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Editorial
by Filip De Beule, Lessius University College and University of Leuven, Belgium

The first article is written by Jorge Carneiro on the effects of country image on consumer responses, and is based on the IMR 2011 International Marketing Award paper. Together with Camila Cost and Rafael Goldszmidt, they analyse how country-of-origin effects vary across specific facets of country-of-origin image, across different classes of products and across nationalities of consumers.

The second article of this issue of EIBAzine is written by Yair Aharoni, entitled “A Call for Relevance.” As the title suggests, he is throwing down the gauntlet to IB researchers who have largely ignored managerial behaviour, processes, and politics. Yet, managers behave according to different rules from those assumed in much of the IB literature – the result of which is that theory fails to predict actual behaviour, is less relevant to management of real enterprises, and does not provide the best guidance for policy options. This article draws upon the 9th Commemorative Panel Session for Influential Contributions to International Business, organized by Danny Van Den Bulcke at the 37th EIBA Annual Conference in Bucharest in 2011. The session honoured Aharoni’s 1966 seminal contribution, in which he developed a behavioural theory of foreign investment decisions.

Next is the article written by Arjen Slangen on his personal experiences at the EIBA Doctoral Tutorial in International Business. This article draws upon another special panel session, organized by Jean-François Hennart and Rebecca Piekkari at the EIBA Annual Conference in Bucharest to commemorate 25 years of EIBA Doctoral Tutorials, including a tribute to the founders and testimonials from participants. Jean-François Hennart presented a small token of appreciation to Danny Van Den Bulcke (Honorary Chair of the EIBA Doctoral Tutorials).

In 1987, in conjunction with the EIBA Annual Conference in Antwerp, and with the support of EIASM and EIBA, Danny Van Den Bulcke (University of Antwerp) launched the first Doctoral Tutorial in International Business. He went on to organize and chair the Tutorial for 16 more years, until 2004 when he was succeeded by co-chairs John Cantwell (Rutgers University) and Udo Zander (Stockholm School of Economics). In 2009, the EIBA/EIASM Doctoral Tutorial was renamed "The John H. Dunning Doctoral Tutorial in International Business" as a tribute to the late John Dunning.

In 2010, Jean-François Hennart (Tilburg University) and Udo Zander (Stockholm School of Business) co-chaired the event. In 2011, Udo Zander handed over the co-chair baton to Rebecca Piekkari (Aalto University School of Economics) who joined Jean-François Hennart to co-chair the 25th edition of the Doctoral Tutorial in Bucharest.

The final article is a summary of Noritake Kobayashi’s new book published last year (in Japanese) on Japanese Multinational Enterprises. Professor Kobayashi is an AIB fellow and one of the founding fathers of IB in Japan.

I would like to congratulate the current EIBA Chair, Peter Buckley, who was recently appointed an Officer of the Order of the British Empire (OBE) and was presented his OBE medal by HRH Prince Charles, Prince of Wales, as part of an official ceremony at Buckingham Palace.

Congratulations also to EIBA Past President Liviu Voinea, who was appointed to a position in the interim government of Romania – Deputy Minister of Finance, Secretary of State for the Fiscal Code and Fiscal Strategy, Ministry of Public Finance.

This issue of EIBAzine also features the call for papers for the upcoming EIBA conference at the University of Sussex in Brighton, UK, including the 26th John H. Dunning Doctoral Tutorial, as well as the 3rd Doctoral Think Tank on the Emergence of Southern Multinationals (sponsored by the COST Action on this theme).
The newsletter ends with information about the European International Business Academy (EIBA) and various membership benefits, including application/subscription and renewal details.

In order to help us reach and inform potential EIBA members, after reading this issue of EIBAzine, why not take a few moments to distribute this newsletter throughout your own networks? Your kind assistance with this collective effort to help expand the EIBA association and community is very much appreciated!

Let me end this editorial by again thanking all of the contributors to this issue – without whom there would be no EIBAzine! And remember, I am always on the lookout for interesting articles and EIBA news bits. Do not hesitate to submit a contribution to the following email address: filip.debeule@lessius.kuleuven.be.

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**Disentangling the Effects of Country Image on Consumers’ Responses**

_by Jorge Carneiro, IAG Business School, Pontifical Catholic University of Rio de Janeiro_

When Camila Costa and I won the International Marketing Review award at the EIBA 2011 Conference in Bucharest, we were genuinely surprised. For us, the recognition by the academic community represented additional responsibility and stimulus to pursue our research efforts a bit farther. We collected data on two other countries and refined our statistical analyses, following the good suggestions we received from the reviewers. We also invited a third researcher (Rafael Goldszmidt) to contribute with statistical analyses and interpretational insights.

We believe that the disentanglement of the effects of country image on consumers’ responses represents an interesting contribution to the stream of research on the effects of Country-of-Origin.

**INTRODUCTION TO THE STUDY**

The country-of-origin (CoO) and the country-of-origin image (CoI) are two inextricably related constructs. While CoO research has investigated whether or not the national origin of a product would affect consumers’ evaluations and preferences, CoI research has helped clarify what aspects of the country’s image would drive consumers’ perceptions and attitudes (e.g., product evaluations and behavioural intentions) towards products from that given country (Roth & Diamantopoulos, 2009).

Although hundreds of studies (cf. Papadopoulos and Heslop, 2002) have been conducted on the effect of CoO on consumers’ attitudes towards foreign products and the existence of an effect has generally been confirmed, there is still controversy as to its size and to the variables that would moderate the effect (Peterson and Jolibert, 1995; Verlegh & Steenkamp, 1999).

In this study, we follow Roth and Diamantopoulos’ (2009) recommendation to disentangle country image (Col) in cognitive and affective dimensions, and explicitly disaggregate the cognitive dimension in geographic and human aspects, while treating the conative dimension (e.g., consumers’ responses) as a result of the former two.

We posit that CoO effects will vary across specific facets of Col, across classes of products and across nationalities of consumers. Data was collected from French and Argentinean/Chilean consumers regarding their perceptions of cognitive and affective aspects of two countries – Brazil and
Germany— and their quality evaluation and behavioural intentions towards three product classes—fruits, home appliances and clothes—, which represent, respectively, nature-based, utilitarian and hedonic products. Empirical results provide partial corroboration to our hypotheses.

THEORETICAL BACKGROUND

Consumers may employ distinct sets of information on the country-of-origin in order to judge foreign products. So, we disaggregated CoI in two cognitive components (geographic aspects and human aspects) and one affective component (feelings towards the country-of-origin).

Regarding the conative aspects of CoI, this study considered two facets of product quality evaluation (specifically, expected quality and expected satisfaction with purchase) and one type of behavioural intentions (specifically, willingness to buy).

The objective of this study was to investigate the differential impact on consumers’ responses toward foreign products stemming from facets of CoI (geography cognitions, human cognitions, and affections) and the moderating role of product class (nature-based, utilitarian and hedonic products) and of nationality of consumer.

Cognitions about climate and nature would be expected to weigh more on the evaluation of food products or touristic services, while cognitions about economic development or workforce competences would expectedly have more impact on the evaluation of industrialized products (Ittersum, Candel and Meulenberg, 2003; Javalgi, Thomas and Rao, 1992; Roth and Diamantopoulos, 2009). Conations towards hedonic objects would tend to depend more on emotions and affect than on cognition, whereas conations toward utilitarian objects would depend more on cognitions than on emotions or affect (Kempf, 1999). More favourable evaluations of products would tend to occur when the consumer perceives that the country’s “strengths” correspond to the skills or conditions necessary to manufacture such products.

