institute of Management, Kozhikode

Sumit Mitra, Indian Institute of Management, Kozhikode

Rajesh Srinivas Upadhyayula, Indian Institute of Management, Kozhikode

Extant literature highlights the active role played by institutional investors in the strategic decision making of the firms. While studies have examined the impact of different categories of institutional investors on strategic decisions of firms in developed markets (e.g., internationalization), we argue that the impact of different categories of institutional investors on internationalization of emerging economy firms would be different. We develop theoretical arguments by combining insights from institutional theory with agency perspective to highlight the differential impact of institutional investors in an emerging economy. Based on a large sample of Indian firms, we find that foreign institutional investors due to their excellent information advantage select potentially good performing emerging economy firms and support their internationalization endeavours, whereas pressure-sensitive (banks, insurance companies and lending institutions) actively dissuade the internationalization of emerging economy firms. *(For more information, please contact: Vidya Sukumara Panicker, Indian Institute of Management, Kozhikode, India: vidya.s.panicker@gmail.com)*

*Ownership Structure and Corporate Social Responsibility: Evidence from an Emerging Economy*

Sreevas Sahasranamam, University of Liverpool Management School

Mukesh Sud, Indian Institute of Management, Ahmedabad

Bindu Arya, University of Missouri-St. Louis

This study examines whether and how ownership structure affects community-related corporate social responsibility (CSR) in institutionally constrained emerging economies. We draw on institutional theory and agency theory arguments to examine the variations in motivation of different owners to pursue a socially responsible agenda. Based on a sample of Indian firms for the period 2008-2015, our empirical evidence shows that business group ownership and family ownership are beneficial for community-related CSR, whereas government ownership and family-owned business groups have a negative effect. We also find that community-related CSR has an advantageous influence on financial performance of the firm. This highlights the relevance

of specific ownership structures for community-related CSR in emerging economies. *(For more information, please contact: Sreevas Sahasranamam, University of Liverpool Management School, United Kingdom: mailsreevas@gmail.com)*

*Financial Globalisation, Twin Agency Cost and Corporate Investment*

Tiago Rodrigues Loncan, University of Strathclyde

David Hillier, University of Strathclyde

Krishna Paudyal, University of Strathclyde

The paper examines the effects of financial globalisation on corporate investment in developing countries. First, we theorise and develop our hypotheses exploiting a tension between two influential financial theories. Under the Neoclassical theory, financial globalisation stimulates investment as improved risk sharing between foreign and domestic investors lowers the cost of capital. Alternatively, the Twin Agency Costs theory advocates for adverse impacts of financial globalisation on investment, for opportunistic behaviours of corporate insiders and governments impose agency costs to foreign investors, interfering with risk sharing and hindering investment. Second, using data from 46 Emerging and Frontier Markets, we estimate regressions between investment and foreign portfolio ownership (financial globalisation), also testing whether ownership concentration and country's institutional quality moderate the effect of foreign ownership on investment. We find that foreign ownership stimulates investment, in line with the Neoclassical theory, with stronger effects for widely-held firms and firms located in countries with better institutional quality, in accordance with the Twin Agency Costs theory. This mixed evidence suggests the two theories complement one another. Our results point to a beneficial economic effect of financial globalisation, as we show that foreign equity capital plays an active role in financing investments in developing countries. *(For more information, please contact: Tiago Rodrigues Loncan, University of Strathclyde, United Kingdom: tiago.rodrigues-loncan@strath.ac.uk)*

*Legitimacy beyond Isomorphism and Transference: When the Liability of Foreignness Can Become a Source of Competitive Advantage?*

Paul Caussat, ESCP Europe

This paper aims to reconsider liability-based international business models in light of a multiple case study analysing a few foreign banks in India. We find that banks resort to legitimacy-seeking strategies in order to overcome the high liability of foreignness and enjoy their internalization advantage. Furthermore, this paper tentatively tries to operationalize the concept of legitimacy strategies in this very specific case, around three pillars: (1) an overall superior expertise (2) an overall strong global reputation, and (3) an acculturation strategy aiming at indianizing the local banking unit. Beyond isomorphism and transference extensively described in the literature, this paper suggests that legitimacy can be reached through recasting the identity of the firm, making and thereby reducing the foreignness surrounding the firm. *(For more information, please contact: Paul Caussat, ESCP Europe, France: paul.caussat@edu.escpeurope.eu)*

*Institutional Investment and Internationalization: Ownership and Board Characteristics as Moderators*

Vidya Sukumara Panicker, Indian Institute of Management, Kozhikode

Sumit Mitra, Indian Institute of Management, Kozhikode

Rajesh Srinivas Upadhyayula, Indian Institute of Management, Kozhikode

While studies suggest that emerging economy firms are ill equipped to internationalize, extant literature also shows that institutional investors as a group of owners can influence firm internationalization positively. We argue that owing to the unique institutional context of an emerging economy, corporate governance characteristics of a firm such as concentrated ownership and board characteristics would influence the interest of institutional investors on internationalization of a firm. Based on a large sample of Indian firms, we find that promoter shareholding (proxy for ownership concentration) and the presence of an institutional nominee member on board of directors positively moderate the relation between institutional investors and

internationalization whereas board independence is insignificant as a moderator. Our findings emphasize the influence of ownership and certain board characteristics on the preferences of institutional investors. *(For more information, please contact: Vidya Sukumara Panicker, Indian Institute of Management, Kozhikode, India: vidya.s.panicker@gmail.com)*

*Corporate Governance Transformation and Corporate Misconduct: The Case of Japan*

Hidetaka Aoki, Chuo University  
 Weichieh Su, National Chengchi University  
 Junichi Yamanoi, Waseda University  
 Eric W. K. Tsang, University of Texas at Dallas

The ongoing corporate governance transformation in Japan initiated by foreign institutional investors provides an interesting setting for studying how the stakeholder and the shareholder logics of corporate governance would affect the occurrence of corporate misconduct. In this study, we examine the effect of foreign ownership on the likelihood of corporate misconduct committed by managers based on a sample of 3,826 Japanese firms during the period of 2009-2013. Our results show that managerial ownership (under stakeholder logic) decreases whereas foreign ownership (under shareholder logic) increases the likelihood of misconduct. The adoption of stock options brings in strong shareholder logic and weakens the relationship between managerial ownership and misconduct. *(For more information, please contact: Weichieh Su, National Chengchi University, Taiwan: weichieh@nccu.edu.tw)*

*The Multi-factors Affecting Corporate Social Performance of Chinese Listed Companies: Evidence from a Panel Data of 2008-2012*

Jinmin Wang, University of Nottingham  
 Shuangqi Wu, University of Nottingham  
 Lina Song, University of Nottingham  
 Shujie Yao, University of Nottingham

