BRIEF CONTENTS

Part I  GLOBAL CONTEXTS  1
   1  Globalization of Markets and Competition  2
   2  The Emerging Global Environment  26
   3  Globalization, Societies and Cultures  51
   4  Globalization, Sustainable Development and Social Responsibility  81

Part II  GLOBAL STRATEGIES  123
   5  Designing a Global Strategy  124
   6  Assessing Countries’ Attractiveness  167
   7  Entry Strategies  194
   8  Global Strategic Alliances  213
   9  Global Mergers and Acquisitions  248

Part III  MANAGING GLOBALLY  267
   10 Global Marketing  268
   11 Global Operations and Digital Networks  289
   12 Global Innovation  321
   13 Global Financial Management  342
   14 Global Human Resource Management  369
   15 Designing a Global Organization  395

Part IV  CONCLUSIONS  423
   16 Current and Future Trends in Globalization  424

Glossary  464
Index of subjects  480
Index of names  483
Index of companies and organisations  487
# Long Contents

1. List of figures: xvii
2. List of tables: xxi
3. Mini-cases and examples: xxiv
4. List of acronyms: xxvii
5. Tour of the book: xxviii
6. Companion website: xxx
7. Acknowledgements: xxxi
8. Introduction to the fourth edition: xxxii

## Part I  Global Contexts

### Chapter 1  Globalization of Markets and Competition

- **Introduction**: 2
- **The phenomenon of globalization**: 2
- **Globalization from a macro perspective**: 6
- **What are the factors that push for globalization?**: 6
- **What are the factors that work against globalization? The localization push**: 10
- **Globalization at the level of the firm**: 13
- **The global/multi-local mapping**: 18
- **Summary and key points**: 20
- **Appendix 1.1 Positioning a business on global/multi-local mapping**: 21
- **Learning assignments**: 22
- **Key words**: 23
- **Web resources**: 23
- **Notes**: 23
- **References and further reading**: 24

### Chapter 2  The Emerging Global Environment

- **Introduction**: 26
- **Emerging countries and their development**: 27
- **Emerging countries and their institutional and business environments**: 33
- **Emerging countries and global firms**: 38
- **Summary and key points**: 45
- **Appendix 2.1 A profile of the BRICS**: 46
- **Learning assignments**: 47
- **Key words**: 47
- **Web resources**: 48
- **Notes**: 48
- **References and further reading**: 49

### Chapter 3  Globalization, Societies and Cultures

- **Introduction**: 51
- **The different facets of culture**: 51
- **National cultural differences**: 53
| Economic cultures and business systems | 61 |
| The impact of cultures on global management | 64 |
| Summary and key points | 75 |
| Learning assignments | 76 |
| Key words | 77 |
| Web resources | 77 |
| Notes | 77 |
| References and further reading | 78 |

### Chapter 4  Globalization, Sustainable Development and Social Responsibility  81

| Introduction | 81 |
| Sustainable development | 81 |
| Globalization and environmental issues | 84 |
| Globalization and societal issues | 90 |
| Global corporations’ ethics and corporate social responsibility | 100 |
| Global companies and business ethics | 103 |
| Social responsibility and global firms: an ongoing challenge | 107 |
| Summary and key points | 110 |
| Appendix 4.1 Main non-governmental organizations involved in corporate social responsibility | 113 |
| Appendix 4.2 Major business ethics codes | 114 |
| Appendix 4.3 The OECD guidelines for multinational enterprises | 116 |
| Learning assignments | 116 |
| Key words | 116 |
| Web resources | 117 |
| Notes | 117 |
| References and further reading | 119 |

### Part II  GLOBAL STRATEGIES  123

#### Chapter 5  Designing a Global Strategy  124

| Introduction | 124 |
| A company business strategy | 125 |
| Framework for a global strategy | 128 |
| Global strategies and the multi-business firm | 146 |
| Global strategies and the small and medium-sized enterprise (SME) | 147 |
| Born global | 150 |
| Summary and key points | 156 |
| Appendix 5.1 Measuring corporate globalization | 158 |
| Appendix 5.2 Selected government support programs | 162 |
| Learning assignments | 162 |
| Key words | 163 |
| Web resources | 163 |
| Notes | 164 |
| References and further reading | 165 |

#### Chapter 6  Assessing Countries’ Attractiveness  167

| Introduction | 167 |
| Why is a country attractive? | 168 |
| Market, resources and industry opportunities | 169 |
| Assessing market opportunities | 170 |

---

*Copyrighted material – 9781137584588*
Cross-border acquisitions performance 251
Pre-acquisition 253
Integration framework 257
Integrating the companies: the transition phase 260
Integrating the companies: the consolidation phase 262
Summary and key points 264
Learning assignments 264
Key words 265
Web resources 265
Notes 265
References and further reading 266

### Part III MANAGING GLOBALLY 267

#### Chapter 10 Global Marketing 268

- Introduction 268
- Customer behavior, convergence and global segmentation 268
- Product standardization 270
- Global branding 271
- Advertising 274
- Global pricing 275
- Global account management 277
- Global solution selling 279
- Global marketing positioning 281
- Fair trade marketing 282
- Global marketing and its limits 282
- Summary and key points 284
- Learning assignments 286
- Key words 286
- Web resources 287
- Notes 287
- References and further reading 287

#### Chapter 11 Global Operations and Digital Networks 289

- Introduction 289
- The globalization of value chains: offshore production and outsourcing 290
- Selecting operational sites 291
- Global manufacturing networks 292
- Global sourcing 295
- Global logistics 298
- The global management of infrastructure projects 300
- The internet and global operations 302
- Summary and key points 313
- Learning assignments 317
- Key words 318
- Web resources 318
- Notes 318
- References and further reading 319
<table>
<thead>
<tr>
<th>Chapter 12</th>
<th>Global Innovation</th>
<th>321</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Introduction</td>
<td>321</td>
</tr>
<tr>
<td></td>
<td>The international product life cycle model</td>
<td>321</td>
</tr>
<tr>
<td></td>
<td>Globalization of R&amp;D: benefits and constraints</td>
<td>324</td>
</tr>
<tr>
<td></td>
<td>Management of global R&amp;D networks</td>
<td>325</td>
</tr>
<tr>
<td></td>
<td>International transfer of technology</td>
<td>329</td>
</tr>
<tr>
<td></td>
<td>Global knowledge management</td>
<td>330</td>
</tr>
<tr>
<td></td>
<td>Summary and key points</td>
<td>336</td>
</tr>
<tr>
<td></td>
<td>Learning assignments</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>Key words</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>Web resource</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>Notes</td>
<td>339</td>
</tr>
<tr>
<td></td>
<td>References and further reading</td>
<td>339</td>
</tr>
<tr>
<td></td>
<td>Summary and key points</td>
<td>336</td>
</tr>
<tr>
<td></td>
<td>Learning assignments</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>Key words</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>Web resource</td>
<td>338</td>
</tr>
<tr>
<td></td>
<td>Notes</td>
<td>339</td>
</tr>
<tr>
<td></td>
<td>References and further reading</td>
<td>339</td>
</tr>
<tr>
<td>Chapter 13</td>
<td>Global Financial Management</td>
<td>342</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
<td>342</td>
</tr>
<tr>
<td></td>
<td>Currency risk</td>
<td>343</td>
</tr>
<tr>
<td></td>
<td>Project finance</td>
<td>346</td>
</tr>
<tr>
<td></td>
<td>Global capital structure</td>
<td>349</td>
</tr>
<tr>
<td></td>
<td>Trade finance</td>
<td>354</td>
</tr>
<tr>
<td></td>
<td>Global financial management and taxation</td>
<td>356</td>
</tr>
<tr>
<td></td>
<td>Summary and key points</td>
<td>356</td>
</tr>
<tr>
<td></td>
<td>Appendix 13.1 Description of risk linked to infrastructure assets</td>
<td>358</td>
</tr>
<tr>
<td></td>
<td>Appendix 13.2 A pulp mill project in Indonesia – an example of cash flow adjustment</td>
<td>361</td>
</tr>
<tr>
<td></td>
<td>Appendix 13.3 Development banks providing project equity financing</td>
<td>364</td>
</tr>
<tr>
<td></td>
<td>Appendix 13.4 Official export credit agencies for OECD member countries</td>
<td>365</td>
</tr>
<tr>
<td></td>
<td>Learning assignments</td>
<td>366</td>
</tr>
<tr>
<td></td>
<td>Key words</td>
<td>367</td>
</tr>
<tr>
<td></td>
<td>Web resources</td>
<td>367</td>
</tr>
<tr>
<td></td>
<td>Notes</td>
<td>368</td>
</tr>
<tr>
<td></td>
<td>References and further reading</td>
<td>368</td>
</tr>
<tr>
<td>Chapter 14</td>
<td>Global Human Resource Management</td>
<td>369</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
<td>369</td>
</tr>
<tr>
<td></td>
<td>Assignment of personnel: the global human resource wheel</td>
<td>371</td>
</tr>
<tr>
<td></td>
<td>Expatriate management</td>
<td>372</td>
</tr>
<tr>
<td></td>
<td>Localization</td>
<td>380</td>
</tr>
<tr>
<td></td>
<td>Skills development</td>
<td>384</td>
</tr>
<tr>
<td></td>
<td>Summary and key points</td>
<td>388</td>
</tr>
<tr>
<td></td>
<td>Learning assignments</td>
<td>391</td>
</tr>
<tr>
<td></td>
<td>Key words</td>
<td>392</td>
</tr>
<tr>
<td></td>
<td>Web resources</td>
<td>392</td>
</tr>
<tr>
<td></td>
<td>Notes</td>
<td>392</td>
</tr>
<tr>
<td></td>
<td>References and further reading</td>
<td>393</td>
</tr>
<tr>
<td>Chapter 15</td>
<td>Designing a Global Organization</td>
<td>395</td>
</tr>
<tr>
<td></td>
<td>Introduction</td>
<td>395</td>
</tr>
<tr>
<td></td>
<td>The merry-go-round organizational challenge</td>
<td>395</td>
</tr>
<tr>
<td></td>
<td>The international division model</td>
<td>398</td>
</tr>
<tr>
<td></td>
<td>The global functional model</td>
<td>398</td>
</tr>
</tbody>
</table>
The geographical models 400
The multi-business global product division models 403
The matrix models 405
Alternative structural models 409
Regional headquarters in global management 412
Summary and key points 417
Learning assignments 418
Key words 418
Appendix 15.1 Types of organizational design 419
Web resources 420
Notes 420
References and further reading 420

Part IV CONCLUSIONS 423

Chapter 16 Current and Future Trends in Globalization 424
Introduction 424
Global challenges 425
Demography and migration 427
Asymmetric development 428
Regional blocs 430
Sustainable development 431
Technological developments 433
Global risks 434
Ethnic, religious and cultural friction 434
The future of global corporations 438
Summary and key points 442
Appendix 16.1 Description of global risks and trends 2016 444
Appendix 16.2 A simplified methodology for elaborating scenarios 446
Appendix 16.3 Five global scenarios 448
Learning assignments 450
Key words 450
Web resources 450
Notes 450
References and further reading 452

Introduction 455
The competitive battlefield of China in the 1990s 457
Phases 3 and 4: internationalization and global brand strategy [1999–2012] 458
Phase 5: networking strategy [2012 onwards] – consolidating global leadership 461
Learning assignments 462
Notes 463

Glossary 464
Index of subjects 480
Index of names 483
Index of companies and organisations 487
LEARNING OBJECTIVES

By the end of the chapter you should be able to:
- Define globalization from a macro environment perspective
- Identify the forces pushing towards globalization and the forces pushing for localization
- Define what globalization means for firms
- Identify the various steps of globalization for firms
- Make a distinction between multinational and global firms
- Spell out the benefits and pitfalls of globalization
- Position an industry or a business on the global/multi-local mapping

INTRODUCTION

Chapter 1 defines what ‘globalization’ means, firstly from a geopolitical and economic point of view, and secondly for business enterprises. It looks at the many political, technological, social and economic factors that have driven globalization, as well as those restraining it. It describes how many companies have evolved, over time, from ‘national’ to becoming ‘international’, then ‘multinational’ and finally ‘global’ firms. Based on an example, the chapter looks at how a multinational company having foreign subsidiaries can become global by extending its operations worldwide and adopting a competitive configuration through strong coordination and integration of its international activities across borders. The benefits and constraints of globalization are both described. Some factors still push towards a local approach to management, on a country-by-country basis, and the factors inducing this localization are analyzed.

Finally the global/multi-local mapping matrix is presented as a tool to position industries, companies and businesses according to the relative importance they place on global versus local approaches. The chapter ends by introducing some of the societal issues associated with globalization.

THE PHENOMENON OF GLOBALIZATION

Since the 1960s, international trade, investment and migration have all grown much faster than the world economy. Firms have multiplied their presence outside their country of origin, employing more and more people and selling and buying technology internationally (see Table 1.1). More and more products are sold in similar stores, with similar features and carrying a common brand across the globe. Factories that were prosperous in the Western world have been closed and transferred to lower-cost countries. English is now considered the lingua franca for major business transactions. Events happening in one location are visible in real time everywhere thanks to the internet and social networks such as Facebook or Twitter. This is what is commonly referred to as the process of ‘globalization’.

