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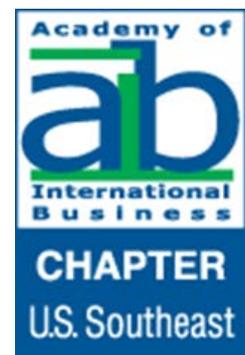


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CONFERENCE AWARDS

Best Conference Paper Award Sponsored by Belmont University

Formal/Informal Corruption Environments and MNE Performance

*Dawn L. Keig, Whitworth University
Lance Brouters, Kennesaw State University
Victor B. Marshall, Dalton State*

Best Conference Theme Paper on Innovation and the MNE Sponsored by University of Texas – San Antonio

How does the Country's Institutional Environment Shape the Relationship between Firm Risk and Innovation?

Irina Stoyneva, Jefferson University

William J. Ziegler Best Ph.D. Student Paper Sponsored by The University of Alabama

Cultural Intelligence and Interpersonal Regulatory Fit in Intercultural Negotiations

*Clark D. Johnson, Saint Louis University
Brittney C. Bauer, Saint Louis University*

Best Undergraduate/Graduate Student Paper Sponsored by Monmouth University

Innovation in an Era of Guarded Globalization: A Qualitative Study of the Chinese Automotive Industry

*Audrey Aviles, Florida Atlantic University
Daniel Rottig, Florida Gulf Coast University
Emily Burville, Florida Atlantic University
Nafiseh Payani, Florida Atlantic University
Daniel Frasson, Florida Atlantic University*

Best Conference Reviewer Sponsored by Drake University

*Lee Nordgren, University of Phoenix,
School of Advanced Studies*

Best Conference Student Reviewer Sponsored by the Asia Institute

Sarah K. Ku, Georgia State University

Culture & Corporate Social Responsibility

Competitive Papers

How Culture Impacts Negotiation Creation of an Intercultural Negotiation Model

Guevara Vargas, Laura Daniela; *Sergio Arboleda University, Colombia*
Rojas Munar, Carolina; *Sergio Arboleda University, Colombia*
Parrado, Fernando; *Sergio Arboleda University, Colombia*

The paper compares the values of the culture of Colombians with the values of Chinese culture, based on Hofstede's model of Cultural Dimensions. Differences are suggested in the cultural values of the two cultures that could represent a challenge in the negotiations. Hofstede defines five dimensions, each one related to an indicator for each country: Distance of Power (PDI), Individuality Index (IDV), Masculinity Index (MAS), Disposition to Change (UAI) and Perception of Time (LTO). These indices characterize time management, change, power, social connection and gender for different cultures which impacts the negotiations and the intercultural relations that are handled in these. It is also based on the studies of Ricardo Eastman de la Cuesta that has characterized the Colombians and their relations with the Chinese. In addition to following the culture model, proposed by Hofstede "The Onion" in which the symbols, heroes and rituals of each culture are described. Finally the crossing of the Hofstede Dimensions will be carried out with the method proposed by Manoella Willbaut, called the SNA (Successful Negotiation Activator) method. With this you can intuit how China is, its values, and its differences with Colombia, and some recommendations when negotiating, in order to obtain success and avoid cultural clashes.

In order to capitalize on the opportunity to do business with China, it is necessary to know Chinese ways of communicating and doing business, as well as to recognize differences with Colombians. To establish the bridge with the Chinese and to recognize the differences, we will build on the studies of Geert Hofstede which establishes indices for the characterization of different countries.

Keywords: Culture, Cultural Differences, Cultural Dimensions, Negotiation

Orality Versus Literacy: Theoretical Foundations, Salient Characteristics, and Cultural Consequences

Yeganeh, Hamid; *Winona State University, USA*

This study aims at examining the conceptual relationships between oral/written languages and culture. First, orality and literacy are conceptualized and their salient differences are analyzed. Next, six cultural dimensions are defined and standardized premises are formulated. Subsequently, categorical syllogisms are built and specific conclusions are stated. It is concluded that orality is conceptually associated with high-context, poly-chronic, public space, collectivist, hierarchical, and traditional cultural dimensions. By contrast, literacy is conceptually connected to the opposing cultural traits such as low-context, mono-chronic, private space, individualist, egalitarian, and secular-rational dimensions. This study contributes to the cross-cultural research by conceptualizing orality and literacy, by analyzing their salient differences, and by examining their relationships with cultural dimensions.

Keywords: Culture, Cultural Differences, Cultural Dimensions, Cross-Cultural Communication

Measuring Shared Social Value

Trusty, Juanita; *California State University, USA*

Fabian, Frances; *University of Memphis, USA*

Montague-Mfuni, Michelle; *University of Memphis, USA*

This study provides a current assessment of sustainability reporting and measurement practices for social initiatives by industry leaders and summarizes corporate efforts and intentions in support of The United Nations Sustainable Development Goals (SDGs). Using a content analysis of sustainability reports, the study examines the stated social goals and measures for 2020 and beyond as a proxy for corporate social involvement and alignment of corporate goals with the SDGs. Social performance and measurement varies by industry sector and corporations are generally dissatisfied with the level of measures for social activities and are challenged to find more effective measurement tools for social reporting. The study examines measurement practices and challenges of industry leaders and provides insights for both managers and researchers on the scope and effectiveness of social performance measures.

Keywords: Global Strategy, Social Value, Measurement, Sustainable Development Goals

Corporate Social Responsibility Typology: The Influence of Cross-Cultural Dimensions

Tolmie, Carri Reisdorf; *Elon University, USA*

Park, Yung-hwal; *Truman State, USA*

Blewitt, J.C.; *King's College, USA*

What constitutes and influences corporate social responsibility (CSR) has been debated among cross-cultural researchers worldwide. Building on a previously established typology, with the addition of the natural environment dimension, this paper explores the different domains of CSR. Further, by using Hofstede's cultural framework, we examine what cultural dimensions have the most influence on which CSR type. In doing so, several managerial implications emerge for multinational enterprises (MNEs) to capitalize on. This conceptual work paves the way for future empirical subjects addressing the various aspects to fully understand CSR in practice.

Keywords: Informal Institutions, Stakeholder Institutions, Stakeholder Engagement, Corporate Social Responsibility, Stakeholder Pressure, Culture, Environment

Emerging Markets & MNEs

Competitive Papers

Revisiting the Role of Decision Makers in Occurrence of the Framing Effect: Evidence from the Middle East

Tabesh, Pooya; *University of St. Thomas - Houston, USA*
Moghaddam, Kaveh; *University of Houston – Victoria, USA*
Tabesh, Parnian; *St. Mary's Hospital, USA*

Framing effect occurs when decision makers choose inconsistent solutions for objectively identical problems based on the way the problems are presented to them. Despite considerable scholarly investigations, research in this area tends to be western-centric, and systematically overlooks personal characteristics of decision makers in the decision process. Using a sample of Iranian healthcare providers, we extend the current theoretical understandings to address these challenges in investigating the framing effect. Our results based on evaluation of responses of sixty-two decision makers to eleven decision scenarios (total of 682 decisions), indicate that framing has a very strong influence on Iranian experts' choices above and beyond their personal characteristics. Additionally, we showed that framing interacts with decision makers' general risk-taking propensity and domain-specific expertise to shape choice. Important theoretical and practical implications are elaborated in detail.

Keywords: Organizational Behavior, Decision Making, Cognitive Bias, Middle East, Healthcare Settings

Work Values across Generations in China: A Generational Cohort Perspective

Yang, Jun; *Fort Hays State University, USA*

Yu, Chun-Sheng; *University of Houston – Victoria, USA*

Wu, Jun; *Georgia Gwinnett College, USA*

Purpose: This study examined how the perceived importance of work values differs among the three generations (Cultural Revolution, Social Reform, and Millennial) in the Chinese workforce.

Design/methodology/approach: Grounded in work values and generation theories, hypotheses were tested by empirical data collected from 464 Chinese employees from four companies in a Southern city of China.

Findings: The results revealed significant generational differences existing in China with respect to extrinsic-intrinsic work values measured by the work-need typology (Huseman and Hatfield, 1990). After controlling for demographic variables, Millennial employees were found to show the highest preference for both extrinsic and intrinsic work values, followed by the Social-Reform generation, while the Cultural-Revolution generation scored lowest. Additionally, important similarities across the three generations were found.

Research limitations/implications: These findings highlight the complex nature of generational phenomena and suggest the need to further develop a deep appreciation and understanding of the underlying reasons for those generational differences and similarities.

Originality/value: The present study was among the first to directly compare the three generations in the Chinese workforce about the magnitude of importance each generation attaches to various work priorities.

Keywords: HR and Labor Relations, Work Attitudes/Behaviors, Generations, Work Values, International Management, HR Management, China

CSR & Corporate Sustainability in Emerging Countries: A Systematic Review and Future Research Agenda

Paul, Justin; *Rollins College-Florida & University of Puerto Rico, USA*

Saha, Raiswa; *SRM University, India*

Kathuria, Sakshi; *GJU S&T, HISAR, India*

This paper conducts a structured review on the business sector's Corporate Sustainability (CS) or Sustainable Development (SD) and Corporate Social Responsibility (CSR) in the management context to explore research trends on the topic in emerging economies over the period 2000-2018, we identify research gaps and provide directions for future research. The review is carried out by employing the largest peer-reviewed databases (Web of Science and Scopus). This research would serve as a basis to understand all the opportunities present and undertake new research projects based on the propositions and the future research agenda outlined. Based on an extensive coverage of studies published over a period of nearly 18 years between 2000 and 2018, we review extant research on this phenomenon mainly from India, as well as other emerging countries. To this end, 140 papers were selected and studied in detail. The paper shows that although there are a growing number of papers addressing CSR and CS issues, many important research issues are still neglected. We have identified advancements in the areas of CSR and CS research and pinpointed the key theories, methodologies, observed distinctiveness and the variables that have been examined in this emergent research literature. For better outcomes and achievement of organizational development and growth, corporate social responsibility and corporate sustainability are growing concerns and important key areas. We conduct a descriptive review of 140 articles, published in top ranked ABDC/ABS/FT50 business management and accounting journals providing a global perspective of the field. In business, the association of Sustainable Development with Corporate Social Responsibility is tested by authors making use of country level data reviews. According to the knowledge of the authors, this is a naive and initial study on the paradigm shift from CSR to CS, that explores the unexplored and yet important issues that have a potential to lead the studies on CSR and CS in a new direction and thus, enriching the literature and knowledge on these topics. The aim of this paper is to summarize existing research on quantitative models for forward management areas, thereby aiming at substantive justification as an important step in theory building. This provides insights towards future research directions and needs. We synthesize the findings and analyze different dimensions, which in turn would facilitate further research as well as the growth of firms in the long run.

Keywords: Sustainability in International Business, Sustainability Processes

Disclosure under IFRS Does Cross-listing Eliminate Accounting Differences Arising from Legal Origin?

Schiozer, Rafael; *Fundacao Getulio Vargas EAESP, Brazil*

Santos, Edilene S.; *FGV/EAESP, Brazil*

Ponte, Vera; *UFCE, Brazil*

This study investigates whether the influence of the NYSE's environment on foreign American Depositary Receipt (ADR) issuers is sufficiently strong to eliminate disclosure deficiencies associated with firms' legal-accounting traditions. For countries where IFRS is mandatory, we analyse firms cross-listed on the NYSE and investigate the level of compliance with disclosure required by IAS 24 (Related Party Transactions). We compare firms originating from the common law tradition (UK) with firms originating from the civil law tradition (Brazil and Continental Europe) and do not find differences in the level of disclosure between civil law and common law firms cross-listed on the NYSE. As a control group, we use firms listed only on local stock exchanges and find that, for these firms, differences in disclosure levels persist and are associated with their jurisdictional tradition. These findings indicate that disclosure insufficiencies associated with a firm's origin are eliminated under the NYSE's market strength and enforcement.

Keywords: Accounting, International Accounting, International Finance

Entrepreneurship, SMEs, and Born Globals

Competitive Papers

Cooperative Societies as Vehicles of Entrepreneurship for Sustainable Development: The Case of Cooperatives in Osun State, Nigeria

Jiboye, Temitope F.; *Obafemi Awolowo University, Nigeria*
Ogbuehi, Alphonso O.; *Clayton State University, USA*
Akinyosoye, M.O.; *Obafemi Awolowo University, Nigeria*
Akinbami, C.A.O.; *Obafemi Awolowo University, Nigeria*
Omisore, S.; *University of East London, United Kingdom*
Adegbolagun, A.O.; *University of Ibadan, Nigeria*

Restructuring for sustainable development is a process involving three essential elements: feasible industrial growth to fulfil basic socio-economic needs, maximum development of human resources, and achievement of greater social justice through a more equitable income distribution. Unfortunately, none of these are satisfactorily manifesting in many African nations. The study therefore examined contributions of cooperative societies in poverty alleviation and national development; investigated how cooperative societies can be better positioned to achieve Sustainable Development Goals in Nigeria and the factors affecting the performance of cooperatives in Nigeria. To achieve these objectives, questionnaire was administered to obtain data from cooperative administrators and members from Osun State. Two thousand, nine-hundred and seventy-two members from 1,486 cooperative societies listed in the state directory participated in the study. Results show that cooperative societies can be catalysts for economic development, employment creation, income generation, poverty reduction, environmental sustainability and institutional capacity building. In conclusion, cooperative societies, if well harnessed, could be used to incubate local entrepreneurs by providing access to finance, leading to higher employment and boosting efforts to eradicate poverty and thereby fulfilling the goal of the sustainable development goals

Keywords: Entrepreneurship, Entrepreneurial Networks, Business Groups, Cooperative Societies

Youth Entrepreneurship: Challenges and Opportunities

Iqbal, Tahir; *Preston University, Pakistan*

Entrepreneurial activities are vital for a developing economy like Pakistan. The scarcity of resources creates bottlenecks for future growth. Lack of capital, skills, confidence and compliant cost, social and cultural attitude towards youth entrepreneurship, entrepreneurship education, and access to startup financing, business regulatory framework are some of the barriers to entrepreneurship. Given the saturation in limited areas of SME the future of entrepreneurship will be selling of new ideas. Prime Minister Youth business loan is an encouraging step towards economic empowerment for entrepreneurial activities. In contrast to early periods' development policies the focus has changed from infrastructural development to innovation and ideas that drive economic growth. Education and particularly higher education is strongly correlated with developing entrepreneurial self-efficacy.