While China is on its way towards a harmonious society, Corporate Social Responsibility (CSR) has become an essential concept adopted. This paper synthesizes institutional theory and corporate governance theory to develop a theoretical framework for a comprehensive understanding of CSR practices in China over the last decade. Based on a five-year panel dataset consisting of 2,340 observations, the empirical results strongly support the positive roles in which the institutions play in promoting CSR in China. With respect to ownership structure, the listed companies ultimately owned by central government are found to perform more socially responsible than those ultimately owned by the local government. Besides, the empirical results also indicate that the listed companies with different ownership structures, which have become more aware of the importance of CSR, require more CSR activities to be integrated into business strategies and operations. However, a positive relationship between company risks and CSR is surprisingly found. *(For more information, please contact: Jinmin Wang, University of Nottingham, United Kingdom: jinmin.wang@nottingham.ac.uk)*

*Can Firms Signal Their International Seasoned Equity Offerings?*

Stewart R. Miller, University of Texas - San Antonio  
 Lorraine Eden, Texas A&M University  
 Daniel Indro, Penn State University  
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 Bruce Rudy, University of Texas - San Antonio

This study examines how firms can signal their high quality even for actions that are generally viewed negatively. Using seasoned equity offerings of foreign firms as a context, our theoretical framework employs the notion of voluntary disclosure costs, which depend on scrutiny costs under different home- and host-market conditions, to explain how foreign issuing firms can emit no signal or a strong signal to host-market investors.

The results show that a single action (forgoing low home market uncertainty) emits a credible signal. Moreover, a dual action signal (forgoing low home market uncertainty and enduring high host-market uncertainty) intensifies that signal. Our study shows there are conditions where seasoned equity offerings can perform positively in the market even when generally viewed negatively. *(For more information, please contact: Stewart R. Miller, University of Texas - San Antonio, USA: [stewart.miller@utsa.edu](mailto:stewart.miller@utsa.edu))*

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**Session: 3.4.15 - Interactive**

**Track: 2 - Managing the value chain**

***Managing International Location Choice and Related Strategies***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Guus Hendriks, RSM Erasmus University

*The Impact of Institutional Distance and Host Country on Emerging Country Firms' Choice of Entry Modes*

Hanna Maria Dohlen Opsahl, Toulouse Business School and IAE Toulouse

Denis Lacoste, Toulouse Business School

This research aims to determine, in the context of emerging country firms, the impact of institutional distance and of the type of host country on the choice of entry modes in foreign markets. Drawing on a sample of 500 operations conducted abroad by Indian companies, we find that the institutional distance has no impact on the entry modes. In contrast, we show that these companies prefer acquisitions when they enter developed countries, but have no preference for a specific mode of entry when they choose to locate in other emerging countries. *(For more information, please contact: Hanna Maria Dohlen Opsahl, Toulouse Business School and IAE Toulouse, France: [hanna.dohlen-opsahl@tbs-education.fr](mailto:hanna.dohlen-opsahl@tbs-education.fr))*

*Capacity Expansion Alliance in Emerging Market: The Impact of Cultural Distance and Business-Group Affiliation on Project Duration and Failure Likelihood*

Karthik Dhandapani, IIM Tiruchirappalli

Somnath Lahiri, Illinois State University

Surender Munjal, University of Leeds

Despite growth in the international strategic alliance literature scholars have not focused much attention on MNE involvement in capacity expansion alliance projects in emerging markets. Using resource-based view of the firm and institutional perspective as theoretical foundations, we examine in this paper how cultural distance (CD) between MNE's home nation and host (emerging) country, and business-group (BG) affiliation of the host country partner influence duration and failure/completion of capacity expansion projects in a large emerging market: India. Our analysis of 120 projects suggests that CD and BG-affiliation (a) results in higher project duration, and (b) BG-affiliation, but not CD, lowers the likelihood of project failure. Analysis further suggests that BG-affiliation negatively moderates the relationship between CD and project duration. These findings are new to the literature. We conclude by discussing implications of the study and providing directions for future research. *(For more information, please contact: Somnath Lahiri, Illinois State University, USA: [slahiri@ilstu.edu](mailto:slahiri@ilstu.edu))*



*Why do Logistics Service Providers Keep Green Mindfulness? An Empirical Study in Taiwan And China*

Chieh-Yu Lin, Chang Jung Christian University

Yi-Hui Ho, Chang Jung Christian University

Integration of environmental concepts and business operations has become a fundamental part of business strategy. The main purpose of this study is to conduct an empirical study on exploring the reasons for keeping green mindfulness in logistics service providers in Taiwan and China. Green mindfulness is a way of working during environmental management marked by a focus on the present, attention to operational detail, willingness to consider alternative perspectives and an interest in investigating and understanding failures. Firms should keep mindfulness thinking while engaging in environmental management. Furthermore, most research of environmental management focused on manufacturing sectors. Less attention was paid to research in the service sectors. This study, therefore, focuses on the green mindfulness in logistics service providers because many logistics operations often lead to several environmental impacts. The reasons proposed in the study include economic reason and social reason. Research findings reveal that economic reason and social reason have different influences on organizational green mindfulness. Firm size and logistics service type would moderate the effects. This study can broaden the scope of research on environmental management and organizational mindfulness theory, and contribute to an insight into green mindfulness in the logistics industry. (For more information, please contact: Chieh-Yu Lin, Chang Jung Christian University, Taiwan: jylin@mail.cjcu.edu.tw)

*Crossing Regional Boundaries: World Cities as Springboards and Gateways for MNE Location Choices*

Joon Nak Choi, Hong Kong University of Science and Technology

Anran Li, Hong Kong University of Science and Technology

This study examines the roles played by world cities in the location decisions of multinational enterprises (MNEs) in the context of a semi-globalized world. The economic integration and interdependence of national markets is highest within regions, making cross-regional activities more difficult for MNEs to initiate and manage. We examine how MNEs extend their reach across regions using world cities, by examining the structural pattern of MNE headquarters-subsidiary affiliations worldwide and observing what roles world cities play in this structure. We use multidimensional scaling to investigate the structural pattern of subsidiary locations, and use factor analysis to identify the factors underlying how frequently specific cities play specific roles in this structure. Results show that world cities serve as springboards from which MNEs can expand into foreign regions from their home regions, and also gateways into foreign regions. By highlighting the roles of world cities in MNEs location choices, this study contributes to the literatures on location strategy and semi-globalization. (For more information, please contact: Anran Li, Hong Kong University of Science and Technology, Hong Kong, SAR-PRC: aliaj@connect.ust.hk)

*Which Customers do Firms Follow and How Closely?: Uncertainties in Global Supply Chains and Real Option Strategies in Location Choices*

Toshimitsu Ueta, NUS Business School

Previous studies demonstrate that firms are likely to co-locate with customers. Building on this finding as a baseline, this study extends our knowledge about firms' location choices in two ways. First, by distinguishing present and potential customers, I argue that while firms are attracted by both present and potential customers, they strategically change the balance between the two types of customers depending on conditions that they face. Second, by distinguishing customers' presence in host or target countries and in other nearby countries, I argue that while both loci of customers attract firms, the magnitudes of attractions differ depending on conditions that focal firms face. Adopting real option theory, I propose that when firms face uncertainty about future demand from customers, they are more attracted to potential customers. On the other hand, when firms face uncertainty about future location of customers, they are more attracted to customers in other nearby countries rather than in host or target country. Exploiting different business environments, three sets of hypotheses are presented, and empirically tested. This study is a significant contribution to researchers and

practitioners as it identifies a new set of strategic factors about location choice in building global supply chains. (For more information, please contact: Toshimitsu Ueta, NUS Business School, Singapore: [toshimitsu.ueta@u.nus.edu](mailto:toshimitsu.ueta@u.nus.edu))

