

What is international management? A critical analysis

Stream 3: Critical Perspectives on International Business

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1 – Introduction

The international dimension of management and business – due mainly to globalisation – has become a major challenge to governments, institutions and organizations. This helps explain why the area of international management (IM) is becoming more important within the academic setting.

In spite of the increasing importance of this area researchers have been overlooking important issues at a higher level of reality. The Enron scandal, among others, is a good example of the sort of ‘governance crisis’ brought by globalisation (Clark and Demirag, 2002; Child, 2002). The IM literature fails to address in a more realistic fashion the dynamics and local implications brought by the growing investments of transnational corporations (TNCs) and their political power in developing countries (see Haley, 2001).

IM researchers should address not just issues at the ‘management’ level but also at the level of governance. Accordingly, they should challenge the United States (US) hegemony in the field (Usunier, 1998). Moreover, they should foster interdisciplinary developments with two fields: international relations (IR) and international business (IB).

Why IR? One of the reasons is that IR has historically focused its attention on international issues led by states or governments (Halliday, 1999). Another important reason is that, more recently, researchers related to the area of international political economy (IPE) recognized the growing importance of TNCs and their interactions and relations with governments from a governance standpoint (Strange, 1994; Gilpin, 2001).

Why IB? One of the reasons is the growing debate within IM on its diverse meanings (Boddewyn et al. 2004), on what differentiates IM from IB (Contractor, 2000), and on the use of IB paradigms to define the domain of IM (Martínez and Toyne, 2000).

This paper tries to demonstrate that, for many reasons, the IM field has been developed from a perspective that privileges in a particular way the interests of TNCs. It explains the suppression of interests and questions that are relevant to other important agents, especially in developing countries. By fostering interdisciplinary developments with the fields of IR and IB researchers could improve the relevance of the IM field.

The authors of this paper argue that the excessive focus of IM researchers on certain 'managerial' issues, mainly through the investigation of cultural and intercultural matters and the neglect of governance problems related to globalisation, has to do with the worldwide dominance achieved by a particular theory of economic globalisation. The field of IR has been undertaking important debates on globalisation which started to call the attention of IB researchers (Clark and Knowles, 2003). Accordingly, it is argued that an interdisciplinary dialogue is necessary for the development of a realistic perspective in the field of IM.

In spite of the difficulties that researchers face to define the concepts of management and governance – which to some extent have to do with the difficulties IR scholars face to define the concepts of state or nation (Halliday, 1999) or to differentiate the political domain from the economic (Strange, 1996) – the authors of this paper argue that management is related to practices and power of managers and governance is related to practices and types of power a bit more complex. It involves transnational institutions, governmental authorities, top executives and stockholders of transnational corporations, non-governmental organizations, local institutions, etc (Stopford and Strange, 1991).

This paper is divided into four sections. In this first section the authors present a brief introduction to the theme. In the second section the authors describe and analyse the dominant approach in the IM literature and show that the main problem is that it represents, in a quite asymmetrical fashion, the main interests of TNCs by reproducing a certain theory of globalisation. In the third section the authors, grounded on the IR literature, argue that a more realistic approach to globalisation, which problematizes the interfaces between the public and private domains, should be taken into account by IM researchers. Finally, the authors present the main concluding considerations and implications.

2. International Management and Governance Issues

2.1. An Understanding of Hegemony and Interdisciplinarity

Globalisation has demanded a great deal of efforts, skills and resources from the field of management – in both private and public contexts and developed and developing countries – to make managers, executives, public officers and researchers capable of dealing with this new reality. As a result, the development of the IM field, under the leadership of US scholars (Parker, 1997), resulted in excessive emphasis on the private sector and in the marginalization of fields historically related to the public context, such as IR and, to some extent, IB as well.

The most influential authors in IM (Bartlett and Ghoshal, 1989; Doz, 1986) have argued, since the beginning of the 90s, that globalisation challenges our paradigms because it forces companies, citizens and policy makers to see reality as a growing interdependent network. However, such interdependent network has a particular meaning for them. According to these authors the main driving force behind globalisation is the fall of the national boundaries that impeded the full development of the private sector and the corresponding creation of economics opportunities. They argue that the decay of the public dimension should be taken as a 'global asset' (Ohmae, 1990).