We hypothesized that there would be statistically verifiable differences among the effects of each dimension of country image on each class of product. Also, following arguments advanced by Hsieh and Setiono (2004), we posited that the effects of two CoI dimensions (Human aspect and Feelings) would be stronger for Argentinean/Chilean (a developing market) consumers than for French (a developed market) consumers.

METHODS AND DATA

Data was collected by means of a survey of French and Argentinean/Chilean consumers regarding their perceptions of cognitive and affective aspects of two countries—Brazil and Germany— and their quality evaluation and behavioural intentions towards three product categories—fruits, home appliances and clothes.

Given the relatively small number of respondents from Argentina and from Chile, we decided to pool the samples from these two countries. This decision can be justified on the grounds of cultural similarity between the two countries (as reported by three studies reviewed by Ronen and Shenkar, 1985).

Each consumer answered questions regarding the three different products and the two countries of origin, following a within-subjects design, as recommended by Verlegh and Steenkamp (1999). A formative perspective of measurement was deemed appropriate to represent the constructs. For the three exogenous variables the following indicators were employed: Geographic aspects (country’s temperature, preservation of nature, quantity of sun and quality of soil); Human aspects (workforce competence, diligence and creativity) and feelings (distrust-trust, irritation-pleasure and
hostility-enthusiasm). The endogenous variable Behavioural Intentions was measured with a single indicator (willingness to buy) and Quality Evaluation with two indicators (quality assessment and satisfaction with purchase).

Common method bias problems were ruled out by Harman single-factor test. We employed Partial Least Squares Structural Equation Modelling (PLS-SEM) to estimate the measurement models and to test hypotheses. PLS-SEM has advantages over Covariance Based Structural Equations Models (CB-SEM) for small sample size and non-normal indicators and it is more flexible in dealing with formative indicators. A multi-group analysis was performed by first establishing measurement invariance and then comparing structural coefficients of the effects between CoI dimensions (Geographic and Human aspects as well as Feelings) and conations (quality evaluation and behavioural intentions) across classes of products and across nationality of the respondents.

CONCLUSIONS

Overall, the study findings suggest that the impact of CoO should by no means be taken as universal, but rather would differ across pairs of dimension of CoI and product class. However, results should be interpreted with care since, although it has been argued that different facets of CoI might each have its specific contribution to conations, it may not be easy to disentangle the individual effects, since two aspects of conations (Quality Evaluation and Behavioural Intentions) seem to correlate reasonably high (at least in this study).

Our results do not support, however, our contention that the effects of CoI on consumers’ responses would be higher for consumers from less developed countries. In fact, the few statistically significant differences found were in the opposite direction, but this may be due to idiosyncratic characteristics of the samples and should be verified in future studies.

One might argue that the effects of CoI may have been overestimated in this study, since we did not include any of several other variables that have been argued to also affect the impact of CoO on consumers’ evaluation of products or their behavioural intentions – for example, familiarity with product and involvement with product, age, gender, level of education, level of income, type of buyer (e.g., organizational buyer vs. end consumer), or degree of materialism, ethnocentrism and value consciousness. But in this study we were not interested in the particular magnitude of the effects but rather on assessing whether the effects would vary across classes of product or nationality of consumers.

From a theoretical and empirical standpoint, this study stands among the few that have investigated the effect of CoI on different varieties of products (whereas the vast majority of studies have employed utilitarian products only). Besides, this study has disentangled the differential effects of two dimensions of CoI – cognitions (in particular, geographic and human aspects) and affection (in particular, feelings) – instead of simply modelling some overall CoO effect. So, researchers can benefit from more information on the mechanisms by which CoO operates, since evidence was provided of the differential impact of each of the CoI dimensions across distinct product classes.

Practitioners can better understand how CoI manifests itself in consumers’ attitudes towards foreign products, so that they can take appropriate positioning and promotion measures. And policymakers can gain information to help them adapt their programs so that the image of their country is modified in the minds of foreign consumers.

As avenues for the future, researchers can take up cross-national studies (multiple countries-of-origin and consumers from multiple countries also) and investigate (i) whether CoI would seem to be measured in the same way (metric equivalence) across different countries of origin and of
destination; and (ii) whether the effects (of CoI dimensions on attitudes towards particular classes of products) would be statistically different across consumers of different countries (indicating a possible moderating role of the country-of-destination). Employment of different combinations of level of country development (specifically, developed (origin) vs. developed (destination), developed vs. developing, and developing vs. developing), as argued by Verlegh and Steenkamp (1999), would be interesting.

REFERENCES


A Call for Relevance

by Yair Aharoni, Tel Aviv University

INTRODUCTION

More than fifty years ago I submitted my doctoral thesis, in which I developed a behavioural theory of foreign investment decisions. The development of this theory was possible because my research was based on a detailed field study of real life executives in real life firms. Performing this field study was admittedly a long and arduous process, much more than sending a questionnaire to a sample of respondents and summarizing their responses. At the same time it gave me an opportunity to understand how decisions were made in the real world as opposed to making assumptions on how decisions should be made. In fact, I started my research looking for a formula of tax subsidies a less developed small country, which Israel was at that time, should offer to foreign investors to convince them to invest. My education as an economist led me to believe that tax incentives were the right solution. Tax incentives permit a higher rate of return and therefore can make otherwise unpromising investments attractive. I assumed that the conferral of tax benefits will induce foreign investors to initiate projects which they would not otherwise have undertaken. The problem seemed to be straightforward: how large should the incentives be? Had I chosen to study this issue by sending questionnaires I am convinced that I would have received a strong confirmation to this hypothesis, backed by a high level of significance. After all, what executive would say that a tax holiday is a bad idea? What I did find was that the decision process is a long one. It starts only when what I termed an initiating force makes the firm look at the possibility of a foreign investment. This force could be, for example, an outside proposal that could not be ignored, fear of losing a market or strong competition from abroad in the home market. This force would lead to a lengthy investigation – affected by the nature and strength of the initiating force. At that crucial stage, tax incentives are not considered at all. The policy implications were clear: governments would be better off spending resources on marketing the country so that MNEs would decide to look at the possibility of investing in that country.

Most of my research since then was guided by the need to talk to practitioners in order to get a real understanding of a problem or practice. I tried to understand the behaviour of persons within a firm – not how they should behave. I also attempted to understand the reason for their behaviour. I spent a significant part of my academic career studying state-owned enterprises (SOEs). Again, my economic studies led me to believe that SOEs are inherently inefficient. In fact, I found that almost all organizations –private, government, and trade union owned- are managed by professional managers. These managers –not the owners- control the organization. If managers or directors are elected because of their political affiliations, not because of their managerial abilities the results may be inefficient organization. However, if a system is designed to ensure that managers and directors are chosen based on ability, ownership becomes an irrelevant issue. Professional managers act today in light of what they predict tomorrow will be. They must transform the organization to become effective and efficient both in the short and in the long run. Managers decide under conditions of ignorance and uncertainty and must motivate their employees to work for the benefit of the organization and maintain solidarity rather than behaving opportunistically. These employees need to be respected as a resource and when they are treated this way they respond by loyalty. The success of MNEs is at least as much a function of management ability and behaviour as it is of industry characteristics or environmental factors.

