

Phil Kelly

INTERNATIONAL
BUSINESS AND
MANAGEMENT

Study Guide

Welcome to the International Business and Management course. This study guide (handbook) has been written for students enrolled on the course and contains a great deal of information needed to complete your studies. You should bring it to each workshop session. Within the handbook you will find:

- A holistic concept model and module delivery plan
- Detailed learning outcomes
- Lecture summaries, specific lecture outcomes, a lecture synopsis, and keywords, supporting text, figures, references and activities for each workshop
- Towards the end of the handbook you will find supplementary readings.

The overall aim of this course is to develop the reader's knowledge of the international organisation so that they understand how resources and competencies (dynamic capabilities) may be developed and used to survive and prosper in an uncertain and constantly changing world - turning strategy into action through the effective and efficient management of resources and creation of sustainable competitive advantage. We also aim to explain how managers may create value for customers, shareholders, society and themselves.

Throughout this course we take an eclectic and multidisciplinary approach, drawing on both classic and new theory from strategy, operations management, marketing, information systems, finance, human resource management and the specific literature on international business and management. Additionally, we recognise the strategic role of HR in developing people as a source of competence difficult for competitors to imitate; we discuss knowledge management, the learning organization, HR practices and business processes. We also recognise the important role of information resources and technology and explain how enterprise systems, business intelligence, knowledge management systems and e-business and e-commerce systems enable people and the corporate and business strategies. Human and information technology resources are

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also considered in the specific primary activities of operations management, logistics, marketing and sales. The role of finance and the management of financial resources in the international organization are also considered along with their supporting systems. Throughout the course we consider employee behaviour from a productive and ethical stand point and emphasise the key role of leadership. Recognising globalization and change we also provide tools and frameworks to analyse international organizational surroundings both internally and externally and explain how change can be managed in order to align the organization with its customers and environment.

We believe today's business student must see the organization as more than simply a collection of functional parts. Important capabilities are created from the way in which people (to include skills and know-how), information, financial and physical resources are tied together. Business and management as a subject area is distinctive in that it is interdisciplinary, drawing upon a wide range of base disciplines from "hard to soft" sciences. This study guide, like the associated text book, is organised in five parts: (1) an introduction to international business and management, (2) international strategy, (3) human resource management, (4) managing information and technical resources and (5) international business and trade. Chapter one, an introduction to international business and management, identifies what constitutes an international organisation, why they exist and how they are derived. Different types of international organisation are considered alongside the activities they undertake. This forms a basis for explaining how resources are used effectively and efficiently, so that organisations can compete and attain their goals, thus performing in a desirable manner. Part Two has a strategic focus, introducing the factors which shape what the organisation will do and where it will do it (purpose and scope). Part Two is more about the need to be effective through an analysis of the environment and stakeholder needs and the wisdom of its leaders, managers and employees. We discuss how international organisations compete and achieve their goals through efficient use of resources and the selection of markets in which to offer their products and services. Parts three and four focus on efficiency and act as the building bricks used by strategists seeking to create sustainable competitive advantages. In

part two we focus more on challenges associated with organisational behaviour and the use of human resources. Chapter six focuses on human capital as a source of sustainable competitive advantage and considers the problems associated with managing people worldwide. Chapter seven considers diversity and managing multicultural groups of all sizes, understanding how to work with people who may seem different. In chapter eight we consider the need to organise human resources, to divide, allocate, coordinate and control activities so that the organisational goals can be achieved. Chapter nine (business processes) continues to focus on work design, turning attention to the structuring of work tasks enabling efficiency gains and an ability to be responsive whilst attaining time based advantages. In part three we build on human resources and consider how information and knowledge resources can be managed. Manual or knowledge-based work activities can be enabled by ICT and the organisation coordinated and controlled through the free flow of information resources. Furthermore, synergies and scale benefits may accrue for the international organisation which takes learning from one part and utilises it in another. Technologies discussed in chapters twelve and thirteen unify organisation and enable it to operate across boundaries. The final part focuses on business, creating, marketing and selling organisational outputs. Operations management, marketing and sales are the internal customers and users of the resources discussed in part three and four. They enable the organisation to pool resources to execute the activities that result in customer satisfaction and revenue generation. Finally, in chapter sixteen we consider the management of financial resources worldwide.

The emphasis of this course and associated text is more on the need to develop agile companies that can meet changing customer needs in a timely and profitable manner. International management should take a supply chain and value system perspective, identifying how organizations can operate more effectively and efficiently at a global level,. We focus on how organizations use their resources such as information, people, knowledge, technology and finances to achieve their goals and compete in the global marketplace. Recent years have brought sweeping changes in the way organisations apply information technology to solve complex problems that are common in increasingly competitive and

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global business environments. All organizations today create sustainable value from leveraging their intangible assets - human capital; databases and information systems; responsive, high-quality processes; customer relationships and brands; innovation capabilities; and culture. Effective resource management can deliver competitive advantage; organizations must manage people, information, knowledge and technological resources along with tangible goods and materials if they are to be responsive, innovative, effective and efficient.

This course recognises that an organization has finite resources and must decide on how best to use them to develop strengths when pursuing opportunity worldwide. A key assumption is that effective resource management can deliver competitive advantage; organizations must manage people, information, knowledge and technology resources along with tangible goods and materials if they are to be responsive, innovative, effective and efficient. Studying the content and attending the course workshops should help you answer questions such as:

- What is the difference between business and international business?
- What are the components of an international business strategy?
- How can firms develop a sustainable advantage in dynamic rapidly changing market conditions?
- Specifically, how can the firm use information and knowledge resources, people and technology to create competitive advantage and how can such resources be combined to create capabilities?
- Finally, what are the activities that must be undertaken to achieve the organizations' international goals and how can the capabilities be deployed to enable the organization perform such activities in a timely, efficient and effective manner?

Throughout this course you need to be able to manage your own learning: planning and time management skills are essential for this. You will need to learn with others: team working and communication skills will be important. You will need to locate and use a wide range of information sources: this will require knowledge management skills. But above all you need to understand what learning means at

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this level, why it is so important and how to do it well. This course presents opportunities for you to develop the skills that employers seek. In particular you will develop basic skills of reading, note taking, using numbers, finding information, working in groups, problem-solving, writing essays and reports, project and time management. You will develop the skills through class activities and assessments in particular. We will draw on a variety of resources to support your skill development. What is of fundamental importance is that you take ownership of developing yourself!

Finally, we hope that you enjoy the course. We believe that you will get the most from this learning experience through active class participation, completion of the assessment tasks and in-class activities and through the recommended wider readings.

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Module Units

In order to better structure the module we have grouped content into units. A list of the units is given below.

- 1 An Introduction to International Business & Management**
- 2 PLANNING FOR INTERNATIONAL BUSINESS**
- 3 MANAGING Human Resources**
- 4 MANAGING Information & Technological Resources**
- 5 INTERNATIONAL BUSINESS**
- 6 Study Skills**

Each unit contains one or more lectures/ tutorials and is described in more detail overleaf.

An Introduction to International Business & Management

AN INTRODUCTION TO INTERNATIONAL BUSINESS & MANAGEMENT

Part 1 contains a single chapter - An Introduction to International Business & Management which aims to describe the nature and composition of international organizations and examine why they exist. We start with a case study of one of Europe's largest international organizations (Nestlé). The case study highlights several important concepts such as the environment and globalization, strategy, corporate social responsibility, change and leadership – all of which are considered in detail throughout the second part of the book. In chapter 1 we introduce the fundamental challenges faced by the international organization and discuss the major assumptions that guide resultant decisions and behaviour.

International Organizations are considered as a bundle of resources, scattered around the globe and brought together by shared goals, common assumptions and the need to perform in a manner that assures such goals are met. In meeting goals international organizations must be both effective and efficient in the way resources are utilised. Perhaps the most important assumption governing business activities and the organisation and utilisation of resources concerns the way the organization interprets the worldwide marketplace. The international organization may adopt a convergence and integrated view – the world is a single market – or divergent view – the world is a collection of many (country) markets. Through the opening case study we examine Nestlé's market assumptions and then market assumptions of other organizations throughout the book. We will note implications for strategy, organizational structure, processes and activities and systems. For example, one problem faced by all international organizations concerns the use of information resources and technology. Should this be standardised and integrated on a world-wide scale or should each subsidiary or country operation manage their information resources and technology? Similar problems may be framed with regard to organizational culture, structure and other systems within the international organization. Assumptions about performance also impact upon organizational activities and the way

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resources are used. Whereas some organizations see their role solely in terms of maximising shareholder wealth, others may take a wider perspective and will consider a broader set of stakeholders when making business decisions; they may strive to create shared value for society. We can understand a great deal about organizations from an understanding of their basic assumptions.

Later in chapter 1 we distinguish between international business and international management and the associated strategic perspectives of market positioning and the resource based view. Assumptions about how best to compete and win business - to choose where best to compete or what best to compete with – impact upon strategy, resource allocation and utilisation decisions. Finally, we conclude this part of the book with arguments about what should be studied in the field of international business and management and discuss why this particular coverage is appropriate. Overall, part 1 sets the scene for subsequent parts of the book.

2

PLANNING FOR INTERNATIONAL BUSINESS

ANALYSING THE GLOBAL BUSINESS ENVIRONMENT

INTERNATIONAL AND GLOBAL STRATEGY

BEHAVING RESPONSIBLY AROUND THE WORLD

MANAGING CHANGE IN THE INTERNATIONAL ORGANIZATION

INTERNATIONAL LEADERSHIP & MANAGEMENT

International organisations are resource systems continuously interacting with their environment - a source of opportunity, threat and constraint. The environment provides the organisation with a purpose, and shapes its mission and goals. It governs what the organisation will do (activities) and how it will do it. An understanding of both external and internal environments (chapter 1), the requirements of significant stakeholders and the preferences and senior decision-makers shape the organisational strategy - where and how to compete, and the identification and application of required resources. In chapter two we consider how strategy is developed and implemented. The chapter (international and global strategy) seeks to answer fundamental questions such as: in which markets and geographical areas will we compete, how will we compete and what resources and capabilities do we require. Strategy is concerned with how the international organisation achieves its aims and goals. Stakeholders, other than investors, must be considered when formulating strategy and conducting business activities. In chapter three we consider how organisations can behave responsibly when operating worldwide. Once strategy has been formed or strategic decisions made, changes must take place. Change is necessary in a dynamic environment and various theories of change are explored in chapter four. We explore what can be changed and how the international Organisation can accomplish change. Finally, in chapter five we recognise the role of leaders and managers in strategy, ethical and change management and

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behaving responsibly. They play a key role in planning, designing, allocating resources, coordination, control, setting direction and motivating.

The challenge of strategic management is to understand complex issues facing organisations and develop the capability for long-term organisational success. The aim of this section is to develop the reader's knowledge of the need and means to align the organization with its environment so its resources can be developed and deployed to meet its goals.

The overall aim of the book (Kelly 2009) is to ensure the international organisation has the resources and competencies (dynamic capabilities) to survive and prosper in an uncertain and constantly changing world. To survive and prosper an organisation needs to address the challenges it faces from the environment. In particular it must be capable of delivering against the critical success factors that arise from demands and needs of its customers. The strategic capability to do so is dependent on international organisational resources, competencies and capabilities.

3

MANAGING Human Resources

MANAGING HUMAN RESOURCES

INTERNATIONAL ORGANIZATION DESIGN & CONTROL

MANAGING DIFFERENCE

GLOBAL BUSINESS PROCESSES

This part identifies ways in which the performance of the international organization may be improved through usage of human resources and the effective management of people. After completing studies in this section of the book you should be able to: Explain how the management of human resources may lead to sustainable competitive advantage; analyse and synthesise designs and structures for the international company; discuss the need for cultural competence and benefits of diversity management in international companies; critically evaluate alternative mechanisms for control and coordination in international companies and explain how global business processes may be modelled and the approaches used plus reasons for striving to continuously improve them. This part of the book has four related chapters:

MANAGING HUMAN RESOURCES
MANAGING DIFFERENCE - CULTURE
INTERNATIONAL ORGANIZATION DESIGN & STRUCTURE
GLOBAL BUSINESS PROCESSES

In part three we focus on the attainment of organisational goals, the strategy and sustainable competitive advantage through people resources. When people are motivated, satisfied, committed, loyal, able, skilled, knowledgeable and competent they become capable of performing organisational goals efficiently, whilst delivering value, quality and innovation. As components of the transformational process discussed in chapter four, when aligned with other resources such as

management and information systems and technology they form a bundle of resources which are difficult to imitate and therefore a source of sustainable competitive advantage. The first chapter focuses on the worldwide management of human resources-how to make the most efficient use of human resources in the international context. The role of the HR specialist is considered alongside the components of the HR system: philosophy, HR policies and practices. We investigate challenges associated with the application of such a system worldwide, particularly in terms of their universal application. The tension associated with a need for integration and differentiation is considered in terms of the diffusion of HR practices throughout worldwide operations. In the next chapter we focus on managing difference and assuring people are able to work productively with one another regardless of these differences. In particular, we focus on working with other cultures, across borders. We argue the business case for diversity, explaining how the multicultural organisation can be a source of sustainable competitive advantage. Multicultural group work is explained along with the associated positive and negative work outcomes. This is an essential precursor for the final chapter, process organisations, which are dependent on teamwork. In the third chapter we identify the organisational mechanisms used to control and coordinate worldwide operations. We explain the need to divide and allocate work and the different philosophies, systems and designs used for such division and allocation. Ultimately the aim will be to design an international organisation which is globally competitive, flexible, adaptable and able to share and develop resources and capabilities. In the final chapter we focus more on how work gets done within the international organisation. Building on the value chain concept discussed in chapter two, we decompose the primary and secondary value adding activities into business processes, sub processes and tasks. The link is made between work, people, structure, processes, culture, information systems and technology and an alignment model presented. In this chapter, the problems of traditional work design and structure are explored and the benefits of a horizontal orientation discussed. We highlight how resources may be used through a horizontal focus to best add value and deliver customer requirements in an optimum way. This final chapter paves the way for the following part of the book which discusses information resources and technology.

4

MANAGING Information & Technological Resources

MANAGING INFORMATION RESOURCES

MANAGING KNOWLEDGE

GLOBAL BUSINESS & ENTERPRISE SYSTEMS

GLOBAL DIGITAL BUSINESS

At the beginning of the book we noted that organisations seek to meet their goals through superior performance. We suggested there were many ways by which the international organisation can achieve this, such as through the possession of sustainable competitive advantages. We argued that operational effectiveness (performing similar activities better than rivals perform them-being effective and efficient) and strategy are essential for superior performance. A company can outperform rivals in the long run, only if it can establish a difference that it can preserve. Such differences often require constant work to develop and maintain. The international organisation must deliver greater value or greater comparable value at a lower cost or both. Differences between companies in cost, price, product or service derive from the hundreds of activities undertaken by the organisation and its partners. Cost is incurred performing activities through the use of resources (input or transformational). Organisations are therefore consistently in pursuit of operational improvements in productivity, quality and the time taken to complete tasks. They must get more out of resources, employ more advanced technology, motivate and enable human resources better. They must also seek out differences in the way they do things to create unique and valuable positions. In the introductory chapter we emphasised the need to leverage resources and capabilities.

In the previous part (chapters six to nine) we focused on people resources, the role of human resource specialists, the need for structure, coordination and control, the need to design work and motivate people to complete work tasks and to manage diversity. We noted that people could be enabled by technology-machines replacing manual tasks and Information Systems helping with thinking activities. Communications

technologies support coordination and control and, with information flow, tie or unite organisational parts so that the organisational system can attain its goals through synergy and holism. We have adopted a resource based approach to this and the previous part of the book. The fundamental principle of the RBV is that the basis for competitive advantage lies primarily in the application of bundles of valuable resources which, when integrated create, capabilities and organisational competence.

Whilst we focused on human resources in the previous part, people are arguably components of information systems also. In this part of the book we focus on information system resources which include hardware, software, communication technologies and data. Systems theory is used to unite such resources. In this part we consider knowledge as an information resource. In some cases that knowledge is embedded in people (human capital) and in other cases is embedded in culture or organisational systems. We also consider the hardware, software and processes and communication technologies that enable its capture, transfer and use in transformational activities. Various IT resources considered in this part of the book enable the free flow of information (enterprise systems) throughout the organisation in support of commerce, planning, decision-making, control and coordination. Finally we consider the role of Internet technologies as the “glue” and “conduit” for bundling resources together, making them available for work and value adding activities. We will argue that information system resources are strategically important resources, enabling and informing strategy, creating capabilities and competences when bundled with other resources. Collectively, this and the previous part of the book can be used to explain the organisational system proposed by Leavitt (1965), see Figure 5- 2 and when coupled with the strategy part provide a detailed understanding of Nadler and Tushmans’ organisational model shown in Figure 5- 3 . They define what the organisation is and how it competes in the global marketplace and provide a strong foundation for the final part of the book which makes use of this organisational system in the primary international business and trade activities of production, marketing and sales.

As can be seen from the figure, this part is structured into four chapters: information resources (foundation concepts), Knowledge resources, enterprise systems and digital (net) technologies.

5

INTERNATIONAL BUSINESS

INTERNATIONAL OPERATIONS MANAGEMENT

INTERNATIONAL MARKETING

MANAGING GLOBAL FINANCIAL RESOURCES

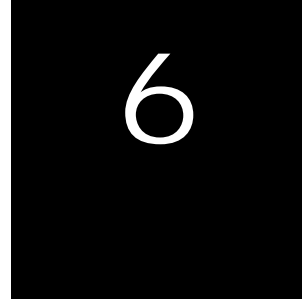
The core book has five parts, this is the final one. At the outset of the book we described the context for international business and management and used this, in part two, to focus on the scope of the organization (strategy) – the purpose, goals and mission; the business the company is in and the development of a plan of action. Through this, and leadership, managers come to understand how they ought to develop, allocate and utilise resources to business advantage. Parts 3 and 4 focussed on resource management. Resourcing encompasses the acquisition, development and deployment of human, technological and other resources to create capabilities; an ability to achieve the mission. In this final part we focus on the actual work that is done; bringing together the resources and capabilities to provide the goods and services for consumers and thus generate a financial return. In this part we seek to make optimum use (productivity) of the resources discussed in parts 3 and 4 and to administer the whole business effectively and efficiently and in accordance with the strategy. Our focus is on the primary tasks and processes that cut across management, to add value and realise goals. As a consequence, financial resources are also acquired, utilised and generated; they to must be managed.

This part includes:

INTERNATIONAL OPERATIONS MANAGEMENT
INTERNATIONAL MARKETING
INTERNATIONAL FINANCE

In this part we explore the primary activities of operations (using capabilities to add value and create offerings) and marketing (exchanging

offerings for revenue) and finish with the supporting financial processes and associated challenges for the international organization.



Study Skills

GROUP WORK

REFLECTIVE PRACTICE

ESSAY AND REPORT WRITING

PRESENTATIONS (ORAL)

This unit contains session notes to support student business skill development, providing essential guidance to the core areas of practical, aspirational and transferable skills needed by a student both to achieve success on any academic course and to secure improved grades. It will also develop key workplace skills that will enable them to achieve success in their onward career. It covers the key issues for today's students, such as critical thinking & analysis, reflective practice & logic and plagiarism to ensure they're fully equipped prepared for success.

1

AN INTRODUCTION TO INTERNATIONAL BUSINESS & MANAGEMENT

AN INTRODUCTION TO INTERNATIONAL BUSINESS & MANAGEMENT

Distinguish between types of international organizations

Explain what is meant by globalization and its impact upon organizations worldwide

Describe the resource based view (RBV) and explain its relationship with productive activities and sustainable competitive advantage

Describe the trade theories typically associated with the economic activities of international business

Explain the difference between international business (IB) and international management (IM)

Distinguish the generic methods used to deliver sustainable superior international organizational performance

Synopsis:

INTRODUCTION TO INTERNATIONAL BUSINESS, THE INTERNATIONAL ORGANIZATION and INTERNATIONAL ORGANIZATIONAL PERFORMANCE

Key concepts introduced in this chapter
International Organization | Multinational Companies | Value Chain | Value System | Internation

INTERNATIONAL BUSINESS
INTERNATIONAL ORGANIZATION
INTERNATIONAL TRADE
INTERNATIONALISATION
GLOBALISATION
RESOURCE-BASED VIEW (RBV)
VALUE CHAIN
VALUE CREATION
VALUE SYSTEM

to be completed prior to the lecture/ workshop...

READ CHAPTER 1 IN KELLY, P. (2009)

Create a précis before attending this session in class.

As an introductory chapter, we set out to outline the need for the international organization, describe their features, how international organizations come to be and why they exist. We also considered the activities undertaken by them in creating and adding value. An international organization is any organization engaging in international trade, investment or offering products or services outside its home-country. We noted the growing importance of such organizations, many of which are now larger economic entities than many countries. Such organizations can be categorised in many ways and may be analysed according to the activities they perform. The choice of activities and the way resources are used provide the organization with advantages that may help it compete. Some organizations are born global, others evolve over time; internationalisation is the gradual process of taking organizational activities into other countries. Such companies may then be described as global, multidomestic or transnational in their orientation. The Global organization trades internationally as if the world were a single and boundaryless entity whilst the Multidomestic organization trades internationally as if the world were a

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collection of many different (country) entities. Transnational enterprises (TNE) operate a balanced combination of the multidomestic and global strategies.

Performance relates to organizational purpose (mission); reflects achievements relative to the resources used by the organization (how well the organization manages its resources) and must be considered within the environment in which the organization does its work (adaptability). Organizational performance integrates the concepts of "effectiveness" and "efficiency." That is, the international organization must be able to meet its goals (effectiveness) and to do so with an acceptable outlay of resources (efficiency). The organization must develop and implement strategies which will ensure performance over extended periods of time. Operational effectiveness and strategy are both essential to superior performance; Operational effectiveness is about performing similar activities better than rivals perform them. Strategy is the creation of a unique and valuable position, involving a different set of activities.

Globalisation is a trend away from distinct national economic units towards one huge global market. Globalization is at one end of a convergence continuum with organizations perceiving themselves at some point between divergence (the multidomestic) and convergence (global). Globalisation through increased competition, forces companies to locate particular operations in those places where they can be performed most efficiently. Organisations do this by relocating production facilities to other countries or by outsourcing certain activities to companies in other countries. Theories of international trade seek to explain why trade occurs and how it can benefit the different parties to an exchange.

Aside from a focus on economic activity, organizations must focus on productive activity. Leverage reflects the extent to which resources are utilized in productive activities. The Resource-based (RBV) theory is the perspective on strategy, stressing the importance of capabilities and competences (resources) in determining sustainable competitive advantage. The resource-based approach argues that the basis for an organizations competitive advantage lies primarily in the application of the bundle of valuable resources at its disposal. The bundle of resources, under certain conditions, can assist the organization, sustaining above average returns. Such resources need to be valuable and enable the achievement of goals. In dynamic environments, organizations must create, innovate and develop their capabilities constantly and be able to detect and seize opportunities as they present themselves.

Fortune Global 500

[www.money.cnn.com/
magazines/fortune/global500/2007/
index.html](http://www.money.cnn.com/magazines/fortune/global500/2007/index.html)

Search the Internet for "Fortune Global 500" - See the full list America's largest corporations, including detailed company pr and contact information

United Nations Conference on Trade and Development

<http://www.unctad.org>

Home page of the United Nations Conference on Trade and Development UNCTAD releases statistics that are relevant for analysis of international trade, foreign direct investment and commodities, and more explicitly for understanding the economic trends of developing countries over the past decades, particularly the context of globalization.

Key Development Data & Statistics

<http://www.worldbank.org/>

Country Profiles

Country profiles are drawn from the World Development Indicators (WDI) database—the World Bank's primary database for cross-country comparable development data.

FIGURE: 1 ADDING VALUE

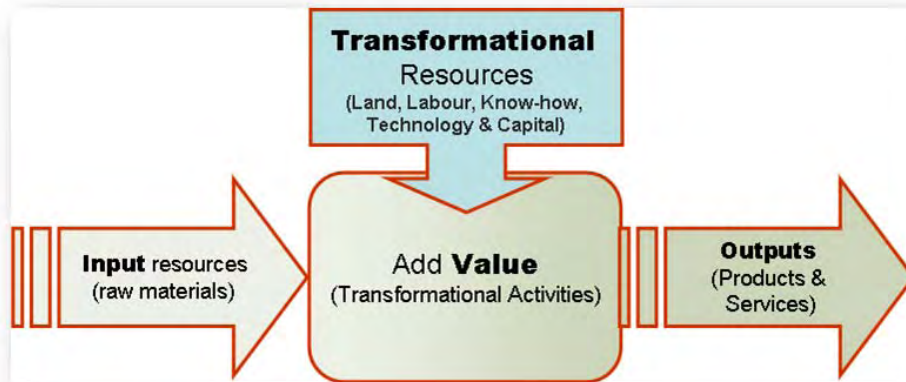


FIGURE: 2 VALUE CHAIN

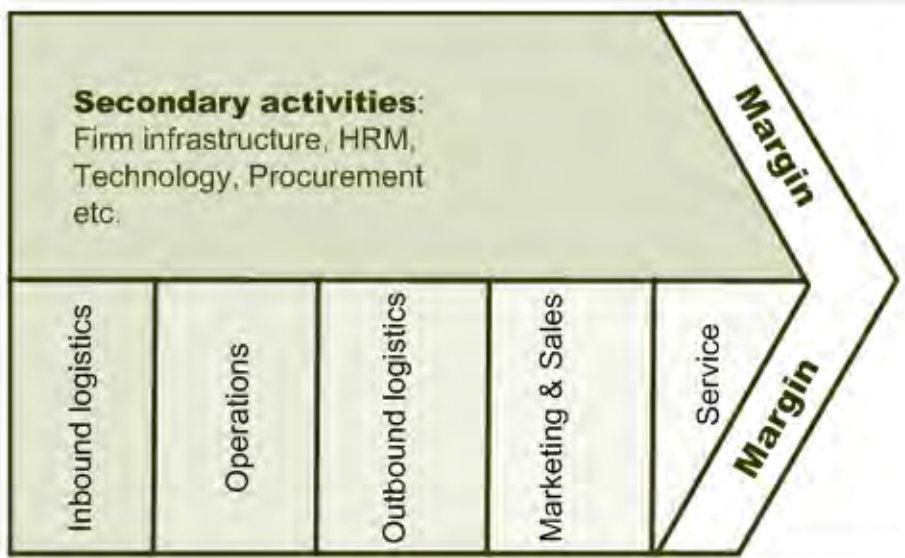
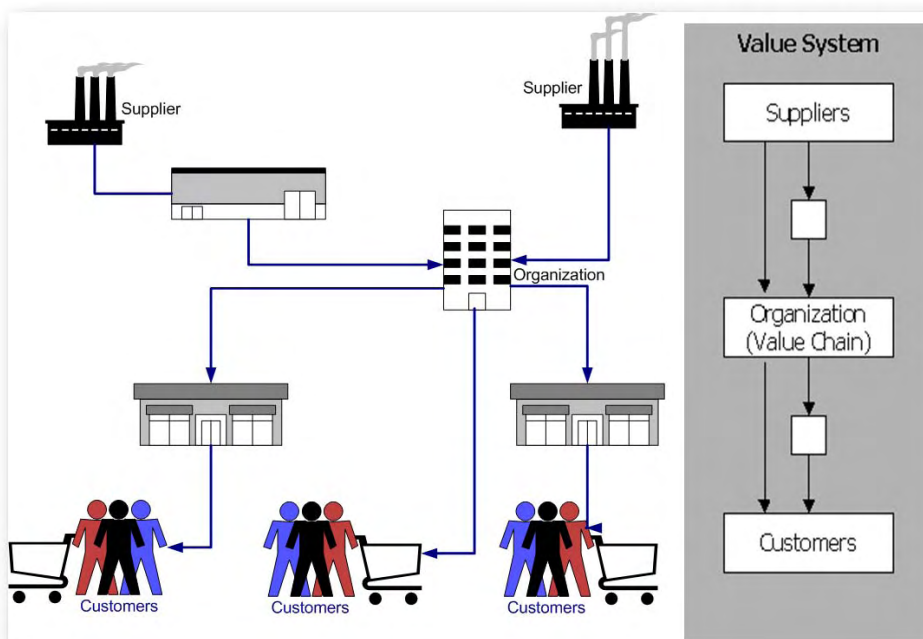


FIGURE: 3 VALUE SYSTEM



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GLOBALISATION

growth and integration to a global or worldwide scale

INTERNATIONAL BUSINESS

Any firm that engages in international trade or investment

INTERNATIONAL ORGANIZATION

"any organization that engages in international trade, investment or offers products or services outside their home country"

INTERNATIONAL TRADE

"the purchase, sale, or exchange of goods and services across national borders"

INTERNATIONALISATION

the gradual process of taking organizational activities into other countries

RESOURCE-BASED VIEW (RBV)

the perspective on strategy that stresses the importance of capabilities (sometimes known as core competences) in determining sustainable competitive advantage.

VALUE CHAIN

a model for analysis of how supply chain activities can add value to products and services delivered to the customer and thus add a margin of value to the organization

VALUE CREATION

Performing activities that increase the value of goods or services to consumers

VALUE SYSTEM

"the supply chain within which an organization's value chain is located i.e. includes producers, suppliers, distributors, and buyers"

Barney, J. (1991) 'Firm Resources and Sustained Competitive Advantage', *Journal of Management*, Mar91, Vol. 17 Issue 1, p. 99 - 120.

Hill, C. (2006) 'International Business', Ed. 6. McGraw Hill.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Lawrence, P R. and Lorsch, J W. (1967) 'Differentiation and Integration in Complex Organizations', *Administrative Science Quarterly*, Vol. 12, No. 1. (Jun., 1967), p. 1 - 47.

Slack, N., Chambers, S. and Johnston, R. (2007) 'Operations Management', Ed. 5. Financial Times Press.

ACTIVITY: 1

Activity duration (mins): **120**

ACTIVE LEARNING CASE: NESTLÉ

INTRODUCTION TO INTERNATIONAL BUSINESS

Read the Active Learning Case on page 5 of Kelly (2009) before answering the following questions

TASK

Review the opening case study:

- (1) Select a Nestlé product and use the value chain framework to describe the primary value adding activities
- (2) Describe the value system for the product analysed in part (1)

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(3) Explain how Nestlé might add and create value from its activities

(4) Consider the convergence and divergence debate and its impact upon Nestlé. Would you describe Nestlé as a global, multidomestic or transnational company?

(5) Identify the activities Nestlé has chosen to standardise – why do you think they were selected? Identify the activities Nestlé has chosen to decentralise – why do you think they were selected?

(6) How has globalisation affected Nestlé over the past decade? What further impact will it have over the next decade?

(7) With regard to the knowledge economy, evaluate how Nestlé make use of information and knowledge resources. Next consider Nestlé's standardisation of their IT and information infrastructure – do you consider this to be a good thing to do? How has project GLOBE helped Nestlé?

Identify the major resources used by Nestlé to transform raw materials into finished goods.

Which resources may provide Nestlé with a sustainable competitive advantage?

(8) Explain how operational effectiveness leads to improved organizational performance in Nestlé.

(9) Evaluate how Nestlé competes: what is its competitive strategy?

(10) Why does Nestlé emphasise agility and innovation?



Nestlé

ACTIVITY: 2

Activity duration (mins): **20**

INTERNATIONALIZATION/ GLOBALIZATION

Identify aspects of the Convergence or Divergence debate

Do you think we are moving toward a monoculture – a situation where the world could be viewed as a single society where all share similar values and ways of thinking such that our needs (for products and services) are becoming more similar world wide?

2

PLANNING FOR
INTERNATIONAL
BUSINESS

ANALYSING THE GLOBAL BUSINESS ENVIRONMENT

Critically evaluate and apply a range of tools for analysing the internal and external environment

Distinguish between the positioning and resource based perspectives

Understand the significance and the influence of the external (macro and micro) global business environment for the international organization

Explain the concepts of strategic fit and alignment

Understand the significance and the influence of the internal business environment for the international organization

ENVIRONMENT

PESTEL ANALYSIS

ENVIRONMENTAL DETERMINISM

ENVIRONMENTAL ANALYSIS

COMPETITIVE ADVANTAGE

COMPETITIVE ADVANTAGE

SWOT ANALYSIS

Synopsis:

Analysing the factors impacting upon international organizational performance

EXTERNAL MACRO ENVIRONMENTAL INFLUENCES

INDUSTRY (MICRO) LEVEL FORCES & INFLUENCES

THE INTERNAL ENVIRONMENT

SWOT ANALYSIS

to be completed prior to the lecture/ workshop...

READ CHAPTER 2 IN KELLY, P. (2009)

Create a précis before attending this session in class.

This chapter focused on analysing the environmental factors affecting international organizational performance. We began by recognising that the international organization does not function in a vacuum but in the global business environment. The environment provides the context (situation and circumstances) for organizational action and activity. International organizations seek to attain goals which normally include profit maximization. They firstly identify sources of opportunity (determined by the industry forces, threats and customer needs) and match them with organizational capabilities (the internal environment). Thus, understanding the global business environment and its economic, social and political influences is crucial to success in today's international business world.

The external environment is complex and its future uncertain yet managers attempt to make sense of it if they are to identify opportunities and threats and respond appropriately. Similarly, through comparisons within the multinational organization and with competitors in the micro environment, the organization can identify its strengths and weaknesses. Through an understanding of such factors the organization can compete and fulfil customer needs more effectively and efficiently. Various models exist to help managers make sense of their environment and were reviewed throughout this chapter.

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The PESTLE diagnostic framework was used to make sense of the general factors in the macro environment; Porter's five forces framework was presented to help in identifying the sources and forces of competition in an industry (the micro environment). The framework provides an approach for determining the financial performance of an industry, and thus its attractiveness for investors, at a specific point in time. However, recognising the dynamic nature of environments we introduced the industry life cycle, used to describe change within an industry. Furthermore, we then focussed upon the importance of intra-industry strategic groupings in understanding differences across firms within an industry.

Having considered the external environment, particularly in terms of opportunity and threat, we then suggested that managers need to also understand the strengths and weaknesses of their organizations. We therefore turned our attention to the internal environment. The internal environment is made up of organizational resources, capabilities and competencies and reflects what the organization can do. There are several favoured ways to analyse the internal environment such as the resource or skills audit, value chain analysis and comparative methods such as competitor intelligence, benchmarking and internal comparisons. Finally, having considered both the external (macro and micro) and internal business environment we considered the relationship, between the two by drawing on contingency theory. We argued, through contingency and systems theory, a need for aspects of all environments to fit together; that organizations will be most effective when their major components are congruent with each other. Organizations may analyse the external environment, and adapt to fit within it, or develop hard to imitate capabilities and exploit them, seeking out and making opportunities that utilise them. Thus, there are two views (perspectives) on how to compete in global markets. One looks outward (the positioning perspective) and the other inwards (the resource-based perspective).

History of Ryanair

<http://www.ryanair.com/site/EN/about.php?page=About&sec=story>

Ryanair was Europe's original low fares airline and is still Europe's largest low fares carrier. Here is a brief history of Europe's first low fares airline...

Aon's Political Risk Map

<http://www.aon.com/risk-services/political-risk-map/index.html>

Companies with cross border interests in unstable or emerging markets face a volatile risk environment that requires careful planning and management.

Geert Hofstede™ Cultural Dimensions

<http://www.geert-hofstede.com/>

On each country page you will find the unique Hofstede graph depicting the Dimension scores and other demographics for that country and culture - plus an explanation of how they uniquely apply to that country.

FIGURE: 1 THE INTERNATIONAL ORGANIZATION BUSINESS ENVIRONMENT



FIGURE: 2 PESTLE

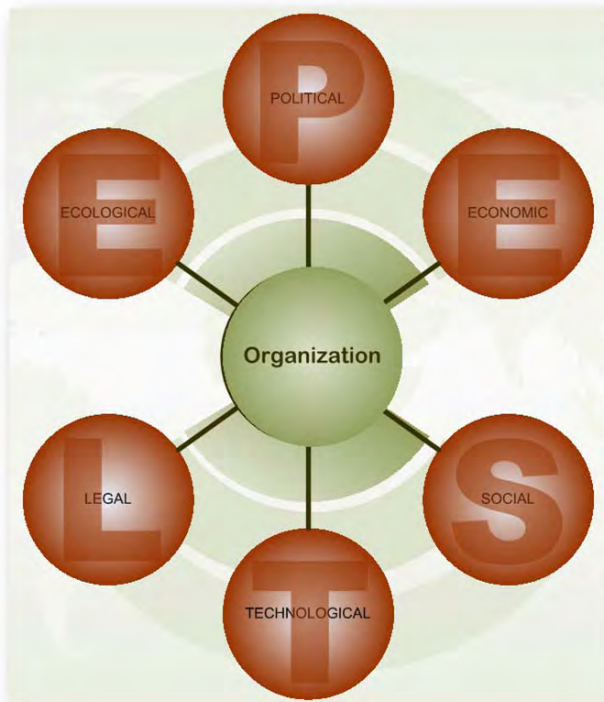
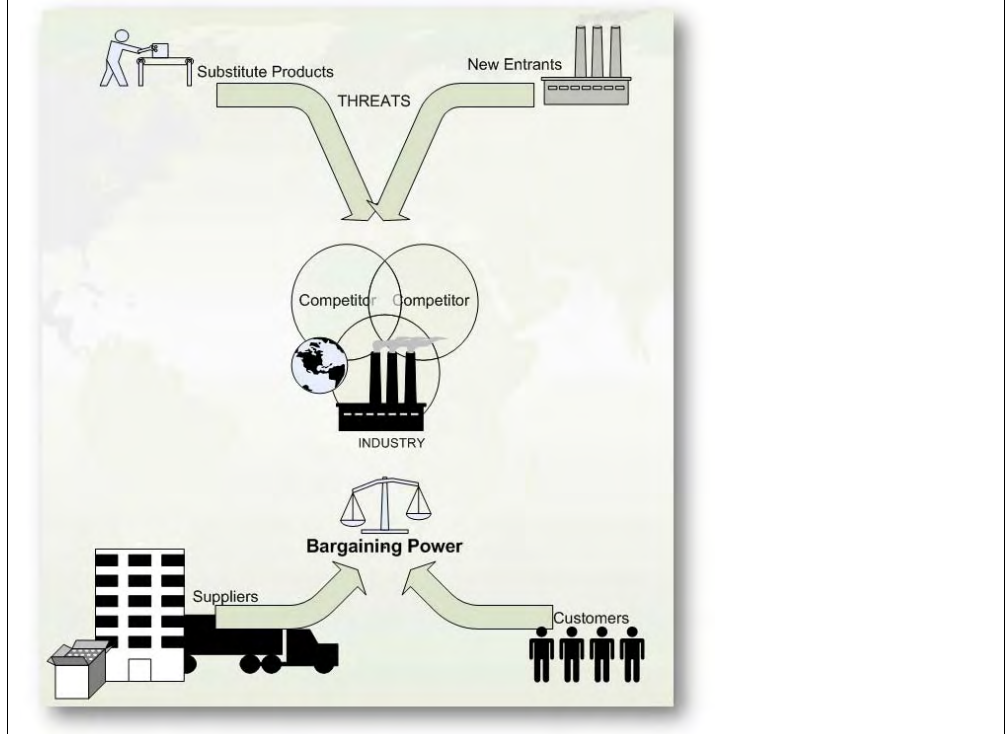


FIGURE: 3 PORTERS FIVE FORCES



Glossary and References

COMPETITIVE ADVANTAGE

"The achievement of superior performance vis-à-vis rivals, through differentiation to create distinctive product appeal or brand identity; through providing customer value and achieving the lowest delivered cost; or by focusing on narrowly scoped product categories or market niches so as to be viewed as a leading specialist "

COMPETITIVE ADVANTAGE

used interchangeably with "distinctive competence" to mean relative superiority in skills and resources

ENVIRONMENT

" issues, trends, events and other factors outside the boundaries of an organization but which can influence internal decisions and behaviours."

ENVIRONMENTAL ANALYSIS

the process of assessing and interpreting the information gathered through environmental scanning

ENVIRONMENTAL DETERMINISM

" a perspective which claims that internal organizational responses are wholly or mainly shaped, influenced or determined by external environmental factors."

PESTEL ANALYSIS

"A technique for analysing the general external environment of an organisation in terms of the political, economic, socio-cultural, technological, environmental and legal aspects."

SWOT ANALYSIS

summarises the key issues from the business environment and the strategic capability of an organisation both of which are most likely to impact upon strategy development

Duncan, R. (1972) 'Characteristics of Organizational Environments and Perceived Environmental Uncertainty', Administrative Science Quarterly, 17 (3), p. 313 - 327.

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Huczynski, A. and Buchanan, D. (2001) 'Organizational Behaviour An Introductory Text', Ed. 4. Financial Times Prentice Hall.

Huczynski, A. and Buchanan, D. (2007) 'Organizational Behaviour', Ed. 6. FT Prentice Hall.