These arguments are based on belief that global economic integration through 'free market' and 'free trade' ideologies (see Steffek, 2003; Levine and Renelt, 1992) overcomes disintegration and political stratification caused by ineffective States and 'political ideologies' (Sheth, 1992). According to IM key authors, globalization means

the victory of the economic against the political and, correspondingly, of the private against the public.

Globalisation for them means unlimited competition, access and progress by eroding dysfunctional boundaries between nations, cultures and organizations and between the public and the private domains. Globalisation is said to promote the “growing building of partnership among organizations” (Parker, 1997, p. 425; Ohmae, 1989). Partnerships between large international groups and local governments in many countries are taken as beneficial for all (Rugman and D’Cruz, 2000; Doz, 1986) and much more effective than industrial policies ruled by national governments (Larry, 1994).

This ‘hegemonic’ discourse is based on the idea that the ‘economic’ interdependence and partnerships replace ineffective structures and practices grounded on ‘political’ asymmetry and government. Several researchers have disclaimed such arguments. They have demonstrated that globalisation means imperialism. They also argue that TNCs and transnational institutions became hegemonic players within this overall process (see Korten, 2001; Soros, 1998).

Why have those important issues been overlooked by IM researchers? A key issue is that as result of its infant (even marginal) status within the business academy and the US leadership the IM field had to struggle for its constitution and legitimisation as an autonomous discipline in particular ways (Contractor, 2000). Researchers had to develop knowledge that could sort out managerial problems faced and ‘selected’ by TNCs (Boddewyn et al., 2004). They also had to set the boundaries of the field by competing with the functional areas of management – as marketing, human resources, and accounting - and for research funds, most of them granted or sponsored by TNCs. This battle within the business academy seems to have prevented researchers from addressing more relevant questions as those related at the level of governance.

Such struggle between the IM field and the functional fields within the business academy and the subordination of that field to certain interests of TNCs may explain why three key questions have not been problematized yet: (a) what is international management? (b) who should define the knowledge and scope of international management? and (c) which fields of knowledge should constitute (and govern) the IM field?. These questions are of central importance to the realistic approach we outline in this paper, which is based on the recognition that the international dimension affects an increasing number of organizations, policy makers, managers, consumers, citizens, academics and other social and political actors in diverse parts of the world.

Parochialism and ethnocentrism have also been pointed out as reasons for this state of things. Authors more related to the IB field argue that US business researchers have developed theories without being sufficiently aware of non-US contexts, models, research, and values (Boyacigiller and Adler, 1991; Clark and Knowles, 2000).

This would not be taken as much surprising by IR researchers nor by those who point out colonialism as a key issue in the constitution of academic fields (Ashcroft et al., 1995). For IR researchers globalisation reproduces historical processes of imposition and dissemination of certain “cultural patterns, values and ideas” (Held et al., 1999, p. 336) and suppression of local cultural patterns, values and ideas. TNCs play a key role in this asymmetric structure of diffusion and selection of ‘ideas’. This explains why the media industry, dominated by TNCs, has become one of the most debated issues by more critical IR academics (see Strange, 1996; Dicken, 1998).

This also explains their concern with the increasing influence of those corporations in business schools and universities (Sklair, 2001).

IR authors argue that the political dimension of globalisation is as much important as the economic dimension (Gilpin, 2001). This explains why some authors argue that in countries in which the state is weak the TNCs define in a way or another important governmental policies, such as tax policy, currency emissions, trade and monetary systems, welfare policies, ecological issues and labour unions (Chang and Ha, 1999, p. 33). Accordingly, the authors of this paper argue that the IM field, especially in less developed countries or regions, requires a critical approach. IM should not be treated from a mere 'managerial' approach since this approach has been relevant only to the main and controversial interests of TNCs, at the expense of the legitimate interests of other 'players'.

In Brazil one of the most visible outcomes of the asymmetrical partnerships between TNCs and local government is the tax war that has been played by local councils for foreign direct investments in the automotive industry (Rodríguez-Pose and Arbix, 2001). Correspondingly, the authors of this paper understand that interdisciplinarity and the recognition of these governance issues, which are closely related to the debates on state sovereignty that pushed the constitution and development of the IR field within the Anglo-American context (Hertz, 2002), could contribute to increase the relevance of the IM field in developing countries.