Decision makers are far from being one-dimensional omnipotent profit “maximizers.” They
are a part of a family, a profession, a nation and perhaps other institutions. Their rational behaviour is bounded by the cost of obtaining information, by their cognitive ability, by their experience and by uncertainty. Further, they operate within an environment that includes a variety of institutions. These institutions are a result of man-made political processes, cultural norms and belief systems and thus are country-specific. The lack of information about alternatives and the impossibility of foreseeing the future make managers “satisficers.”

In the last few decades, a whole new field of economics was developed –stressing behavioural elements. Despite the rich findings of behavioural economics, behavioural marketing and behavioural finance, most IB researchers continued to assume perfect rationality in their internationalization models, in which managers and discretionary management decision-making do not have any role. To the extent that individual managers are incorporated into conceptual frameworks, it is assumed they act opportunistically. These assumptions led to major failures in the analysis of the real world and wrong policy prescriptions.

THE LIMITS OF RECEIVED IB THEORY

Since the early 1960s, IB theory advanced in leaps and bounds. Many new insights on internationalization and on the operations of the MNEs were developed –mainly based on studies of a population of giant U.S. MNEs– adding later studies of European and then Japanese MNEs. Since the late 1980s, most IB scholars accepted economic portrayal not only as a theoretical model but as a rule of nature. This theory, based on the philosophical foundations of Locke’s liberal individualism, cherishes individual selfish desire to maximize profits. Yet, individuals are a part of what Hegel called the Civil Society - motivated by their individual desires but also citizens of a State that represents solidarity. The civil society is assumed to be based on egoism but the State (and to some extent the family) is assumed to be based on altruism. It assumes that individuals desire to live with others, including their willingness to risk their life for others. To be sure, Karl Marx claimed that the State does not represent societal interests but the particular interests of strong elements in the society. Some political scientists argue that national leaders ignore what is best for the population but help those that allow them to sustain their power.

Further, perfect markets assume that the size of the economic units can be ignored. Yet, the economic system is not composed only of tiny enterprises. Even new innovations are not the result of a genius achievement of one individual. Rather, many firms –certainly most MNEs- are large, even giants and thus enjoy power and influence on the political system. Recently, such firms are seen as “too big to fail.” Economists developed theories on agency costs –again assuming opportunistic behaviour. Governance mechanisms are designed to ensure behaviour is aligned with the owners’ interests. Other stakeholders –employees, customers or citizens of different nations- are conveniently ignored.

HOW RELEVANT ARE IB THEORIES?

IB economics models are embedded in a particular historical moment, regime, ideology, geography, and technology development of Western economies. Political leaders in these economies constrained the market economy in order to avoid extreme unacceptable distortions. These interventions started with laws making child work illegal or restricting the number of hours in daily work. More and more regulations were added creating a welfare state. This welfare state turned into an insurance state insuring citizens against calamities (Aharoni, 1981). The extent of these regulations is different in different societies and so is the degree to which the regulators were
perceived as captured by the regulated. Globalization is also restricted by man-made rules preventing free movement of labour, international trade in agricultural goods, free landing rights or carrying passengers within the borders of the country for airlines, access to foreign movies, the globalization of health services and so on.

Since liberal economic assumptions do not reflect reality, researchers are — time and again — surprised to find that their theories do not explain the real world or become obsolete as a result of technological changes, maco-economic shifts, political upheavals or other changes. Thus, many IB scholars who were inspired by the fast growth of Japan studied its management systems and assumed this growth will continue unabated. The last three decades clearly show the weaknesses of the Japanese system. Today, many researchers are inspired by the fast growth of China. A closer look at that country may show the buds of social problems that may arrest its economic growth. More recently, the global financial crisis demonstrated how wrong was the belief that the financial market should be allowed to operate globally with no regulatory constraints. The recent crisis in Europe cannot be explained only by international economic tools, nor can a viable solution for the Eurozone be designed without taking into account political and cultural considerations. Another example is the product life cycle theory. This theory was developed originally (Vernon, 1966; Hirsch, 1965) because the United States failed to confirm empirically to the Heckscher-Ohlin model. In 1979, Vernon suggested that the theory needs to be modified. Later, it was acknowledged that 'born globals' (Oviatt & McDougall, 1994; Rennie, 1993) internationalize in a different way as compared to one described by the Uppsala stage model (Johanson & Vahlne, 1977).

IB theory is context dependent. Porter (1990) and many others posit that experience in a (large) home country is essential to gain ownership advantages and then invest abroad. This statement may be true for the United States, but not for many small countries (nor as Rugman pointed out for Canada). The company ISS, for instance, offers cleaning services all over the world — although its home market (Denmark) is small. Many Israeli firms sell more than 95 per cent of their output outside Israel. Israeli firms cannot compete head on in the global market against the foreign giant MNEs. Instead they dominate a particular market niche that is either ignored (often because of its size) or is unknown to the large firms in the industry. I learned from my field research that strategy is about being unique, different from others. The aim is not gaining competitive advantage in an industry. It is creating a monopoly in a well-defined niche.

IB theory explained that firms invest abroad rather than export despite the 'liability of foreignness' when they possess an exploitable resource that creates an oligopolistic ownership advantage. However, world famous universities did not create subsidiaries abroad, despite their clear advantage. Harvard School of Business attempted to offer executive education in Switzerland but failed. A market research among potential clients would have revealed the reasons for this failure. Further, IB theory assumed that firms seek to control their subsidiaries and therefore want full ownership to protect their intellectual property. Only because government, having the advantage of bargaining obsolescence, demands joint ventures, does the firm use this route. Yet, a field research of hotel chain management would show they prefer joint ventures and use this form even when the government allows full ownership.

Porter claims that firms in global industries are compelled to compete for global market share in order to achieve or sustain competitive advantage. ‘But choosing a domestic focus in a global industry is perilous, no matter what the firm’s home nation’ (Porter 1990, p. 54). Yet, in many professional services such as management consulting, accounting, engineering or legal services the industry includes many domestic firms and a few
multinationals. Is the theory wrong or the definition of industry erroneous?

Recently, some research was carried out on the meaning of MNE home country. A liberal economist would argue that this is an irrelevant issue. The MNE should make decisions that will maximize the value of the firm to its shareholders. It should split the value chain and outsource activities to where they could be done in the cheapest possible manner. Yet, any field study would demonstrate that the nationality of the home country does make a difference in the way firms operate and their managers decide (Hirsh, 2011).

Received IB explanations often ignore not only managerial decision making but also the ability to create a novel strategy and to invent new products. Of course it is hard to avoid noticing that for a large number of MNEs the distinctive competence is based on innovation that created new markets –markets that did not exist, and thus the costs of conducting market transactions could not be compared to the costs of using internal hierarchies. One result is that IB theories on MNEs did neither predict nor explain the emergence of the so-called "Dragon Multinationals" or MNEs from small countries.

CONCLUSIONS

IB research has concentrated on a narrow scope of problems to be studied, ignoring managerial behaviour, processes, and politics. IB research also failed to cope with changing reality in the global arena. Far too much attention has been devoted to the giant firms and to statistical analysis. To the extent that the top management team is considered, rational behaviour in the classical economic sense is assumed. Yet, clearly, managers behave according to different rules from those assumed in much of the IB literature. The result of such a lacuna is that theory fails to predict actual behaviour and is less relevant to management of real enterprises and does not provide the best guidance for policy options.