Keywords: Entrepreneurship, SMEs, Entrepreneurial Networks

SCOPE Framework for SME Growth and Internationalization

Paul, Justin; *Rollins College-Florida & University of Puerto Rico, USA*

This article conceptualizes a new typology- SCOPE framework to postulate strategies for Small and Medium Enterprises (SMEs) to compete and succeed in the global market. The present study employs a multiple case study method and is based on semi-structured interviews with senior managers of three SMEs. It was found that SMEs face internal and external challenges. Considering the issues faced by SMEs, a new framework titled SCOPE (Strategies to analyze the Challenges, Opportunities, and Problems to succeed in Exporting) has been developed complemented by a Pentagon model. This work is original as SCOPE framework could be employed as a theoretical lens to critically examine the survival and fitness of SMEs which in turn facilitate the competitiveness and success in this era of globalization.

Keywords: SMEs, Internationalization, Entrepreneurship

Examining SME Managerial Practices of High Performing Organizations on Performance: A Cross-Cultural Comparison between US, France and India

Pett, Tim; *Rollins College, USA*
Sie, Laurent; *ESC Pau Business School, France*

This study examines the concept of high performing organizations as a business approach for SMEs to implement in achieving superior performance. The paper is an exploratory study of the managerial practices as suggested by high performance organization model resulting in higher financial and non-financial performance of SMEs compared to competitors. In addition, the study explores these managerial practices for U.S., France and India. The findings suggest differences in managerial practices exists across countries and vary based on the various performance outcomes. We offer some conclusions and direction research

Keywords: SMEs, Internationalization, Managerial Practices

Global Strategy and Competitiveness

Competitive Papers

Advantages of Indigenusness Theory and Emerging Economy Firm Performance

Nakos, George; *Clayton State University, USA*
Brouthers, Lance Eliot; *Kennesaw State University, USA*
Marshall, Victor B.; *Kennesaw State University, USA*
Randall, Ted; *Kennesaw State University, USA*

This paper proposes specific strategies firms in emerging economies can use to prosper in their home country markets. These strategies are drawn from a new theory called the “Advantages of Indigenusness” (AOI). AOI theory proposes that: (1) domestic emerging economy firms can create defendable product markets based on specific advantages that stem from being an indigenous firm; and (2) firms using these advantages have superior performance when compared to domestic firms that don’t. The theory and resulting hypotheses are tested on a sample of Romanian firms. Managerial implications are discussed.

Keywords: Competitiveness, Emerging Markets, International Strategy

The Relationship between Corporate Conflicts and Firm Financial Performance: Russian Example

Berezinets, Irina; *St. Petersburg State University, Russia*

Naoumova, Irina; *University of Hartford, USA*

Ilina, Yulia; *St. Petersburg State University, Russia*

Bespiatova, Dilyara; *Gazprom Neft PJSC, Russia*

The goal of this study is to test the relationship between the intensity of the corporate conflict and company's financial performance. For that purpose we designed the corporate conflict index and tested its relationship with company's market capitalization.

Using the dataset of Russian public companies involved in corporate conflicts in 2000-2012 we discussed typical cases, analyzed a principal-principal problem and confirmed the relationship between conflict intensity and company's market capitalization. Mass media coverage of corporate conflicts might ignite internal and external procedures for conflict resolution, and that, attracts investors. On a general level, the principal-principal problem in specific conditions of transitioning and emerging economies could lead to the increase in company's market value.

Scholars, interested in the new field of corporate conflicts in transitioning and emerging markets could use the conflict intensity index approach for future research in other countries. The hypothesis of corporate conflicts being positively related to firm financial performance has been statistically supported.

The results of our study have significant value for practitioners in transitioning as well as emerging economies. Investors and experts could base their actions on calculations of conflict intensity index that has been proven to have positive relationship with company's market capitalization.

Keywords: Transfer Pricing, Econometric Analyses, Corporate Governance, Corporate Conflicts, Principal-Principal Problem, Corporate Conflict Index, Financial Performance, Emerging Economies

New Product Production as Firm Risk-Taking and its Effect on Firm Performance

Sawant, Rajeev; *Florida Atlantic University, USA*

Liu, Jing; *Baruch College, CUNY, USA*

Zhong, Bi-juan; *Baruch College, USA*

Extensive research examines R&D and introduction of new products. Yet R&D and new product development are necessary but not sufficient conditions for determining firm performance in new product markets. Firms must also take strategic decisions about new product production (NPP) under conditions of high uncertainty. Thus, conceptualizing NPP as firm risk-taking we draw on performance feedback theory to model NPP antecedents and performance consequences. We find that performance failing to meet aspirations increases new product introduction and NPP. Performance exceeding aspirations reduces new product introduction but increases NPP. Further, greater NPP leads to worse performance. Greater knowledge reduces the negative effect of NPP on performance. We extend performance feedback theory to NPP and contribute to firm innovation literature.

Keywords: New Product Production, Performance Feedback Theory, Firm Innovation, Firm Risk-Taking

Entry Mode Strategy, Management Control, and Foreign Subsidiary Performance

Kang, Tong Hyouk; *University of Memphis, USA*

Equity ownership-based strategies of multinational corporations (MNCs) and their foreign subsidiaries' performance have received increased attention from scholars over past decades. However, previous research has revealed mixed findings on the subsidiary performance outcomes. In this study, therefore, we address some of these findings by combining ownership and operational control to consider performance. Specifically, we investigate how an MNCs' staffing policies in regard to parent country nationals act as an operational control mechanism, and thus, as a contingent factor on the relationship between equity ownership-based entry modes and foreign subsidiary performance outcomes. In addition, relying on multiple theoretical perspectives such as transaction cost economics, the resource-based view, and agency theory, we propose contingent effects of industry characteristics and country characteristics on this relationship. Based on our study, we provide theoretical insights and suggest ideas for future research.

Keywords: Multinational Enterprises (MNEs), Foreign Direct Investment (FDI), Entry Mode Decisions, Subsidiary Performance, Expatriate Staffing Strategy

Governments, NGO's, Global Institutions and SOEs

Competitive Papers

Corruption Reality vs. Perception: Elite Demographics as a Modifier of Perceptions

Adams, Russell; *University of Texas - RGV, USA*

Downey, Clara; *University of Texas - RGV, USA*

Throughout history civilizations haven't fallen because of the corruption of the political classes. Most studies of corruption are based on subjective perception of corruption in a country, not the actual corruption that takes place due to measurement difficulty. This paper creates a new corruption index using external data including the Forbes Billionaires Index. Initial analysis indicates that a viable alternative measure has been developed.

Keywords: Corruption

International Business & Human Rights Violations: A Framework for an Emerging Topic

Ascencio, Christine; *Saint Louis University, USA*

Singh, Nitish; *Saint Louis University, USA*

Human rights are violated everyday across the world, often as a result of the activities of multinational corporations, knowingly or unknowingly. Because violations of human rights have not been examined in the international business literature, in this paper we examine the academic research in the fields of economics and international relations, as well as the current classification system from the United Nations Human Rights Index, and social impact categories from the Organisation for Economic Co-operation and Development, and the Global Reporting Initiative to develop a new framework for understanding human rights violations by multinational corporations. A crucial first step to investigating the social repercussions of business activity around the globe is through developing a systematic organization of potential violations. From here we will be able to better understand where the violations develop from and how to prevent them in the future.

Keywords: Human Rights, International Relations, Framework

Formal/Informal Corruption Environments and MNE Performance

Keig, Dawn L.; *Whitworth University, USA*
Brouthers, Lance Eliot; *Kennesaw State University, USA*
Marshall, Victor B.; *Kennesaw State University, USA*

While much has been written about corruption and the multinational enterprise (MNE), little prior research has tried to link corruption and MNE performance. More problematic is that what little literature does exist tends to focus exclusively on aspects of the formal corruption environment (FCE) while typically ignoring the role that the informal corruption environment (ICE) can play in corruption-performance relationships. Prior literature provides guidance for how MNEs should select FCEs (evaluate the trade-off between market attractiveness and the costs of corruption and select positive net present value nations). It provides no such guidance for ICEs. Perhaps a possible reason for this omission is that while prior theory suggests that FCE tends to be confined to a few key players/institutions, ICE is found throughout a society in the daily actions, interactions, and values of the populace at large, and for that reason cannot so easily be ameliorated by an MNE. Based on this reasoning we use a portfolio approach to measure FCE/ICE, theorizing and testing two hypotheses: (1) due to the “baked in” a priori calculations of trade-offs between market attractiveness and corruption level costs made by MNEs prior to market entry, higher FCE is positively related to MNE performance; but (2) the pervasiveness of ICE throughout a nation makes it impossible for an MNE to mitigate its influence resulting in a negative relationship between higher ICE and MNE performance. Hypotheses are tested using both accounting- and market-based measures of performance. Implications are discussed.

Keywords: Corruption, Formal Institutions, Informal Institutions

IB Theory, FDI, and Entry Mode

Competitive Papers

To Make or to Serve: Regional Industrial Specialization Patterns of Foreign Subsidiaries in Service and Manufacturing Sectors – Examination of the industrial Sectors across Regions in a Transition Economy

Mironko, Arkadiusz; *Indiana University East, USA*

This paper examines the dynamics of the location patterns of foreign direct investment (FDI) subsidiaries in manufacturing and service sectors across regions in a developing economy. The data at the NUTS level 2 on regions in Poland is analyzed employing revealed location advantage (RLA) index for industrial specialization (RLA_{is}) of the regions. Relative industrial sectors' concentration patterns are revealed along with industrial specialization level of regions' participating foreign subsidiaries across all regions of Poland.

The findings allow determining that the location of foreign firms in service-related industries is concentrating mostly in larger agglomerations with a strong presence of large markets and universities. While, also, a number of regions seem to be able to narrow their manufacturing specializations, they generally locate at, or near, the legacy centers of those industrial sectors. This provides answers for, and confirms, the raised hypothesis and generally follows existing theoretical path of the developed economies. The study, also, shows that the regions attracting a higher number of foreign service-related FDI also seem to increase their industrial specialization in select manufacturing sectors and attract R&D investment.

Keywords: Multinational Enterprises (MNEs), Foreign Direct Investment (FDI), Location Choices, Economic Geography, Developing Economies

International Market Selection: A South African Perspective

Ashley, Natasha; *University of Pretoria, South Africa*

Mbuya, Fredrick; *University of Pretoria, South Africa*

Vogel, A. Johan; *University of Pretoria, South Africa*

Due to the complexity of market knowledge, deficiencies in access to quality information and the cost of an extensive international market selection (IMS) process, emerging market enterprises are considered to follow a non-systematic approach to IMS. Consequently, the IMS decision is thought to be based on management intuition, expertise and previous experience. The findings of this generic qualitative study, however, shows that not only do South African enterprises follow a systematic, four-step approach to IMS, but they also consider a comprehensive list of criteria in selecting these markets, with previous experience being the least favoured selection criteria.

Keywords: Location Choices, International Market Selection

Analysis of Political Stability Costs and MNE Location Choice

Cordero, Arkangel; *University of Texas - San Antonio, Nicaragua*

Miller, Stewart; *University of Texas - San Antonio, USA*

We develop a theoretical framework to explain how political party tenure affects MNE entries. By drawing on Upper Echelon Theory and that considers both the benefits and costs of political stability, we argue that there is a curvilinear relationship between political party tenure and MNE entries. Moreover, we argue that political parties with an excessive tenure are less responsive to MNEs and more corrupt. Therefore, we further explain the mediating effects of government bureaucratic unresponsiveness and government corruption on that relationship. We test our theory using a sample of manufacturing MNEs entering into Mexican cities. The results support our theory.

Keywords: Location Choices, Governments, Institutional Environments, Corruption

International Accounting, Economics, and Finance

Competitive Papers

Firm Location and Dividend Payout Policy: Evidence from China

Lin, Chen-Miao; *Clayton State University, USA*

Yao, Sheng; *China University of Mining and Technology, China*

Zhang, Wei-Wei; *China University of Mining and Technology, China*

Using China's high-speed rail (HSR) system as a proxy for asymmetric information, we investigate the relation between a firm's dividend policy and its level of information asymmetry. We find that firms headquartered in the cities with HSR pay higher dividends than firms headquartered in the cities without HSR. Consistent with the pecking order theory, dividends are inversely associated with the level of information asymmetry. Furthermore, the increases in dividends tend to be stronger for firms that benefit the most from improvements in the information environment, such as firms located in area without regional airports, firms located in areas with a lower regional gross domestic product, firms located a greater distance from the closest National Central City, and firms that are smaller, state-owned, have a shorter listing history in the exchanges, and have a more concentrated ownership. Further tests attribute the increase in dividends to the reduction in financial constraints, the increase in the number of analysts' site visits, and greater information transparency.

Keywords: Finance, Dividend Payout Policy, High-Speed Rail, Firm Location, Asymmetric Information

Liberalization and Market Efficiency in Emerging Markets: Measuring the Threshold Level of Governance

Mubarik, Muhammad Shujaat; *Muhammad Ali Jinnah University, Pakistan*
Naghavi, Navaz; *Taylor's University, Malaysia*

This paper presents an investigation into the effects of financial openness on stock market efficiency in emerging markets after controlling for certain level of institutional development. The results demonstrate that there is a threshold effect in the liberalization-efficiency relationship. Specifically, we found that the impact of financial liberalization on informational efficiency of the stock market was positive and significant only after a certain threshold level of institutional development had been attained. Below this level, the effect of financial liberalization on stock market efficiency was negative. This finding suggests that the positive effects of financial liberalization on informational efficiency are contingent on the level of institutional development, thus supporting the idea that financial liberalization embedded within a sound institutional framework has the capacity to enhance stock market efficiency. The conclusion that the governance concept, emphasized in econometric findings, is implicit in the definition of neo-liberalism can be considered as one of the contributions of the study.

Keywords: Econometric Analyses, Economics, Finance, Financial Liberalization

Does Comparability with Local GAAP Improve when Firms Adopt IFRS?

Clark, Dina; *Bloomsburg University, USA*

Lin, Steve Wen-Jen; *Florida International University, USA*

Turner, Elizabeth H.; *University of Texas - Rio Grande Valley, USA*

Wheatley, Clark; *Florida International University, USA*

We examine the impact on comparability between local GAAP [Russian Accounting Standards - RAS] and International Financial Reporting Standards [IFRS] after IFRS adoption. Russia provides a unique setting to explore this issue because publicly traded firms with consolidated financial statements must produce two sets of financial statements – one under each regime. When we examine measures involving income, we find increasing comparability over time. The quality of earnings, measured by discretionary accruals, exhibits no change under IFRS while it declines under RAS. That trend reverses when we compare public firms reporting RAS and IFRS simultaneously to firms (both public and private) reporting RAS only (never having used IFRS). We attribute our findings to a monitoring effect from IFRS in that publicly traded firms are constrained from reporting RAS numbers that differ significantly from IFRS, even when it results in higher taxes.