*The Global Recession and the Shift to Re-shoring: Myth or Reality?*

Yama Temouri, Aston University  
Nigel Driffield, Warwick Business School  
Agelos Delis, Aston University

Despite the high degree of attention that re-shoring has recently attracted in the media, we lack detailed understanding of the drivers of such an important strategic change by a multinational enterprise (MNE). We offer the first large-scale analysis of the determinants of re-shoring activity, based on 3,683 MNEs from 14 developed countries investing in 66 host countries over the period 2006-2013. Our results suggest that increased re-shoring was triggered by the downturn in the West resulting from the recent global financial crisis. (For more information, please contact: Yama Temouri, Aston University, United Kingdom: [y.temouri1@aston.ac.uk](mailto:y.temouri1@aston.ac.uk))

*Socially Responsible Supplier Selection and Management in the UAE Entrepreneurial Firms*

Fauzia Jabeen, Abu Dhabi University  
Mohd Nishat Faisal, Qatar University

The issue of corporate social responsibility is of growing importance in the global community. The present study will explore and analyze the adoption of socially responsible practices across supply chains of entrepreneurial firms. It would study the socially responsible supply chain management practices in entrepreneurial firms, and will develop a quantitative model for supplier selection for entrepreneurial firms with socially responsible dimensions as major criterion. A two method approach combined with multiple case studies and surveys, multi-criteria decision model for supplier selection considering social responsibility will be used. The study will help UAE entrepreneurial firms in general and Abu Dhabi firms in particular to consider implementing formalized selection strategies to differentiate between potential suppliers. The study will guide the potential suppliers to re-examine their corporate practices and align them with increasingly more stringent and specific demands by entrepreneurial firms. (For more information, please contact: Fauzia Jabeen, Abu Dhabi University, United Arab Emirates: [fauzia.jabeen@adu.ac.ae](mailto:fauzia.jabeen@adu.ac.ae))

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**Session: 3.4.17 - Developmental Clinics**  
**Track: 3 - Marketing and consumer research**

***Human Resource Management Clinic A***

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Dan V. Caprar, University of Sydney

*An Equity Theory Approach of Income Satisfaction: A Comparison Analysis of Supervisor and Subordinate Values and Cultures*

Ramazan Arikan, Ozyegin University  
Mehmet Genc, Ozyegin University

The study compares supervisors and subordinates from Turkey, a culture high on collectivism, with the ones from the United States, a culture high on individualism in respects to their self-transcendence values, self-enhancement values, income equality views and income satisfaction. It suggests a structural equation model regarding the associations of the values, views and income satisfaction drawing from the equity theory. The results highlight some differences as well as similarities between the two cultures amongst supervisors and subordinates with differing values. Employees holding conflicting values with their culture display signs of dissatisfaction. *(For more information, please contact: Ramazan Arikan, Ozyegin University, Turkey: ramazan.arikan@ozu.edu.tr)*

*Cultural Intelligence Research: A Bibliometric Meta-Analysis*

Erik Lankut, University of Agder  
Nooria Yari, University of Agder

The purpose of this study was to explore the research on Cultural intelligence through a bibliometric citation meta-analysis. The sample data was extracted from ISI Web of Science database. The literature review includes 361 papers by 812 authors in 181 Journals within the fields of management, cross-cultural theories and cultural intelligence theory. The meta-analysis is done by using both citation applications called HistCite and Vosviewer, with results strengthening both citation tools. *(For more information, please contact: Erik Lankut, University of Agder, Norway: erikla11@uia.no)*

*What Factors Make Cultural Intelligence More Important?*

Kowoon Kim, Florida International University

The concept of cultural intelligence, since it was first introduced by Earley and Ang in 2003, has provoked wide-ranging discussion and led to a number of noteworthy studies. The majority of empirical studies have examined the main effect of cultural intelligence on job performance, while little attention has been paid to possible interaction effects of either mediating or moderating factors on cultural intelligence-performance relationships. Based on the four-fold typology of multinational corporations and the logic of institutional distance, this study explicitly analyzes the effect of both the strength of local responsiveness pressure within the MNCs and institutional distances between home and host countries in moderating the relationship between cultural intelligence and performance outcomes. Theoretical contributions and practical implications are discussed. *(For more information, please contact: Kowoon Kim, Florida International University, USA: kkim021@fiu.edu)*

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**Marketing and Consumer Research Clinic B**

**Presented On:** July 5, 2017 - 14:30-15:45

Chair: Dirk Morschett, University of Fribourg

*The Impact of Cross National Variation in Culture on Consumers' Retail Channel Adoption in a Multichannel Environment: A Study of Nine Asia-Pacific Countries*

Chinmay Pattnaik, University of Sydney

Qiang (Steven) Lu, University of Sydney

Junji Xiao, Chinese University of Hong Kong

Ranjit Voola, University of Sydney

This study examines the impact of cross national variation in culture on the adoption of retail channels in multichannel environment in nine Asia Pacific countries. In contrast to prior literature which examines the intention to purchase through online channels, we study the actual purchase decisions by comparing online and offline channels. We adopt Hofstede (2001)'s five cultural dimensions (i.e. power distance, uncertainty avoidance, individualism/ collectivism, masculinity/ femininity and long vs. short term orientation) to examine the online vs. offline retail channel selection. Empirical findings suggest that countries with high power distance and long term orientation are less likely and countries with high individualism and high masculinity are more likely to adopt online channels over offline channels. The finding of the study has significant implications for designing multichannel strategy in general and in the Asia Pacific region in particular. *(For more information, please contact: Chinmay Pattnaik, University of Sydney, Australia: chinmay.pattnaik@sydney.edu.au)*

*An Analysis of Market and Product Diversification of India's Exports*

Rashmi Taneja, Indian Institute of Foreign Trade

Rakesh Mohan Joshi, Indian Institute of Foreign Trade

No abstract available. *(For more information, please contact: Rashmi Taneja, Indian Institute of Foreign Trade, India: rashmi4.iift@gmail.com)*

*The Dynamic Role of Entrepreneurial Marketing Orientation in the Direct Sellers' Entrepreneurial Process*