In today’s business world, managers, politicians, journalists and academics commonly refer to concepts such as ‘globalization’, ‘global industries’, ‘global competition’, ‘global strategies’ and so on.
Globalization of markets and competition

Table 1.1 Globalization data

<table>
<thead>
<tr>
<th></th>
<th>2014 prices (US$ bn)</th>
<th>Index (base 100 in 1982 at constant rate)</th>
<th>Average growth rate 1983–2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>World GDP</td>
<td>77,283</td>
<td>100</td>
<td>162</td>
</tr>
<tr>
<td>Trade (export of goods and services)</td>
<td>23,409</td>
<td>100</td>
<td>166</td>
</tr>
<tr>
<td>Foreign direct investment (inward stock)</td>
<td>26,039</td>
<td>100</td>
<td>203</td>
</tr>
<tr>
<td>Foreign direct investment (inflows)</td>
<td>1,228</td>
<td>100</td>
<td>273</td>
</tr>
<tr>
<td>Cross-border mergers and acquisitions</td>
<td>399</td>
<td>100</td>
<td>497</td>
</tr>
<tr>
<td>Sales of foreign affiliates of multinationals*</td>
<td>36,356</td>
<td>100</td>
<td>171</td>
</tr>
<tr>
<td>Assets of foreign affiliates of multinationals*</td>
<td>102,040</td>
<td>100</td>
<td>234</td>
</tr>
<tr>
<td>Exports of foreign affiliates of multinationals*</td>
<td>7,803</td>
<td>100</td>
<td>141</td>
</tr>
<tr>
<td>Royalties</td>
<td>310</td>
<td>100</td>
<td>232</td>
</tr>
<tr>
<td>Employment of foreign affiliates *[number]</td>
<td>75,075</td>
<td>100</td>
<td>136</td>
</tr>
<tr>
<td>Daily foreign exchange transactions</td>
<td>5,343</td>
<td>NA</td>
<td>100</td>
</tr>
</tbody>
</table>

* Multinational companies are defined as firms having more than 50% equity in wholly owned enterprises abroad or at least 10% equity in joint ventures.

Source: Data from UNCTAD (2015), Table I.5, and Bank for International Settlements (2014).

While those terms are widely used, their exact meaning is often not well understood. For some people, globalization is considered to be the intrusion of foreigners into local communities. Its effect is viewed as a destruction of the social fabric within nations. For others, it means freedom of movement, entrepreneurship, an exchange of cultures and harmonization. As far as the corporate world is concerned, some are certain it means ‘to expand the company’s presence abroad’; for others, it means ‘standardizing a product and selling it to the world’; for others still, it denotes an approach to management in which decision making is centralized at corporate headquarters. There are many reasons for this confusion. One relates to the fact that the phenomenon of globalization describes macroeconomic changes and political change, while for the business world it denotes a strategic and managerial issue. While the concept of globalization is relatively new, the phenomenon is not. There have been periods in history when the world was without borders, and citizens, products and money could move around freely. Theories have been developed to explain and advocate free trade and globalization from the macro point of view, and to explain the process of globalization from the business point of view (Insert 1.1). As far as the business world is concerned, before the 1970s the most frequently used terminology, when referring to integrated operating across the world, was ‘international’, ‘multinational’ or occasionally ‘trans-national’. Even if we ignore the East India Company, which started in the early seventeenth century, modern corporations such as Unilever, Nestlé and Procter & Gamble were operating all over the world by the end of the nineteenth century. They are known as multinational companies, but nobody would have called them global 50 years ago. The global concept appeared in the early 1970s and progressively invaded boardrooms, classrooms and editorial offices. What is the exact meaning of globalization? What forces generated it? And what are the consequences for firms?

There is no one well-established definition of globalization. Here we will posit as a working definition: ‘The process by which people, products, information and money can move freely across borders’. As a consequence, markets may tend to converge, providing opportunities for the standardization of products, for production centers to be (re)located to more economical places around the world, and
Macro theories: free trade and globalization

The theory of comparative advantage, proposed in the early nineteenth century, stated that under free trade, nations will maximize wealth if they export the goods for which they have a relative advantage (Ricardo, 1967). The idea is that countries should concentrate on the production of those goods and services at which they are most efficient and export them, whilst buying in other products from abroad. The total global production of goods and services will then be higher than when separate countries try to produce everything themselves. As a theoretical example, imagine two similar industrial parks, one in Malaysia and the other based in the Philippines, both with 10,000 workers, and both producing electrical products. Both sites employ 5000 workers (half their total effort) to produce computer motherboards and 5000 workers to make videogame consoles. The Malaysian operation is able to produce 10 million motherboards per year and the Philippines’ 8 million, while the Malaysians produce 200,000 consoles to the Philippines’ 250,000. Malaysia has, therefore, demonstrated a comparative advantage over the Philippines for motherboards and Philippines has a comparative advantage over Malaysia for consoles. The total global output in the current situation will be 18 million motherboards and 450,000 consoles per year. For better results, Malaysia should concentrate on producing motherboards and trading them, while the Philippines should focus its efforts on consoles. In this situation the global output rises to 20 million motherboards and 500,00 consoles, marking an 11% increase in both motherboards and consoles.

World-system theories suggest that globalization is the product of nationalistic, capitalistic, colonial and international expansion (Wallerstein, 1974, 2000; Robinson, 2004). For instance, from the sixteenth century the colonial expansion of Spain, Portugal, the Netherlands, Britain and France created a global market for a certain number of commodities. Later, the USA and Japan themselves became colonial imperialistic global powers. In other words, since the appearance of modern shipping vessels and navigation systems, truly global trade has become possible.

Marxism views globalization as the result of the tendency of the return on capital to decrease, forcing capitalists to find new territories to exploit. Lenin argued that the ultimate stage of capitalism was imperialism (Marx and Engels, 1848; Lenin, 1917). The argument is that the profits of firms tend to decrease because of intense competition. Firms react by merging and looking for markets outside their national boundaries, creating global oligopolies, for example Lafarge Holcim, Apple, Samsung.

Network society theories see globalization as the result of the vested interests of a transnational capitalist class (managers, politicians, bureaucrats, bankers), as well as of supranational organizations such as the WTO, UN and EU (Castells, 1996; Sklair, 2000). Advances in telecommunications and the rise of the internet have made it possible for business to be done globally, both in terms of financial transactions and internationally connected production systems.

Technological cultural theories propose that information technologies have led to a convergence of culture (Robertson, 1992; Ritzer, 1993). Very similar in essence to McLuhan’s ‘Global Village’ concept, these theories state that thanks to technology, people in different countries increasingly tend to share a common culture and consumer choices, making global product design and production possible and desirable.

World 3.0 This theory, developed by Professor Pankaj Ghemawat, holds that humanity has followed four stages of social, political and economic organization and trade. The first stage (World 0. 0) refers to the prehistoric period in which societies were organized into thousands of tribes surviving by hunting and gathering, and where human interactions were limited to those between the members of tribes with practically no external trade. The second stage (World 1. 0) refers to the formation of political entities in the forms of cities or empires (China, Sumer, Aztec),
governing several thousands to millions of peoples (mainly farmers) under a political power structure (an empire or kingdom). Mostly economically self-sufficient, these states introduced some international, but limited exchange mechanisms (such as trade via the Silk Road). World 2.0 started in the seventeenth century with the colonial expansion of European powers and the creation of nation states. The first multinationals, such as the British East India Company, extended their reach as far as Asia. During the nineteenth century, thanks to transportation and communication innovations, multinational firms from Europe, America and Japan developed. After a decline between the two world wars, global development exploded and saw the formation of the modern business juggernauts such as Nestlé, General Electric and Siemens that we see today. The driving force of World 2.0 in the post-war years was a progressive deregulation and integration of markets. World 3.0 is predicted to evolve, following the global financial crisis of 2008, as a world that is characterized by a high level of market integration but also a high level of government regulation in what has been called semiglobalization.

**Micro theories: corporate globalization**

*Transaction cost theories* posit that multinational firms result from the economic benefits of internalizing costs of transaction rather than relying on contracts to regulate contact with international economic agents (Buckley and Casson, 1976).

*Resource-based theories* suggest that firms take advantage of their proprietary assets (technology, capital) to expand their presence in international markets (Barney, 1991).

*Resource seeking theories* explain the global expansion of firms by their desire to obtain resources they don’t have (Dunning, 1993).

for R&D laboratories to be distributed across countries. As we will see, this implies a more centralized management of firms. Before examining the many aspects of corporate life impacted by the phenomenon of globalization, we will first look at the macroeconomic, technological and political factors that have generated such a global environment, and then look at how firms have changed their operations to take advantages of the new opportunities this environment offers.

**INSERT 1.2: SOME GLOBAL DEFINITIONS**

**Globalization** is the process by which people, products, information and money can move freely across borders.

**Global industries** are industries in which, in order to survive, competitors need to operate in the key world markets in an integrated and coordinated way. Industries such as aerospace, computers, telecommunication equipment, appliances, power generation, large industrial projects, insurance and re-insurance and corporate data transmission are examples of what a global industry means. In these sectors it is difficult to sustain competition if one does not cover (nearly) the whole world as a market, and if one does not integrate operations to make them cost and time effective.

**Multinational companies** are the companies that operate in various countries outside their countries of origin.

**Global companies** are multinational companies that operate in the main markets of the world in an integrated and coordinated way. Companies such as HSBC, Apple, Nestlé, Unilever and Nokia are global companies.
**GLOBALIZATION FROM A MACRO PERSPECTIVE**

Historically the world has experienced various periods of intense trade across continents and free movement of people and capital, in particular during the nineteenth century after the Napoleonic wars. After a decrease due to the two world wars of the twentieth century, several factors generated the emergence of the new economic environment that we call 'global'. During the 1950s and the 1960s the convergence of several political, technological, social and competitive factors began to shape this new environment.

**WHAT ARE THE FACTORS THAT PUSH FOR GLOBALIZATION?**

**POLITICAL FACTORS: LIBERALIZATION OF TRADE AND INVESTMENTS**

The main political factor has been the stabilization of post-war peace in Organisation for Economic Cooperation and Development (OECD) countries that allowed the development of free trade among nations. Two main organizations have been the source of trade liberalization – the General Agreement on Tariffs and Trade (GATT) (replaced by the World Trade Organization (WTO) in 1995) and the European Union – to which one may add the progressive opening of emerging nations to foreign investments.

The GATT, founded in 1946 by 23 nations, initiated a series of negotiations, called ‘rounds’, aimed at reducing tariff concessions to encourage the liberalization of trade. The Kennedy Round in the mid-1960s, the Tokyo Round in the early 1970s, the Uruguay Round in late 1980s, and the Doha Round in 2001 created an environment that fostered international trade, as shown in Figure 1.1.

The European Community (EC) was established on 25 March 1957 by the Treaty of Rome, which was signed by Belgium, France, Italy, Germany, Luxembourg and the Netherlands. The aim was to create a common market, and economic and political integration among the six member states. As a result goods, people and financial flows could move freely across countries. During the 1970s, the EC was enlarged with the entry of the UK, Ireland and Denmark, followed by Spain, Portugal and Greece in the 1980s, Sweden, Austria and Finland in the 1990s, and Poland, Lithuania, Latvia, Czech Republic, Slovakia, Slovenia, Malta, Hungary, Estonia, Cyprus, Romania, Bulgaria and Croatia in the early 2000s.

In 1993 a Single Market which eliminated most legal and bureaucratic barriers was established among the member states. In 1999 a single currency, the euro, was adopted by 19 countries, and passport-free travelling without any border controls was allowed between 26 countries as part of the Schengen Agreement signed in 1985. Companies could integrate their operations across Europe to take advantage of a market of 500 million customers and gain economies of scale by specializing and concentrating their operations.
In addition, from 1948 to 2008 the number of preferential trade agreements notified to the GATT/WTO increased from practically none to around 200 per year in the first decade of the twenty-first century.

Finally, in parallel with what was happening in the industrialized countries, the developing nations progressively adopted more positive attitudes towards foreign direct investment (FDI). At first, investment laws were designed to attract foreign investors in order to induce them to produce locally, but over the years the legislation has evolved toward a more open stance, favoring cross-border investments. Between 1992 and 2012, 2592 regulatory changes favorable to FDI were introduced worldwide, compared to 359 unfavorable changes.5

Another set of ‘push factors’ for globalization are related to technological progress that lowered the cost of transport and communication as well as the unit cost of production through economies of scale or the localization of productive capacities and sourcing in low-cost economies.

Air, rail and road transport and the use of containers in maritime transport have reduced the cost of shipping goods from country to country as well as, in the case of air transport, enabling the travel of managers. The development of telecommunications has reduced the cost of information exchange between business units scattered around the globe (Figure 1.2). On the scientific front, from 2000 to 2007 the number of international students in the OECD countries increased by 59% to reach 2.5 million while the number of international co-authored scientific articles increased by 50%.6

Progress in manufacturing technology gave tremendous impetus to the need to concentrate production in world-class factories benefitting from huge economies of scale, thus encouraging the rationalization and integration of production systems. Besides manufacturing concentration, companies have been able to source components or services from low-cost countries, either by setting up their own operations or by purchasing locally.

Another source of economies of scale comes from the need to quickly amortize research and development (R&D) expenditure. Companies are confronted with dual pressures: R&D budgets are increasing

---

**Figure 1.1** Tariff reductions and international trade

*Source: Created using data from various World Bank Indicators.*
and the time elapsing between invention and commercialization is becoming shorter. For instance, it
took 52 years for television to move from invention to large-scale commercial adoption and production,
but the same step took nine years for the first personal computer (IBM 610) and just three years for the
iPhone. For major appliances, it took seven years in the 1950s and 1960s to introduce a new model versus
two years in the 1970s. The life cycle of Intel’s 286 microprocessor was seven years while the 486 lasted
five years. As a consequence, companies need to launch products and services at the same time in all
major markets in order to be able to recoup their investments.

Finally the advent of the internet has fostered the immediate transfer of media, social networking,
and the long distance communication and on-line transactions that constitute the backbone of global
communities today.