Keywords: Accounting, International Accounting, International Economic Development

The Role of Dividend Policy in Cross-Border Mergers and Acquisitions

Kaprielyan, Margarita; *Elon University, USA*

Brady, Kevin; *St. Thomas University, USA*

We use cross-country variation in shareholder protection to investigate links between dividend policy and mergers and acquisitions (M&A). The role of dividend policy in M&A has only recently been examined and focuses on domestic transactions between U.S. firms. Prior research finds that firms operating in foreign markets with weak legal protection of shareholders tend to trade at a discount to their intrinsic values. Dividend payments can reduce the agency problems underlying this discount. We show that the probability of a cross-border deal taking place between a dividend-paying acquirer and dividend-nonpaying target increases as the difference in the level of shareholder protection between the acquiring and target nations increases. We also demonstrate that the dividend-paying statuses of bidders and targets help explain variation in the method of payment, the bid premium, and the future dividend policy in cross-border deals. Our results contribute to the literature by identifying key differences between the role dividend policy plays in domestic versus cross-border M&A.

Keywords: Finance, Mergers and Acquisitions, International Finance, Corporate Governance

International Marketing

Competitive Papers

Self-Construal Differences in the Sizing Disappointment Effect

Jung, Hyeyoon; *University of Alabama, USA*
Magnusson, Peter; *University of Alabama, USA*
Peng, Yi; *University of Alabama, USA*

This study examines whether sizing disappointment has different effects depending on cultural values. Furthermore, we provide mitigation strategies for managers to suppress the detrimental effects of sizing disappointment. Specifically, the authors posit that managers may develop advertisement utilizing downward social comparison for consumers with an interdependent self-construal, and compensatory self-enhancement for those with an independent self-construal.

Keywords: Advertising, Cross-Cultural Marketing, Consumer Behavior, Sizing Disappointment Effect, Vanity Sizing Effect and Self-Construal

Consumer Disidentification: Its Personality Trait Antecedents

Peng, Yi; *University of Alabama, USA*
Westjohn, Stanford; *University of Alabama, USA*

Immigrant consumers' bias towards the domestic country negatively affects the domestic product purchase behavior. The international marketing literature explains such behavior as consumer disidentification (CDI). This disidentification determines consumers' attitudes toward domestic consumption. However, the nature of and potential for behavior consequences of consumer disidentification has largely been neglected. In this article, the authors extend the phenomenon to the general population and demonstrate how individual differences affect consumer disidentification. A sample of 252 participants shows that personality traits have significant impacts on CDI beyond the effect of consumer ethnocentrism. The results further show that for consumers with a high level of disidentification, they are more inclined to purchase goods of foreign brands. Finally, the authors conclude with the implications concerning the developing marketing strategies that are congruent with consumers' personalities and associated identities.

Keywords: Consumer Behavior, Cross-Cultural Marketing, Segmentation, Consumer Disidentification

U.S. -China Commercial Speech Restrictions: More Alike than Divergent? Lessons from Banned MNCs Controversial Marketing Practices

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Aronofsky, David; *University of Montana, USA*
West, Brian; *University of Montana, USA*

Emerging market of China in 2018 poses unprecedented challenges for U.S. MNCs to navigate their marketing efforts and vice versa. Invigorated voices of indigenous netizens from China became the ground for legal sanction on multiple MNCs engaged in ostentatious marketing practices. This study of five China banded controversial MNCs cases is among the very first analysis that compares the China Advertising Law 2015 with the U.S. Commercial Speech Restrictions and Prohibitions for cultural understandings. For each banned case, main arguments from China-U.S. media coverage and protest messages by Chinese netizens are included to aid the interpretations of the violations. Review of six U.S. commercial speech cases lend support to a tentative conclusion that despite substantial differences in their respective political and legal systems, China and the U.S. have remarkably similar legal constraints on promotional business activities such as advertising campaigns and promotional contents. Three lessons learned include: 1) indigenous stakeholders from emerging markets hold very different cultural and geopolitical views toward Western MNCs' controversial international marketing practices. The simple use of "deeply sorry," and "sincerely apologize," would not have much Sociolinguistic appeals with which the stakeholders of a host country would be willing to identify; 2) while using controversial ads or promotional materials as international branding efforts in emerging markets is no more aggressive than would be in those MNCs commercials home markets, the government bans in an emerging market such as China based on the protests by its mass netizens signals a changed landscape for practitioners; and 3) the parallels of the Nike v. Kasky case and the Marriott International 2018 China Controversy exemplifies the trending practice - an emerging market is where politics matters at least as much as economics to the market.

Keywords: Cross-Cultural Marketing, Global Branding, Consumer Animosity, US MNCs, Emerging Market, China

The Relationships among Market Orientation, Total Quality Management, and Hotel Performance: The Mediating Effect of Organizational Learning

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Wang, Cheng-Hua; *Chang Jung Christian University, Taiwan*

Based on a dynamic capability perspective, this study investigates how a hotel's performance is related to its dynamic capabilities, which are defined in this study as encompassing market orientation, total quality management (TQM), and organizational learning. Dynamic capabilities refer to a firm's abilities to react to environmental change. In this study, our subjects were hotels with a capacity of more than 50 rooms in Taiwan. Data was collected from a questionnaire survey and then analyzed using structural equation modeling (SEM). Results indicate that except market orientation, all the constructs have a significantly positive relation to hotel performance; TQM and organizational learning respectively play a mediator role in the relationship between market orientation and organizational learning and that between market orientation and hotel performance; the effect of market orientation on hotel performance is also serially mediated by TQM and organizational learning.

Keywords: Dynamic Capabilities, Market Orientation, Total Quality Management, Organizational Learning, Hotel Performance

Organization and Human Resources of the MNE

Competitive Papers

Corporate Citizenship: The Mediating Role of Ethical and Discretionary Citizenship on the Relationship between Economic and Legal Citizenship

Camacho, Luis Jose; *Empire State College, USA*

This study examines the influence of economic citizenship on legal citizenship utilizing ethical and discretionary citizenship as mediator, based on the four-factor model of Corporate Citizenship (CC) proposed by Maignan, Ferrell & Hult, (1999). The survey of 319 college students in the area of International Business confirms all hypotheses effects. The findings show that economic citizenship has a direct and indirect positive effect on legal citizenship through the mediation of both ethical and discretionary citizenship. Structural model and regression-based approach by SPSS and PROCESS was used to analyze the mediation effect.

Keywords: Organizational Behavior, Multinational Corporations, Organizations and Enterprises - MNEs, Human Resources

Individual Knowledge Transfer within Firms: Examining Knowledge Characteristics and Organizational and Societal Culture

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Leonard, Karen Moustafa; *University of Arkansas Little Rock, USA*

Knowledge management is a competitive advantage to the firm. However, research is often focused on joint ventures, acquisitions, and cross border transfers. In considering knowledge transfer at the micro level, that is, individual to individual transfer within a single firm, we examine the transfer methods and possible inhibitors. As knowledge is personal and its transfer a social event, a framework including theoretical constructs including effects of knowledge characteristics such as organizational culture and societal culture are presented. Using past work and theoretical analysis, we developed the framework to allow further research on the idea of individual transfer within the firm. From the framework development, propositions are developed, suggesting future research directions in examining micro level knowledge transfer, an important competitive advantage to a firm. Research implications arise from the development of the framework, which can guide future efforts underway to determine how and when different types of knowledge are transferred, and how organizational and societal culture may play a role. Knowledge transfer is a competitive advantage to the firm; therefore, it is essential that firms know how, when, where, and why employees transfer needed knowledge within the firm, so they can facilitate transfers between employees.

Keywords: Internal Knowledge Networks, Organizational Behavior, Organizing Frameworks, Knowledge Transfer

Cultural Intelligence and Interpersonal Regulatory Fit in Intercultural Negotiations

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Understanding the motivations of a counterpart is critical for successful, integrative negotiations. This can be more difficult in intercultural negotiations, as motivations are culturally informed. Regulatory focus theory is one of the most widely utilized theories of motivation, differentiating between motivations of attaining positive states (promotion focus) and avoiding negative states (prevention focus). Regulatory fit is the match between a person's regulatory focus and their strategy for pursuing goals or the consequences they focus on when making decisions. We suggest that interpersonal regulatory fit has been relatively neglected in the intercultural negotiation literature. In this paper, we develop propositions regarding negotiator cultural intelligence and interpersonal regulatory fit in intercultural negotiations, and present an initial empirical test of our ideas.

Keywords: Cross-Cultural, Culture, Cultural Differences

Special Track: Innovation in the MNE

Competitive Papers

Product Innovation in Emerging Markets: Insights from an MNE Case Study

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Emerging markets are fundamentally serving as new sources of growth and innovation opportunities for multinational companies. Our study analyses a case of a developed country multinational enterprise (MNE) that implemented successful product innovation for emerging market customers. Emphasizing on real-world experience, our study highlights that foreign MNE's ability to innovate product innovation for emerging market is predominantly built on its frugal innovation and frugal engineering capability, ability to build ecosystem collaboration, demonstrate a long-term commitment to the local economy and modular/design-for-scale capability. The study thus contains critical managerial and operational strategies for senior industry and R&D managers to manage suitable product innovations in emerging markets. This analysis has important implications for practitioners across a broad spectrum of industries intending to serve emerging markets.

Keywords: Emerging Markets, Frugal Engineering, Ecosystem Collaboration, Commitment to Local Economy, Modular/Design- For-Scale

How does the Country's Institutional Environment Shape the Relationship between Firm Risk and Innovation?

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In this study, I propose a theoretical link between risk and innovation. Using arguments stemming from prospect theory and agency theory perspectives, I develop a model that stipulates that firm level risk is an antecedent to innovation. I then anticipate that factors or dimensions within the institutional environment, exogenous to the firm, will influence the relationship between its level of risk and innovation. I argue that greater firm level risk, as measured by the fluctuations in the income generated, will negatively impact innovation. In addition, I posit that certain institutional environment factors will moderate the negative relationship between risk and innovation so that this effect will be weaker in the context of strong pro-market orientation of the country vs. strong pro-social orientation. I then test the proposed model in a sample of 1401 firms from countries in the EU and North America.

Keywords: Institutional Environments, Firm Risk, Innovation

Creating Competitiveness from Customer Involvement and Product Innovation: An Assessment from Two Countries

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The study draws on the complementarity of capabilities and social institutions to examine the effect of customer involvement capability on service firms' competitiveness across different cultural contexts. The study posits that the efforts of customer involvement should complement other capabilities such that its alignment with such capabilities will increase the effectiveness of itself and also enhance the efficacy of the aligning capabilities. The study further examines the influence of cultural contexts on the effectiveness of customer involvement capability in achieving competitiveness for service firms. The study uses sampled service firms from an emerging economy (India) and high-income economy (The UK), which have different cultural contexts (collectivism/individualist). The study finds that cultural contexts explain the positive relationship between customer involvement capability and firm competitiveness such that in collectivist cultures, involvement capability is more positively related to competitiveness but negative in individualistic contexts. However, in both contexts, service firms can through capability bundling increase firm competitiveness. Firms through involvement capability are able to capitalize on the competencies of customers to improve the success rate of innovation efforts to achieve competitive advantage. This study departs from previous studies by arguing that customer involvement is a complementary capability that helps exploit the potential of innovation capability of service firms. This study further demonstrates that cultural context defines the effectiveness of involvement capability in achieving firm competitiveness.

Keywords: Cross-Cultural Marketing, Marketing Strategy, Services Marketing

Culture, Organization and Human Resources of the MNE

Competitive Papers

Trends Impacting Transnational Business Education: Challenges to the West

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The purpose of this study is an examination of some perceptions of US education, experienced by foreign MBA students. International students are at record high levels in developed markets, particularly the United States. However, emerging markets are successfully luring sojourners based on cost and proximity as they simultaneously achieve greater legitimacy in their institutional credentials. A longitudinal survey was the basis for an exploratory study revealing perceptions of Indian students before and after their studies in United States. In general they came home less impressed than they had expected, in terms of the general quality of the American business education, as well as their abilities to make friends with local people. Additionally, the observed preparation of the American students for master's degree studies was not nearly as high as foreign students had anticipated.

Keywords: Transnational Education, Emerging Markets, Push-Pull Theory, McDonaldization

Winning Together: Teaching Supply Chain Management to IB Majors

Kodzi, Emmanuel; *Rollins College, USA*

The concept of “winning together” appears incongruous to the frameworks for competitiveness that many business majors have come to internalize. Having a competitive advantage does not necessarily imply going it alone, especially when geographic dispersion and cultural dissimilarities may constrain the outcomes that might otherwise be feasible through connectedness and cooperation. What frameworks exist for successful partnerships, for example, where outsourcing is a more appropriate option in a host country? In this paper the author delineates the principles and practice of developing a supply chain management course for International Business majors. The course espouses the winning together view while probing in-depth the themes of Supply Chain Frameworks and Performance, Inventory Models, Logistics and Transportation, Sourcing and Supplier Relationships, Leadership and Supply Chain Transformation. Insights gained from teaching several value chain modules to MBAs and practicing executives are combined with core supply chain frameworks and pedagogical techniques with the view to producing cohorts of undergraduates that have developed the intuition, aptitude, and methods for co-creating value across business boundaries in cross-border situations. Details of class schedules are provided for more specific guidance.

Keywords: International Business and SCM, SCM Issues and Challenges, Global Supply Chains, Competitiveness, Education

International Business Students' Perceptions of Skill Development through Undergraduate Education

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Routon, Wesley; *Georgia Gwinnett College, USA*
Hartley, Phillip; *Georgia Gwinnett College, USA*

The self-perception of skill development for International Business (IB) majors serves as the context for this research. The study's main research questions are: (1) How much have the skills and areas of knowledge changed because of higher education?, (2) How do these changes compare to those reported by other students?, and (3) What is the estimated impact of an IB degree on perceived changes in each of 15 different skill categories?

Over four hundred forty thousand college graduates surveyed from 619 different colleges and universities in the U.S. were used to estimate the direct effect majoring in IB has on the changes reported in different skill areas. Findings show that for each of the 15 skill categories, more than half of the IB students surveyed report improvements in their abilities over the course of their college education. Only two skill areas generate less than 70% positive self-ratings (Getting Along with Dissimilar People and Mathematics). Recommendations for areas of improvement for IB educators' are provided.