Wen-Chiung Chou, Kainan University

Yi-Fang Chiang, Feng Chia University

Ying-Yu (Kerri) Chen, National Dong Hwa University

This research explores the entrepreneurial process of direct sellers. We adapt the "entrepreneurial marketing orientation" perspective including the customer orientation, entrepreneurial orientation and innovation orientation to examine the potential interaction and influence related to these three components in the start-up, growth, and mature stage in the entrepreneurial process. We take the direct sellers as our research objectives and view them as individual entrepreneurs who have limited resource and even have no employees. The direct selling industry in 2014, the output value in whole industry is nearly 182.8 billion US dollars (World Association of Direct Selling Associations and more than 216 million direct sales people engage in this industry (World Federation of Direct Selling Association, WFDSA, 2016). In Taiwan, the value is up to 2.5 billion US dollars. According to the WFDSA, Taiwan is not only the world 12th largest market, but also an important market base to enter other Chinese market (i.e. China and Singapore). This study will introduce the development of direct selling industry and then review the evolution of entrepreneurial-related research in recent years, focusing on the differences between entrepreneurial marketing and traditional marketing. We use the qualitative research methods, such as individual interviews, focus group, and field investigation in two direct selling companies to obtain the entrepreneurial story of the direct sellers. The results show that, these three strategic orientation

play different roles to achieve different mission and goal in each stage.. In addition to the synergy existed in these three orientations, we further find the driving factor to urge the direct sellers to keep improving. Finally, according to the research results, this paper puts forward some conclusions and suggestions. *(For more information, please contact: Wen-Chiung Chou, Kainan University, Taiwan: chowwc@mail.knu.edu.tw)*

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Batjargal, Bat; Nottingham University Business School China, China: 1.3.9  
Batsakis, Georgios; Brunel University London, United Kingdom: 2.5.15, 3.3.15  
Batton, Nadine; Trier University, Germany: 2.4.8  
Bauer, Brittney Charmae; Saint Louis University, USA: 1.1.15  
Baumann, Chris; Macquarie University, Australia: 1.1.4  
Bayraktar, Erkan; American University of the Middle East, Kuwait: 2.4.15  
Bayraktar, Secil; Ozyegin University, Turkey: 1.3.3, 3.4.3  
Beamish, Paul; Ivey Business School, Canada: 0.8, 1.2.14, 1.4.6, 1.5.10, 1.6, 2.3.1, 3.1.15  
Bebenroth, Ralf; Kobe University, Japan: 1.1.5  
Becerra, Enrique P.; Texas State University, USA: 2.4.8  
Bello, Daniel; Georgia State University, USA: 3.4.2  
Belussi, Fiorenza; University of Padova, Italy: 1.3.12  
Bendickson, Joshua S.; University of Louisiana at Lafayette, USA: 3.4.12  
Benischke, Mirko; Erasmus University, Netherlands: 1.2.14, 2.3.17  
Bento, João Paulo; University of Aveiro, Portugal: 1.4.16  
Berens, Guido; Erasmus University Rotterdam, Netherlands: 3.1.14  
Berg, David M; Hamline University, USA: 2.5.7  
Berger, Allen; University of South Carolina, USA: 1.1.9  
Berger, Ron; College of Law & Business, Israel: 2.4.15  
Bertolotti, Fabiola; University of Modena and Reggio Emilia, Italy: 2.4.10  
Bertrand, Olivier; SKEMA Business School, France: 1.4.17  
Beugelsdijk, Sjoerd; University of Groningen, Netherlands: 1.3.12, 2.5.2  
Bhanugopan, Ramudu; Charles Sturt University, Australia: 2.1.13  
Bice, Matthew R.; University of Nebraska Kearney, USA: 2.1.11  
Bickford, Nate A; University of Nebraska Kearney, USA: 2.1.11  
Bickford, Sonja Helena; University of Nebraska Kearney, USA: 2.1.11  
Bingham, John; Brigham Young University, USA: 3.2.13  
Bird, Allan; Northeastern University, USA: 0.2, 1.3.4, 3.2.13, 3.3.9  
Birkinshaw, Julian; London Business School, United Kingdom: 0.2, 0.3, 1.05, 1.3.5, 1.4.4, 1.5.14  
Birnik, Andreas; CreoPop, Singapore: 1.5.13  
Birtch, Thomas A.; University of Nottingham, Ningbo, China: 1.5.12  
Boari, Cristina; University of Bologna, Italy: 2.4.10  
Boaventura, João Maurício Gama; Universidade de São Paulo, Brazil: 1.5.7  
Boddewyn, Jean; Baruch CUNY, USA: 1.4.9, 2.1.1  
Boehe, Dirk Michael; University of Adelaide, Australia: 2.5.12  
Bolwijn, Richard; UNCTAD, Switzerland: 1.4.2, 2.5.3  
Bonache, Jaime; Universidad Carlos III de Madrid, Spain: 1.3.16  
Bonfim, Leandro Rodrigo Canto; Federal University of Paraná, Brazil: 3.4.11  
Borda, Armando; ESAN University, Peru: 3.1.2  
Borg, Erik A.; Sodertorn University, Sweden: 1.1.9  
Borini, Felipe Mendes; University of São Paulo; ESPM, Brazil: 1.1.15  
Botella-Andreu, Ana; Universitat de Valencia, Spain: 1.3.5  
Boubakri, Narjess; American University of Sharjah, United Arab Emirates: 2.5.9, 3.4.14  
Boussebaa, Mehdi; University of Glasgow, United Kingdom: 1.4.17, 2.5.13  
Boustanifar, Hamid; BI Norwegian Business School, Norway: 3.4.11  
Boyacigiller, Nakiye; Sabanci University, Turkey: 0.3, 0.4, 1.2.4, 1.4.3, 1.6, 2.05, 2.1.5, 2.3.1  
Brachle, Ben J.; University of Nebraska Kearney, USA: 2.1.11  
Brammer, Steve; Univeristy of Birmingham, United Kingdom: 3.2.2  
Branco, Manuel Castelo; University of Porto, Portugal: 2.3.12  
Brandl, Kristin; University of Reading, United Kingdom: 2.1.12, 2.4.3

Brewer, Paul; University of Queensland Business School, Australia: 3.1.6  
 Brewster, Chris; University of Vaasa, United Kingdom: 2.3.10, 3.4.7  
 Breznitz, Dan; University of Toronto, Canada: 1.3.12  
 Brighi, Carlo; University of Victoria, Canada: 1.4.17  
 Brown, Tashauna; Saint Petersburg State University, Russia: 2.1.13  
 Bruyaka, Olga; West Virginia University, USA: 3.1.4  
 Bu, Juan; University of Miami, USA: 3.3.15  
 Buck, Trevor; Glasgow University, United Kingdom: 2.1.9  
 Buckley, Peter; University of Leeds, United Kingdom: 1.2.2, 1.4.4, 1.6, 2.4.5, 3.3.1  
 Budde-Sung, Amanda E.K.; University of Sydney, Australia: 1.2.6, 1.4.3, 2.4.14  
 Budhwar, Pawan S.; Aston University, United Kingdom: 2.4.3, 2.5.13  
 Budryk, Michal; Uppsala University, Sweden: 3.1.12  
 Bueechl, Joerg; Tuebingen University, Germany: 1.1.5  
 Buono, Anthony; Bentley University, USA: 1.4.16  
 Burger, Martijn; Erasmus School of Economics, Netherlands: 1.4.9  
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## C