Mullins, L. (2005) 'Management and Organisational Behaviour', Ed. 7. FT Prentice Hall.

ACTIVITY: 1

Activity duration (mins): 40

EUROPEAN AIRLINE INDUSTRY

Analysis of the environment

Read the Active Learning Case on page 41 of Kelly (2009) before answering the following questions

Tasks:

- (1) Conduct a PESTLE analysis for the airline industry, focussing on Europe
- (2) Identify the opportunities and threats for airline companies wishing to operate in Europe

Ecological impacts

Consider the airline industry – in groups discuss whether or not you feel governments should intervene in order to regulate airline emissions or other environmentally unfriendly activities associated with the industry.

Would you expect culture to impact upon whether or not a government becomes involved in regulation? Explain your answer.

ACTIVITY: 2

Activity duration (mins): **30**

CALL CENTRES IN SCOTLAND

Develop knowledge and argument about the advantages and disadvantages to organizations that fragment their activities

Individually or in groups,

Discuss the advantages and disadvantages to organizations that fragment their organization, locating call-centres in foreign countries. Then read the 'Call Centres in Scotland' case study below.

Call Centres in Scotland

In 2002, the Hong Kong and Shanghai Banking Corporation (HSBC) announced it was migrating 4,500 UK jobs to India and Malaysia, and Prudential Assurance stated that it was opening a call centre in Mumbai and closing its UK centre. Other organisations soon followed including Aviva, Lloyds-TSB, Barclays, British Telecom (BT), National Rail Enquiries Service (NRES) and Reality (Bain and Taylor 2008). Phil Taylor and Peter Bain's report 'Call Centres in Scotland and Outsourced Competition from India' was published in November 2003. The authors present a comprehensive analysis of the Scottish and Indian call centre industries and the factors which facilitate or inhibit the transfer of Scottish jobs. In their report they suggest Call Centres are vitally important to Scotland's economy. At the time there were around 300 call centres in Scotland employing approximately 60,000 people, one in 43 (2.3%) of the working population. The main factor driving offshoring was the prospect of overall cost savings of 40–60 per cent realised through India's country advantages, principally its low-cost, English-speaking, graduate workforce. Indian call centre employment grew rapidly and by June 2003 was estimated at 75,000–115,000 with around 20,000 facing the UK. However, offshoring has not proved universally unproblematic and research has identified that companies have experienced, to varying degrees, difficulties in respect of service quality, linguistic capability and cultural empathy (Bain and Taylor 2008).

Despite the benefits there have been reported difficulties in converting the English speaking resource into an actual ability to interact with customers for whom English is their mother tongue. Problems have also been reported with Infrastructure - Power cuts are common. Furthermore, the backup supplies, though apparently successful, have considerably increased infrastructure costs. Transporting employees to work presents huge logistical challenges for employers. Other companies have been charged with failing to treat Indian workers equitably. Data protection is problematic due to the laws in India. Those companies, who have publicly declared their intention not to offshore UK jobs, have been driven at least in part by their wish not to antagonise their customers. The Scottish Trades Union Congress (STUC) identify strategies aimed at sustaining and improving call centre jobs in Scotland; they believe Scotland's call centres must invest in new technologies to maintain their competitive advantage.

Sources: Scottish Trades Union Congress (2004); Bain and Taylor (2008)

EXPOSURES ASSOCIATED WITH INTERNATIONAL TRADE

Identify transaction risks when conducting business internationally

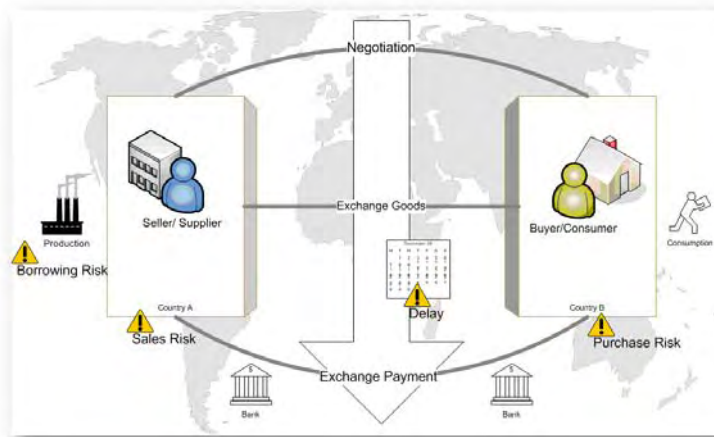
Consider the following example. Over the past decade or so, the Philippine Peso Dollar Exchange Rate has fluctuated considerably between approximately P26 to a dollar, from a high of fifty six pesos (P56) in 2004; it was forty four (P44) in 2007. Assume you were a consultant charging \$2000 per day. If you negotiated a contract in 2004 and were paid in pesos you would receive 112,000 pesos per day. However, if you were paid in 2007 you may receive 88,000 per day (24000 pesos less each day). This would represent a payment of \$1500 per day. Forecasting the Philippine Peso Dollar Exchange Rate is not simple. It is also important to note that there are winners and losers i.e. people are affected in different ways. Overseas Filipino Workers and Exporters are likely to complain about a downfall of the Philippine Peso Dollar Exchange Rate. Overseas workers would need to send more money back home to cope with the exchange rate, thus working more hours or having lesser savings. Exporters also suffer from low exchange rates, each dollar earned abroad, when converted, is worth less at home. Importers, however, can buy goods much cheaper with the Philippine Peso Exchange Rate going down.

Analysis of different transactions reveals four main exposures; see Figure - Exposures associated with international trade (transactions), associated with international transactions: (1) purchases, (2) sales, (3) investment or extension of credit and (4) borrowing. Our discussions above focussed on 1-3 and we now consider borrowing risks. For example a Filipino telecomms company (mobile subsidiary) had previously (in the 1990s) borrowed heavily from overseas, mainly US investors, to fund a major infrastructure improvement initiative (adopting a new technology). Let's suppose they borrowed \$100 Million (USD), the cost of capital (interest payable) was 10% and they had to make ten annual equal repayments, see figure - Borrowing and exchange rate risk example.

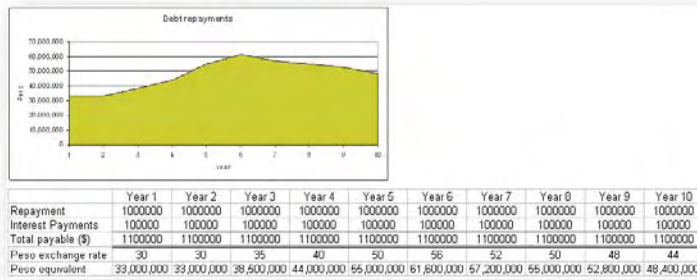
A foreign currency loan is a loan taken out in foreign currency and repaid in the same currency. Before paying out the loan, the bank exchanges the foreign currency (\$USD) for Pesos and, later on, the company makes interest payments and repayments in Pesos which are then converted into the foreign currency, see Figure - Foreign loan exchange rate risk. As the customer's payments are made in Pesos, there is always an exchange risk as they do not earn an income in (\$USD). Foreign currency loans are usually loans with a single, fixed maturity date, i.e. the entire loan is repaid at the end of maturity, only the interest payments are made regularly. Our example, shows the loan and interest payment being made regularly together. If there is a currency appreciation, a company repaying a loan in that currency then repays more money than that originally received. Furthermore, interest payments will rise. Because of the unfavourable performance of the Philippine Peso Dollar Exchange Rate, at the time of taking out the loan, repayments and interest may have been around 33 million peso but this would have risen to almost twice as much half way in to the repayment period. It is worth noting that nobody could predict at the outset how the foreign currency's exchange rate, and consequently the repayment amount, would develop in the future. In the example given, the Philippine telephone company generated its revenue in Pesos by billing domestic customers for use of the local mobile telephone network. Consequently, if annual revenue remained the same throughout the loan repayment (10 year) period, in some years profit may have been much higher than others i.e. the financial performance would have been more attributable to exchange rate fluctuations than the initiatives of managers. Any other cash flow problems could have accumulated to create a survival threatening crisis situation for the company which was particularly vulnerable around year 6.

EXPOSURES ASSOCIATED WITH INTERNATIONAL TRADE (TRANSACTIONS)

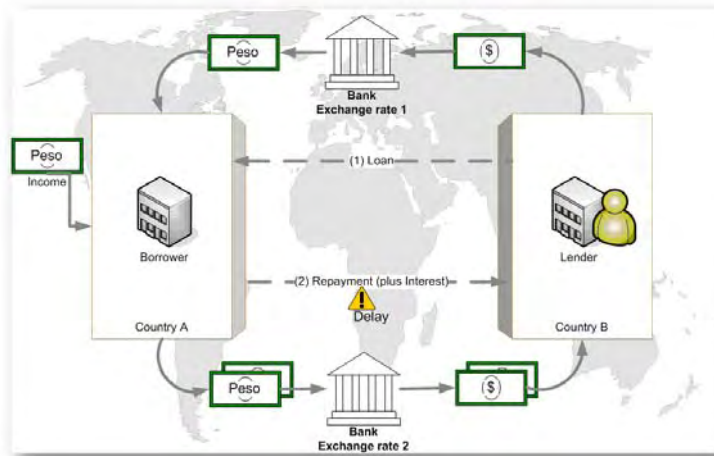
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BORROWING AND EXCHANGE RATE RISK EXAMPLE



FOREIGN LOAN EXCHANGE RATE RISK



INTERNATIONAL AND GLOBAL STRATEGY

Identify and describe the strategic importance of resources, competencies, core competencies and dynamic capabilities and evaluate how they may be used to confer a sustainable competitive advantage

Explain the role of values, mission, and vision in formulating and implementing strategy

Explain what strategy is and how it is formed and implemented in the international organization

Explain generic strategies and how managers may develop strategic capabilities within international organisations

Discuss the strategic choices and decisions according to the corporate, business and business unit or departmental level

Synopsis:

STRATEGY, CORPORATE STRATEGIC CHOICES, COMPETING WITH BUSINESS LEVEL STRATEGY and STRATEGY IMPLEMENTATION

Key concepts introduced in this chapter

Value | Strategy (Intended, Realised & Deliberate) | Mission | Vision | Strategic choices | Strategy Dev

STRATEGY

MISSION

VISION

GLOBAL STRATEGY

MULTIDOMESTIC STRATEGY

COMPETITIVE STRATEGY

BUSINESS STRATEGY

CORPORATE STRATEGY

TRANSNATIONAL STRATEGY

to be completed prior to the lecture/ workshop...

READ CHAPTER 3 IN KELLY, P. (2009)

Create a précis before attending this session in class.

In this chapter we focused on strategy: what the organisation should do (purpose) and how it should be done. In determining the overall purpose and strategy (articulated in the vision, mission and goals) an organisation relies on inputs such as an analysis of the internal and external environment (see previous chapters), the values of other stakeholders, corporate social responsibilities (considered in the next chapter), the values, experience and predisposition of leaders (considered in chapter five), culture and the thoughts of employees.

The purpose and strategy are seen as devices to unify, constrain, coordinate and motivate the organisation. Strategy may result from a formal and planned process or may emerge from a collection of decisions and actions. The overall strategy will be influenced by perspectives on the environment (internal or external) and convergence (global versus local). Once the overall direction and purpose has been agreed, the organisation, typically through corporate level decision-making, must determine the scope for organisational

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activities. It must decide and make choices about where to compete (geographic scope), the product to sell (product scope) and the activities to perform (vertical scope). Such decisions determine the boundaries for action. Corporate headquarters must ensure these activities add value. This is achieved through synergy - by enabling resource sharing and mutual support. Having identified the countries in which to operate, the corporate must also devise market entry strategies. Subsidiaries and business units will then determine how to compete within this defined scope.

A variety of strategies were discussed such as cost leadership, and differentiation (the two leading generic strategies), focus and time based competitive advantage. The value chain is a useful concept and framework used to identify where the organisation can apply resources to either differentiate itself or reduce costs through efficiency savings. We recognised the problem of competitive advantage erosion and discussed the need to identify sustainable competitive advantages. These are more likely to come from differentiation strategies based on the use of internal resources through competences and capabilities.

Finally, we considered the implementation of strategy, noting the remaining parts of the book would focus on this. Implementation concerns the allocation of resources typically through plans, the structure and budgets. Implementation results in change, considered in chapter four. Assuring the strategy is realised requires effective monitoring and control. However, it is erroneous to believe that this whole process of strategy occurs in an ordered sequence of steps or that the intended strategy is always realised.

Li & Fung

[www.lifunggroup.com/ front.html](http://www.lifunggroup.com/front.html)

Founded in Guangzhou in 1906, the Li & Fung Group is a multinational group of companies driving strong growth in the distinct core businesses - export sourcing through Li & Fung Limited, distribution through Integrated Distribution Services Limited (IDS) and retailing through Convenience Retail Asia Limited (CRA) and other privately held entities. The Li & Fung Group has a total staff of over 34,000 across 40 economies worldwide, with a total revenue of close to US\$14 billion in 2010.

IKEA Vision

http://www.ikea.com/ms/en_GB/about_ikea_new/our_business_idea/index.html

At IKEA the vision is to create a better everyday life for the many people. Their business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them. Visit this site for an example of vision...

The Coca-Cola Company

http://www.coca-cola.co.uk/Mission_Vision_and_Values/

Example of Mission, Vision and Values

FIGURE: 1 STRATEGY PROCESS

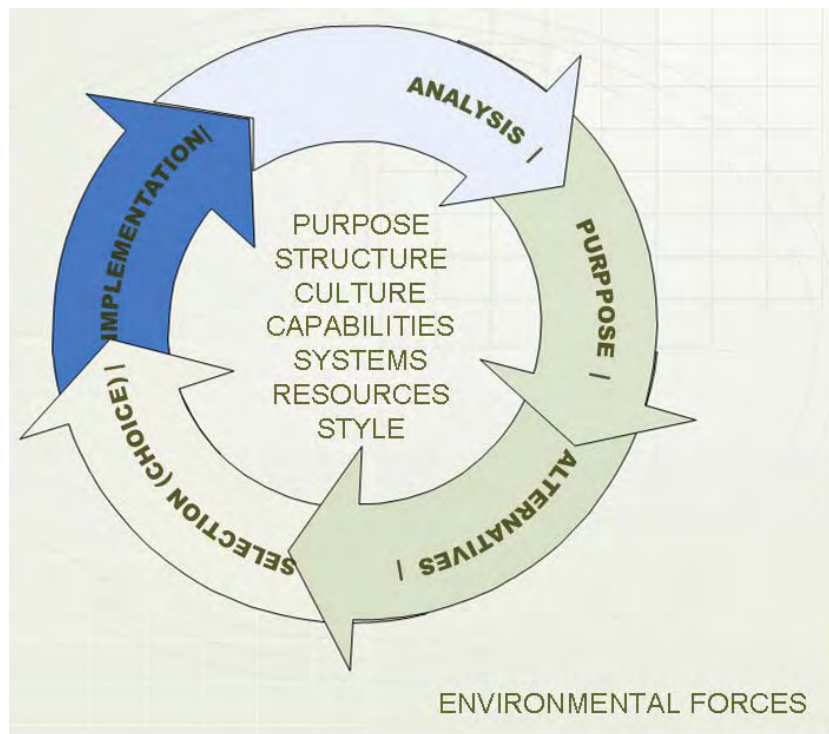


FIGURE: 2 COMPETITIVE STRATEGIES

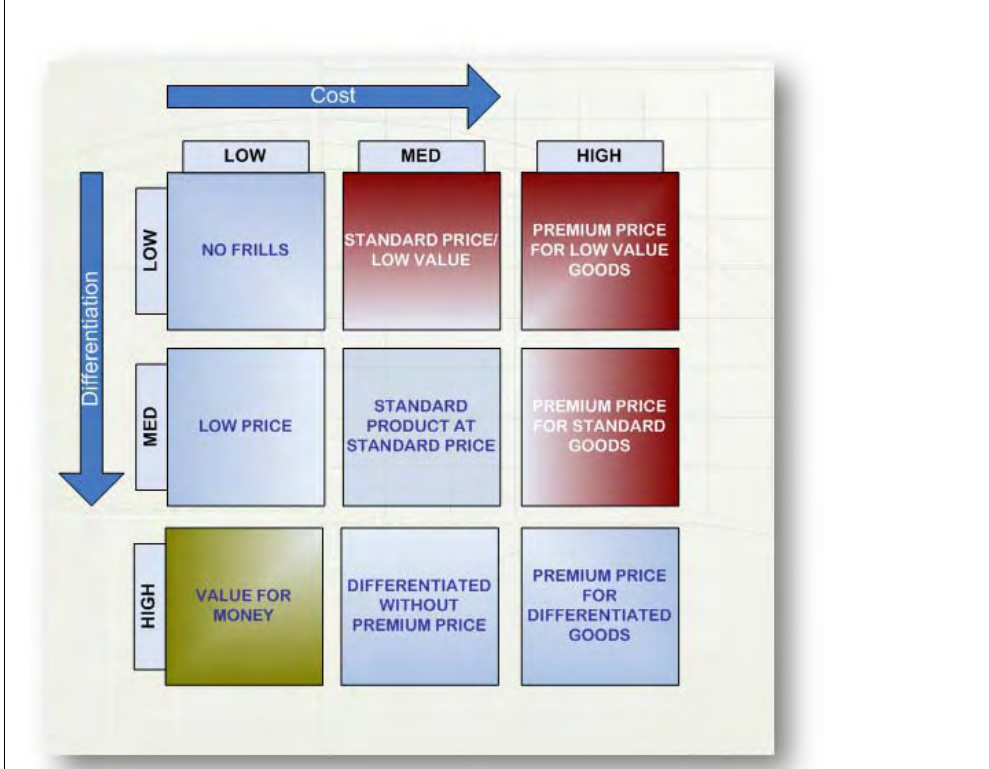
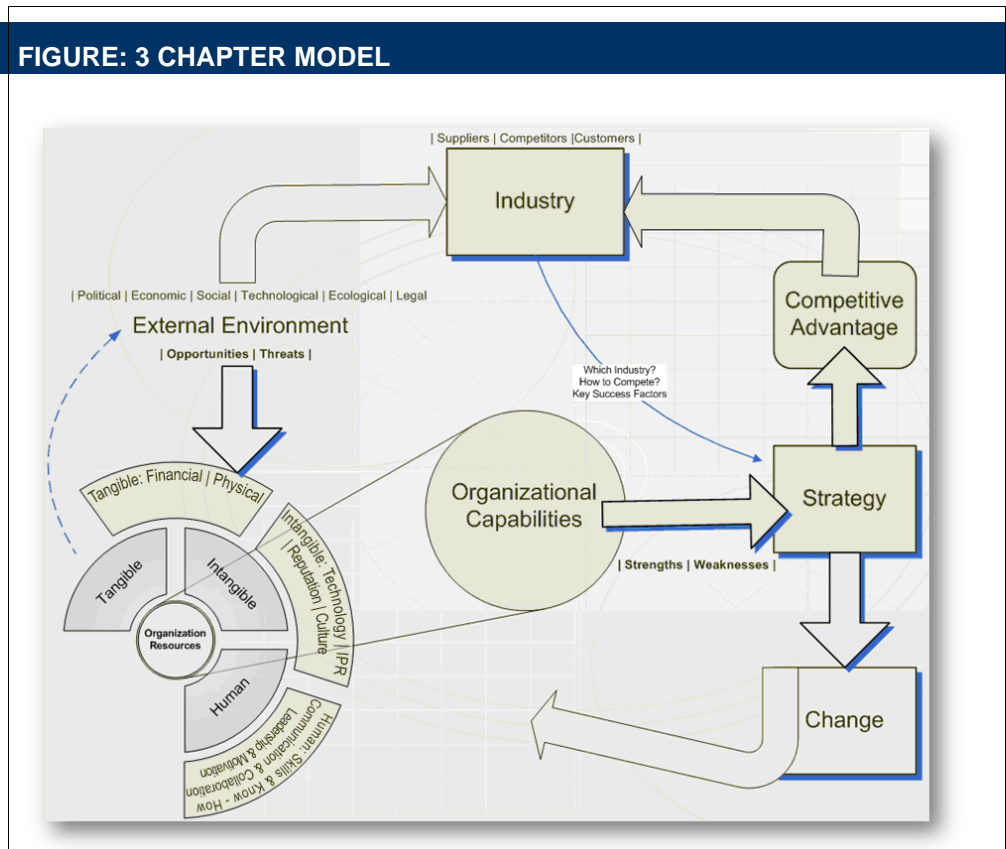


FIGURE: 3 CHAPTER MODEL



Glossary and References

BUSINESS STRATEGY

A subunit plan or pattern of decisions identifying how to compete and add value under the umbrella of the corporate strategy

COMPETITIVE STRATEGY

Competitive strategy is concerned with the basis on which a business unit might achieve competitive advantage in its market

CORPORATE STRATEGY

"a whole company plan or pattern of decisions identifying where the company will compete (in terms of geography, product, and industry) and which resources will be used"

GLOBAL STRATEGY

assumes a single market and offers a standard product(s) to meet customer needs wherever they are located

MISSION

a statement of the overriding direction and purpose of an organisation

MULTIDOMESTIC STRATEGY

"assumes variance in customer needs according to their location and therefore adopts a differentiation strategy, adapting products and services to make unique local requirements"

STRATEGY

the creation of a unique and valuable position

TRANSNATIONAL STRATEGY

"Plan to exploit experience-based cost and location economies, transfer core competencies with the firm, and pay attention to local responsiveness "

VISION

a description of the business as you want it to be

Porter, M E. (1979) 'How competitive forces shape strategy', Harvard Business Review, Mar/Apr79, Vol. 57 Issue 2, p. 137 - 145.

International Business & Management: Study Guide

Prahalad, C. and Hamel, G. (1990) 'The Core Competence of the Corporation', Harvard Business Review, May/Jun90, Vol. 68 Issue 3, p. 79 - 91.

Stalk, G., Evans, P. and Shulman, L. E. (1992) 'Competing on capabilities: The new rules of corporate strategy', Harvard Business Review, Mar/Apr92, Vol. 70 Issue 2, p. 54 - 66.

Teece, D. J., Pisano, G. and Shuen, A. (1997) 'Dynamic Capabilities and Strategic Management', Strategic Management Journal, Vol. 18, No. 7. (Aug., 1997), p. 509 - 533.

ACTIVITY: 1

Activity duration (mins): 20

LI & FUNG CASE STUDY

Examine strategies applied in a real world context

Read the Active Learning Case on page 75 of Kelly (2009) before answering the following questions

ACTIVITY: 2

Activity duration (mins): 30

COMPETITIVE STRATEGIES

At the business (subsidiary) level the organisation is concerned with how it might obtain and achieve sustainable competitive advantage either through generic or other strategies (cost leadership, differentiation or focus).

Consider a selection of the case study organizations, and their business units, featured in this book or other international organizations with which you are familiar and categorise their competitive strategies using Figure 3- 6

Next, compare the business with other organizations operating within the same industry.

How might you classify the competitive strategies of the following companies:

EasyJet,

BA,

Virgin Airlines;

Porsche,

BMW,

Skoda;

Sony,

LG,

Hitachi or

Vodafone?

ACTIVITY: 3

Activity duration (mins): **10**

VISION STATEMENTS

PURPOSE & STRATEGY

Consider the following examples of vision and mission statements – can you match the statement to the right company?

Examples of Vision statements:

1. To be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online.
2. A world where everyone can be connected.
3. To create a better everyday life for the many people.

Nokia | Amazon | IKEA

ACTIVITY: 4

Activity duration (mins): **10**

MISSION STATEMENTS

PURPOSE & STRATEGY

Consider the following examples of mission statements – can you match the statement to the right company?

- To organize the world's information and make it universally accessible and useful.
- To be the most successful computer company in the world at delivering the best customer experience in markets they serve.
- To create the world's leading e-commerce franchise.
- To refresh the world - in mind, body and spirit; inspire moments of optimism - through our brands and actions, and create value and make a difference - everywhere they engage.

(1) Dell (2) eBay (3) Coca-Cola (4) Google

ACTIVITY: 5

Activity duration (mins): **15**

DRAFT A MISSION STATEMENT FOR EASYJET

Refer back to the previous chapter and then draft a mission statement for Easyjet

BEHAVING RESPONSIBLY AROUND THE WORLD

Identify and explain ethical theories relevant to decision making in the international business

Discuss the important ethical issues and challenges facing the contemporary international organization

Critically evaluate methods used to implement CSR and create an ethical organization

Distinguish the behaviours seen as desirable in all international employees

Explain what is meant by corporate social responsibility and the reason organizations pursue CSR strategies

Explain what is meant by stakeholder theory and its relevance to ethical management

Synopsis:

INTERNATIONAL BUSINESS ETHICS, STAKEHOLDER THEOR, CORPORATE SOCIAL RESPONSIBILITY and CSR IMPLEMENTATION

Key concepts introduced in this chapter

Ethics | Business Ethics | Morality | Moral | Integrity | Immoral | Amoral | Ethical Egoism | Utilitarian

ETHICS
MORALITY
UTILITARIANISM
CONTRACTARIANISM
CORPORATE SOCIAL RESPONSIBILITY
CODE OF ETHICS
STAKEHOLDER
STAKEHOLDER MANAGEMENT
CORPORATE GOVERNANCE
ETHICS PROGRAMME

to be completed prior to the lecture/ workshop...

READ CHAPTER 4 IN KELLY, P. (2009)

Create a précis before attending this session in class.

Business ethics is concerned with the application of morals to the conduct of businesspeople asking what is “right” or “wrong”. When people and organisations adhere to a moral code they are said to have integrity. As integrity is eroded, unethical and illegal behaviour follows. General principles have been proposed to describe what is meant by ethical behaviour. Individuals should keep promises (Fidelity), be fair (Justice), not harm others, put right any wrong caused (reparation), show gratitude to others, and improve the lives of one’s self and others (beneficence). Other principles include fiduciary obligations (not putting self-interest above the overall interests of the organisation), reliability (fulfilling promises), transparency (openness and honesty), dignity (respecting others), fairness (not taking bribes or colluding with others), citizenship (respecting the law and the environment), responsiveness and respecting property.

Corporate social responsibility (CSR) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers,

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suppliers, employees, shareholders, communities and the environment in every aspect of their operations and decision-making. Stakeholder theory suggests the role of the organization is to satisfy a wider set of stakeholders, not simply the owners. The theory is used to interpret the function of the corporation, - how things should be, including the identification of moral or philosophical guidelines for the operation and management of corporations. Central to the CSR approach is that the organisation should use resources responsibly and comply with relevant laws and regulations. Four key arguments have been offered to encourage organizations to act in a socially responsible manner:

1. MORAL OBLIGATION - companies have a duty to be good citizens and to "do the right thing"; they should achieve commercial success in ways that honour ethical values and respect people, communities, and the natural environment;
2. SUSTAINABILITY - emphasizes the environment by meeting the needs of the present without compromising the ability of future generations to meet their own needs.
3. LICENSE TO OPERATE - every company needs tacit or explicit permission from governments, communities, and numerous other stakeholders to do business, and
4. REPUTATION - through this argument attempts are made to justify CSR initiatives on the grounds they will improve a company's image, strengthen its brand, boost morale, and even raise the value of its stock.

Organizations may attempt to establish an ethical infrastructure to fulfil CSR by adopting a holistic and integrated, programme approach or may simply chose to focus on individual and specific programme elements (such as implementing a code of conduct or delivering ethical training). Control theory may be used to delineate two types of ethics programme, compliance and values-based programmes.

Texas Instruments (TI)

www.ti.com

See

http://www.ti.com/corp/docs/csr/index.shtml?DCMP=TIFootering&HQS=Other+OT+footer_csr - Take a look at TI's social & environmental performance

GlaxoSmithKline plc.

www.gsk.com

GSK have a challenging and inspiring mission: to improve the quality of human life by enabling people to do more, feel better and live longer. In this section you will find information on the values and policies that guide their business also their annual corporate responsibility report.

The Body Shop

http://www.thebodyshop.com/en/ww/services/aboutus_values.aspx

The Body Shop International plc is a global manufacturer and retailer of naturally inspired, ethically produced beauty and cosmetics products. The Body Shop is a leader in promoting corporate transparency, and they have been a force for positive social and environmental change through their campaigns around their five core Values: Support Community Trade, Defend Human Rights, Against Animal Testing, Activate Self-Esteem, and Protect Our Planet.

Caux Round Table

<http://www.cauxroundtable.org/>

The Caux Round Table (CRT) is an international network of experienced business leaders, who work with business and public leaders to design the intellectual strategies, management tools and practices to strengthen private enterprise and public governance to improve our global community. The CRT Principles for Business are a worldwide vision for ethical and responsible corporate behavior and serve as a foundation for action for business leaders worldwide. As a statement of aspirations, The CRT Principles express a world standard against which business behavior can be measured.

UN Global Compact

<http://www.unglobalcompact.org/>

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing business, as a primary agent driving globalization, can help enhance that markets, commerce, technology and financial advancement that benefit economies and societies everywhere.

OECD

www.oecd.org/daf/investment/cr/

The emergence of private initiatives for corporate responsibility including the development of codes of conduct, management systems for improving compliance with these codes and non-financial reporting standards -- has been an important trend in international business over the last 25 years. The Investment Committee's work in this area (www.oecd.org/daf/investment) is part of its broader efforts to support implementation of the OECD Guidelines for Multinational Enterprises and to enhance the contribution of international investments to sustainable development.

FIGURE: 1 SOURCES OF UNETHICAL AND UNDESIRABLE BEHAVIOUR IN THE VALUE CHAIN

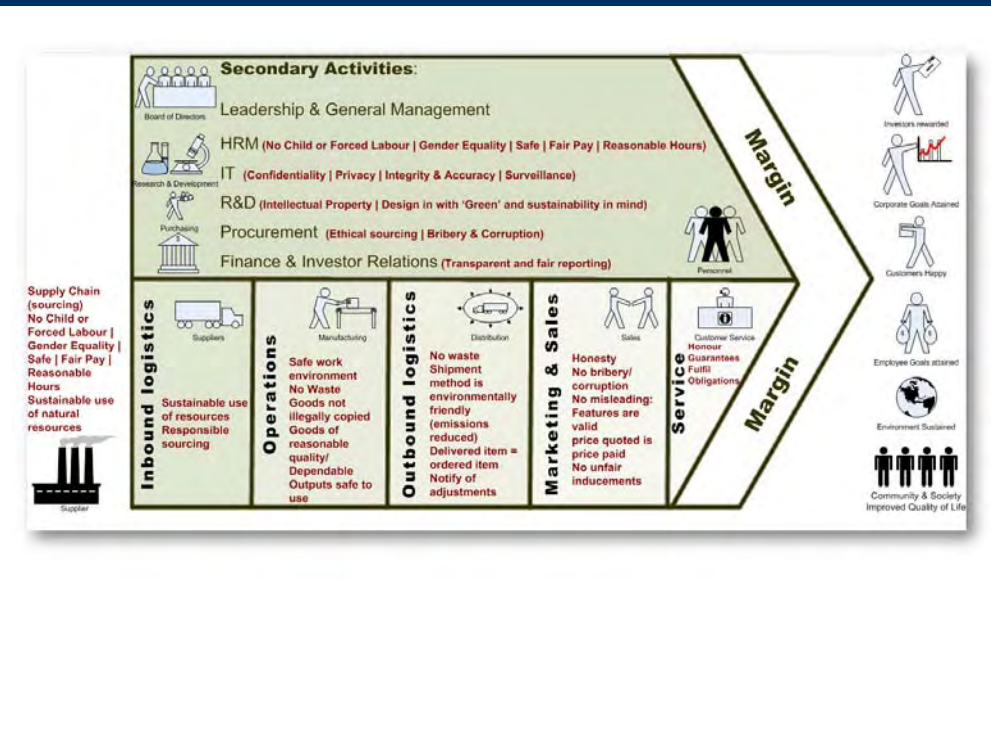


FIGURE: 2 COMPONENTS OF CSR

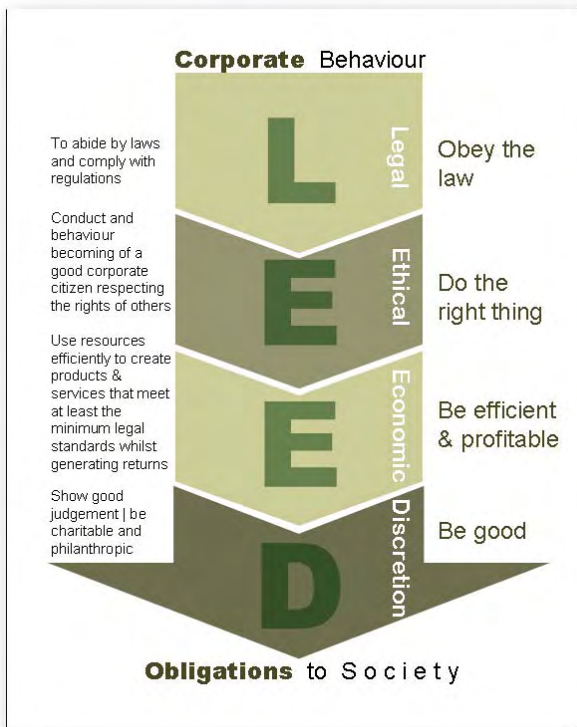


FIGURE: 3 CSR INITIATIVES



Glossary and References

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CODE OF ETHICS

A set of ethical-behaviour rules developed by organizations or by professional societies.

CORPORATE GOVERNANCE

the system used to control and direct a company's operations

ETHICS

a branch of philosophy dealing with what is considered to be right and wrong

MORALITY

individual character or personality and beliefs governing right and wrong

STAKEHOLDER MANAGEMENT

"attitudes, structures, and practices, taken together to organise relationships with stakeholders"

CONTRACTARIANISM

the principle of being fair and that as members of a society we have particular duties and responsibilities

CORPORATE SOCIAL RESPONSIBILITY

"a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on all stakeholders, including the environment"

ETHICS PROGRAMME

a series of steps to be carried out in order to achieve ethics goals

STAKEHOLDER

" Individual, organization or interest which affects the company or is affected by the company."

UTILITARIANISM

the belief that any action of an individual should be based on providing the greatest good for the greatest number of people

Carroll, A B. (1991) 'The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders', Business Horizons, Jul/Aug91, Vol. 34 Issue 4, p. 39 - 49.

Carroll, A B. (1979) 'A Three-Dimensional Conceptual Model of Corporate Performance', Academy of Management Review, Oct79, Vol. 4 Issue 4, p. 497 - 505.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Paine, L S. (1994) 'Managing for Organizational Integrity', Harvard Business Review, Mar/Apr94, Vol. 72 Issue 2, p. 106 - 117.

ACTIVITY: 1

Activity duration (mins): **40**

TEXAS INSTRUMENTS

Evaluate ethical infrastructure and real world approaches to managing business ethics

Read the Active Learning Case on page 105 of Kelly (2009) before answering the following questions

Task

Critically evaluate Ti's ethical infrastructure and approach.

ACTIVITY: 2

Activity duration (mins): **40**

LI & FUNG CASE

Critically evaluate Li & Fungs strategy (SCM approach in particular) from a moral and ethical perspective.

1. What issues and challenges are likely to be presented and should be considered by the company (why?).
2. What ethical risks do they face and how could they go about managing them?

ACTIVITY: 3

Activity duration (mins): **30**

ETHICAL ISSUES

Explore meaning of ethical behaviour

What would you do?

1. You find out that an employee has not been charging a terminally ill patient for care despite a policy to do so.
2. A close friend is to apply for a job in a unit you know will be downsized within the next twelve months but this knowledge is confidential.

'DRUG GIANT 'COVERED UP SAFETY FEAR ON SEROXAT'

A brief case study to stimulate discussion on BUSINESS ETHICS

Seroxat is an antidepressant. It was released in 1992 by the pharmaceutical company GlaxoSmithKline (GSK). In 2006 it was the fifth-most prescribed antidepressant in the United States retail market. It is also available in other countries such as the UK. Despite this, the drug later resulted in the GSK brand being significantly tarnished.

'Drug giant 'covered up safety fear on Seroxat' (Daily Mail) was just one of several UK headlines tarnishing GSK's reputation in 2007/8. In January 2007 the Daily Mail reported, that GSK had covered up vital evidence about the safety of an anti-depressant linked to a string of suicides... GSK revealed it had fears about the drug's safety years earlier. But GSK, which makes £1billion a year from Seroxat, continued to promote it for youngsters. British experts said the continued prescription of Seroxat led to young people's deaths. An investigation revealed three key documents among thousands released for a U.S. court case brought by bereaved families. One from GSK's marketing department in 1999 refers to side-effects, adding: "It seems incongruous that we state [the drug] is safe yet report so many serious adverse effects." In 2001, the firm still claimed it was safe, telling sales staff it showed "remarkable safety and efficacy in the treatment of adolescent depression". And an e-mail from a PR executive admits research showed it did not work on teenage depression - "not something we want to publicise." Other allegations suggested the company was putting profit ahead of the safety of young people. Pam Armstrong, of the Council for Information on Tranquillisers and Anti-Depressants, said: "I cannot understand that so many people in one company could feel it was okay to do nothing. When you are looking at the possibility of children being affected it is reprehensible." It was not until 2004 that GSK published full details of studies from as early as 1993 showing children on Seroxat were twice as likely to feel suicidal as those on a dummy pill. Karen Barth Menzies, a lawyer in the U.S. case, said: "Even when they have negative studies that show Seroxat is going to harm some kids, they still spin that study as remarkably effective and safe for children." Not only did the product and the way it was managed attract reputation-damaging publicity for GSK, it also led to legal action against the company. Not only were the company selling a drug that could have serious side effects, there was also doubt as to whether it actually worked for teenagers. An investigation by the MHRA, published March 2008, found that the manufacturer withheld evidence that the antidepressant increased the risk of suicide among teenagers. According to the Guardian newspaper, nine clinical trials by GSK, conducted between 1994 and 2002, found the drug was not effective in treating depression in children. Apparently, GSK failed to notify the MHRA of this when in 2002 the firm indicated it was planning to apply for approval to use the drug to treat children. The Daily Mail revisited the story following MHRA's investigation, stating "Drug company bosses concealed information about the dangers of the anti-depressant Seroxat for five years while it was still being prescribed to children... Documents released yesterday as part of a four-year criminal investigation into GlaxoSmithKline show that the pharmaceutical giant had evidence that the drug didn't work in children as early as 1998. There were also suggestions the firm was aware of possible links to attempted suicides and suicidal thoughts. But Glaxo did not alert Britain's drugs' watchdog to the problem until 2003, when the suicide link had become clear.' The Medicines and Healthcare products Regulatory Agency hit out at Glaxo for withholding the information. Glaxo denied it had withheld data, saying it "firmly believed" it had acted "properly and responsibly" and safety of its medicines was "paramount".

www.dailymail.co.uk/pages/live/articles/health/healthmain.html?in_article_id=432217&in_page_id=1774 29th January 2007

2 The Sun 'Drugs giant rap over 'joy' pills' published 7 March 2008, www.thesun.co.uk/sol/homepage/news/article887022.ece

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3 David Batty guardian.co.uk, Thursday March 6 2008 Q&A: Seroxat
4 Brown, C. (2008), Drugs law to be tightened as Seroxat firm is rebuked', The Independent 7 March 2008 online at
www.independent.co.uk/news/uk/politics/drugs-law-to-be-tightened-as-seroxat-firm-is-rebuked-792756.html

Task

Critically evaluate the GSK case study – do you think they behaved ethically (you may need to conduct further background research on the case before commenting)?

ACTIVITY: 5

Activity duration (mins): **15**

DESIRABLE EMPLOYEE BEHAVIOURS

Explore meaning of ethical behaviour

Consider Figure 4- 2 Desirable employee behaviours – List (brainstorm) categories of undesirable behaviour.

MANAGING CHANGE IN THE INTERNATIONAL ORGANIZATION

Describe the main theoretical foundations of change management
 Critically evaluate the planned and the emergent approach to change
 Identify and describe a selection of integrated change management models
 Understand the situations in which the various approaches to change are most appropriately used
 Understand the role of leaders, managers and change agents in the change process
 Understand resistance to change

Synopsis:

UNDERSTANDING CHANGE | THEORIES OF CHANGE
 | IMPLEMENTING CHANGE

Key concepts introduced in this chapter
 Organizational change | Gap analysis | Visioning | Resistance | Transformational change | Transactional change | Change Agent | Open system (view) |

ORGANIZATIONAL CHANGE
 TRANSACTIONAL CHANGE
 TRANSFORMATIONAL CHANGE
 FORCE FIELD ANALYSIS
 GAP ANALYSIS
 CHANGE MODEL
 RESISTANCE TO CHANGE
 OPEN SYSTEM (VIEW)
 SYSTEMS THINKING

to be completed prior to the lecture/ workshop...

READ CHAPTER 5 IN KELLY, P. (2009)

Create a précis before attending this session in class.