2.2. A Historical Understanding of the National-International Issues in IM

A more comprehensive understanding of those issues demands a critical and interdisciplinary analysis of the national-international dichotomy that lay behind the constitution and legitimisation of the IM field (Usunier, 1998; Martínez and Toyne, 2000). Who should define what international management is? Should exist an universal definition of international management, applicable to any country? These critical questions are grounded on the argument that academic knowledge is not neutral (Chalmers, 1993; Caldas and Wood Jr., 1997).

One may argue that the IM field has a particular meaning and relevance by opposing the notion of 'national management'. In other words, the IM field exists because it could address those issues that could not be addressed by such 'national' field. Nevertheless it is worth noticing that the formal label of 'national management' does not exist. In practice, however, 'national management' means 'universal management' in the US and this explains the subordinate/marginal status of the IM field and their difficulties to develop the field from a realistic approach (Boyacigiller and Adler, 1991).

This important feature puts into question not only the international dissemination of the management knowledge produced by US academics but also the controversial constitution and relevance of the IM field. Critical authors argue that the universal character of management was invented in the US for the legitimisation of the discipline as 'scientific' within the academic setting but in the end it was driven by colonialism interests shared by corporations and the US government (Locke, 1996).

There is another important issue. When the field of IM was born within the US academic setting the other fields of academic knowledge already established treated that infant field as a second-class one due to its extremely instrumental character. What deserves mention is that for fields of knowledge as Sociology, Law, Economics and Political Science, the management of private firms as much as the administration of the public organizations should be 'governed' by national interests, structures and institutions. From this perspective management issues and interests should be

subordinated to governance issues and interests related to the nation. It was not necessary to label that as 'national management'. At the time no one could foresee that the field of management would gain the importance it acquired over the last fifty years (Wensley, 1996).

A similar process marked the constitution and legitimisation of the IR field in the US context. The field faced serious obstacles within the academic setting because academics of other disciplines refused the idea that important issues, interests, decisions and institutions at the national level could be 'governed' by (or subordinated) to issues, interests, decisions and institutions at the international level. This contradictory context explains why the bulk of the literature produced in US carries 'national' interests and why researchers based in developing countries or regions should approach the field from a critical standpoint.

2.3. An Understanding of the National-International Issue in IM

Recent research on globalisation, in the IR field, challenged the historical understanding of the national-international interplay regarding the role played by business organizations and national governments. Researchers demonstrated that a key feature of the globalisation is that TNCs gained the status of states in economic and political terms. The IM field ignored the political implications of this turn because its recognition could bring to the forefront the understanding that TNCs became a threat to national sovereignty. This was a central issue for critical IR researchers because it brought a serious asymmetry between the political and economic power of those corporations and local governments, not only abroad (especially in developing countries) but also domestically (Strange, 1996; Jackson and Sorensen, 1999; Dicken, 1998).

IR authors have pointed out that one of the main objectives of globalisation is to transform the meaning of nationalism, a term used in the last twenty years to address in a legitimate fashion a "political and cultural project which seeks to achieve self-determination and to create and shape states" (Held et al., 1999, p. 336), into 'patriotism' (Pinzani, 2002) or 'protectionism' (Sklair, 2001). This transmutation of meanings is obviously beneficial to US international corporations and it helps explain why the IM field ignored it and why the IM literature established the operational focus of management as dominant (Ohmae, 1990; Bartlett and Ghoshal, 1989).

Researchers in developing countries or regions (as much as researchers in US) should recognize that US academics are motivated, consciously or not, by ideological issues and disputes of interests, which are very much national (and political) in character. Such national character has been made clear in the IM literature. Key authors argue that the US - and in particular the local organizations - are more capable to understand and practice international management than Europeans. Among the most important motives lies the assumption - which has been transformed into a universal myth and affects not only academics abroad but also US academics - that US had been the responsible for the construction of the so-called "managerial capitalism" (Chandler, 1992). This type of capitalism, in their own words, was of great importance for the US and to the world because it challenged typically European culture and practices, based on authoritarian and asymmetric governance structures and mechanisms.

This helps explain why key IM authors point out that the manager and the corporation are legitimate resources for economic development and social welfare (Bartlett and Ghoshal, 1989, p. 43). This approach suppresses the political feature of controversial strategies and practices implemented by US corporations over the

recent decades both domestically and abroad (Jenkins, 1987; Mokhiber and Weissman, 1999; Clark and Demirag, 2002). In spite of the historical disputes between North Americans and Europeans, European TNCs have taken this 'managerial' ideology as convenient since it suppresses colonialist and equally controversial practices implemented by European countries.

