



## COURSE SYLLABUS

# Globalisation of Economic Activity, 7.5 credits

*Globalisation of Economic Activity, 7,5 högskolepoäng*

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<b>Course Code:</b>	JGER27	<b>Education Cycle:</b>	Second-cycle level
<b>Confirmed by:</b>	Council for Undergraduate and Masters Education Dec 19, 2016	<b>Disciplinary domain:</b>	Social sciences (75%) and natural sciences (25%)
<b>Valid From:</b>	Jan 16, 2017	<b>Subject group:</b>	NA1
<b>Version:</b>	1	<b>Specialised in:</b>	A1N
<b>Reg number:</b>	IHH 2016/5133-313	<b>Main field of study:</b>	Business Administration, Economics

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### Intended Learning Outcomes (ILO)

On completion of the course the student will be able to:

Knowledge and understanding

1. recommend strategies, structures, and practices for a multinational company to best manage the different and changing global environment in each nation where it does business
2. discuss the foundations and developments of contemporary economic and business issues in a global context

Skills and abilities

3. analyze independently how contemporary globalization issues have developed in different contexts
4. apply research-based literature to describe and analyze particular aspects of globalization process related to own projects

Judgement and approach

5. display a reflective approach to the role of theory in contemporary global economy, and in particular theories of foreign direct investments (FDI)
6. independently define and treat a relevant question based on relevant theories and practices
7. analyze the subject from relevant scientific, societal and ethical aspects
8. exhibit an understanding of the role of knowledge in society and the individual's responsibilities when it comes to the use of this knowledge

### Contents

This course provides an understanding of the evolution of foreign direct investment and the multinational corporation (MNC). Introduction to multinationality with focus on the RBV (capabilities and core competencies). Discussion of Barney's VRIN attributes and the concept of dynamic capabilities is methodically embedded in the general structure of the course.

Departing from the RBV of the firm, the concept and the degree of multinationality (i.e., the degree of international presence and commitment) is analyzed in relation to chosen case

companies. Classical descriptions of MNC organizational structures (the M-form and other, newer organizational forms) are discussed.

Special emphasis is placed on the way the modern MNC organizes its activities and how this determines their relations with other firms. This set of lectures departs from two theories (transaction cost economics and network theory), which describe relationships among actors. The two theories are discussed in relation to the MNC, and its organizing and internationalization processes. Innovation will be considered from several perspectives, including the diffusion of innovations and innovation management for competitive advantage. Evolutionary perspective on the technological change are presented. Cross-sectoral and cross-regional patterns of globalization are identified. The benefits and complications of IT in globalized economy and the role of IT in MNCs are discussed.

A separate set of lectures defines the basic concepts of institutional theory. The focus here is on institutional theory and legitimacy. Specific features of multinationals from emerging economies, similarities and differences with MNCs from developed countries. Positive and negative effects of globalization are viewed in terms of environment, MNC corporate social responsibility and general income distribution effects.

### **Type of instruction**

Lectures and seminars

The teaching is conducted in English.

### **Prerequisites**

Bachelor's Degree in Business or Economics (i.e the equivalent of 180 credits at an accredited university) (or the equivalent).

### **Examination and grades**

The course is graded A, B, C, D, E, FX or F.

ILOs 1-8 are examined in the group project (accounts for 60% of the course)

ILOs 5-8 are examined in the written assignment (accounts for 40% of the course)

Both project and assignment will be assessed individually.

Registration of examination:

Name of the Test	Value	Grading
Examination <sup>1</sup>	7.5 credits	A/B/C/D/E/FX/F

<sup>1</sup> Determines the final grade of the course, which is issued only when all course units have been passed.

### **Course evaluation**

It is the responsibility of the examiner to ensure that each course is evaluated. At the outset of the course, evaluators must be identified (elected) among the students. The course evaluation is carried out continuously as well as at the end of the course. On the completion of the course the

course evaluators and course examiner discuss the course evaluation and possible improvements. A summary report is created and archived. The reports are followed up by program directors and discussed in program groups and with relevant others (depending on issue e.g. Associate Dean of Education, Associate Dean of faculty, Director of PhD Candidates, Dean and Director of Studies). The next time the course runs, students should be informed of any measures taken to improve the course based on the previous course evaluation..

### **Other information**

#### Academic integrity

JIBS students are expected to maintain a strong academic integrity. This implies to behave within the boundaries of academic rules and expectations relating to all types of teaching and examination.

Copying someone else's work is a particularly serious offence and can lead to disciplinary action. When you copy someone else's work, you are plagiarizing. You must not copy sections of work (such as paragraphs, diagrams, tables and words) from any other person, including another student or any other author. Cutting and pasting is a clear example of plagiarism. There is a workshop and online resources to assist you in not plagiarizing called the Interactive Anti-Plagiarism Guide.