Organizational change concerns the alteration of organizational components (such as the mission, strategy, goals, structure, processes, systems, technology and people) to improve the effectiveness or efficiency of the organization. Change may take place in any part and at any level of the organization. When we think of organisational change, we may think of significant changes aimed at making the organisation more effective or smaller (efficiency based) changes such as departmental reorganisations, the implementation of new technologies and systems. The primary needs for change derive from the need for alignment between the organizations' internal and external environments.

There are many types of change distinguished according to a variety of variables: Discontinuous versus continuous; planned versus unplanned and Organisational level: individual, group or total system. Nadler and Tushman argue change can be considered in two dimensions. The first is the scope of the change and the second dimension of change concerns the positioning of the change in relation to key external events. Some changes are clearly in response to an event or series of events. These are called relative (reactive) changes. Other changes are initiated, not in response to events but in anticipation of external events that may occur. These are called anticipatory (proactive) changes. Intensity relates to the severity of the change and, in particular, the degree of shock, upset, or discontinuity created throughout the organization. Strategic changes are

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obviously more intense than incremental changes. Gap analysis and visioning are amongst the tools that can provide answers to the question, why change. Gap analysis is used by change leaders to frame the vision for the change. Visioning is a mental process in which images of the desired future (goals, objectives, outcomes) are made explicit motivators for action. In many cases, the need for change will derive from an evaluation of organisational outputs (products and services), where it operates, what it does (primary activities) and how it performs such activities (work). Individuals and groups will need to gather and make sense of internal and external data and the perspectives of stakeholders and must take account of their own concerns and preferences. Having established the need for change, change initiators should then consider whether the organisation is in fact ready for change.

The diagnosis of organizations may draw upon systems theory, the study of the behaviour and interactions within and between systems. The systems of interest in managing change can all be characterised as open systems. Models of organisational analysis such as the McKinsey 7-S model, the Nadler and Tushman congruence framework and the Burke-Litwin model were described in this chapter. Such models help us structure our thinking. The organisational system model proposed by Leavitt (1965) is made of four major components: task (the organisation's purpose), people (those who carry out the task), technology (tools and computers etc) and structure. The components are interdependent with one another and a change in any one of the components will result in change amongst the other three, he argues. Planned approaches are more likely to make use of the change models, tools and techniques discussed; emergent change is a view that Organisational change is a continuous process of experimentation and adaptation achieved through many small to medium sized incremental changes.

Lewin concluded that the change process needs to follow a three-step procedure: unfreezing, moving and refreezing. Many change agents use force-field analysis as an analytical tool to understand the dynamics of change. It is used in conjunction with stakeholder analysis. The person (s) who identifies the need and vision for change and champions the change is known as the change initiator (see also change agent or change leader); the people responsible for making change happen are change implementers; the change recipient is the person affected by the change and the change facilitators assist the three aforementioned change roles. Leaders need to be persuasive and political and overcome resistance. They must monitor the environment, identify and establish the need for change and provide clear direction for organisational change effort. Not only must they establish a need for change they must also communicate that need and initiate activities. Managers can identify opportunities, promote ethical behaviour, and develop capabilities within the organisation in order to keep it aligned with its environment. The success of implementing change is associated with those who facilitate the change process. The change agent is defined here as one who seeks "to reconfigure an organisation's roles, responsibilities, structures, outputs, processes, systems, technology or other resources" Change leaders need to understand why people react to change as they do - they must consider those on the receiving end. Change recipients may be concerned about how the change will impact upon their relationships with others (the people they currently work with), their ability to do what is being asked of them and their future needs. Such concerns will result in mixed feelings about the change. Possible coping responses may be undesirable such as absenteeism, sabotage or departure from the company.

SUGGESTIONS FOR FURTHER READING

Journal of Change Management (Published By: Routledge) - Given the additional pressures of new technology, global competition and changing markets, companies are increasingly

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encountering the need for strategic level transformation. This transformation encompasses all parts of a business, its structure, processes, resources, technology and culture. Success goes to those who can visualize how markets are changing, identify new configurations of service or delivery and "change the rules of the game". The Journal of Change Management provides an international, peer-reviewed forum to explore all the strategic and tactical factors affecting and effecting change in organizations today.
[Http://www.tandf.co.uk/journals/titles/14697017.asp](http://www.tandf.co.uk/journals/titles/14697017.asp)

Journal of Organizational Change Management (JOCM) - The goal of the journal is to provide alternative philosophies for organizational change and development.

The International Journal of Knowledge, Culture and Change Management - The focus of the journal is those intangible drivers which determine not only the livability of organisations for insiders, and their credibility and attraction to outsiders; but also their tangible results in the form of efficiency, effectiveness and productivity. The intangibles of knowledge, culture and change management do not appear on balance sheets, but ultimately do have an enormous impact on 'bottom lines'. The journal attempts to address dynamics of knowledge, culture and change as they manifest themselves in organisations. - <http://ijm.cgpublisher.com/about.html>

JISC

<http://www.jiscinfonet.ac.uk/infokits/change-management>

infoKit was developed out of a HEFCE Good Management Project led by the University of Luton entitled 'Effecting Change in Higher Education'. The project team consulted widely on aspects of change in the sector and put together theories, approaches and that resonated with them and with those they talked to about their experiences of the practical difficulties of managing change. There are no easy solutions or quick fixes in the infoKit but we have attempted to give you some 'pathways' through the vast array of approaches and tools available by suggesting activities you may undertake at different stages of your change lifecycle.

Improvement and Development Agency

<http://www.idea.gov.uk/idk/core/page.do?pageId=5817020>

The IDeA works for local government improvement so councils can serve people and places better. Change management means different things to different people and different organisations. The information and downloads in this section describe change under two broad headings.

First, the process that may be followed to bring about change. Second, the approach towards establishing a detailed understanding of an organisation's 'change readiness' and 'change competence'. The latter is aimed specifically at understanding the nature and extent of resistance to change. See

<http://www.idea.gov.uk/idk/core/page.do?pageId=5829768>.

Change management toolkit

Description: This product will help identify what is required, at which stage in the lifecycle of a programme or project, to ensure active engagement of stakeholders in contributing to its success.

It also provides worked examples of practical approaches to engaging stakeholders in the change.

FIGURE: 1 GENERIC CHANGE MODEL

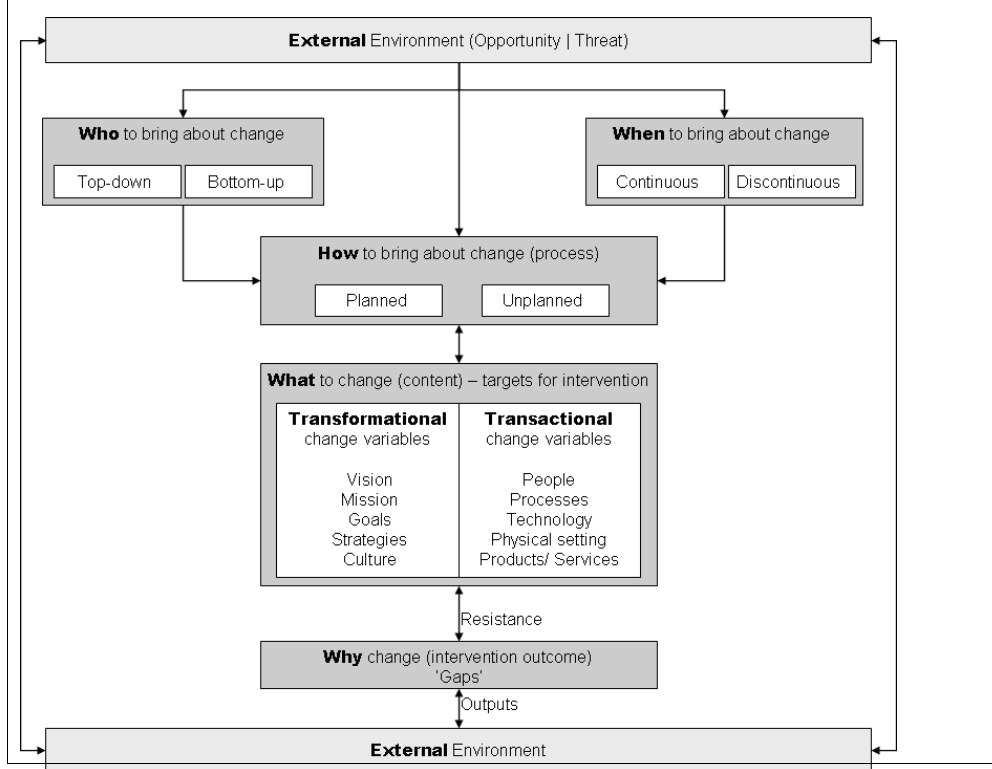
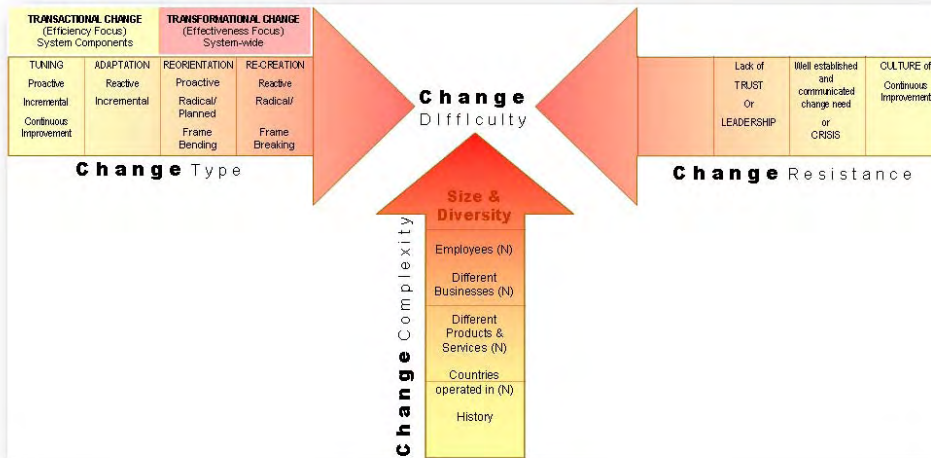


FIGURE: 2 PLANNED APPROACH TO CHANGE



FIGURE: 3 FACTORS AFFECTING CHANGE DIFFICULTY



Glossary and References

CHANGE MODEL

an abstract representation describing the content or process of changes

FORCE FIELD ANALYSIS

a technique for assessing the balance of factors that respectively encourage and resist movement towards a desired target situation.

GAP ANALYSIS

identification of discrepancies between the current position and the desired future position

OPEN SYSTEM (VIEW)

"considers the organisation's structures, systems, processes and external environment to be interrelated and able to affect one another"

ORGANIZATIONAL CHANGE

"the alteration of organizational components (such as the mission, strategy, goals, structure, processes, systems, technology and people) to improve the effectiveness or efficiency of the organization"

RESISTANCE TO CHANGE

the desire not to pursue change

SYSTEMS THINKING

a holistic approach to analysis that focuses on the way a system's constituent parts interrelate and how systems work over time and within the context of larger systems

TRANSACTIONAL CHANGE

"changes to components of the organization such as the structure, systems and processes"

TRANSFORMATIONAL CHANGE

"a fundamental change impacting upon the whole organization (the leader, mission, strategy and culture)"

Burke, W W. and Litwin, G H. (1992) 'A Causal Model of Organizational Performance and Change', Journal of Management, Sep92, Vol. 18 Issue 3, p. 523 - 545.

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Greiner, L. E. (1972) 'Evolution and revolution as organizations grow', *Harvard Business Review*, 50 (4), p. 37 - 46.

Nadler, D. A. and Tushman, M. (1989) 'Organizational Frame Bending: Principles for Managing Reorientation', *Academy of Management Executive*, Aug89, Vol. 3 Issue 3, p. 194 - 204.

van de Ven, A. H. and Poole, M. S. (1995) 'Explaining Development and Change in Organizations', *The Academy of Management Review*, Vol. 20, No. 3 (Jul., 1995), p. 510 - 540.

ACTIVITY: 1

Activity duration (mins): 90

ACTIVE LEARNING CASE

Evaluate a real world change management initiative

Read the Active Learning Case on page 136 of Kelly (2009) before answering the following questions

TASKS

Review the opening case study:

1. How would you classify the changes taking place in PLDT: transformational or transactional – should explain your choice.
2. Do you believe that culture can be changed according to some plan? Discuss your answer with reference to chapter 1 national culture and your knowledge of organizational culture (a matter we revisit in chapter 7).
3. Why do you think information plays such an important role in change management?
4. Critically evaluate, considering advantages and disadvantages, the use of external consultants on such a project.
5. Imagine you are a UK consultant – how might you have prepared for this assignment?

Investigate, through self-directed learning, the concept of single and double-loop learning. How can these concepts be applied to the PLDT case study?

How sustainable do you believe the changes made were? How long might it take PLDT to refreeze? What are the chances of the organization reverting to old ways once the consultants completed their assignment?

Discuss the difficulties in bringing about change at PLDT.

ACTIVITY: 2

Activity duration (mins): 20

RESISTANCE TO CHANGE

Understanding resistance to change

Explain, with examples, what is meant by resistance to change

MINI CASE STUDY - INTERNATIONAL IMPROVEMENT INITIATIVES AT SIGMA-ALDRICH

This case study explores a real change management problem faced by Sigma-Aldrich.

This case study explores a real change management problem faced by Sigma-Aldrich. Executives of this multinational company were looking for ways to spread improvements made at one location to other locations throughout the world. Sigma-Aldrich is a supplier of bio-chemicals, reagents, organic and inorganic chemicals. The company offers over 85,000 products in 150 countries and processes over 15,000 orders per day, (Meteeer et al 2004). In 1994 the CEO and COO of Sigma-Aldrich recognized the need for a more systematic approach to improvement. Although improvement had always been a part of their culture, it was clear that due to the growing size of the company and geographical spread, a structured approach to improvement was needed. Initial efforts were focused on improving service (on time shipments) and reducing costs at facilities near the corporate headquarters in St. Louis. These projects were referred to as process improvements and yielded impressive results. For example, on-time shipment to foreign subsidiaries (7,500 lines per day) was increased from less than 30 percent to greater than 90 percent in fewer than four months. Over the next two to three years similar efforts were started at sites outside of St. Louis. However, change was not always successfully accomplished at different locations. Guiding and conducting process improvement efforts across multiple functions and countries, each with local management structures and varying skills to execute process improvements was daunting. During 2000-2002 additional internal resources were added to support improvement projects, and in addition the Finance department developed a rigorous method to measure the economic impact of improvement efforts. Yet the success in different countries varied. The concept of a global improvement initiative was later developed at Sigma-Aldrich. The global improvement initiative took on the form of a worldwide project with a central team representing all geographical locations of a specific functional area. The first worldwide team was started and included a representative of each packaging department around the world. The following issues were addressed before initiating a new worldwide project: (1) Establish the Team. The team sought a sponsor - because projects spanned divisions it was essential to have a member of senior management sponsor the project and help to resolve cross-divisional conflicts. A project leader, skilled in process improvement, was a must. As were specialised process improvement resources and a team composed of a cross section of people from around the world; (2) Develop an aim. In addition to an objective statement for the project, an "aim" for a worldwide project includes information on the scope of the project; (3) Identify which changes can be replicated among similar sites and (4) Identify the support needed - IT or Finance, capital investment and from local site managers. The project was then undertaken. The team sponsor had primary responsibility for oversight of the initiative. Since the authority for strategic decisions is with the team rather than local management, the sponsor helps the team achieve the support of senior management and local management for their decisions. As work is undertaken and changes made, project status is visible in corporate communications. Updates on progress are tracked at the executive management level as well as at the local level and are communicated on a regular basis. Since inception of the first worldwide team, a number of improvements have been observed: total worldwide inventory decreased 10% and both distribution and packaging saw productivity improvements with distribution showing greater than 5% productivity improvement each year for the past three years (Meteeer et al 2004). In 2007 the company celebrated reaching \$2 billion in annual sales. In their annual report they reported on leveraging process improvement which they believe is now ingrained in the fabric of the company. 2007 marked six years of process improvement efforts that yielded annual savings in excess of \$15 million. The company believes that an ability to deliver products to customers anywhere in the world, whenever they need them, is at the center of Sigma-Aldrich's continued success.

INTERNATIONAL LEADERSHIP & MANAGEMENT

Explain the apparent differences between the concepts of leadership and management
 Evaluate how situation and organisational context impact upon leadership style
 Understand the potential benefits and risks of shared and delegated leadership
 Understand how position and personal attributes can be a source of power for leaders
 Understand various psychological processes which explain how leaders influence people
 Discuss how leadership styles and behaviour may need to be adapted when working in other cultures

Synopsis:

LEADERSHIP AND MANAGEMENT, POWER AND INFLUENCE, LEADERSHIP THEORIES and LEADING IN THE INTERNATIONAL ORGANIZATION

Key concepts introduced in this chapter
 MOTIVATION | POWER | REFERENT POWER | EXPERT POWER | INFORMATION POWER | REWARD POWER | LEGITIMA

MOTIVATION
 COERCIVE POWER
 EXPERT POWER
 INFORMATION POWER
 LEGITIMATE (ORGANISATIONAL) POWER
 POWER
 LEADERSHIP

to be completed prior to the lecture/ workshop...

READ CHAPTER 6 IN KELLY, P. (2009)

Create a précis before attending this session in class.

Management is about getting things done with the aid of people and other resources or more specifically it is the process of leading and directing all or part of an organization, through the deployment and manipulation of resources (people, technological, financial, material, intellectual or intangible). It concerns the effective utilisation and coordination of resources to achieve defined objectives with maximum efficiency. Leadership appears to be a critical determinant of organisational effectiveness - much of leadership is about influencing the behaviour of others.

The function of the leader is to ensure the organisation does the right thing (effectiveness) whilst the manager ensures things are done right (efficiency); the leader is concerned with establishing direction, the vision and organisational goals and influencing followers to obtain commitment. Consequently, the leader must be a good communicator and able to influence others-motivating and inspiring. Many scholars argue the distinction between leadership and management is blurred in practice and the effective manager requires some leadership qualities. Leadership is an important role requirement for managers. There are many ways to measure leadership effectiveness such as performance, follower satisfaction and commitment and the extent to which tasks are completed and goals are attained.

Power describes the ability to influence others, to get them to do things. In some cases

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the leader may influence subordinate or follower attitudes and in other cases their behaviour. Scholars have identified several types of power: reward, coercive, referent (Charisma), legitimate (position power), expert, informational, affiliation and group. The exercise of power may be perceived by followers in either negative or positive terms. The type of behaviour used intentionally to influence the attitudes and behaviour of another person is usually called an influence tactic. Participative leadership (consultation, joint decision making, power-sharing, decentralisation, empowerment and democratic management) involves effort by a leader to encourage and facilitate participation by others in making important decisions. Participative leadership, delegation and empowerment are concepts linking the power and behaviour approaches to leadership. Participative leadership can take many forms.

Leadership behaviours tend to be grouped into those focussing on work (task oriented behaviour) and those considering the follower (subordinate in many cases). Consideration behaviours are based on relationship building (relations oriented behaviour), supporting, developing, recognising and helping others. Specific task behaviours include planning work activities, clarifying roles and objectives and monitoring operations and performance - how things get done. The two key orientations (task and relationship building) reflect a concern for people and a concern for production, both of which are important for effective leadership. Subsequent research added a third orientation, behavioural set, based on approaches to change. Change-oriented behaviour is concerned with understanding the environment, finding innovative ways to adapt to it, and implementing major changes in strategies, products, or processes. The contingency theory of leadership is a perspective which suggests that leaders must adjust their style in a manner consistent with aspects of the context i.e. there is no one ideal leadership style.

Organizational leadership is the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members. If we are to ensure people, from any country or culture, to do what we want them to do, in the best interest of the organisation, we must understand their needs and goals in order to motivate them. This necessitates an understanding of their values, attitude and beliefs and in particular those in relation to work. Work attitudes vary from country to country. The International manager should take account of Work centrality and other attitudes to work when seeking to encourage people to perform their jobs efficiently and effectively through a variety of motivational techniques. Leaders who are required to interact with a diverse set of followers, or who work in a foreign environment, need to recognize that notions of what constitutes ideal leadership may vary from culture to culture. Leaders and managers of international organizations, dependent on their role, managerial level and context may need to adapt their styles and behaviours according to where and with whom they are working. An understanding of culturally-endorsed differences in leadership concepts can be used by international managers to adjust their leadership behaviour to that required in a host country. Knowledge about particular cultural variations in leadership can help such managers more accurately anticipate potential problems in cross-cultural interactions within business.

The Infosys Leadership Institute

www.infosys.com

The Infosys Leadership Institute initiates new recruits into Inf with a rigorous foundation program and provides round-the-yr training for managers. The Institute offers 16 instructor-led tr programs and 59 e-learning programs.

The Infosys Leadership Institute trains executives and grooms leaders through a multi-pronged approach - read about it here:

The Forum of Young Global Leaders

<http://www.infosys.com/beyond-business/leadership-institute>.

<http://www.weforum.org/en/Communities/Young%20Global%20Leaders/index.htm>

a unique, multistakeholder community of exceptional young leaders who share a commitment to shaping the global future.

FIGURE: 1 THE EVOLUTION OF LEADERSHIP THEORIES

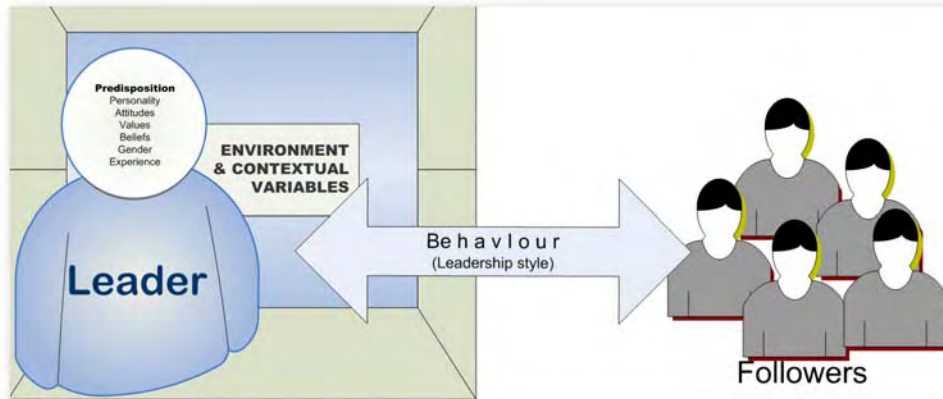


FIGURE: 2 LEADERSHIP PROCESSES

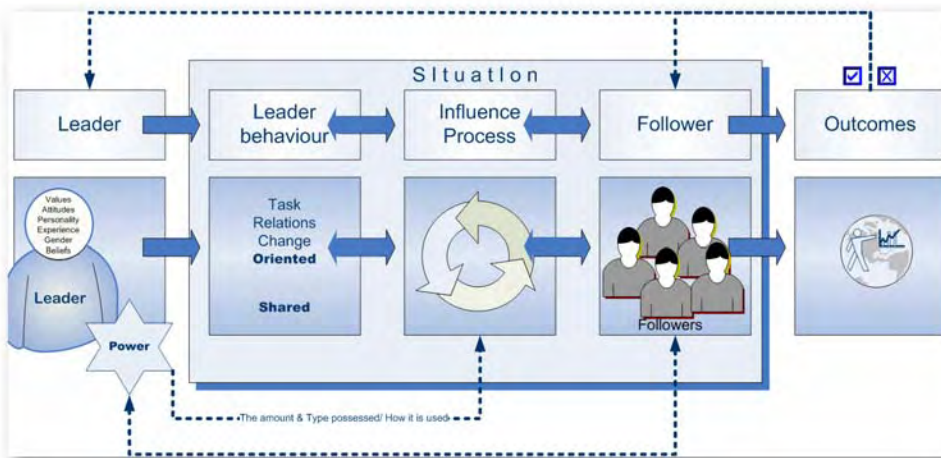


FIGURE: 3 MOTIVATING WORKERS



Glossary and References

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COERCIVE POWER

the ability of a leader to exert influence based on the belief of followers that the leader can administer unwelcome penalties or sanctions.

INFORMATION POWER

the ability of a leader to exert influence based on the belief of followers that the leader has access to information that is not public knowledge.

LEGITIMATE (ORGANISATIONAL) POWER

Based on the subordinate's perception that the leader has a right to exercise influence because of the leader's role or position in the organisation. This power is based on authority and related to a person's position within an organisation.

POWER

"is the ability of individuals or groups to persuade, induce or coerce others into following certain courses of action"

EXPERT POWER

an individual's power deriving from the skills or expertise of the person and the organization's needs for those skills and expertise

LEADERSHIP

"the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives"

MOTIVATION

the driving force within individuals by which they attempt to achieve some goal in order to fulfil some need or expectation

Goleman, D. (2000) 'LEADERSHIP THAT GETS RESULTS', Harvard Business Review, Mar/Apr2000, Vol. 78 Issue 2, p. 78 - 90.

Kotter, J. (2001) 'What Leaders Really Do', Harvard Business Review, Dec2001, Vol. 79 Issue 11, p. 85 - 96.

Pfeffer, J. (1977) 'The Ambiguity of Leadership', The Academy of Management Review, Vol. 2, No. 1. (Jan., 1977), p. 104 - 112.

ACTIVITY: 1

Activity duration (mins): 90

INFOSYS

Identify practices for developing leaders in a global economy

Read the Active Learning Case on page 167 of Kelly (2009) before answering the following questions

Task

Imagine a young Indian leader, presently working in an Infosys India office is to be developed through an international assignment at an Infosys overseas office in the UK, China, Japan or Australia. The manager is allowed to choose which country the assignment will take place.

In which country is the manager most likely to need to adapt their leadership style and in which country will they least need to adapt their leadership style? Explain your answer, identifying what adaptations may be required in each country. Assume the manager is preparing for the assignment but has not yet been advised of the country of assignment. With reference to concepts such as work centrality, culture and motivation, evaluate and comment on preferred motivational strategies best suited to each country if the manager is to both satisfy and get the best performance out of his subordinates and other 'followers'

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associated with the unit's goals.

Critically evaluate methods to develop the manager as a leader.

What challenges and difficulties might you expect the young manager to experience when seated on the management council, given the role spans all aspects of the business? Your answer should make reference to leadership traits, perceptions of leadership, power and high and low level leadership.

CHINESE AND AUSTRALIAN LEADERSHIP

Cross Cultural Comparison of the Importance of Leadership Traits

In this example we draw on a recent study into Chinese and Australian Leadership by Casimir and Waidman (2007). China's cultural tradition is founded on Confucian values, which still provide the basis for the norms of Chinese interpersonal behaviour. One of the key principles of Confucianism is that social stability is dependent on unequal relationships. Confucianism emphasizes hierarchy and contends that each individual should be conscious of his or her position in the social system. Although Chinese culture may be changing, with wealth increasingly becoming the paramount value for Chinese people, some key elements of the culture (e.g. respect for authority, collectivism) remain unchanged. We might, therefore, expect the Chinese to endorse a different set of leadership traits to that of another culture. It has been argued that China would score low on individualism because of the high value the Chinese place on the family and the socialistic influence of Communism. It can also be argued that the people would score high on power distance because of the Confucian emphasis on hierarchy. Along these lines, the beliefs of Chinese managers have been found to be more autocratic than those of managers from certain other countries, especially regarding sharing information with subordinates and participative decision-making. In contrast to the Chinese, Australians tend to prefer egalitarian and consultative managerial practices, which are consistent with their preference for low power distance (Hofstede, 1980). Australian leadership is distinct because of its emphasis on egalitarianism and individualism, and Australian leaders are expected to maintain the perception of equality with their followers; a prerequisite for leadership success in Australia is appearing as ordinary. Australians tend to play down inequalities and are not fearful of their bosses.

Individualism—collectivism has been shown to impact upon managerial perceptions, attitudes and behaviours. Hong Kong Chinese managers who migrated to Australia reported that they had to adapt to a smaller power distance between supervisors and subordinates, as well as to a more direct and participatory communication style. Australian middle managers perceived participative leadership to be more important for outstanding leadership than did middle managers from China. There are additional reasons to expect differences between Australians and Chinese in terms of the importance placed on different leadership traits. Firstly, compared with the Chinese, Australians are less concerned with uncertainty avoidance, and thus may place less emphasis on formalization and standardization. Accordingly, they may expect more innovative or less orderly behaviours from their leaders. Secondly, in individualistic/low power distance countries (e.g. Australia), managers typically create job-based work designs founded on individual initiative and responsibility. In contrast, in collectivistic/ high power distance countries (e.g. China), managers prefer team-based work organizations with strong control by supervisors, in which team-level quality measures and tools are used to manage quality. Thirdly, there is evidence that Chinese managers do not view communication as especially important for effective leadership.

In the study conducted by Casimir and Waidman (2007) Australians rated the traits bossy, communicative, friendly, humorous, participative, and respectful significantly higher than did the Chinese. The Chinese rated the traits integrating and modest significantly higher than did the Australians. The traits courageous, innovative, inspirational, persuasive, and visionary were rated significantly higher for high-level leaders than for low-level leaders. The results indicate that cross cultural differences exist in traits considered important for effective leadership. Taken together, the findings support the notion that cultural background influences the perceived importance of various traits with regard to effective leadership. Australian culture is renowned for its emphasis on egalitarianism (equal opportunity & fairness), whereas Chinese culture is renowned for being authority-oriented. Casimir and Waidman's (2007) findings seem consistent with

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these cultural characteristics in that the Australians rated traits that attenuate (ease or reduce) power differences between leaders and followers (i.e. communicative, friendly, humorous, participative, and respectful) more highly than did the Chinese. Additionally, the Chinese rated the traits integrating and modest higher than did the Australians, which is consistent with collectivism and Confucian values. The results also revealed cross-cultural similarities in traits regarded as important for effective leaders: non-significant cultural differences were found for the traits concern for followers' interests, diplomatic, innovative, inspirational, persuasive, and team-player. Clear differences in the importance of various traits for low-level leaders and high-level leaders were found. Both the Australians and the Chinese regarded it more important for high-level leaders than for low-level leaders to be courageous, innovative, inspirational, persuasive, and visionary. These traits can be linked to strategic leadership in that such leaders need to create a vision that usually involves insight and risk-taking, and a need to inspire others to undertake the risks generally associated with visionary leadership. Both cultural groups also regarded it more important for low-level leaders than for high-level leaders to be friendly, humorous, and a team-player. These traits can be linked to the idea that that socio-emotional leadership is more important for low-level leaders because of their greater and closer involvement with followers (Casimir and Waidman 2007).

Studies show that the traits regarded as important for leadership are determined partly by the requirements of the leadership role and partly by culturally-endorsed interpersonal norms. For example, the Australians regarded communicative as very important for effective leaders, regardless of the leader's hierarchical level, whereas they regarded being friendly and humorous as more important for low-level leaders than for high-level leaders. Similarly, the Chinese regarded being modest as very important for effective leaders regardless of the leader's hierarchical level, whereas they regarded being friendly and humorous as more important for low-level leaders than for high-level leaders. These differences demonstrate the combined effects of cultural values and job requirements on the importance placed upon different traits for effective leaders.

Casimir, G., Waidman, D A. (2007), 'A Cross Cultural Comparison of the Importance of Leadership Traits for Effective Low-level and High-level Leaders: Australia and China', *International Journal of Cross Cultural Management*, 7 (1), pp. 47 - 60

ACTIVITY: 3

Activity duration (mins): 60

CROSS-CULTURAL MOTIVATION

Leaders and managers must encourage people to perform their jobs efficiently and effectively through a variety of motivational techniques. Through this task we consider whether motivational techniques can be used to equal effect in any given country i.e. we need to establish whether motivational techniques are universal or culture based.

Consider the theories of motivation and the cultural dimensions offered by Hofstede.

Would you expect the various motivational techniques to work in the same way in any given country?

How would you expect people to be motivated (what may be used as motivators) according to their national culture?

3

MANAGING HUMAN
RESOURCES

MANAGING HUMAN RESOURCES

Identify HRM issues and problems arising from the internationalisation of organizations

Explain the role of the IHRM function

Explain how human capital can be a source of sustainable competitive advantage

Discuss factors which may impact upon HR Policy and Practice design

Identify and describe the core HR practices

Synopsis:

STRATEGIC USE OF HUMAN RESOURCES, CENTRAL ISSUES: THE IHRM FUNCTION & GLOBAL PRACTICES, LOCAL ISSUES: IHRM/HRM PRACTICES & PROCEDURES

Key concepts introduced in this chapter
Human Capital Management | HRM | HR Planning | IHRM | Behavioural Science | H

HUMAN CAPITAL MANAGEMENT

HRM

RESOURCE-BASED VIEW OF STRATEGY

IHRM

ETHNOCENTRIC STAFFING

POLYCENTRIC STAFFING

GEOCENTRIC STAFFING

to be completed prior to the lecture/ workshop...

READ CHAPTER 7 IN KELLY, P. (2009)

Create a precis before attending this session in class.

to be completed prior to the lecture/ workshop...

MANAGING HUMAN RESOURCES

Prepare a summary of the key concepts (an overview) of the topic for delivery in class.

This session focusses on world-wide human capital and its management in the international organization. In particular we focuss on the role of the specialist central and local HRM function in acquiring, developing and motivating HC in order to improve (productive) performance and develop a sustainable competitive advantage. HC (or Human Resources) are seen as strategically important due to attributes which are difficult to imitate thus ensuring any derived competitive advantage is sustainable. Specific mention of the RBV is made.

The IHRM role can be both strategic and operational. It is strategic in that the continued availability of HC must be assured in order for the strategy to be met. However, it must also be operational via the administration of certain HR practices such as resourcing, training and development and performance management. The IHRM function develops and implements HR systems comprising the HR philosophy, policies and practices. In some cases practices may not be adopted by subsidiaries due to local cultural and legal forces. However, practices may be adapted for local use or developed under the influence of

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overarching philosophies and policies. This ensures a certain level of control and interunit linkage for integration benefits whilst allowing for local differentiation.

Whereas the global MNC will seek to diffuse centrally developed HR practices and maintain a larger more powerful HR function, the multidomestic subsidiary is more likely to create its own practices or adapt those of the parent company and will maintain a much smaller IHRM function in the headquarters.

Resourcing strategies are discussed and three employee types identified: the parent, local or third country nationals. These are discussed in relation to ethnocentric, polycentric and geocentric strategies. We note the heavy reliance on expatriates and travelling managers and that corporate HR functions have several roles associated with their management. Managers need to be prepared for overseas assignments which are described as intercultural encounters. We discuss how they can be prepared and supported for such roles and the dangers of inadequate support.

The next chapter considers the issues in more detail under the umbrella concept of managing diversity.

Burberry

www.burberry.com

Burberry Case study: select the investors tab and then: Corpor Profile
Overview, Strategy and Mission, History, Markets and Risks, Financial Highlights, Directors and Management, Corporate Responsibility, Financial Information, Share Performance, Shareholder Information Results and Presentations, News Rel SHOP ONLINE

Unilever

<http://www.unilever.co.uk/>

Home >Our company, to know more about business structure strategy? access to key financial figures and latest news
Our company

CIPD

www.cipd.co.uk

The Chartered Institute of Personnel and Development (CIPD) professional body for those involved in the management and development of people. Their research covers all aspects of w life, from recruitment to employment law, and work-life balan productivity. They focus on what's important to their member HR professionals, concentrating on the key people managem development issues. They produce leading-edge research to er that you're up to date with the latest trends in HR.

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International Labour Organization (ILO)

[http://www.ilo.org/global/lang--en/index.htm](http://www.ilo.org/global/lang-en/index.htm)

The International Labour Organization (ILO) is the tripartite U agency that brings together governments, employers and work its member states in common action to promote decent work throughout the world. "The rules of the global economy should aimed at improving the rights, livelihoods, security, and opportunities of people, families and communities around the world." - World Commission on the Social Dimension of Globalization, 2004 (Note 1)

Since 1919, the International Labour Organization has maintained and developed a system of international labour standards aimed at promoting opportunities for women and men to obtain decent productive work, in conditions of freedom, equity, security and dignity. In today's globalized economy, international labour standards are an essential component in the international framework for ensuring that the growth of the global economy provides benefits to all.

Note 1 - ILO: A Fair Globalization: Creating opportunities for Report of the World Commission on the Social Dimension of Globalization (Geneva, 2004), p. 143.

OECD - Public Employment and Management

<http://www.oecd.org/>

The work of the Directorate for Public Governance and Territorial Development on public sector employment and management supports productive managerial change and improved personnel policies in the public service, integrating them with budgetary other reforms to improve the responsiveness of government and efficient delivery of public services.

EUROPA

http://europa.eu/pol/socio/index_en.htm

EUROPA > Overviews > Employment and Social Affairs:
EUROPA is the portal site of the European Union (<http://europa.eu>) It provides up-to-date coverage of European Union affairs and essential information on European integration. Users can also consult all legislation currently in force or under discussion, access the websites of each of the EU institutions and find out about policies administered by the European Union under the powers devolved to it by the Treaties.

FIGURE: 1 HC AND COMPETITIVE ADVANTAGE

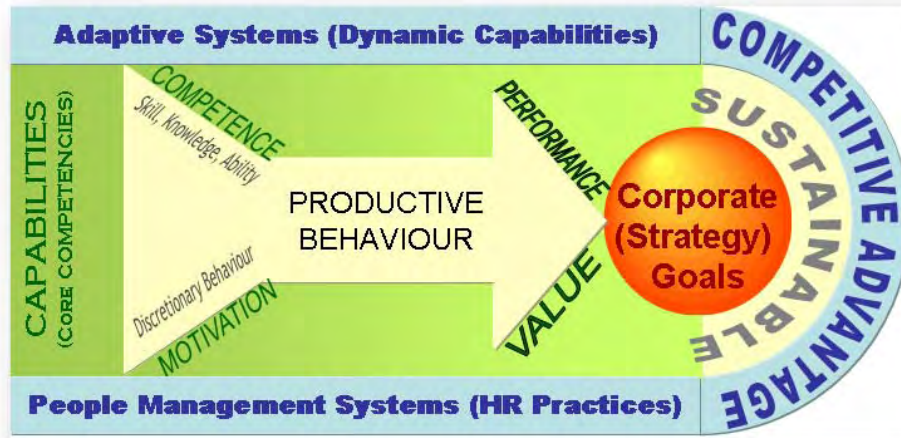
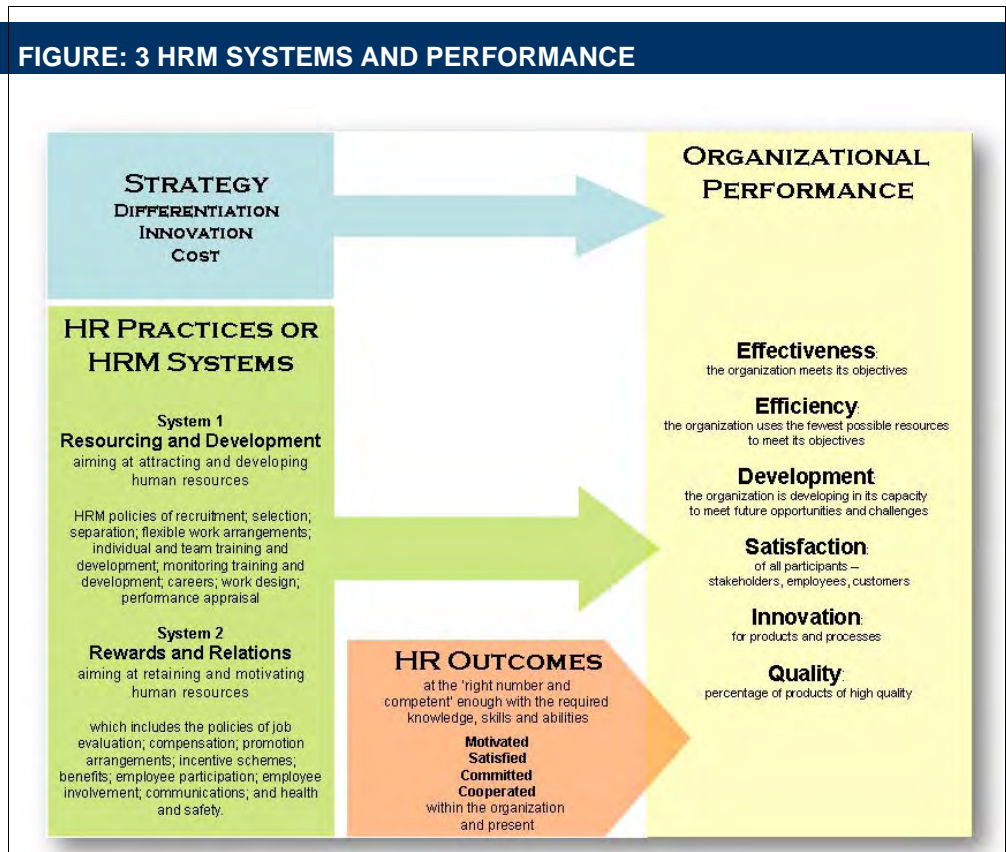


FIGURE: 2 DETERMINING THE RIGHT HRM APPROACH



FIGURE: 3 HRM SYSTEMS AND PERFORMANCE



Glossary and References

ETHNOCENTRIC STAFFING

Individuals from the home country manage operations abroad

GEOCENTRIC STAFFING

"The best-qualified individuals, regardless of nationality, manage operations abroad"

HRM

Human resource management: a range of management activities which aim to achieve organizational objectives through effective use of employees.