Keywords: IB Education, IB Teaching, Enhancing IB Education and Curriculum

The Development of the International Business Professional: The Case of Curiosity, Engagement and Success

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Moussetis, Robert; *North Central College, USA*

Abu-Rahma, Ali; *Abu Dhabi University, United Arab Emirates*

This paper examines the relationships among curiosity, engagement and student success in five areas—(1) cognitive complexity, (2) knowledge acquisition, construction, integration and application, (3) humanitarianism and civic engagement, (4) intrapersonal and interpersonal development/competencies, and (5) practical competence. Although extant literature extensively examines the antecedents and outcomes of engagement, no studies explicitly connect the above constructs. In contrast, applying Reschly and Christenson (2012) model of engagement, the present study assesses the relationship among those constructs. Results suggest that engagement fully mediates the link between both epistemic and perceptual curiosity and student success. These findings can be used by educators and administrators alike to spur an engaging environment in which curiosity can swiftly be transformed into holistic student success.

Keywords: IB Education, Enhancing IB Education and Curriculum, Study Abroad Programs, Engagement, Curiosity, Success

Undergraduate/Graduate Students

Competitive Papers

Do Greener Products Earn More Green? Examining Biomimicry along with Incremental and Radical Sustainable Product Innovations for UX Designs

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Teiman, Michael; *Wilkes University, USA*
Jensolowsky, Elizabeth; *Wilkes University, USA*
Arora, Anshu; *University of the District of Columbia, USA*
Tessema, Kedir A.; *Wilkes University, USA*

Companies strive on product designs. Household Sector innovators modify and innovate consumer products as small projects. Innovators use gestalt theory and look at the idea as a whole rather than in parts. These ideas are developed based on the three-dimension strategy: aesthetics, functionality and symbolism. These design dimensions together show positive influences on a customer's willingness to pay and also generate a positive effect on purchase intentions. There is a strong predictive link between raw idea and consumers' purchase intentions. Therefore, consumer panel evaluations are considered to be a better way to determine "good ideas" rather than ratings by experts. In the recent years, making product design ideas environmentally friendly has become popular. Biomimicry is a new concept, which encourages designers and product managers to innovate with product designs through emulation of biological forms, processes, patterns and systems. Biomimicry driven projects produce double intellectual property with double energy savings for 1/6th the resources. The betterment of a product would be done with the help of user experience and design. These design ideas can include radical or incremental innovations. This research paper addresses the following questions:

- What role does biomimicry play in incremental and radical innovations?
- Explain how the new innovative product ideas follow three dimensionality: aesthetics, functionality, and symbolism?
- How important is user experience (UX) design in biomimicry-based product innovations?

With respect to the above questions, we discuss three case studies in consumer goods industry that incorporate biomimicry, user-oriented design and three-dimension product design strategy of aesthetics, functionality and symbolism. We further suggest an innovative product idea - The Hero Pack - incorporating elements of biomimicry, UX design and sustainable product design. The research provides implications for researchers and managers in developing environmentally sustainable innovations which is user friendly by understanding new product design and biomimicry.

Keywords: New Product Design, Three-Dimension Product Design Strategy, Biomimicry, Purchase Intentions, Consumer Goods, Radical and Incremental Innovations

Reverse Innovation in an Era of Guarded Globalization: A Qualitative Study of the Chinese Automotive Industry

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Rottig, Daniel; *Florida Gulf Coast University, USA*
Burville, Emily; *Florida Atlantic University, USA*
Payani, Nafiseh; *Florida Atlantic University, Iran*
Frasson, Daniel; *Florida Atlantic University, USA*

This study examines how U.S. automotive companies can successfully navigate environmental demands in a new era of “guarded globalization” (a new form of protectionism) in the specific context of the world’s largest car market: China. Based on a qualitative research approach using executive interviews, secondary data sources and the analysis of media accounts, we study how U.S. automotive companies can employ reverse innovation to become competitive in the Chinese market. We explore the keys success factors of reverse innovate in China and discuss the implications for multinational companies.

Keywords: Globalization, China, Reverse Innovation

America First? The Uncertainty about NAFTA and Its Impact of the Automotive Industry

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Mcknight, Dwayne; *Florida Atlantic University, USA*
Rowley, John; *Florida Atlantic University, USA*
Stewart, Jenna; *Florida Atlantic University, USA*

President Trump's "America First" message has been appealing to an electorate that had largely felt left behind by the spread of globalization and responded to calls for limitations on international trade. Since his inauguration, President Trump has called for a renegotiation of the North American Free Trade Agreement (NAFTA) or for a U.S. withdrawal from the agreement altogether. While negotiations between the U.S., Canada, and Mexico remain to commence, the threat of a U.S. withdrawal from NAFTA, threat of new tariffs and potential for a trade war with China loom as a cloud of uncertainty over many U.S. industries, particularly the auto manufacturing industry. All four U.S.-based auto manufacturers cite potential changes in political environments and trade policies as risk factors in their 2017 annual SEC filings. In this paper, we explore the impact of the uncertainty about NAFTA for the automotive industry and for the global competitiveness of US automotive manufacturers.

Keywords: NAFTA, Political Risk, Automotive Industry

Sustainability as Strategy in the Chinese Automotive Industry: Managing Legitimacy Demands when Expanding to the EU

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Allen, Carmen; *Florida Gulf Coast University, USA*

Fowler, Hunter; *Florida Gulf Coast University, USA*

Sustainability refers the capacity to endure both environmentally and economically. In this paper, we take a look at both aspects of sustainability as we analyze the effects that new environmental sustainability standards, and compliance with those standards have on the Chinese automotive industry. We sought to understand if these new regulations provide an opportunity to enhance the success of Chinese automotive MNCs as they seek to expand to the European Union. In this analysis, we drew upon institution-based theory to understand the way Chinese automotive MNCs could leverage environmental compliance domestically as a competitive advantage when looking to expand internationally. Through investigating both formal and informal institutions within China and the European Union, we were able to identify overlapping environmental regulations. We then conducted interviews with credible sources to gain insight into how companies could leverage sustainability as a strategy to establish and maintain legitimacy in the European automotive industry. Through our research and qualitative analysis, we were able to develop three strategies that Chinese automotive MNCs could utilize to manage legitimacy demands when expanding into the EU.

Keywords: Sustainability, China, EU

Culture, Organization and Human Resources of the MNE

Interactive Papers

Sustainability in the Context of Organizational Culture: A study of Corporate Social Responsibility and Organizational culture in Apparel Industry

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Effective CSR practices in the fashion industry is long overdue. The industry has initiated these practices but the extent has been limited and narrow. In the recent history of organizations, through 'industrial revolution and mass organization and production' has been argued as incompatible with the notion of sustainability (Sharma, 2002 in Russell and McIntosh, 2011). Recently the term sustainability has become more accepted term in management and various industries and there are three 'bottom line dimensions of economic, social, and environmental issues' which emerge and the degree of emphasis placed on each of these is relative to the industry and organization. Organizational culture has been understood as one of the key components for organizational success. Schein (2010) observes the tendency of the organizational researchers and managers, in the past, have used culture as something which described 'the norms and practices that organizations develop around' (pg. 13) how they manage and handle people or establishing the credibility of the said organizations. This paper gives insights into the relationship between organizational culture and sustainability. The purpose of identifying the relationship is to highlight the need for CSR and sustainability to be intertwined in the organizational culture.

Keywords: Culture, Cultural Differences, Cross-Cultural, Organizational Culture, Corporate Social Responsibility, Social Identity Theory

Mind: Intercultural Model of Negotiation for Decision-Making and its Application to the Colombia-ChinaCASE

Guevara Vargas, Laura Daniela; *Sergio Arboleda, Colombia*
Rojas Munar, Carolina; *Sergio Arboleda University, Colombia*

Today's world is a communications network where business and international trade take place. Day by day, technological advances facilitate communication between people, but the cultural barrier is a decisive factor in the success of a negotiation if it is not handled with care. Taking into account the above, MIND is a model where the research of important authors of interculturality (Hofstede, Trompenaars, House, T. Hall) is unified, which allows taking into account the dimensions or key aspects of a culture, in a way that these can intervene in a negotiation from its preparation to the culmination. This model is faced with an analysis of the culture of China and Colombia, where there are important similarities in the type of communication, power perception and group relations, but, on the other hand, there are differences in the handling of uncertainty, time and the type of negotiation. Thus, the recognition of these aspects becomes a significant tool to explain, understand and predict the behavior of the parties and the results of a negotiation process.

Keywords: Cultural Differences, Cultural Distance, Cultural Dimensions, Intercultural Negotiation Model

Eudaimonic Performance Review System: Because Humans Made Machines and not the Other Way Around

Patil, Swati Pandit; *Monmouth University, USA*
Chattalas, Michael; *Monmouth University, USA*

The aim of this paper is to propose a new performance review model in the booming Information Technology (IT) industry across the world. The conventional performance review process of bell curve ('rank and yank'), also called a 'forced ranking system' deserves a 'good bye' in today's highly skilled human resource market. The aim of the proposed 'Eudaimonic Performance Review' (EPR) is to measure the performance of an employee based on the compatibility between company's and employee's goals. The EPR model brings a much fairer and humanistic approach that impartially values human effort by spreading out the power of evaluation across all ranks, irrespective of hierarchy. The model dismisses the deeply rooted high power distance factor prevailing in the work culture by promoting the power of equality across all designations by giving equal weightage to its 'bottom up' approach as much as its 'top down' approach. To the best of our knowledge, this is the first proposal of a tangible real-time model that would deliberately surpass the limitation of the bell curve model and can be applied in IT industry across the globe.

Keywords: Multinational Corporations, Organizations and Enterprises - MNEs, Human Resources, Eudaimonic, Performance Review, Bell Curve, Goals Compatibility, Power Distance, Real-Time Model

Expected Versus Observed Challenges Congruence (EVOCC): Effects on the GVT Dynamics and Performance and Implication for Training

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Dong, Longzhu; *University of Wisconsin - Eau Claire, USA*

Do those who overestimate the challenges of working in Global Virtual Teams perform better than those who underestimate the challenges, or than those who know exactly what will be a challenge and to what extent? The answer to this question has important implications for cross-cultural training and pre-project orientation. The present study addresses the question using a sample of over 7,000 people working in 1,240 Global Virtual Teams. By comparing the congruence between their pre-project expectations of challenges and their post-project reports of actual challenges they experienced, we were able to explore the effects of the Expected Versus Observed Challenge Congruence (EVOCC) on team dynamics and performance. The results showed that knowing what to expect helps, but over-estimating the challenges helps even more. A test of the mediating role of group dynamics suggest that those who over-estimate the challenges tend to over-prepare and work harder, and as a result, have better experience and ultimately show higher performance and produce better-quality work.

Keywords: IB Education, IB Teaching, Experiential Learning, Global Virtual Teams

Emerging Markets

Interactive Papers

Africa is Open for Business – Profiling Entrepreneurship Development in Africa’s Emerging Markets

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Nwaneri, Collins C.; *Diamond Bank, PLC, Benin*

For the first time since the middle of the 20th Century when all we heard were the constant drumbeats about Africa as the world’s economic development laggard, recent gains in economic prosperity have ushered in new phrases like "African renaissance," "African Century," and "Lions on the Move." But is it really justified and are we being as naively optimistic today as we were chronically pessimistic for the better part of the 20th century? Time will tell, but it is an undeniable fact that African economies, collectively, may have turned the corner towards lasting economic growth and wealth creation. What has led to this success? How durable is this economic growth? What must be done to ensure that this forward march to greater wealth creation is both broad and deep enough to capture the majority of people across the region? What do these developments portend for Africa’s middle class as consumers? The purpose of this discussion is to shed some light of the way forward and implications for present and future investors and entrepreneurs who should now consider embracing Africa as a strategic part of their wealth creation portfolio.

Keywords: Entrepreneurship, Entrepreneurial Networks, SMEs, Africa

Role of SMEs in Innovative Ecosystem Development: The Case of Transitional Economy

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Gavrikova, Elizaveta; *HSE University, Moscow, Russia, Russia*

The paper is devoted to the analysis of innovative ecosystems' development in Russia's energy sector. In transitional economies, the energy sector undergoes through dynamic technological and also structural changes that attract new players in it. Innovations increase competitiveness of the energy sector and help growing its exporting potential. The "gluing" role of small businesses in developing innovative ecosystem is critical for sustainable innovating. The paper assesses problems that small businesses report, and investigates elements of possible regional innovative ecosystem in energy sector. Based on semi-structured interviews with small firms we determined the most problematic area for innovative SMEs, - it is the legislative and regulatory framework that are holding the development of regional and country-wide innovative ecosystems back. We came up with suggestions on how to improve the situation in Russia's energy sector. Although the analysis is industry and country specific, we believe that our generalizations would help other transitioning and emerging countries to faster developing of innovative ecosystems and grow their economies.

Keywords: SMEs, Emerging Economies Ownership, Innovative Ecosystem, Energy Sector, Innovative Infrastructure

Impact of Corporate Governance Mechanisms on Corporate Performance: An Empirical Study of Non-Financial Firms in Nigeria

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Ogbuehi, Alphonso O.; *Clayton State University, USA*

The study examined the influence of corporate governance mechanisms on corporate performance of non-financial firms in Nigeria. Secondary data from published accounts and Nigerian Security Exchange Factbooks were analyzed using panel regression. Independent variables were board size, directors' shareholding, block holding and leverage while return on assets and return on equity was the dependent variables. Findings suggest that leverage has positive significant correlation with return on assets and return on equity while directors' shareholding, block holding had inverse relations with dependent variables. However, board size had mixed result with a negative significant influence on return on equity while showing an inverse but insignificant impact on return on assets. We conclude that the selected independent indicators have more influence on return on equity than return on assets. Thus, return on equity performs better than return on assets when accounting-based measure of performance is employed for non-financial firms.

Keywords: Regulation and Regulatory Risk, Regulation and Regulatory Risk, Regulation and Regulatory Risk, Regulation

The Intricacies of Institutional Framework and Capital Market Development in Africa: A Regional Dynamic

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The strategic importance of capital market development in contemporary economic structures cannot be overemphasised. Various documented studies have buttressed the quintessential indispensability of developed domestic capital market as a springboard upon which the real national economic growth can be launched. While a host of those studies are focused on developed economies, quite a few others investigate the growth-capital market nexus in the developing economies. However, documented studies that investigate regional dynamics (especially in Africa) are rare. Using data generated from various sources between 1980 and 2012 in a series of estimations, we remodelled the institutional-capital market development linkage model. We establish the role of institutional adequacy on the development of capital markets on four regions in Africa, of which the role of inflation, regulatory weaknesses and respect for the rule of law were noteworthy.