**SOCIAL FACTORS: CONVERGENCE OF CONSUMER NEEDS**

International air transport and the diffusion of lifestyles by movies and TV series have increased
the brand awareness of consumers worldwide. Brands like Sony, Nike, Levi or Coca-Cola are known nearly
everywhere. Kenichi Ohmae, in his book *Triad Power*, has discussed the ‘Californization of society’ –
teenagers in São Paulo, Bombay, Milan or Los Angeles listening to the same music, using the same
Globalization of markets and competition

The convergence of customer behavior and needs is also facilitated by the urbanization and industrialization of societies. The less cultural and the more technical the product, the more likely that it can be standardized and appeal to consumers in all countries: smartphones, PCs, elevators, cranes, robots and internet platforms are products for which national differences do not matter much.

COMPETITIVE FACTORS

The 1960s saw the emergence of Japanese competitors in markets that traditionally had been dominated by American or European companies. Japanese firms, and later Korean firms, adopted a global approach at the very beginning of their international expansion. One of the reasons was that they did not have many national subsidiaries and their international expansion coincided with the opening of trade barriers. Right at the beginning they designed products for the world market, creating global brands such as 'Sony', 'Panasonic' and 'Hyundai', and their efficient production systems gave them a cost advantage in electronics and automotive parts. Competitors had to adopt a similar strategy to survive. During the 1990s emerging competitors from China, India and Brazil also entered the global game. China became 'the factory of the world' by offering offshore low-cost production sites. In other parts of the emerging world, local manufacturers in Thailand, Indonesia, Vietnam, Turkey and Mexico provided OECD industries and retailers with low-cost garments, toys, tools and furniture.

Another competitive force that pushed companies to globalize was the globalization of customers. During the 1970s, Citibank created a Global Account Management Unit to service corporate customers with international subsidiaries. Similar phenomena developed in the IT, telecom and consulting sectors, and also in the luxury segment of fashion and perfumes.

Figure 1.3 summarizes these political, technological, social and competitive ‘push factors’ that have fostered globalization.

Figure 1.3 Globalization push factors
WHAT ARE THE FACTORS THAT WORK AGAINST GLOBALIZATION? THE LOCALIZATION PUSH

As mentioned earlier, globalization is associated with some degree of standardization of products and practices plus a high level of coordination and integration of activities in a company's value chain. Factors that oppose standardization, coordination and integration therefore work against globalization. One can group those factors into four main categories: cultural, commercial, technical and legal.

1 CULTURAL FACTORS: ATTITUDES, TASTES, BEHAVIOR AND SOCIAL CODES

When the consumption of a product or a service is linked to traditions and national or religious values, global standardization is not effective. Some products – for instance, Kretek (tobacco and clove) cigarettes in Indonesia or the Pachinko (pinball) game in Japan – are unique to one society and their globalization is nearly impossible, although one can argue that with innovative marketing it may not be. For example, Beaujolais nouveau wine, the arrival of which was typically a Burgundian and Parisian bistro event before the 1970s, is now available in Tokyo, Paris or New York on the same day; while Halloween (trick or treat) masquerades, a traditional US festivity, are now common in Europe. This shows that even highly culture-specific items can be appreciated by customers all over the world. However, it remains true that food and drink tastes, social interactions in business negotiations, attitudes towards hygiene, cosmetics or gifts vary from culture to culture, thus hampering a global product design or approach.

In the Asia Pacific region, for instance, personal relationship building rather than legal contracts is the normal way to conduct business. One has to spend time and effort in building these personal ties, which in a US context would be largely considered a waste of time.

Religion may play an important role in limiting the effects of globalization, particularly in the domains of national cuisine or cultural products (such as films).

Nationalism can also be considered as an obstacle to globalization to the extent that it promotes a return to trade protectionism and a retreat from international agreements in certain societies (as shown by Brexit).

2 COMMERCIAL FACTORS: DISTRIBUTION, CUSTOMIZATION AND RESPONSIVENESS

In some sectors, distribution networks and practices differ from country to country and as a consequence the ways of managing the network, motivating dealers and distributors, pricing, and negotiation are hardly amenable to global coordination. For instance, the marketing and distribution of pharmaceutical products differs according to the country’s health system. In some countries, such as Japan, doctors sell medicine, while in other countries pharmacists sell to patients who get a refund (or not) from their insurance company, while in yet other cases pharmaceutical products are delivered freely to the patient.

Responsiveness to customers’ demands, as well as customization, are other factors which almost by definition defeat standardization. Private savings or current accounts to individuals, loans to small and medium-sized enterprises (SMEs), mortgages, consulting activities and individual architectural designs are activities in which a local presence and a fast reaction to customers’ requirements are needed for competitive success. Although some practices, processes or methodologies can be standardized on a worldwide basis (consulting, engineering, architecture or auditing, for example), specific customer requests have to be taken into consideration, thus limiting globalization.

3 TECHNICAL FACTORS: STANDARDS, SPATIAL PRESENCE, TRANSPORTATION AND LANGUAGES

Technical standards in electrical, civil, chemical or mechanical engineering can create a burden for global companies. The economies of scale and cost benefits of global integration and standardization
cannot be exploited fully when technical standards vary greatly. In certain cases, standards can be changed without major modification – for instance, mobile telephony does not represent a major hurdle for global manufacturing. In other instances, standards are not that easy to accommodate and require a specific local production line. This is mainly the case for beer or foods, for instance.

Spatial presence is a requirement for those industries which need to occupy a physical space in order to create and distribute their products and services. Retail banking, retailing, hotels, local telephones services, hospitals, entertainment, car dealerships are examples of industries where the services have to be produced locally. There are still some advantages in globalizing certain tasks (such as the back office functions of accounting, data processing, global sourcing, transfer of best practices), but the location constraint still limits globalization benefits. In the future, e-commerce is likely to reduce the spatial constraint considerably, particularly when it comes to non-physical services such as banking or movies on demand. E-commerce in physical products can also eliminate the spatial constraint as far as the customer interface is concerned, but it is still hampered by logistical constraints. The example of Amazon demonstrates that it is possible for a customer in Paris or in Rio de Janeiro to order a book but the customer will have to bear shipping costs that may eliminate the basic cost advantage of the e-bookstore. This is the reason why Amazon has established 82 fulfillment centers outside the USA, thus moving toward a more multinational business design.

The impediments of transportation are important if the cost of transport cancels out the benefits of concentrating production. Bulk commodities such as cement or basic chemicals are more economically produced in local plants than in global centralized units, despite the scale economies that could be gained: the cost and the risks of transport cancel out the benefits of centralized production. Similarly, when production systems are not scale-intensive and small productive units can achieve similar costs to large plants – in plastic molding, for instance – there are no major benefits in building a global production system.

Finally, language can be an additional constraint to global approaches. This can be significant when it comes to customer services, of which training services, personal banking, personal telecommunication and retailing are examples. However, there are two major trends that can reduce language constraints. English has become more and more the ‘global language’, and industries such as graduate business training or high-level consulting can use English without bothering with translation.

**4 LEGAL FACTORS: REGULATION AND NATIONAL SECURITY ISSUES**

Governments impose regulatory constraints that often work against globalization, either because they limit the free flow of personnel (regulation on working permits), cash (exchange controls, tax), goods (customs duties, quotas), or data (censorship, the internet and controls on electronic data interchange), or because they impose localization constraints (local content, local ownership and joint venture policies).

Over the years, thanks to the GATT/WTO, multilateral agreements (EU, ASEAN, NAFTA and so on), and International Monetary Fund (IMF) requests, government legislation is leaning towards more open contexts that favor globalization. However, some constraints still exist. Some sectors such as telecommunications, media, banking and insurance are still tightly controlled and some countries (such as China and India) or regional blocks (EU) still impose local content requirements.

Finally, governments are deeply concerned with national security and will prevent foreigners gaining too much control of their defence or strategic sector industries. In the defence sector, for instance, where R&D costs are huge and economies of scale significant, globalization would appear to be fully justified, but is in fact limited because of national security constraints. Since the 2001 Twin Towers destruction in
New York followed by a series of terrorist attacks in London, Madrid, Moscow, Beirut, Nairobi and Paris, governments have adopted measures that constrain the movement of people and products. Security becomes priority.

Figure 1.4 summarizes these localization push factors.

**Figure 1.4** Localization push factors

**THE BENEFITS OF LOCALIZATION**

The benefits of localization, instead of a global integrated and coordinated approach, are essentially customer-oriented benefits that give firms increased market power and ultimately an increased market share. Those benefits are proximity, flexibility and quick response time.

- **Proximity** is the capability to be close to the market, to understand the customer’s value curve.
- **Flexibility** is the capability to adapt to customer demands in the various dimensions of the marketing mix: product/service design, distribution, branding, pricing and services. Ultimately, flexibility leads to customization.
- **Quick response time** is the ability to respond at once to specific customers’ demands.

These three benefits are closely interrelated: proximity provides the basis for flexibility and flexibility provides the basis for a quick response time. All three give a competitive advantage when local cultural, technical, commercial and legal contexts vary so much from country to country.

**THE BENEFITS AND PITFALLS OF GLOBALIZATION: THE MACRO PICTURE**

In 1817, David Ricardo in his theory of comparative advantage showed that it was beneficial to nations to specialize and trade goods in which they had a comparative advantage. This laid the foundation of
Globalization of markets and competition

Trade theory, which itself is the underlying foundation of globalization: in a perfect global setting where goods, people, data and money flow freely, companies can adopt an integrated and coordinated approach to their operations and the competitive battlefield would be the world. Since Ricardo's time, partisans and adversaries of free trade have exchanged heated debates about the pro and cons of globalization for society. Table 1.2 summarizes those arguments.

Table 1.2 The societal benefits of globalization

<table>
<thead>
<tr>
<th>Arguments in favor of globalization</th>
<th>Arguments against globalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creates overall wealth for all nations because specialization increases trade</td>
<td>Imposes a massive strain on labor forces both in developed countries (job destruction) and developing countries (sweatshops, child labor)</td>
</tr>
<tr>
<td>Reduces inflation because of cost efficiencies</td>
<td>Standardizes customer tastes. Reduces diversity</td>
</tr>
<tr>
<td>Benefits customers because of price reductions arising from cost efficiencies</td>
<td>Induces concentration of power in a few global corporations</td>
</tr>
<tr>
<td>Better allocation of natural, financial and human resources</td>
<td>Introduces a 'law of the jungle' leading to domination by the strongest multinational</td>
</tr>
<tr>
<td>Reduces corruption because of free-market trade</td>
<td>Harms the environment because of unrestrained exploitation of natural resources such as forests</td>
</tr>
</tbody>
</table>

The globalization debate gained political visibility during the 1990s. In Europe, the Treaty of Maastricht (signed in 1992) adopted the euro as a single currency, generating a heated debate on the loss of sovereignty and the advantages of further political and economic integration. In 1995, the North America Free Trade Agreement (NAFTA) created similar discussion. In Asia, after the 1997 financial crisis, globalization was questioned and, at the end of that decade, the WTO at the Seattle ministerial conference could not set up an agenda for launching another trade round because of public criticism of the whole concept of globalization. Since 2000 and particularly after the world 'subprime' crisis of 2008, there has been growing debate about the future of globalization. Some, such as Alan Rugman and others, have announced the 'end of globalization', a concept that will be discussed in Chapter 15.

Despite all this political turmoil, some analysts think that the world is becoming progressively more integrated. According to the consulting firm McKinsey, by 1997 the value of truly global markets represented approximately $6 trillion out of a total world output of $28 trillion (21%). In 1999, the firm anticipated that by 2030 the proportion of global markets would amount to $73 trillion out of $91 trillion (80%). However, as will be seen in Chapter 15, this forecast may be challenged.

GLOBALIZATION AT THE LEVEL OF THE FIRM

As mentioned previously, many firms from Western Europe extended their operations outside their country of origin into the Americas, Asia or Africa, most of them in the form of colonial implantations, from the seventeenth century onwards. Arab merchants penetrated the Southeast Asian region in order to organize trade. Following the industrial revolution, large corporations started the capitalistic movement of international investments in infrastructure projects and in the setting up of subsidiaries. The first wave of modern multinational expansion began in 1880 and declined after the First World War. This wave was made of ‘free-standing’ firms, legally incorporated in their native country but extending rapidly internationally via the creation of local subsidiaries. Except for the resource-based multinational,
each local subsidiary was self-standing. By the end of the nineteenth century, firms such as Nestlé, Lever Brothers (Unilever), General Electric and Bayer were representative of this generation of multinational corporations. A second wave of corporate international expansion through local subsidiaries took place after the Second World War, launched by US and European companies and augmented later by Japanese companies. In the 1960s local subsidiaries were extended to more and more countries but started to progressively lose their autonomy and become part of an integrated global network. Classically, over time firms have followed a sequential evolution, from being exporters, to the setting up of foreign subsidiaries, to the integration of operations across the world. From local, they became international, then multinational and now global. More recently, ‘born global’ companies have assumed a global setting from the beginning, a development that will be discussed in Chapter 5.

To illustrate the traditional phenomenon of globalization let us take the simplified example of Otis Elevator Company.

**Example 1.1**

**Otis Elevators**

Otis Elevator Company started in 1853 in New York and was soon selling elevators in Canada and Europe as well. In the 1960s it had many plants, service operations and sales offices all over Europe, where the company grew organically as well as by acquisition. Each subsidiary fought for a share of local markets. Competitors were either local national companies or subsidiaries of rival multinational companies. The Otis subsidiaries managed all the activities of the value chain (marketing, design, production, installation and service). For instance, the French subsidiary designed elevators for the French market, manufactured them in French factories, sold them with French sales forces and maintained them with a French after-sales organization – the management was essentially French. In Germany, Otis designed, manufactured, sold, installed and serviced elevators for the German market; and the same applied in nearly every major country – see Figure 1.5. In smaller countries, products or components were exported from major countries’
subsidaries. The operations were self-contained in each country and the results were evaluated on a country-by-country basis. Such a situation had prevailed since the early 1900s. It corresponds to what was referred as a multinational or multi-domestic world, in which multinational companies like Otis were competing in each main market of the planet.

