

MANA 4321
INTERNATIONAL MANAGEMENT

Fall 2013



Days/Location: T TH COBA 253
Class times: 1430 -1550 hrs T TH
Office Hours: 1615-1730 hrs T TH

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COURSE DESCRIPTION

With greater globalization, managers are being increasingly challenged to compete in a global environment. "International Management" seeks to provide you with the skills, knowledge and sensitivity required to successfully manage organizations and organizational units within a multinational environment. Topics covered include the analysis of environmental forces, the competitive context in which companies operate in global industries, the characteristics of global, multinational and transnational strategies, foreign market entry strategies, cross-border acquisitions and strategic alliances, the role of organizational structures and the importance of strategic control.

The primary objective of this course is to help you think like a manager in the international context-- one who recognizes and understands the important interlinkages that exist in the conducting of business in a global environment. Case studies used in the course will help you develop your analytical and decision making skills and also highlight the reality of environmental uncertainties influencing decision making in the international context. Cases also seek to develop your capacity to identify issues, to reason carefully through various options and improve your ability to manage the organization process by which decisions get formed and executed.

Learning Outcomes

By the end of the semester you should be able to (1) identify and articulate the challenges faced by managers as they engage in international business, (2) understand the implications of cultural, political, economic and legal differences from the perspective of firms competing in the international context (3) understand the nature of competition in international markets, and (4) distinguish between alternative strategies used by firms to enter foreign markets.

POLICIES ETC.

Drop Policy: Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance.** Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://web.uta.edu/ses/fao>).

Americans with Disabilities Act: The University of Texas at Arlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including the *Americans with Disabilities Act (ADA)*. All instructors at UT Arlington are required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of that disability. Any student requiring an accommodation for this course must provide the instructor with official documentation in the form of a letter certified by the staff in the Office for Students with Disabilities, University Hall 102. Only those students who have officially documented a need for an accommodation will have their request honored. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at www.uta.edu/disability or by calling the Office for Students with Disabilities at (817) 272-3364.

Academic Integrity: All students enrolled in this course are expected to adhere to the UT Arlington Honor Code:

I pledge, on my honor, to uphold UT Arlington's tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.

I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.

POLICIES ETC.

Student Support Services: UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include tutoring, major-based learning centers, developmental education, advising and mentoring, personal counseling, and federally funded programs. For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to resources@uta.edu, or view the information at www.uta.edu/resources.

Electronic Communication: UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

Final Review Week: A period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week *unless specified in the class syllabus*. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

INSTRUCTOR

Dr. Deepak K. Datta is currently Professor and the Eunice and James L. West Chair of Private Enterprise and Entrepreneurship at the University of Texas at Arlington. Prior to his joining UTA, Professor Datta was the Judy and William Docking Distinguished Professor of Business at the University of Kansas. He completed his Ph.D. (Strategic Planning and Policy) at the University of Pittsburgh in 1986.

Professor Datta teaches in the undergraduate, graduate and doctoral programs and UTA. In addition to UTA and KU, as visiting faculty he has taught in several international programs, including the NEOS International MBA Program at IIBS, Italy/Slovenia, MBA program at ESC Toulouse, at CEIBS, Shanghai, the Fulbright MBA Program at Cairo University, the Jiaotong University Executive MBA program in Qingdao, China and the Lvov Institute of Management, Ukraine. Currently he teaches in UTA executive MBA programs in Ft. Worth and Taiwan. Professor Datta has also taught in executive education programs at Hallmark and Sprint. He was the Director of the Center of International Business at the University of Kansas.

Professor Datta has published over fifty articles in top research journals and his research has been cited over 1300 times by scholars in management and related areas. He has presented over sixty-five papers at conferences in Australia, Belgium, Brazil, Canada, Czech Republic, Hong Kong, India, Italy, Japan, U.K., Norway, Costa Rica, Spain, Singapore, Turkey and the U.S. Professor Datta has won several awards and recognition for teaching and research. These include the University of Kansas Graduate Business School Outstanding Educator Award, the CIMBA Distinguished Teaching Award, the Association of Business Doctoral Students Outstanding Mentor Awards, 2011 Phi Kappa Phi "Recognized Professor", the UTA Distinguished Paper Award, and the University of Kansas Guy Mabry Best Paper Awards.