Given this complicated scenario of national interests and ideologies it is not unsurprising that the growing IM literature has embraced a managerial approach, focused in a very particular way on 'cultural diversity' issues. The IM field gained strength and followers by emphasizing differences between managers of different national backgrounds or cultures who had to work in large international companies (Hofstede, 1980). This emphasis on inter-cultural management issues (Hampden-Turner and Trompenaars, 1993; Jackson, 1995) aimed to transform certain differences and cultural diversity into positive factors for the global expansion of companies and, correspondingly, for the promotion of economic development in a larger number of host countries and regions.

International issues at the level of governance, in particular those related to how the political and economic dimensions of the performance of TNCs in developing countries are related, have been suppressed. This reproduces the suppression of the critical argument that one of the main features of globalisation is the enlargement of the asymmetry between developing and developed countries or regions (Furtado, 1999).

More recently, some researchers, most of them based in Europe, embraced a critical approach in IM. They argue that the main problem is not the ethnocentric and colonialist features of the literature. The key issue is that IM has been transformed into a new market opportunity by business schools in developed countries. This puts Europeans and US into the 'same boat'. IM became a sort of new 'business market' within the business academy. It puts into the same room students of different nationalities, pushes the internationalisation of those schools, and attracts research grants and other resources from TNCs. This business-driven attitude of business schools explains to a large extent why the political features of globalisation are not addressed by the IM field (Case and Selvester, 2000, p. 12).

David Boje argues that in parallel to the spread of globalisation, TNCs have colonized business schools and even universities (Boje, 2001; 2000). This also explains why IM textbooks, used in diverse parts of the world, treat the reports produced by TNCs as truth rather than corporate propaganda. In these texts Nike presents itself as an agent for ecologic and economic development (Boje, 1999), Monsanto as an organization committed with the cure of world famine, World Bank as an institution concerned with the elimination of 'AIDS' through the financing of education programs, and World Trade Organization as an organization dedicated to eliminate world poverty.

This is similar to the way corruption and bribery issues are addressed in the IM literature. Bribery of foreign officials by US companies and accounting tricks to disguise it (Kaikati and Label, 1980) are taken as necessary resources because of low moral standards of public administration in developing countries (Czinkota et al., 1992, p. 185).

It is concerning that this literature has influenced areas of knowledge related to the public/political dimension of administration such as economic development, public administration, and public policy (Porter, 2000; Felbinger and Robey, 2001; Klijn and Koppenjan, 2000). The US ex-president Bill Clinton for instance argued that within

the globalisation context “each nation acts as a big corporation competing in the global market” (Krugman, 1997, p. 4).

We will show in the next section a key issue for the development of a realistic approach in the IM field is the understanding that the literature reproduces a particular theory of globalisation, grounded on the retreat of the national state and the hegemony of TNCs. A similar analysis was accomplished in the field of IB (Clark and Knowles, 2003). Researchers identified disciplinary isolation and lack of general definition of globalisation as responsible for relevance challenges faced by IB.

3. Understanding Globalisation through the Glasses of the IR Field

3.1. The Hegemonic Debate within the IR Literature

Held and McGrew (2000) argue that the term ‘globalisation’ has been actually used only as from the early 1970s. By that time the orthodox theoretical approaches assumed the separation between internal and external issues, more specifically between the national and the international domains. Political and economic interdependence were explained mainly by rival theories such as the world system theory (Wallerstein, 1974) and the complex interdependence theory (Keohane and Nye, 1977).

After the fall of the so-called state socialism and the establishment of the capitalism at a global level, globalisation has transformed into a major concept within the academy and within diverse domains of the public and private lives, in almost every corner of the world. A key feature of globalisation is that everyone argues that it exists but a few, if any, are capable of defining what it is.

Held and McGrew (2000) argue that there is not a single and universally accepted definition of globalisation (see also Thompson, 2000). The IM literature does not recognise this feature. IM key authors just reproduce one of the extreme theoretical approaches most found in the literature – so-called globalism.