By the end of the 1960s several key elements played a role in changing this competitive structure. One country manager at Otis perceived that the European business context was changing. First, the Treaty of Rome in 1957 had created the European Economic Community (EEC), at that time called the Common Market. This meant that tariff barriers across Europe were coming down; it became viable to produce components in one country and export them to other countries. This allowed the company to concentrate on the production of components in a network of specialized factories across Europe, each of them making one product category or one component. Components could be cross-shipped for ultimate installation in the various client countries. In 2015 Otis operated all over the world as 6 regional organizations, with 200 factories and 12 engineering facilities.

The benefits of such a system were obvious – by concentrating production the company could benefit from economies of scale, and some of the reduction in costs could be passed to the customers in the form of lower prices, leading to higher market share. Products could be designed for an entire market (standardized). Instead of having country segmentation one would have pan-European segmentation based on utilization, that is, high-rise buildings, low-rise buildings and so on.

Standardization would be possible only if customers in Europe – architects, engineers, real estate developers, housing departments and so on – shared a common view about what an elevator should be. Despite the differences in housing organization across countries, elevators were essentially technical products with very little cultural content and therefore able to be standardized. Only selling methods would vary from country to country. The Otis management perceived this as an opportunity to gain market share in Europe and engaged in the pan-European strategy depicted in Figure 1.6 in which design centers and factories were specialized and interdependent.

![Figure 1.6 A global competitive configuration – Otis today](image-url)
From a management point of view this was a radical change: country managers were no longer responsible for the whole value chain, but only for part of it. They were obliged to coordinate with other countries through the European headquarters. This led to a very successful story. By 1975, Otis had captured 40% of the European market, while containing Japanese penetration, and competitors were obliged to adopt a similar strategy if they wanted to survive. This concept was further expanded and today Otis is organized by product line on a worldwide basis. There are still country subsidiaries, which take care of installation, maintenance, public relations and personnel, but product development and manufacturing are coordinated globally by product line. From being a ‘multinational’, Otis has become the ‘global’ company shown in Figure 1.6.

The phenomenon of an active coordinated and integrated presence in the main regions of the world is what ‘global company’ means. It is important to observe that this change gave Otis a competitive advantage and that competitors were obliged to adopt a similar approach if they wanted to survive. Globalization is neither a consultant’s fad nor a management buzzword, it is a competitive imperative in an increasing number of industries. The development of information technologies, the fluidity of capital markets, the advent of megamergers in the telecoms, computer, oil, pharmaceutical, power and car industries – all of these demonstrate that business firms are increasingly behaving as if they were already living in a global world. (See Insert 1.2, Some Global Definitions.)

Historically, the globalization process, according to the stage theory of internationalization, can be best described as shown in Figure 1.7. It has evolved in three steps: (1) international trade: export and sourcing; (2) multinational investments: setting up value-adding activities in different countries; and (3) integration and coordination of activities across region and countries.

**Figure 1.7** The three steps in globalization

**THE BENEFITS AND PITFALLS OF GLOBALIZATION FOR BUSINESS**

The benefits of globalization can be assessed from two points of view: the business or competitive perspective and the macro, socioeconomic perspective.

The benefits viewed from the macro/socioeconomic perspective have been discussed earlier, so this section will focus on the benefits to a corporation of adopting a global strategy.
Business and competitive benefits can be grouped into four categories: cost, learning, timing, and arbitrage.

- **Cost benefits.** These come, on the one hand, from economies of scale owing to the standardization of products and processes as well as increased bargaining power over suppliers of raw materials, components, equipment and services; and, on the other hand, from the ability to organize a logistic and sourcing network based on location factors. Examples of economies of scale through standardization are numerous. Otis Elevators was able to lower the cost, and hence the price to consumers of elevators in Europe, by 30% by introducing a pan-European manufacturing system.

- **Timing benefits.** These come from a coordinated approach to product launching in the early stage of the product life cycle. In a multinational setting, each subsidiary is more or less free to adopt products for its own market. This is sometimes called ‘the shopping caddy’ approach to product adoption. Such an approach generates inefficiencies in the management of the product life cycle since the optimal volume is obtained only after a lengthy process of product adoption by all subsidiaries. A classic example of the deficiency of the ‘shopping caddy’ approach is Philips America’s refusal to adopt the V2000 video system, developed by Philips’ mother company in the Netherlands. As a result, this innovation was not able to gain the volume of sales it needed in the most important world market and lost competitiveness compared to Japanese manufacturers such as Sony and Matsushita. In the late 1960s, the ‘international product life cycle’ theory of multinational product introduction postulated the progressive adoption of products over time according to the level of economic and scientific development of countries (see Figure 12.1). Such a theory is no longer valid. When industries globalize, waiting too long to launch a product can be fatal, particularly if the product has a short life cycle, which is more and more frequently the case. For example, Microsoft launched Windows 2000 at the same time everywhere in the world.

- **Learning benefits.** These accrue from the coordinated transfer of information, best practices and people across subsidiaries. Such transfer eliminates the costly ‘reinvention of the wheel’ and facilitates the accumulation of experience and knowledge. In Thailand, Unilever formulated and implemented an innovative strategy to produce and market ice cream. The Thai experience served as a template for other countries in the Asia Pacific region, giving the company a first-mover advantage. This example illustrates the benefits that can be gained from a coordinated transfer of best practice.

- **Arbitrage benefits.** These come from the advantages that a company can gain by using the resources in one country for the benefit of its subsidiary in another country. These can be direct competitive advantages or indirect cost advantages. A competitive advantage can be gained by playing a ‘global chess game’: for instance, engaging in a price war in one country in order to tie up the resources of competitors in that country, thus depriving them of cash flow which could be used elsewhere. This strategy was used by Goodyear, the US tyre giant, in the early 1970s when the French company Michelin moved into North America. Goodyear, which had a small market share in Europe, engaged in a price war that Michelin was obliged to counter by lowering its prices, and de facto reducing its financing scope for its American expansion. Another type of arbitrage comes from differential cost elements such as taxes, interest and possibly risk reduction through the pooling of currencies.

Those four benefits are real but achieving them is subject to certain conditions, and their adoption has to be measured against the real competitive advantage they provide to the firms adopting them.

The benefits in cost reduction obtained by economies of scale are contingent upon the market responsiveness to standardization and whether customers are price sensitive. If customers are not responsive and prefer tailored products and services to standardization, a global approach is less appropriate. A similar reasoning applies to the benefits of timing. As for purchasing power, it may be limited for culturally sensitive services such as advertising.
The benefits of learning are positive if the experience gained in one country is applicable to another. If this is not the case, there is a timing deficit: the time spent in realizing that one has made a mistake plus the time to learn the new environment. At Euro Disneyland near Paris, two years were lost because the transfer of knowledge from Florida and California did not help the European operation.

The benefits of arbitrage can be offset by the cost of managing the arbitrage and any legal barriers to it that may exist. In the case of tax arbitrage, governments are very careful to make sure that global companies do not abuse their arbitrage power.

Despite those limitations, more and more companies recognize the competitive benefits of globalization. However, one should be aware there are still some factors that work against globalization and in favor of localization.

### The Global/Multi-local Mapping

The two sets of forces – globalization and localization – shape the competitive structure of industries and induce companies to configure their worldwide business systems with the right mix of coordination, integration and decentralization. Global/multi-local mapping is a tool that has been developed to position industries and industry segments according to the relative importance of each set of forces. Figure 1.8 represents a mapping for various industries, while Figure 1.9 does the same for various segments of the banking industry.

The mapping in Figures 1.8 and 1.9 reveals that industries and segments can be broadly positioned into three types of competitive situations:

- **Type I**: Global forces dominate and firms in those industries can sustain competitive advantage by operating across the world on a coordinated way. There are few advantages to push for local adaptation of products, services and approaches. Efficiency, speed, arbitrage and learning are the competitive drivers. These industries are global, as in the case of microchips, bulk chemicals or civil aircraft.

- **Type II**: Local forces dominate and flexibility, proximity and quick response are determining capabilities for competitive advantage. Firms can operate independently in different countries; their approaches are different from country to country. Food retailing, consumer banking or voice telephony fall in this category.

- **Type III**: In these industries there is a mix of global and local forces at play and competitiveness cannot be achieved without achieving the benefits of global coordination and, at the same time, the benefits of flexibility, proximity and quick response time. This positioning is increasingly becoming the dominant competitive battleground for a vast majority of sectors.

![Figure 1.8 Global-local mapping: different industries have different competitive requirements](image-url)
Globalization of markets and competition

Global/multi-local mapping can be used to assess a situation at a point in time or to anticipate evolution over time. It can also serve as mapping for the various activities of the value chain. As we will see in Chapters 7, 8 and 14, a good understanding of industry positioning will help the formulation of business and country strategies, as well as the implementation of an effective organizational design.

In Appendix 1.1 there is a questionnaire that will help analysts and managers to position their business on the global/multi-local mapping matrix.

Mini-case 1.1

Mobile telephony industry

Mobile telephony expanded rapidly during the first decades of the 2000s. From 2005 to 2015 the number of mobile subscribers in the world grew from 2 billion (32% of the world’s population) to 6.3 billion (86% of the world population). According to the International Telecommunication Union (ITU) the distribution of customers is: Asia Pacific 3.37 billion, Americas 1 billion, Europe 757 million, Rest of the world 808 million.

The industry is divided broadly into three major sub-industries: (1) infrastructure manufacturers, (2) mobile phone producers, and (3) mobile services operators.

Infrastructure manufacturers

The industry of network equipment manufacturing generated $126 billion of revenues worldwide in 2012. It is dominated by major US, European and Asian producers: Ericsson from Sweden, Huawei and ZTE from China, Motorola and Cisco from the USA and Nokia Alcatel Lucent (Finnish, French, US).

Economies of scale and capital intensity drive the economics of this industry. Over recent years it has experienced a lot of consolidation through mergers and acquisitions.

Mobile phone producers

In 2014 the industry produced 1.878 billion units of mobile phones – a 56% increase since 2009. With 41% of market share, three major companies dominate this industry; Samsung (21%), Nokia/Microsoft (10%) and Apple (10%). The smartphone segment represents 53% of that market, up from 40% in 2012, and is divided between three operating systems (Android, iOS and Windows). Smartphones are constantly upgraded to reduce weight, improve battery durability, add features, and adapt to the internet access technology (3G, 4G).
Mobile operators

The global revenues generated by mobile operators were $1150 billion in 2012. Around the world, mobile services are operated mainly by local telephone companies with their own national brands. Some operators, such as Vodafone from the UK which operates in 16 countries or Orange (France) which operates in 19 countries, have developed their presence internationally by acquiring or participating in the capital of local operators.

Most of the consumers use prepaid services for their usage. Operators offer various prepay schemes, as well as add-ons (internet access, mobile banking, emails, games and so on), according to the characteristics of their markets. Customers are divided into individual accounts (roughly 60–95% according to the country) and corporate accounts (10–35%). Some of the corporate accounts are multinational firms that want to benefit from a ‘global’ offer.

Mobile operators purchase their own network equipment and control its installation. They also procure large quantities of handsets that they include in their prepaid contracts at discounted prices. Apart from Japan and Korea, which use a standard of their own, they operate under one of the two major standards: Global Standard Mobile (GSM) with around 80% penetration, and CDMA (15%).

The key activities of mobile phone operators are:

1. Procurement of network infrastructure, hardware and software as well as mobile phones.
2. Network installation and maintenance carried out by equipment vendors plus local infrastructure companies under the control of the service provider.
3. Software developments for new applications and services. From 2008 to 2011 around 300,000 applications for mobile phones and smartphones have been developed in the world. The main applications are games, news and social networking.
4. Marketing and brand management. In each country there is a variety of local brands. Multinational players try to use their global brand (e.g. Orange), although advertising is country specific.
5. Administration, marketing, sales and distribution.

Questions
1. Using your knowledge, the data provided and the global/multi-local mapping, can you decide whether mobile telephony is a global industry?
2. Can you do the analysis for each component of the industry?
3. For mobile operators, which activities are global and which are local?

SUMMARY AND KEY POINTS

1. Globalization is the process by which people, products, information and money can move freely across borders
   a. Four factors are pushing globalization:
      • Political: liberalization of trade and investment reduces trade barriers
      • Technological: technology reduces the cost of coordination and increases economies of scale
      • Social: convergence of customer choices encourages standardization and global branding
      • Competitive: emergence of new competitors induces integration companies to compete on all fronts with strong coordination
   b. Four driving forces are acting against globalization:
      • Cultural: differences in taste, behavior and social codes reduce the benefits of standardization of products or services
      • Commercial: differences in distribution channels and customer interfaces require differentiated approaches to sales and marketing
      • Technical: differences in standards, transportation and language constraints reduce the benefits of economies of scale, centralization and standardization
      • Legal: differences in regulations and security measures limit free flow of resources and impose localization constraints
A global company can be defined as a company that operates in the main markets of the world in an integrated and coordinated way. A global company carries out one activity (e.g. manufacturing) or a component of the activity (e.g. manufacturing one sub-part only) of the value chain in one country which serves the company’s worldwide market. A multinational company is a company that operates in the many markets of the world with little or no integration and coordination among operations.

Localization has three benefits:
- Proximity
- Flexibility
- Quick response time to customers

Globalization has four benefits:
- Cost
- Timing
- Learning
- Arbitrage

Global/multi-local mapping is used for identifying the competitive requirements of an industry or a business segment and can assist companies in formulating business and country strategies.