HUMAN CAPITAL MANAGEMENT

The measurement and value of employees (human capital) to the organisation and as a key indicator of a company's success

IHRM

International human resource management (IHRM) is about the world-wide management of human resources

POLYCENTRIC STAFFING

Individuals from the host country manage operations abroad

RESOURCE-BASED VIEW OF STRATEGY

The resource-based view of strategy: the competitive advantage of an organisation is explained by the distinctiveness of its capabilities

Barney, J. (1996) 'The Resource-based Theory of the Firm', *Organization Science*, Sep/Oct96, Vol. 7 Issue 5, p. 469.

Barney, J. (1991) 'Firm Resources and Sustained Competitive Advantage', *Journal of Management*, Mar91, Vol. 17 Issue 1, p. 99 - 120.

Bartlett, C. and Ghoshal, S. (1992) 'What Is a Global Manager?', *Harvard Business Review*, September-October 1992, p. 124 - 132.

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Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Kidger, P. (1991) 'The emergence of international human resource management', International Journal of Human Resource Management, Sep91, Vol. 2 Issue 2, p. 149 - 163.

Schuler, R., Budhwar, P. and Florkowski, G. (2002) 'International Human Resource Management: Review and Critique', International Journal of Management Reviews, Mar2002, Vol. 4 Issue 1, p. 41 - 71.

Scullion, H. and Starkey, K. (2000) 'In search of the changing role of the corporate human resource function in the international firm', International Journal of Human Resource Management, Dec2000, Vol. 11 Issue 6, p. 1061 - 1081.

ACTIVITY: 1

Activity duration (mins): 60

BURBERRY CASE STUDY

Issues of managing human resources are presented for students to engage with the variety of problems presented.

Read the Active Learning Case on page 204 of Kelly (2009) before answering the following questions

- Discuss in groups

1. Obviously Burberry has thought long and hard about its decision suggests Janet Street-Porter. List all the qualitative and quantitative advantages and disadvantages of the factory move for Burberry.

2. Discuss the marketing issues associated with this decision. Imagine you are the corporate communications manager for Burberry. Draft a briefing to (1) Burberry managers around the globe; (2) Burberry managers at the affected factory, (3) the affected factory employees and (4) the press.

Burberry's image is still centred on its Britishness. Behind the scenes, however, the focus of the company has been shifting to Asia, where the label is growing in popularity" [5].

In a GMB [8] press item (GMB Calls On Welsh Assembly To Support Burberry Workers - 11 Sep 2006) GMB members also expressed their anger and rage at the way the Company conducted itself during their closure announcement. For a long serving, hard working and dedicated workforce to be treated in this cavalier fashion is nothing more than downright disrespectful and un-professional and we would have expected far more from a Company with such high standards of quality and corporate image. It was evident that this was sadly lacking and our members were treated with total disregard and some disdain"

3. Imagine you were the Burberry HR Director and were called to a strategic meeting before the closure announcement. At the meeting the Operations Director informs you of the 'intention' to move production from Wales to China a compelling argument for the action is put forward.

(a) What HR issues and challenges would you advise the Board of in relation to the plan? (b) Draft a high level action plan of what you, as HR Director, would want to do to manage the people aspects of this problem both in Wales and China. You should indicate the order of the tasks and activities.

ALTERNATIVE (ROLE PLAY) ACTIVITY

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1. Divide the class into groups
2. Task each group to evaluate the advantages and disadvantages if the factory move
3. Nominate groups to adopt specific roles: The Board, HR Manager, Workers & Union, Operations Director and Marketing Department
4. Each role (other than the Board) must prepare to deliver a 5 minute presentation to the Board, arguing for the move (the Operations Director), against the move (workers and union) - the marketing department and HR may argue for or against.
5. After 30 minutes, each group takes it in turn to present their arguments to the Board (who must then come to a decision)

ACTIVITY: 2

Activity duration (mins): **20**

OUTSOURCING THE HR FUNCTION

What do you think are the advantages and disadvantages of outsourcing the HR function?

What actions and decisions must be taken when selecting a suitable outsourcing partner?

ACTIVITY: 3

Activity duration (mins): **20**

RESOURCING: PLANNING, RECRUITMENT & SELECTION

Evaluate Ethnocentric, Polycentric or Geocentric strategies

Staffing is a major IHR practice that MNEs have used to help coordinate and control their far-flung global operations. Select one of the case study organizations discussed in Kelly (2009) and for that organization identify factors that should be considered when the MNE determines the most appropriate approach: Ethnocentric, Polycentric or Geocentric.

In groups, discuss which approach/ strategy you would most expect the company to adopt - critically evaluate this strategy in the context of the selected case organization.

ACTIVITY: 4

Activity duration (mins): **50**

HR PHILOSOPHY

Research HR Philosophies on the Internet (World Wide web) and gather examples.

Individually or in groups, draft an HR Philosophy for Burberry or any of the other case studies documented within this book. - Discuss the factors influencing the HR Philosophy.

ACTIVITY: 5

Activity duration (mins): **20**

SHRM, HUMAN CAPITAL AND SUSTAINABLE COMPETITIVE ADVANTAGE

Explain what is meant by sustainable competitive advantage and then discuss how HR capital at Burberry may be used to create such advantages.

MANAGING DIFFERENCE

Explain, with reference to social identity theory, stereotyping, generalising, perception and attribution theory why some employees of the international organization may be treated differently from others

Critically evaluate the performance of multicultural groups working within the international organization

Evaluate why it is important to understand culture and inter-cultural communication in the contemporary workplace of the international organization

Critically evaluate methods for building cross-cultural competence and discuss the cultural challenges both working with and managing people from different cultures

Evaluate diversity and multiculturalism as source of sustainable competitive advantage

Discuss the organisation consequences of discriminatory behaviours

SOCIAL IDENTITY
DIVERSITY
STEREOTYPING
DIVERSITY
PERCEPTION
MULTICULTURAL ORGANIZATION
ETHNOCENTRIC
CULTURE
PREJUDICE

Synopsis:

THE CONTEMPORARY DIVERSE AND MULTICULTURAL WORKPLACE; DIVERSITY; WORKING WITH OTHER CULTURES; WORKING IN MULTICULTURAL AND DIVERSE GROUPS

Key concepts introduced in this session:
DIVERSITY | MULTICULTURAL ORGANIZATION | STEREOTYPES | ETHNOCENTRIC | CU

to be completed prior to the lecture/ workshop...

READ CHAPTER 8 IN KELLY, P. (2009)

Create a precis before attending this session in class.

Globalization and Internationalisation create internal and external challenges for the organization. Economic and social arguments (creativity, improved market place understanding, stakeholder approval and winning talent) are devised to manage the international organization as a diverse and multicultural entity. Strategic arguments are also created for such an entity through RBV theory - a diverse and multicultural organization is difficult to imitate.

Diversity concerns all the ways in which we differ, i.e. origin (culture), gender, age and profession. Individuals use such characteristics to group and label people (social identity theory). This process occurs for several reasons. People need order in their lives and to

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structure the world around them. They therefore categorise aspect of their environment and associate learned knowledge with categories. This helps guide their thinking and behaviour toward others. Similarly people have a need to form a self identity. They do this by classifying themselves. This self-identity is then used to guide their behaviour. People tend to favour others like themselves and may discriminate against those they perceive as different. This can lead to prejudice, conflict and homosocial reproduction - i.e. the driving out of diversity. This may then manifest as costly business problems such as poor motivation, decreased loyalty, absenteeism, high labour turnover and legal action.

Developing cultural competence and managing the performance of multicultural and diverse groups requires some understanding of the way people think and behave. The international business manager or professional must see the world from other perspectives if they are to understand and manage the behaviour of themselves and others worldwide. Such an understanding is facilitated through an appreciation of perception. People may 'see' the world and events occurring within it differently; they may therefore respond differently.

Bias may occur throughout the perceptual processes (halo effects, stereotyping and generalisations) resulting in discriminatory behaviours. Such behaviours may be unfair and could lead to poor business decision making. This may manifest in increased business costs or missed opportunity.

Knowledge of the above factors is likely to improve your ability to work in different countries, cultural environments and social groups. Such knowledge may help with business negotiations, communication, decision making, coordination and control, managing and motivating others. When such knowledge is routinely practiced at the organizational level, competitive advantages associated with the diverse and multicultural organization are more likely to take hold. Organizations must strive continuously to attain such advantages, constantly facing the forces of homosocial reproduction and the natural drive towards the creation of homogenous organizations.

BBC

www.bbc.co.uk

Investigate BBC values & Purpose - see for example www.bbc.co.uk/info/policies/diversity.shtml

GSK

<http://www.gsk.com/about/diversity.htm>

An example of GSKs stance on diversity

International Business Etiquette and Manners

<http://www.cyborlink.com/>

Having insight into the cultural dynamics of a country or region be very helpful to understand why people act the way they do, the appropriate way you should act while in that country. To aid with this understanding, each country page contains a Geert Hofstede Analysis.

FIGURE: 1 WORLD VIEWS

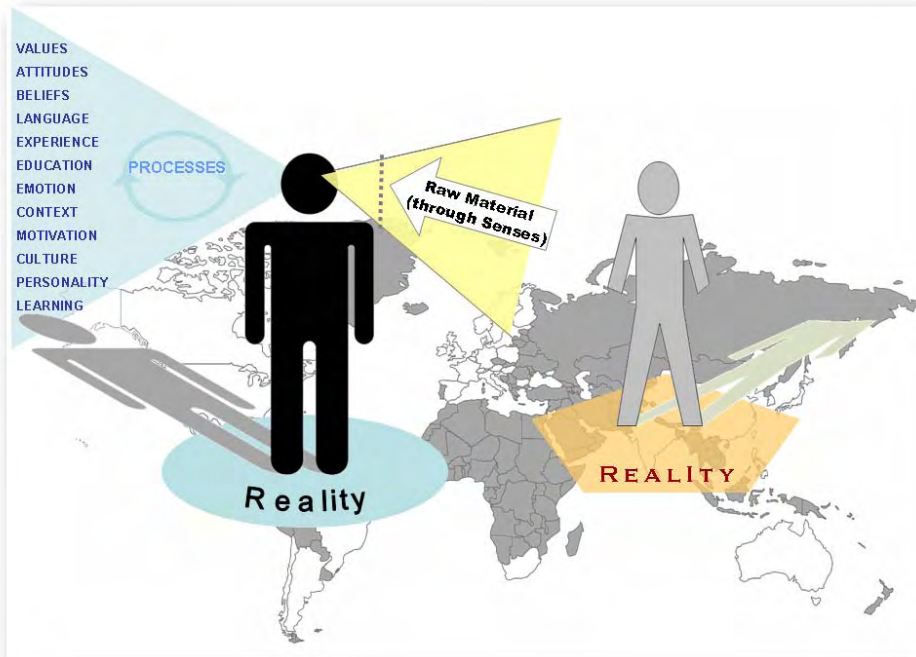


FIGURE: 2 INTEGRATION OF IDENTITY GROUPS

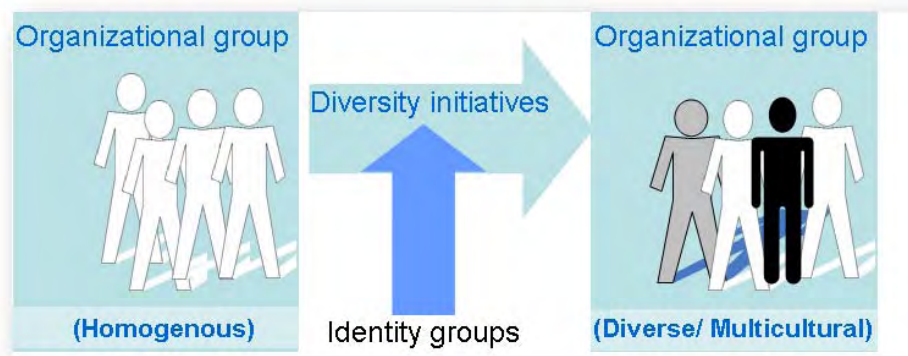


FIGURE: 3 CONSEQUENCES OF GROUP DIVERSITY



Glossary and References

CULTURE

Shared ways of thinking and behaving (Uniformity)

DIVERSITY

valuing, respecting, and appreciating the differences (such as age, culture, education, ethnicity, experience, gender, race, religion, and the sexual orientation, among others) that make people unique

DIVERSITY

All the ways in which we differ

ETHNOCENTRIC

a belief that home nationals are superior

MULTICULTURAL ORGANIZATION

An organization that contains many different cultural groups and values diversity

PERCEPTION

"The process of selecting, organising and interpreting information inputs to produce meaning "

PREJUDICE

"Prejudice is an attitude, usually with negative feelings, that involves a pre-judgement about the members of a group"

SOCIAL IDENTITY

Part of the self-concept which comes from our membership of groups

STEREOTYPING

The tendency to ascribe positive or negative characteristics to a person on the basis of a general categorisation and perceived similarities. It occurs when an individual is judged on the basis of the group to which it is perceived that person belongs.

Ashforth, B. and Mael, F. (1989) 'Identity Theory and the Organization', *Academy of Management Review*, Vol. 14, No. 1, p. 20 - 39.

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Barney, J. (1986) 'Organizational Culture: Can It Be a Source of Sustained Competitive Advantage?', *The Academy of Management Review*, Vol. 11, No. 3. (Jul., 1986), p. 656 - 665.

Cox, T. (1991) 'The multicultural organization', *Academy of Management Executive*, May91, Vol. 5 Issue 2, p. 34 - 47.

Dibb, S., Simkin, L., Pride, W M.and Ferrell, O.C.. (2006) 'Marketing: Concepts and Strategies', Ed. 5. Houghton Mifflin International Inc.

Harvey, C. and Allard, M. (2005) 'Understanding and Managing Diversity', Ed. 3. Pearson Education.

Hofstede, G. (1980) 'Motivation, leadership and organisation: do American theories apply abroad?', *Organizational Dynamics*, summer, p. 42 - 63.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Mullins, L. (2005) 'Management and Organisational Behaviour', Ed. 7. FT Prentice Hall.

Robinson, G. and Dechant, K. (1997) 'Building a business case for diversity', *Academy of Management Executive*, Aug97, Vol. 11 Issue 3, p. 21 - 31.

ACTIVITY: 1

Activity duration (mins): 60

ACTIVE LEARNING CASE - DIVERSITY IN BROADCASTING

Read the Active Learning Case on page 237 of Kelly (2009) before answering the following questions

1. Why might the BBC and similar organizations find it difficult to retain staff from ethnic minorities? Why is it difficult to change monocultural into multicultural organizations?
2. How do diversity challenges manifest themselves as specific organizational problems?
3. Should there be a 'fair' representation of Britain's ethnic population on screen and behind the camera? Explain your answer with reference to commercial and ethical arguments – for and against.
4. Why should members of different cultural groups hold different world-views/ perceptions of the world? What are the implications, if any, for business?
5. How important is it for broadcasters such as the BBC to have correspondents that come from the same ethnic background as (1) the country they are reporting from and (2) the people they are reporting to? Explain your answer.
6. We all differ in many ways. In some cases those differences are clearly visible (age, gender, colour) but in other cases difference is not so obvious (sexuality, values, religion, culture). How might this impact upon the way organizations see and manage diversity challenges?
7. Why might an overall workforce, be representative but continue to have too few minorities represented at senior and board levels?

ACTIVITY: 2

Activity duration (mins): **30**

DIVERSITY AS A BUSINESS ADVANTAGE

Visit a large corporate web site and determine if they seem to be using any of the reasons for diversity as a business advantage.

How well does this reason fit with the organisation's stated mission and goals?

ACTIVITY: 3

Activity duration (mins): **30**

WORKING IN OTHER COUNTRIES

Select a country and research inhabitants behaviours (consider Hofstede's measurements for the country and matters that might impact upon the way business is done in that country) - see Kelly (2009: Chapter 2).

Team up with a class mate who chose a different country in the exercise above.

1. Each person should brief the other on findings
2. Consider the factors that might affect relationships between managers of the two countries - what may prevent/ help them work together?

ACTIVITY: 4

Activity duration (mins): **15**

CULTURAL COMPETENCE

Discuss the extent to which people are born culturally-competent.

ACTIVITY: 5

Activity duration (mins): **15**

PERSONALITY AND MEASUREMENT

Do you believe that personality can be measured?

How helpful is personality assessment in enabling a manager to make predictions about a potential employee's future job performance?

How valuable is personality assessment in enabling a careers guidance counsellor effectively to advise clients on suitable and unsuitable career options?

ACTIVITY: 6

Activity duration (mins): **10**

CULTURE STRENGTH

Do you think a heterogeneous (weak) or homogenous (strong) culture is more appropriate for a dynamic environment?

Explain your answer

ACTIVITY: 7

Activity duration (mins): **40**

PREPARING FOR AN ASSIGNMENT IN ANOTHER COUNTRY

See the core text

Compare Hofstede Scores of cultural dimensions (by country) for the UK and Philippines (refer to chapter 2 Kelly, 2009)-

how should a British consultant prepare for an assignment in the Philippines?

Discuss the cultural distance between the two countries.

Now read the excerpt from an article discussing a specific assignment undertaken by a UK consultancy team in the Philippines (see the opening case for chapter 5, Kelly (2009).

INTERNATIONAL ORGANIZATION DESIGN & CONTROL

Explain factors likely to determine the design of international organizations

Define and discuss the nature of international organization design

Identify and describe common forms of international organization design

Explain the general purpose and methods of control in international business

Describe how international firms coordinate activities

Synopsis:

An introduction to the mechanisms used for control and coordination of human resources. ELEMENTS OF ORGANIZATIONAL STRUCTURE, GLOBAL ORGANIZATIONAL DESIGNS – THE CHOICES, WHAT DETERMINES THE DESIGN OF INTERNATIONAL ORGANIZATIONS? COORDINATION & CONTROL ME

CONTROL
EMPOWERMENT
COORDINATION
STANDARDIZATION
FORMALIZATION
BUREAUCRACY

to be completed prior to the lecture/ workshop...

READ CHAPTER 9 IN KELLY, P. (2009)

Create a précis before attending this session in class.

This chapter focused on how to make efficient and effective use of human resources in order to attain goals and derive a sustainable competitive advantage through design structure, coordination and control. We commenced by identifying the purpose of design - to divide up organizational activities, allocate resources, tasks and goals and to coordinate and control activities so that goals can be achieved. An appropriate design might yield benefits such as efficiency and scale, access to specialized and location-embedded resources, enhanced innovation and the creation of operational flexibility; the design can impact upon performance through employee motivation, commitment and loyalty and has the ability to link interdependent activities.

The tools used to structure organizations include: organisational charts, job definitions, span of control, authority, responsibility and accountability descriptions. Departmentalization is a process of grouping together employees. Such employees can then have line, functional or lateral relationships with one another. Employees are often grouped together by area, function/ specialism, product, customer group or process. Mintzberg identified five basic parts of an organizational structure: strategic apex, middle line, operating core, technostructure and support staff. Organization theory identifies six primary dimensions (variables) of organization structure: specialization, standardization, formalization, centralization, configuration and flexibility. These variables were used to define traditional designs but remain useful today as dimensions of contemporary international organization structure.

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A Divisional structure is formed when an organization is split into a number of self-contained business units, each of which operates as a profit centre. In addition to global product, area and functional designs, the international organization may choose a customer or matrix design. Each of the main designs emphasise a particular type of knowledge. Companies must capture simultaneously a global-scale efficiency, respond to national markets, and cultivate a worldwide learning capability for driving continuous innovation across borders. Within the global form of organization there are several structural alternatives: the multinational, global, international and the transnational structure.

Arguments stating why organizational parts should be configured in particular ways were presented through contingency theory. Design determinants may be found in the external and internal environment and the predispositions of decision-makers. The Integration-Responsiveness Framework was presented as a tool to identify a preferred international organizational form.

The organization design typically breaks up the workforce into parts that must work together. The concept of dependence was investigated and we identified the possible means to overcome dependence problems via coordination mechanisms. Assuring organizational parts work together productively is a matter of coordination. Control systems, on the other hand, seek to assure organizational goals are attained. A variety of management control strategies, formal (bureaucratic) and informal ('Clan' or 'cultural') control, were discussed. Clan control is argued to be more adaptive and preferred when goal congruence and uncertainty is high. In contrast, bureaucratic controls make organizations more efficient in stable environments where goals may be incongruent. The amount and type of control adopted varies according to decision maker predispositions: see the 'organizers' and 'behaviouralists'.

BP

www.bp.com

see for example BP Global About BP Who we are Group organization

TNT

<http://group.tnt.com/>

see for example
<http://group.tnt.com/aboutus/organisation/index.aspx> to find organization chart examples

Visio: How to Create an Organization Chart <http://support.microsoft.com/kb/318330/en-us>

Organization charts represent the interrelationships among people, operations, functions, and activities in an organization. In Microsoft Visio, you can create an organization chart by using either of the following methods:
Use the Organization Chart Wizard.

-or-

Drag shapes that represent employee positions from the Organization Chart Shapes stencil to your Visio drawing page. This article explains how to use the second method. It also explains how to customize the appearance of an organization chart after you create it.

UWEC

<http://www.uwec.edu/Help/PPoint07/orgchart.htm>

Consider this site for quick help on Creating an Organization Chart with Microsoft PowerPoint 2007

FIGURE: 1 TYPES OF ORGANIZATION STRUCTURE

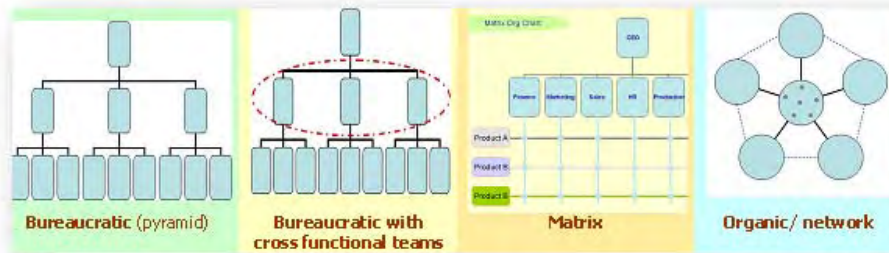


FIGURE: 2 THE CONTINGENCY APPROACH

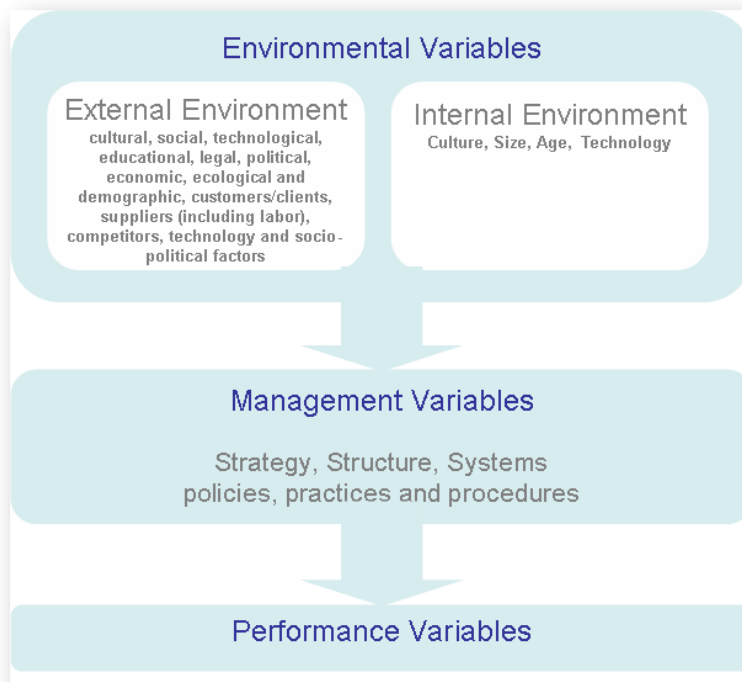
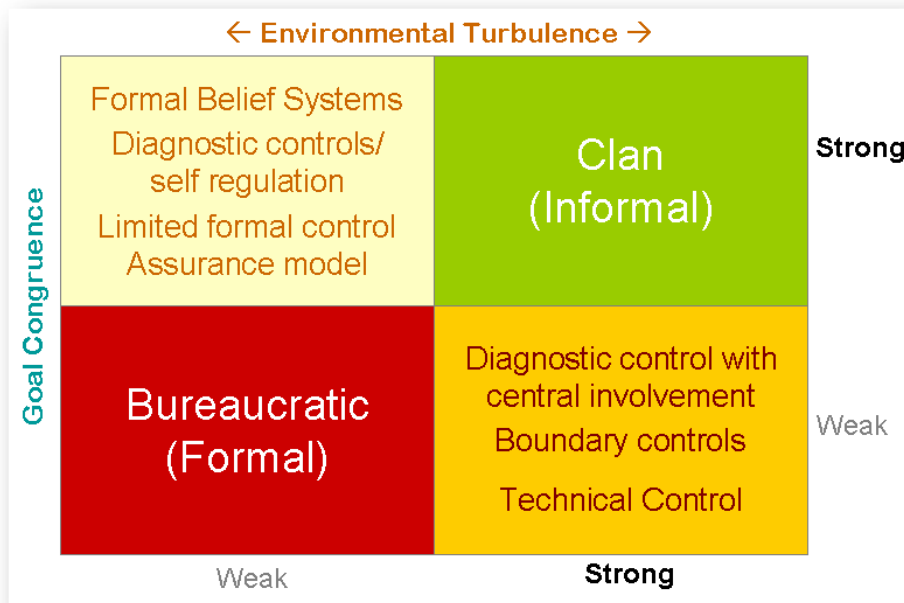


FIGURE: 3 FITTING FORMAL AND INFORMAL CONTROLS WITH ENVIRONMENTAL NEEDS



Glossary and References

ADMINISTRATIVE CONTROLS

Formalized standards, rules, procedures, and disciplines to ensure that the organization's controls are properly executed and enforced.

BUREAUCRACY

" corresponds to the legal type of authority. It is a form of organization structure that is characterized by a specialization of labour, a specific authority hierarchy, a formal set of rules, and rigid promotion and selection criteria."

BUREAUCRACY

Formal organization with a clear-cut division of labour, abstract rules, and procedures, and impartial decision making that uses technical qualifications and professionalism as a basis for promoting employees.

BUREAUCRATIC MODEL

Model of decision making where decisions are shaped by the organization's standard operating procedures (SOPs).

CONTROL

those elements of an organization that, taken together, support people in the achievement of the organisation's objectives

CONTROL

Keeping things on track

CONTROL

The systems component that evaluates feedback to determine whether the system is moving toward the achievement of its goal and then makes any necessary adjustments to the input and processing components of the system to ensure that proper output is produced.

CONTROLLED PERFORMANCE

" the process of setting performance standards, measuring actual performance, comparing actual with standard, and taking corrective action when necessary."

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CONTROLS

All the methods, policies, and procedures that ensure protection of the organization's assets, accuracy and reliability of its records, and operational adherence to management standards.

DIAGNOSTIC CONTROL SYSTEM

Formal information systems used to monitor organizational outcomes and correct deviations from preset standards of performance

EMPOWERMENT

" the term given to organizational arrangements that allow employees more autonomy, discretion and unsupervised decision-making responsibility."

FORMAL COMMUNICATION.

Formal communication involves presenting information in a structured and consistent manner. Such information is normally created for a specific purpose, making it likely to be more comprehensive, accurate and relevant than information transmitted using informal communication. An example of formal communication is an accounting statement. See Informal communication.

FORMALIZATION

the extent to which rules, procedures, instructions and communications are written

FORMALIZATION

The degree to which instructions, procedures, etc. are written down.

LOOSE CONTROL

Individuals have a great deal of autonomy and freedom

MONITORING AND CONTROL.

Monitoring involves ensuring the project is working to plan once it is started. Control is taking corrective action if the project deviates from the plan.

OUTPUT CONTROLS

Ensure that the results of computer processing are accurate, complete, and properly distributed.

SPAN OF CONTROL

A measure of the number of employees who report to one supervisor or manager.

COORDINATION

'assuring that segments of the organization are operating in compatible ways'

EMPOWERMENT

organizational arrangements that allow employees more autonomy, discretion and unsupervised decision making responsibility

FEEDBACK CONTROL.

In feedback closed-loop control systems the control loop compares the output of the process to the desired output and if a difference is found, adjusts the input or process accordingly.

FORMAL CONTROL SYSTEM

the sum of the belief and the boundary system

FORMALIZATION

the degree to which formal procedures and rules exist and are used within an organization.

INTERNAL CONTROLS

Structural, Staff and System safeguards to protect assets and ensure reliable accounting records and information systems.

MANAGEMENT CONTROL

Monitoring how efficiently or effectively resources are utilized and how well operational units are performing.

OPERATIONAL CONTROL

Deciding how to carry out specific tasks specified by upper and middle management and establishing criteria for completion and resource allocation.

PROCESS CONTROL SYSTEMS.

These systems deal with the large volume of data generated by production processes.

STANDARDIZATION

The degree to which an organization lays down standard rules and procedures.

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SYSTEM OF INTERNAL CONTROL

encompasses the policies, processes, tasks, behaviours and other aspects and the company that, taken together: facilitate its effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the companies objectives. This includes the safeguarding of assets from appropriate use or from loss and fraud and ensuring that liabilities are identified and managed; help ensure the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the organisation; help ensure compliance with applicable laws and regulations, and also internal policies with respect to the conduct of business.

TIGHT CONTROL

Severe limitations applied to an individuals freedom

Bozeman, B. (1998) 'Risk Culture in Public And Private Organizations', American Society for Public Administration Mar/Apr 1998, 58 (2), p. 109 - 118.

Chaffey, D., Bocij, P., Greasley, A. and Hickie, S. (2003) 'Business Information Systems - Technology, Development and Management for the e-business', Ed. 2. FT Prentice Hall.

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Ghoshal, S. and Bartlett, C. (1990) 'The Multinational Corporation as an Interorganizational Network', The Academy of Management Review, Vol. 15, No. 4. (Oct., 1990), p. 603 - 625.

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Stock, M., Copnell, T. and Wicks, C. (1999) 'The combined code: A practical guide', Gee Publishing Ltd.

Turban, E., McLean, E. and Wetherbe, J. (2002) 'Information Technology for Management - Transforming Business in the Digital Economy', Ed. 3. Wiley International.

ACTIVITY: 1

Activity duration (mins): **60**

BP

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This is a factual, problem oriented case exploring organizational design problems in a true business setting. The target organization is a large sized international company. Issues of design, coordination and control are presented for students to engage with the variety of problems presented.

Read the Active Learning Case on page 271 of Kelly (2009) before answering the following questions

Task

- (1) BP aims to be responsive to change. How can organizations structure themselves to be more responsive to their environments? Are there any attributes of structure or an organization that might hinder or impair the company's ability to respond or be an agile competitor?
- (2) How might strategy impact upon the structure at BP? Would you expect BP to compete more on price (cost) or quality (differentiation)? How might structure help an organization and BP in particular, gain a competitive advantage?
- (3) The company has structured itself along product and then area lines; what advantages might this offer and what alternative structures might be considered?
- (4) BP operates in over 100 countries worldwide. What factors might be considered when grouping countries into regions?
- (5) The current organization is a collection of business units. Consider the mechanisms BP may use in order to assure groups are working towards the organization's goals rather than pursuing parochial interests.
- (6) How might structure impact upon knowledge sharing within BP?
- (7) Consider each of the listed corporate functions (HR, Marketing etc.). Discuss the advantages and disadvantages of centralising such functions. In what ways might such central functions influence the activities of operational workers in business units?
- (8) What would you expect the primary role of the executive committees to be?

ACTIVITY: 2

Activity duration (mins): **30**

ORGANIZATION DESIGN

In groups, discuss whether managers of international firms need to approach organization design differently from their counterparts in domestic firms.

ACTIVITY: 3

Activity duration (mins): **30**

CONTROL

In groups, discuss why (if agreed) control is an important management function in international business.

ACTIVITY: 4

Activity duration (mins): **30**

DETERMINANTS OF STRUCTURE

Appreciate that there are no universally ideal organizational structures/ designs

With reference to national culture, which structure (tall or flat) might be prevalent within an organization whose parent company is located in the 'East' and which may be more typical of the 'West'? Which structure might be most fitting for a predictable environment and which may be more suited to a dynamic or turbulent environment? Explain your answer.

With reference to chapter 8, consider culture and discuss how it might be used as a coordination and control mechanism.

ACTIVITY: 5

Activity duration (mins): **40**

ORGANIZATIONAL CHART

Develop understanding of organizational charts as a means to represent the intended design

Consider any of the case studies presented throughout this book and create an organizational chart for the company in focus. You should consider a range of options and explain your preferred choice. There are a number of software products that can be used to create organizational charts. Microsoft Visio and PowerPoint are common tools. Most often, a rectangle represents a person, position, or department on a chart. In a hierarchical organizational chart, the Chief Officer or President is represented by the top rectangle. The level underneath the chief officer contains senior managers or executives, and each succeeding level includes the subordinates of the line above.

EURO-SAUCE CASE STUDY

Euro-Sauce Case Study

The European retail market is consolidating rapidly. A result of the increased competition is increased demands of the supermarket suppliers. In particular the arrival of American firm Wall-Mart has prompted some considerable changes. The result of these changes for suppliers has been an increasing pressure to increase the quality of their service, the innovation of their products and reduce their price. This has driven consolidation among the smaller suppliers.

Euro-Sauce is an example of the effect of the tightening of this market. The company was formed last year by the friendly merger of three similar companies. These companies produce sauces and pastes principally in their respective domestic markets. These mostly appear as 'supermarket own brand' products. The three companies have bases in Merseyside, Barcelona and Antwerp. Previously they have principally served their home market although they also had some small sales operations in neighbouring countries.

Currently the organisational structure has the manager of each functional area (sales, production, finance, etc.) reporting to the Managing Director (MD) of each of the acquired companies. This means each of the three merged companies has a similar set of duplicative business functions. A strategic review of Euro Sauce, undertaken by an external consultancy, has made the following recommendations to unify the organisation and provide a basis integrating future acquisitions:

Appoint a CEO for the combined group to whom all the Directors report, getting rid of the previous purely 'divisional' structure.

Rationalise their production facilities focussing each factory as a specialist, supplying all their sales operations. Each regional sales office will source its goods from any of the factory divisions. Currently only 5% of the group's sales are outside the country of manufacture. The plan is to increase this to 20% in the next three years and then up to 50% five years after that.

Group their existing small sales operations into focussed units to develop those markets.

Start developing new geographic markets through a 'Rest of Europe' group located at Head Office.

Locate the Accounts and Personnel Departments at Head Office, reporting to the Finance Director.

A year after the merger the group is now split into the following functions:-

Three manufacturing factories in Merseyside, Barcelona and Antwerp, each with its own Site Manager reporting to an Operations Director. Each factory has its own Warehousing, Production and Shipping functions.

- Six regional sales offices with its own Sales Manager reporting to a Sales Director:-
 - United Kingdom and Ireland
 - Belgium and Luxembourg
 - Spain
 - France
 - Netherlands
 - Rest of Europe.

Group Work

1. Put forward a proposed organisational structure to support implementation of the recommendations of the strategic review. Indicate which parts of the proposed

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organisational structure are 'divisional' and which are 'functional'.

2. The company has identified the need to do some R&D and market research to expand its product range. The plan is to offer new and innovative products into each of their markets (in the short term by bringing ideas across borders). How would you suggest they incorporate this activity into their operations and what are the pros and cons of your approach?

3. A number of multinational companies are threatening to stop doing business with Euro Sauce if different sales people don't stop pestering them for business. How might this be resolved organisationally

GLOBAL BUSINESS PROCESSES

Explain how the process view of organizations may provide the international organization with a source of sustainable competitive advantage and enable the attainment of strategic goals.

Explain how processes may be used in organization design and structuring.

Define what is meant by a business process and explain how processes are designed and managed.

Compare and contrast the process view with traditional views on organizational design and structure.

Synopsis:

THE PROCESS VIEW, MANAGING GLOBAL BUSINESS PROCESSES (GBP), STRATEGIES FOR IMPROVING GBP

Key concepts introduced in this chapter
Process | Process Enterprise | Process mapping | Total Quality Management | Business Process Re-engineering | Business Pro

BUSINESS PROCESS REENGINEERING
BUSINESS PROCESS MANAGEMENT (BPM)
BUSINESS PROCESS
PROCESS ENTERPRISE
PROCESS MAP
PROCESS OWNER
TOTAL QUALITY MANAGEMENT (TQM)
BENCHMARKING

to be completed prior to the lecture/ workshop...

READ CHAPTER 10 IN KELLY, P. (2009)

Create a précis before attending this session in class.

to be completed prior to the lecture/ workshop...

READ THE ARTICLE BY ENSIGN, P C. (1998)

Ensign, P C. (1998) 'Interrelationships and horizontal strategy to achieve synergy and competitive advantage in the diversified firm', Management Decision, 36 [10] , p 657 - 668.

Read and Precise the article named above.

Be prepared to discuss the article in class.

Work was the emphasis of this chapter - how, like the people resources, it is organised and designed. In the case of the international Organisation, work activities transform inputs into outputs (products and services) for the benefit of customers, adding value along the way. We compared and contrasted the traditional (bureaucratic and 'vertical') view with process (horizontal) views on organizational design and structure. Traditional (bureaucratic) organizations typically adopt a hierarchical and functional perspective on structure, emphasising command and control and organise work into specialist areas managed vertically by similar specialists (functions). Organisations grouping activities by

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function are known as 'silo' organisations because each functional area is distinct and isolated from all other functional areas. People in Silo organisations tend to focus on their individual task rather than the whole process delivered as a cross-functional team. It has been argued that organizing around processes, as opposed to functions, permits greater self-management and allows companies to dismantle unneeded supervisory structures.

We defined what is meant by a business process and explained how processes are designed and managed. A Process is a structured set of activities designed to produce a specified output for a particular customer or market. It has a beginning, an end, and clearly identified inputs and outputs. A process is therefore a structure for action, for how work is done. The systematic identification and management of the processes employed within an organization and particularly the interactions between such processes is referred to as the "process approach". The most visible difference between a process enterprise and a traditional organization is the existence of process owners - senior managers with end-to-end responsibility for individual processes. However, companies making the shift to a process enterprise must examine the basic elements of their organizational infrastructure, particularly in terms of culture, team work, information and reward systems. Traditional ways to measure performance, determine compensation, provide training, and even organize facilities are tailored to vertical units, not processes, and to individuals, not teams.

We explained how the process view of organizations may provide the international organization with a source of sustainable competitive advantage and enable the attainment of strategic goals; the process approach: (1) presents an opportunity to improve effectiveness and efficiency thus adding value, differentiating products and services and reducing cost; (2) may lead to the enrichment of work by empowering people and enabling them to take a holistic perspective thereby seeing the value of their contribution; (3) may make better use of enterprise wide information systems and technologies which can make the organization more responsive, enable time compression and further motivate people through the removal of mundane tasks which become automated.

Managing processes involves establishing ownership, defining boundaries, documenting the processes, identifying control points and measurements and monitoring and taking corrective action where necessary. Business Process Management (BPM) is intended to align business processes with strategic objectives and customers' needs but also requires a change in a company's emphasis from functional to process orientation. The primary aim of BPM is to improve business processes and so ensure the critical activities affecting customer satisfaction are executed in the most efficient and effective manner. Process Alignment is the concept which captures how well an organization manages the fit between its processes and its institutional elements. It can be interpreted as the organizational effort needed to make processes the platform for organizational structure, for strategic planning, and for information technology.

Dell

www.dell.com

Background information to support the case study

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Illustrate business processes with Visio

<http://office.microsoft.com/en-us/help/HA010744131033.aspx>

With Visio flowcharts you can see entire business processes at a glance. You can clarify what works and what doesn't in your task and information flow, analyze problems, and identify areas for improvement. You can also document your solutions to those problems, explaining the steps in your processes in as much or as little detail as you need.

This article describes how to:

Choose the right flowchart for your process

Create your flowchart

Add text, links, and numbers

Connect your process steps

Work with large flowcharts

International Organization for Standardization

<http://www.iso.org/iso/home.htm>

ISO (International Organization for Standardization) is the world's largest developer and publisher of International Standards. Management system refers to what the organization does to manage its processes, or activities, so that its products or services meet the objectives it has set itself, such as:

satisfying the customer's quality requirements, complying with regulations, or meeting environmental objectives.

Management system standards

Management system standards provide a model to follow in setting up and operating a management system. This model incorporates features on which experts in the field have reached a consensus being the international state of the art. The ISO 9000 family addresses "Quality management".