REQUIRED TEXT AND CASES

Required Text:

Hill, Charles W.L., Global Business Today, McGraw Hill Irwin, Eighth Edition, 2013.
ISBN-13: 978-0-07-811262-1

Required Cases:

Please buy the case package (4 cases) from HBS Publishing – you can access it using the following link: <https://cb.hbsp.harvard.edu/cbmp/access/20318326>

GRADING POLICY

Class grades will be decided based on the following:

First Exam :	15%
Second Exam:	25%
Final Exam:	35%
Case Quizzes (2 or 3):	10%
Class participation:	15%

Grades (based on your cumulative score for the semester) will be determined as follows:

A=90-100; B=80-89; C=70-79; D=60-69; F= less than 60

Class participation will be judged based on the *quality* and *frequency* of your contributions to class discussions (especially, in the context of case discussions).

Attendance is expected and required – absences will have a significant negative impact on your class participation grade. All **cell phones/smartphones/laptops/notebooks/netbooks/tablets must be shut off and put away** for the duration of the class.

WEEK 1 (August 22)
INTRODUCTION / GLOBALIZATION

Topics:

- Administrative affairs related to the class
- Globalization, Drivers of Globalization, Global Institutions, Pros and Cons of Globalization

WEEK 2 (August 27/29)
INTRODUCTION / GLOBALIZATION (continued)

Topics:

- Traditional versus Emerging Motivations for International Diversification
- The Changing Demographics of the World Economy; Challenges - Managing in a Global Marketplace

Readings:

Chapter 1: Globalization (p. 3-35)

Discussion: The Globalization of Health Care (Video)

Questions:

- What trends have facilitated the globalization of health care ?
- Is the globalization of health care good or bad for patients?
- Is the globalization good or bad for the American economy?
- Who benefits from the globalization of health care? Who loses?
- Do you think that the U.S. government should restrict the outsourcing of medical procedures to developing nations?



WEEK 3 (September 3/5)
THE INTERNATIONAL MACROENVIRONMENT/COUNTRY DIFFERENCES

Topics:

- The Economic Environment
- Political Environment, Trade Policy, Protectionism, Arguments for and against Protectionism
- The WTO and its role in International trade

Readings:

Chapter 2: Economic Systems (p 44-46); Political systems (p. 39-44)

Country Differences: National Differences in Political Economy (p. 61-64)

Chapter 7: The Political Economy of International Trade (p. 190-211)

DISCUSSION: Agricultural Subsidies (p. 207-209)

Questions:

- Why do you think that the U.S. government pays subsidies to farmers?
- What is the impact of farm subsidies on the price of agricultural products in the U.S.?
- Who are the beneficiaries? Who are the losers?
- What would happen if the US (and other countries) stopped paying subsidies to farmers?



WEEK 4 (September 10/12)
CASE DISCUSSION

Jollibee Foods Corporation (A): International Expansion

Issues for Analysis:

- How was Jollibee able to build its dominant position in fast food in the Philippines? What sources of competitive advantage was it able to develop against McDonalds in its home market?
- How would you evaluate Tony Kitchner's effectiveness as the first head of Jollibee's international division? Does his broad strategic thrust make sense?
- How effectively did Tony Kitchner develop the organization to implement its priorities?
- What are the challenges facing Noli Tingzon as he becomes the head of the international division? What strategy would you advocate?
- How would you (as Noli Tingzon) deal with the three options described at the end of the case?



WEEK 5 (September 17/19)
THE INTERNATIONAL MACROENVIRONMENT/COUNTRY DIFFERENCES

Topics:

- Political Risk and Political Risk Management
- Legal and Demographic environments

Readings:

Chapter 3: Political Economy and Economic Development (p. 82-83)
Chapter 2: National Differences in Political Economy (p. 46-53)

WEEK 6 (September 24/26)

September 24
FIRST EXAM (approx 45 minutes)

September 26

Topics:

- Cultural Environment – Components of national culture

Readings:

Chapter 3: Differences in Culture (p. 91-118)

WEEK 7 (October 1/3)
THE INTERNATIONAL MACROENVIRONMENT/COUNTRY DIFFERENCES

Topics:

- Dimensions of Culture
- Implications of Cultural Differences

Readings:

Chapter 3: Differences in Culture (p. 91-123)

MINI-CASE: Why did Wal-Mart Fail in Germany? (p. 89-90)

Issues:

- Why has Wal-Mart been pursuing international expansion?
- What factors facilitated international expansion by Wal-Mart?
- What are the challenges facing Wal-Mart as it seeks international markets?
- Why did Wal-Mart falter in Germany? What lessons does it have for Wal-Mart and other companies wishing to do business internationally?