Technological changes, new innovations and changes in the macroeconomic situation alter the way business is done. These changes have also resulted in several theories that have sustained the IB field over its initial generation becoming outdated. The rules of human behaviour do not change. Unfortunately, they are ignored. Hopefully, the young generation of scholars will remedy this negligence.

REFERENCES


INTRODUCTION

As a doctoral student from Tilburg University in the Netherlands, I participated in the 16th EIBA/EIASM Doctoral Tutorial in International Business (IB) held in Athens in 2002.

In this essay I will elaborate on my personal experiences with that tutorial, starting with some background information and then focusing on the faculty members’ main comments on my dissertation proposal, the thesis-specific and more general lessons I learned from these comments, and how participating in the tutorial benefited my academic career. I will finish with a short conclusion.

BACKGROUND INFORMATION

The faculty of the 2002 Doctoral Tutorial consisted of professors Danny Van Den Bulcke (chair), Peter Buckley, Tim Devinney, Jean-François Hennart, Stephen Kobrin, and Bernie Wolf.

The 10 students participating in the tutorial, who were selected on the basis of the quality of the dissertation proposal they had submitted to the faculty several months earlier, were affiliated to universities located in 7 different countries, notably Austria, Denmark, Finland, Germany, the Netherlands, Portugal, and the U.K. Each selected student gave a 20-minute presentation of his/her conceptual and methodological ideas to the faculty, who in turn gave their feedback on these ideas in another 20 minutes.

MAIN COMMENTS AND LESSONS

1. Model specification

Figure 1: Conceptual Model

Figure 1 depicts the conceptual model that I had developed and intended to test in my doctoral dissertation. The model shows that I argued the cultural distance between the home country of a multinational enterprise (MNE) and the host country of an MNE subsidiary to cause conflict, both internally (between home- and host-country employees) and externally (between host-country stakeholders). Based on an assessment of the scope for these two conflict types across different entry modes, I expected cultural distance to influence MNEs’ establishment mode and ownership structure choices simultaneously, with establishment mode choice referring to the choice between greenfield and acquisition entry and ownership structure choice to that between a joint venture and a wholly-owned subsidiary. I also expected that cultural distance would negatively influence the performance of established subsidiaries and that this influence would depend on a set of subsidiary characteristics that should be considered jointly, i.e. the subsidiary’s establishment mode and ownership structure mentioned above and its degree of integration as strived for by its MNE parent.
Faculty members’ main comment on the model was that it was very ambitious and complex, and hence very hard or perhaps even impossible to test in its totality through a single empirical analysis. Furthermore, one of the faculty members pointed out that the model made the questionable assumption that cultural distance does not influence the desired degree of subsidiary integration. The thesis-specific lesson I learned from these comments was that I needed to reduce the complexity of the model, either by simplifying it or by decomposing it into several parts. I chose the latter alternative by writing and later publishing separate dissertation and additional papers on how cultural distance influences establishment mode choice (Slangen and Hennart, 2008a), ownership structure (Slangen and Van Tulder, 2009), and acquisition performance (Slangen, 2006), and how establishment mode choice influences subsidiary performance (Slangen and Hennart, 2008b). Three of these papers took into account the moderating effect of the degree of subsidiary integration.

The more general lesson I learned from the comments on my model is that it often pays off to limit the number of causal relationships examined in a single paper. Such a “less is more” approach makes a paper easier to understand, allows for more elaborate theory development, and enables one to publish more papers, thereby increasing the chance of meeting the publication requirements of one’s university.

2. Measurement of cultural distance

Like most prior entry mode studies (e.g., Cho and Padmanabhan, 1995; Brouthers and Brouthers, 2000; Larimo, 2003), I intended to measure cultural distance exclusively through Kogut and Singh’s (1988) index, which relies on Hofstede’s (1980) cultural dimension scores. However, some faculty members indicated that Kogut and Singh’s index has several limitations (for a review, see Shenkar, 2001), making it important to look for complementary or substitute measures of cultural distance. I therefore started using several other existing measures – i.e., a Euclidean distance version of Kogut and Singh’s index (e.g., Chang and Rosenzweig, 2001; Vermeulen and Barkema, 2001) and Dow and Karunaratna’s (2006) measure of religious distance – to increase the validity of the results I obtained in my studies (Slangen and Hennart, 2008a; Slangen and Van Tulder, 2009). In addition, the faculty’s critical stance towards Kogut and Singh’s measure eventually triggered me to start constructing new cultural distance measures and examine their ability to explain MNEs’ establishment mode choices (Drogendijk and Slangen, 2006). Moreover, the faculty’s criticism has undoubtedly formed the early basis for some of my current research in which I attempt to open up the black box of national culture by taking into account cultural heterogeneity and cultural inconsistencies within countries. Hence the doctoral tutorial helped me shape not only my Ph.D. dissertation but also my longer-term research agenda.

3. Cross-country variation in cultural distance

Being based in the Netherlands, I intended to test my conceptual model on a sample of foreign entries by Dutch MNEs, surveying senior executives that had been personally involved in the decision making regarding one recent greenfield and/or one recent acquisition entry. The faculty members agreed with this approach but emphasized that, given my interest in the effect of cultural distance, I somehow needed to ensure that there would be sufficient variation in this distance within my sample. This comment led me to revise my initial idea of allowing survey respondents to provide data on any recent entry in which they had been personally involved, since that idea entailed the risk that I would mostly receive data on entries into countries featuring prominently in respondents’ minds such as Germany and the U.S., resulting in relatively little intra-sample variation in cultural distance. To eliminate that risk, I decided to ask respondents instead to provide data on those one or two
entries in which they had been personally involved most recently, an approach that eventually resulted in a sample of entries into more than 50 different countries characterized by a varied cultural distance from the Netherlands.

The more general lesson I learned from the faculty’s comment of ensuring sufficient variation in cultural distance was that it is critically important to think about one’s research design, for instance in terms of how many home and host countries to study and the aspects on which these countries should differ from one another given the research question at hand. I included this more general insight as a recommendation in my review of prior establishment mode studies in chapter 2 of my dissertation, which was later published in revised form (Slangen and Hennart, 2007).

4. **Control variables**

While I had thought about which control variables to include in my regression models and why, I did not address this topic in the main text of my dissertation proposal, nor did I address it sufficiently in my presentation. This led some faculty to point out that I should think more about my control variables in order to avoid omitted variable bias in my empirical results. The lesson I learned from this comment is that my control variables should be clearly specified and discussed in my dissertation in order to avoid questions about the reliability of my analyses.

I later realized that doing so is especially important in examinations of the effect of cultural distance because this distance often correlates substantially with other country characteristics, making it crucial to control for these characteristics to exclude the possibility that their omitted correlation with the dependent variable drives the effect of cultural distance. Examples of such characteristics include geographic distance, acquisition or ownership restrictions, and the availability of suitable acquisition or joint venture candidates.