The proper understanding of globalisation has been constrained by the diffusion of those two extreme theoretical approaches. These approaches, which have dominated the specialized literature and the media in general, have blocked the development and dissemination of other theoretical approaches that could be useful for the development of a realistic approach in the IM field in developing countries or regions. The literature on globalisation has been championed (Held and McGrew, 2000) by two major theoretical groups or factions: (a) those who see globalisation as a historic and real process – the so-called ‘globalists’ – and (b) those who see globalisation as a mythical or ideological construction – the so-called sceptical.

Sceptical authors argue that globalisation is a myth that legitimises a worldwide neo-liberal project, which major conceptual or ideological basis is the Washington Consensus. Grounded on this understanding, authors argue that the ‘global’ cannot be empirically investigated. Accordingly, globalisation does not have descriptive or explanative value. They argue that what is found in the literature are analyses based on abstract and imprecise models of global economy, global culture and global society (see Held, 2000). For this reason the sceptical argue that internationalisation, regionalization or ‘triadization’ are concepts more valid than globalisation (Held and McGrew, 2000).

From the standpoint of IM researchers the sceptical model is problematic because it leads to an extreme importance of national and inter-national boundaries. This would lead IM researchers to the development of frameworks grounded on imperial or colonial issues – regarding political, economic, social, and legal issues. This model is not much adequate because its particular focus on national boundaries

disclaims the notion of the representation of the international context as a sort of free market. In other words, it challenges the major interests of TNCs. Moreover the sceptical model emphasizes political questions, more closely related to the public and government domains, instead of economic questions and the private domain.

At the other extreme of the theoretical dispute, the globalists take the hegemonic side and deny the argument that globalisation is an ideological construction or a synonym to imperialism or colonialism. They understand that there are sound evidences of real structural transformations at the level of social organization that has been caused by the expansion of multinational enterprises and stock markets, the diffusion of popular culture, and the increasing concern with the environmental degradation of the planet.

They do not portray globalisation as an exclusively economic phenomenon. They argue that researchers and analysts should adopt a multidimensional conception that contemplates the diverse power networks at the economic, political, environmental, technological and cultural domains (Held and McGrew, 2000, p.18-20). In spite of this they emphasize that the economic domain, viewed from a free-market perspective, has become more important than the others and that this explains why reality is becoming increasingly transnational. As a result the relative importance of the national boundary, from a political standpoint, to the understanding and prediction of the so-called global world is getting lower.

For this reason, IR academics call the most IM influential authors as hyper-globalists (such as Ohmae, 1989) due to their belief in a borderless world ruled by certain 'market' forces and in the erosion of the power of the government to rule the national economy (see Held et al., 1999).

3.2. In Search of a Realistic Approach

Held and McGrew (2000) challenge the sceptical and the globalists by pointing out that the debate between these two extremes is problematic for two main reasons. First because the position held by the sceptical has been transformed as resource for the legitimisation of the position held by the globalists and for its hegemony within the literature. Second, because the resulting debate has been preventing us from recognizing or using a realistic theory on globalisation. A similar argument has been put forward by IB researchers (Clark and Knowles, 2003).

They argue that the conceptualisation of globalisation requires the recognition of three fundamental issues: (a) material, (b) time-space and (c) cognitive. The first is represented by the flows of trade, capital and people, which have been facilitated by three types of infrastructure – physical (transportation and informatics), normative (international trade rules) and symbolic (English language as universal language). The second is represented by the change in the spatial reach of social action and organization between the local and global levels. The third is represented by the recognition of the causal relation between remote events, structures and issues and local matters (and vice-versa), as much as corresponding changes in our notions of space and time.

The analysis of these issues leads them to argue that globalisation exists. In spite of this we should not take as 'natural' or inexorable the harmony between interests of different parts, the universalization of values, or the convergence of cultures and civilizations. Rather, globalisation should be taken as a complex socio-historical process that carries with it political features and practices. Globalisation, from this perspective, generates dynamic processes of cooperation as much as animosity and conflict.

Drawing upon a similar line of reasoning Thompson (2000, p. 90-91) argues that the debate on globalisation has been undertaken from three perspectives: (a) globalist, (b) traditionalist and (c) transformationalists. Thompson (2000, p.102-109) points out the flows of international trade as one of the evidences of the increasing interdependence of the world economy. He also stresses the flows of capital, especially through foreign direct investments (FDI), as another important evidence. He does not deny that globalisation exists as a real phenomenon.