WEEK 8 (October 8/10)
REGIONAL INTEGRATION AND NATIONAL COMPETITIVE ADVANTAGE

Topics:

- Determinants of National Competitive Advantage, Implications for Business
- Regional Economic Integration – Levels of Economic Integration
- Case for and against Regional Integration
- Implications of Regional Integration

Reading:

Chapter 6: Global Trade and Investment (p. 173-177)
Chapter 9: Regional Economic Integration (p. 251-256)

WEEK 9 (October 15/17)
**COMPETING IN A GLOBAL MARKETPLACE/ THE STRATEGY OF
INTERNATIONAL BUSINESS**

Topics:

- Firm Value Chain, Core Competencies, Leveraging knowledge and skills;
- Routes to Competitive Advantage, Location and Coordination issues;
- Four types of distances
- Evolution of Strategy in the International context , Multinational/ Localization Strategy

Readings:

Chapter 12: The Strategy of International Business (p. 335-357)

MINICASE: McDonald's in India (Video)



Questions:

- What does McDonald's need to do in India to succeed?
- How far should a firm such as McDonald's go in localizing its product to account for cultural differences? What are the implications of localization?
- What lessons does the experience of McDonald's hold for other fast food chains in foreign markets?

WEEK 10 (October 22/24)
**COMPETING IN A GLOBAL MARKETPLACE/ THE STRATEGY OF
INTERNATIONAL BUSINESS (continued)**

Topics:

- Global Standardization Strategy
- Transnational Strategies -- Balancing Global Efficiency, Local Responsiveness and Organizational Learning
- Knowledge Management in a Global Economy

Readings:

Chapter 12: The Strategy of International Business (p. 335-357)

WEEK 11 (October 29/31)
CASE DISCUSSION

Proctor & Gamble: Vizir Launch

Issues for Analysis:

- As Charlie Ferguson, P&G's European VP, would you authorize Wolfgang Berndt's third request to launch Vizir in Germany? What factors would you take into account in making your decision? (Examine the pros and cons of each option carefully)
- What do you think of the Eurobrand proposals? What concerns do you have? How would you resolve them?
- How should the company manage Vizir and other Eurobrands? Should they abandon the Eurobrand Team concept?
- How do you make the Eurobrand Teams work?
- How can P&G ensure that decisions made by the Eurobrand Teams will be implemented once team members return to their subsidiary companies?

Procter & Gamble

WEEK 12 (November 5)
SECOND EXAM (approx. 50 minutes)

November 7
ENTERING FOREIGN MARKETS

Topics:

- Direct and Indirect Exporting
- Licensing and Franchising
- Wholly-Owned Subsidiaries
 - Cross-Border Acquisitions
 - Greenfield Investments

Readings:

Chapter 13: Entering Foreign Markets (p. 374-386)

Discussion: The Adidas Reebok Merger (Video)

Questions:

- What was the strategic logic underlying the merger?
- What factors did the two firms take into consideration to ensure that the merger would be effectively implemented?
- What lessons does the merger have for firms contemplating cross-border mergers and acquisitions?



WEEK 13 (November 12/14)
ENTERING FOREIGN MARKETS (continued)

Topics:

- Turnkey Projects
- Strategic Alliances
 - Types of Strategic Alliances, Traditional and Emerging Reasons underlying Strategic Alliances
 - Pitfalls in Strategic Alliances
 - Managing Strategic Alliances

Reading:

Chapter 11: The Strategy of International Business (p. 358-361)

WEEK 14 (November 19/21)
CASE DISCUSSION: Mattel and the Toy Recalls (A & B)

Questions:

- What motivates companies such as Mattel to offshore/outsource their manufacturing? What are the benefits and challenges?
- What contributed to the quality problems faced by Mattel? What can Mattel do to enhance product quality?
- How would you characterize Mattel's recall strategy in 2007? What are the consequences of such a recall?
- What went wrong? Did Mattel make a mistake by laying the entire blame on the Chinese manufacturers for the problem?

WEEK 15 (November 26)
GLOBAL OUTSOURCING



Topics:

- Where to produce – country, technological and product factors
- Outsourcing/ Contract manufacturing – Factors associated with the choice of outsourcing location; Make versus Buy decisions;

Reading:

Chapter 15: Global Production, Outsourcing and Logistics (pages 424-428)

WEEK 16 (December 4)
INTERNATIONAL HUMAN RESOURCE MANAGEMENT

Topics:

- Global Human Resource Management: Strategic role of international HRM, Staffing policies
- Expatriates: Training and Repatriation
- Causes of expatriate failure
- Global Mindset -- Cultivating a Global Mindset

Reading:

Chapter 15: Global Human Resource Management (pages 471-481)

December 10 (2:00-4:00 PM): FINAL EXAM
(Approx. 90 minutes)