This means what the organization does to fulfill:

the customer's quality requirements, and applicable regulatory requirements, while aiming to enhance customer satisfaction, and achieve continual improvement of its performance in pursuit of its objectives.

BPM.com

<http://www.bpm.com/>

for articles, news, research and white papers on Business Process Management and workflow.

Gartner

http://www.gartner.com/it/products/research/asset_129488_2395.jsp

Gartner research focuses on a structured BPM approach employing methods, policies, metrics, and software tools to continuously optimize an organization's activities and processes.

FIGURE: 1 PROCESS MODELLING BENEFITS

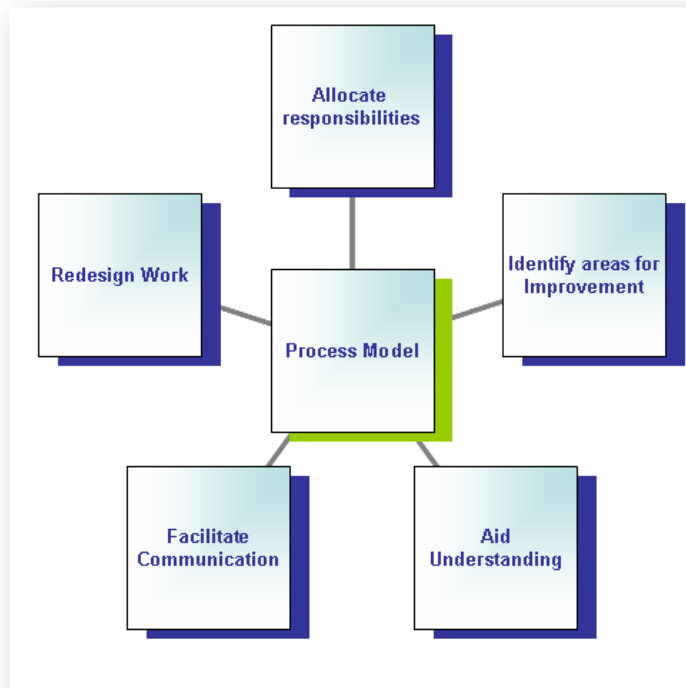


FIGURE: 2 APPROACHES TO BPI

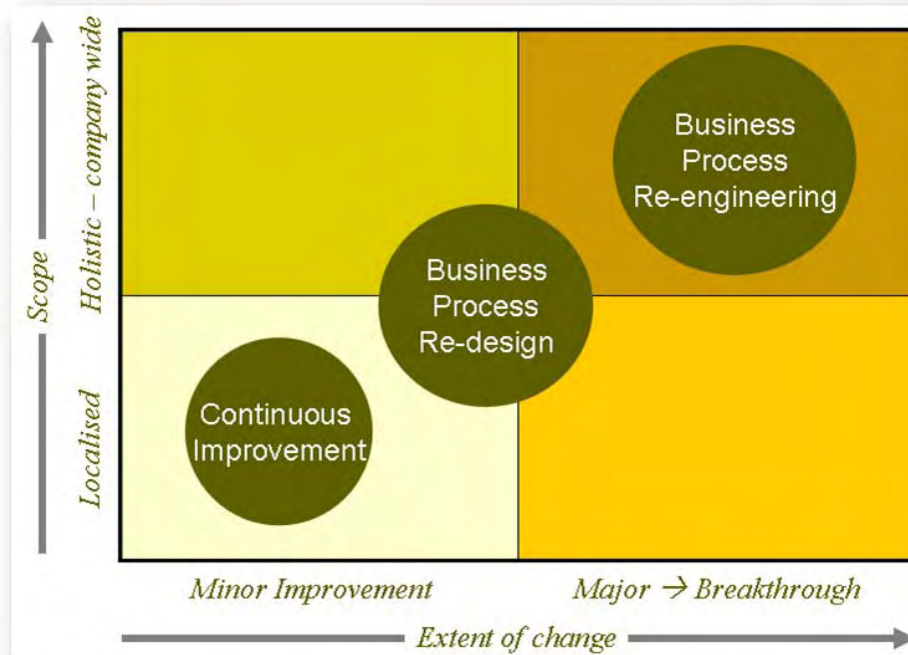
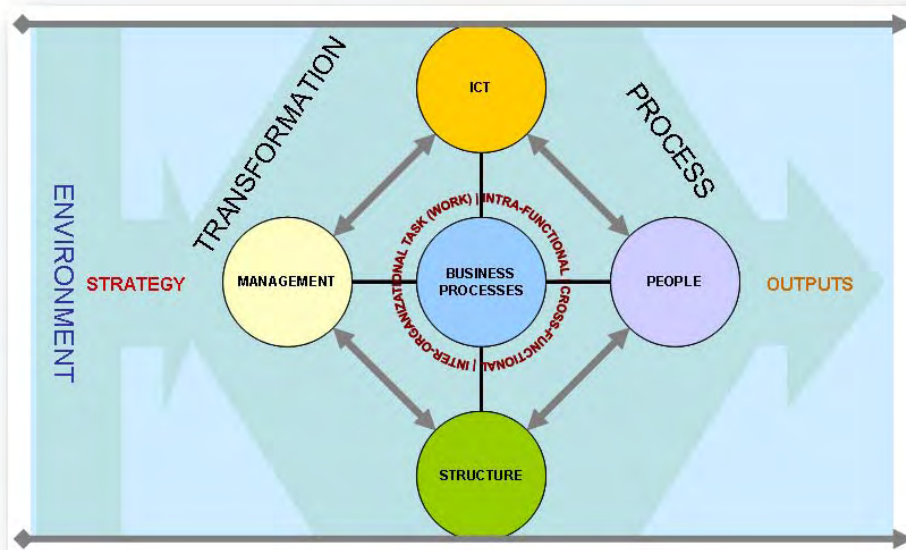


FIGURE: 3 TRANSFORMATION PROCESS CONGRUENCE MODEL



Glossary and References

BENCHMARKING

"A process of systematically comparing your own organizational structure, processes and performance against those of best practice organizations, to achieve sustainable business excellence"

BUSINESS PROCESS

A collection of activities that take one or more kinds of inputs and create an output.

BUSINESS PROCESS MANAGEMENT (BPM)

"an approach dependent upon strategic and operational elements, use of modern tools and techniques, people involvement and on a horizontal focus to best suit and deliver customer requirements in an optimum and satisfactory way"

BUSINESS PROCESS REENGINEERING

The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, speed, and service.

PROCESS ENTERPRISE

An organization whose design and supporting management systems are strongly oriented to horizontal work flows

PROCESS MAP

"A detailed map that identifies the specific activities that make up the informational, physical, and/or monetary flow of a process."

PROCESS OWNER

"The person who co-ordinates the various functions and work activities at all levels of a process. This person has the authority or ability to make changes in the process as required, and manages the entire process cycle to ensure performance effectiveness"

TOTAL QUALITY MANAGEMENT (TQM)

"A quality approach that emphasises a continuous process of improvement, through the involvement of people "

Ensign, P C. (1998) 'Interrelationships and horizontal strategy to achieve synergy and competitive advantage in the diversified firm', *Management Decision*, 36 [10], p. 657 - 668.

International Business & Management: Study Guide

Hammer, M. (1990) 'Reengineering Work: Don't Automate, Obliterate', *Harvard Business Review*, Jul/Aug90, Vol. 68 Issue 4, p. 104 - 112.

Hammer, M. and Stanton, S. (1999) 'How Process Enterprises Really Work', *Harvard Business Review*, Nov/Dec99, Vol. 77 Issue 6, p. 108 - 118.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

O'Brien, J A. (2002) 'Management Information Systems - Managing Information Technology in the E-Business Enterprise', Ed. 5. McGraw-Hill Higher Education.

Turban, E., McLean, E. and Wetherbe, J. (2002) 'Information Technology for Management - Transforming Business in the Digital Economy', Ed. 3. Wiley International.

ACTIVITY: 1

Activity duration (mins): **120**

DELL INC

The target organization is Dell, a large sized international company. Issues of managing processes are presented for students to engage with the variety of problems presented.

Read the Active Learning Case on page 308 of Kelly (2009) before answering the following questions

Discuss the case.

1. Discuss why "feedback" should be critical to Dell's success
2. Imagine visiting Dell, observing activities and meetings – what might you expect to see as evidence of a continuous improvement culture?
3. What benefits might arise from holding meetings which are attended by all divisions in the company - manufacturing, sales, finance, human resources, accounts receivable, product organization?

How might 'key statistics help them?

You should make use of the structural, coordination and control concepts introduced in the core text.
4. Dell's PCs are built to customer specifications upon receipt of an order. What advantages might this give Dell – are there any disadvantages?
5. According to Dell (1994) 'many of our competitors are beginning to attempt to duplicate some of our strategic advantages. However ...there are a number of aspects of our business which are not easily duplicated'. Critically review the Dell business model and then discuss, in groups, why it might be difficult to copy Dell's approach. You should revisit and discuss the concept of sustainable competitive advantage discussed earlier in the book. You should also consider culture and practice in particular.
6. Discuss key processes that might enable Dell to improve customer satisfaction
7. Review Dell's business model. What design and structural configuration might best support the way it does business?

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You should draw on the theories presented in the core text to help you frame an answer.

8. Discuss the information requirements at Dell. What information is communicated between customers and Dell and between Dell and its partners: contract manufacturers, component suppliers, other suppliers, logistic and distribution companies, systems integrators and repair companies?

How important to Dell are business processes both within and between companies?

To what extent will processes at Dell be standard and global as opposed to differentiated and local?

ACTIVITY: 2

Activity duration (mins): 60

DISCUSS HOW INTERRELATIONSHIPS CAN BE DEVELOPED FOR SYNERGY

Discuss: Ensign, P C. (1998) 'Interrelationships and horizontal strategy to achieve synergy and competitive advantage in the diversified firm', Management Decision, 36 [10] , p 657 - 668.

1. Consider the different case studies referenced within Kelly (2009).
2. Which organizations are most likely to benefit from resource sharing? What resources could be shared? What are the likely benefits? What types of synergy will be exploited within each organization? What challenges may be presented? How will the resources actually be shared?
3. Make sure that your discussions consider sharing knowledge, technology, people and skills, information and other assets.

ACTIVITY: 3

Activity duration (mins): 40

DRAFT A PROCUREMENT PROCESS FOR COMPANY ABC.

To understand and practice aspects of work process design

To develop understanding of what business processes are

In ABC managers are allocated budgets and corporate credit cards for purchases under €1000. Approval is required for purchases exceeding this amount or for any purchase whereby the buyer has no allocated budget. Approved purchases are made using a purchase order (with unique identifying number) which is completed and sent to procurement who then place the order with the supplier and notify the accounts department that an order has been placed.

First, hand draw the flow chart

Next, create it in either MS Powerpoint or Visio

ACTIVITY: 4

Activity duration (mins): **60**

QUALITY IMPROVEMENT SYSTEMS

Develop understanding of the arguments for and against quality systems

Select an international organization with which you are familiar.

Write or present a business case for the implementation of a quality management system.

ACTIVITY: 5

Activity duration (mins): **30**

STRUCTURE

Explore organization in terms of people and work, and evaluate different aspects of organization

Explain why “Silo” organizations may be less effective or efficient as contemporary international organizational designs.

Your answer may be presented in the form of an essay, presentation or discussion.

ACTIVITY: 6

Activity duration (mins): **60**

GROUP ACTIVITY

Identify five MNC's. Allocate one or more to each group member.

Next, individually, research the web and recent annual reports for your allotted company. Investigate the company and identify references to “Quality”, “Continuous Improvement” and “Quality Standards” in the material considered, Discuss each company as a group.

For each company, discuss whether you felt their process or quality orientation was appropriate, over or understated.

4

MANAGING
INFORMATION &
TECHNOLOGICAL
RESOURCES

MANAGING INFORMATION RESOURCES

Identify the role of information resources within the international organization

Discuss how information resources can be used to deliver value and help the international organization compete

Differentiate between the concepts of data, information, knowledge and wisdom resources

Explain how decisions are made within international organizations and the role of information in improving decision-making

Synopsis:

INFORMATION RESOURCES, SUPPORTING INTERNATIONAL BUSINESS, COMPETING THROUGH THE APPLICATION OF INFORMATION RESOURCES ENTERPRISE & GLOBAL INFORMATION NEEDS & MANAGEMENT

Key concepts introduced in this chapter
Data | Information | Knowledge | Wisdom |

COMPETITIVE ADVANTAGE
INFORMATION
TECHNOLOGY
DATA
KNOWLEDGE
TACIT KNOWLEDGE
EXPLICIT KNOWLEDGE
DECISION
DECISION MAKING
DECISION ALTERNATIVES
SEMI STRUCTURED DECISIONS
STRUCTURED DECISIONS
UNSTRUCTURED DECISIONS

to be completed prior to the lecture/ workshop...

READ CHAPTER 11 IN KELLY, P. (2009)

Create a précis before attending this session in class.

to be completed prior to the lecture/ workshop...

READ PORTER, PORTER, M E, MILLAR, V E (1985) HOW INFORMATION GIVES YOU A COMPETITIVE ADVANTAGE, HARVARD BUSINESS REVIEW. JULY-AUGUST 63, P 149 - 174

Create a précis of the article and reference it using the Harvard system

Information resources include data, information, knowledge, and wisdom (DIKW). Data refers to raw facts and Information is the summarization of data. Technology and information/ knowledge represent 'hard' and 'soft' resources available to the organization. Unlike most resources which deplete when used, information and knowledge can be shared, and actually grow through application. It is now widely accepted that winning strategies are more often grounded in the accumulation and creative exploitation

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of intangibles that are more difficult to replicate.

Key factors of production include- knowledge, collaboration and engagement assets, and time (how quickly value is created). These are the four key resources from which economic activity and competitive advantage are primarily derived and delivered. Improved information flows can improve the quality of decision making, collaboration, planning, coordination and control and internal operations. A firm's resources will be a source of competitive advantage if the resources are valuable, rare, inimitable and not substitutable.

Structure and culture may impact upon the free flow of information within the organization. There are also geographical and time barriers, language and technology barriers and legal constraints. All may impair communications and the sharing of information resources.

There are many challenges associated with knowledge and its use within the international organization. Knowledge, when locked into systems or processes, has higher inherent value than when it can "walk out of the door" in people's heads. Consequently organizations embark on knowledge management programmes in an attempt to ensure knowledge can be accessed, shared and retained. A global company's skill at transferring knowledge across subsidiaries gives these subsidiaries the added benefit of innovations created by their peers.

To compete effectively in global markets, exporters need to develop the capabilities to produce high value-added products and to target more closely their marketing efforts. This requires closer linkages with suppliers and with customers. Partnerships in a value chain encourage a joint approach to problem-solving and lead to cost reductions and quality improvements. The international organization has to develop and maintain smooth, seamless coordination across locations. The worldwide business team needs to foster operational coordination between units performing similar activities as well as those performing complementary activities and the transfer of knowledge and skills across locations.

As business becomes increasingly global, integrated systems show promise for tying together the geographically-dispersed organisation. By far the largest intangible benefit to enterprise integration is the improved availability of information about the organisation that is widely available throughout the company. This increased information visibility enables organizations to make informed decisions in a timely manner.

Given the importance of information resources they should be strategically managed. It is widely agreed that the information and knowledge strategy should support ("fit") the organizational strategy.

Cargill/The Duckworth Group

<http://www.cargill.com/>

Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Founded in 1865, this privately held company employs 160,000 people in 30 countries. Cargill Investments in the United Kingdom - 2004 - Cargill acquired leading flavour house - The Duckworth Group

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Bosch Group

<http://www.bosch.com/content/language2/html/index.htm>

The global orientation of the Bosch Group is almost as old as Bosch company itself. The first international Bosch branches set up at the end of the 19th century, and work on the construction of a Bosch factory in the United States began in 1909. Today, Bosch is active on every continent and has subsidiaries and associate companies in more than 50 countries. Bosch operates roughly 200 production sites worldwide, of which more than 200 are located outside Germany – in Europe, North and South America, Africa, Asia and Australia.

The World Bank

www.worldbank.org

Statistics form the foundation upon which sound policy is built. The mission of the World Bank's Data Group is to provide high quality national and international statistics to clients within and outside the Bank and to improve the capacity of member countries to produce and use statistical information. As part of the international statistical system, the Data Group works with other organizations on new statistical methods, data collection activities, and statistical capacity building programs. This group also coordinates the analytical statistical work related to monitoring progress towards the Millennium Development Goals. Key Data Publications
World Development Indicators 2008

Global Development Finance 2007

Global Economic Prospects 2008

Data Resources

Education database

Gender database

Health, Nutrition & Population database

Poverty database: PovcalNet

Country Statistical Information

BCS

<http://www.bcs.org/>

Established in 1957, the British Computer Society (BCS) is the leading body for those working in IT.

With a world-wide membership now over 65,000 members in 100 countries, BCS is the qualifying body for Chartered IT Professionals (CITP).

FIGURE: 1 DATA, INFORMATION AND KNOWLEDGE RELATIONSHIPS

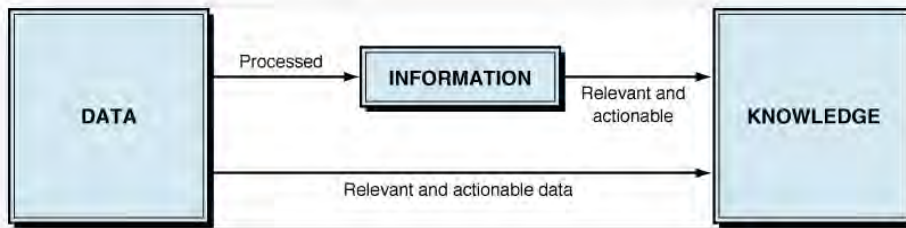


FIGURE: 2 KEY ORGANIZATIONAL RESOURCES

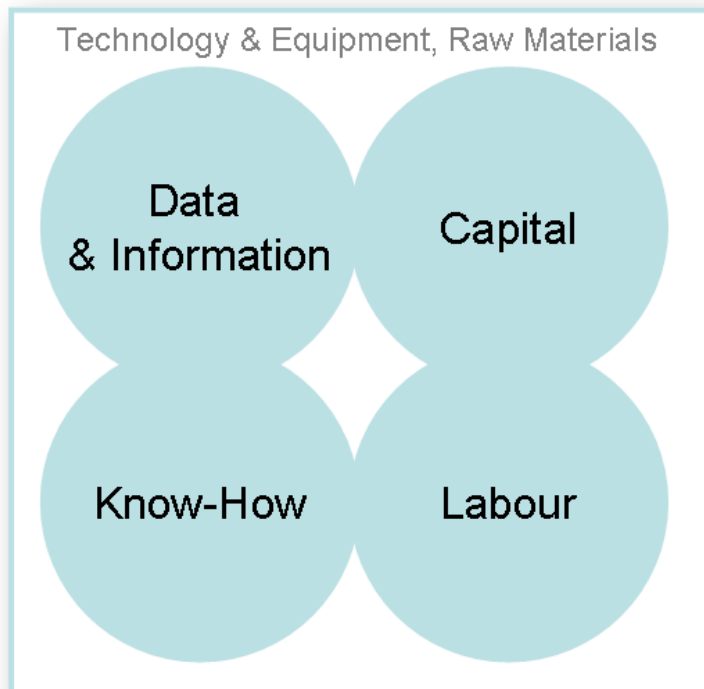
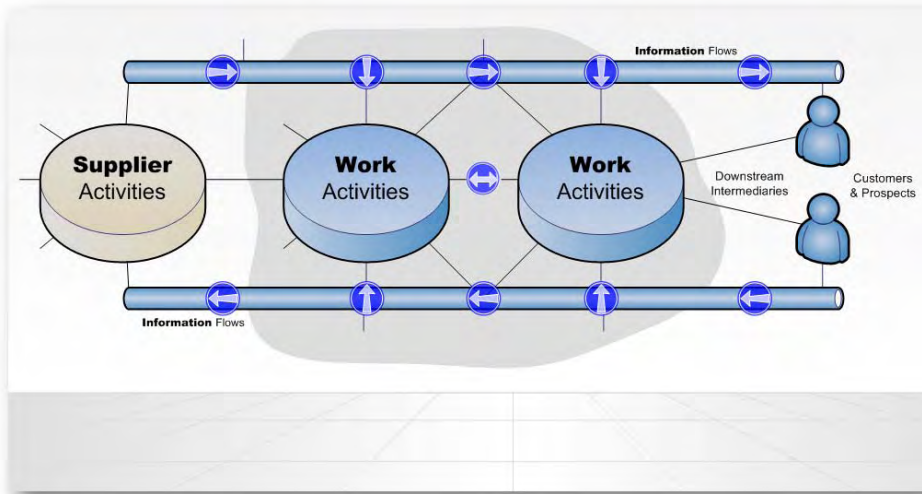


FIGURE: 3 INFORMATION FLOWS



Glossary and References

COMPETITIVE ADVANTAGE

used interchangeably with “distinctive competence” to mean relative superiority in skills and resources

DATA

Raw facts

DECISION

commitment of resources

DECISION ALTERNATIVES

the choices that the decision maker can make

DECISION MAKING

the process of making choices from among several options

EXPLICIT KNOWLEDGE

The knowledge that deals with objective, rational, and technical knowledge (data, policies, procedures, software, documents, etc.).

INFORMATION

"data that has been processed (sorted, summarised, manipulated, filtered) so that it is meaningful to people"

KNOWLEDGE

that which is known

SEMI STRUCTURED DECISIONS

Decisions where only part of the problem has a clear-cut answer provided by an accepted procedure

STRUCTURED DECISIONS

"Decisions that are repetitive, routine, and have a definite procedure for handling them"

TACIT KNOWLEDGE

The knowledge that is usually in the domain of subjective, cognitive, and experiential learning. It is highly personal and hard to formalize.

TECHNOLOGY

"a broad concept that literally means the application of science, especially to industrial or commercial objectives"

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UNSTRUCTURED DECISIONS

"Unstructured decisions tend to involve complex situations, where the rules governing the decision are complicated or unknown. Such decisions tend to be made infrequently and rely heavily on the experience, judgement and knowledge of the decision maker"

Day, G S. and Wensley, R. (1988) 'Assessing Advantage: A Framework for Diagnosing Competitive Superiority', *Journal of Marketing*, Vol. 52, No. 2. (Apr., 1988), p. 1 - 20.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Porter, M E. and Millar, V E. (1985) 'How information gives you a competitive advantage.', *Harvard Business Review*, July-August 63, p. 149 - 174.

ACTIVITY: 1

Activity duration (mins): 30

READ PORTER, PORTER, M E, MILLAR, V E (1985) HOW INFORMATION GIVES YOU A COMPETITIVE ADVANTAGE, HARVARD BUSINESS REVIEW. JULY-AUGUST 63, P 149 - 174

Practice paraphrasing, academic writing

students create a précis prior to attending class and evaluate it in class.

ACTIVITY: 2

Activity duration (mins): 30

PORTER ARTICLE QUESTIONS

Use this class test to establish student understanding of the Porter article

Define "IT"

How does Porter conceptualise internal operations

How does Porter conceptualise external relationships

How is value measured

With reference to Porter's generic strategies identify how an organization might gain a competitive advantage

What is the value chain?

How might the VC help an organization manage its information resources?

What framework does Porter introduce to analyse industry structures?

Draw the framework

Explain how the framework helps analyse how information might impact upon competition within industries

ACTIVITY: 3

Activity duration (mins): **45**

SOURCES OF COMPETITIVE ADVANTAGE

Appreciate the strategic significance of the information technology and systems

Read and précis the article by Porter, M E and Millar, V. E. (1985) How information gives you a competitive advantage. Harvard Business Review. July-August 63, p 149 - 174.

Next, consider the Duckworths case study or an organization with which you are familiar:

1. Assess information intensity
 - How is information being used by organization and its customers?
 - Where are the priority areas for is/it investment?
2. Examine how information resources and IT provides competitive advantages
3. What are the possibilities for information resources and IT providing competitive advantage?
 - Where are the opportunities to reduce cost and differentiate services?
4. Can IT enable relationships with other industries?
5. Can IT spawn new business?

ACTIVITY: 4

Activity duration (mins): **15**

VALUE CHAIN

Do you think Porter's value chain is a suitable framework to describe and analyse contemporary business?

ACTIVITY: 5

Activity duration (mins): **40**

DUCKWORTH'S CASE

Use this class test to establish student understanding of the Porter article, information resources and their application to a real world case study such as Duckworth's.

Describe the Duckworth's VC and use this framework to analyse how information resources help the organization to meet its goals.

Describe the Duckworth's VS and use this framework to analyse how information resources are used and shared in the supply chain.

How might Duckworth's use information resources in order to develop a competitive advantage?

What are the key information resources you would expect to find in Duckworth's?

How will information resources support Duckworth's needs as an international organization?

THE DUCKWORTH GROUP

Explore issues associated with the management of information resources in an international organization

Read the Active Learning Case on page 346 of Kelly (2009) before answering the following questions

Discuss the case study in the core text

1. Using the stakeholder analysis approach, list the senior internal roles at the headquarters and within the subsidiaries. Identify the important decisions they must make. Finally, consider, with particular reference to data, information and knowledge resources, how the quality of decision making may be improved.
2. Look back at the chapter Organizational design and draft a probable organizational chart for the Duckworth's group. How might the structure impact upon the flow of information resources throughout the organization?
3. How important is knowledge management to this company? Explain your answer.
4. What challenges and issues may be posed by the geographical, cultural, language, technological and time difference barriers within the group? In particular, consider the impact on planning, decision-making, coordination and control and business activities.

When considering cultural differences and similarities it may help to consider the data presented by Hofstede (1980, 1984) in his landmark work on international differences. Scores for the Power Distance Index (PDI), Uncertainty Avoidance Index (UAI), Individualism (IDV) and Masculinity (MAS) follow: PDI - India (77), South Africa (49) and Great Britain (35); UAI- India (40), South Africa (49) and Great Britain (35); IDV - - India (48), South Africa (65) and Great Britain (89) and MAS - - India (56), South Africa (63) and Great Britain (66).

5. Finally, assess how technology may be deployed to enable information resource sharing and allow Duckworths a competitive advantage over its rivals.

ACTIVITY: 7

Activity duration (mins): **40**

INFORMATION AND DECISION MAKING

Identify information used in business decisions; classify business decisions

Read the following Case Study and then answer the questions posed at the end.

BACKGROUND

The Globe is a four star hotel, located in the heart of Manchester. It was built at the turn of the century and has over 600 rooms, on six floors, which can accommodate approximately 950 guests.

A room for one-night costs between £32.50 and £175.00, depending on type and day booked. There are three restaurants serving both guests and the general public with varying dishes including an exceptional a la carte menu. Four large banqueting halls and three smaller function rooms, cater for any occasion including weddings, seminars, dinner dances etc., and are usually booked solid up to twelve months in advance.

During a refurbishment, almost ten years ago, the hotel added a new leisure wing, which boasts a sauna, gym and modest swimming pool. A further wing also houses a nightclub 'The Palace' to compliment the existing 'Ritzy Club'. Both nightspots are very popular, especially during the weekend, with guests and locals alike.

Senior management and their administration staff are situated on the second floor of the hotel and leisure complex, whilst middle management and associated staff are based on the ground floor, in close proximity to their functional area.

Due to requests from clientele for additional facilities to the leisure for exercise classes, gym equipment, toning beds, tanning cubicle, the leisure wing underwent refurbishment, six months ago, to enable the incorporation of these facilities into the leisure centre. Temporary membership is open to hotel guests, whilst full membership is open to the general public.

ORGANISATION

The hotel employs over 300 staff on part time and full time basis.

House Services are the busiest team. The House Services are responsible for the main reception area, the housemaids, and porters.

The catering team is responsible for servicing the restaurants, room service and the needs of the banqueting and function rooms.

Hospitalities, the smallest team, support the booking and servicing of the banqueting and function rooms and the running of both nightclubs and the leisure suite. Jason Lawton now oversees specifically the nightclubs, whilst Linda Wilson who was recruited to the team three months ago, is responsible for the leisure centre. Both Jason and Linda report directly to John Haynes.

BUSINESS INFORMATION SYSTEMS

Apart from use of basic automated office software used by management, financial software by the Finance department and a dated 'Room Booking System', little use of computer based business information systems operate within the hotel. Stand-alone PCs can be found within marketing and finance, however there is a simple networked system for the 'room booking system' between reception and finance. The nightclubs and bars have computerised tills. All other areas are manual systems. It has been recognised that management information is very poor. This has resulted in a lack of Management Information for decision making

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with no real time monitoring and control of the business.

CURRENT SITUATION WITHIN THE LEISURE CENTRE

Within the leisure centre, there is a manual booking system for toning tables and exercise classes. All client membership details, both full and temporary, are held manually. Full membership is paid directly to the leisure reception staff. Hotel guests who wish to utilise the temporary membership scheme, have the fee for temporary membership added to their final bill.

Exercises Classes

There are two exercise rooms. Classes are available from 10 a.m. until 9 p.m. Trainers are paid only for each 45- minute session they run. There is a separate book for each exercise room. For each class run there is a limit of twenty clients but will run if there is only one client. There is a range of classes run, which include yoga, aerobics, step and Pilate's. Each trainer employed is fully competent in each of these areas.

Toning Tables

These are available for use from 9 a.m. until 9 p.m. A separate booking can be made every fifteen minute.

Tanning Cabinet

There is an additional fee of £2 per session, for the use of the tanning cabinets. Full members are required to pay this on usage. This is recorded in one book, whilst temporary members usage is recorded in a separate book, a copy is sent to finance, and the fee is added to the guests' bill.

Swimming pool, sauna gym and tanning cabinets currently require no booking. These are again available for use from 9 a.m. until 9 p.m.

There is always a member of the leisure staff in attendance at the pool. Within the gym, there is always a minimum of one trainer to ensure all new and current members have adequate training and advice. All members of the leisure staff are trained on the use of the toning tables and tanning cabinet to instruct new members, or to give additional advice to current members.

CURRENT PROBLEM WITHIN THE LEISURE CENTRE

Since joining the Globe Leisure Hotel, Linda Wilson has raised her concerns with John Haynes over the increasing number of complaints received in relation to the leisure centre, from both clients and staff.

Some of the points raised by Linda to John are as follows: -

- Not all bookings for the exercise classes and toning tables are being entered correctly. Either being entered into the wrong book or written on pieces of paper and left to one side. This was felt due to hotel reception staff covering for leisure reception staff, without proper training.
- Initially where overbooking occurred hotel guests holding temporary membership, were being given preferential treatment over full members. This had resulted in some cancellation of full memberships.
- When changed to 'first come, first served' this still had the effect: -
 - three further withdrawal of a full membership
 - withdrawal of one company's regular hotel booking
- Not all hotel guest memberships of the leisure centre is being sent in time from the leisure centre to be added to their final bill. This has resulted in guests, after having left the hotel, being sent an additional bill
- Again in the circumstances of the guest already having left the hotel, a further bill is being sent out, for usage of tanning cabinets, where delays of sending the details to finance have arisen.
- Additionally it was noted that on at least three occasions there was only one exercise room in use, as there was no trainer available on site to supervise the second class. Each of the classes had therefore to be cancelled, and Linda and

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the staff had had to deal with some very unhappy clients. This problem had arisen due to no cover for staff illness.

*Continued complaints from trainers for incorrect payment of wages.

CONCERNS

John and Linda have made the above points at a recent managers meeting.

These points started a cross-functional debate due to the effects that the current practices and procedures of the leisure centre has not only on hospitality but also on marketing, finance and personnel.

TASK

1. What decisions do you think people have to make in connection with their role in the organization.
2. Of the decisions identified in 1) above, suggest whether they are operational, tactical or strategic decisions
3. What information could you provide to help the decision making process?

ENTERPRISE INFORMATION NEEDS

This is a factual, problem-oriented case that will allow you to explore complex multi-disciplinary problems in a real world setting. The target organization is a large international company. Issues of managing information resources are presented and the opportunity for students to engage with a variety of problems presented. The case is centred on a large scale information systems project undertaken around 2003/4.

Compare and contrast the enterprise information needs and strategies of Bosch and Duckworths.

The Bosch Group has grown strongly in recent years, has succeeded with pioneering innovations and has a global network of customers and suppliers.

Enterprise Application Integration at
The Bosch Group

The global orientation of the Bosch Group is almost as old as the Bosch company itself. The first international Bosch branches were set up at the end of the 19th century, and work on the construction of a Bosch factory in the United States began in 1909. Today, Bosch is active on every continent and has subsidiaries and associated companies in more than 50 countries (The Bosch Group employs approx. 271,000 people). Bosch operates roughly 270 production sites worldwide, of which nearly 210 are located outside Germany – in Europe, North and South America, Africa, Asia and Australia. The name Bosch is closely associated with the automotive industry. But Bosch is not just famous for automotive technology products like gasoline, diesel and chassis systems and car electronics. Bosch also supplies other products and services, including industrial technology, power tools, security solutions and household appliances¹.

Like any contemporary large MNC operating in the manufacturing (power tools, household appliances and automotive equipment) industry, Bosch need to be flexible and responsive, efficient and effective. Their large size, international presence and diverse product portfolio have created a complex organization with inherent coordination and control problems. They face several related and significant problems due to their structure, processes and systems. Such problems make them less effective and efficient and inhibit their ability to meet challenges posed by their global business environment. To the outside world they must appear as one, commonly branded, organization if fruitful supplier and customer relationships are to be maintained and grown. Aside from considering weaknesses born out of legacy systems, structures and processes, the Bosch group is also presented with opportunity. In particular there are significant opportunities to share resources across its subsidiaries and production plants resulting in synergistic benefits.

Historically, their numerous subsidiaries and production plants developed information systems individually and were suitable for their specific needs. This led to a decentralised heterogeneous IS architecture comprising legacy systems, varied business processes and ways of doing business. Unfortunately, this became a weakness in the context of a global organization. Recognising the need for change, their aim is to become more flexible, to improve coordination, control and decision making, to exploit synergy through resource sharing, reduce IS costs and develop their corporate identity through a group portal. Goals were to be achieved through a large scale change programme involving the streamlining, updating and integration of systems, processes and structures. Central to its integration programme was the development of a homogenous IS architecture (a standardised integration architecture named the 'Business bus'). Certain legacy systems were migrated over to SAP which was to be used to harmonise its internal IS architecture. Intra (between business units) and then inter (suppliers

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and customers) organizational processes as well as integrating the companies' EC (SCM and CRM) systems. Furthermore, the standardised integration architecture was to be controlled centrally. At the time of the project, anticipated benefits included cost savings, improved coordination and control. Specifically, the company will be able to develop its corporate identity through a group portal strategy. At the time of the project, present, customers placed orders across differing business units. The project team identified potential improvements in the areas of procurement, inventory management, production, warehousing and a variety of stakeholder relationships.

Sources: 1. <http://www.bosch.com/> 2. Puschmann, T. and Alt, R. (2004), Enterprise application integration systems and architecture – the case of the Robert Bosch Group, *The Journal of Enterprise Information management*, Vol 17 Number 2 (2004) p105-116

MANAGING KNOWLEDGE

Explain how the KM infrastructure contributes to organizational effectiveness

Explain what is meant by the knowledge based view (KBV) and evaluate the role of knowledge resources in developing sustainable competitive advantage

Explain the roles of technology, people, structure, culture and processes in knowledge management

Explain how knowledge is managed within the MNC and between alliances, partnerships and joint ventures

Discuss KM processes

TACIT KNOWLEDGE
 CODIFICATION APPROACH
 PERSONALIZATION STRATEGY
 EXPLICIT KNOWLEDGE
 LEARNING
 LEARNING ORGANISATION
 KNOWLEDGE MANAGEMENT
 KNOWLEDGE REPOSITORY
 KNOWLEDGE WORKERS
 KNOWLEDGE-BASED ECONOMY
 KNOWLEDGE-BASED VIEW OF THE FIRM

Synopsis:

LEARNING, KNOWLEDGE & INTELLECTUAL CAPITAL – KEY CONCEPTS, KM INFRASTRUCTURE: STRUCTURE, CULTURE, TECHNOLOGY & PROCESSES
 CROSS-BORDER LEARNING & KM – WITHIN THE MNC & BETWEEN IJV'S, DEVELOPING AN INTERNATIONAL KNOWLEDGE MANAGEMENT STRATEGY

Key concept

to be completed prior to the lecture/ workshop...

LITERATURE REVIEW: KM STRATEGIES

Obtain, read and precis: Hansen, M., Nohria, N., Tierney, T. (1999), 'WHAT'S YOUR STRATEGY FOR MANAGING KNOWLEDGE?', Harvard Business Review, Mar/Apr99, Vol. 77 Issue 2, pp. 106 – 116

to be completed prior to the lecture/ workshop...

READ CHAPTER 12 IN KELLY, P. (2009), 'INTERNATIONAL BUSINESS AND MANAGEMENT', CENGAGE LEARNING

create the precis before class

The theories and concepts presented throughout this chapter are identified in the framework, see Figure 12 - 14. In turbulent environments and in the face of competition, (learning) organizations must develop and access knowledge resources continuously and then diffuse throughout the organization. Organizations may learn from others by imitation or may learn from their own history, experimentation, trial and error. They may also recruit talented individuals into their pool of knowledge capital. Quality management

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processes (TQM and BPM) enable learning through a continuous improvement culture, tools and techniques.

Organizations learn so that they can adapt to new environmental challenges. We distinguished between learning processes, the learning climate and culture and the content of learning. It is the latter which exists as a resource to be used by the organization. This resource may exist in the heads of individuals, culture, procedures, and routines and may be tacit or explicit. Given that no one person holds all of the organizational knowledge required for transformational processes, integration processes and mechanisms are required in order to bring a range of knowledge resources together and integrate them as difficult to imitate capabilities and competencies.

Integration is supported by structure, culture, processes and technology - the organization's knowledge management infrastructure. Knowledge is also transferred and integrated through group work and decision-making and may be transferred between individuals, groups and organizations. Capabilities and competencies represent the clusters of knowledge and other resources used in work, in the transformation process. However, not only must capabilities exist, human resources must be motivated to develop, share, integrate and use knowledge resources in value adding activities. In some cases the organizational and national culture may support or inhibit the use of such resources.

Resources are used in work activities, the output of which may be products or services. Ultimately, knowledge resources ensure organizational goals are attained in an effective and efficient manner. They may also be rare and difficult to imitate; in which case they may confer a sustainable competitive advantage to the organization. However, when knowledge only exists in employees it may leak out of the company to competitors. As a consequence of the above, organizations rely heavily on HR and IT specialists to support their knowledge management efforts through both "hard" and "soft" approaches. Common to both sets of professionals is the recognised need to build networks for communication in support of knowledge sharing.

Yellow Pages System

<http://www.webpronews.com/experarticles/2005/12/29/knowledge-management-creating-a-sustainable-yellow-pages-system>

Creating a Sustainable Yellow Pages System. By Chris Collis

KM resource centre

http://www.kmresource.com/exp_cases.htm

Knowledge Management Explorer > Case Studies in Knowledge Management

This collection of case studies, articles, and corporate web site provides insights into the use of KM in industry today.

IBM Knowledge management technology

<http://www.research.ibm.com/journal/sj/404/marwick.html>

The goal of this paper is to provide an overview of technology that can be applied to knowledge management and to assess their current or potential contribution to the basic processes of knowledge creation and sharing within organizations. The aim is to identify trends and new developments that seem to be significant and to relate them to technology research in the field, rather than to provide a comprehensive review of available products.