The author argues that the volume increase of FDI since the early 1980s is one of the most important evidences that globalisation exists. Nevertheless, he argues that the relative importance of flows of capital within the GDPs of national economies suggest that the contemporaneous international economy is not as much globalised as it was in 1913. Accordingly, he denies the argument held mainly by globalists that the state and the corresponding political dimension do not make a difference as from the early 1990s.

He argues then that the approach called 'trilateral regionalism' is more realistic for the understanding of the contemporaneous international economic system. More specifically the author argues that the triad – US, Japan and European Union – accounts for more than 75% of the world economy and that, correspondingly, almost 85% of the world population has been excluded from the major benefits generated by globalisation (Thompson, 2000, p. 110). He also argues that despite the free-market discourse the triad remains closed concerning interdependence and integration of investments. This means that TNCs should be uncritically taken as 'transnational' since they remain 'governed' (from a political and national perspectives).

In sum, the author challenges the argument held by globalists that globalisation is based on economic-based competition, free market and progress. What is particularly important given the objectives of this paper is that the author challenges local governments, of less developed countries or regions that have been accepting governance rules and mechanisms imposed by TNCs. His argument is that the global world is a context of political and complex disputes in which both states or governments and TNCs have become key players.

3.3. Governance Issues within International Management

Some other streams of thought on globalisation that emphasize the domain of governance from a critical standpoint have also been dismissed by IM academics. Among those streams three of them deserve mention: (a) international political economy, focused on the global economy (see Strange, 1994; Gilpin, 2001), (b) cultural studies, focused on global culture (see Featherstone, 1990), (c) global sociology, focused on transnational actors and structures (see Sklair, 1995).

Even though important authors of these three areas recognize that the concept of globalisation lacks precision they agree that one issue should not be neglected: the governance within the global context. A major question for these authors is: is there any form of global governance? (Hirst and Thompson, 1998).

Among these three areas the area of IPE deserves special attention given the objectives of this paper. In analytical terms the most important argument of IPE is that researchers should address the political and the economic domains properly. The analyst should preserve the analytical properties of each domain instead of imposing one on the other. A key issue behind this argument is that the area recognizes the influence of ideologies and interests behind the production and diffusion of academic knowledge.

In other words IPE authors challenge the idea that knowledge in the international domain can be taken as 'neutral'. Their major focus, from a critical standpoint, is on the complex relations and interactions between the authority – taken as the political domain – and the market – taken as the economic domain (Strange, 1996). Some of its authors give emphasis to the authority (represented by the realist and the nationalist schools), others to the market (represented by the economic and the liberal schools), and some others to the possibility of a balanced relation between the authority and the market (represented by the idealist and the socialist schools). What deserves special mention is that only a few researchers addressed the increasing power of TNCs in developing countries and its impact on governance matters since 'business issues' are just an emerging topic.

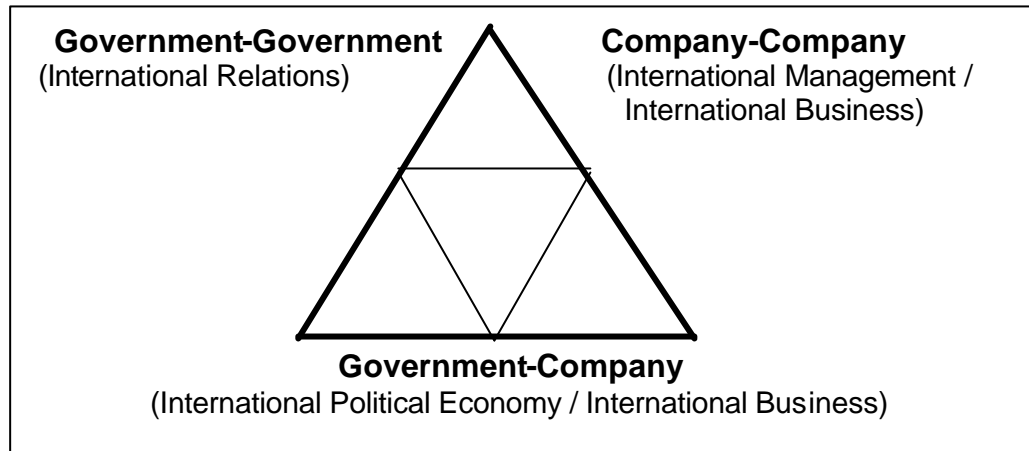
Strange (1994) is an important author in the area who has undertaken systematic studies focused on globalisation from the type of realist perspective we propose in this paper. Her major contribution, given the objectives of this paper, was the accomplishment of an extensive empirical investigation, grounded on an interdisciplinary approach, which aimed at understanding the dynamics between government and TNCs in Malaysia, Brazil and Kenya. The study provoked the challenging encounter between the areas of IPE and international business (Stopford and Strange, 1991) but has been ignored by the IM field for not reproducing the globalist theory.