**APPENDIX 1.1  POSITIONING A BUSINESS ON GLOBAL/MULTI-LOCAL MAPPING**

Assign a score for each question from 1 to 3 (2 points = halfway between the two opposites listed)

<table>
<thead>
<tr>
<th>Question</th>
<th>Possible Scenarios</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>To what extent do customers have similar demands for functionality and design across countries?</td>
</tr>
<tr>
<td>2</td>
<td>To what extent do products or services have a high proportion of standard components across countries?</td>
</tr>
<tr>
<td>3</td>
<td>To what extent are customers (or distributors) themselves operating in different countries and buying centrally your products or services?</td>
</tr>
<tr>
<td>4</td>
<td>To what extent are significant economies of scale in your industry important for the cost of the product (i.e. one needs very high volume to obtain low cost)?</td>
</tr>
<tr>
<td>5</td>
<td>To what extent is the speed of introducing new products worldwide important for competitiveness?</td>
</tr>
<tr>
<td>6</td>
<td>To what extent are the sales of your product or service based on technical or cultural factors?</td>
</tr>
<tr>
<td>7</td>
<td>To what extent can experience gained in other countries by a ‘sister’ subsidiary be successfully applied in other countries?</td>
</tr>
<tr>
<td>8</td>
<td>To what extent do competitors in your industry operate in a ‘standardized’ way across countries and are successful in doing so?</td>
</tr>
<tr>
<td>9</td>
<td>To what extent can pricing be different from country to country without introducing dysfunctionalities?</td>
</tr>
<tr>
<td>10</td>
<td>To what extent does distribution channel management differ from country to country?</td>
</tr>
</tbody>
</table>

1 point = Very different
3 points = Very similar

1 point = Buying locally
3 points = Buying centrally

1 point = Low economies of scale
3 points = High economies of scale

1 point = Speed is not that important
3 points = Speed is very important

1 point = Highly cultural
3 points = Highly technical

1 point = No great benefits
3 points = Yes, highly beneficial

1 point = Competitors are localizing
3 points = Competitors are successful in standardized approaches

1 point = Pricing has to be consistent across borders
3 points = Pricing can be very different

1 point = Not so different
3 points = Yes, very different
Questions 1 to 8 represent the importance of global forces while questions 9 to 14 represent the importance of local forces. Divide global forces total by 8 and local total by 6. It is then possible to map a business in the following matrix:

| 11 | To what extent do business regulations and contexts differ from country to country, requiring big differences in local practices? | 1 point = Not too different | 3 points = Highly different |
| 12 | To what extent do products or services require a high degree of interaction with customers [customization]? | 1 point = Low customization | 3 points = High customization |
| 13 | To what extent are transportation costs high compared to the product costs? | 1 point = Not so high | 3 points = Very high |
| 14 | To what extent is the customer interface critical for success? | 1 point = Not critical | 3 points = Very critical |

**LEARNING ASSIGNMENTS**

1. Among the enterprises that you know, can you identify one that qualifies as a global company? Why?
2. In Figure 1.8, why are saving accounts positioned low on global approach and high on local approach while investment banking is high on global approach and low on local approach?
3. In Figure 1.8, food retailing is positioned as a local business, with a very low globalization score. However, in the press, companies like Tesco, Walmart or Carrefour are described as ‘global retailers’. Explain this discrepancy.
4. What are the social factors that have pushed for globalization and which have been pushing against it?
5. What are the benefits of having a local approach?
6. When the Otis Elevator Company introduced the change described in Example 1.1 (p. 14), there was a lot of resistance from the various heads of the European subsidiaries. Why? What arguments do you think the people hostile to globalization used?
7. Can Apple be classified as a global firm? Why did you make that assessment?
KEY WORDS

- Arbitrage benefits
- Comparative advantage
- Global companies
- Global industries
- Globalization
- Global/multi-local mapping
- International product life cycle
- Multinational companies

WEB RESOURCES

http://knowledge.insead.edu/
INSEAD

http://www.business-week-global.com/
Businessweek杂志

http://www.mckinseyquarterly.com/
McKinsey Quarterly

http://unctad.org/en/Pages/Home.aspx
UNCTAD

https://www.bcgperspectives.com/
Boston Consulting Group

http://www.wto.org/
Provides information about the WTO

http://www.imf.org/
Provides statistics and papers from the IMF

COMPANION WEBSITE

Visit the companion website at www.palgravehighered.com/lasserre-gsm-4e for a multitude of weblinks and resources, self-test questions for revision and a searchable glossary.

NOTES

1 McLuhan (1962).
6 UNCTAD (2008).
7 Baker and Hart (1999); Qualls et al. (1981); Michel et al. (1996).
8 Ohmae (1985).
9 OECD (2010).
10 Ricardo (1967).
11 Rugman (2000); James (2001); Langlet (2013).
12 Lowell and Fraser (1999).
Jones (2005).
Chetty and Campbell-Hunt (2003); Li, Qian and Qian (2015); Tanev (2012.

REFERENCES AND FURTHER READING

BOOKS AND ARTICLES


UNCTAD (2008) ‘Countries continue to compete for FDI but not unconditionally’, Investment Brief no. 3, UNCTAD.


**JOURNALS**

**BUSINESS**

*Business Week*

*Economist*

*Financial Times*

*Fortune*

*International Management*

**SEMI-ACADEMIC**

*California Management Review*

*Columbia Journal of World Business*

*European Management Journal*

*Harvard Business Review*

*Multinational Business*

*Sloan Management Review*

**ACADEMIC**

*Global Strategy Journal*

*International Human Resources Management Journal*

*Journal of International Business Studies*

*Strategic Management Journal*
Networked organization, 325, 338, 440, 443, 475

**O**

Offshoring, 39–40, 47, 289–290, 294, 309, 313, 320, 475
Offsourcing, 39–40, 47, 475
Organizational culture, 74, 79, 267, 397, 412, 418, 476
Organizational fit, 209, 213, 222–223, 227, 239–240, 244, 476
Organizational processes, 397, 418, 476

**P**

Partner analysis, 200
Partner selection, 200, 209, 214, 237
Pay and Productivity, 175
Performance evaluation, 227, 326, 337, 381–382, 391, 397
Piggybacking, 141, 148, 150, 162, 296, 476
Plant competencies, 314, 318, 476
Polish plumber, 385
Political partner, 238, 244
Post-acquisition process, 252–253, 265, 476
Power distance, 54, 58–59, 75, 77, 476
Pre-acquisition process, 252–253, 265, 476
Preservation mode of integration, 258, 265, 476
Professional culture, 52, 77, 476
Project finance, 342–343, 346, 356–357, 360, 368

**R**

Real option, 194, 203, 210, 476
Regional headquarters, 64, 76, 127, 144, 147, 198, 281, 385, 391, 395, 400, 412–415, 418, 421, 477
Regionalization, 24, 430, 450, 477
Representative offices, 138, 144, 148, 197, 203, 208, 210, 382, 477
Retention, 257, 381, 390, 392, 477

**S**

Sharing agenda, 225, 244, 477
Silent language, 51, 53, 75–78
Small and medium-sized enterprise (SME), 147
Smart Factory, 309, 477
Socialization, 328, 330–331, 338, 426, 442, 477
Socially responsible investment (SRI), 117
Sprinkler model, 274, 284, 286, 478
Stand-alone value, 256, 265, 478
Strategic fit, 209, 213–214, 222–225, 238, 241, 244, 252, 478
Strategic role, 314, 318, 478
Sub-optimization, 276, 285–286, 419, 478
Synergies value, 244, 256, 265, 478

**T**

Tacit knowledge, 330–332, 338, 470, 478
Tax evasion, 81, 99–100, 436, 444
Tenure, 376–379
Trade finance, 19, 342–343, 354, 356, 358
Transfer, Adapt, Create model, 143
Transnational Index, 124, 131, 158
Turnkey project, 279, 300, 316, 318, 479

**U**

Uncertainty avoidance, 54–55, 58, 75, 77, 479

**V**

Value chain, 10, 16, 19, 21, 37, 39, 124, 126, 129, 136–139, 143, 148, 156–157, 163–164, 225, 293, 311–312, 314, 455, 461, 466, 477, 479
Value curve, 12, 134–135, 139, 156, 163, 171, 173, 269, 281, 285–286, 468, 479
Venturing agenda, 225, 239, 244, 479

**W**

Waterfall mode, 314
Weak signals, 424
Web, 2.0, 303, 308, 319–320, 479
Wholly owned operations, 194, 197, 210, 479
Window of opportunity, 196–197, 199, 208, 210, 212, 479
**INDEX OF NAMES**

<table>
<thead>
<tr>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaker, David, 287</td>
</tr>
<tr>
<td>Abid Aslam, 189</td>
</tr>
<tr>
<td>Abida, Rib, 189</td>
</tr>
<tr>
<td>Ablett, Jonathan, 452</td>
</tr>
<tr>
<td>Ackenhusen, Mary, 420</td>
</tr>
<tr>
<td>Adarkar, Ashwin, 211</td>
</tr>
<tr>
<td>Adil, Asif, 211, 245</td>
</tr>
<tr>
<td>Adler, Nancy, 78, 393</td>
</tr>
<tr>
<td>Aguad, Marcos, 48</td>
</tr>
<tr>
<td>Akadar, Adhwin, 245</td>
</tr>
<tr>
<td>Albert, Michel, 53, 61, 64, 78</td>
</tr>
<tr>
<td>Alexander, Marcus, 165, 263</td>
</tr>
<tr>
<td>Allen, Thomas, 339, 400, 420, 454</td>
</tr>
<tr>
<td>Almodóvar, Paloma, 166</td>
</tr>
<tr>
<td>Ammer, John., 368</td>
</tr>
<tr>
<td>Amsalem, Michel, 339</td>
</tr>
<tr>
<td>Andersen, Torben, 394</td>
</tr>
<tr>
<td>Anderson, Erin, 118, 119, 122, 211</td>
</tr>
<tr>
<td>Ansoff, Igor, 450, 452</td>
</tr>
<tr>
<td>Anwar Habiba, 368</td>
</tr>
<tr>
<td>Ariño, Africa, 245</td>
</tr>
<tr>
<td>Arnold, David, 211</td>
</tr>
<tr>
<td>Ashkenas, Ronald, 246</td>
</tr>
<tr>
<td>Asin, Amy, 247, 266</td>
</tr>
<tr>
<td>Attali Jacques, 451, 452</td>
</tr>
<tr>
<td>Augier, Mia, 339</td>
</tr>
<tr>
<td>Austin, James, 188</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Badaracco Joseph, 118, 119</td>
</tr>
<tr>
<td>Baden, Fuller, Charles, 237, 246</td>
</tr>
<tr>
<td>Bader, T, 164, 165</td>
</tr>
<tr>
<td>Bailey Warren, 368</td>
</tr>
<tr>
<td>Baker, Michael, 23, 24</td>
</tr>
<tr>
<td>Banerjee, Neela, 119</td>
</tr>
<tr>
<td>Bank, John, 211</td>
</tr>
<tr>
<td>Barnett, Carole, 421</td>
</tr>
<tr>
<td>Barnevick Percy, 386, 408, 421</td>
</tr>
<tr>
<td>Barney, Jay, 5</td>
</tr>
<tr>
<td>Barsoux, Jean, Louis, 51, 64, 79, 393</td>
</tr>
<tr>
<td>Barth, Karen, 287</td>
</tr>
<tr>
<td>Bartholomew, Susan, 393</td>
</tr>
<tr>
<td>Bartlett, Christopher, 24, 145–146, 164–165, 384, 393, 395, 420, 421, 438, 440, 451, 452, 473, 479</td>
</tr>
<tr>
<td>Bartmess, Andrew, 319</td>
</tr>
<tr>
<td>Bazigos Michael, 420, 421</td>
</tr>
<tr>
<td>Beamish, Paul, 211</td>
</tr>
<tr>
<td>Beneviste, Guy, 452</td>
</tr>
<tr>
<td>Berger, Peter, 53, 61, 64, 78</td>
</tr>
<tr>
<td>Besanko, David, 126, 165</td>
</tr>
<tr>
<td>Besouri, Christopher, 48</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadbury, Adrian, 100, 118–119</td>
</tr>
<tr>
<td>Cadot, Olivier, 119</td>
</tr>
<tr>
<td>Campbell, Andrew, 24, 165, 463</td>
</tr>
<tr>
<td>Capron, Laurence, 245, 266</td>
</tr>
<tr>
<td>Casson, Mark., 5, 24</td>
</tr>
<tr>
<td>Castells, Manuel, 4, 24</td>
</tr>
<tr>
<td>Cave, Bill, 319</td>
</tr>
<tr>
<td>Cavusgil, Tamer, 49, 211</td>
</tr>
<tr>
<td>Cerny, Keith, 319</td>
</tr>
<tr>
<td>Chaddick, Brad, 183–189</td>
</tr>
<tr>
<td>Chalkiti, Kalotina, 393</td>
</tr>
<tr>
<td>Chattopadhyay Amlata, 37, 49</td>
</tr>
<tr>
<td>Chenh, Simon, 339</td>
</tr>
<tr>
<td>Cheshbrough, Henry, 339</td>
</tr>
<tr>
<td>Chetty Sylvie, 24</td>
</tr>
<tr>
<td>Chhokar, Jagdeep, 78</td>
</tr>
<tr>
<td>Chiesa, Vittorio, 339</td>
</tr>
<tr>
<td>Chu, Chi, Ning, 78</td>
</tr>
<tr>
<td>Chui, Michael, 319, 320</td>
</tr>
<tr>
<td>Chung, Peter, 368</td>
</tr>
<tr>
<td>Ciarlante Deana, 269, 288</td>
</tr>
<tr>
<td>Cladbrook, Lisa, 421</td>
</tr>
<tr>
<td>Clyde, Smith, Deborah, 421</td>
</tr>
<tr>
<td>Colman, Tim, 319</td>
</tr>
<tr>
<td>Connely, Catherine, 211</td>
</tr>
<tr>
<td>Contractor, Farok, 99, 118–119, 211, 356, 360, 368</td>
</tr>
<tr>
<td>Court David., 48, 82, 307</td>
</tr>
<tr>
<td>Cowking, Philippa, 273, 288</td>
</tr>
<tr>
<td>Crawford, Robert, 96, 119, 408, 421, 463</td>
</tr>
<tr>
<td>Cunha, Olao, 171, 172, 189</td>
</tr>
<tr>
<td>Cunningham, Mark, 246</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dambal, Anirudha, 339</td>
</tr>
<tr>
<td>Danis, Wade, 319</td>
</tr>
<tr>
<td>Dastmalchian, Ali, 78</td>
</tr>
<tr>
<td>David, Arnold, 12, 51, 96, 287, 466</td>
</tr>
<tr>
<td>Davidson, William, 165, 246, 265, 266</td>
</tr>
<tr>
<td>Davies, H, 246, 392–393</td>
</tr>
<tr>
<td>Davis, Stanley, 421</td>
</tr>
<tr>
<td>Dawar, Niraj, 37, 49</td>
</tr>
<tr>
<td>de Bettignies, Henri, Claude, 388, 393</td>
</tr>
<tr>
<td>de la Torre, Jose, 245–266, 265, 266</td>
</tr>
<tr>
<td>de Meyer, Arnoud, 246, 266, 291, 293, 317, 319, 324, 339, 340</td>
</tr>
<tr>
<td>De Smet, Aaron, 421</td>
</tr>
<tr>
<td>Deloumeaux, Lydia, 319</td>
</tr>
<tr>
<td>DeMonaco, Lawrence, 266</td>
</tr>
<tr>
<td>Deng Xiao Ping, 32</td>
</tr>
<tr>
<td>Dent, Stephen, 72, 96, 245–246</td>
</tr>
<tr>
<td>DePamphilis, Donald, 266</td>
</tr>
<tr>
<td>Devminney, Timothy, 319</td>
</tr>
<tr>
<td>Devlin Clarian, 452</td>
</tr>
<tr>
<td>Dewhurst, Martin, 420–421</td>
</tr>
<tr>
<td>Dhingra, Dhruv, 320</td>
</tr>
<tr>
<td>Doherty, Bob, 287–288</td>
</tr>
<tr>
<td>Donaison, Thomas, 118–119</td>
</tr>
<tr>
<td>Dore, Ronald, 53, 61, 64, 78</td>
</tr>
<tr>
<td>Doremus, Paul, 165, 452</td>
</tr>
<tr>
<td>Dorfman, Peter, 78</td>
</tr>
<tr>
<td>Dornier, Philippe, Pierre, 319</td>
</tr>
<tr>
<td>Dos Santos, Jose, 332, 340, 438, 452</td>
</tr>
<tr>
<td>Dowling, Peter, 393</td>
</tr>
<tr>
<td>Dragonetti, Nicolas, 287, 288</td>
</tr>
<tr>
<td>Dranove, David, 165</td>
</tr>
<tr>
<td>Dunchin, Faye, 119</td>
</tr>
<tr>
<td>Dunfee, Thomas, 118, 120</td>
</tr>
<tr>
<td>Dunning, John, 24, 128, 164–165</td>
</tr>
<tr>
<td>Durrieu, François, 246</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eccles, Robert, 265–266</td>
</tr>
<tr>
<td>Edstrom, Anders, 374, 375, 393</td>
</tr>
<tr>
<td>Eitman David, 368</td>
</tr>
<tr>
<td>Engels, Friedrich, 4, 24</td>
</tr>
<tr>
<td>Engle, Allen, 393</td>
</tr>
<tr>
<td>Enrique Luiz, 452</td>
</tr>
<tr>
<td>Erdmenger, Christoph, 117, 120</td>
</tr>
<tr>
<td>Ernst David, 96, 163, 211, 245, 246, 266, 291, 319</td>
</tr>
<tr>
<td>Eun, Cheol, 368</td>
</tr>
</tbody>
</table>
INDEX OF NAMES