FIGURE: 1 KM CONCEPT FRAMEWORK

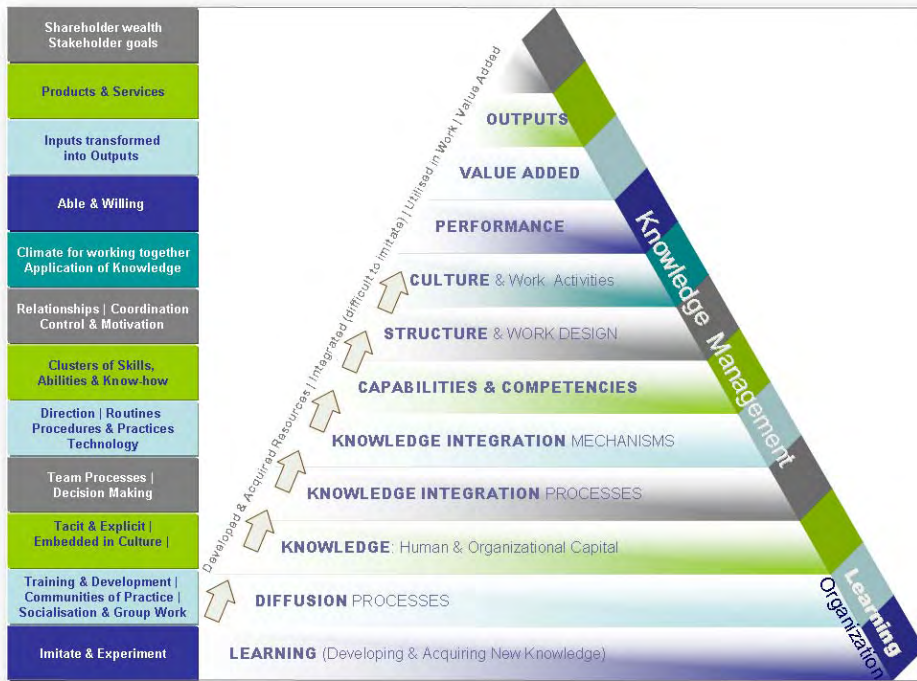


FIGURE: 2 THE KNOWLEDGE_ MANAGEMENT CYCLE

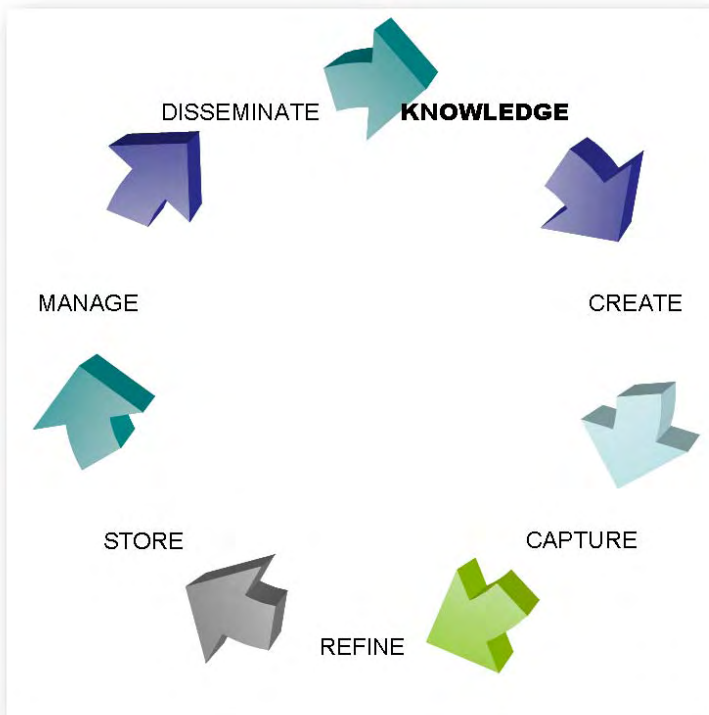
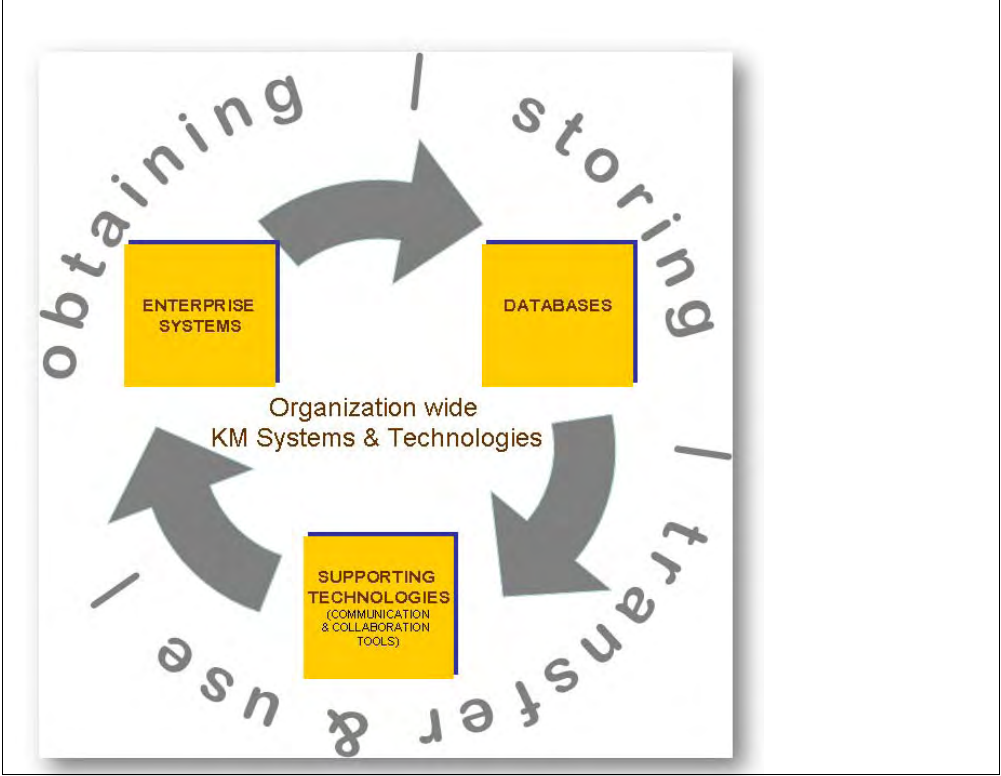


FIGURE: 3 ORGANIZATIONAL KM SYSTEMS AND TECHNOLOGIES



Glossary and References

CODIFICATION APPROACH

A knowledge management strategy with reliance primarily on repositories of explicit knowledge

EXPLICIT KNOWLEDGE

The knowledge that deals with objective, rational, and technical knowledge (data, policies, procedures, software, documents, etc.).

KNOWLEDGE MANAGEMENT

"The combination of activities involved in gathering, sharing, analysing and disseminating knowledge to improve an organization's performance."

KNOWLEDGE REPOSITORY

a database storing knowledge

KNOWLEDGE WORKERS

People who use knowledge as a significant part of their work responsibilities.

KNOWLEDGE-BASED ECONOMY

The new, global economy that is driven by what people and organizations "know" and not only by capital and labour.

KNOWLEDGE-BASED VIEW OF THE FIRM

a view that knowledge should be the resource on which to base strategy

LEARNING

the development of knowledge

LEARNING ORGANISATION

"The learning organisation is capable of continual regeneration from the variety of knowledge, experience and skills of individuals within a culture which encourages mutual questioning and challenge around a shared purpose or vision."

PERSONALIZATION STRATEGY

The knowledge management approach that attempts to share knowledge mostly through person-to-person contacts. The opposite is the codification strategy.

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TACIT KNOWLEDGE

The knowledge that is usually in the domain of subjective, cognitive, and experiential learning. It is highly personal and hard to formalize.

Grant, R. (1996) 'Toward a Knowledge-Based Theory of the Firm', *Strategic Management Journal*, Vol. 17, Special Issue, p. 109 - 122.

Grover, V. and Davenport, T. (2001) 'General Perspectives on Knowledge Management: Fostering a Research Agenda', *Journal of Management Information Systems*, Summer 2001, Vol. 18 Issue 1, p. 5 - 21.

Nonaka, I. (1994) 'A Dynamic Theory of Organizational Knowledge Creation', *Organization Science: A Journal of the Institute of Management Sciences*, 5 [1], p. 14 - 35.

Turban, E., McLean, E. and Wetherbe, J. (2002) 'Information Technology for Management - Transforming Business in the Digital Economy', Ed. 3. Wiley International.

ACTIVITY: 1

Activity duration (mins): 45

INTRODUCTORY KM ACTIVITY

This activity aims to encourage students to consider an example of a knowledge area with which they are now familiar (delivering effective business presentations) and identify specific areas of knowledge. From this start point they consider how to transfer that knowledge and then classify it. The activity should help them make more sense of the 'messy' knowledge construct and start to consider the differences between personalisation and codification strategies for knowledge transfer. The activity can also demonstrate knowledge creation and capture in the work place (the approach is akin to a KM/ problem solving workshop).

This activity also presents an opportunity to make use of flip charts as a presentation medium, building on the student's prior use of OHP's and PowerPoint.

Task

1. Students form small groups (3-5)
2. "Next semester will see a new MBA intake. Consider the knowledge about delivering effective business presentations that you have accumulated. Identify (1) the knowledge areas and (2) methods to share this knowledge with the new MBA cohort next semester. You should brainstorm your answer as a group and record it on flip charts for presentation/ discussion later"
3. Allow 15-20 minutes
4. Get groups (or a selection) to present their answer
5. The tutor then briefly discusses the difference between tacit and explicit knowledge; codification and personalisation KM strategies.
6. The groups should then be invited to review their flip charts and categorise the knowledge as tacit or explicit and their transfer mechanisms as a personal or codified approach.
7. Follow up with class discussion.

ACTIVITY: 2

Activity duration (mins): **40**

KNOWLEDGE IN ORGANIZATIONS

This activity aims to develop student understanding of knowledge categories or types and how their relative importance varies from organization to organization.

Task

1. Students form small groups (3-5)
2. "Consider the organizations discussed thus far (e.g. Duckworth's, Burberry, Dell, Unilever).

What knowledge do they rely on for value creation?

In your groups brainstorm their respective knowledge requirements (needs) and then evaluate the knowledge areas identified and place them in order of importance for the organization.

Group 1 should evaluate company A;

Group 2 should evaluate company B...;

You should brainstorm your answer as a group and record it on flip charts for presentation/ discussion later"

3. Allow 15-20 minutes

If groups are struggling then you may advise them to think about the organization in terms of the value chain, value system and core processes. At each point they should ask what knowledge is critical for the value add activity.

4. Get groups (or a selection) to present their answer

5. Follow up with class discussion.

ACTIVITY: 3

Activity duration (mins): **30**

UNILEVER - ACTIVE LEARNING CASE

Read the Active Learning Case on page 381 of Kelly (2009) before answering the following questions

Discuss the case.

ACTIVITY: 4

Activity duration (mins): **30**

CULTURE

Discuss the role of culture as a determinant of knowledge transfer within organizations.

In your answer you should identify the more important dimensions of culture – explaining your choice.

You should draw on the culture theory outlined in the core text to inform the answer.

ACTIVITY: 5

Activity duration (mins): **40**

KM STRATEGY

Explore alternative knowledge management strategies

Company A deal with similar problems on a regular basis.

Company B are a strategy consulting firm, tackling problems that do not have clear solutions at the outset.

You have been asked, by each company, to help them choose their primary knowledge management strategy.

Drawing from Hansen, Nohria, and Tierney (1999) write an essay (or presentation) containing your recommendations for each company and provide the critical arguments in support.

You should also provide implementation advice. How much IT will each require to support their strategy and how might they incentivise knowledge sharing?

Finally, Company B suggest that they might pursue a 50:50 strategy (codification and personalisation) what advice might you give to them?

GLOBAL BUSINESS & ENTERPRISE SYSTEMS

Identify the various types of computer based information systems

Evaluate alternative approaches for acquiring and developing business information systems for the international organization

Explain why it is important for the international organization to make information resources widely available

Critically evaluate approaches used to enable the international organization to achieve its goal of integrated information

Identify what an enterprise systems is and the arguments for and against adoption

Evaluate the role of IT as a strategic resource for the international organization

Synopsis:

COMPUTERISED BUSINESS INFORMATION SYSTEMS (CBIS) – THE TRADITIONAL (SILO) VIEW;
ENTERPRISE SYSTEMS – TOWARDS INTEGRATION and GLOBAL ES STRATEGIES

Key concepts introduced in this chapter
Business Information System (BIS) | Functional BIS | Systems Acqu

ENTERPRISE SYSTEM
SYSTEMS INTEGRATION
BUSINESS INFORMATION SYSTEM
FUNCTIONAL BUSINESS SYSTEM
INFORMATION SYSTEMS ACQUISITION.
SYSTEMS DEVELOPMENT
FEASIBILITY STUDY
ERP

to be completed prior to the lecture/ workshop...

READ CHAPTER 13 IN KELLY, P. (2009),

Create a précis before attending this session in class.

Computer-based Information Systems are used to support all roles at all levels of the organisation. They improve information access but not necessarily the flow of information within the whole organisation. Traditionally, the business functions acquired and developed computer-based Information Systems to help them meet their localised goals. A functional business information system is used to support a specific organisational activity. The value chain can be used to match such systems against the primary and secondary activities of the company. Historically, computer-based Information Systems were used within the organisation. Traditional approaches created silos (information Islands) and a fragmented organisation. This resulted in coordination, communication and control problems leading to increased cost and poor responsiveness. Systems may be acquired, developed and implemented in many ways. Each has relative strengths and weaknesses in terms of strategic fit, timeliness, cost and quality. Historically, systems were developed to meet the unique needs of the organisation.

Development projects were typically led by the IT manager who would follow a linear,

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command and control approach to implementation (such as the systems development lifecycle). Such approaches are less appropriate for the implementation of an enterprise system. Developments in database, Internet and middleware technologies paved the way for integrated systems and resultant information flows. As a result, software developers and vendors created enterprise resource planning software as single software solutions, available off the shelf for purchase by large multinational corporations. This fully integrated software (FIS) utilised a single monolithic database which enabled the organisation to integrate its primary activities. With time, vendors have added (integrated) additional components and functionality to such systems, upstream and downstream within the organization.

Fully integrated ERP software and associated hardware is typically available off-the-shelf and therefore easily imitated. An alternative, best of breed approach presents an opportunity to develop a unique enterprise system for the organisation. Furthermore, whether a fully integrated or best of breed approach, the enterprise system is seen as a bundle of resources which include people, technology, processes and culture which may be configured in a manner to enable organisational strategy and provide a sustainable, hard to imitate, competitive advantage (see the RBV). This is particularly true, when the parts are congruent and the whole system aligned with strategy. For the international organisation among the many advantages to an enterprise system is the ability to 'tie' together organisational parts, regardless of geographical location, thus providing benefits associated with an integrated organisation. Among such benefits is the ability to support time based competitive advantage and integrate the supply chain through interorganizational linkages. The implementation of such a system is costly and necessitates a business not IT-led approach.

Small, global organisations or those in pursuit of a cost advantage are more likely to adopt a fully integrated system. The transnational, larger organisation or organisation, pursuing a differentiation strategy, is more likely to adopt a best of breed approach. This latter approach will enable the company to make the system fit the existing organisation. The fully integrated system approach requires the organisation to embark on a business process reengineering programme and make both structural and cultural changes so that the organization fits the system. In many cases, the smaller multinational corporation is likely to adopt an enterprise system to avoid competitive disadvantage. Whereas the fully integrated system may be simpler to use, the best of breed will be better aligned with the organisation and its strategy.

computer weekly article

<http://www.computerweekly.com/Articles/2006/03/14/214718/shopping-for-holistic-enterprise-systems.htm>

Shopping for holistic enterprise systems -

SAP

<http://www.sap.com/index.epx>

business software - comprising enterprise resource planning and related applications such as supply chain management, customer relationship management, product life-cycle management, and supplier relationship management - SAP provides a comprehensive range of enterprise software applications and business solutions

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Kraft Foods Inc

http://www.sap.com/demos/mmov/presentation_2.htm?swf_Location=MMOV_Player_1_15_sm.swf&xml_Location=../videos/08/ctv/KraftFoods_Ziskasen_CTV_01.xml&swf_height=450&swf_width=660

Video: Kraft Foods Inc. is one of the world's largest food and beverage companies, with 2007 revenues of more than \$37 bil Discover how this global giant used SAP ERP to take advantage of shared services, leverage new business opportunities, and enable efficient acquisitions.

FIGURE: 1 FUNCTIONAL BUSINESS INFORMATION SYSTEMS SILOS

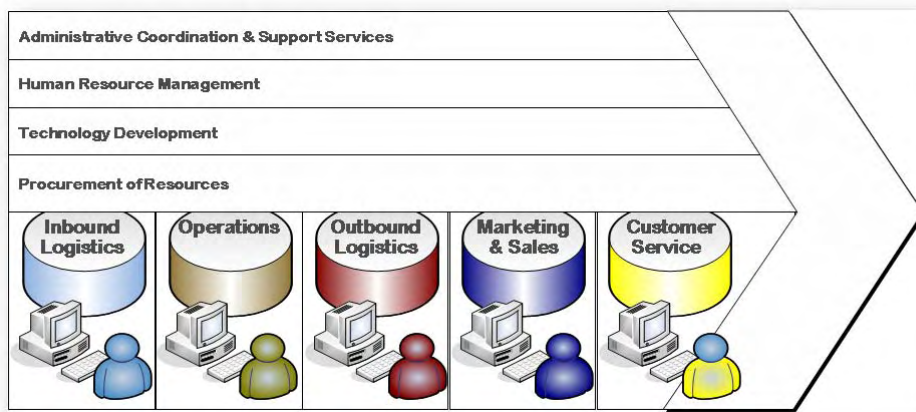


FIGURE: 2 SYSTEMS DEVELOPMENT LIFECYCLE SDLC

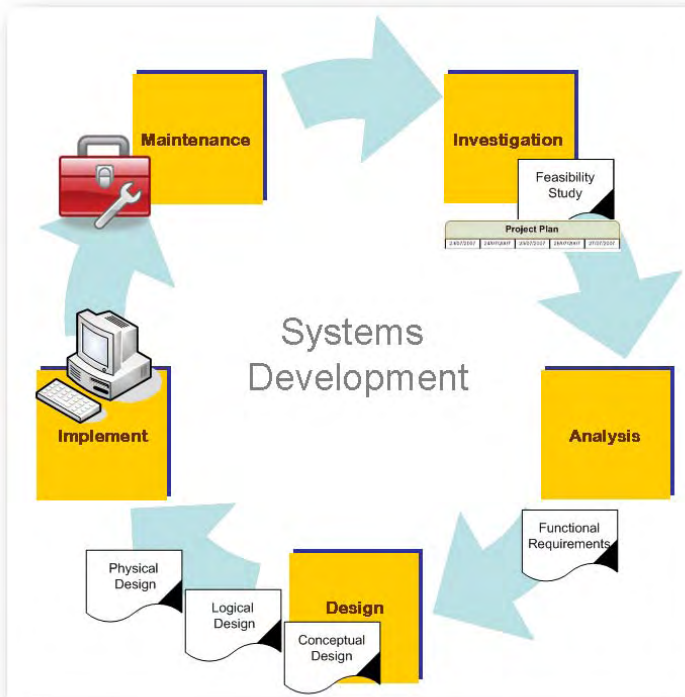
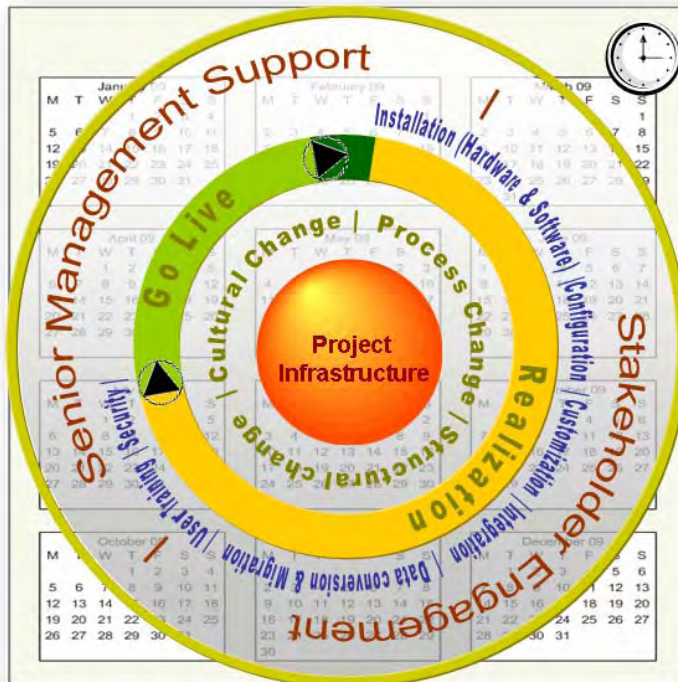


FIGURE: 3 ES IMPLEMENTATION



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BUSINESS INFORMATION SYSTEM

specific information system used to support business

ERP

a method for the effective planning and controlling of all the resources needed to take, make, ship and account for customer orders in a manufacturing, distribution or service company (the American Production and Inventory Control Society (APICS)).

FUNCTIONAL BUSINESS SYSTEM

a system designed to support a specific primary activity of the organization

SYSTEMS DEVELOPMENT

the activities that go into producing an information systems solution to an organizational problem or opportunity

ENTERPRISE SYSTEM

An information system that integrates information from all functional areas of an organization with the goal of providing a more whole or complete information resource for the organization

FEASIBILITY STUDY

the activity that occurs at the start of the project to ensure that the project is a viable business proposition. The feasibility report analyses the need for and impact of the system and considers different alternatives for acquiring software. The study outputs include the feasibility report and recommendation to proceed.

INFORMATION SYSTEMS ACQUISITION.

Acquisition describes the method of obtaining an information system for a business. The main choices are off-the-shelf (packaged), bespoke applications developed by an in-house IT department or a software house, and end-user developed systems.

SYSTEMS INTEGRATION

the interfacing of systems together so they can pass information across a complex technology landscape

Gulledge, T. (2006) 'What is integration?', *Industrial Management & Data Systems*, Volume 106 Number 1, p. 5 - 20.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Lee, S M. and Kim, B. (1996) 'Developing the information systems architecture for world-class organizations', *Management Decision*, 34 [2], p. 46 - 52.

Nah, F., Lau, J. and Kuang, J. (2001) 'Critical factors for successful implementation of enterprise systems', *Business Process Management Journal*, Volume 7 Number 3 2001, p. 285 - 296.

Skok, W. and Legge, M. (2002) 'Evaluating enterprise resource planning (ERP) systems using an interpretive approach', *Knowledge and Process Management*, Volume 9, Issue 2, p. 72 - 82.

ACTIVITY: 1

Activity duration (mins): **90**

PUTTING THE ENTERPRISE INTO THE ENTERPRISE SYSTEM

Explore corporate computing

READ & PRÉCIS the following article:

Putting the Enterprise into the Enterprise System

Title: Putting the Enterprise into the Enterprise System., By: Davenport, Thomas H., *Harvard Business Review*, Jul/Aug98, Vol. 76, Issue 4

ACTIVITY: 2

Activity duration (mins): **90**

ERP IMPLEMENTATION AT OMEGA

Explore the business case for ES implementation

Read the Active Learning Case on page 414 of Kelly (2009) before answering the following questions

Discuss the case.

1. Justification for implementation - Identify the reasons for implementing the ES in Omega
2. Determination of appropriate functionality - How would you go about identifying the appropriate functionality?
3. What problems are inherent with nice-to-have functionality?
4. Compare and contrast several leading ERP vendor products, discussing their relative advantages and disadvantages
5. Development of a business case - What should be included in the business case?
6. What organizational changes resulting from the implementation of such a system would you expect (you should draw on chapter 5 to help inform your answer)?
7. Many consider the ES a combination of software, hardware, persons, and work processes where the sum is greater than the individual parts. Discuss this statement with reference to the concept of holism and the article by Porter (1985).

ACTIVITY: 3

Activity duration (mins): **15**

ACQUISITION

develop understanding of alternative acquisition methods

Consider two organizations: [A] is an international hotel chain seeking a hotel management system - an all-in-one seamlessly integrated property management software solution- online reservations, front desk, sales, restaurant and retail POS, back office accounting and [2] is a specialised consultancy delivering innovative solutions to clients. They require a fully integrated system to support consultants in all aspects of their work, worldwide.

Critically discuss the likely preferred acquisition methods for the two organizations.

ACTIVITY: 4

Activity duration (mins): **15**

CHANGEOVER (CONVERSION) METHODS

Improve understanding of conversion methods/ strategies

Consider changeover (conversion) methods/ strategies.

Identify the advantages and disadvantages of each.

Which approach might you consider for the two organizations (Hotel and consultancy) discussed earlier?

ACTIVITY: 5

Activity duration (mins): **60**

ENTERPRISE SYSTEMS - CASE COMPARISON

Consider arguments for different types of ES implementation

Consider The Duckworth Group , Bosch Group and the ERP implementation at Omega.

Compare and contrast each case with regard to their enterprise computing needs. In particular consider whether a Best-of-Breed or fully integrated implementation is best in each case - explain your answer.

Create a feasibility study for ERP implementation at Duckworths, focusing on the Cost Benefit analysis in particular.

GLOBAL DIGITAL BUSINESS

Explain what is meant by e-commerce and e-business

Evaluate the challenges associated with global EC

Understand how e-commerce and the associated technologies affect strategy and strategies applicable to e-commerce

Identify ways the use of the Internet and Internet (Net) technologies can help the international organization compete, create wealth and add value

Discuss common electronic business models and their components

DIGITAL ORGANIZATION
BUSINESS MODEL
E-COMMERCE
E-BUSINESS
DISINTERMEDIATION
REINTERMEDIATION
INTRANET
EXTRANET

Synopsis:

NET TECHNOLOGIES & BUSINESS OPPORTUNITY | E-COMMERCE & E-BUSINESS | STRATEGIC USE OF THE INTERNET & INTERNET TECHNOLOGIES | GLOBAL CHALLENGE

Key concepts introduced in this chapter
DIGITAL ORGANIZATION | E-COMMERCE | E-BUSINESS | REACH | DISINTERMEDIA

to be completed prior to the lecture/ workshop...

READ CHAPTER 14 IN KELLY, P. (2009), 'INTERNATIONAL BUSINESS AND MANAGEMENT', CENGAGE LEARNING

Create a précis before attending this session in class.

to be completed prior to the lecture/ workshop...

STRATEGY AND THE INTERNET

Porter, M E. (2001) 'Strategy and the Internet', Harvard Business Review, March 2001 , p 62 - 78.

Read the article referenced above and be prepared to discuss it in class.

International businesses compete in two worlds: a physical and a virtual world. The latter has given rise to the world of electronic commerce (EC) and e-business (EB), a new locus of value creation. Much of the value created by e-business is due to the more effective use of information. Managers must now focus upon how their companies create value in both worlds alike.

The effectiveness and efficiency of organizational information systems can be enhanced significantly by a move to Internet technologies. Internet technologies enable EC and EB. The opportunities presented by EC fall into five broad domains: commerce, collaboration,

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communication, connection, and computation. The Web provides the connective tissue for information flow within and between organizations anytime- anyplace. Interoperability of Web services permits the creation of enterprise-wide information-system architectures linking all the corporate core business systems to the firm's Web site. Information systems extend far beyond the boundaries of the organization to encompass vendors, customers and even competitors.

The Internet links companies directly to customers, suppliers, and other interested parties; it lets companies bypass other players in an industry's value chain and is a tool for developing and delivering new products and services to new customers. Furthermore, it enables low cost communication and broad reach both up and downstream. Opportunities presented for operations include automating administrative processes, leading to faster turnaround of customer orders, enhanced customer support and shorter time to market for new products; shared learning; competitive procurement through electronic buying and supply-chain reconfiguration and integration and the virtualisation of enterprise components. Not only do Net technologies impact upon commerce and the way business is carried out but they also affect market and organizational structure.

There are limitations associated with the application of Internet technology in business. Customers cannot physically examine products; learning about suppliers and customers is limited by the lack of face-to-face contact which also makes 'selling' more difficult and limits the ability to take advantage of the low-cost, non-transactional functions performed by sales forces. There may be delays, due to shipment, in providing the goods or services to the end customer who cannot always simply walk out of the e-shop with them; extra logistical costs are required to assemble, pack, and move small shipments; the absence of physical facilities reduces a means to reinforce image and attracting new customers is difficult given the enormity of the available information and buying options.

The Internet has both created new industries and enabled the reconfiguration of existing industries. Whilst the Internet presents new opportunities it also intensifies competition. Internet technology provides buyers with easier access to information about products and suppliers, thus strengthening buyer bargaining power. The Internet mitigates the need for such things as an established sales force or access to existing channels, reducing barriers to entry. Marketplaces automate corporate procurement by linking many buyers and suppliers electronically. The benefits to buyers include low transaction costs, easier access to price and product information, convenient purchase of associated services, and, sometimes, the ability to pool volume. The Internet is an enabling technology - a powerful set of tools which rarely offers a direct competitive advantage. Internet technology, itself is not as a source of advantage because it is readily available to all. Competitive advantages arise from traditional strengths fortified through Internet technology - by tying a company's activities together in a more distinctive system.

GSI Commerce Inc

www.gsicommerce.com

Provide a robust suite of e-commerce and multichannel solution power all aspects of online business and integrate with offline channels.

Simply-Sol.com

<http://www.tools2learn.co.uk/>

An example of a SME e-business to complement the case four Kelly (2009:472) - Simply-Sol.com Ltd was conceived from a partnership formed in 2002. Developing innovative solutions to support the sustainability and development of people and organisations is their primary focus. Simply-Sol.com Ltd is a 'Member' of the British Learning Association.

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Internet

<http://www.livinginternet.com/>

This site is a free, in-depth reference about the Internet

Internet

<http://www.isoc.org/internet/history/>

links offering a broad range of perspectives on the history of the Internet

Forrester

<http://www.forrester.com/rb/research/>

Forrester Research is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. See for example the free research series: e.g. November 14, 2008: eBusiness And The Economy by Suresh Mulpuru or ERP Applications 2008 by R "Ray" Wang, Paul E Hamerman Or Net Marketing Will Take 18% Of Budget By 2012 European Online Marketing Tops €6 Billion In 2012 an introduction by Jaap Favier

FIGURE: 1 INTERNET ACTIVITIES

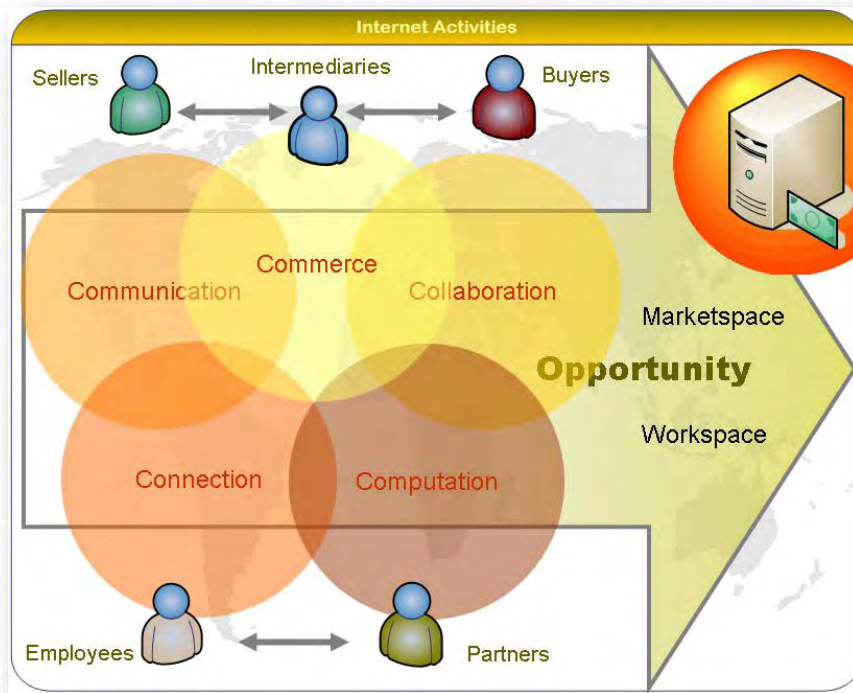


FIGURE: 2 E BUSINESS

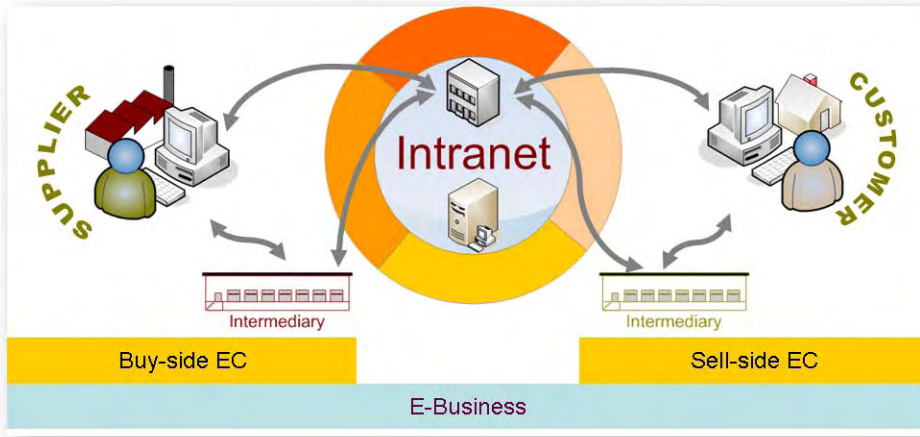


FIGURE: 3 STRATEGY FORMULATION PROCESS



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BUSINESS MODEL

"the organization's essential logic for consistently achieving its principle objectives- explains how it consistently makes money, highlights the distinctive activities and approaches that enable the firm to succeed—to attract customers and deliver products and services profitably"

DIGITAL ORGANIZATION

"an Organization where nearly all significant business processes and relationships with customers, suppliers, and employees are digitally enabled and key corporate assets are managed through digital means"

DISINTERMEDIATION

The process of doing away with 'middlemen' from business transactions

E-BUSINESS

"using Internet technologies as the platform for internal business operations, electronic commerce, and enterprise collaboration"

E-COMMERCE

all electronically mediated information exchanges between an organization and its external stakeholders (see sell-side and buy side e-commerce)

EXTRANET

Formed by extending the intranet beyond a company to customers, suppliers and collaborators.

INTRANET

"Internal, in-company Internet networks for routine communications, fostering group communications, providing uniform computer applications, distributing the latest software, or informing colleagues of marketing developments and new product launches "

REINTERMEDIATION

The process of (1) redefining the role of traditional intermediaries, to provide value-added services that cannot be provided online; or (2) establishing new electronic intermediaries in place of disinter mediated traditional intermediaries.

Amit, R. and Zott, C. (2001) 'Value Creation in E-Business', *Strategic Management Journal*, Vol. 22, No. 6/7, Special Issue, p. 493 - 520.

Evans, P. and Wurster, T. (1997) 'Strategy and the New Economics of Information', *Harvard Business Review*, Sep/Oct97, Vol. 75, Issue 5, p. 70 - 82.

Ghosh, S. (1998) 'Making Business Sense Of The Internet', *Harvard Business Review*, Mar/Apr98, Vol. 76 Issue 2, p. 126 - 135.

Gulati, R. and Garino, J. (2000) 'Get the Right Mix of Bricks and Clicks for your company', *Harvard Business Review*, May-June, 2000, p. 107 - 114.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Lumpkin, G. and Dess, G. (2004) 'E-Business Strategies and Internet Business Models: How the Internet Adds Value', *Organizational Dynamics*, May2004, Vol. 33 Issue 2, p. 161 - 173.

Porter, M E. (2001) 'Strategy and the Internet', *Harvard Business Review*, March 2001, p. 62 - 78.

ACTIVITY: 1

Activity duration (mins): 40

COMPETITIVE ADVANTAGE - THE INTERNET AND THE CHANGING NATURE OF COMPETITION AND THE RESULTANT CHALLENGES FOR STRATEGY FORMULATION

To encourage students to consider the business consequences and challenges associated with the Internet and associated technologies

You should draw upon the article Porter, M E. (2001) 'Strategy and the Internet', *Harvard Business Review*, March 2001 , p 62 - 78 to complete this activity

Critically evaluate the Internet and net technologies as potential sources of

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competitive advantage.

You should ascertain whether each is a source of competitive advantage, presenting arguments and examples to justify your stance.

(1) How has/ does the internet change markets and business?

The class should be subdivided into small group's-each group should brainstorm (perhaps on a flip chart) their response.

(2) Critically evaluate the Internet and net technologies as potential sources of competitive advantage

ACTIVITY: 2

Activity duration (mins): **60**

GLOBAL SPORTS INTERNATIONAL (GSI) COMMERCE

Explore strategic issues and challenges of using the Internet for business

Read the Active Learning Case on page 448 of Kelly (2009) before answering the following questions

Discuss the case.

1. Individually or in groups, brainstorm and discuss why you think GSI commerce has been so successful?

2. Compare and contrast buying and selling on and off-line from a customer and retailer's perspective - what are the similarities and differences and how does the buyer's experience differ?

3. With reference to the core text, discuss how technology enables the GSI business model. Consider integration of the GSI and partner's systems, processes and infrastructure.

4. Select several large, predominantly traditional, retailers and discuss the arguments their boards might voice when considering outsourcing their e-commerce channel (to a company like GSI) as a strategic alternative.

5. Should traditional companies separate out or integrate their e-commerce business? What are the arguments for and against such decisions?

6. Do you believe a well established off-line brand will help or hinder the respective companies' on-line commercial goals?

ACTIVITY: 3

Activity duration (mins):

CLICKS & MORTAR CONFIGURATION

Identify a selection of companies that seem to be exploiting a clicks & mortar configuration as a complementary approach (consider TV advertisements for companies suggesting you order on line but collect from the store).

How does this provide the company with an advantage over a clicks only business?

SIMPLY SOL CASE

To identify, through the use of a real case study, how organizations may make use of internet technologies to compete in new ways

(from core text)

Simply-Sol.com Ltd was conceived from a partnership formed in 2002 that draws upon some 30 years collective experience in the IT and Computer aided Learning sector. The company is a SME, which offers, amongst other things, learning products on-line. Through Tools2Learn.co.uk, a source for distance learning content, books, DVD's and online courses are sold. Learning materials are sold to home users, businesses, schools and colleges. Simply-sol.com Ltd was nominated for best use of technology, category, at the business "Start-ups Awards 2004" – UK. They have kindly allowed us to use their company as a case study.

Amongst other things, Simply-sol, through tools2learn, is an intermediary offering third-party learning-resources (on or offline books, CD's etc) to anyone worldwide. They have supply contracts with publishing companies and offer a broad product portfolio; they do not, however, hold any stock and operate on a JIT basis. When they sell products through their web site they generate profit through a margin on the cost price. To market products, collect and fulfil orders they have developed an e-business with a physical distribution operation. The company list their supplier's products on their web site, taking orders from customers. On receipt of the order they process the payment, order the goods from the suppliers and take receipt at their distribution centre. When all of the order has arrived, they pick it, bundle it and send it to their customer. The electronic infrastructure of Simply-Sol, see figure, is dependent upon internet, database and server technology, electronic catalogue data from suppliers (publishers) and third party payment processing (from WorldPay). Catalogue data (product information) is accessed from multiple sources and manipulated for presentation through their own web site in near real time. Customers may search this information, chose desirable products and order them online. The customer order then triggers a Simply-Sol order with the manufacturer (publisher) and instigates the payment transaction processes. Upon completion of the digitally enabled sales processes (front-office activities), the goods are delivered through electronic or physical means.

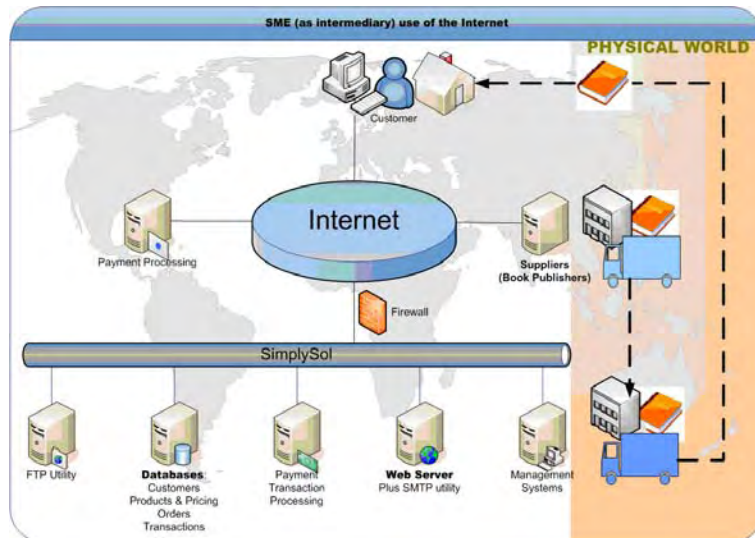
Describe the SimplySol value proposition and their sources of competitive advantage.

Or

Discuss the business models used by Simply-Sol - the relative advantages and disadvantages - Summarise how the company generates revenue identifying its product offering, value-added services, revenue sources and target customers.

1. Describe the customers to be served
2. Describe the products/ services offered
3. List the key business processes
4. List the resources required by the business
5. Describe the supply chain
6. Describe the revenue model
7. In e-commerce terms is this a bricks, clicks or clicks and bricks business?

SIMPLY SOL



ACTIVITY: 5

Activity duration (mins): **40**

USING INTERNET TECHNOLOGIES TO GAIN A COMPETITIVE ADVANTAGE

Consider how different organizations make use of INTERNET TECHNOLOGIES

Select companies from three different industries.

With reference to traditional business, the digital organization, e-business, e-commerce and competitive strategies, discuss how Internet technologies may support the organizations in achievement of their strategic goals.

You should discuss:

1. How the Internet can be used to create value;
2. The impact on operational effectiveness;
3. The extent to which the internet will replace or complement conventional ways of undertaking business;
4. Whether the Internet and IT can provide a sustainable competitive advantage and
5. The limitations of the Internet for business.