Cai, Helen (Huifen); Middlesex University London, United Kingdom: 2.1.12  
 Caloffi, Annalisa; University of Padova, Italy: 1.3.12  
 Cano-Kollmann, Marcelo; Ohio University, USA: 1.1.12, 3.4.12  
 Cantwell, John; Rutgers University, USA: 1.05, 1.1.1, 1.3.12, 2.1.8, 3.3.5  
 Caprar, Dan V.; The University of Sydney, Australia: 2.5.5, 3.4.17  
 Carneiro, Jorge; FGV Sao Paulo School of Business Administration, Brazil: 2.3.6, 2.4.11, 3.4.5  
 Caroli, Matteo Giuliano; Luiss Guido Carli University, Italy: 2.4.14  
 Carraher, Shawn M.; University of Texas at Dallas, USA: 1.1.3  
 Carvalhal, Andre; Brazilian Development Bank, Brazil: 2.1.15  
 Casson, Mark; The University of Reading, United Kingdom: 1.3.14  
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 Cathro, Virginia Ilene; University of Otago, New Zealand: 3.1.13  
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 Celso, Sokol; Suffolk University, USA: 1.3.11, 2.1.10, 3.2.11  
 Cerdin, Jean-Luc; ESSEC Business School, France: 2.3.13  
 Chabowski, Brian R.; University of Tulsa, USA: 1.3.7  
 Chacar, Aya; Florida International University, USA: 0.4, 1.3.17, 3.2.11  
 Chadee, Doren; Deakin University, Australia: 2.1.13, 3.1.15  
 Chakrabarty, Subrata; University of Texas - El Paso, USA: 1.4.12, 2.4.8, 3.2.12  
 Chakravarty, Dwarka; Western University, Canada: 1.1.7  
 Chan, Christine M.K.; University of Hong Kong, Hong Kong, SAR-PRC: 0.4, 1.3.12, 3.1.15  
 Chang, Chin-Wen; National Taiwan University, Taiwan: 3.2.12  
 Chang, Hsing-Hua; National Sun Yat-Sen University, Taiwan: 3.2.12  
 Chang, Hung-Wei; National Chung Hsing University, Taiwan: 2.1.7  
 Chang, Sheng-Hsiung; Tamkang University, Taiwan: 2.1.11  
 Chang, Xiaoran; Zhejiang University, China: 3.4.2  
 Chapa, Sindy; Florida State University, USA: 2.4.8  
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 Chatzopoulou, Erifilli; Athens University of Economics & Business, Greece: 1.5.14  
 Chaudhry, Peggy; Villanova School of Business, USA: 3.2.5  
 Chaudhuri, Kaushik; Shiv Nadar University, India: 1.1.13  
 Chebaro, Bilal; Lebanese University, Lebanon: 2.3.17  
 Chebbi, Hela; EDC Paris Business School, France: 2.5.13  
 Chelliah, Shankar; Universiti Sains Malaysia, Malaysia: 1.5.13  
 Chen, Aizhen; Xiamen University, China: 2.4.11

Chen, Homin; National Taiwan University, Taiwan: 1.5.14  
 Chen, Liang; University of Sussex, United Kingdom: 1.3.6  
 Chen, Shih-Fen S.; Ivey Business School, Canada: 1.3.7, 1.4.15  
 Chen, Shouming; Tongji Univeristy, China: 2.5.14  
 Chen, Stephen; University of Newcastle, Australia: 1.4.12  
 Chen, Tao; Open University of Hong Kong, Hong Kong, SAR-PRC: 3.2.14  
 Chen, Taotao; Tsinghua University, China: 1.4.9  
 Chen, Victor Zitian; University of North Carolina at Charlotte, USA: 1.5.15, 2.5.9  
 Chen, Xiao; Tsinghua University, China: 1.4.9  
 Chen, Xiaoyun; University of Macau, Macau: 1.5.5  
 Chen, Ying-Yu (Kerri); National Dong Hwa University, Taiwan: 3.1.15, 3.4.17  
 Chen, Yin-Ru; National Taiwan University, Taiwan: 1.5.14  
 Chen, Zhou; University of Hawaii at Manoa, USA: 2.3.7  
 Chen, Ziyi; Tsinghua University, China: 1.3.7  
 Cheng, Cong; Zhejiang University of Technology, China: 3.4.12  
 Cheng, Hsianglin; National Chung Cheng University, Taiwan: 1.4.8  
 Cheng, Joseph; George Washington University, USA: 0.3, 1.4.4  
 Cheng, Zheng; University of Wisconsin Milwaukee, USA: 1.4.5  
 Cherry, Michael; Macquarie University, Australia: 1.1.4  
 Chetty, Sylvie; Otago University, New Zealand: 2.3.11  
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 Chi, Tailan; University of Kansas, USA: 1.4.5, 2.4.2  
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 Chiang, Yi-Fang; Feng Chia University, Taiwan: 3.1.15, 3.4.17  
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 Chidlow, Agnieszka; The University of Birmingham, United Kingdom: 1.1.17, 3.1.17, 3.2.12  
 Chikhouni, Abdulrahman; Mount Royal University, Canada: 1.4.17  
 Child, John; Universities of Birmingham and Plymouth, United Kingdom; Sun Yat-sen University, China: 2.5.6  
 Chiloane-Tsoka, Germinah; University of South Africa, South Africa: 1.1.7  
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 Chiu, Candy H.Y.; National Chengchi University, Taiwan: 1.4.11  
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 Chizema, Amon; Birmingham Business School, United Kingdom: 3.3.17  
 Cho, Se Ho; Rutgers University, USA: 2.3.17, 3.3.12  
 Cho, Stella; United International College, China: 2.5.7  
 Choe, Soonkyoo; Yonsei University, Korea, South: 2.4.14  
 Choi, Byungchul; University of Nottingham Ningbo China, China: 1.3.17  
 Choi, Jongmoo Jay; Temple University, USA: 2.4.6  
 Choi, Joon Nak; Hong Kong University of Science and Technology, Hong Kong, SAR-PRC: 3.4.15  
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 Choquette, Eliane; University of Aarhus, Denmark: 1.3.12  
 Chou, Ching- Hsien; Tamkang University, Taiwan: 2.1.11  
 Chou, Wen-Ching Sophia; National Chengchi University, Taiwan: 1.3.17, 1.4.17  
 Chou, Wen-Chiung; Kainan University, Taiwan: 3.1.15, 3.4.17  
 Chuang, Cheng-Min; National Taiwan University, Taiwan: 2.4.12  
 Chung, Hsi-Mei; I-Shou University, Taiwan: 2.1.6  
 Ciravegna, Luciano; University of London, United Kingdom: 1.2.7, 1.5.7, 2.1.3, 2.4.13  
 Cirjevskis, Andrejs; RISEBA University of Business, Arts and Technology, Latvia: 3.3.17  
 Clampit, Jack A.; University of Alabama, USA: 1.5.6  
 Clancy, Johanna; National University of Ireland, Galway, Ireland: 2.5.12  
 Clegg, Jeremy; University of Leeds, United Kingdom: 1.4.17, 2.1.6, 2.4.1, 3.3.1, 3.4.5  
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 Coelho, Diego Bonaldo; ESPM, Brazil: 1.2.15  
 Collins, J. Markham; University of Tulsa, USA: 2.1.12