Evans, Paul, 305, 306, 379, 393
Evans, Philip, 319

F
Fadiman, Jeffrey, 117, 119
Falckl, Olivier, 119
Fang, Tony, 69, 78
Farrdale, Elaine, 394
Farrell, Diana, 49, 189
Faulkner David, 165
Fender, Michel, 319
Ferdows, Karsa, 291, 293, 317, 319
Festing, Marion, 393
Finlay, Paul, 166
Flamant, Anne, Claire, 421
Florescu, Elizabeth, 451, 452
Francis, Duzanne, 266, 424
Franco, Larry, 421
Fraser, Jane, 23, 24, 49
Freeing, Anthony, 274, 287, 288
Friedheim, Cyrus, 246
Friedman, Thomas, 101, 452
Frynas, George, 166
Fukuyama Francis, 424, 450, 452

G
Gahuri, Pervez, 78
Galbraith, Jay, 374–375, 393
Gasman, Olivier, 340
Gassmann, Olivier, 339
Gatignon, Hubert, 211
Gee, Francesca, 245, 246
Geertz, Clifford, 52, 78
Gerch, Ulrich, 189
Geringer, Michael, 245–246
Gersh, Ulrich, 49
Ghadar, Fariboz, 266
Ghauri, Perez, 118, 119, 211
Ghemawat Pankaj, 23, 24, 165, 169, 175, 188, 189, 191, 393, 466
Ghoshal, Sumit, 24, 145–146, 164, 165, 266, 384, 393, 402, 420, 421, 438, 440, 451, 452, 473, 479
Ghosn, Carlos, 215, 217, 228, 231, 245, 246, 309, 387
Giddo, Ian, 368
Glenn, Jack, 212
Glenn, Jerome, 449, 451, 452
Gomez Casseres, Benjamin, 236, 245, 246
Gompers, Paul, 211
Goodwin Jason, 15, 24
Gool, Michael, 164–165
Gravelle, Jane, 118, 119
Gregeresen, Hal, 374, 375, 380, 392, 393
Greve, Henrich, 232, 245, 246
Gröschl, Stefan, 393
Guey, Huey Li, 420, 421
Guisinger, Stephen, 188, 189
Gupta, AnilK, 49, 78
Gu, Vipin, 49, 78
Gwartney, James, 49

H
Habeck, Max, 257, 265, 266
Hadikhami, Amjad, 118, 119
Hagel, John, 451, 452
Haigh, Ronald, 291, 319
Haley, Tammy, 246
Hall, Edward, 53, 77, 78
Hamel, Gary, 165, 218, 222, 224, 235, 236, 245, 246, 451–452, 467
Hammond, Allen, 452
Hampden, Turner, Charles, 53, 55, 78, 79
Hanges, Paul, 78
Hankinson, Graham, 273, 288
Harbison, John, 247, 266
Harding, David, 452
Harrigan, Kathryn, 245, 246
Harris, Jonathan, 421
Hart, Susan, 23, 24
Harther, Jim, 420–421
Harvey, Michael, 452
Harzing, Anne, Wil, 393
Haspeslagh, Philippe, 246, 257, 259, 265, 266, 464
Hawawini, Gabriel, 265, 266, 368
Hazan, Eric, 320
Hebert, Louis, 245, 246
Heblisch, Stephan, 118, 119
Heck, Nick Van, 166
Heenan, David, 145, 164, 165
Heike, Fabig, 121, 122
Heilbronner, Robert, 452
Hennart, JeanFrançois, 368
Hennebel, Ludovic, 97, 120
Hess, David, 118, 120
Heywood, Dukane, 421
Hofstede, Gert, 53, 54, 77, 78, 382, 393
Hogan, Harold, 421
Holliday, Charles, 89, 117, 120
Holmes, Gary, 257, 265, 266
Holstein, Williams, 392–393
House, Robert, 78, 103, 130, 162, 237, 298, 310, 334, 344, 377, 453
Howell, Llewellyn, 188, 189
Hsieh, Sun, yan, 392, 393
Humes, Samuel, 24
Huntington, Samuel, 51, 53, 57, 77, 79, 434, 451, 452
Husted, Bryan, 117, 120
Huston, Larry, 340
Hwang, Peter, 211
Hyde, Dana, 265, 266

I
Ifzal, Ali, 48, 49
Inglehart, Ronald, 79
Imsen, Andrew, 246
Isono, James, 266

J
Jackson, Terence, 79
James, Harold, 23, 24, 189, 374
Jaruzelski, Barry, 339, 340
Jasperen, Frederick, 212
Javidan, Mansour, 78
Jemison, William, 246, 257, 259, 265, 266, 464
Jenkins, Rhys, 118, 120
Joachimsthaler, Erich, 287
Johanson, Jan, 24
Johnsson, Latham, Gerd, 84, 119
Jokinen Tiina, 386, 393
Jones Geoffrey, 24
Jones, Jeannette, 166
Jordan, Lisa, 453

K
Kandemir, Destan, 49
Kandemir, Destan, 49
Kang, Jun, Koo, 368
Kaplan, Norton, 453
Karch, Nancy, 287
Karmokolah, Yannis, 212
Katsoulakos, P, 118, 120
Kaufmann, Daniel, 118, 120
Kawelis, Pavos, 319
Keller, William, 165, 274, 452
Keller, William, 287, 288
Kelly, Nataly, 288
Kennedy, Robert, 6, 421
Kets de Vries, 127, 386, 393, 396, 421
Khanna, Tarum, 33, 37, 48–49, 392, 393
Kharas, H, 49
Khou, Julia, 246, 266
Kiessling, Timothy, 452
Kim, Chan, 139, 140, 164, 165, 211, 246, 265, 266, 465, 469, 470
Kim, Daeowan, 48, 49
Kim, Soonhee, 340
Kiss, Andrea, 319
Kitching, John, 251, 265, 266
Klinecwich, Krzysztof, 246
Knight, Gary, 96, 165
Kogut, Bruce, 211, 245, 246
Kolk, Ans, 120, 121
Koller, Thimothy, 189
Kotabe, Masaaki, 319
Kremenyuk, Victor, 79
Krishna, K.N, 245–246
Kröger, Fritz, 266
Kuemmerle, Walter, 340
Kulatilaka, Nalin, 211
Kumar, Nirmalya, 339, 340

L
Lahiri, Nandini, 339, 340
Lanes, Kersten, 266
Lange, Glenn, Marie, 119
INDEX OF NAMES

Langserre, Philippe, 38, 48, 49, 189, 340, 368, 375, 383, 392, 394, 413, 414, 421
Latukefu, Alopilisi, 319
Laurent, André, 53, 56, 77, 79
Lavoie, Johanne, 393
Lawrence, Paul, 25, 52, 78–79
Lawson, Robert, 49
Leal, Donald, 118, 119, 122
Lee, Hyangsoo, 340, 349
Lehni, Markus, 89, 117, 120
Leite, Carlos, 118, 120
Leonard, Barton, Dorothy, 327, 339, 340
Lessard, Donald, 265, 266, 267, 368, 369, 468
Levitt, Theodore, 268, 288
Lewis, Richard, 58, 79
Lhabitant, François-Serge, 50
Li, J, 340
Li, Jiatao, 24, 44, 295, 296, 320, 340
Lieberman, Marvin, 211, 212
Liesch, Peter, 165
Lindner, Andrew, 294, 319
Lloyd, Reason, Lester, 148, 164, 165
Lorenzoni, Gianni, 237, 246
Lorsh, Jay, 52, 79
Lowell, L. Bryan and J. C., 23–24
Luermann, Timothy, 211, 212
Luk, S.T.K., 393
Lund, Suzan S, 320
Luo, Yadong, 211, 212
Lvostarinin, Reijo, 164, 166
Lynn, Isabella, 232, 246

M
Madura Jeff, 368
Magdeline, Jocelyn, 319
Magni Max, 48, 50
Malmqvist, Thomas, 278, 287, 288, 421
Mankin, Eric, 235, 246
Manyika James, 307, 320
Marceto, Alonso, 453
Marx, Karl, 4, 24
Mauger, Renée, 139, 140, 164, 165, 246, 265, 266, 465, 469, 470
Maur, Alfredo, 246
Mauro, Paolo, 118, 120
Mazaroll, T, 164, 165
McDougal, Patricia, 165, 166
McLaughlin, Kathleen, 287
McLuhan Marshall, 4, 23, 24
Mead, Margaret, 52, 79
Medina, Daniela, 78
Méi, Jiaping, 368
Melander, Erik, 451, 453
Mendenhall, Mark, 79, 393, 394
Michaels, Ronald, 25
Michel, Daniel, R. Salle and, 23, 24, 370, 388
Micklethwait, John, 24
Middleton, Stuart, 165
Midgley, David, 319
Mikko, Kosone, 164, 165
Milberg, William, 318, 329
Miller, Roderick, 368
Miller, Robert, 212, 250, 253, 319
Mirza, Hafiz, 24
Mitchell, David, 245, 246, 257, 265, 266
Mitroff, Ian, 453
Moffett, Michael, 368
Monaghan, Pau, 117, 120
Montgomery, Cynthia, 421
Montgomery, David, 211, 212
Morley, Micael, 393
Moss, Kanter, Rosabeth, 24
Mugha, Terryn, 148, 164, 165

N
Narasimhan, Laksmi, 48
Narayanadas, Das, 288
Nichols, Martha, 95, 118, 120
Niron, Hashai, 164, 166
Noda, Tono, 287–288
Novice, Miroland, 452

O
Ohmae, Kenichi, 8, 23, 25, 166, 268, 287, 288, 466
Olshavsky, Richard, 25
Oppenheim, Jeremy, 24
Ormiston, Charles, 49
Oviatt, Benjamin, 165–166