Drawing upon the increasing interdependence between states, between business organizations, and between business organizations and states, Stopford and Strange (1991) argue in this study that national governments in developing countries started to recognize the importance of 'managing' the scarce resources controlled by TNCs. More specifically, they point out that some structural transformations within the technology, finance and politics domains in recent years forced national governments to cooperate with TNCs.

The authors then investigated negotiation processes between governments and companies concerning specific investment projects in those three developing countries. Among the contributions of this investigation, we point out the framework developed by the authors grounded on the extension of the diplomacy domain. They add two dimensions to this traditional domain. Besides the traditional negotiations between states through their governments they discovered that companies and government have to negotiate as much as companies among themselves. (see Figure 1). The triangular diplomacy framework shows us that TNCs are as much concerned with governance issues as with management issues. Correspondingly, it also shows that IM researchers should challenge the hegemony of the globalist theory within the field given that it does not fit the reality of neither TNCs nor national governments.

Finally, Stopford and Strange conclude that national governments have lost their bargain power to TNCs. Though states still control access to their territory and labour, companies control capital and technology (or have better access to both). Due to the importance of capital and technology in the capitalist system companies have increased their bargain power. Consequently, the authors suggest that governments and companies must learn how to 'manage' more effectively these new complexities. In sum, the author stress that the most relevant aspect is the capacity to produce sustainable growing despite the difficulties to implement this concept.

Figure 1 – The Triangular Diplomacy Framework: An Interdisciplinary Approach



Source: adapted from Stopford and Strange (1991, p. 22).

This framework should invite us to rethink practices, education, and research within the IM field. One of the most important issues is that neither the economic performance of TNCs nor the political performance of governments can be addressed by frameworks centred at the management level. For this reason IM researchers should, through the application of the triangular diplomacy model and the critical recognition of other globalisation theories provided by the IR field, recognize the interfaces between governance and management. Correspondingly, the field should problematize not just private actors and organizations but also the public ones. This concern is very important in developing countries because these countries have to deal not only with the political asymmetry in relation to developed countries but also economical asymmetry in relation to transnational corporations.

4. Final Considerations and Future Implications

This paper tried to show that IM researchers, particularly in less developed countries or regions, should address not only management issues but also governance issues. By challenging the hegemony of the globalist theory within the IM field through an interdisciplinary perspective, the realistic approach proposed in this paper could make the knowledge produced by the field relevant not only to TNCs but also to local governments, local managers, public administrators and policy makers.

The effective accomplishment of such objective requires that IM researchers promote interdisciplinary developments with IR and IB fields in general and more specifically with the area of IPE. This type of endeavour should not be taken as easy to implement (Knights and Willmott, 1997). The 'hegemony' of the globalist theory within the IM field should not be taken as 'neutral'.

In this respect the authors of this paper suggest that IM researchers should recognize that an increasing number of TNCs have been 'filling those gaps' created by the weakening of the state or the government on a global basis. It has created controversy outcomes at the level of local governance (Korten, 2001; Sklair, 1995), also within the academic setting. For this reason, no matter the efforts and developments undertaken by individual researchers, it is realistic to argue that the type of approach and the type of interdisciplinarity proposed in this paper only could be effectively accomplished if the main academic institutions and agencies, particularly the public ones, support the legitimisation and diffusion of this type of knowledge.

In other words, no matter the progresses achieved by individual researchers, it is realistic to argue that the type of approach and the type of interdisciplinarity proposed in this paper only could be effectively developed in developing countries if the main academic institutions and agencies, particularly the public ones, support the legitimisation and diffusion of this type of knowledge.

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