**CAREER BENEFITS**

My participation in the doctoral tutorial was beneficial to my academic career in several important ways. First, the above described comments and suggestions I received from the faculty enabled me to substantially improve the quality of my doctoral dissertation and to complete it successfully. Second, the fortunate circumstance of winning the doctoral tutorial award for best dissertation proposal helped me obtain a postdoc position at RSM Erasmus University after obtaining my Ph.D. in 2004. At that time I had no noteworthy publications on my curriculum vitae, rendering the award one of the main signals of my academic abilities. A nice side benefit of winning the award was the monetary reward of 1000 euros, which was a welcome addition to my relatively low student income. Third, besides being beneficial to the quality of my dissertation research, the tutorial helped me shape my post-Ph.D. research agenda by stimulating me to think beyond the boundaries of my narrowly-defined dissertation topic. Fourth, participating in the tutorial facilitated my integration in the community of IB researchers. Through the tutorial I got acquainted with some of the most well-known and distinguished IB professors in a relatively early stage of my career, making it easier for me to talk to them or ask them for a favour on future occasions. Professor Peter Buckley, for instance, later kindly agreed to be a member of my dissertation committee. During the tutorial I also met fellow Ph.D. students with similar research interests from other universities. With many of these students I regularly interacted during the EIBA conference starting the next day, and with one I continued to exchange experiences during later international conferences.

**CONCLUSION**

To conclude, my participation in the EIBA/EIASM doctoral tutorial was a very valuable intellectual and social experience. I recommend any IB student in the middle stage of his/her Ph.D. trajectory to
apply for the tutorial because participating in it will substantially increase the quality of your dissertation and your chances of developing a successful academic career. Let me finish by thanking Professor Danny Van Den Bulcke for organizing the tutorial for so many consecutive years and by wishing his current successor professors Jean-François Hennart and Rebecca Piekkari good luck in the years to come. I am sure that their efforts, as well as those of all other participating faculty, have been and will be well appreciated by Ph.D. students and senior IB scholars alike. 

REFERENCES


Japanese Multinational Enterprises’ Internationalization and Performance

by Noritake Kobayashi, Keio University, Japan

INTRODUCTION

Japanese MNEs have recently been hit by a series of economic and natural disasters and, as a result, are currently operating under very difficult conditions. Therefore, how Japanese MNEs can survive in the future depends on the recovery of their profit base and the improvement of their financial structure. They also need to find an orderly balance between sales, stability, creativity and improved profitability. In reality, however, many of the Japanese MNEs seemed to push internationalization or R&D investment rather single-mindedly while sacrificing such an orderly balance with profitability. This is shown by the data analysis in my recent book, Japanese Multinational Enterprises: Internationalization and Performance (Nihon Kigyo Kokusaika no Kenkyu, 2011).

SAMPLE OF MNES AND INDUSTRIAL SECTORS

The following two conditions were used to choose the sample MNEs: (1) the annual consolidated sales were more than 100 billion yen (~€1 billion) and (2) the percentage of overseas sales to total consolidated sales (degree of internationalization) is higher than 20 percent.

These conditions, with the data for the five-year period of 2005-2009, led to a total of 66 MNEs, belonging to the following 11 industrial sectors (each with the number of MNEs in parenthesis): automotive assemblers (8), automotive parts (6), construction equipment (3), general electric (8), electronics parts (8), semiconductor equipment manufacturers (3), electronics machinery (9), precision machinery (8), glass and ceramics (5), pharmaceuticals (5), and chemicals and others (3).

SCALE OF CONSOLIDATED SALES

In terms of consolidated sales, the period for 2005-2009 was a very good one for the majority of the 66 MNEs. Almost every year, the amount of consolidated sales increased. But, 2009 was a turning point, as the world-wide recession severely affected Japanese MNEs. For example, the consolidated sales of Toyota decreased by 5.76 trillion yen from 26.3 trillion yen in 2008 to 20.5 trillion yen in 2009. As a result, Toyota's net profit fell from 1.7 trillion yen in 2008 to minus 4,369 billion yen in 2009. Among the 66 MNEs, only 5 MNEs increased their sales from 2008 to 2009. They are Shimano, Nintendo, Funai Denki, Takeda and Eisai.

For the present research purposes, however, I ranked the 66 MNEs in terms of the five-year average of the consolidated sales for 2005-09, and found the top one being Toyota with about 22 trillion yen, and the bottom one Mabuchi Motor with a little less than 100 billion yen.

Then, I classified the MNEs into the following five groups.
- Super-big MNEs (5 trillion yen or more)
- Big MNEs (1 trillion yen or more, but less than 5 trillion)
- Medium-large MNEs (500 billion yen or more, but less than 1 trillion)
- Medium-small MNEs (100 billion yen or more, but less than 500 billion)
- Small MNEs (less than 100 billion yen).

According to this grouping, there are 7 super-big MNEs, 24 big MNEs, 14 medium-large MNEs, 20 medium-small MNEs and 1 small MNE.
DEGREE OF INTERNATIONALIZATION

The degree of internationalization was determined by the average ratio of overseas sales to total consolidated sales for all the 66 MNEs for the five-year period of 2005-09, when the top firm was Mabuchi Motor (88.6%) and the bottom one NEC (25.6%).

It turned out that the average number of MNEs with 50% or a higher degree of internationalization for the period of 2005-09 was 50, i.e., about 75% of the 66 MNEs. In terms of the yearly breakdown, the number of such MNEs for 2005 was 45, followed by 47 for 2006, 48 for 2007 and 56 for 2008. Then it declined to 53 for 2009, mainly due to the recession. However, it still appears very high, as more than three fourth of the MNEs had 50% or a higher degree of internationalization.

I also examined the degree of internationalization for the 11 industries to which the 66 MNEs belonged and I found the highest degree was for automotive assemblers and the lowest for chemical and others: automotive assemblers (73.1%), automotive parts (70.6%), construction equipment (62.1%), general electric (43.8%), electronics parts (65.8%), semiconductor equipment manufacturers (65.7%), electronics machinery (69.0%), precision machinery (68.1%), glass and ceramics (61.1%), pharmaceuticals (47.0%), chemicals and others (48.9%).

Lastly, I listed the degree of internationalization for MNEs in each of the following 5 scales of consolidated sales.

- 7 super-big MNEs (63.3%)
- 24 big MNEs (58.0%)
- 14 medium-large MNEs (60.2%)
- 20 medium-small MNEs (67.4%)
- 1 small MNE (79.2%)

It appeared that the super-big MNEs (63.3) as well as the medium-small MNEs (67.4) were more “successful” with higher degrees of internationalization than the big MNEs (58.0) and the medium-large MNEs (60.2), aside from small MNEs with only one sample. As will be seen later, a higher degree of internationalization does not necessary mean business “success” in terms of performance, especially, profitability.

EVALUATION OF PERFORMANCE

For the assessment of performance, I adopted the five-point scale whereby the higher the number, the better the performance for the five-year average figures in each of the following categories: (1) size of consolidated sales, (2) profitability in terms of ROS and ROA, (3) stability in terms of shareholders’ equity ratio and interest bearing debt ratio, and (4) creativity in terms of R&D expenditure ratio. The sum of the points in all these categories is the total performance score for each of the MNEs and the industries (for details, see APPENDIX).