5

INTERNATIONAL BUSINESS

INTERNATIONAL OPERATIONS MANAGEMENT

Identify major operations management and supply chain management activities

Describe key decisions associated with international operations management

Explain the importance of international operations management to international business competitiveness

Discuss what is meant by operations management and supply chain management

Evaluate how international operations management contributes to international business success

Synopsis:

IOM STRATEGY, ESTABLISHING THE OPERATIONS INFRASTRUCTURE, PRODUCTION PROCESSES, FORECASTING DEMAND, SOURCING STRATEGIES, MANAGING PRODUCTION, LOGISTICS AND THE SUPPLY CHAIN

OPERATIONS
INTERNATIONAL OPERATIONS
PRODUCTION PROCESS
SALES AND OPERATIONS PLANNING
LEAN PRODUCTION
ECONOMIES OF SCALE
CAPACITY
LOGISTICS
JUST-IN-TIME (JIT)

to be completed prior to the lecture/ workshop...

READ CHAPTER 15 IN KELLY, P. (2009)

Read chapter 15 in Kelly, P. (2009)

The collection of people, knowledge, technology, and systems within an organization that has primary responsibility for producing and providing the organization's products or services is referred to as operations; the traditional way to think about operations is as a transformation process which takes a set of inputs and transforms them in some way to create outputs (goods or services - offerings) that a customer values. The mechanisms transforming inputs into outputs are called processes. Operations management (OM) is the planning, scheduling, control and coordination of the activities that transform inputs into finished goods and services. Operations management is important because it can reduce costs, differentiate the organisation's products and services and impact upon quality and therefore may increase revenue through increased customer satisfaction. The fundamental role of operations is to implement corporate strategy.

Operational managers are responsible for providing sufficient capacity to meet the organizations' needs. Facilities decisions are of significant strategic importance to the international organization and the operations function in particular. Such decisions place physical constraints on the amount that can be produced and may require large amounts of capital investment. One of the most important strategic decisions made by some

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companies is where to locate their operations. One of the first tasks for the international organization is to determine which countries in which to operate. Frequently, the organisation will identify the critical success factors needed to achieve competitive advantage. Factors such as political risk, cultural and economic issues, availability of talented human resources, the availability of supplies and energy, communication and transportation network and financial risks such as exchange rate in currency may all be considered when evaluating possible countries within which to locate.

After selecting the country (ies), the next step will be to narrow down options by selecting particular regions and will then focus on a specific site. Once a location has been selected, decisions about layout must be made. Choices of technology, production process and supporting systems also require important decisions from the operations manager. The Product development process is the overall process of strategy, organization, concept generation, product and marketing plan creation and evaluation, and commercialization of a new product. Operations managers must then decide upon which process to adopt when producing such goods and services. Process selection decisions tend to be strategic in nature, requiring a long-term perspective and cross-functional coordination. The way international businesses create products and services is known as the production process. Ultimately, the objective of the production process is to create goods and services that meet customer requirements. A related process choice is whether the product is made-to-order (customer led) or to stock (supply led).

Planning and control is concerned with operating resources on a day-to-day basis, ensuring availability of materials and other resources in order to supply the goods and services to fulfil customers' demands. The purpose of planning and control is to match supply with demand through the effective and efficient management of the operations processes. The availability of transformational resources and raw materials will impact upon the level of value added activity of which an operation is capable in any given period (Capacity). Operations managers make decisions that are frequently oriented toward efficiency goals; Productivity is an economic measure of efficiency that summarises the value of outputs relative to the value of inputs used to create them. The three factors critical to productivity improvements are labour, capital and management. The management of the physical flow of products from the point of origin as raw materials to end users as finished products is termed logistics. Logistics covers a wide range of business activities such as: transportation, warehousing, material handling, packaging and inventory management.

Dyson - on line store

www.dyson.co.uk

Used to accompany the active learning case (Kelly 2009:485) demonstrate products etc

The Dyson story

<http://www.international.dyson.com/>

Used to accompany the active learning case (Kelly 2009:485) About Dyson: Why Dyson? TV Ads .

Dyson: From idea to prototype

<http://www.international.dyson.com/testhouse/testhouse2.asp>

See Kelly (2009:499)

EurOMA

<http://www.euroma-online.org>

An international network of academics and practitioners from around the world who have a common interest in the continuous development of Operations Management. The Association provides a wide range of activities designed to advance the teaching of Operations Management.

POMS

<http://www.poms.org/>

Production and Operations Management Society (POMS) is an international professional organization representing the interests of POM professionals from around the world.

FIGURE: 1 THE INTERNATIONAL OPERATIONS MANAGEMENT IOM PROCESS

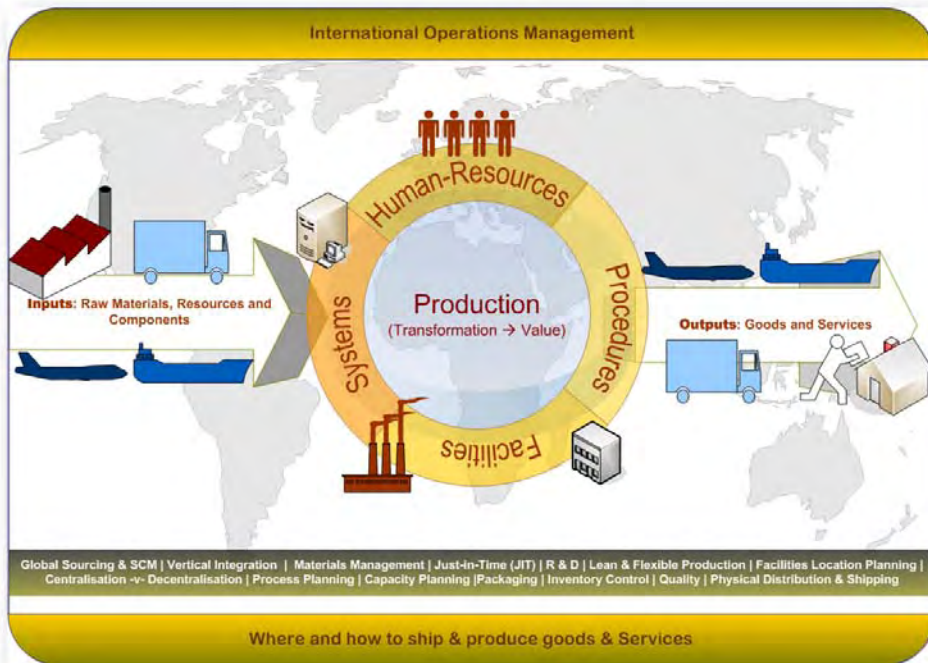


FIGURE: 2 PHYSICAL, INFORMATION AND MONETARY_FLOWS

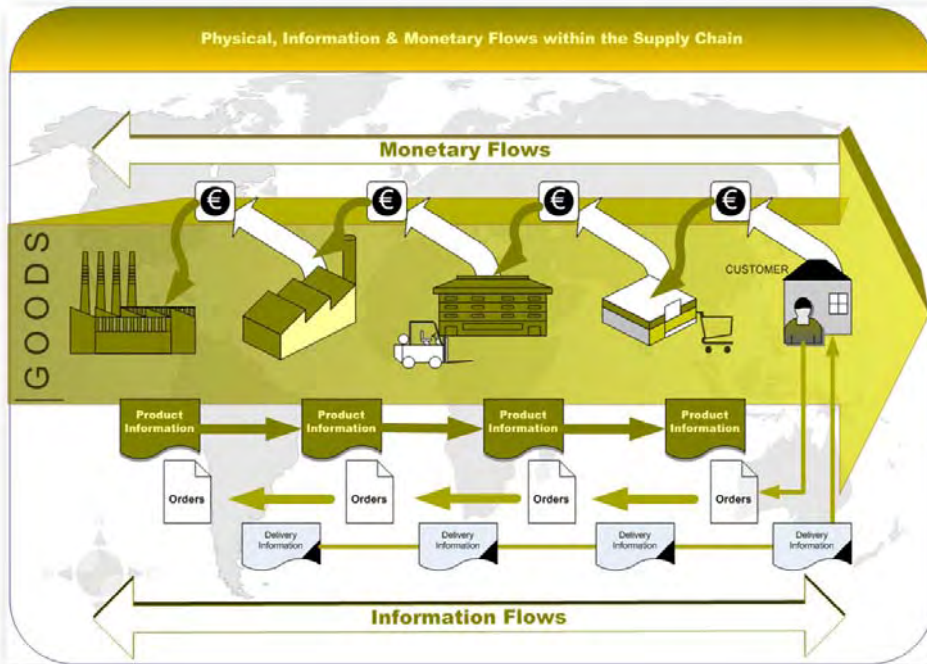
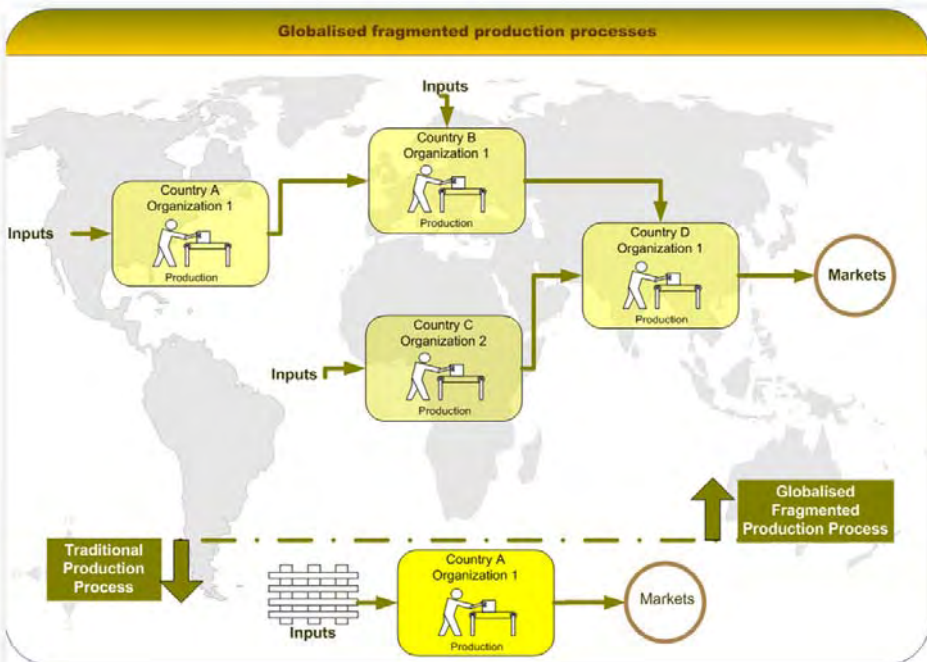


FIGURE: 3 FRAGMENTED PRODUCTION PROCESS



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CAPACITY

"the maximum production possible - The amount of work a production unit, whether individual or group, can accomplish in a given amount of time"

ECONOMIES OF SCALE

A decrease in the per unit cost of production as a result of producing large numbers of the good

INTERNATIONAL OPERATIONS

Process by which the firm makes and delivers its goods or services across national borders.

JUST-IN-TIME (JIT)

methods of managing inventory (stock) whereby items are delivered when needed in the production process instead of being stored by the manufacturer

LEAN PRODUCTION

A term commonly used to refer to just-in-time production.

LOGISTICS

"The management of both inbound and outbound materials, parts, supplies, and finished goods"

OPERATIONS

The core activities of a business

PRODUCTION PROCESS

the way that businesses create products and services

SALES AND OPERATIONS PLANNING

A business process that helps firms plan and coordinate operations and supply chain decisions over a tactical time horizon (usually 4 to 12 months out).

Bozarth, C. and Handfield, R. (2006) 'Introduction to Operations and Supply Chain Management with Advanced Decision Support Tools', Prentice Hall.

Fisher, M L., Hammond, J H., Obermeyer, W R. and Raman, A. (1994) 'MAKING SUPPLY MEET DEMAND IN AN UNCERTAIN WORLD', Harvard Business Review, May/Jun94, Vol. 72 Issue 3, p. 83 - 93.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Morrison, J. (2009) 'International Business: Challenges in a Changing World', Palgrave Macmillan Ltd.

Stalk, G. (1988) 'Time--The Next Source of Competitive Advantage', Harvard Business Review, Jul/Aug88, Vol. 66 Issue 4, p. 41 - 51.

Wise, R. and Baumgartner, P. (1999) 'Go Downstream: The New Profit Imperative in Manufacturing', Harvard Business Review, Sep/Oct99, Vol. 77 Issue 5, p. 133 - 141.

ACTIVITY: 1

Activity duration (mins): **60**

DYSON CASE STUDY

Investigate location decisions/ Evaluate and recommend production processes

Read the Active Learning Case on page 495 of Kelly (2009) before answering the following questions

Task

1. Compare and contrast this location decision with that at Burberry
2. How important is it to locate R&D near to Production? How important is it to

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locate Production near to suppliers or customers?

3. With reference to the technologies and systems introduced in part 4 of this book, what resources may help the organization manage the differences between locations (e.g. R&D and Production) in time and space?

4. Discuss arguments for a spatial division of labour in the context of globalisation; Identify advantages that Malaysia has as a manufacturing location. What advantages are there in having the UK as an R&D location?

5. What is the relationship between R&D, product development and production?

Production Process

Evaluate and recommend production processes for (1) the Dyson Vacuum Cleaner and (2) the wing of a now obsolete aeroplane – only five are required.

You should explain the factors considered i.e. what influenced your choice of process.

Discuss how an organization could best manage production when initially they expect low demand for standard products but that success will follow and high demand will be observed?

ACTIVITY: 2

Activity duration (mins): **20**

SONY CASE STUDY

Discuss production problems

Read and discuss the following case:

Sony irons out PS3 production problems

Microsoft, Nintendo could benefit from Sony's price, production woes

This time¹, Sony isn't first-to-market with their console—that honour goes to Microsoft's Xbox 360. The company's second entry into the console wars was released a year ago, and has generated strong reviews and decent sales. And Nintendo's Wii, with its unique, motion-sensing controller, has generated good pre-release buzz. And Sony? Manufacturing problems have caused delays and shortages for their PlayStation 3 launch... Sony initially planned to release the PS3 last spring, but then slipped the date back to November. Manufacturing delays forced the company to cut shipments in the U.S. by half to two million by the end of the year. A mere 400,000 will be available on launch day, Nov. 17. According to Murray (2006) Sony failed to ship even enough units to cover promised pre-orders to half of 150 stores surveyed⁴. Sony also had production problems with their PS2. "Sony slashes US PlayStation 2 allocation to 500k units - We can't make enough of 'em, admits Japanese giant" was the headline in the Register³. The problem now appears to be one of production. According to a Sony spokeswoman, PlayStation 2 manufacturing is about a month behind schedule.

Nintendo plans to boost Wii production

Company promises machine shortages to end next month

Nintendo's president² acknowledged on Friday that the shortage of the hit Wii game machine was "abnormal," and promised production was being boosted to increase deliveries by next month. We must do our best to fix this abnormal lack of stock," Nintendo President Satoru Iwata told reporters. "We have not been able to properly foresee demand." The Wii has pummelled its rivals in a head-to-head battle in next-generation video game consoles involving Sony Corp's PlayStation 3, which has been plagued with production problems, and Microsoft Corp.'s Xbox 360. Iwata refused to disclose the monthly production capacity for the Wii, and said it was too early to say by how much the production was being raised. But he said efforts were underway to increase production, and more machines will get delivered to stores around the world.

Source: (1) <http://www.msnbc.msn.com/id/15699196/> Updated: 9:07 a.m. ET Nov. 17, 2006 and accessed 8 October 2007; (2) <http://www.msnbc.msn.com/id/18348840/> Updated: 8:49 a.m. ET April 27, 2007 and accessed 8 October 2007; (3) Published Thursday 28th September 2000, www.theregister.co.uk/2000/09/28/sony_slashes_us_playstation/ accessed 8 October 2007 and (4) Murray, J. (2006), 'PS3 may miss production goals ... again', <http://www.joystiq.com/2006/11/14/analyst-sony-will-miss-ps3-launch-targets/> accessed 8 October 2007

ACTIVITY: 3

Activity duration (mins): **30**

LOCATION DECISIONS

Explore factors associated with location decisions

Discuss the factors you believe influenced the location decision for Burberry or Dyson. In each case, sort them in order of importance.

Describe the factors that affect location decisions at the country, regional and site level.

Why shouldn't low wage rates alone act as the sole decision criteria for relocation to a different country?

INTERNATIONAL MARKETING

Critically discuss the appropriateness of standardization through the marketing strategy and mix

Outline the principal activities and processes associated with international marketing

Critically evaluate alternatives for the international organization's strategic marketing approach

Identify and describe the main strategic marketing decisions

Specify the key elements of the international marketing mix and discuss how to balance these elements

Synopsis:

INTERNATIONAL MARKETING - INTRODUCTION; INTERNATIONAL MARKETING STRATEGY; THE (TACTICAL) MARKETING MIX and TECHNOLOGY-ENABLED INTERNATIONAL MARKETING

Key concepts introduced in this chapter
International marketing | Segmentation | Marketing research |

INTERNATIONAL MARKETING
BRAND
PRODUCT PORTFOLIO ANALYSIS
MARKETING MIX
SEGMENTATION
MARKETING INTELLIGENCE
PRODUCT LIFE CYCLE
MARKETING PLAN

to be completed prior to the lecture/ workshop...

READ CHAPTER 16 IN KELLY, P. (2009)

Create a précis before attending this session in class.

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. The key difference between domestic marketing and marketing on an international scale is the multidimensionality and complexity of the many foreign country markets within which a company may operate in. An international manager needs a knowledge and awareness of these complexities and the implications they have for international marketing management. Key factors include: diverse, multicultural, widespread and sometimes fragmented markets with different governments, politics, economics and financial systems; there are also different stakeholders and business rules to contend with and a need for control and coordination across markets.

The international marketing process is concerned with how work is done to create marketing strategies and plans. There are three essential stages in the process: analysis, planning and the development of the marketing programme. Analysis is used to support planning. The organization may analyse its environment to identify opportunities and specific markets to enter and will identify customers and buyer behaviour. One of the first tasks for the international marketing manager is to assess potential for success. The organization uses research to determine if there is demand for its products elsewhere and

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if there is, seeks to estimate potential market share so that the opportunity can be quantified. Determining opportunity is a complex challenge and requires analysis of end customers needs and buying behaviour, intermediaries, competitors and the industry as well as the wider environment. Given the large number of countries worldwide there is a need to focus attention. The marketing intelligence system is used to gather, process, assess, and make available marketing data and information in a format that allows marketing managers to function more effectively. External and internal analyses are the basis of good strategy formulation.

The Marketing strategy indicates the opportunities to pursue, specific target markets to address, and the types of competitive advantages that are to be developed and exploited when meeting marketing goals. Strategy is concerned with the optimal application of the resources a firm possesses relative to competitors. When marketing their products, firms need to create a successful mix of: the right product, sold at the right price, in the right place and using the most suitable promotion. Marketing mix variables (such as product, Price, place, promotion and people) are specified. The international marketing manager must consider how products, price, promotion and place (channels) are to be managed internationally; in each case arguments are considered for standardization or adaptation in the marketing mix. The marketing mix is the tactical 'toolkit' of the marketing programme; the 4P's are variables that an organisation can control in order to appeal to the target market and facilitate satisfying exchange.

International marketing is evolving as the marketplace becomes increasingly global. It can be argued that many of the changes taking place, such as the greater homogenation of consumer demand and the increasing speed and intensity of competition have accelerated due to of advances in technology. Technology facilitates the collection, analysis and dissemination of information for marketing purposes worldwide. Not only does technology make such processes faster but it also allows achievement at lower cost. Integrated technologies enable the organisation to be both adaptive and responsive.

Virgin

www.virgin.com

Web site to provide context for Active Learning Case in Kelly (2009:519)

Interbrand

<http://www.interbrand.com/>

See Kelly (2009:536) Interbrand started in 1974 - they create manage brand value by making the brand central to the business strategic aims. See BEST GLOBAL BRANDS 2008
Each year the Best Global Brands generates increasing amount interest from companies and practitioners associated with brand

Chartered Institute of Marketing

<http://www.cim.co.uk>

a leading international body for marketing and business development.

AMA

<http://www.marketingpower.com>

The American Marketing Association (AMA) is the largest marketing association in North America. It is a professional association for individuals and organizations involved in the practice, teaching and study of marketing worldwide.

ASA

<http://www.asa.org.uk/asa/>

Find out how the UK's system of advertising regulation is set funded and how the ASA works to protect consumers by ensure that the standards of advertisements is kept high, whether a complaint is made or not.

ESOMAR

<http://www.esomar.org/>

ESOMAR is the world organisation for enabling better research markets, consumers and societies.

FIGURE: 1 MAJOR DECISIONS IN THE INTERNATIONAL MARKETING PROCESS

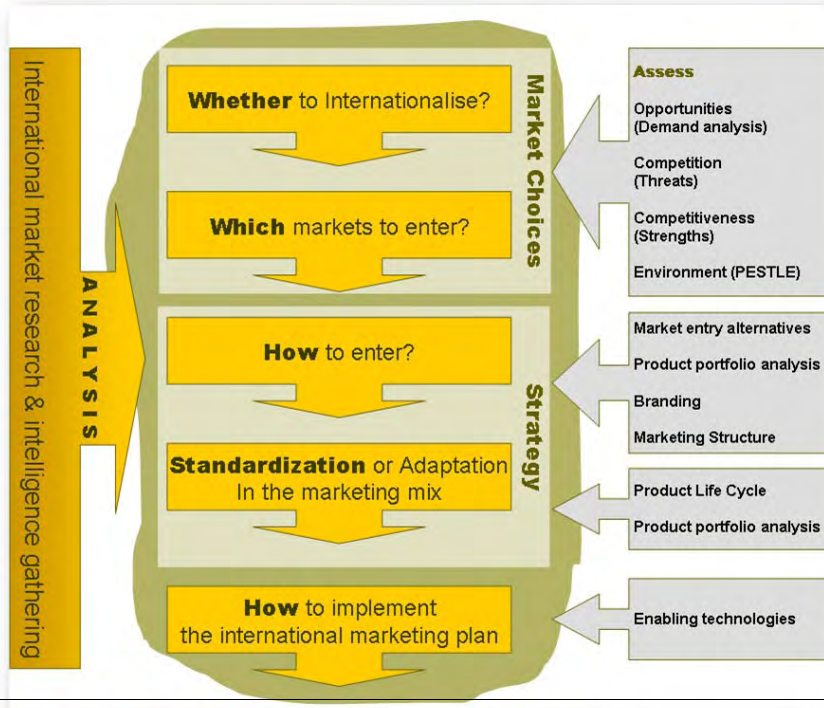


FIGURE: 2 INTERNATIONAL MARKETING

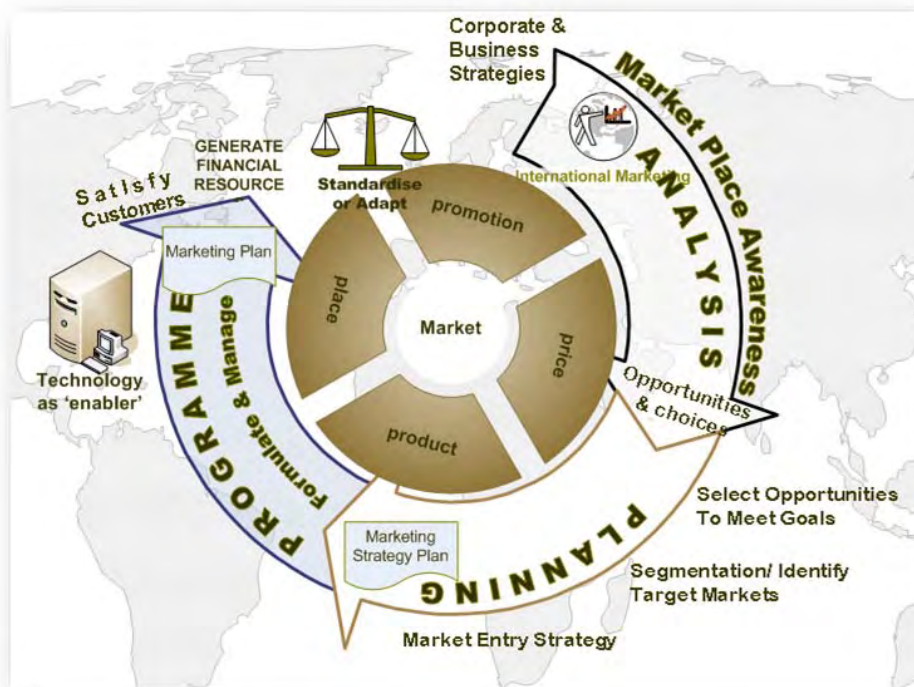
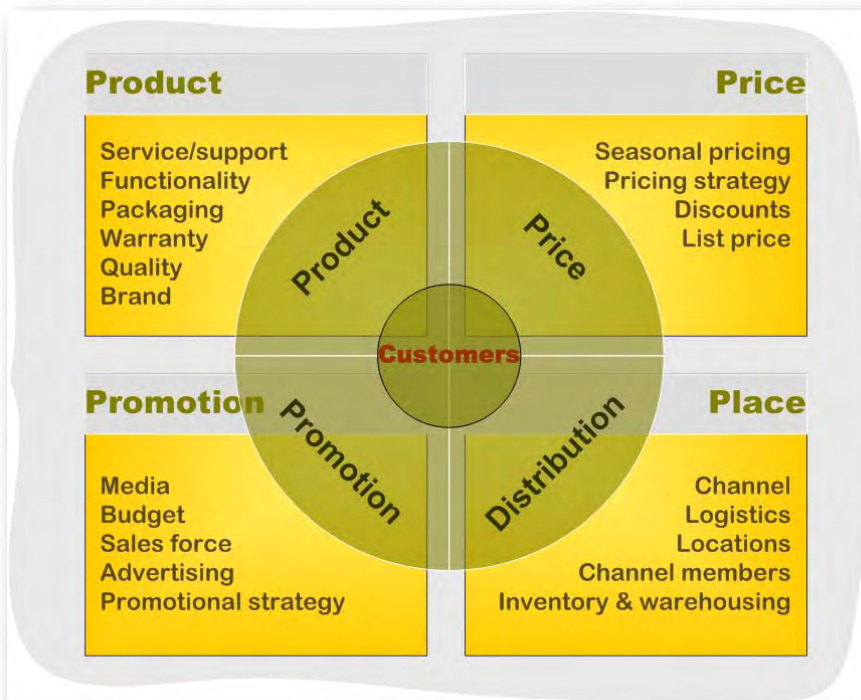


FIGURE: 3 SUMMARY OF MARKETING MIX DECISIONS



Glossary and References

BRAND

"a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers"

INTERNATIONAL MARKETING

marketing processes that cross national borders

MARKETING INTELLIGENCE

"Information about buyer needs and competitor activities compiled, analyzed, and/or disseminated in an effort to provide insight and assistance in decision-making"

MARKETING MIX

"the tactical 'toolkit' of the marketing programme; product, place/distribution, promotion, price and people variables that an organisation can control in order to appeal to the target market and facilitate satisfying exchange"

MARKETING PLAN

"the written arrangements for specifying, implementing and controlling an organisation's marketing activities and marketing mixes"

PRODUCT LIFE CYCLE

"the four major stages through which products move: introduction, growth, maturity and decline"

PRODUCT PORTFOLIO ANALYSIS

a strategic planning tool that takes a product's market growth rate and its relative market share into consideration in determining a marketing strategy

SEGMENTATION

"The process of grouping customers in heterogeneous markets into smaller, more similar or homogeneous segments - customers are aggregated into groups with similar needs and buying characteristics"

Andersen, O. (1993) 'ON THE INTERNATIONALIZATION PROCESS OF FIRMS: A CRITICAL ANALYSIS', *Journal of International Business Studies*, Vol. 24 Issue 2, p. 209 - 231.

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Day, G S. and Wensley, R. (1988) 'Assessing Advantage: A Framework for Diagnosing Competitive Superiority', *Journal of Marketing*, Vol. 52, No. 2. (Apr., 1988), p. 1 - 20.

Hunt, S D. and Morgan, R M. (1995) 'The Comparative Advantage Theory of Competition', *Journal of Marketing*, Vol. 59, No. 2. (Apr., 1995), p. 1 - 15.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

ACTIVITY: 1

Activity duration (mins): 40

VIRGIN GROUP

the role and value of the brand

Read the Active Learning Case on page 519 of Kelly (2009) before answering the following questions

1. What does the cable company (NTL) get for money spent on a licence to use the Virgin brand?
2. How does Virgin's product diversification strategy impact upon the brand? Will numerous brand extensions threaten the inherent value of the Virgin brand?
3. What other risks may be associated with the brand? What would happen if Branson left the Virgin Group - retiring or making a sudden departure?
4. The basic idea behind "extending" a brand is to develop a new product or service which can piggyback on the perceptions and feelings associated with a parent brand. Identify examples of companies who have had success with brand extension.

BURBERRY CASE STUDY

Refer back to the Burberry case study. By 1910, Burberry's had entered the international fashion market. They began to supply retail stockists in other countries, and wholesale agreements were made with Japanese retailers. During the Mid 20th century, Burberry's expanded their retail network in the UK and abroad, and licences were agreed with a variety of third parties in Europe and Asia; the extension of control resulted in inconsistencies in design, quality and pricing across international markets. In the latter part of the century, Burberry's profits began to fall and were down to £25 million in 1997. New management, through a new strategy, immediately set out to reposition the Burberry's brand.

Internationalisation and market entry strategies

1. How important is it for Burberry to have control over:

- a. Product development
- b. Sourcing
- c. Manufacturing
- d. Distribution (Place)

Explain your answers for each section.

2. Identify alternative means for Burberry to control distribution, commenting on preferred approaches.

Marketing Strategy

In their IPO Prospectus (2002), Burberry clearly identify the importance of active marketing communications in the development of an image and lifestyle that is capable of "generating interest amongst retail customers, wholesale buyers and the media" (p. 34).

3. Would you advise Burberry to centralise or decentralise management of marketing? Explain your answer.

Burberry communications

4. Discuss the marketing communications options open to Burberry – which approaches do you favour and why?

Branding

Earlier in the chapter we suggested that a brand can be many things but that branding concerns activities directed at influencing customers and stakeholders through communication and brand objects.

5. How might you go about rebranding the company?

Pricing

6. Should Burberry adopt an ethnocentric (standard) or adaptive approach to pricing – explain your answer.

Products

A new design director was appointed to extend the range and place of Burberry as a luxury fashion brand. The company launched six new brand levels. The creation of different ranges enabled Burberry to cater for most of the market and compete with their most prestigious competitors, without being priced out of the

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high street. In order to furnish these new brand levels, Burberry extended their range of traditional menswear to include womenswear, children's apparel, and accessories, which includes soft goods such as scarves and ties, as well as "hard" goods such as luggage and eyewear. Burberry also made moves to classify its products as continual (products with a long life-span), or seasonal (products more responsive to fashion trends with an expiry date). In keeping with the reputation for outerwear, Burberry also extended its ranges to include sportswear for all.

7 Should Burberry standardise or adapt its products for different markets?

Investment in under-penetrated markets

For Burberry, under-penetrated markets exist in both developed and newly emerging economies (www.burberryplc.com/brby/cp/corpoverview/ accessed 15 Sept 2007). North America is today a £200m market for the Group. With only 39 Burberry stores, North America presents significant opportunity to expand this base. At the same time, the importance of large, high-end department stores in this market indicates substantial capacity for future growth of the wholesale channel. Emerging consumer economies, including China, Eastern Europe, Russia and the Middle East, offer rapid growth, potentially with significant scale. In many of these markets, Burberry develops its business through franchise structures which operate retail stores – a retail/wholesale hybrid model. The future in these markets will be addressed both through direct retailing and franchise structures. Under-penetrated markets are geographies in which specific segments or product categories of the business are underdeveloped – even within a large Burberry market.

Explain how you would assess and prioritise markets to enter and discuss penetration and growth strategies for Burberry.

DATABASE MARKETING

Investigate Database Technology and the processes involved in database marketing

Discuss the benefits of database technologies for marketing

Database marketing is used to capture information to identify customers and prospects as individuals and build a continuing relationship with them (Kahan 1998). Historically, sellers offered personal services, one-to-one relationships and recognized customers as individuals. As a result of numerous interactions over time, the local merchant knew you and your family, what you wanted, how and when you wanted it (customer knowledge). The shop owner kept you as a loyal customer by establishing a two-way communication with you, basing relationship decisions on this personal knowledge. It is almost impossible for contemporary large international organizations to know each customer in this personal way. Only with help from marketing database technology can such organizations try to manage their customers to similar effect. Marketers can use database technology to gain a clear understanding of what customers and prospects "look like" (cognitive) and how they act (behavioural). Through database records and their manipulation, marketers use data about purchase recency, frequency, and monetary value (RFM) to develop customer knowledge. Using the RFM variables, customer data can be segmented and customers categorised so the organization can tailor its actions, communications and offerings.

Customer knowledge, derived from the RFM process is reliant upon customers being uniquely identified (a standard aspect of any marketing database), for example through an account number (customer ID) and the recording of all order or sales information within database tables - with the unique key included within each transactional record. Database queries are then used to manipulate and edit customer records. Queries are used to sort customers according to the (1) date of the last or most recent purchase (dynamic table A); (2) total number or frequency of purchases (dynamic table B) and (3) average amount spent per order (dynamic table C). For each table, once created, customers are sorted and then a segment code is allocated for each customer. For example, you might tag those customers who have made the most recent purchases with a "5" indicating the top segment and work your way to the least recent purchases being tagged with a "1" (a new field labelled "purchase_recency_segment_code" is created for each customer and updated). Next, customers are sorted (automatically by the database) by number of orders and the same methodology and tagging process applied (a new field labelled "purchase frequency segment code" is created and updated). And finally, customers are sorted on the average amount of each order and the segmenting and tagging functions performed (a new field labelled "purchase monetary value segment code" is created and updated). Each customer will now have a segment code (e.g. 1-5) for each of the RFM variables.

The codes can be added to create RFM scores for each of your customers, from your best customer segment (e.g. a score >12) to your worst (a score <4). Scores are then used to group the customer population. Once groups are created you can conduct analysis and set up business rules for each group (e.g. "platinum" or "Bronze" customers). The major benefit of performing this analysis is the identification of the organization's best customers and an ability to differentiate between customers. Cognitive models can be built for each customer segment, from best to worst and more emphasis can be placed on acquiring "look-a-likes" of best customers. In addition, since individuals who fall into the same customer segment do so because of their past behaviour, we can now make the assumption that they will behave in the same way in the future (or a statistically significant percentage will). When implementing a new marketing campaign, instead of targeting the entire customer population, the marketer may target a percentage of each RFM segment and then test the response against break-even rates. The marketer may then roll out the campaign only to those RFM segments

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proven to achieve profitable response rates. This methodology allows marketers to test campaigns to smaller segments of customers, and direct larger campaigns only towards those customer segments that are predicted to respond profitably. Through using a combination of cognitive and behavioral analysis techniques, database marketers will use electronically captured information more effectively leading to three types of benefits: (1) increased response rates; - (2) lowered cost per order; and- (3) greater profit. Furthermore, decision rules may be associated with segments. For example, a platinum customer who telephones the call centre may be routed to a special section where they can receive more focused treatment. Rewards can be tailored and company resources may be structured around derived segments. This supports customer retention and sales extension goals (cross and up selling).

Customer ID	Last order date	Total Units	Total Sales
1	12/07/2005	65	€131.50
3	08/04/2006	90	€172.50
8	12/05/2007	100	€148.00
9	12/04/2006	30	€57.00
12	22/05/2006	60	€114.00
13	22/08/2008	75	€133.00
14	12/07/2006	145	€247.50
16	22/06/2006	60	€144.00
20	06/06/2008	55	€159.50
23	05/05/2006	65	€123.50
24	12/08/2006	95	€303.00
28	04/09/2006	80	€122.00
31	08/08/2006	15	€13.00
32	07/09/2006	40	€76.00
33	22/01/2006	25	€47.50
34	08/02/2007	70	€131.00
35	02/03/2006	15	€28.50
36	22/04/2006	5	€124.50
37	09/05/2006	35	€58.00
38	12/06/2006	5	€74.50
39	03/07/2007	70	€134.50
40	04/03/2006	50	€95.00
41	12/05/2008	80	€86.00
42	05/05/2007	100	€145.00
43	12/05/2008	50	€93.00
44	06/05/2006	70	€133.00
45	02/05/2008	30	€58.50
46	07/05/2007	20	€44.00

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ID	R	F	M	RFM	Category
23145	3	2	1	6	Bronze
95438	4	5	2	11	Gold
23453	2	3	3	8	Silver
78916	4	5	4	13	Platinum

Customer ID	Total Sales	Segment
23145	€13.00	1
78935	€28.50	1
46846	€44.00	1
97533	€47.50	1
27679	€57.00	1
36737	€58.00	1
63545	€58.50	1
95438	€174.50	2
32343	€176.00	2
41354	€286.00	2
43763	€293.00	2
40122	€395.00	2
12422	€414.00	2
23248	€522.00	2
23453	€123.50	3
31546	€124.50	3
12334	€131.00	3
97871	€131.50	3
58544	€133.00	3
58513	€133.00	3
57339	€4134.50	3
78916	€21144.00	4
01342	€21145.00	4
56368	€22148.00	4
02320	€23159.50	4
03435	€24172.50	4
14453	€25247.50	4
24354	€28303.00	4

MANAGING GLOBAL FINANCIAL RESOURCES

Evaluate the need for international harmonisation of accounting practice

Discuss sources of investment capital available to international businesses

Describe the techniques used by international organizations to manage working capital

Identify factors in the global economic environment likely to impact upon international financial management goals and accountancy practice

Explain what is meant by corporate governance and why the international organization strives to achieve it

Evaluate capital budgeting techniques used by international organizations

Synopsis:

THE INTERNATIONAL FINANCE ENVIRONMENT; FINANCE MANAGEMENT IN THE INTERNATIONAL ORGANIZATION; ACCOUNTING IN THE INTERNATIONAL ORGANIZATION and FINANCIAL CONTROLS & CORPORATE GOVERNANCE

Key concepts introduced in this chapter
Finance | Economics | Accou

ACCOUNTING AND FINANCE FOR INTERNATIONAL
BUSINESSE
FINANCE
ACCOUNTING
CAPITAL BUDGETING
FOREIGN EXCHANGE RISK
CORPORATE GOVERNANCE
INTERNAL CONTROLS

to be completed prior to the lecture/ workshop...

READ CHAPTER 17 IN KELLY, P. (2009)

Create a précis before attending this session in class.

The key issues and concepts discussed in this chapter are shown in Figure 17- 13. Finance studies the ways in which organizations raise, allocate, and use monetary resources over time, taking into account the risks entailed. The raising of capital to finance an organisation's operations and the decisions of source and use of the financial resources is termed financial management.

The system for recording and summarizing business transactions and activities designed to accumulate, measure, and communicate financial information about economic entities for decision-making purposes is termed accounting. Accounting refers to the overall process of identifying, measuring, recording, interpreting, and communicating the results of economic activity; tracking business income and expenses and using these measurements to answer specific questions about the financial and tax status of the business i.e. it is a system that provides quantitative information about finances. Whereas financial accounting is the use of accounting information for reporting to parties outside the organization, management accounting is concerned with the provisions and use of

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accounting information to managers within organizations, to provide them with the basis for making informed business decisions that will allow them to be better equipped in their management and control functions.

Corporate governance consists of the set of processes, customs, policies, laws and institutions affecting the way people direct, administer or control an organization. It is the process by which company objectives are established, achieved and monitored. Corporate governance is concerned with the relationships and responsibilities between the board, management, shareholders and other relevant stakeholders within a legal and regulatory framework. One of the key goals of corporate governance is to reduce the Principal Agency problem.

First pac

www.firstpacco.com

Used to support the case study (Kelly 2009:553) - First Pacific (HKEx: 00142) is a Hong Kong-based investment and management company with operations located in Asia. Its principal business interests relate to Telecommunications, Consumer Food Product Infrastructure and Natural Resources.

PLDT

www.pldt.com.ph

Used to support the case study (Kelly 2009:553) - Philippine 1 Distance Telephone Company (PSE: TEL; NYSE: PHI) is the leading telecommunications service provider in the Philippines

Indofood

www.indofood.co.id

Used to support the case study (Kelly 2009:553) a "Total Food Solutions" company engaged in food manufacturing, processing, marketing and distribution. It is based in Jakarta and is listed on the Indonesia Stock Exchange.

Metro Pacific Investments Corporation

www.mpic.com.ph

Metro Pacific Investments Corporation (MPIC) (PSE: MPI) is a publicly-listed investment and management company based in the Philippines with holdings in infrastructure, utilities, real estate development and healthcare enterprises.

World Trade Organization

<http://www.gatt.org/>

World Trade Organization official site

The World Bank Group

<http://www.worldbank.org/>

The World Bank is a vital source of financial and technical assistance to developing countries around the world.

International Monetary Fund

<http://www.imf.org>

The International Monetary Fund (IMF) is an organization of countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

Chartered Institute of Management Accountants

<http://www.cimaglobal.com>

CIMA is a leading membership body that offers a globally recognised professional management accounting qualification

IASB

<http://www.iasb.org/Home.htm>

The Website of the International Accounting Standards Board aims to develop, in the public interest, a single set of high quality understandable and international financial reporting standards (IFRSs) for general purpose financial statements.