Collinson, Simon; University of Birmingham, United Kingdom: 1.1.12, 2.1.1, 3.3.12  
Corner, Alexander James; Georgia State University, USA: 3.2.13  
Cosset, Jean-Claude; HEC Montreal, Canada: 2.5.9  
Crescitelli, Edson; University of São Paulo, Brazil: 1.1.15  
Crews, Marcus; Rutgers Business School, USA: 1.2.15  
Cross, Adam; Xi'an Jiaotong-Liverpool University, China: 3.2.5, 3.3.1  
Croucher, Richard; Middlesex University, United Kingdom: 2.1.12  
Cuervo-Cazurra, Alvaro; Northeastern University, USA: 0.3, 0.4, 1.2.3, 2.4.2, 3.05, 3.1.2, 3.4.1  
Cui, Lin; Australian National University, Australia: 2.1.14  
Cui, Victor; University of Manitoba, Canada: 2.4.13  
Cuypers, Ilya; Singapore Management University, Singapore: 0.3, 2.5.2  
Czychon, Christoph; University of Bamberg, Germany: 3.3.14

## D

D'Angelo, Alfredo; Università cattolica di Milano, Italy: 2.1.9  
da Silva Lopes, Teresa; University of York, United Kingdom: 1.1.8, 1.3.14  
Dabic, Marina; Nottingham Trent University / University of Zagreb, Croatia: 2.4.12  
Dadzie, Samuel Bucklock Ato; Ghana Institute of Management and Public Administration, Ghana: 3.3.15  
Dahms, Sven; I-Shou University, Taiwan: 2.1.6  
Dakhli, Mourad; Georgia State University, USA: 1.3.13  
Dalashi, Gulnazi; Peking University, China: 1.3.15  
Daminova, Nurgul; Kyrgyz State National University, Kyrgyzstan: 1.3.11  
Dana, Léo-Paul; Montpellier Business School, New Zealand: 2.1.5  
Dandu, Jagadish; Zayed University, United Arab Emirates: 1.1.14  
Dang, Thao Quyen; University of Technology Sydney, Australia: 3.4.13  
Daniel, Shirley J.; University of Hawaii at Manoa, USA: 2.3.7  
Daniels, John; University of Miami, USA: 2.2  
Danis, Wade; University of Victoria, Canada: 2.3.8, 2.5.14  
Darendeli, Izzet Sidki; California State University, East Bay, USA: 1.2.11  
Das, Shobha Sasidharan; Qatar University, Qatar: 1.4.17  
Daspit, Joshua; Mississippi State University, USA: 3.3.11  
Dastmalchian, Ali; Simon Fraser University, Canada: 3.4.3  
Dau, Luis Alfonso; Northeastern University, USA: 0.2, 1.4.6, 3.1.12, 3.4.9  
Davidkov, Tzvetan; Sofia University, Bulgaria: 2.3.11  
Davies, Samuel Edward; University of Goettingen, Germany: 2.4.9  
Davis, Edward; University of Sydney, Australia: 1.1.4  
De Beule, Filip; KU Leuven University, Belgium: 1.4.8, 2.3.9  
De Castro, Julio; IE Business School, Spain: 3.3.3  
de Góes, Bruno Barreto; Temple University, USA: 2.4.13, 3.1.12  
De Mattos, Claudio; University of Manchester, United Kingdom: 1.2.13  
de Sousa, Ellen Campos; Florida International University, USA: 2.4.13  
de Vasconcellos, Silvio Luis; UNIVALI - Universidade do Vale do Itajaí, Brazil: 3.2.7  
De Villa, María A.; EAFIT University, Colombia: 2.4.14  
de Vries, Gaaitzen; University of Groningen, Netherlands: 1.2.2  
Debrah, Yaw A.; Swansea University, United Kingdom: 2.5.4, 3.2.4  
Dedzo, Believe Quarqoo; University of Ghana, Ghana: 1.3.15  
Delgado-Rodriguez, María Jesús; Universidad Rey Juan Carlos, Spain: 2.1.14  
Delios, Andrew; National University of Singapore, Singapore: 1.4.1, 3.2.17  
Delis, Agelos; Aston University, United Kingdom: 3.4.15  
Dellestrand, Henrik; Uppsala University, Sweden: 1.5.14  
Delpechitre, Duleep; Illinois State University, USA: 1.3.13  
Demirbag, Mehmet; University of Essex, United Kingdom: 1.1.12, 1.2.3, 2.5.11, 3.4.7  
Dencker, John; Northeastern University, USA: 2.3.17, 2.4.6  
Deng, Shu; Fudan University, China: 3.4.4

Deng, Xinming; Wuhan University, China: 2.1.14  
Deng, Ziliang; Renmin University of China, China: 1.5.15, 3.2.9, 3.3.5  
Dewit, Gerda; Maynooth University, Ireland: 1.2.8  
Dhanaraj, Charles; Temple University, USA: 0.3, 1.4.5, 2.5.14  
Dhandapani, Karthik; IIM Tiruchirappalli, India: 1.4.14, 3.4.15  
Dhlamini, Siphwiwe; University of South Africa, South Africa: 1.1.7  
Dike, Max (Marcellinus); Aalto University School of Business, Finland: 3.3.17  
Dimitratos, Pavlos; University of Glasgow, United Kingdom: 1.3.9, 1.5.14, 2.1.3, 2.4.15  
Dimitrova, Anna; ESSCA School of Management, France: 3.1.7, 3.3.15  
Dimitrova, Mihaela; Oakland University, USA: 1.3.3  
Dindial, Miguel; University of Leeds, United Kingdom: 1.4.12  
Ding, Haoyuan; Shanghai University of Finance and Economics (SUFU), China: 2.4.10  
Dixit, Deepika; Indian Institute of Management, Kozhikode, India: 1.4.11  
Doh, Jonathan; Villanova University, USA: 1.3.4, 1.5.3, 3.05, 3.2.2  
Dominguez, Noémie; IAE Lyon, Jean Moulin Lyon University, France: 1.4.7  
Donnelly, Róisín; Bentley University, USA: 1.4.16  
Dow, Douglas; University of Melbourne, Australia: 1.1.17, 3.3.11, 3.4.9  
Drape, Thomas Gene; Embry Riddle Aeronautical University, USA: 1.3.17  
Driffield, Nigel; Warwick Business School, United Kingdom: 3.4.15  
Du, Jian; Zhejiang University, China: 3.4.2  
Dussauge, Pierre; HEC Paris, France: 2.3.14