Regarding the performance of the firms, the highest score was obtained by Takeda (26.2), and the lowest one for Sanden (9.0). It is interesting to consider the performance of the MNEs in each of the 5 groups for different scales of consolidated sales as follows:

- Super-big MNEs (14.34)
- Big MNEs (15.97)
- Medium-large MNEs (17.14)
- Medium-small MNEs (15.63)
- Small MNEs (17.80)

An interesting finding is that the big and the medium-large MNEs received relatively high scores, whereas the super-big and medium-small MNEs obtained relatively low scores, contrary to the results in terms of internationalization. As for the 11 industries, the highest score was obtained by pharmaceuticals (21.52) and the lowest by general electric (13.85).
Table 1: The CPIX Matrix for Internationalization and Performance

<table>
<thead>
<tr>
<th>Performance points</th>
<th>Degree of Internationalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>15</td>
<td>50%</td>
</tr>
<tr>
<td>30</td>
<td>20%</td>
</tr>
<tr>
<td>Performance Challenger (P)</td>
<td>Internationalization Champion (C)</td>
</tr>
<tr>
<td>Troubled enterprise (X)</td>
<td>Internationalization Challenger (I)</td>
</tr>
</tbody>
</table>

To clarify the relationship between internationalization and performance, I developed a matrix called “CPIX”, which provides performance points horizontally and the degree of internationalization vertically. It is divided into 4 boxes by a vertical line at 15 performance points and a horizontal line at the 50% degree of internationalization.

POSITIONING OF THE 66 MNES

By examining the positions of all the 66 MNEs on the CPIX matrix for the period of 2005-2009, I found that 28 out of the 66 MNEs maintained their positions in the category of internationalization champions (C); 21 MNEs belonged to the performance challenger category (P) and 11 to the international challenger category (I), whereas 6 MNEs were in the category of troubled enterprises (X). I was surprised by a dramatic change in the number of MNEs in each category by comparing 2008 with 2009, due to the severe recession – that is, the number of internationalization champions (C) decreased from 42 to 18, while the number of performance challengers (P) increased from 14 to 35 and troubled enterprises (X) from 4 to 8.

I also observed that facing the sudden downturn of economic conditions; super-big as well as big MNEs seemed to have more difficulty than the smaller ones in maintaining their performance, presumably due to their large scale of management. On the other hand, medium-large and medium-small MNEs found it difficult to maintain their performance with a higher degree of internationalization.

POSITIONING OF THE 11 SECTORS

Among the 11 industrial sectors studied here, regarding the industrial averages for the sample MNEs during the period of 2005-2009, it turns out that 7 sectors belonged to the category of internationalization champions (C). They are automotive parts, construction equipment, electronics parts, semi-conductor manufacturing equipment, electronics machines, precision machines, and glass and ceramics. Two sectors - pharmaceuticals and chemicals- were in the category of internationalization challengers (I), and only one sector -automotive assemblers- belonged to the performance challenger category (P), whereas one sector -general electric- was in the category of troubled enterprises (X) for the period of 2005-2009. Focusing on the recession period from 2008 to 2009, the number of sectors belonging to the category of internationalization champions (C) decreased from 10 to 2, whereas the number of sectors in the performance challenger category (P) increased from zero to seven.
CONCLUDING REMARKS

After analyzing various characteristics of the 66 Japanese MNEs and the 11 industries, and also comparing them with those foreign MNEs listed on the Fortune Global 500, I found that (1) many Japanese MNEs had a relatively large sales; (2) their profitability was rather poor – particularly, that of the super-big MNEs; (3) the financial foundations of the Japanese MNEs were generally weak, and the super-big MNEs seemed financially less stable than the smaller ones; (4) their R&D expenditure ratio was relatively low, and (5) a higher degree of internationalization did not necessarily lead to improvements in sales or stability over time.

In view of these results, the Japanese MNEs are advised to improve profitability and to strengthen financial structure. Profitability should be considered to be the ultimate goal for the management of MNEs because, if they are sufficiently profitable, they can develop and maintain a better and stable financial foundation, and assure higher spending on innovation and creativity.

Instead, many of the Japanese MNEs seemed to push internationalization rather single-mindedly, sometimes by sacrificing profitability. The same is true with their R&D expenditures in some cases. In order to deal with the current difficulties, Japanese MNEs must review their perspectives in management, and try to improve profitability in order to achieve a higher overall performance score for their recovery and success in the future.

APPENDIX

Exhibit 1: Performance Evaluation System

For the assessment of performance, the following performance measurement standard is used. The sum of the points in the above 6 categories is the total performance for each of the MNEs or industries.

1. Scale of consolidated sales
   - Points
   - > 5 trillion yen: 5
   - 1 trillion yen - 5 trillion yen: 4
   - 500 billion yen - 1 trillion yen: 3
   - 100 billion yen - 500 billion yen: 2
   - < 100 billion yen: 1

2. Profitability
   - (1) Net Profit to Consolidated Sales (ROS)
     - > 20%: 5
     - 15% - 20%: 4
     - 10% - 15%: 3
     - 5% - 10%: 2
     - 1% - 5%: 1
     - < 1%: 0
   - (2) Net Profit to Total Assets (ROA)
     - > 10%: 5
     - 5% - 10%: 4
     - 2.5% - 5%: 3
     - 1% - 2.5%: 2
     - 0% - 1%: 1
     - < 0%: 0

3. Stability
   - (1) Shareholder’s Equity: Equity to Total Assets
     - > 80% or more: 5
     - 75% - 80%: 4
     - 50% - 75%: 3
     - 25% - 50%: 2
     - 15% - 25%: 1
     - < 15%: 0
   - (2) Interest Bearing Debt: Debt to Total Assets
     - < 10%: 5
     - 25% - 10%: 4
     - 35% - 25%: 3
     - 40% - 35%: 2
     - > 40%: 1

4. Creativity:
   - R&D Expenditure to Consolidated Sales
     - > 20%: 5
     - 15% - 20%: 4
     - 10% - 15%: 3
     - 5% - 10%: 2
     - < 5%: 1
Exhibit 2: Evaluation of Performance and CPIX of 66 MNEs

The total performance points as well as the positions in the CPIX matrix for the 66 MNEs for the period of 2005-2009 are shown below.