FIGURE: 1 INTERNATIONAL FINANCE AND ACCOUNTING

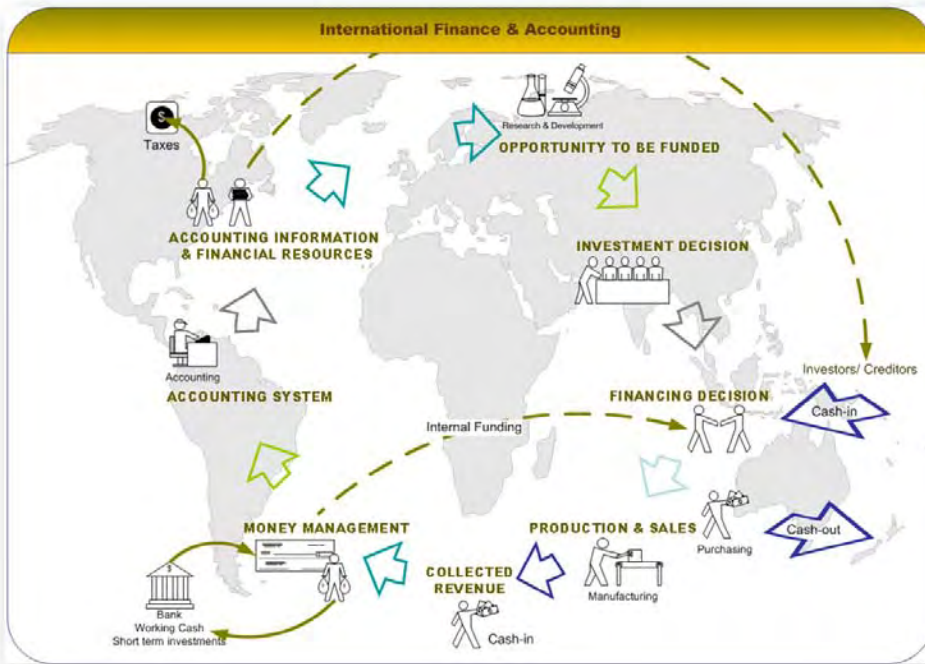
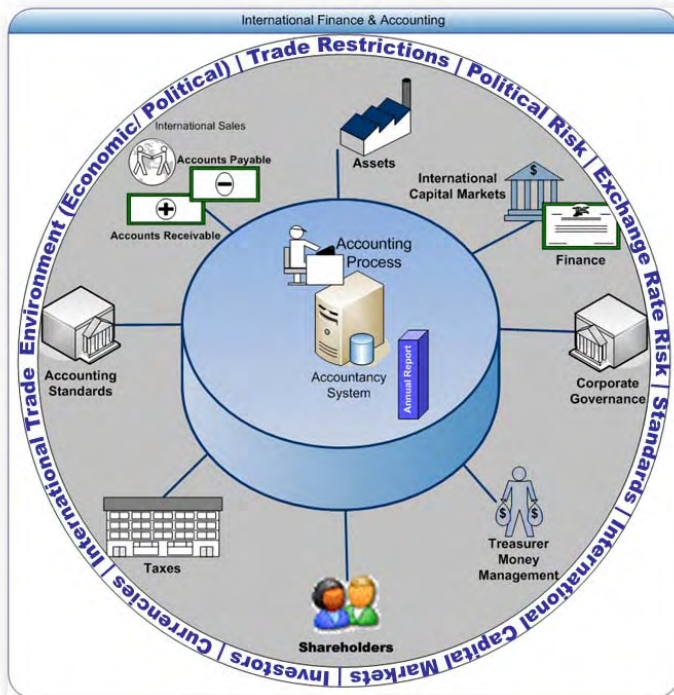


FIGURE: 2 INVESTMENT APPRAISAL DECISION MAKING PROCESS



FIGURE: 3 INTERNATIONAL FINANCE AND ACCOUNTING



Glossary and References

ACCOUNTING

"the overall process of identifying, measuring, recording, interpreting, and communicating the results of economic activity"

ACCOUNTING AND FINANCE FOR INTERNATIONAL BUSINESSE

" Budgeting, costs and raising finance, any or all of which arise in more than one country, and involve more than one regulatory authority."

AUDIT COMMITTEE

Body formed by a company's board of directors to oversee audit operations

CAPITAL BUDGETING

the process of analyzing and selecting various proposals for capital expenditures

CORPORATE GOVERNANCE

the system used to control and direct a company's operations

ECONOMICS

"a social science concerned chiefly with description and analysis of the production, distribution, and consumption of goods and services"

FINANCE

"a branch of economics concerned with resource allocation as well as resource management, acquisition and investment; deals with matters related to money and markets."

FOREIGN EXCHANGE RISK

the chance of a loss due to an adverse movement in exchange rates

INTERNAL CONTROLS

Structural, Staff and System safeguards to protect assets and ensure reliable accounting records and information systems.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

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Morrison, J. (2009) 'International Business: Challenges in a Changing World', Palgrave Macmillan Ltd.

Tarca, A. (2004) 'International Convergence of Accounting Practices: Choosing between IAS and US GAAP', *Journal of International Financial Management & Accounting*, 15 (1), p. 60 - 91.

ACTIVITY: 1

Activity duration (mins): 60

FIRST PACIFIC ACTIVE LEARNING CASE

Identify investment decision examples, consider reporting instruments

Read the Active Learning Case on page 553 of Kelly (2009) before answering the following questions

Tasks

1. List examples of the investment decisions you might expect to have been considered at PLDT over the past decade.
2. Visit the websites identified in the opening case study and download a selection of Annual reports. Compare and contrast the selected reports.
3. Assuming First Pac wholly owned PLDT, Indofood and Metro Pacific, evaluate approaches to manage the organizations global cash reserves.

ACTIVITY: 2

Activity duration (mins): 30

INVESTMENT APPRAISAL

Practice appraisal techniques

The ABC Company is considering investing in a new computer-based information system to support its global e-commerce goals. The system will cost 2Million and will generate revenues of 0.5M (yr1); 0.75M (yr2); 2M (yr3) and 2M (yr4). The company borrows the funds from its parent company with a cost of capital of 5%. Assuming there are no competing projects and that all costs are met in year 1, determine whether the company should borrow the money and make the investment.

6

STUDY SKILLS

GROUP WORK

Identify problems which groups may encounter

Identify likely issues around which team conflict may arise and how such issues might be dealt with

Recognise the distinction between task and process in work groups

Understand the factors that contribute to success and failure in project groups and teams

List the potential benefits of working in teams

Synopsis:

A collection of seminars/ workshops and student activities designed to prepare students for assessed group work. Includes group contract preparation.

GROUP PROCESS

TASK ACTIVITY

to be completed prior to the lecture/ workshop...

RESEARCH

Obtain a copy of McGraw, P., Tidwell, A. (2001), 'Teaching group process skills to MBA students: a short workshop', Education + Training, Volume 43 Number 3, pp. 162 - 171 and bring it to class

to be completed prior to the lecture/ workshop...

READ THE ARTICLE BY KELLY, P P. (2008)

Kelly, P P. (2008), 'Achieving desirable group-work outcomes through the group allocation process', Team Performance Management, Volume: 14 Issue: 1/2, pp. 22 - 38

to be completed prior to the lecture/ workshop...

PRESENTATION/ DISCUSSION ON GROUP WORK

Identify the factors that may determine whether a small group is able to perform well - especially in the context of the classroom and assessment

Aims:

To develop behavioural skills for managers in post and undergraduate management programmes

To properly equip students to work effectively in small groups

To help students to meet the challenge of working in small groups during their studies

Along with business and management theory and content, students typically must also

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develop their academic skills and transferable skills - needed by a student both to achieve success on any academic course and to develop key workplace skills that will enable them to achieve success in their onward career. Aside from the need for students to manage themselves they are likely to need to: develop note-making techniques; get the most out of lectures; understand and work in groups; develop presentation skills; skills for efficient and critical reading; develop writing skills and an understanding of academic integrity: plagiarism. Opportunities are presented in this course to develop such skills and a variety of text books are available to support the student such as: Price, G., Maier, P. (2007), 'Effective Study Skills: Essential skills for academic and career success', Prentice Hall or Cameron, S. (2007), 'The Business Student's Handbook: Skills for Study & Employment, 4/E', Ed 4, Prentice Hall.

Students learn about group behaviour from the experience of being in a group and reflecting consciously on how the process shapes the outcome. Project/assessment groups typically involve four or five students (although this can vary) who meet over an academic term (semester), with the objective of working towards an academically determined goal. Some groups may be characterised by a high level of group cohesion, and relatively low levels of conflict, whereas other groups may be characterised by low levels of group cohesion and high levels of conflict. There can be great benefits for students that come from working in small project groups: learning from the experience of others, fun, moral support, and combining of competencies, developing new understanding for and appreciation of unfamiliar managerial functions; they present an opportunity to develop interpersonal skills, conflict resolution processes, and time management. On the down side, students often have to deal with difficult issues such as social loafing and can experience communication problems in multicultural groups.

Group work

Some courses include assessed group work. This presents you with a challenge, to do your best and to ensure that other group members do their best also. Understanding something about how groups work can increase your chances of success and will help develop a transferrable skill (particularly if this involves experience of working in diverse groups). Groups must be selected (members allocated) and must then operate to attain goals. Group dynamics refers to the way in which a group works together and the ways in which the different relationships develop within the group. There are several other factors that affect the way a group works and develops - the size and the structure of any group will affect how it works. Whenever a group of people focus on a task together, and this applies not just to student groups but to any group, certain roles need to be fulfilled. You need people to generate ideas, gather information, monitor progress, summarise the situation so far, keep an eye on the time, delegate specific tasks to particular people, clarify issues, and much more, (Cameron 2007). Sometimes people spontaneously adopt particular roles; on other occasions you need to discuss who will be responsible for what; though you often don't have to stick to just one role. While no two groups are identical, most go through four developmental phases. First, you need to get to know each other, find out about strengths, weaknesses, opinions, and ideas. This also involves you questioning your own role(s) within the group and beginning to work out what you really want. The second phase, is where you try to gain power and influence over the areas of interest to you. It is unlikely that everyone will just slot neatly into roles and do what everyone else wants them to, so this is the stage of conflict and strife. The third phase is group unity. This usually arises once major conflicts have been dealt with and when individual members have settled into roles that they feel happy with and competent in. Once you have achieved unity you can move on to Stage Four, which is actually achieving the task.

Glossary and References

GROUP PROCESS

the patterns of interactions between the members of a group.

GROUP PROCESS

" patterns of interactions between the members of a group in terms of quantity of communication, direction of communication, category of utterance, and decision-making method."

TASK ACTIVITY

" a verbal input, made by a group member that directly supports the group's purpose (e.g. solving a problem, reaching a decision). This class of verbal contribution is oriented to getting the group's work task completed."

Cameron, S. (2005) 'The Business Student's Handbook - Learning Skills for Study and Employment', Ed. 3. FT Prentice Hall.

Huczynski, A. and Buchanan, D. (2001) 'Organizational Behaviour An Introductory Text', Ed. 4. Financial Times Prentice Hall.

Huczynski, A. and Buchanan, D. (2007) 'Organizational Behaviour', Ed. 6. FT Prentice Hall.

McGraw, P. and Tidwell, A. (2001) 'Teaching group process skills to MBA students: a short workshop', Education + Training, Volume 43 Number 3, p. 162 - 171.

ACTIVITY: 1

Activity duration (mins):

GROUP EXERCISE 1 - EXPERIENCES OF GROUP PROJECT WORK

The purpose of this exercise is to surface student experiences of group/ group-project work, so that they may reflect on their experiences with groups and share earlier learning with each other.

Students are divided into groups and are asked to prepare a short presentation detailing their collective experiences in teams and groups.

Each group should reflect upon the benefits (good), disadvantages (bad) and problems (ugly) associated with their experience. In addition groups should consider the differences and similarities between group work in an academic setting as opposed to group involvement in the workplace.

Groups should report on their findings.

ACTIVITY: 2

Activity duration (mins):

GROUP EXERCISE 2 - PREPARE A SHORT PRESENTATION

The purpose of this exercise is to engage with a short group work task and practice group presentations.

Students are divided into groups and are asked to prepare a short presentation: 'How to deliver effective presentations to adults'

You should deliver the presentation as a group presentation lasting no more than five minutes. Each member does not have to speak but must be available to help with delivery/ questions.

ACTIVITY: 3

Activity duration (mins):

GROUP EXERCISE 3 CASE STUDY - THE ALPHA TEAM PROJECT

To properly equip students to work effectively in small groups

To help students to meet the challenge of working in small groups during their studies

Group members should read and reflect upon the case study and the key questions raised at the end of the case study then record your answers to the questions.

You will be given 40-45 minutes for reading and discussion. Each group in turn will present their observations on the case questions.

Case study (from McGraw and Tidwell (2001))

Read about THE ALPHA TEAM PROJECT

DISCUSSION QUESTIONS

- (1) What were the key events that caused the group to split?
- (2) What does the case tell us about the skills/behaviours and systems required for effective group project work?
- (3) What should/could the group members have done to avoid the split?
- (4) Evaluate the role of the faculty member's actions in this case.
- (5) How do you think the group members felt at the conclusion of the case?

ACTIVITY: 4

Activity duration (mins):

GROUP EXERCISE 4 PREPARING FOR YOUR GROUP WORK

Consider the group assessed tasks assigned to your group.

How will you go about them? What can you do to increase the chance of a desired outcome?

1. Draft your group contract

A Group Contract is a document prepared by each team prior to starting work on group projects.

The contract provides an opportunity for your group to specify contact information, preferred methods of communication, action plans, meeting schedules, goals, and consequences of actions (or inactions) of group members.

The contract should be developed and signed BEFORE starting the actual project/ assignment. For the Group Contract to be valid, provide the signed and dated original typed contract to me by the specified deadline on your course schedule. Give a photocopy of your original to each group member for their records.

Action Plans: Present your group's "plan of attack" for completing the project/ assignment. In essence, address how you will split the workload, yet work on this as a group in order to provide equal learning opportunities and create the best project possible. You do not have to address every bullet point below. Rather make some decisions regarding what feels right to your group. You may include wish to include issues such as:

- Who will be responsible for typing the final report?
- What type of attendance policy will you have at your meetings?
- How will you divide the work to ensure it is equitable?
- How will you record what transpired at each meeting?
- Will someone be designated as the group secretary or will you rotate this duty?
- How and when will you evaluate each other's work before it is placed into the final report?
- How, where, and when you will distribute information to each other?
- Will you each work on all sections of the project/assignment individually and then discuss your results at group meetings; or will you do all work at group meetings?
- Will you make all of your decisions and have all discussions at the group meetings? Will decisions and discussions be conducted electronically?
- What is your proposed schedule to tackle the individual components of this project/assignment?
- How will you go about resolving group conflicts?

NAMES/CONTACT INFORMATION:

List the names and complete contact information for each group member (home phone, work phone, e-mail, instant messaging, etc.). Put an asterisk (*) next to the contact method preferred by each member of the group.

SAMPLE CLAUSES:

- We agree to:
 - Come to class
 - Make sure that when we miss class that we contact the others in our group work on group assignments collaboratively
 - Show up at meetings
 - Complete assignments before group meetings
 - Assist others

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The time and place of group meetings shall be agreed upon unanimously within our group

Should an emergency arise that prevents me from attending a group meeting, I will notify my group members immediately

I will do my share of the group work, there will never be an occasion where one group member does all of the work nor will there be a time when a group member does none of the work

Each member will agree on the answer for each group problem before it is turned in. In circumstances where agreement is not automatic, each member shall explain how they arrived at their particular solution until a correct solution is clear. If no agreement can be reached, a vote will be taken on which result to submit

I will do everything in my capabilities to help my fellow group members understand each and every concept and problem

I will communicate with my fellow group members about any concerns I have about our group work

I will be an active member of this group in all aspects

Each member must participate fully, resulting in equal division of the workload

Each member's opinions and ideas will be taken into consideration

GROUP OBJECTIVE/PURPOSE OF GROUP

GOALS

- 1.
- 2.
- 3.

TIMELINE

TASK DUE DATE RESPONSIBLE PERSON(S)

- 1.
- 2.
- 3.

Meetings:

Present the planned group meeting days/times/locations for the semester. Will you meet weekly, monthly, the night before the project is due, etc...? Where possible, specify exact dates. How long will your meetings last? Where will you meet? What other expectations are there for group meetings? What is your group's policy on attendance for the classes set aside as in-class workshops (see my online Schedule for details).

PEER EVALUATION:

Include, as an appendix to your Group Contract, the following additional items:

- a) a blank copy of the evaluation instrument that you will use,
- b) specific directions for completing the instrument and

Who will complete a process observation sheet and when? Create a schedule or list.

How will feedback be provided to each other?

CONFLICT RESOLUTION AND ACCOUNTABILITY STATEMENT

When we encounter conflict or when someone does not fulfil responsibilities to group on time or in a quality manner, we will,

- 1.
- 2.
- 3.

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OPTIONAL

Targeted Numerical Grade: Identify the group's targeted numerical (not letter) grade on the final project (and presentation if applicable).

Chairperson: Designate one person in your group to be the " Chairperson " and identify their name in this section.

This group contract is binding upon all who sign it and is subject to change with prior approval of all members of the group.

Signatures and Dates: In order to be valid, all group members must provide their written signature and the date on the final group contract.

REFLECTIVE PRACTICE

Identify strategies for critical reflection.

Identify what is meant by reflective practice and why it is an important learning method.

Identify the basic elements of reflective practice.

Explain what is meant by critical reflection.

Synopsis:

This unit is designed to develop students' capacities for reflection and evaluation, and to provide a basis for enabling them to become lifelong reflective practitioners.

REFLECTION

REFLECTIVE LEARNING

Along with international business and management theory and content, students typically must also develop their academic skills and transferable skills - needed by a student both to achieve success on any academic course and to develop key workplace skills that will enable them to achieve success in their onward career. Aside from the need for students to manage themselves they are likely to need to develop (lifelong) learning skills. Opportunities are presented in this course to develop such skills and a variety of text books are available to support the student such as: Price, G., Maier, P. (2007), 'Effective Study Skills: Essential skills for academic and career success', Prentice Hall or Cameron, S. (2007), 'The Business Student's Handbook: Skills for Study & Employment, 4/E', Ed 4, Prentice Hall. Learning is something we do throughout our lives - sometimes in a formal education setting, other times in work and play. Your time at college or university is not an isolated block of learning. Given the rapid changes in the employment market, growth of technology, and increasing need for career change rather than "a job for life", what you learn about how to learn effectively is something that will last you forever, (Cameron, 2007). One way to achieve this is to develop reflective learning skills. There are not many situations in life where you are exposed to so many different learning experiences in such a brief period of time. On top of all the formal learning experiences of lectures, tutorials, practicals, projects, information research, working in teams and individual assignments, there are the other learning opportunities of mixing with different people, getting involved in new social activities, and accepting new personal responsibilities, (Cameron 2007).

This unit is designed to develop students' capacities for reflection and evaluation, and to provide a basis for enabling them to become lifelong reflective practitioners. We are currently living in an era of enforced and rapid change. It is in this context that the notion of lifelong learning has been consistently promoted by government and educational policy makers. Learning how to learn is seen as an essential transferable skill, almost a survival skill in the current socio-economic climate. In such a context it is seen as desirable that individuals are not only able to engage with questions about the 'what', but also the 'how' and the 'why', and to have a high degree of self awareness of their own learning needs and the initiative to take these forward. It is claimed that one of the most effective ways of promoting such learning is to engage in reflection on a learning event, or learning experience, a process which would involve mentally revisiting the experience or event, interpreting the event and evaluating what we gained from it. Those learners able to reflect on the learning process are said to be more likely to develop the tendency to look

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for learning, and also to have an increased desire to learn. In fact, it is claimed that more learning can be derived from retrospective reflection on the process of learning from an experience than from the experience itself. In various educational contexts, specific 'tools' have been used to facilitate this process, such as learner diaries, critical incident logs, action research, identifying action plans or personal development plans, self-evaluation activities and peer assessment. All such tools aim to make the learner not only a more effective and self-aware learner, but also a more curious, confident and autonomous learner who understands the purpose of their learning, accepts responsibility for it, takes the initiative and is self-evaluative. Reflection is an important human activity in which people recapture their experience, think about it, mull it over and evaluate it. It is this working with experience that is important in learning. The importance of reflecting on what you are doing, as part of the learning process, has been emphasised by many. Reflection helps learners to:

- Understand what they already know (individual),
- Identify what they need to know in order to advance understanding of the subject (contextual),
- Make sense of new information and feedback in the context of their own experience (relational), and
- Guide choices for further learning (developmental).

The act of reflecting is one which causes us to make sense of what we've learned, why we learned it, and how that particular increment of learning took place. Moreover, reflection is about linking one increment of learning to the wider perspective of learning - heading towards seeing the bigger picture. To begin to reflect on their learning students need to be encouraged to make sense of new knowledge in relation to their existing understanding. The learning cycle developed by Kolb (1984) is a useful and simple tool for illustrating to students the connection between reflection and improved learning. The learning process begins with an event which is experienced. To learn from that experience we require an opportunity for reflection on that experience, and the ability to abstract and internalise experiences and reflection in the form of a theory, which may then be tested in new situations. Learners reflect in an educational sense "when they analyse or evaluate one or more personal experiences, and attempt to generalise from that thinking". Individuals and groups alike can engage in reflective practice. Basic elements of a reflective process include:

- Keeping an open mind about what, why, and how we do things
- Alertness to what, why, and how we do things
- Questioning what, why, and how we and other people do things
- Generating choices, options and possibilities
- Seeking to understand underlying mechanisms & rationales
- Viewing our activities and results from various perspectives
- Asking "What if...?"
- Seeking feedback and other people ideas & viewpoints
- Searching for, identifying, and resolving problems & result limitations

WRITING A REFLECTION

Reflective accounts typically require you to analyse and make sense of an experience and examine what you would do if the situation arose again; this analysis should be informed by theory. You will normally collect and select evidence/artifacts that represent the experience to be analysed. It may be necessary to write a description of the circumstances, situation or issues related to the evidence or artefact. Next you will analyze the experience or a critical part (event) of it asking questions beginning with "Why" and "How". In summary you describe and analyze an experience, a piece of

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evidence, or an activity. Reflective writing is the narrative mode of analysis of the processes outlined - it explores not only what the experience was, but considers the meaning the writer attached to it at the time and subsequently, and how this meaning is likely to influence action in the future. Critical reflection is an extension of critical thinking. It is a process whereby you think about practices and ideas and then challenge and confront your own thinking by asking probing questions. Reflection is a looking back on experiences so as to learn from them. Therefore reflection is a means of constructing knowledge about one's self and about the world. Critical reflection is the process of analysing, reconsidering and questioning experiences. However, you should be careful not to simply write a descriptive diary or journal - this is not a reflection paper. Analyse your experiences to discover the ideas or concepts that lie behind them, or theories you have learnt that could be applied to them. Thus, never just tell the story: always use an event as a way of referring to an idea or theory. Then structure the points in your Reflection Paper according to these concepts. A reflection paper is a type of essay, and as such requires a formal introduction, well-structured body which presents your thoughts clearly and logically to the reader and a formal conclusion. A Reflection Paper also requires in-text references to the ideas of others, and a Reference List must be included at the end. A Reflection Paper is designed to show your knowledge of a certain field, and, more importantly, your awareness of how you constructed that knowledge. Thus it is an interaction between ideas received from outside (books, lectures, etc.) and your own internal understanding and interpretation of ideas. In a Reflection Paper you are expected to demonstrate that you can: acquire knowledge in a specific area; relate this knowledge to personal experience; analyse your current knowledge, your experiences and your own assumptions to gain a broader perspective and communicate these things clearly (logical argument, and writing skills at a professional standard).

When reflecting on an event, activity or experience you may ask yourself why something happened, or why something did not happen; what was good and why?; what was bad and why?; what was neither good nor bad, yet interesting and relevant: why? You may also consider what other things could have happened and how you could devise ways of making them happen. Look for other points of view or hidden assumptions in others' attitudes, and in your own. Look at something from an opposite point of view to challenge it.

FIGURE: 1 WRITING YOUR REFLECTION PAPER

<p>general opening statement</p>	<p>Learning is a complex process that needs to be stimulated and managed in the context of the developmental needs of children.</p>	
	<p>Although there are a large number ^{of} conditions under which learning best occurs, the most important of these can be grouped into three interrelated categories: the relevance of learning material; the creation of a rich and flexible language program; and the provision of</p>	<p>statement of position</p>
<p>overview of topic</p>	<p>a learning environment that respects the needs of all children. Over and above these, however, it must be remembered that effective learning will occur most readily in classrooms where not only the children, but also the teachers, are willing to learn.</p>	<p>preview of arguments</p>

FIGURE: 2 EXAMPLE OF CRITICAL/REFLECTIVE WRITING

<p>topic sentence introducing specific strategies that create relevance</p>	<p><u>An array of teaching strategies can contribute positively to the construction of meaning, including hands-on experiences, and opportunities to tell, explain, make conjectures, reflect, practise and follow directions.</u> On my third Dispersed Day, I watched the teacher of a Year 5 class explain the concept of gravity to students. As I went round the classroom giving individual help to children, I discovered that most of them did not understand what she had taught them. They copied her explanation from the board, but they were not given the opportunity to experiment for themselves. This teacher could have</p>	
	<p>devised a series of classroom experiments which investigated gravity, thus involving the children and providing hands-on experience. Alternatively, children could have been asked to design their own experiments, which would have encouraged them to reflect, conjecture, tell and explain, thus making their learning both authentic and relevant.</p>	<p>reference to own experience: a teacher who did not establish relevance</p>
<p>good use of a negative experience: the writer has used critical reflection to envisage a better way</p>		

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REFLECTION

Consideration of an experience, or of learning, to enhance understanding or inform action.

REFLECTIVE PRACTICE ASSIGNMENTS

Measure capacity to analyse and evaluate experience in the light of theories and research evidence. Relatively easy to set. Feedback potential from peers, self and tutors. Marking for feedback can be slow. Marking for grading is about the same as for essays. Use of criteria reduces variability.

REFLECTIVE LEARNING

Relating one's reading to one's practice

REFLECTIVE PRACTITIONER

Someone who is continually involved in the process of reflecting on experience and is capable of reflecting in action, continually learning from experience to the benefit of future actions

Brown, G., Bull, J. and Pendlebury, M. (1997) 'Assessing Student Learning In Higher Education', Rutledge.

Fry, H., Ketteridge, S. and Marshall, S. (2003) 'A Handbook for Teaching and Learning in Higher Education', Ed. 2. Kogan Page.

ESSAY AND REPORT WRITING

Identify what is meant by an academic essay/
business report

Synopsis:

Study Skills include Essay and Report Writing.

Whether you are in business, education, social care, technology, or science, you will often find you have to write a report about something. It could be technical issues, the write-up of a problem investigation or recommendations, a proposal for additional funding, a summary of a project, the marketing projections for the following year, and many other things. Such report writing can be time-consuming when you are still doing the rest of your job, but if you have developed good skills in how to communicate this kind of information, you will save yourself a lot of time, influence business decisions and develop your professional reputation.

McMillan and Weyers (2007) provide tips and techniques to ensure students get the most from the essay-writing process. It supports students in preparing and crafting their essay through consideration of:

How to get started

How to read and take notes effectively

How to plan your essay and write to a deadline

How to improve your academic writing style and use of conventions and vocabulary

How to shape your essay and avoid common grammatical and structural pitfalls

How to cite references and avoid plagiarism

How to review, proof-read and present your essay for maximum impact & results -

McMillan, K, Weyers, J (2007) How to write Essays & Assignments, Prentice Hall

Business reports are a form of academic essay

Example Report Structure

The following structure can be used in the majority of reports.

Title: Make sure your title explains clearly the purpose of the report.

Executive summary: A brief summary of the report as a whole (not always necessary).

Contents page

Introduction / Background: This should indicate why the reader should read it and provide any background information that is necessary for understanding the contents of the report. List the main objectives/ purpose that you are trying to meet in this report. Provide a high level outline describing how your report has been structured.

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Approach or Methodology: If appropriate, this is where you explain how the investigation was conducted and describe the methods and sources used.

Findings/ Main sections: This is the main body of the report where you detail the relevant facts that relate to the objectives. The headings should be helpful and logical to allow the reader to access material of most interest. You should think carefully about how you will present the information here in terms of using tables, maps or diagrams to enhance the accessibility of your data.

Conclusions: In this section you can summarise and present your main conclusions based on the evidence you have collected. You could also state what action is expected as a result of the report.

Recommendations: Although not always needed, for some types of report the most important part are the recommendations made as result of the investigation. Make sure that these are practical and realistic and where applicable provide some assessment of their cost. It may also be useful to offer alternatives to particularly contentious and/ or expensive recommendations.

References

Glossary and References

PRESENTATIONS (ORAL)

Learn how to deliver an effective presentation

Synopsis:

Oral presentations are an increasingly important part of assessment at university. Successful oral presentations require careful attention to: structure, preparation and delivery.

STRUCTURE

Introduction

capture the attention of your audience, state the topic or aim of the presentation, give any relevant background, concisely and give the listener a plan of what is to be discussed.

Body

develop each point according to the plan;

limit the main points, as your listener will have trouble assimilating too much, clearly signpost each point so your audience has a sense of structure (firstly; secondly).

Conclusion

announce very clearly to the listener that the talk is finishing: 'In conclusion' ;restate the main points; evaluate the importance of the information and draw a strong conclusion.

DELIVERY

Eye contact: look up, Posture: stand up and Voice: speak up

see Cameron, S. (2007), 'The Business Student's Handbook: Skills for Study & Employment, 4/E', Ed 4, Prentice Hall.

Glossary and References

ACTIVITY: 1

Activity duration (mins):

WORKING WITH OTHERS - PRESENTING TO OTHERS (SOURCE CAMERON 2005)

Preparation for in-class presentations and assignment work.

Read chapter 11 Cameron 2005

USE THIS DOCUMENT WHEN PREPARING A PRESENTATION, AND TO NOTE LEARNING POINTS.

Presentation Topic:		Date:
Audience characteristics:		
Main points to cover, and timing:		
Notes required? Visual aids:		
Dealing with questions?		
Location check:	Equipment check:	
Review of presentation and learning points (obtain feedback if possible):		

ACTIVITY: 2

Activity duration (mins):

DELIVERING AN EFFECTIVE PRESENTATION

Practice delivering presentations and learn the characteristics of a good presentation

In groups, research and deliver a five minute group presentation about effective presentations i.e. the do's and Don'ts when presenting to business practitioners

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Appendix

Lecture Content Summary at a glance...

AN INTRODUCTION TO INTERNATIONAL BUSINESS & MANAGEMENT

INTRODUCTION TO INTERNATIONAL BUSINESS, THE INTERNATIONAL ORGANIZATION and INTERNATIONAL ORGANIZATIONAL PERFORMANCE

Key concepts introduced in this chapter
International Organization | Multinational Companies | Value Chain | Value System | Internationalisation | Centralisation | Integration | Globalization | Operational Effectiveness | Strategy | International Trade | Capabilities | Resource Based View | Competences

BEHAVING RESPONSIBLY around the World

INTERNATIONAL BUSINESS ETHICS, STAKEHOLDER THEOR, CORPORATE SOCIAL RESPONSIBILITY and CSR IMPLEMENTATION

Key concepts introduced in this chapter
Ethics | Business Ethics | Morality | Moral | Integrity | Immoral | Amoral | Ethical Egoism | Utilitarianism | Code of Ethics | Deontological | Teleological | Existentialism | Contractarianism | Stakeholder Management | Corporate Social Responsibility | Corporate Governance | Ethics Programme | Ethical Leader

Managing Human Resources

STRATEGIC USE OF HUMAN RESOURCES, CENTRAL ISSUES: THE IHRM FUNCTION & GLOBAL PRACTICES, LOCAL ISSUES: IHRM/HRM PRACTICES & PROCEDURES

Key concepts introduced in this chapter
Human Capital Management | HRM | HR Planning | IHRM | Behavioural Science | HRM Process | Resourcing | HRM Strategy | Succession Planning | Motivation | RBV | Staffing Policy | Recruitment & Selection | Training & Development | Performance Management | Compensation | Employee Relations | International Assignments | HR (IT) Systems

Analysing the GLOBAL BUSINESS ENVIRONMENT

Analysing the factors impacting upon international organizational performance
EXTERNAL MACRO ENVIRONMENTAL INFLUENCES
INDUSTRY (MICRO) LEVEL FORCES & INFLUENCES
THE INTERNAL ENVIRONMENT
SWOT ANALYSIS

MANAGING CHANGE in the International organization

UNDERSTANDING CHANGE | THEORIES OF CHANGE | IMPLEMENTING CHANGE

Key concepts introduced in this chapter
Organizational change | Gap analysis | Visioning | Resistance | Transformational change | Transactional change | Change Agent | Open system (view) | Systems thinking | Change model | Organizational theory | 7-S model | Nadler & Tushman congruence model | Burke-Litwin model
Force-field analysis

MANAGING DIFFERENCE

THE CONTEMPORARY DIVERSE AND MULTICULTURAL WORKPLACE; DIVERSITY; WORKING WITH OTHER CULTURES; WORKING IN MULTICULTURAL AND DIVERSE GROUPS

Key concepts introduced in this session:
DIVERSITY | MULTICULTURAL ORGANIZATION | STEREOTYPES | ETHNOCENTRIC | CULTURE | VALUES | CULTURAL ADAPTATION | CULTURAL ASSIMILATION | SOCIAL IDENTITY | SOCIAL INFLUENCE | SOCIAL GROUP | PERCEPTION | PREJUDICE | CULTURAL LITERACY | CULTURAL INTELLIGENCE | MULTICULTURAL AND DIVERSE GROUPS

International and Global STRATEGY

STRATEGY, CORPORATE STRATEGIC CHOICES, COMPETING WITH BUSINESS LEVEL STRATEGY and STRATEGY IMPLEMENTATION

Key concepts introduced in this chapter
Value | Strategy (Intended, Realised & Deliberate) | Mission | Vision | Strategy choices | Strategy Development & Implementation | Global & Multidomestic Strategy | Vertical integration | Geographic Scope | Competitive Strategies | Advantage Synergy | Market-entry strategy | Corporate & Business Level Strategy

INTERNATIONAL LEADERSHIP & MANAGEMENT

LEADERSHIP AND MANAGEMENT, POWER AND INFLUENCE, LEADERSHIP THEORIES and LEADING IN THE INTERNATIONAL ORGANIZATION

Key concepts introduced in this chapter
MOTIVATION | POWER | REFERENT POWER | EXPERT POWER | INFORMATION POWER | REWARD POWER | LEGITIMATE POWER | COERCIVE POWER | AUTHORITY | COMPLIANCE | INTERNALISATION | PERSONAL IDENTIFICATION | CONTINGENCY THEORY OF LEADERSHIP | PARTICIPATIVE LEADERSHIP | DELEGATION | EMPOWERMENT | TRANSACTIONAL LEADERSHIP | TRANSFORMATIONAL LEADERSHIP

International Organization Design & Control

An introduction to the mechanisms used for control and coordination of human resources. ELEMENTS OF ORGANIZATIONAL STRUCTURE, GLOBAL ORGANIZATIONAL DESIGNS – THE CHOICES, WHAT DETERMINES THE DESIGN OF INTERNATIONAL ORGANIZATIONS? COORDINATION & CONTROL MECHANISMS IN INTERNATIONAL BUSINESS

Key concepts introduced in this chapter
ORGANIZATION DESIGN | CONTINGENCY THEORY | CONTROL | DEPENDENCY THEORY | ENVIRONMENTAL -DETERMINISM | FORMALIZATION | CENTRALISATION | SPECIALISATION | INFORMAL ORGANIZATION | STRUCTURE TYPES | CO-ORDINATION | DIVISIONAL STRUCTURE

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GLOBAL BUSINESS PROCESSES

THE PROCESS VIEW, MANAGING GLOBAL BUSINESS PROCESSES (GBP), STRATEGIES FOR IMPROVING GBP

Key concepts introduced in this chapter
Process | Process Enterprise | Process mapping | Total Quality Management | Business Process Re-engineering | Business Process Management | Benchmarking | Productivity | Archivalism | Continuous Improvement | Process Owner | Business Process Improvement | Process Enablers | Enterprise Capabilities | Process Alignment

GLOBAL BUSINESS & ENTERPRISE SYSTEMS

COMPUTERISED BUSINESS INFORMATION SYSTEMS (CBIS) – THE TRADITIONAL (SILO) VIEW; ENTERPRISE SYSTEMS – TOWARDS INTEGRATION and GLOBAL ES STRATEGIES

Key concepts introduced in this chapter
Business Information System (BIS) | Functional BIS | Systems Acquisition | Systems Development | Feasibility Study | Enterprise System | ERP software | Systems Architecture | Systems Integration | Implementation | ES Strategy |

International Marketing

INTERNATIONAL MARKETING - INTRODUCTION; INTERNATIONAL MARKETING STRATEGY; THE (TACTICAL) MARKETING MIX and TECHNOLOGY-ENABLED INTERNATIONAL MARKETING

Key concepts introduced in this chapter
International marketing | Segmentation | Marketing research | Marketing mix | Marketing intelligence | Market share | Brand Product portfolio analysis | Market penetration | Marketing plan | Product life cycle | Marketing communication | Customer satisfaction | Direct marketing

Reflective practice

This unit is designed to develop students' capacities for reflection and evaluation, and to provide a basis for enabling them to become lifelong reflective practitioners.

Managing Information Resources

INFORMATION RESOURCES, SUPPORTING INTERNATIONAL BUSINESS, COMPETING THROUGH THE APPLICATION OF INFORMATION RESOURCES ENTERPRISE & GLOBAL INFORMATION NEEDS & MANAGEMENT

Key concepts introduced in this chapter
Data | Information | Knowledge | Wisdom | Technology | Databases | MIS | DSS | Decision-Making | Planning | Coordination | Control | Value | Value Chain | Value System | Competitive Advantage

GLOBAL DIGITAL BUSINESS

NET TECHNOLOGIES & BUSINESS OPPORTUNITY | E-COMMERCE & E-BUSINESS | STRATEGIC USE OF THE INTERNET & INTERNET TECHNOLOGIES | GLOBAL CHALLENGE

Key concepts introduced in this chapter
DIGITAL ORGANIZATION | E-COMMERCE | E-BUSINESS | REACH | DISINTERMEDIATION | REINTERMEDIATION | INTRANET | EXTRANET | INTERNET | E-PROCUREMENT | E-MARKETING | VIRTUAL ORGANIZATION | EB STRATEGY | VIRTUAL ORGANIZING | BUSINESS MODEL

MANAGING Global FINANCIAL RESOURCES

THE INTERNATIONAL FINANCE ENVIRONMENT; FINANCE MANAGEMENT IN THE INTERNATIONAL ORGANIZATION; ACCOUNTING IN THE INTERNATIONAL ORGANIZATION and FINANCIAL CONTROLS & CORPORATE GOVERNANCE

Key concepts introduced in this chapter
Finance | Economics | Accounting | Capital Budgeting | Cost of Capital | Foreign Exchange Risk | Transfer Pricing | Tariff | Multilateral Netting | Fronting Loan | NPV | IRR | ROI | Investment Appraisal | Centralised Depository | Financial Statements | Consolidated Accounts | Agency Corporate Governance | Auditing | Internal Control

Essay and Report writing

MANAGING Knowledge

LEARNING, KNOWLEDGE & INTELLECTUAL CAPITAL – KEY CONCEPTS, KM INFRASTRUCTURE: STRUCTURE, CULTURE, TECHNOLOGY & PROCESSES CROSS-BORDER LEARNING & KM – WITHIN THE MNC & BETWEEN IJV'S, DEVELOPING AN INTERNATIONAL KNOWLEDGE MANAGEMENT STRATEGY

Key concepts introduced in this chapter
KNOWLEDGE | HUMAN (TACIT) KNOWLEDGE | STRUCTURED (EXPLICIT) KNOWLEDGE | KNOWLEDGE INTEGRATION | CODIFICATION | LEARNING | LEARNING ORGANIZATION | KNOWLEDGE ACQUISITION | KNOWLEDGE TRANSFER | COMMUNITIES OF PRACTICE | PERSONALISATION STRATEGY

INTERNATIONAL OPERATIONS MANAGEMENT

IOM STRATEGY, ESTABLISHING THE OPERATIONS INFRASTRUCTURE, PRODUCTION PROCESSES, FORECASTING DEMAND, SOURCING STRATEGIES MANAGING PRODUCTION, LOGISTICS AND THE SUPPLY CHAIN

Group Work

A collection of seminars/ workshops and student activities designed to prepare students for assessed group work. Includes group contract preparation.

Presentations (oral)

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PRESENTATION MATERIALS