Keywords: Finance, International Political Economy, International Economic Development

Institutional Voids, Political Connections and Cross-Border Mergers and Acquisitions

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Amal, Mohamed; *FURB - Regional University of Blumenau, Brazil*
Falaster, Christian; *FURB - Regional University of Blumenau, Brazil*

The institutional theory advocates that the low institutional development in the emerging economies place negative influence on Cross-Border Mergers and Acquisitions (CBMA). From this perspective, the present study contributes by analyzing the effect of the institutional environment in CBMA moderated by the political connections in the Brazilian context. For this purpose, we analyze the set of companies listed in B3 (Brazil, Stock Market, Counter Negotiations - Brasil, Bolsa, Balcão) which performed these operations in the period from 1998 to 2016, using panel data and fixed effects of year and company. The results indicate that the weakness of the institutional environment has a negative effect on CBMA and that political connections moderate this effect. Thus, political connections moderate this relationship and positively influence the transactions of the acquirers with the highest percentage of shares and operations that involve greater financial value to subsidize them, mostly, when the connections are with winning candidates from the elections. The research contributes by extending knowledge about the cross-border mergers & acquisitions of acquirers located in emerging economies and the search for reconciliation between the ambiguous remarks around the theme.

Keywords: Institutional Environments, Entry Mode Decisions, Emerging Economy, Cross-Border Mergers and Acquisitions, Home-Country Firms

Islamic and SRI Stock Index Performance: Evidence from International Markets

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Floreani, Josanco; *University of Udine, Italy*

Kappen, Jeffrey; *Drake University, USA*

Mitchell, Matthew; *Drake University, USA*

Over the last decade, there have been important developments in all ethical investments. Since modern portfolio theory shows that applying screenings and selecting a subset of an unrestricted portfolio lowers overall performance, we would like to contribute to this field of literature through a comparison of Socially Responsible (SRI), Islamic and conventional financial stock investment performance and risk. Through a sample of 17 stock indices from 2005 to 2017, we perform a comparative risk-adjusted analysis among these categories, applying the Sharpe ratio, Jensen alpha, and sensitivity analysis. We also contribute to the literature by focusing on a wider sample of stock indices than in previous studies including both the subprime and European financial crisis. Having lower expected risk during crises, SRI and Islamic stock indices should perform better. This paper will provide important financial implications for asset managers and institutional investors.

Keywords: International Finance, Finance, International Political Economy, Islamic Finance

Global Strategy and Competitiveness of the MNE

Interactive Papers

Navigating the Political Uncertainty: EMNCs' Cross-Listing and Non-Market Strategy in a Developed Market

Liou, Rushiun; *The University of Tampa, USA*

Brown, Lee; *Texas Woman's University, USA*

In the current study, we respond to the call for understanding EMNCs' catch-up strategy in light of the changing landscape of the global business environment by studying the political relationship between the host and home countries. To successfully achieve their strategic goals in the developed markets, EMNCs will have to navigate the uncertainty derived from the unstable political relationship between their home emerging economy and host developed economy. In particular, we study the influence of political affinity on the EMNCs' post-acquisition operating performance. We find the more aligned the governmental stands on the international issues, EMNCs will enjoy better performance while controlling for other country-level distance measures. Further, we study two firm-level strategies to navigate the political uncertainty. While cross-listing the company's stocks represents an effective market strategy, the corporate political activities conducted by EMNCs in the developed market constitutes a promising non-market strategy in alleviating the political uncertainty.

Keywords: Institutional Distance, Competitiveness, Catch-Up Strategy

Competitive Dynamics: Insights from the Electronic Dance Music Industry

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Moura, Edison; *Sul Ross State University, USA*

The competitive dynamics literature examines how firm's successful actions invite competitors to dethrone industry leaders, and in turn create a continuous destruction of innovation. If this is indeed the case, then how do firms create sustainable competitive advantage? In this qualitative paper we examine the global electronic dance music festival (EDMF) industry in order to discover how an industry seemingly without innovation – due to the increasing demand of one product – is competing with others in the industry. Findings suggest that in the absence of innovation, the industry firms are largely avoiding each other and creating their own unique dynamic capabilities.

Keywords: Competitiveness, Growth Strategies, Dynamic Capabilities

Does Language Strategy Facilitate International Survival of Firm? Introduction of a Conceptual Framework

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Language strategy is considered to enhance international performance of a firm by organizing language diversity and fostering communications within and outside the firm. However, there is a lack of theoretical attention or model development on the role of language strategy on firm international survival. The adoption of language strategy and its relationship with firm survival is determined by the degree and extent of converting that strategy into certain firm specific capabilities. The evidence of various types of language strategies and different forms of firm survival also bring in complexities to understand the effects of a language strategy on international survival of a firm. In this paper, a conceptual model is proposed to examine the relationship between language strategy and firm international survival. In this proposed model, it is theorized that firm language strategy can facilitate its international survival when increases firm ability to continue its independent operation both in short and long term.

Keywords: International Strategy, Competitiveness, Competitive Advantage, Language Strategy

Changing Impact of Corporate Expectations on Risk-Taking before and after Crisis

Rustambekov, Elzotbek; *Bryant University, USA*

This study examines the relationship between two types of corporate aspirations and corporate risk taking before and after financial crisis, on a sample of global investment banks. Corporate aspirations can be based on past performance and performance of reference group and those two types of aspirations have different effects on risk taking. Aspirations by their very nature have strong impact on the behavior. In the face of the last financial crisis, the importance of corporate risk-taking cannot be overstated.

Findings of this study surprising and show that aspirations based on past performance are irrelevant to corporate risk taking while aspirations based on reference group are relevant, and the relationship between them and risk-taking changes before and after the crisis.

Keywords: Growth Strategies, Competitiveness, Competitive Advantage

Anthropology of the Board and its Relation to Risk-Taking

Rustambekov, Elzotbek; *Bryant University, USA*

This study analyzes the antecedents of corporate risk-taking, in particular addressing how boards of directors contribute to corporate risk-taking? In particular the characteristics of boards of directors, including board size, number of interlocks, voting power of board members, ownership of stock by board members, and the number of insiders on the board were all tested. Results of this study indicate that size of the board was negatively related to the corporate risk-taking, which is a finding that goes against the conventional wisdom that large boards have weaker communication, worse participation of the members, longer decision-making speeds, worse board involvement levels, decrease levels of monitoring and advising, and provide weaker growth opportunities. Data suggests that large boards lead to lower corporate risk-taking. Ratio of insiders on the board was negatively correlated throughout the model. This finding suggests that larger number of insiders actually reduces corporate risk-taking.

Keywords: Competitiveness, Growth Strategies, Competitive Advantage

Global Value Chains, International Trade, and Markets

Interactive Papers

A Study of a MedTech GVC with Manufacturing Value-Added in Switzerland using Firm-Level Data

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Arora, Anshu; *University of the District of Columbia, USA*

This paper conducts a multimethod case study of a Swiss-based contract manufacturer which supplies components and engineering services to the Medtech industry. This so-called “hidden champion” manufacturers specialized electronic components, offering its customers the choice of manufacturing location for each order, pricing each option to reflect the cost structure of the respective location. The research conducts a quantitative analysis of ten years of sales data to derive patterns of the Medtech GVC and its international divisions of labour. The analysis of sales arrives at a taxonomy of product and technology categories which are produced in the competing locations, the distribution of cost and level of product complexity across the GVC. Building upon the sales data, interviews with the procurement specialists at the buying firm help identify the drivers of decision-making. Because the buying firms always had the choice of the cheaper manufacturing location, the research addresses the particular question of why manufacturing value would deliberately be added in the world’s highest cost location when cheaper alternatives are available. It contributes to the IB literature on GVCs, with a focus on Mudambi’s Smile Curve of added-value.

Keywords: Global Value Chains, International Business and SCM, SCM Issues and Challenges, Switzerland, Manufacturing Location

The Increasing Role of China & India in Latin America: A Brazilian Perspective

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Li, Shihong; *University of New Mexico, USA*

Vora, Gautam; *University of New Mexico, USA*

Kapelianis, Dimitri; *University of New Mexico, USA*

In the past two decades Brazil, Russia, India, and China (BRIC nations) have designed closer economic and political ties. Since the early 2000s, China and India have developed closer political and economic ties to Brazil. International trade and foreign direct investment between the three nations has expanded and closer political ties have evolved. This paper elaborates on the increasing economic interdependence between Brazil, China and India, addressing challenges and opportunities for all three countries involved.

Keywords: International Marketplace, Geographical Collaborations, International Business and SCM, Brazil, China, India

The Impact of Media Richness on Relational Outcomes

Graca, Sandra S.; *Eckerd College, USA*

As companies continue to internationalize, the reliance on virtual communication modality increases and activities such as customer sales and post-sales services are progressively becoming virtually conducted. Online and telephone are substituting the more common face-to-face method of conducting business and collaborate as organizations seek more flexibility and timeliness in servicing “global clients with interdependent customer needs crossing country boundaries” (Jarvenpaa & Leidner, 1999, p. 791). This trend warrants a thorough examination of the impact of both culture and media richness on buyer-seller relationship outcomes. This abstract briefly discusses the literature review on media richness and buyer-seller relational outcomes. We test a model of various media richness factors (face-to-face, telephone, online, immediate feedback and live interaction) and their impact on each relationship outcome (trust, commitment, conflict resolution, cooperation and performance satisfaction) on a group of buyers from three countries (United States, China and Brazil).

Keywords: International Business and SCM, Global Value Chains, Media Richness, Relational Outcomes

Governments, NGO's, Global Institutions and SOEs

Interactive Papers

Democratic Peace Theory and Global Marketing: A Review of the Literature and Proposed Interdisciplinary Research

Boutin, Jr., Philip Jean; *Eastern Kentucky University, USA*

The democratic peace is typically captured in the simplified statement that “democracies do not fight each other.” It is not only the most discussed theory in the international relations field (Altman, Rojas-de-Galarreta, & Urdinez, 2018) but also arguably one of the most important, influential, and enduring findings in the entire political science field (Hegre, Bernhard, & Teorell, 2018). Following a brief introduction section, with information on interdisciplinary research, and then a comprehensive review of democratic peace theory, including related research in the extant international relations and political science literature, brief descriptions and/or definitions are provided for multiple concepts, theories, and activities in the global business and marketing literature. In addition, a discussion of various research streams and contributions in the extant literature is presented, as well as multiple potential related topics and relevant research questions to be answered through future interdisciplinary research projects that involve the integration of information, concepts and/or theories from multiple academic disciplines. The three concepts, theories, and activities identified and discussed included: (1) the country-of-origin (COO) effect, (2) Geert Hofstede’s national cultural dimensions, and (3) foreign direct investment (FDI). The paper ends with a short conclusion section summarizing its content.

Keywords: Marketing Strategy, Country-of-Origin Effects, Cross-Cultural Marketing, Democratic Peace Theory, FDI, Cultural Dimensions

Inequality, Domestic Human Rights Abuses and Country Wealth: Should Companies be Paying Attention?

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The purpose of this study is to examine the relationships of within-country economic inequality, gender inequality, and the cultural equality dimension of power distance, with a country's human rights abuses and economic wealth. In doing so, the question as to what degree within-country inequalities and human rights records are important when developing a strategy and plan for foreign country market entry is explored. The results of this study suggest these variables form a mediated model where each of the inequalities contribute significant explanatory power to human rights abuses, which in turn contributes significantly to the economic wealth of a country. Implications for market entry, corporate social responsibility, research limitations, and potential future research are discussed.

Keywords: International Strategy, Inequality, Political Terror

Building a Sharing Economy Ecosystem: A Process Model

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This paper seeks to explore the development of a sharing economy at the societal (municipal) level, which may provide the institutional and cultural impetus for the development of sharing economies at the company, supply-chain, or peer-to-peer levels, with implications for impact on societal welfare. Using grounded theory, a qualitative research technique, we explored the transformation of Barranquilla, Colombia (BAQ), a South American city of about 1.2 million from a dangerous, drug infested, socially-fractured, bankrupt city of crony capitalism. In the span of only eight years, the city became a model of municipal turnaround and a highly attractive place for foreign investment according to the US Department of Commerce. By understanding how barriers to a sharing economy were broken down and sharing was enhanced, a developmental model of creating a sharing ecosystem is suggested, with potential application to enhancing sharing in any organizational relationship.

Keywords: Institutional Environments, Economic Development, Developing Economies, Sharing Economy, Corruption

An Exploratory Study of Governance in Non-Governmental Organizations (NGOs) operating in the Health Sector of Kenya

Lewa, Peter; *US International University - Africa, Kenya*

This is an exploratory study of NGOs operating in the health sector of Kenya. It is considered a developing area of study. The study explored the significant issues in the corporate governance of NGOs operating in Kenya's health sector using in-depth interviews with a view to providing basic information that will enable further research in this area of governance in NGOs. It builds on work done in 2014 on governance and performance of health sector NGOs in Nairobi County of Kenya in which this author played a part. Literature review was conducted on available literature from past studies on the area of governance. The study utilized a rapid appraisal technique to collect data from the NGOs' managers who were gathered together during their annual general meeting called for the election of new officials for their umbrella body, the NGO Council of Kenya. Findings from this exploratory study have exposed key issues that should be investigated further in future studies.

Keywords: NGOs, Government Policy, Stakeholder Institutions, Governance of NGOs

IB Theory, FDI, and Entry Mode

Interactive Papers

Exporting Performance of Brazilian Companies: Institutional Environment, Location and Competitive Resources

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Kovacs, Erica Piros; *Indiana University, USA*

Araujo de Moraes, Walter Fernando; *UFPE, Brazil*

Santos, Hugo Henrique; *UFPE, Brazil*

da Silva Costa, Thamires Gabriela; *UFPE, Brazil*

The present study aims to analyze the impact of the characteristics of institutional environment, resources and domestic location on the exporting performance of Brazilian companies. The constructs were empirically validated through CFA and explanatory models of performance were created. The present study is characterized as quantitative, of the descriptive and explanatory kind with a retrospective nature (year of reference: 2016). Data were collected through a survey and the sample was composed of 120 valid responders among the biggest exporters in the country. In the structural models, the institutional environment was observed through 3 latent variables: political-legal environment, economic environment and sectorial environment. The variables of the construct resources were grouped in tangible and intangible. Location was observed through factors related to production of the region and level of local competition. Exporting performance had only one variable extracted and was modeled by profit margin, profitability, growth and income. The findings of the present study highlight the predictive association of institutional environment, location and resources on exporting performance.

Keywords: Location Choices, Institutional Environments, Export / Import Activities, Resources

Tesco in China: How Could Things Go so Wrong?