## E

Ebisuya, Azusa; Osaka University, Japan: 3.2.6  
Edelman, Linda; Bentley University, USA: 1.4.16  
Eden, Lorraine; Texas A&M University, USA: 0.2, 1.4.3, 1.5.1, 2.3.4, 3.4.14  
Eduardsen, Jonas Strømfeldt; Aalborg University, Denmark: 3.4.11  
Edwards, Deborah; University of Technology Sydney, Australia: 1.3.15  
Edwards, Ron; Asia Pacific University, Malaysia: 3.3.13  
Eghbali-Zarch, Majid; Memorial University of Newfoundland, Canada: 1.3.14, 1.5.9  
Egu, Mathew; University of South Africa, South Africa: 1.1.7, 1.4.16  
Eiadat, Yousef; University College Dublin, Ireland: 1.2.14  
El Ghoul, Sadok; University of Alberta, Canada: 1.2.8  
Elahee, Mohammad N.; Quinnipiac University, USA: 3.3.8  
Elango, B.; Illinois State University, USA: 1.4.14, 3.4.6  
Elbanna, Said; Qatar University, USA: 2.5.6  
Elg, Ulf; Lund University, Sweden: 3.2.12  
Elia, Stefano; Politecnico di Milano, Italy: 3.3.6  
El-Mahdi, Zainab Elnaeem; Qatar University, Qatar: 1.4.17  
Elo, Maria; University of Turku, Finland: 1.1.6, 1.4.11  
Enderwick, Peter; Auckland University of Technology, New Zealand: 1.4.12, 3.2.3  
Engwall, Lars; Uppsala University, Sweden: 2.4.11  
Erkan, Asligul; Buena Vista University, USA: 2.3.17  
Ermolaeva, Liubov; Saint Petersburg State University, Russia: 1.3.6  
Ertug, Gokhan; Singapore Management University, Singapore: 2.1.2, 2.5.2, 3.3.13  
Esteban-Jardim, Paula; IBMEC and Universidade Federal Fluminense, Brazil: 1.1.12  
Evans, Joel; Alfaisal University, Saudi Arabia: 3.2.13  
Evenett, Simon; Universität St. Gallen, Switzerland: 2.3.2, 2.4.1

## F

Fabian, Frances; The University of Memphis, USA: 3.2.11  
Fainshmidt, Stav; Florida International University, USA: 0.1  
Faisal, Mohd Nishat; Qatar University, United Arab Emirates: 3.4.15  
Fakhoury, Rania; Lebanese University / UNDP, Lebanon: 1.3.13, 2.3.17



Fan, Di; Curtin University, Australia: 2.1.14, 2.5.13, 3.1.6  
Fang, Tony; Stockholm University, Sweden: 1.1.4, 2.4.4  
Farah, Bassam; American University of Beirut, Lebanon: 1.4.6  
Fariborzi, Hadi; University of Calgary, Canada: 1.5.11, 3.4.5  
Fassio, Claudio; Lund University, Sweden: 3.2.7  
Fazel, Hesham; University of Bisha, Saudi Arabia: 3.1.14  
Feldman, Guilherme; Pontifical Catholic University of Rio de Janeiro (PUC-Rio), Brazil: 2.3.6  
Feng, Dong; Old Dominion University, USA: 1.2.14  
Feng, Youngchun; Tianjin University of Finance and Economics, China: 3.2.7, 3.4.12  
Fernández Castro, Alejandro M.; CESUGA, Spain: 1.2.14  
Fernhaber, Stephanie A.; Butler University, USA: 3.1.5  
Festing, Marion; ESCP Europe Business School, Germany: 2.3.7  
Fey, Carl F.; Aalto University School of Business and Chinese University of Hong Kong, USA: 0.4, 1.4.8, 3.4.12  
Figueira de Lemos, Francisco; Uppsala University, Sweden: 1.4.6, 3.2.15  
Filatotchev, Igor; City University London, United Kingdom: 2.4.2, 2.5.11, 3.2.14, 3.4.6  
Fitzsimmons, Stacey R.; University of Victoria, Canada: 2.5.14, 3.3.13  
Fleischmann, Carolin; University of Bamberg, Germany: 3.3.14  
Fletcher-Brown, Judith; University of Portsmouth, United Kingdom: 2.5.15  
Fleury, Afonso; University of São Paulo, Brazil: 1.4.9, 1.5.7, 2.1.11  
Fleury, Maria Tereza; Fundacao Getulio Vargas, Brazil: 0.4, 1.3.14, 1.4.9  
Flores, Ricardo; Victoria University, Australia: 3.1.7  
Floriani, Dinorá Eliete; Universidade do Vale do Itajaí, UNIVALI, Brazil: 1.1.14  
Fodchuk, Katherine; Advanced Learning Partnerships, USA: 3.4.13  
Fong, Cher-Min; National Sun Yat-Sen University, Taiwan: 3.2.12  
Forlani, Emanuele; University of Pavia, Italy: 2.1.9  
Forsgren, Mats; Uppsala University, Sweden: 2.1.11  
Forza, Cipriano; University of Padova, Italy: 3.4.5  
Franke, George R.; University of Alabama, USA: 1.5.6  
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Fu, Limin; University of Adelaide, Australia: 2.5.12  
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## G

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Gabrielsson, Peter; University of Vaasa, Finland: 1.5.11  
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Gajewska De Mattos, Hanna; University of Leeds, United Kingdom: 2.5.5  
Gamso, Jonas; Arizona State University, USA: 1.1.2  
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Ganotakis, Panagiotis; University of Wollongong in Dubai, United Arab Emirates: 2.3.9, 3.3.15  
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Gardberg, Naomi A.; Baruch College, CUNY, USA: 3.1.11  
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Gaur, Sanjaya Singh; Sunway University, Malaysia: 1.4.12  
Geleilate, José Mauricio; University of Massachusetts, Lowell, USA: 2.4.13