<table>
<thead>
<tr>
<th>Multinational Enterprise</th>
<th>Performance points</th>
<th>CPIX Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takeda</td>
<td>26,2</td>
<td>I</td>
</tr>
<tr>
<td>Fanuc</td>
<td>23</td>
<td>C</td>
</tr>
<tr>
<td>Asellas</td>
<td>22,8</td>
<td>I</td>
</tr>
<tr>
<td>Nintendo</td>
<td>22</td>
<td>C</td>
</tr>
<tr>
<td>Advantest</td>
<td>21</td>
<td>C</td>
</tr>
<tr>
<td>Canon</td>
<td>21</td>
<td>C</td>
</tr>
<tr>
<td>Makita</td>
<td>20,6</td>
<td>C</td>
</tr>
<tr>
<td>Daiichi Sankyo</td>
<td>20,2</td>
<td>I</td>
</tr>
<tr>
<td>Murata</td>
<td>20,2</td>
<td>C</td>
</tr>
<tr>
<td>Shin Etsu Ch.</td>
<td>20,2</td>
<td>C</td>
</tr>
<tr>
<td>Hoya</td>
<td>20</td>
<td>C</td>
</tr>
<tr>
<td>Shimano</td>
<td>19,8</td>
<td>C</td>
</tr>
<tr>
<td>Rohm</td>
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<td>C</td>
</tr>
<tr>
<td>Terumo</td>
<td>19,8</td>
<td>I</td>
</tr>
<tr>
<td>Tokyo Electron</td>
<td>19,4</td>
<td>C</td>
</tr>
<tr>
<td>Eisai</td>
<td>18,6</td>
<td>C</td>
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<td>Kyocera</td>
<td>18</td>
<td>C</td>
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<td>Denso</td>
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<td>Mabuchi M.</td>
<td>17,8</td>
<td>C</td>
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<tr>
<td>TDK</td>
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<td>C</td>
</tr>
<tr>
<td>Omron</td>
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<td>I</td>
</tr>
<tr>
<td>Brother</td>
<td>16,6</td>
<td>C</td>
</tr>
<tr>
<td>Honda</td>
<td>16,4</td>
<td>C</td>
</tr>
<tr>
<td>Fuji Film</td>
<td>16,4</td>
<td>C</td>
</tr>
<tr>
<td>Panasonic</td>
<td>16,2</td>
<td>I</td>
</tr>
<tr>
<td>Sony</td>
<td>16,2</td>
<td>C</td>
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<tr>
<td>Yamaha M.I.</td>
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<tr>
<td>Kao</td>
<td>16,2</td>
<td>I</td>
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<tr>
<td>NGK Plug</td>
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<td>C</td>
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<tr>
<td>Kubota</td>
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<td>I</td>
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<table>
<thead>
<tr>
<th></th>
<th>Performancenotes</th>
<th>CPIX Category</th>
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<tr>
<td>Nihon Densan</td>
<td>16</td>
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<tr>
<td>Komatsu</td>
<td>15,8</td>
<td>C</td>
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<tr>
<td>Ricoh</td>
<td>15,8</td>
<td>C</td>
</tr>
<tr>
<td>Nikon</td>
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<td>C</td>
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<tr>
<td>Alpine</td>
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<td>C</td>
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<tr>
<td>Nihon Gaishi</td>
<td>15,6</td>
<td>I</td>
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<tr>
<td>Mitsumi El.</td>
<td>15,2</td>
<td>C</td>
</tr>
<tr>
<td>Yamaha Motor</td>
<td>15</td>
<td>C</td>
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<tr>
<td>Sharp</td>
<td>15</td>
<td>C</td>
</tr>
<tr>
<td>Suzuki</td>
<td>14,6</td>
<td>P</td>
</tr>
<tr>
<td>Showa</td>
<td>14,4</td>
<td>P</td>
</tr>
<tr>
<td>Konica Minolta</td>
<td>14,4</td>
<td>P</td>
</tr>
<tr>
<td>Mitsubishi El.</td>
<td>14,4</td>
<td>X</td>
</tr>
<tr>
<td>Toyota</td>
<td>14,2</td>
<td>P</td>
</tr>
<tr>
<td>Bridgestone</td>
<td>14,2</td>
<td>P</td>
</tr>
<tr>
<td>NEC Glass</td>
<td>14</td>
<td>P</td>
</tr>
<tr>
<td>Isuzu</td>
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<td>P</td>
</tr>
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<td>Asahi Glass</td>
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<td>P</td>
</tr>
<tr>
<td>Funai El.</td>
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<td>P</td>
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<tr>
<td>Toshiba</td>
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<td>X</td>
</tr>
<tr>
<td>Dainhon Screen</td>
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<td>P</td>
</tr>
<tr>
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<td>P</td>
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<td>Alps El.</td>
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<td>P</td>
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<td>Fujitsu</td>
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<td>Hitachi</td>
<td>10,8</td>
<td>X</td>
</tr>
<tr>
<td>Elpida Memory</td>
<td>10</td>
<td>P</td>
</tr>
<tr>
<td>Fujitsu General</td>
<td>9,4</td>
<td>P</td>
</tr>
<tr>
<td>Minebea</td>
<td>9,4</td>
<td>P</td>
</tr>
<tr>
<td>Sanden</td>
<td>9</td>
<td>P</td>
</tr>
</tbody>
</table>

Note: The above figures are the averages for the period of 2005-2009.
The theme of the EIBA 2012 conference is ‘International Business and Sustainable Development’. The most widely-quoted definition of sustainable development is ‘development that meets the needs of the present, without compromising the ability of future generations to meet their own needs.’ In September 2005, the United Nations World Summit identified three interdependent and mutually-reinforcing components of sustainable development, namely economic development, social development, and environmental protection. Furthermore the Summit stressed the important role that foreign direct investment (FDI) could play in the development process, particularly in developing and emerging economies. The EIBA 2012 conference seeks to address the issues of how international business contributes to this process.

The greater integration of goods, factor and capital markets means that countries are even more interdependent. The impressive growth rates of many emerging economies, not just the BRICs but other countries in Asia, Eastern Europe and even Africa, are stimulating a new international economic order. Direct investments by MNEs and SMEs in developing and emerging economies are on the rise, but so too are investments in developed countries by firms from emerging economies. Consumer needs and expectations are evolving worldwide. Many firms are adjusting their supply chains to take advantage of these global developments, and the outsourcing and offshoring of both manufacturing and service activities are increasingly important phenomena. At the same time, firms are increasingly being held responsible for their impact of their international activities upon people and upon the environment.

Papers that throw light upon the conference theme of ‘International Business and Sustainable Development’ and the issues raised above are especially welcome. Proposals for special panel sessions should be sent directly to one of the conference organisers. We also invite competitive papers and working papers on any of the following fourteen conference tracks. Competitive papers should be close to a publishable state, whilst workshop papers may be in an earlier stage of development. The submission deadline is July 16, 2012. For more information, please consult the conference website at www.eiba2012.org.

- Track 1: International Business and Sustainable Development (Rob van Tulder, Rotterdam School of Management, Erasmus University)
- Track 2: Multinationals from Emerging Markets (Filip de Beule, Lessius University College, University of Leuven)
- Track 3: IB Theory and International Economics (Niron Hashai, Hebrew University of Jerusalem)
- Track 4: Supply Chain Strategies, Offshoring and Outsourcing (Torben Pedersen, Copenhagen Business School)
- Track 5: SMEs, Entrepreneurship and Innovation (Niina Nummela, Turku School of Economics, University of Turku)
- Track 6: Knowledge Management and Technology Transfer (Rudolf Sinkovics, Manchester Business School)
- Track 7: International Finance and Accounting (Lars Oxelheim, Lund University)
• Track 8: International HRM and Cross-Cultural Issues (Jonas Puck, Wirtschaftsuniversität Wien)
• Track 9: International Marketing (Per Servais, University of Southern Denmark)
• Track 10: MNE Strategy and Organization (Jorge Carneiro, Pontifical Catholic University of Rio de Janeiro)
• Track 11: Networks and Alliances (Jorma Larimo, University of Vaasa)

• Track 12: Subsidiary Strategies and HQ-Subsidiary Relations (Gabriel Benito, BI Norwegian School of Management)
• Track 13: Corporate Governance and Corporate Social Responsibility (Trond Randøy, Agder University College)
• Track 14: IB Research Methodology and Teaching (Rebecca Piekkari, Aalto University)

Peter Buckley OBE

Congratulations to Peter Buckley, who is pictured here at the OBE award ceremony at Buckingham Palace on 4th May 2012. He was appointed an Officer of the Order of the British Empire (OBE) in the Queen’s New Year Honours List 2012, “For services to higher education, international business and research”.

Professor Buckley OBE, Founding Director of the Centre of International Business at the University of Leeds (CIBUL) was also awarded the Richard Whipp Lifetime Achievement Award by the British Academy of Management “For considerable and sustained contribution to International Business”.

The Richard Whipp Lifetime Achievement Award is made in memory of Professor Richard Whipp, an outstanding scholar in the field of business and management and former Chair of the British Academy of Management.