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Dakhli, Mourad; *Georgia State University, USA*
Lifang, Wang; *Shanghai Business School, China*
White, Marta; *Georgia State University, USA*

When Tesco announced in 2004 that it was entering the huge and fast-growing Chinese market, many saw the move as a natural step for this well-known U.K.-based general merchandiser. After all, Tesco had already established strong presence in many foreign markets, was known for its innovation and customer-focus, and had the financial might to expand in China. China, on the other hand, represented one of the largest and most promising retail markets, destined to overtake the U.S. as the biggest general merchandise market thanks to its massive and expanding middle class, and its steady shift towards a consumption-based economy. So when in 2013, and after a string of disappointing results, Tesco announced it was selling its many stores, and entering into a minority ownership with China Resource Enterprises, the much larger Chinese conglomerate, many were left wondering. How could such a globally diversified retailer fail so miserably? And what could have been done differently?

Keywords: Entry Mode Decisions, Foreign Direct Investment (FDI), Multinational Enterprises (MNEs), Market Exit

From Added Distance to Relative Added Distance: The Role of Firms to Overcome Distances

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Amal, Mohamed; *FURB - Regional University of Blumenau, Brazil*
Floriani, Dinorá Eliete; *Univali - Universidade do Vale do Itajaí, Brazil*

Foreign Direct Investment did by firms make it possible for the firms to learn and develop its processes and products to better attend its foreign customers and markets. As a way to quantify the potential learning that the firms can absorb due to their international expansion path we suggest using relative added distance concept. Our objective is to advance in the field of how to calculate the potential learning and benefits caught by firms in a headquarter perspective and to propose the relative added distance concept. Relative added distance allows quantifying the distance which was minimized on previous movements due the internationalization steps taken by multinationals firms. We analyzed the relative added distance per year and per international step taken by Brazilian multinationals and compare to those results found when using added distance. Relative added distance is important to provide information of how multinational companies can reduce distances in their international expansion path. The choice of destination country gets a strategic importance not only to try to reduce distances on the next international expansion movement or to go to countries institutionally next to the firm, but also to choose countries that allow minor distances on the following next strategic movements.

Keywords: Foreign Direct Investment (FDI), Location Choices, Multinational Enterprises (MNEs), Relative Added Distance

International Trade is Still Critical

Loes, Catherine; *Belmont University, USA*

Assouad, Alex; *Belmont University, USA*

In reviewing the most recent meta-analysis on in ISM research, we found that export strategy is neglected as a special case of strategy research and in particular entry mode. Specifically, exporting remains, in practice, one of the most widely used methods of entry for organizations of all sizes, yet it does not receive much attention in the ISM literature. This is perhaps surprising as we found that exporting was referenced in over 300 pieces within a 10-year period (White et al., 2015), alone over one-third of the number of articles identified as related to entry mode strategy in previous meta-analysis. This paper builds on the work of White et al., (2015) by focusing more closely on export research alone. We identify strengths and weakness in the extant research, as well as a lack of consistency in the approach to research on exporting. We also uncover a dearth of data when utilizing appropriate control variables, such as firm size, industry studied, and theoretical foundations utilized. Finally, we offer some suggestions to standardize an approach and help direct future research on export research activities.

Keywords: International Strategy, Global Strategy, Competitiveness, Export

Determinants of Cross-Border M&A and Greenfield FDI: The Discrepancies and Evidence from Emerging Countries

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Ta, Tra Thanh Thi; *University of Economics Hochiminh City, Vietnam*

Cross-border M&A and Greenfield FDI have long been a common strategy for U.S. Multinational Enterprises to enter new markets abroad. These two strategies are the two key FDI entry modes and they represent a notable alternative choice for the firm's international business expansion. Both Greenfield FDI and Cross-border M&A boost the economic growth in the host country. This study aims to examine the driver of a U.S. MNE's decision to undertake Cross-border M&A or Greenfield FDI as an entry mode into markets in developing countries. We provide the empirical evidences on the discrepancies of those determinants affecting Cross-border M&A and Greenfield FDI decisions. In the study, the Cross-border M&A and Greenfield FDI data are obtained from Thomson Reuters Datastream includes emerging country markets around the world as host countries and U.S. S&P 500 firms as home country MNEs. The sample period is from 2008 to 2016. We find that macroeconomic factors in host countries have similar impact on the U.S. MNE's decisions between Cross-border M&A and Greenfield FDI as an entry mode. However, enhancement of intellectual property rights protection in the host countries will increase inward Greenfield FDI, while Shareholder rights protection encourages cross-border M&A decision made by U.S MNEs. Finally, we also find that the U.S. MNE's entry mode drivers at the firm level have stronger impact on Cross-border M&A decisions, but those at country level affect Greenfield FDI decisions more.

Keywords: Multinational Enterprises (MNEs), Entry Mode Decisions, Foreign Direct Investment (FDI), Cross-Border M&A; Greenfield FDI

Social Sustainability and International Diversification: A Longitudinal Analysis on Firm Investment in Corporate Social Responsibility

Napier, Elizabeth; *Georgia State University, USA*

An increasing number of corporations are devoting company resources to socially responsible activities to satisfy stakeholder demands. Previous research has demonstrated that measuring the direct impact from investment in corporate social responsibility (CSR) has thus far been unquantifiable with unclear outcomes. As globalization continues to intensify, there have been evident changes in our understanding of what ethical business practices are and how companies can remain competitive while being morally sensitive (Buckley & Ghauri, 2004). Looking forward to the future, businesses will need to adjust accordingly to the dwindling environmental resources and rising stakeholder demands. This research aims to examine firm investment outcomes in CSR initiatives by using KLD and COMPUSTAT databases to proposed how marketing managers can strategically inform stakeholders through annual reports of their social initiatives in increase brand loyalty.

Keywords: Competitiveness, Global Strategy, Competitive Advantage

International Marketing

Interactive Papers

Are Addresses Affecting Attitudes? The Moderating Role of Consumer Nationality

Johnson, Clark D.; *Saint Louis University, USA*

Bauer, Brittney C.; *Saint Louis University, USA*

Kelting, Katie; *Saint Louis University, USA*

Jankuhn, Nicolas; *Saint Louis University, USA*

Sattari, Kianoosh; *Saint Louis University, USA*

Sim, Woojong; *Saint Louis University, USA*

Many business service firms advertise that their offerings—specifically, allowing small businesses to have a street address instead of a P.O. box—will improve consumer perceptions of the firm. However, these claims and assumptions have not been theoretically justified or empirically tested. The purpose of this paper is to provide a theoretical account by applying signaling theory to explain how consumer perceptions may be influenced by a firm’s address. In addition, we empirically test these claims in an experiment and examine the moderating role of the nationality of the consumer. We find that a street address (as opposed to a P.O. box) does, in fact, lead to increased purchase intentions, and that this relationship is mediated by attitude towards the retailer. Additionally, we find that the relationship between firm address and attitude towards the retailer is moderated by the nationality (American vs. foreign) of the consumer.

Keywords: Consumer Behavior, Cross-Cultural Marketing, Brand Management

Beyond Trust: Understanding the “Superrational” Trust in Online Brand Communities

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Singh, Nitish; *Saint Louis University, USA*

By meta-triangulating online (brand) community literature, trust and opportunism research, the social identity theory, and the social network theory, we provide in-depth discussion for (1) the dimensions of the “superrational” trust, and (2) the process by which it is developed within the community. Through the netnography approach, evidence is provided to support our proposition. Understanding the “superrational” trust is important, in that companies/the management, which is traditionally perceived as evil by consumers, can ensure ongoing profits by retaining the online brand community members.

Keywords: Consumer Behavior, Brand Management, Marketing Strategy

Categorizing Cultural Diversity: Antecedents and Implications

Ku, Sarah; *Georgia State University, USA*
Liu, Leigh Anne; *Georgia State University, USA*

Cultural diversity is ubiquitous now more than ever. As the global population continues to grow, intercultural capabilities require serious consideration for consumer behavior implications. Culturally diverse populations cannot be viewed as homogeneous because different antecedents predict different intercultural capabilities. We propose a framework to better understand the specific causes for differences in intercultural capabilities. This model includes antecedents of choice and visibility to classify culturally diverse populations. These antecedents are moderated by contextual factors as well as intrinsic and extrinsic motivations. The level of engagement to accept or reject cultural diversity mediates choice and visibility on intercultural capabilities. Understanding the causes and differences within culturally diverse consumers is crucial for businesses to effectively and efficiently sell to these heterogeneous populations.

Keywords: Culture, Cultural Dimensions, Culture Theory

Public-Private Partnership and Diaspora Investment Promotion: The Case of ConnectIreland

Poliakova, Elena; *Georgia State University, USA*
Riddle, Liesl; *George Washington University, USA*

A promising target group of investment promotion is diaspora – “expatriate community that maintains ‘a memory, vision or myth’ about the homeland; are committed to the ‘maintenance or restoration’ of the homeland” (Safran, 1991: 83). An important source of financial and non-financial capital, diaspora capital has increasingly contributed to the evolution of business and industry landscapes. Diaspora homeland investment (DHI) marketing remains a promising research area. To attract DHI and some other types of investment, public investment promotion agencies (IPAs) often partner with private organizations. We look at the distribution of tasks within such public-private partnerships (PPPs) and factors influencing their success.

We generate theory from the case of ConnectIreland, an investment promotion organization with a unique referral system launched in 2012, the middle of the recession, to create employment in Ireland. The partnership of ConnectIreland with Ireland's public-sector investment promotion agency IDA is fruitful for raising propositions about how to measure diaspora investment-related private-public partnerships (PPPs). The private sector of the PPP is operating transnationally, which differentiates this model from PPPs described in prior literature and can generate theoretical contributions.

Keywords: Marketing Strategy, Cross-cultural Marketing, B2B Marketing, Diaspora, Investment Promotion, Diaspora Investment

Digital Marketing for Small Businesses: Negotiating between Cost and Benefits

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Awotona, Olajide Ayodeji; *US Military, USA*

The world is become digitized and people are increasingly getting glued to their digital devices. Nigeria with a population of over 170 million has marketing mix advantage for both small and big businesses alike in national, regional and global context. This paper therefore determined the strategies used by small firms in Nigeria for digital marketing. It examined the challenges associated with the use of digital marketing, assessed the effect of digital marketing on corporate performance and determined whether the benefits of digital marketing outweighs cost for the firms. These were with a view to help negotiate successfully between the costs and benefits of digital marketing in a developing country context. The study used primary data, which comprised 400 small businesses using digital marketing in Nigeria purposively sampled. Evidence revealed that though digital marketing techniques such as email marketing (100%), social media (96.7%), SMS and radio marketing (88.3%) among others were trending; there was need to strike a balance between cost and rewards of digital marketing as well as to overcome certain challenges. Conclusively, digital marketing had a positive and significant effect on corporate performance ($t = 12.688, p < 0.05$). This paper contributes to our understanding of the inherent peculiarities of digital marketing in a developing economy.

Keywords: Marketing Strategy, Country-of-Origin Effects, Advertising, Digital Marketing, Businesses, Firms, Global, Performance, Competitiveness

When does the Brand Name Mitigate the Brand Origin Effect? The Interactive Effects of Foreign Brand Name and Brand Origin on Attitude toward the Brand

Lee, Sangwon; *Ball State University, USA*

In this paper, the interactive effect of foreign brand name (especially Asian brand name) and brand origin on attitude toward the brand is examined. Using processing fluency (Lee and Labroo 2004; Reber et al. 2004) as a theoretical underpinning, this study can answer the following questions: (1) does foreign brand name (developed vs. developing Asian brand name) affect the customer's attitude toward the brand? (2) does the brand origin (developed vs. developing country) moderate the effect of foreign brand name on attitude toward the brand? (3) Does the individual difference matter in determining the processing fluency effect on willingness to buy? The results show that for the advanced country brand origin (e.g. Japan), the brand naming effect is more pronounced. Thus, the fit between brand origin and brand name (e.g. Japanese brand origin and Japanese brand name) leads to better evaluation of the brand than no fit (e.g. Japanese brand origin and Chinese brand name). On the other hand, for developing country brand origin (e.g. China), the brand naming effect will be mitigated by enhanced processing fluency caused by fit, which will lead to better brand evaluation. In addition, the fit effect is more pronounced for the knowledgeable consumer.

Keywords: Global Branding, Cross-Cultural Marketing, Brand Management

Special Track: Innovation in the MNE

Interactive Papers

Global Distribution in the Digital Age: The Paradox of Japan and Country Music

Clarry, John W.; *Rutgers University, USA*

This paper focuses on the popular music industry, which is being disrupted by new digital technologies for online streaming in many countries. However, music streaming by Internet penetration is lower in Japan and other Asian nations, where legal and cultural constraints limit online diffusion. Online distribution is also limited for some genres, such as country music or jazz.

This paper examines the constraints on online distribution in Japanese and country music markets. Demographic and technological factors are important moderators, but they don't offset institutional constraints from national distance indicators of weak copyright laws and different cultural demand tastes. The entry of streaming music subscription services like Apple, Amazon, and Spotify is increasing the volume and variety of distribution to compete with other formats; but these online music networks suffer from costs of uncertain copyrights and liabilities of foreignness. We conclude that music streaming rates will increase slowly in Japan and other large Asian nations, and for other musical genres in general. Streaming will grow more from rivalry among foreign or nationally owned services. In the transition, some music markets and genres will lag behind global processes and trends in digital services.

Keywords: Cultural Distance, Cross-Cultural, Culture Theory, Music Streaming

Innovation in a Multinational Enterprise: Incremental Innovation Only

Jansson, Magnus Jan; *Indiana Institute of Technology, USA*

Dampening effects on followers' willingness to innovate within multinational enterprises (MNE) are explored. Power distance may impact the organizational receptiveness of innovations from the workforce. Power distribution and challenges to power relations have been neglected in literature (Gordon, 2011). Organizations rely on innovators to drive the organizational sustainability and growth. Seventy-five percent revenues originate from products and services introduced the last five years (Xu, Houssin, Callaud, & Gardoni, 2010), and up to 80 percent of organizational growth originate from innovative ideas (Hisrich & Kearney, 2014). Organizations that do not innovate may be troubled, as organization should constantly focus on improving, generating, and delivering value to the customers (Heavey, Ledwith, & Murphy, 2014). Organizational culture of an MNE may only allow incremental innovations. Breakthrough innovations and ideas are suppressed due to dampening effects. Through conversations with individuals working within MNEs, some themes of dampening effects emerges. Time, structure, and communication are areas requiring further exploration. Organizational receptiveness and individual perseverance are two emerging factors as relevant for innovation to flourish. A preliminary conclusion leads towards MNE's not being set up for breakthrough innovations. Further studies of organizational obstacles need to be conducted

Keywords: Breakthrough, Dampening Effect, Incremental, Innovation, Multinational Enterprise, Perseverance, Power, Receptiveness

Boundary Effects of SMEs Export Growth Driven by Innovation

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Bodlaj, Mateja; *University of Ljubljana, Slovenia*

Kadic-Maglajlic, Selma; *University of Sarajevo, Bosnia-Herzegovina*

Obadia, Claude; *ESCE International business school, France*

This research examines the interplay among three technological and non-technological innovation types as drivers of export growth in resource-constrained small and medium-sized enterprises (SMEs), and explores two boundary effects of SMEs export growth: financial constraints in SMEs' innovation activities and a firm's geographic diversification. Using survey data from SMEs in a mature market in the EU, we show the performance outcomes of firms' innovation activity in international markets depend not just on successful technological innovations, but also on organizational innovations that, along with product innovations, foster SMEs' marketing innovations. We find that financial constraints amplify the positive relationship between organizational and product innovations. Further, we demonstrate that exporting SMEs benefit more from marketing innovation when they use geographic diversification rather than a focused approach to their export markets. The study results underscore the heterogeneous nature of various innovation types and advance the literature on exporting in SMEs by explicating the significance of two boundary effects examined in this study, i.e., financial constraints and geographic diversification. Managerial implications are discussed and venues for future work identified.