P
Pauwe, Jaap, 394
Pelepu, Krishna, 35, 48–49
Parker, Philip, 109, 249, 268, 287, 288
Parsons, Andrew, 79, 394
Patel, Dhiren, 452
Paulny, Louis, 165, 452
Pearce, Robert, 326, 339, 340
Péliassie du Rausas, Matthieu, 320
Peng, Mike, 25, 39, 40, 21, 212
Perlmutter, Howard, 145, 164, 165
Pernia, Ernesto, 48, 49
Peters, Tom, 420, 421
Piketty, Thomas, 451, 453
Pilat, Bocurc, Mardalena, 319
Pinson, Christian, 287, 288
Pisany, Ferry Jean, 451, 453
Piskorski, Nikolaj, 397, 421
Plas, Géraldine, 117, 120
Pope, Jeremy, 118, 121
Porter, Lyman, 394
Porter, Michael, 25, 125, 135, 136, 139, 164, 166, 176, 177, 178, 186, 188, 189, 190, 319, 320, 324, 340, 466, 468, 469
Poy Seng Ching, 383, 393
Probert, Joselyn, 246, 266
Pucik, Vladimir, 393, 421
Puranam, Phanish, 340
Purse, William, 266
Purushothaman Roopa, 48, 50
Q
Qian, Zhengming, 24
Qualls, William, 23, 25
Quelch, John, 272, 287, 288, 394
R
Raleigh, Clonadad, 451, 453
Rangan Subramanian, 25, 232, 245, 247, 319–320
Redding, Gordon, 53, 61, 78, 80, 188, 189, 191, 394
Reed Hall, Mildred, 53, 77, 78
Reich, Robert, 165, 235, 246, 452
Reiner, Uwe, 49
Reinhart, Forest L, 104, 118, 121
Rennie, Michael, 165–166
Resnick, Bruce, 368
Retchman, René, 121–122
Ricardo, David, 4, 12–13, 23, 25, 466
Ricks, David, 51, 77, 79
Rieger, F, 392, 394
Riesenbeck, Hajo, 274, 287, 288
Rigman, Tom, 212
Ritzer’s George, 25
Robertson, Roland, 25
Robinson, William, 25
Rodrik, Dani., 426, 451, 453
Rogers, Jerry, 188, 189
Ronen, Simcha, 53, 57, 79
Root, Franklin, 212, 303
Rosenweig, Philip, 394
Ross, Jerry, 246
Rossi, Carla, 340
Rottenberg, Stephanie, 392, 394
Rousseau, Ted, 49
Rowley, Tim, 246
Roxburg, Charles, 451, 453
Rugman, Alan, 13, 23, 25, 162, 164, 166, 430, 451, 453
Russ, Meir, 166
S
Saari, David, 453
Said, Rémi, 251, 320, 385, 424
Sakkab, Nabil, 340
Salacuse, Jeswald, 66, 67, 78–79
<table>
<thead>
<tr>
<th>Name</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salehyan, Idean</td>
<td>453</td>
</tr>
<tr>
<td>Salle, Robert</td>
<td>24</td>
</tr>
<tr>
<td>Samek, Robert</td>
<td>393</td>
</tr>
<tr>
<td>Santos, Indhira</td>
<td>332, 340, 438, 451, 453</td>
</tr>
<tr>
<td>Scahus, Robert</td>
<td>49</td>
</tr>
<tr>
<td>Scheer, Scott</td>
<td>165</td>
</tr>
<tr>
<td>Schein, Edgard</td>
<td>52, 79</td>
</tr>
<tr>
<td>Schmidheiny, Stephan</td>
<td>120</td>
</tr>
<tr>
<td>Schneider, Susan</td>
<td>51, 64, 79, 206–207, 212, 278</td>
</tr>
<tr>
<td>Schule, Randallr</td>
<td>393</td>
</tr>
<tr>
<td>Schütte Hellmut</td>
<td>45, 107, 121, 189, 268, 269, 287, 288, 408, 414, 420, 421, 463</td>
</tr>
<tr>
<td>Schwartz, Gordon</td>
<td>288</td>
</tr>
<tr>
<td>Schwartz, Kevin</td>
<td>340</td>
</tr>
<tr>
<td>Scullion, Hugh</td>
<td>393</td>
</tr>
<tr>
<td>Seurat, Sylvère</td>
<td>339, 340</td>
</tr>
<tr>
<td>Sheffield, Charles</td>
<td>120, 453</td>
</tr>
<tr>
<td>Shengliang</td>
<td>340</td>
</tr>
<tr>
<td>Shenkar, Oded</td>
<td>53, 57, 79</td>
</tr>
<tr>
<td>Shih, Stan</td>
<td>415, 416, 421</td>
</tr>
<tr>
<td>Shipilov, Andrew</td>
<td>246</td>
</tr>
<tr>
<td>Shirodkar, Abhay</td>
<td>339</td>
</tr>
<tr>
<td>Sigala, Marianna</td>
<td>393</td>
</tr>
<tr>
<td>Sinatra, Alessandro</td>
<td>247, 266</td>
</tr>
<tr>
<td>Singer, Mark</td>
<td>451–452</td>
</tr>
<tr>
<td>Singh, Harbir</td>
<td>247, 266, 326</td>
</tr>
<tr>
<td>Singh, Jasjit</td>
<td>39, 207, 212</td>
</tr>
<tr>
<td>Singh, Satwinder</td>
<td>339, 340</td>
</tr>
<tr>
<td>Sinha, Jayant</td>
<td>49</td>
</tr>
<tr>
<td>Sklar, Leslie</td>
<td>4, 25</td>
</tr>
<tr>
<td>Slone, Robert</td>
<td>340</td>
</tr>
<tr>
<td>Smith Ring, Peter</td>
<td>118</td>
</tr>
<tr>
<td>Smith Shi, Christiana</td>
<td>287</td>
</tr>
<tr>
<td>Smith, Craig</td>
<td>121</td>
</tr>
<tr>
<td>Smith, Kenneth</td>
<td>266</td>
</tr>
<tr>
<td>Solberg, Carl Arthur</td>
<td>246</td>
</tr>
<tr>
<td>Soubotina, Tulyana</td>
<td>48, 49, 84, 121</td>
</tr>
<tr>
<td>Spadini, Alessandro</td>
<td>397, 421</td>
</tr>
<tr>
<td>Spar, Deborah</td>
<td>96, 102, 119, 246, 266</td>
</tr>
<tr>
<td>Sparrow, Paul</td>
<td>393</td>
</tr>
<tr>
<td>Speckman, Robert</td>
<td>232, 245–246</td>
</tr>
<tr>
<td>Staack, Volker</td>
<td>340</td>
</tr>
<tr>
<td>Stahl, Günter</td>
<td>79, 375, 392, 394</td>
</tr>
<tr>
<td>Stahl, Georges</td>
<td>164, 166</td>
</tr>
<tr>
<td>Stamenov, Kalin</td>
<td>320</td>
</tr>
<tr>
<td>Steen, Matthew</td>
<td>165</td>
</tr>
<tr>
<td>Steinhubl, Andrew</td>
<td>246, 266</td>
</tr>
<tr>
<td>Steward, Pamela</td>
<td>394</td>
</tr>
<tr>
<td>Stiglitz, Joseph</td>
<td>424, 450, 451, 454</td>
</tr>
<tr>
<td>Stiles, Philip</td>
<td>394</td>
</tr>
<tr>
<td>Stonehill, Arthur</td>
<td>368</td>
</tr>
<tr>
<td>Stopford, John</td>
<td>145, 164, 166, 397, 398, 420, 421</td>
</tr>
<tr>
<td>Stoyan Tanev</td>
<td>165, 166</td>
</tr>
<tr>
<td>Stumpf, Siegfried</td>
<td>78, 79</td>
</tr>
<tr>
<td>Sunshine, Russell</td>
<td>68, 78–79</td>
</tr>
<tr>
<td>Szulanski, Gabriel</td>
<td>331, 340</td>
</tr>
<tr>
<td>Tahilyani, Naveen</td>
<td>48, 49</td>
</tr>
<tr>
<td>Taleb, Nassim</td>
<td>451, 454</td>
</tr>
<tr>
<td>Tan, Ja</td>
<td>49, 69</td>
</tr>
<tr>
<td>Tanve Sotyan</td>
<td>24–25</td>
</tr>
<tr>
<td>Tanzi, Vito</td>
<td>118, 121</td>
</tr>
<tr>
<td>Tao, Zhigang</td>
<td>200–4., 266</td>
</tr>
<tr>
<td>Taylor, William</td>
<td>420, 421</td>
</tr>
<tr>
<td>Teece, David</td>
<td>339</td>
</tr>
<tr>
<td>Terwiesch, Christian</td>
<td>340</td>
</tr>
<tr>
<td>Thill, George</td>
<td>327, 339, 340</td>
</tr>
<tr>
<td>Tichy, Noel</td>
<td>421</td>
</tr>
<tr>
<td>Tides, Setting</td>
<td>452</td>
</tr>
<tr>
<td>Tolstoy, Daniel</td>
<td>247</td>
</tr>
<tr>
<td>Toulan, Omar</td>
<td>287</td>
</tr>
<tr>
<td>Träim, Michael</td>
<td>266</td>
</tr>
<tr>
<td>Trap, Daniel</td>
<td>84, 119</td>
</tr>
<tr>
<td>Trevor, Jonathan</td>
<td>394</td>
</tr>
<tr>
<td>Tribewalla, Vikas</td>
<td>287, 288</td>
</tr>
<tr>
<td>Trompenaars, Alfons</td>
<td>53, 55, 61, 64, 77, 79</td>
</tr>
<tr>
<td>Tung, Rosalie</td>
<td>372, 392, 394</td>
</tr>
<tr>
<td>Usunier, Jean Claude</td>
<td>78</td>
</tr>
<tr>
<td>Vahne, Jan, Erik</td>
<td>24</td>
</tr>
<tr>
<td>Vaiman, Vlad</td>
<td>394</td>
</tr>
<tr>
<td>Vais, Paresh</td>
<td>211, 245</td>
</tr>
<tr>
<td>Valla, Jean Paul</td>
<td>24</td>
</tr>
<tr>
<td>Van Ruysseveldt, Joris</td>
<td>393</td>
</tr>
<tr>
<td>Van Tulder, Rob</td>
<td>120, 121, 340</td>
</tr>
<tr>
<td>Vance, Charles</td>
<td>392, 394</td>
</tr>
<tr>
<td>Vanhonacker, Wilfried</td>
<td>211, 212</td>
</tr>
<tr>
<td>Varma, Suvir</td>
<td>49</td>
</tr>
<tr>
<td>Verdin, Paul</td>
<td>166</td>
</tr>
<tr>
<td>Vereecke, Andréé</td>
<td>291, 293, 317, 319</td>
</tr>
<tr>
<td>Vernon, Raymond</td>
<td>321, 322, 339, 340</td>
</tr>
<tr>
<td>Viallet, Claude</td>
<td>265, 266, 368</td>
</tr>
<tr>
<td>Visco, Albert</td>
<td>247, 257, 258, 266</td>
</tr>
<tr>
<td>Vishwanath, Vijay</td>
<td>49</td>
</tr>
<tr>
<td>Vitaro, Richard</td>
<td>247, 266</td>
</tr>
<tr>
<td>Von Krogh, George</td>
<td>247, 265, 266</td>
</tr>
<tr>
<td>von Zedtwitz, Maximilian</td>
<td>339, 340</td>
</tr>
<tr>
<td>Wallerstein, Immanuel</td>
<td>4, 25</td>
</tr>
<tr>
<td>Wang, Hayan</td>
<td>44, 45, 49, 416, 421</td>
</tr>
<tr>
<td>Wang, J.T.</td>
<td>421</td>
</tr>
<tr>
<td>Watts, Philip</td>
<td>120</td>
</tr>
<tr>
<td>Webb, Allen</td>
<td>118, 119</td>
</tr>
<tr>
<td>Weerawardena, Jay</td>
<td>165</td>
</tr>
<tr>
<td>Wei, Shang</td>
<td>39, 118, 120, 121</td>
</tr>
<tr>
<td>Weiman, Jens</td>
<td>118, 120</td>
</tr>
<tr>
<td>Welch, Lawrence</td>
<td>164, 166</td>
</tr>
<tr>
<td>Wells, Louis</td>
<td>145, 164, 166, 302, 319, 320, 397, 398, 420, 421</td>
</tr>
<tr>
<td>Welters, Carlijn</td>
<td>120</td>
</tr>
<tr>
<td>Wheeler, David</td>
<td>82, 121–122</td>
</tr>
<tr>
<td>White, James</td>
<td>120, 133, 140, 185, 270, 271, 329, 336, 412, 454, 455, 457</td>
</tr>
<tr>
<td>Whitley, Richard</td>
<td>53, 61, 64, 78, 80</td>
</tr>
<tr>
<td>Willes, Pierre</td>
<td>421</td>
</tr>
<tr>
<td>Williamson, John</td>
<td>48, 50</td>
</tr>
<tr>
<td>Williamson, Peter</td>
<td>33, 39, 49, 50, 287, 288, 340, 421, 438, 452</td>
</tr>
<tr>
<td>Wilson Dominic</td>
<td>48, 50, 211, 212, 245, 247</td>
</tr>
<tr>
<td>Wilson, Keeley</td>
<td>324, 339, 340</td>
</tr>
<tr>
<td>Wilson, Thomas</td>
<td>266</td>
</tr>
<tr>
<td>Witt, Michael</td>
<td>61, 78, 80, 188, 189, 191</td>
</tr>
<tr>
<td>Woetzel, Jonathan</td>
<td>320</td>
</tr>
<tr>
<td>Wong, Y.H.</td>
<td>392, 394, 420</td>
</tr>
<tr>
<td>Wong, Rieger</td>
<td>392, 394</td>
</tr>
<tr>
<td>Wooldridge, Adrian</td>
<td>24</td>
</tr>
<tr>
<td>Wouter, Ahina</td>
<td>420, 421</td>
</tr>
<tr>
<td>Wright, Patrick</td>
<td>394</td>
</tr>
<tr>
<td>Wurster, Thomas</td>
<td>305, 306, 319</td>
</tr>
<tr>
<td>Xie, Zhenzen</td>
<td>340</td>
</tr>
<tr>
<td>Xu, Yi</td>
<td>165, 340</td>
</tr>
<tr>
<td>Yahiaoui, Dorra</td>
<td>393, 394</td>
</tr>
<tr>
<td>Yamagushi, Takeo</td>
<td>392, 394</td>
</tr>
<tr>
<td>Yandle, Bruce</td>
<td>122</td>
</tr>
<tr>
<td>Yasheng, Huang</td>
<td>48</td>
</tr>
<tr>
<td>Yeung, Arthur</td>
<td>421</td>
</tr>
<tr>
<td>Yoshino, Michael</td>
<td>232, 245, 247, 421</td>
</tr>
<tr>
<td>Youval, Alson</td>
<td>48, 50</td>
</tr>
<tr>
<td>Yue, Deborah</td>
<td>243, 274, 340</td>
</tr>
<tr>
<td>Zaheer, Srilata</td>
<td>164, 166</td>
</tr>
<tr>
<td>Zeutchel, U</td>
<td>78, 79</td>
</tr>
<tr>
<td>Zoubir, Yahia</td>
<td>50</td>
</tr>
</tbody>
</table>
# INDEX OF COMPANIES AND ORGANISATIONS