Other forms of breaking academic integrity include (but are not limited to) adding your name to a project you did not work on (or allowing someone to add their name), cheating on an examination, helping other students to cheat and submitting other students work as your own, and using non-allowed electronic equipment during an examination. All of these make you liable to disciplinary action.

### **Course literature**

#### Literature

##### **Main textbooks:**

Grazia Ietto-Gillies (2005) *Transnational Corporations and International Production Concepts, Theories and Effects*, Second Edition

[http://www.e-elgar.com/shop/transnational-corporations-and-international-production?\\_\\_website=uk\\_warehouse](http://www.e-elgar.com/shop/transnational-corporations-and-international-production?__website=uk_warehouse)

David W. Conklin (2011) *The Global Environment of Business*, SAGE publications, Inc.

##### **Additional scientific papers:**

Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17:1, 99-120

Teece, D. J. & Pisano, G. & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18:7, 509-533."

- Tseng, C., Tansuhaj, P., Hallagan, W. & McCullough, J. (2007). Effects of Firm Resources on Growth in Multinationality. *Journal of International Business Studies*, 38, 961-974.
- Li, L. (2007). Multinationality and Performance. A Synthetic Review and Research Agenda. *International Journal of Management Review*, 9:2, 117-139.
- Dess, G. D, Lumpkin, G. T. & Eisner, Alan B. (2008). Creating Effective Organizational Designs. In Dess, G. D, Lumpkin, G. T. & Eisner, Alan B. *Strategic Management: Creating Competitive Advantages*. McGraw Hill.
- Nohria, N. & Ghoshal, S. (1997). Chapter 1 The Differentiated Network. In Nohria, N. & Ghoshal, S. *The Differentiated Network - Organizing Multinational Corporations for Value Creation*. Jossey- Bass Publishers: San Francisco.
- Luo, Y. (2003). Market-seeking MNEs in an Emerging Market: How Parent-Subsidiary Links Shape Overseas Success. *Journal of International Business Studies*, 34, 290-309"
- Beugelsdijk, S. & Hospers, G-J. (2005). Networks and Clusters of Economic Activity. In Koen, C.I. *Comparative International Management*. London: McGraw Hill.
- Benito, G. & Tomassen, S. (2010). Governance Costs in headquarters-subsubsidiary Relationships. In Andersson, U. & Holm, U. (Eds.) *Managing the Contemporary Multinational: The Role of Headquarters*. Edward Elgar: Cheltenham UK.
- Giroud, A. & Scott-Kennel, J. (2009). MNE Linkages in International Business: A Framework for Analysis. *International Business Review*, 18, 555-566.
- Granovetter, M. (1983). The Strength of Weak Ties: A Network Theory Revisited. *Sociological Theory*, 1, 201-233. Required: sections "The argument recapitulated", (pp. 201—203) and "Weak ties in the spread of ideas" (pp. 214—220).
- Rogers, E. M. (1995). Elements of Diffusion. *Diffusion of Innovations*, 1 - 37.
- Christensen, C. M. & Overdorf, M. (2000). Meeting the Challenge of Disruptive Change. *Harvard Business Review*, March-April, 66-76."
- Okazaki, S. (2004). Do multinationals standardize or localize? The cross-cultural dimensionality of product-based Web sites. *Internet Research*, 14, 81-94.
- Pearce, R. (1999). The evolution of technology in multinational enterprises: The role of creative subsidiaries. *International Business Review*, 8, 125—148.
- Guillen, M. (2002). What is the best global strategy for the internet? *Business Horizons*, 45:3, 39-46.

The Economist (2010). "Social networking: Yammering away at the office."  
<http://www.economist.com/node/15350928>

Westney, E. (2003) *Geography as a Design Variable*. In Birkinshaw et al. *The Future of the Multinational Company*. Wiley: Chichester. "

Busenitz, L. W., Gómez, C. and Spencer, J. W. (2000). Country institutional profiles: unlocking entrepreneurial phenomena. *Academy of Management Journal*, 43:5, 994—1003.

Trevino, L. J., Thomas, D. E. and Cullen, J. (2008). The three pillars of institutional theory and FDI in Latin America: an institutionalization process. *International Business Review*, 17:1, 118—133."

Kumar, N. (2007). Emerging TNCs: trends, patterns and determinants of outward FDI by Indian enterprises. *Transnational Corporations*, 16:1, 1—26. The Economist (2011). "South-north FDI: Role reversal." <http://www.economist.com/node/21528982>

Patnaik, P. (2015) "Capitalism, Inequality and Globalization: Thomas Piketty's Capital in the Twenty-first Century"

(encouraged) Piketty, T. (2014) *Capital in the Twenty-First Century*, Cambridge, MA: Belknap Press"