Gelfand, Michele J.; University of Maryland, USA: 1.5.5  
Gellatly, Ian; University of Alberta, Canada: 3.3.13  
Genc, Mehmet; Ozyegin University, Turkey: 3.4.17  
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Gerschewski, Stephan; Hannam University, Korea, South: 3.3.4  
Ghandour, Fadi; Aramex / Wamda Capital, United Arab Emirates: 0.8, 1.3.1  
Ghuri, Pervez N; University of Birmingham, United Kingdom: 0.3, 2.3.3, 3.2.12  
Ghorbani, Majid; Renmin University of China, China: 1.4.7  
Ghulyani, Swati; Indian Institute of Management, Indore, India: 1.1.13  
Giachetti, Claudio; Ca' Foscari University of Venice, Italy: 2.1.6, 3.4.6  
Giblin, Majella; National University of Ireland, Galway, Ireland: 2.5.12  
Gibson, Cristina; University of Western Australia, Australia: 1.1.5, 3.3.13  
Gil del Alcazar, Maria; University of North Carolina at Greensboro, USA: 1.1.13  
Gilani, Faisal; Gavi, The Vaccine Alliance, Switzerland: 1.3.1  
Gilbert, Dirk Ulrich; Universitaet Hamburg, Germany: 3.2.15  
Gillmore, Edward; Mälardalen University, Sweden: 1.3.14  
Giraldi, Janaina; University of São Paulo, Brazil: 1.1.15  
Girod, Stephane; IMD, Switzerland: 1.5.8  
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Goll, Irene; University of Scranton, USA: 2.3.15  
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Gonzalez-Perez, Maria Alejandra; Universidad EAFIT, Colombia: 0.5, 1.2.3, 2.5.14, 3.2.13  
Goodell, John W.; University of Akron, USA: 2.5.9, 3.2.14  
Gopinath, C; Suffolk University, USA: 1.2.13  
Gorgijevski, Alexander; Uppsala University, Sweden: 1.5.14  
Gori, Francesca; Accenture, United Arab Emirates: 1.5.2  
Gorynia, Marian; Poznan University of Economics and Business, Poland: 2.5.8  
Goto, Nobuhiko; Monash University, Japan: 1.2.13  
Goyal, Abhinav; University of Liverpool, United Kingdom: 2.5.9, 3.2.14  
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Gu, Jinlong; University of Sussex, United Kingdom: 3.3.6  
Gu, Qian; Georgia State University, USA: 3.3.7  
Gubbi, Sathyajit; University of Groningen, Netherlands: 1.4.14, 1.5.10  
Guedhami, Omrane; University of South Carolina, USA: 1.2.8  
Gugler, Philippe; University of Fribourg, Switzerland: 1.1.1  
Guilotin, Bertrand; Temple University, USA: 1.3.4  
Guldiken, Orhun; Manhattan College, USA: 1.2.14, 2.3.17  
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Guo, Ying; Xi'an Jiaotong-Liverpool University, China: 1.4.13  
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## H

Haakonsson, Stine Jessen; Copenhagen Business School, Denmark: 1.3.12  
Haak-Saheem, Washika; Dubai Business School, United Arab Emirates: 1.3.16, 1.4.13

Haddad, Widad; Emerson Automation Solutions, United Arab Emirates: 1.5.2  
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Hagen, James M.; Hamline University, USA: 2.5.7  
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Hannibal, Martin; University of Southern Denmark, Denmark: 2.5.11  
Hao, Jianchao; Fudan University, China: 2.5.14  
Harris, Deborah; Boeing, United Arab Emirates: 1.5.2  
Harvey, Steve; American University of Beirut, Lebanon: 0.4  
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Hoekman, Bernard; European University Institute, Italy: 2.2, 2.3.2, 2.4.1  
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Hong, Sungjin J.; Yeungnam University, Korea, South: 3.2.15  
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## I

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## J

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Jiang, Crystal; Bryant University, USA: 3.3.8  
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Jimenez, Alfredo; Kedge Business School, France: 2.4.15, 2.5.14  
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Jones, Geoffrey G.; Harvard Business School, USA: 1.3.14, 2.05  
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## K

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Kalinic, Igor; University of Leeds, United Kingdom: 3.2.17, 3.4.5  
Kalra, Komal Kiran; University of Victoria, Canada: 1.4.17  
Kalyuzhnova, Yelena; University of Reading, United Kingdom: 1.4.15  
Kamuriwo, Dzidziso Samuel; Cass Business School, United Kingdom: 3.3.17  
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Kang, Olivia H.; Uppsala University, Sweden: 2.1.11  
Kano, Hirokazu; Waseda University, Japan: 1.5.11  
Kano, Liena; University of Calgary, Canada: 1.2.7, 2.1.2, 3.1.1  
Kao, Pao T.; Uppsala University, Sweden: 2.1.6  
Karami, Masoud; University of Otago, New Zealand: 2.3.11  
Karmowska, Joanna; Oxford Brookes University, United Kingdom: 2.5.6  
Karunaratne, Rotumba Arachchige Ishanka Chathurani; Georg-August-Universität Göttingen, Germany: 2.4.9  
Katsikea, Evangelia; King's College London, United Kingdom: 1.1.11  
Katz, Jerome A.; Saint Louis University, USA: 3.4.5  
Kavadis, Nikolaos; University Carlos III Madrid, Spain: 2.4.6  
Kavoossi, Masoud; Howard University, USA: 2.3.17  
Kavusan, Korcan; Erasmus University, Netherlands: 1.2.11  
Keane, Marta; University of Fribourg, Switzerland: 2.4.8  
Kedia, Benwari L.; University of Memphis, USA: 2.3.7  
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Kemp, Linzi J.; American University of Sharjah, United Arab Emirates: 2.3.13  
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Khan, Zaheer; University of Kent, United Kingdom: 2.3.14  
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Kim, Kwoon; Florida International University, USA: 1.3.13, 3.4.17  
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Kim, Seungbeom; Hongik University, Korea, South: 1.3.17  
Kim, Sunghoon; University of New South Wales, Australia: 2.5.5  
Kinias, Zoe; INSEAD, Singapore: 2.3.17  
Kinoti, Abel; Riara University, Kenya: 1.4.2, 2.6  
Kipping, Matthias; York University, Canada: 2.4.11  
Klar, Sebastian; University of Goettingen, Germany: 1.3.16  
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Klier, Hendrik; Heinrich-Heine-University Duesseldorf, Germany: 1.3.16  
Klueter, Thomas; IESE, Spain: 1.5.12  
Knight, Gary; Willamette University, USA: 2.3.3, 2.5.11, 3.1.11, 3.3.17  
Koch, Benno; LMU Munich, Germany: 1.3.14  
Koch, Bradley James; Grand Valley State University, USA: 1.3.13  
Koch, Pamela Lynn Tremain; Grand Valley State University, USA: 1.3.13  
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Konwar, Ziko; University of Leeds, United Kingdom: 1.3.12  
Korneliussen, Tor; Nord University Business School, Norway: 1.3.11  
Kostova, Tatiana; University of South Carolina, USA: 0.3, 1.05, 1.5.3, 2.4.12  
Kotabe, Masaaki; Temple University, USA: 0.8, 2.4.13, 3.1.12  
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## L

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 Lao, Ka Fai; University of Macau, Macau: 2.5.12  
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 Lawton, Thomas; Open University, United Kingdom: 1.3.15, 2.4.14  
 Leahy, Dermot; Maynooth University, Ireland: 1.2.8  
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 Lehtonen, Miikka J.; Aalto University School of Business, Finland: 3.1.13  
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 Leminen, Seppo; Laurea University; Aalto University, Finland: 1.1.14  
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Liu, Gi-Ren; National Cheng Kung University, Taiwan: 3.1.15  
Liu, Heng; Sun Yat-sen University, China: 1.5.10, 2.4.13  
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Liu, Huchen; Shanghai University, China: 2.3.17  
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Liu, Leigh Anne; Georgia State University, USA: 2.3.13, 3.2.13  
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Liu, Xiaming; Birkbeck, University of London, United Kingdom: 2.3.5  
Liu, Xiaohui; Loughborough University, United Kingdom: 1.4.11, 3.3.3  
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## O

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Pan, David W.; Texas Woman's University, USA: 1.2.14, 3.1.14  
Pan, Xiao; Xi'an Jiaotong-Liverpool University, China: 2.1.15  
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## Q

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