## A
- Accenture, 280, 287, 304
- Adidas, 106
- Agence Française de Développement, 356
- Air France, 260
- Airbnb, 310, 318
- Airbus, 130, 219, 236, 278, 300, 366
- Alcatel, 19, 251, 263, 304
- Alfa, 42, 251
- Allianz, 274, 288
- Alstom, 280
- Alza, 229–230, 246, 253
- Australian and New Zealand Academy of Management (AZAM), 165
- Asahi, 274
- Asea Brown Boveri (ABB), 280, 382–383, 386, 393, 421, 438
- Asia Pacific Economic Cooperation (APEC), 114, 430, 443
- Asian American Free Labour Association (AAFLA), 96, 102
- Asian Development Bank (ADB), 364
- Asian Development Bank (ADB), 364
- Aspen Institute, 113
- Association Of South East Asian Nations (ASEAN), 11, 430, 443
- AT&T, 144, 271, 278
- At Kearney, 163, 319
- Aventis, 250, 260

## B
- Bangladesh Garments Manufacturers and Exporters, 106, 174–175, 182, 429, 460
- Bank for International Settlements, 49
- Bank for International Settlements, 3, 24, 121
- Basf, 335–336, 339, 407–408, 421
- Bayer, 14, 250, 253
- Benetton, 202, 275–276, 288
- Bharti Airtel, 251
- Bhopal, 102
- Blablacar, 310–311
- Boeing, 130, 278, 299
- Bombardier, 403–404
- Booz-Allen Hamilton, 258, 340
- Boston Consulting Group, 23, 41, 48, 189
- Bridgestone, 131, 161
- British East India Company, 5
- British Petroleum (BP), 159
- British Telecom (BT), 144, 278
- Brookfield Global Relocation Services, 79, 392–393
- BSR (Business for Social Responsibility), 105, 118–119
- Business Environment Risk Index (BERI), 190
- Business Impact, 105
- Business Monitor International (BMI), 188, 190
- Business Monitor International, 188, 190
- BYD, 44–45
- Canon, 129, 438
- Cap Gemini, 278, 280
- Cargill, 195
- Caux Roundtable, 95, 101, 114
- CDC Capital Partners, 335, 365
- Center for Corporate Citizenship, 81–82, 103–105, 113, 120, 227, 229, 330
- Centre for Asian Business Cases, 421
- Chaeron Pokphand, 42
- Ciba Geigy, 246
- Cisco Systems, 38, 230, 263, 304
- Citibank, 9, 142–143, 271, 278, 288, 410, 421
- Coca Cola (Coke), 37, 272
- Cochlear Pty, 151
- COFACE (Compagnie Française d’Assurance pour le Commerce Extérieur), 188, 191, 355, 365
- Colgate Palmolive, 371–372, 394
- Columbia Studio, 25, 28–29, 34, 189, 246, 252–253, 266, 319, 417
- Corinur, 274
- Corning, 236–237
- Corpwatch, 101, 117, 426, 452
- Council of Europe, 95
- Ciba Geigy, 246
- Cisco Systems, 38, 230, 263, 304
- Citibank, 9, 142–143, 271, 278, 288, 410, 421
- Coca Cola (Coke), 37, 272
- Cochlear Pty, 151
- COFACE (Compagnie Française d’Assurance pour le Commerce Extérieur), 188, 191, 355, 365
- Colgate Palmolive, 371–372, 394
- Columbia Studio, 25, 28–29, 34, 189, 246, 252–253, 266, 319, 417
- Corinur, 274
- Corning, 236–237
- Corpwatch, 101, 117, 426, 452
- Council of Europe, 95
- Dabhol Power Corporation, 302, 320
- Daewoo, 37, 242–243
- Daimlerchrysler, 376
- Dell, 318
- Deloitte’s, 49
- Deutsche Telecom, 304
- Disneyland, 18

## E
- Earth Policy Institute, 452
- E-Bay, 318
- ECGD (Export Credit Guarantee Department), 355, 366
- Economic Intelligence Unit (EIU), 78–80, 122, 165–166, 189, 247, 266, 278, 280, 340, 368, 393–394, 421, 453
- Economic Intelligence Unit (EIU), 190
- Electrolux, 133, 136, 266, 272, 458–459
- Elsowedeleylectric, 42
- Embracer, 27, 42, 73
- Enron, 280, 302, 320
- Ericsson, 19, 129, 263, 278, 288
- Ernst & Young, 163, 291, 319
- Essilor, 154–155
- Etisalat Group, 109
- EU Emissions Trading Scheme (EU ETS), 86, 119
- Euromedia, 107
- Euromoney, 367
- Euromonitor, 49, 458
- European Bank for Reconstruction and Development (EBRD), 364
- European Commission (EC), 6, 119, 161, 430, 452
- European Economic Community (EEC), 15, 430
- European Foundation for Management Education (EFMD), 119
- Eximbank (Export-Import Bank), 355, 366
- Facebook, 2, 9, 268, 271, 303–304, 308, 477
INDEX OF COMPANIES AND ORGANISATIONS

Fatabella, 42
Federal Credit Insurance Association (FCIA), 355
Fiat, 242
Food and Agriculture Organization, 119
Forrester Research, 304
Foster, 103, 149, 237, 274, 307, 396, 449
Framatome, 202
France Telecom, 146
Francolor, 246, 266
Foster Institute, 49
FreemarketsOnline, 320
Fuji Xerox, 229
G
Gallup International Association, 90
Gartner, 304, 318
GATT (General Agreement on Tariffs and Trade), 6–7, 9, 11
Gemplus, xxvi, 150–151
General Electric (GE), 5, 25, 14, 39, 159, 246, 251, 271, 302, 321, 460
General Motors (GM), 107, 219, 229, 241–243
Getinge, 249
GE-Snecma, 219, 233
Global Compact, xxi, 105, 115
Global Insight,
Global Leadership and Organizational Behavior Effectiveness (GLOBE), 7, 57–60, 77–78, 84, 93, 117, 131, 136, 142, 227, 268, 271, 335, 377
Global Sullivan Principles, 105
Golden Agri Resources, 42
Goodyear, 131, 142, 160, 161
Google, 104, 106, 271, 304, 308
GreenBiz, 113
Greenpeace, 101–102, 114
Gucci, 38, 276
H
Haier, 27, 251, 455–463
Heineken, 272
Hewlett Packard (HP), 106, 120, 278, 280, 327
HSBC, 5, 104, 106, 129, 152–153
Huawei, 42, 263, 304
Human Rights Watch, 114
Hyundai, 9, 40
IBM, 8, 54, 236, 262, 271, 276, 278, 280, 304, 382, 411–412
IMD (International Institute for Management Development), 39, 190
Inditex, 311–312
IndoMedia, 107
Infosys, 27, 42
Institute For The Future (IFTF), 452
Intel, 8, 136, 271, 273
Intergovernmental Panel on Climate Change (IPCC), 431, 453
International Bank for Reconstruction and Development, 453
International Chamber of Commerce (ICC), 355
International Finance Corporation, 365
International Service Systems A/S (ISS), 402
International Bank for Reconstruction and Development, 453
International Finance Corporation (IFC), 365
International Herald Tribune, 119
International Labour Organisation (ILO), 95–96, 98, 106, 115, 118, 120, 384
J
Jardine Matheson, 202
Jollibee, 42
JP Morgan, 266
JVC, 235
K
Kennedy Round, 6, 421
Kenya Flower Council, 106, 176
Kocholding, 42
Kyoto Agreement, 107, 111, 216
L
Lafarge Holcim, 4
Lenovo, 27, 262
Li & Fung, 296
Light Up The World (LUTW), 108–109
Lockheed, 102
Louis Vuitton Moet Hennessy (LVMH), 38
Lucent, 19, 251, 263, 304
Lukoil, 42
M
3M, 106, 410, 420, 438
Maastricht (Treaty of), 13
Magenta Arab Union (MAU), 430, 443
Mahindra & Mahindra, 38
Marks & Spencer, 25, 106, 311–312
McDonald, 136, 271, 273, 281, 295
Mercedes-Benz, 28, 141, 268
Merck Sharp and Dohme (MSD), 334
Mercosur, 430, 443
Michelin, 17, 131–132, 142–143, 161, 319
Microsoft, 17, 19, 164, 263, 271–272, 276, 465
Midland Bank, 259
Millennium project, 436–438, 443, 449, 452
Minitwatts Marketing Group, 320
Mitsubishi, 40, 159, 215
Monsanto, 250, 253, 380
Moody’s Investor Service, 353
MOSOP (Movement for the Survival of the Ogoni People), 82
Motorola, 19, 44, 236, 263, 321
N
National Intelligence Council (NIC), 425, 451, 453
Natura Cosméticos, 283
Natura Cosméticos, 283–284
NEC, 263
New York Time, 101
Nike, 8, 95–96, 102, 119, 275, 296
Nokia, 5, 19, 44, 129, 251, 263, 304, 440
Nortel, 263, 304
North American Free Trade Agreement (NAFTA), 11, 13, 408, 430, 443
Nummi, 219, 229, 242
O
Olam International, xx, xxvi, 407
Oracle, 278, 297, 304
Orange, 20, 278, 304
Otis Elevator Company, 14–17, 22, 24
Oxfam International, 114

P
Panasonic, 9, 458–459
Petronas, 27, 42
Peugeot, 129, 242
Pew Center on Global Climate Change, 113
Philips, 17, 133, 136, 151
Pirelli, 131
Pixtech, 237
Political Risk Services (PRS), 191
Price Waterhouse Coopers (PWC), 451, 453
Pricewater House Cooper, 451, 453
Prince of Wales Business Leader Forum, 105
Procter & Gamble, 3, 129, 136, 396

Q
Qualcomm, 251

R
Ranbaxy, 27
Raytheon, 130
RCA, 182, 321
Renault Nissan, 214–217
Reuters, 106, 304, 409
Rio Tinto Zinc, 159
Rome (Treaty of), 6, 15, 93, 430

S
Saatchi and Saatchi, 275, 278
SAIC, 243
Samsung, 4, 19, 37, 40, 124, 127–130, 217, 263, 272, 459
SAP, 280, 297, 304
Sasol, 42
Saurer, 39
Schneider Electric, 51, 64, 79, 206–207, 212, 278
Smithkline and Beecham, 259–260, 262, 266
Snecma, 219, 232, 246
Sony, 8–9, 17, 40, 129–130, 136, 246, 252–253, 266, 271–272, 321
South African Brewery, 27, 250–251, 253
South African Development Community, 430
Standard and Poor's, 353
Star Alliance, 144, 218, 236, 456–457
Starbucks, 106
Sunna Design, 150–151
Swift, 236
Swire, 202

T
Tata, 36, 37
TCL, 37
Tesco, 22, 143
Teva-Allergan, 251
The Economist, 268, 452
Thomson Corporation, 235, 266, 275, 321
Time Warner, 304
Tokyo Round, 6
Total, 97, 102, 120
Toyo Ink, 246, 266
Toyota, 40, 44, 129, 159, 219, 225, 229, 242, 271
Toys R'Us, 106

U
Uber, 310–311, 318, 320
United Nations Educational, Scientific and Cultural Organization (UNESCO), 121, 424
United Nations Children's Fund (UNICEF), 95, 118, 121
Unilever, 3, 5, 14, 17, 39, 103–104, 129, 136, 272, 281, 283, 286, 382, 396–397
Union Carbide, 102
Union des Banques Suisses (UBS), 299, 377
United Nations Office on Drugs and Crime (UNODC), 115, 451, 454
United States Environmental Agency (USPA), 85, 117, 121
Universal Studio, 51–52, 97–98, 105, 280, 426, 442, 472
Unocal, 97, 120
Uruguay Round, 6–7, 176, 384, 417, 430
US Agency for International Development (USAID), 365
US Fireman's Fund, 274

V
Visa, 236–237, 271
Vodafone, 20, 159, 271, 278
Volkman, 39
Volkswagen, 159, 242, 308, 329
Volvo, 230, 273

W
Wal-Mart, 22, 39, 143, 271
Washington Consensus, 32–33, 49–50
Westinghouse, 202, 272
Whirlpool, 132–133, 458
World Business Council for Sustainable Development, 81, 114, 117
World Resources Institute, 85–86, 122
World Trade Organisation (WTO), 4, 6–9, 11, 13, 23, 25, 319–320, 424
WPP Group/Young & Rubicam, 271, 275, 454
WWF (World Wild Fund), 84, 87, 117, 122

X
Xerox, 229

Y
Yahoo, 304, 307, 350
Yellow Tail, 139–140
YouTube, 9, 268, 304

Z
Zain, 251, 253
Zanussi, 266, 272
Zara, 311–312
Zee Entertainment, 402
Zenith, 321