Keywords: Entrepreneurship, Internationalization Patterns, SMEs, Innovation, Financial Constraints

Service Learning, Climate, and Service-based Social Innovation for Sustainability

Li, Lan; *Henan Univ of Economics and Law, China*

Tsai, Fu-Sheng; *Cheng Shiu University, Taiwan*

Liu, Chi-Fang; *Cheng Shiu University, Taiwan*

Lu, Kun-Hwa; *Cheng Shiu University, Taiwan*

Leonard, Karen Moustafa; *University of Arkansas Little Rock, USA*

How does service-based education influence societal sustainability? Beyond product innovation, service innovation has been emerging as a paradigmatic issue for research. Human resource quality is one vital factor for service innovation. Service human capital development (i.e., education), however, has been relatively neglected in research on sustainability. This conceptual article discusses the chain of relationships between service learning and service climate, service innovation, and societal sustainability. Through the propositions, the paper contributes by offering possible future research issues and by stimulating practice and policy discussions.

Keywords: Experiential Learning, Service Learning, Service Innovation, Sustainability

Method-of-Use Patents, Appropriability, and Antitrust Policy

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A method-of-use patent is issued when an inventor has discovered a way to use either a patented drug or an unpatentable (generic) drug in a “novel, useful, and non-obvious” way. They provide health benefits to patients, and, therefore, are socially valuable. Unfortunately, investments in discovering new methods of use are extremely risky, which leads to sub-optimal investment in this particular inventive activity. As we will discuss, innovations regarding methods-of-use are easily imitated leading to appropriability problems and in many cases, hard-to-detect patent infringement.

In addition to the riskiness of investments in searching for new methods of use, there are difficulties in licensing a method-of-use patent. We consider several ways that the method-of-use patentee can charge others for implementing its patent. The most efficient way of licensing a method-of-use patent may involve bundling the license and the generic drug. In this paper, we examine the effects of bundling the patent license with an unpatented drug as well as provide managerial insights for pharmaceutical manufacturers. Our results can also be applied to any industry with similar intellectual property issues. We also consider the international business implications of this analysis.

Keywords: Intellectual Property, Method-of-Use Patent, Antitrust, Pharmaceutical Industry

Special Track: Innovation in the MNE

Interactive Papers

Entering the Kingdom: A Case Study on the Intersection of Cultural Differences and International Business Operations in Saudi Arabia

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Baker, David S.; *University of Louisiana at Lafayette, USA*
Fakhoury, Rania; *UNESCO Lebanon, Lebanon*

Global Industries Ltd. a publicly held company traded on NASDAQ wanted to expand into the Middle East, in particular Saudi Arabia where the national oil company Saudi Aramco controls all oil and gas activities. There was only one competitor that had a stronghold on the area and Global believed there was space for another offshore construction company. McDermott also a construction company with fabrication facilities in Jebel Ali, UAE and was well positioned and had been working in the region for many years. An opportunity presented itself in 2007 when Aramco opened bidding for the projects known as Berri & Qatif. Global presented technical and commercial proposals and was awarded the project through its agent Global Al-Rushaid Offshore Co. Ltd. (GARO).

Numerous cultural and operational barriers affected the profitability of this project. This case study helps students and instructors discuss the complexity of international business operations, cultural barriers to market entry, international planning, Middle Eastern cultural considerations, and international human resource issues.

Keywords: IB Teaching, Experiential Learning, Case-Based Methodology, Middle East, Market Entry, Culture, Operations

Tacit and Idiosyncratic Knowledge Lost: A Cultural Interpretation of Marriott International 2018 Controversy and Implications to IB Education

Li, Fengru; *University of Montana, USA*

As the first censorship case on the ground of “crossing the red line” since China’s entry into the WTO in 2001, this qualitative study provides a cultural analysis and interpretation as to why Marriott International Inc, was singled out for the “alleged” violation of China’s Advertising Law, despite Marriot not deploying any commercials nor printing ads during the controversial crisis in January of 2018. Bi-lingual competency is used in interpreting main themes from 5,280 comments in Chinese posted by Chinese netizens within 48 hours, as well as several dozens of news reports from the U.S. and Chinese media. The absence of “tacit and idiosyncratic knowledge” is found to be the primary source for the fiasco, which the Marriott International Inc, could have avoided or survived. The chosen method for cultural interpretation is grounded in the Sociolinguistics, including conceptual frameworks of “Cultural key symbols,” “ethno-culture language loyalty” and “controversial ad campaigns.” Implications for IB education are shared through the lens of a culture-specific sociolinguistics and anthropological perspective, grounded in the ethnographic approach.

Keywords: IB Education, Case-Based Methodology, Enhancing IB Education And Curriculum, MNE Tacit Knowledge Transnational Controversy

Skechers: The Case of a Rapid Growth Strategy for the New Global Economy

Robertson, Christopher J.; *Northeastern University, USA*

Rodriguez, Laura; *Northeastern University, USA*

In this case study a review of the international growth strategy pursued by the California footwear company Skechers is performed. The firm has experienced incredible revenue growth in the past five years, much of it attributable to international expansion. Moreover, the firm has been launching a wide range of new brands that appeal to many different potential target markets which has bolstered the firm's image. Nonetheless, Skechers has maintained a keen strategic focus of quality and comfort and a price point that is perceived as a good value relative to direct and indirect competitors. In addition to an analysis of Skechers strategy and product portfolio, the firm's company history, growth alternatives and possible future strategic options are proposed and assessed.

Keywords: Case-Based Methodology, IB Teaching, IB Education, Case Study, Global Strategy, Skechers, Footwear

Zenni Optical: Revolutionizing the Low-Cost Eyewear Niche

Robertson, Christopher J.; *Northeastern University, USA*

The Internet and globalization have led to many innovative opportunities for entrepreneurial firms in the past two decades. In the prescription eyeglass market the ability to offer low cost products was traditionally hampered by high domestic production costs, limited competition and heavy regulations. In the early 2000s the market dynamics changed and low cost players began to offer online sales, offshore production and direct home delivery. San Francisco-based Zenni Optical led the charge by leveraging low-cost yet decent quality production in China alongside a minimalistic marketing and sales approach. In this case study proposal a review of Zenni's strategy, competitive position, global supply-chain, and future opportunities and challenges will be reviewed and assessed.

Keywords: Case-Based Methodology, Experiential Learning, IB Courses, Global Internet Sales

Global Business and the Creative Economy: Innovative Short-Term Faculty Led Programs – Three Models from Asia

Feuling, Bradley Allan; *Asia Institute, USA*

This session provides a closer look at three innovative models for short-term faculty-led programs in the international business field. The models will show how topics of innovation, technology and supply chain management can be integrated into faculty-led programs.

Program Model One

Three Countries in Three Weeks

In three weeks, students visit a developing country, one of the BRICS, and a developed country to contrast and compare different stages of social, economic and supply chain development.

Program Model Two

Follow the Supply Chain

In two weeks, students track an end-to-end supply chain from the customer experience through to the component material production.

Program Model Three

International Consultancy Project

During an international short-term experience, students are assigned to a strategic business project and work with the local company to develop and present a solution. Students will apply their knowledge gained through academic courses towards a real-world example and must adapt to the realities of working with an international team.

This session offers insights for international business faculty into how other universities and faculty are developing their short-term programs in Asia, how they are integrating experiential learning, and also how they are crafting research topics around their faculty-led program models.

Keywords: Study Abroad Programs, Experiential Learning, IB Education

Experiential Learning through the X-Culture Project and Capsim Simulation Competition

Lewa, Peter; *US International University - Africa, Kenya*

The X – Culture project (www.X-Culture.org) and the Capsim Simulation course (www.capsim.com) are key components of our MBA program. All the MBA courses offer the X-Culture and the Capsim simulation as mandatory courses in the advancement of experiential learning efforts at our university.

This paper aims at bringing out some key issues in the two projects in terms of the experiences of offering the games at MBA level. Literature review examined in writing this paper focused basically on what the X- Culture project is about and what the Capsim simulation involves. The relevant theory here is learning theory. The theory was not reviewed critically and exhaustively since the main purpose of this paper is to share our experiences on the application of experiential learning. The methodology applied in this work involved review of literature on X- Culture and on Capsim; Interview with students who have done the X- Culture course and those who attended the last year's AIB conference in DC, and Interview with X - Culture and Capsim simulation instructors in the Chandaria School of Business at the United States International University (USIU) – Africa in Nairobi, Kenya.

Keywords: Experiential Learning, IB Education, IB Teaching

Alcohol Policies for Short-Term, Faculty-Led Trip Leaders

Overby, Jeffrey W.; *Belmont University, USA*

As study abroad participation among U.S. university students has increased over the last decade, a growing body of research has highlighted trends in alcohol consumption and alcohol-related consequences among American students abroad. However, there has been no research on either policies or behavior in regards to faculty alcohol consumption during short-term, faculty-led study abroad trips. Given the increase in short-term faculty-led study abroad trips, this issue is likely to become more significant among U.S. colleges and universities. Employing a survey of 66 U.S. universities, this research reports on the current state of formal policies adopted by universities for faculty-led trip leaders. The quantitative findings reveal: 1) 93.9% of responding institutions of higher learning allow trip leaders to consume alcohol during short-term, faculty-led study abroad trips; and 2) even those institutions that discourage faculty consumption with students allow such consumption in a certain situations, including group dinners, winery and brewery tours, religious ceremonies, and receptions. The qualitative findings reveal three themes: 1) faculty should lead by example with responsible consumption; 2) drinking with students is discouraged but allowed in certain situations; and 3) faculty leaders are never allowed to purchase alcohol for students. The manuscript concludes with a call for additional research on several topics. First, research is needed to determine the current state of alcohol consumption by short-term, faculty-led trip leaders and whether it is even a significant problem. Second, research is needed on the related policies of non-U.S. institutions. And, third, future research should focus on whether/how faculty consumption in the presence of students can positively model responsible behavior for students during study abroad.

Keywords: Study Abroad Programs, IB Education

Introducing a Global Perspective into the Introduction to Business Curriculum

Pueschel, Andrew; *Ohio University, USA*

At a time when younger Americans may not have been previously exposed to cross-cultural or international traditions and/or are apprehensive about expanding their global knowledge, what are some ways in which today's college educators can introduce international business concepts into the business college curriculum? The highlighting of the business practices and ethical issues in home countries of currently enrolled international students, may allow students can gain a better understanding of cultural commonalities and differences that make up our globalized business culture. This work-in-progress paper discusses how one university is using in-class discussion, student-lead presentations, and interactive technology to help to build bridges between the student body – wherever they may have originated from.

Keywords: IB Education, IB Teaching, Experiential Learning

Undergraduate/Graduate Students

Interactive Papers

Make America Great Again? The Impact on the Global Competitiveness of US-MNCs in the Biotech/Pharma Industry

Booker, Philip; *Florida Atlantic University, USA*
Rottig, Daniel; *Florida Gulf Coast University, USA*
Alter, Scott M.; *Florida Atlantic University, USA*
Braun, Heather; *Florida Atlantic University, USA*
Frost, Jason; *Florida Atlantic University, USA*

The political slogan “Make America Great Again”, most recently associated with President Trump, has its origin in a slogan President Reagan used during his successful 1980 presidential campaign. Both presidents were facing a stagnant economy and assumed a protectionist view as the primary way to improve the United States’ financial health. The difference between both presidents is the level of globalization that President Reagan faced in 1980 versus the global economy that President Trump is facing today and the recent considerable proliferation of multinational corporations. In this paper, we examine the impact of the current “Make America Great Again” doctrine on the global competitiveness of U.S.-based biotech/pharma MNCs. We collected qualitative data based on semi-structure executive interviews, the analysis of media account and secondary data sources.

Keywords: MNCs, Competitiveness

Harvard Business Negotiation Model Applied to Colombian Indigenous Intercultural Negotiation: The Minga Case

Avendano Suarez, Diego Felipe; *Sergio Arboleda University, Colombia*

Ruiz Hernandez, Daniela; *Sergio Arboleda University, Colombia*

Parrado, Fernando; *Sergio Arboleda University, Colombia*

This is a specific study about the creation of a business model based on the Harvard model negotiation between indigenous villages and the state. It is based in a field work realized by various public media, institutions such as interior ministry, ministry of culture, the ONIC (Organization National of Colombian Indigenous Peoples), as well as, Colombian jurisprudence, which involves the analysis and distinctions of agreements, more exactly the MINGA case where the position of indigenous negotiators and the position and recognition of the State are directly involved. The information was classified into two general topics, established as links that lead to the proposal of an integrative model: (1) Appreciation of the concept of cultural value as an indispensable resource of the negotiation method. (2) Recognition of negotiation processes of indigenous peoples as actors with participation within democracy and its cohesion, between the results of a negotiation and its creation of perceptible value in the impact on society

Keywords: Culture, Indigenous Model, Globalization, Indigenous Negotiation, MINGA Case

A Qualitative Study of how to Manage Political Risk when Entering the European Renewable Energy Sector

Barrington, Justin; *Florida Atlantic University, USA*

Ellis, Jecory; *Florida Atlantic University, USA*

Khanna, Deepak; *Florida Atlantic University, USA*

Ni, Richard; *Florida Atlantic University, USA*

US MNCs play a key role in the renewable energy industry. To be able to compete with and replace traditional petroleum businesses in the energy market, renewable companies strongly need host governments' support in renewable energy related subsidies, tariffs and supporting legislation. With 2030 Climate & Energy Framework widely accepted by the European Union (EU) leaders in 2014, the renewable energy market in Europe has attracted many foreign investors. This study examines how US-based MNCs can manage political risk when entering the European renewable energy section and discusses how these companies can assess, manage, and mitigate those risks. We conducted semi-structured interviews of executives of U.S. based MNCs with experience in Europe as well as experienced members of relevant governmental agencies, examined secondary data and analyzed media accounts to gather qualitative data for this study. We identified several categories of political risks and discuss the relationship between risk categories and the economic impact they have on a US-based MNC.