The Award is to reward the course of a career where the beneficiary has enhanced a field of study, founded or effectively led a major national / international academic initiative or delivered unusually effective services to a major professional institution and / or the academy.

The award was presented by Professor David Otley, Emeritus Distinguished Professor of Accounting & Management at Lancaster University. In his presentation Professor Otley commented: ‘To receive the Richard Whipp Lifetime Achievement Award the recipient should have achieved one or more of the set criteria. Professor Buckley has met all of these criteria, in some cases several times over.’

Professor Buckley proudly accepted the award, saying “thank you for all your support over the years” to his colleagues at the Business School.
26th John H. Dunning Doctoral Tutorial in International Business

Chaired by Jean-François Hennart, Tilburg University, Netherlands, & Rebecca Piekkari, Aalto University, School of Economics, Finland

CALL FOR PAPERS

The Doctoral Tutorial will take place on Friday, December 7, 2012, at the University of Sussex, Brighton, UK, immediately before the start of the EIBA conference.

The first objective of the Tutorial is to provide an opportunity to doctoral students in International Business to discuss their research plans and their work in progress both with a distinguished international faculty and their colleagues. The second purpose is to enable them to become acquainted with the international EIBA-network of experts and colleagues working in the field of International Business. The names of the 2012 faculty will be announced as soon as possible after the submission deadline.

If you are interested in this event, you are required to submit a 3-page abstract of the doctoral research currently being undertaken and a copy of your CV. The submission deadline for abstracts is September 3rd 2012. We recommend that applicants divide their 3-page abstracts into the following sections, and use the proportions shown as a guideline:

• central research question addressed (to include a brief statement of the topic, and of the issue or problem that motivates the research) [10%];

• theory and literature review [20%];

• research design, data and methodology (to include hypotheses in the case of quantitative methods, and the methods of measurement and the generative questions that will guide grounded theory building in the case of those using qualitative methods) [30%];

• expected results and summary of the evidence of the study thus far (to include if applicable an outline of any preliminary findings) [20%];

• expected contribution and its significance to scholarship in the IB field [10%]; and

• conclusions, and remaining concerns or problems to be overcome [10%].

Please include on your CV the name of your main thesis advisor, and the number of months (years) that you have been working on your thesis.

The number of participants in the Tutorial is strictly limited. We are particularly keen to encourage applications from doctoral students who, although not yet being close to having completed their theses, have already developed a clear idea of the data they will use (or are in the process of collection), and of their intended research design. Especially applications from doctoral candidates who are mid-way through the process of research for their thesis are welcomed. We are also keen to encourage applicants from schools or universities that do not as yet have established IB faculty research groups, but with the aim of ensuring a reasonable mix of participants from different backgrounds for the Tutorial.

The students who are selected to participate in the Tutorial will be requested to present a short paper about their thesis proposal. Participating students are required to register and attend the EIBA conference immediately following the Tutorial. An award of €1000 will be presented to the student with the most promising thesis abstract.

For regularly-updated information leading up to the event, as well as to submit a paper (deadline: September 3, 2012), visit the event’s webpage: http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=912.
3rd Doctoral Think Tank on the Emergence of Southern Multinationals

Chaired by Lucia Piscitello, Politecnico di Milano, Italy & Danny Van Den Bulcke, University of Antwerp, Belgium

CALL FOR PAPERS

The Doctoral Think Tank (DTT) is jointly organized by EIBA and by the European Cooperation in Science and Technology (COST) programme, as part of the COST Action ISO905 project on 'The emergence of Southern multinationals: their impact on Europe.' The DTT event will take place at the University of Sussex on Thursday, December 6, 2012, the day before the start of the EIBA conference; however, the COST-EIBA DTT consists of participation in the Think Tank itself as well as the EIBA Annual Conference. The COST programme ISO905 covers the expenses of the participating students.

The objectives of the DTT are similar to those of the John H. Dunning Doctoral Tutorial, but the focus is on issues related to multinationals from emerging and transition economies. If you are interested in this event, you are urged to submit a 3-page abstract of the doctoral research currently being undertaken and a copy of your CV (using the guidelines set out above for the John H. Dunning Doctoral Tutorial). The submission deadline for abstracts is September 3, 2012.

The number of participants in the DTT is strictly limited. Furthermore, participation is limited to students affiliated to institutions in countries that are members of COST and whose country representatives participate in the COST Action research project. Students who carry out their doctoral studies in the following countries are therefore eligible: Belgium, Bosnia and Herzegovina, Croatia, Denmark, France, Germany, Hungary, Iceland, Ireland, Israel, Italy, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovenia, Spain, Switzerland, Turkey, and the United Kingdom. Other countries may still join.

The students who are selected to participate in the DTT will be requested to present a short paper about their thesis proposal. Participating students are required to register and attend the EIBA conference immediately following the DTT. Financial support will be offered to those students selected to participate.

For more information or for submission (deadline: September 3, 2012), visit the event’s webpage http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=913.

Personalia

EIBA Past President Liviu Voinea has recently been appointed to a position in the interim government of Romania: Deputy Minister of Finance, Secretary of State for the Fiscal Code and Fiscal Strategy, Ministry of Public Finance. Should you wish to have him speak at an upcoming event or conference, he may be available for a guest lecture on the economic situation of Romania, for example, to present the new government's perspective and the strategy for the coming years. You may contact Liviu Voinea at liviu.voinea@gea.org.ro.

Liviu Voinea (front centre) and the EIBA Board in Bucharest, May 2011
The European International Business Academy (EIBA) was founded in 1974 under the auspices of the European Foundation for Management Development (EFMD) and in close cooperation with the European Institute for Advanced Studies in Management (EIASM). The Academy is a professional society for academics and practitioners with an interest in the growing field of International Business. It is distinct from many other associations in that members come from a wide variety of disciplines and functional backgrounds and share the common purpose of using the international context to cross the intellectual boundaries that so typically divide institutions of higher education.

The aim of EIBA is to serve as the core communication network for disseminating information and promoting international exchange in the field of International Business in Europe. Membership is open to individuals from Europe and elsewhere. At present, the Academy has more than 400 members from 40 different countries representing all five continents.

EIBA organizes an Annual Conference, which is hosted each year by a major European university. As a pre-conference activity, Doctoral Tutorials for PhD students are organized. A series of prestigious awards is presented during the EIBA Annual Conference, including (although not necessarily each year) the Gunnar Hedlund Award for best doctoral dissertation, the Copenhagen Prize for the best paper written by a young scholar in International Business, the IMR International Marketing Award, the IJoEM Best Paper on Emerging Markets Award, the IBR Best Paper of the Year Award, the Best Doctoral Thesis Award, and the Distinguished EIBA Honorary Fellows Award.

Among the many good reasons for joining EIBA are the following:

- EIBA members are part of a global network of people involved in international business research and teaching.
- EIBA members automatically receive six yearly issues of the International Business Review (IBR), EIBA’s official journal.
- EIBA members can attend the EIBA Annual Conference at a special Academy rate.

The current EIBA membership fee is €110 per calendar year (€90 for PhD students with valid proof of status), including an annual personal print subscription to the International Business Review.

Note that the EIBA Annual Conference registration fee already includes an annual EIBA membership and IBR journal subscription for the following year!

To find out more about your membership status or your subscription to IBR, please don’t hesitate to contact the EIBA Secretariat: eiba@eiasm.be.

For more news and information on EIBA, or to renew your annual membership online, please visit the Academy’s website: www.eiba-online.org.

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