Keywords: Political Risk, Renewable Energy

Sustainability as Strategy: A Qualitative Study of how Healthcare MNCs can Successfully Implement the Triple Bottom Line

Collazos, Deysi; *Florida Atlantic University, USA*

Bromley, Janet; *Florida Atlantic University, USA*

Balmir, Gregory; *Florida Atlantic University, USA*

Sustainability pressures within the pharmaceutical industry have been increasing from not only governments but from the public as well. The purpose of this research paper is to investigate how companies in the pharmaceutical industry adapt their global supply chain operations to cope with these sustainability pressures in the industry. The paper examines this issue from both the institution-based view and the resource-based view based on a qualitative research approach using executive interviews, secondary data sources and the analysis of media accounts. This context of our study is the pharmaceutical industry. Building on the institution-based view, we analyze the currently global environment of sustainability and legitimacy demands on MNCs to implement the triple bottom line. Using the resource-based view (VRIO framework), we examine how pharmaceutical companies create value, rarity, inimitability, and how they structure their organization.

Keywords: Sustainability, Triple Bottom Line, Pharma

Sustainability as Strategy in the Pharmaceutical Industry: A Qualitative Study

Johnson, Lualhati; *Florida Gulf Coast University, USA*

Rafat, Anita; *Florida Gulf Coast University, USA*

Hughes III, Richard; *Florida Gulf Coast University, USA*

Miedema, Brittany; *Florida Gulf Coast University, USA*

McNeely, Chelsea; *Florida Gulf Coast University, USA*

Obispo, Roger; *Florida Gulf Coast University, USA*

Sustainability pressures within the pharmaceutical industry have been increasing from not only governments but from the public as well. The purpose of this research paper is to investigate how companies in the pharmaceutical industry adapt their global supply chain operations to cope with these sustainability pressures in the industry. The paper examines this issue from both the institution-based view and the resource-based view based on a qualitative research approach using executive interviews, secondary data sources and the analysis of media accounts. This context of our study is the pharmaceutical industry. Building on the institution-based view, we analyze the currently global environment of sustainability and legitimacy demands on MNCs to implement the triple bottom line. Using the resource-based view (VRIO framework), we examine how pharmaceutical companies create value, rarity, inimitability, and how they structure their organization.

Keywords: Sustainability, Pharma Industry

How to Compete in Chinese Automotive Industry: A Qualitative, Institution-Based Analysis

Rinehart, Joseph; *Florida Gulf Coast University, USA*
Schulz, Aaron; *Florida Gulf Coast University, USA*
Sauerland, Adam; *Florida Gulf Coast University, USA*
Green, Kayla; *Florida Gulf Coast University, USA*
Brooks, Bradley; *Florida Gulf Coast University, USA*

China in recent years has overtaken the U.S. as the leading country for vehicle sales. In 2016 alone, China sold over 13.5 million vehicles. However, this has also caused issues for the country and its citizens. Oil pollution, high oil prices, and other issues have taken a toll on companies within the country and their consumers. It is up to automakers to develop solutions to the problems plaguing this country. This is where American automakers can capitalize by fulfilling the needs of consumers within China. Through a number of different strategies and practices, U.S. automakers can develop a competitive advantage and become leaders in the world's largest vehicle market. In this paper, based on institutional theory, we examine how formal and informal institutions may affect the strategies of US based automotive firms intending to enter the Chinese market.

Keywords: Oil, Competitiveness, China

Addressing Global Climate Change: A Qualitative Study of the Airline Industry

Robillard, Nichole; *Florida Atlantic University, USA*

Rottig, Daniel; *Florida Gulf Coast University, USA*

Leamon, Melissa; *Florida Atlantic University, USA*

Rincon, Edwin; *Florida Atlantic University, USA*

Sutherland, James; *Florida Atlantic University, USA*

Climate change has become one of the most pressing subjects of the 21st century. While some still debate its existence, there is a wide scientific consensus that climate change is indeed occurring, that it is manmade, and that it is happening at a rate that is unprecedented. The transportation industry is one of the largest emitters of greenhouse gases, and aviation is responsible for a large portion of those emissions. Airlines are both contributors to and victims of climate change, as the greenhouse gases emitted by airplanes ultimately create unfavorable weather conditions that cause the airlines to be less efficient and burn more fuel – which in turn creates more emissions. This paper aims to shed light on the ways that airline multinational companies (MNCs) are impacting and are impacted by the changing climate, and demonstrates potential pathways toward a more sustainable future for aviation. We examine this topic based on qualitative data collected through executive interviews, secondary data sources and media analyses.

Keywords: Climate Change, MNCs, Airline Industry

Panels and Invited Sessions

In Search of African IB Paradigms: The Role of Intellectual Property and Entrepreneurship

Khan, Omar; *Morgan State University, USA*

Winstead, Wheeler; *Howard University, USA*

Wells, Jean; *Howard University, USA*

Despite massive “pent-up demand” around Africa, UNCTAD this year (2018) reported a slump in FDI inflows into the continent. While the primary driver was a commodity bust, a general lack of investment (relatively speaking) by non- resource-seeking MNCs remains evident. There is, however, promising social economic development in Africa and great entrepreneurial activity stemming from African countries. It then becomes of critical importance that within-Africa international entrepreneurship and business development be understood and enhanced, with a clear exposition of IB paradigms generated within and for African nations. The current state of African innovation and within-Africa international entrepreneurship is, thus, explored along with key lessons learnt at Morgan’s Africa conference mentioned above.

Keywords: Entrepreneurship, Internationalization, Intellectual Property, Innovation

The Role of AIB and its Chapters in Making our Field of IB More Legitimate and Relevant in a New Era of Populism and Anti-Globalization Sentiments

Rottig, Daniel; *Florida Gulf Coast University, USA*
Engle, Bob; *Quinnipiac University, USA*
Goddard, Bob; *Appalachian State University, USA*
McIntyre, John R.; *Georgia Institute of Technology, USA*
Mitchell, Matthew; *Drake University, USA*
Nakos, George; *Clayton State University, USA*
Naoumova, Irina; *University of Hartford, USA*
Taras, Vas; *University of North Carolina - Greensboro, USA*

The panel will discuss the "The Role of AIB and its Chapters in Making our field of IB More Legitimate and Relevant in a New Era of Populism and Anti-Globalization Sentiments". Panelists will align their discussions on specific themes and provide the audience with valuable information, knowledge and experiences regarding based on which to ask questions. More specifically, panelists will address the following topic areas: Overview of Topic, Phenomenon-based Research in IB Publications, IB Engagement from the Perspective of AIB Chapter and CIBER Organizations, Educational, International Exchange Program and Student Collaboration Perspectives, Faculty Development Perspective, and Business Practitioner, Entrepreneurship and Policy Perspectives. The panel will conclude with a discussion among all panelists and allow ample time for a Q&A Round with the audience.

Keywords: Global Economic, Institutional Environment

Paper ID: 2145

Publishing in Top Journals: A Deeper Look into Two Papers and the Challenges Overcome

Westjohn, Stanford; *University of Alabama, USA*
Brouthers, Lance Eliot; *Kennesaw State University, USA*
Magnusson, Peter; *University of Alabama, USA*

Two research papers already published in a top journal are discussed in terms of their content, development, and challenges overcome to get published in a top journal.

Keywords: Advertising, Brand Management, Consumer Animosity

Paper ID: 2137

International Business and the Music Industry

Wright, Mark; *Music Industry Executive, USA*

Crownover, Derek; *Entertainment Attorney, USA*

Graham, Phil; *former Senior VP of Broadcast Music Inc. (BMI), USA*

Panel of music industry experts that discuss the creation and international management of a hit song.

Keywords: Music Modernization Act

Intellectual Property and the Creative Economy at Conexión Américas: Three Entrepreneurial Case Studies

Gonzalez, Jose D; *Belmont University, USA*

Chen, Dennis; *Belmont University, USA*

The proposed special topic session would focus on highlighting the innovative approach that Conexión Américas has taken to serve as a catalyst for economic integration of immigrants in the United States, and particularly Nashville. Conexión Américas, founded in 2002, is recognized as a leader in the social enterprise movement for its creative and innovative ways of promoting the integration of immigrants into the community. The proposed session would be offered as a field trip opportunity to Casa Azafrán Community Center, which serves as the home of Conexión Américas. The field trip case study offers a personal tour of the property, highlighting the economic integration programs (entrepreneurship, financial empowerment center, and culinary incubator). The visit would conclude with a panel discussion showcasing three successful immigrant entrepreneurs whose businesses success rely in meaningful ways on international business and trade. The international topics would include, but not be limited to, examples of innovation in the creative economy, protecting intellectual property, and managing international supply chain relationships (highlighting topics related to supplier and customer relationship management).

Tennessee is home to 23,000 immigrant entrepreneurs who employ over 57,000 people across the state. Many rely on international stakeholders (suppliers, customers, investors) to operate successfully.

Keywords: Immigrant Entrepreneurs

Creative Economy Challenges: Incorporating X-Culture in Business Courses

Lynden, Karen; *University of North Carolina at Greensboro, USA*

Aguilera-Castillo, Andrés; *Universidad EAN, Colombia*

Baker, David S.; *University of Louisiana at Lafayette, USA*

Robledo, Cristina; *Universidad EAFIT, Colombia*

Rottig, Daniel; *Florida Gulf Coast University, USA*

Zwerg, Anne Marie; *Universidad de La Sabana, Colombia*

Taras, Vas; *University of North Carolina - Greensboro, USA*

X-Culture is a large-scale international experiential learning project (www.X-Culture.org) that provides the opportunity for students to work in global virtual teams (GVTs) to complete a business consulting report based on provided business challenges. Each semester student teams are presented 5-10 business challenge options, provided by partnering organizations.

Panelists will highlight several X-Culture business challenges classified within Creative Economy industries and share how these challenges enhanced the course learning experience. Discussion topics include: strategies to incorporate client challenges with course curriculum; student outcomes; and overall lessons learned. The panel is comprised of nine professors, representing eight different universities, who have a range of experience implementing X-Culture within their course curriculum.

Additionally, each panelist has prepared additional topics to stimulate discussion within the session. This session's purpose is to bring together academics with X-Culture experience and those who may be considering adding this project to their course so that they could share insights to optimize the use of X-Culture in IB courses.

Creative Economy Industry Categories of Selected X-Culture Client Challenges

Design; fashion; photography; toy manufacturing; performing arts; research and development; software; and gaming (Howkins, 2001).

Keywords: IB Education, IB Teaching, Experiential Learning

There's More Than One Way to Flip a Class: Insights from Two Professors' Versions of the Flipped IB Classroom

Martinez, Candace; *University of Illinois at Urbana-Champaign, USA*

Garcia, P. Roberto; *Indiana University, USA*

Indiana University, Kovacs; *USA, USA*

Two IB professors will give an overview and a demonstration of the flipped classroom experience through the disparate, but complementary, approaches that they use in their Introduction to International Business classrooms. The objective is threefold: a) to broaden the often narrow confines of what a flipped classroom is “supposed” to look like; b) to demonstrate to audience members two versions of a flipped IB classroom, and; c) to provide a forum in which fellow-instructors can exchange impressions and thus contribute to one other’s quest for continual improvement.

Keywords: IB Teaching, Technology in IB education, Enhancing IB Education and Curriculum, The Flipped IB Classroom

Enriching Faculty-Led Short Term International Study

Gordon, Peter J.; *Southeast Missouri State University, USA*

Caldwell, James; *Southeast Missouri State University, USA*

Redmond, Willie J.; *Southeast Missouri State University, USA*

Heischmidt, Kenneth A.; *Southeast Missouri State University, USA*

Increasingly, students choose to participate in short-term, faculty-led study abroad experiences, rather than spend a semester overseas. The reasons for this are many, including cost, work conflicts, fear, parental influence, etc. and this trend is likely to continue in the future.

A semester abroad allows the student a deeper immersion into the host culture(s) and encourages the building of relationships with local students. Short-term programs typically provide the students with an overview of culture and visits to historic and cultural sites, but minimal opportunity for interaction with "locals", as most interaction is within the group, often with people the participants already knew before they left campus. The challenge is to design short-term faculty-led programs that adds the benefits of a semester abroad.

This may best be accomplished by collaboration with institutions in the countries visited. The panelists will describe programs that have developed with three "partner" universities where the visiting students participate in short classes on campus with and are matched with students from the local university.

This interaction with local students adds to the cultural immersion, builds friendships between students and, as an added benefit, may increase the likelihood of a student later deciding to spend a semester abroad.

Keywords: Study Abroad Programs, IB Education, Enhancing IB Education and Curriculum

Introducing the New AIB Code of Ethics

Eden, Lorraine; *Texas A&M University, USA*

In June 2016, Lorraine Eden (Texas A&M University) was tasked by the AIB Executive Board to develop a Code of Ethics for AIB members. The AIB Code of Ethics (the “Code”) outlines ethical standards of professional conduct and procedures for handling violations of those standards. The Code applies to AIB members and employees, and to matters, activities, and structures of the AIB (e.g., AIB Secretariat, Executive Board, Chapters, Committees, Conferences, and Publications).

Keywords: AIB Ethics Policy

Women in the Academy: Leaders, Founders and Fellows

Eden, Lorraine; *Texas A&M University, USA*

Lyles, Marjorie; *Indiana University, USA*

Tsui, Anne; *University of Notre Dame, USA*

Created in 1975, the AIB Fellows consist of a select group of distinguished AIB members who have been recognized for their scholarly contributions to the field of international business and to the Academy of International Business. Of the 103 active AIB Fellows, 20 are women. This Roundtable brings together some of the women AIB Fellows to talk about their roles within the Academy as Leaders, Fellows and Founders. These women have been Leaders (presidents, editors in chief), Fellows (AIB, AOM, SMS) and Founders (WAIB, IACRM) of organizations, in addition to being highly productive scholars. All of them have seen “making a difference” as an important mission in their lives. This panel, sponsored by Women in the Academy of International Business (WAIB), provides a platform for storytelling and reflection about the roles that women can play as Leaders, Fellows and Founders in academia.

Keywords: Leadership, Gender