

# Call for Papers



## The contribution of MNEs to building sustainable societies

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Submission Deadline: **November 15, 2016**

*\*\*\*Please note that this is earlier than in previous years\*\*\**

The goal of this year's conference is to shift the focus of the analysis from the motivations and consequences of internationalization for the firm, to looking at the impact of the activities of MNEs on their home and host countries. Besides offering managerial advice on how better to manage these kinds of distance-related challenges, we want to draw greater attention to policy advice, and ask what do governments need to know about multinational enterprises to engage them in building sustainable societies.

The Sustainable Development Goals (SDGs) drafted by the United Nations and adopted by the global community in 2015 contain 17 goals that correspond to 169 measures<sup>1</sup>. They are an extension of the Millennium Development Goals, but incorporate substantially broader and measurable targets, and unlike their predecessors, they are to be implemented by developed and developing countries alike.

The first two goals continue to target issues pertinent to developing countries, namely ending poverty and hunger in all its forms. The remaining goals cover all aspects of healthy and productive lives, beginning with the sustainable use of ecosystems, sustainability of the oceans, clean air and access to fresh water. The goal of making cities resilient and sustainable involves increased investment in infrastructure, such as water, sanitation energy and transportation. It also includes the provision of good quality comprehensive education and decent work, with a particular view on the empowerment of women and girls.

Multinational enterprises (MNEs) are instrumental in providing the technical expertise, management skills, investment and corporate social responsibility necessary to meet these goals. According to estimates made by UNCTAD, the annual investment required to meet these goals amounts to \$5 to \$7 trillion globally in the period 2015-2030. The developing country share of this amount is estimated to be about \$3.9 trillion annually. The current MNE investment in the relevant sectors such as transportation and communication infrastructure and water and energy utilities amounts to about \$1.4 trillion annually, and if this proportion of private to public investment were to continue (the 'business as usual' scenario), the MNE contribution could rise to \$2.3 trillion, or nearly 60% of the required amount<sup>2</sup>. Potentially, the contribution of private investment might rise even further, if MNEs were effectively incentivized to undertake investments in the least developed countries (LDCs).

Building sustainable societies is thus not the sole domain of governments, but rather a question of partnerships and an ongoing dialogue between governments, firms and civil society. In the first

<sup>1</sup> <https://sustainabledevelopment.un.org/sdgs>

<sup>2</sup> UNCTAD *World Investment Report 2014*, p.145.

instance, such partnerships call on the participation of MNEs as employers and as producers of goods and services, but they naturally also incorporate their role as responsible corporate citizens.

The scholarship in International Business (IB) has approached these issues from three main perspectives. First, the IB field has accumulated substantial body of knowledge on how the costs of distance in general, and particularly the costs of distance that arise from missing or underdeveloped institutions, influence how multinational firms conduct business across borders. In some cases MNEs internalize activities that they would normally externalize, and in so doing, they might engage in building infrastructure or providing services like education or healthcare provision in addition to their main value adding activities. In other cases, institutional deficits simply make the environment more difficult to decipher, diminishing the ability of the multinational firm to adjust its business model and cost structures to meet the needs of emerging markets.

A second strand of the literature has examined the conditions under which firms proactively go beyond regulation to improve their environmental and social performance. In some cases MNEs have taken action because powerful stakeholder groups have forced them to do so, in other cases, the investments have been seen as necessary to protect the firm's reputation and to manage situations that make them potentially vulnerable in host countries.

Third, the international business literature has a long tradition of examining the negotiating process between firms and governments, particularly in the extractive industries and more recently in public-private partnerships in the infrastructure sectors. Among other things, this literature has highlighted how firms secure access into these markets, and shield themselves against the 'obsolescing bargain' and other forms of opportunism on the part of the host governments.

Taken together, this demonstrates that the field of IB has already contributed a notable literature on the interface between the firm, governments and other stakeholder groups in host countries. In all three perspectives, MNEs are increasingly seen as active agents that co-evolve with governments and other actors resulting in the creation of new institutions.

In order for governments to effectively partner with multinational firms, they need to understand the motivations, capabilities and vulnerabilities of multinational firms as both economic and social actors. They also need to evaluate the limits of this engagement, and to understand the appropriate forms of governance for it. This calls for scholarship where the perspective of the firm is complemented by a policy-making viewpoint, that to date has not been considered as often in IB scholarship.

While the technology and financial capital brought by foreign investors are essential building blocks to achieving sustainable societies, MNEs bring much more to the host countries. In some cases multinational firms substitute their own rules when the rules of the market are missing. In other cases, they take part in negotiations and discussions about the content of the prevailing rules. As economic actors, they can alleviate or contribute to existing problems. For example, with their employment practices, do MNEs reduce discrimination and inequality or do they increase it? Do they help to mitigate some of the problems to do with migration, or do they contribute to the further exploitation of migrant workers? How do they cope with periods of extreme uncertainty and crises that impact emerging markets disproportionately?

Like all actors, the agency of the multinational firm is limited by the technical and human systems they embody. While multinational firms are highly adaptable, they are not infinitely adaptable, and deviations from the societal and market structures that prevail in the developed world cause considerable difficulties for established MNEs to overcome. At the same time, the solutions the multinationals might prefer are not necessarily the solutions governments would prefer, in part

because governments are accountable to the citizenship as a whole, while multinational firms are responsive to specific stakeholder groups. Governments and MNEs have intersecting but not overlapping responsibilities.

With this year's conference, we want to examine what can be uncovered about the behavior of multinational firms in different contexts that can help us to craft better public policy. This is policy that recognizes and understands the potential of multinational firms in contributing to sustainable societies, while also being aware of the limits of their engagement.

### **AIB 2017 Submission Information**

Papers submitted to the AIB 2017 conference need to be submitted to one of the ten regular tracks or one of the two special tracks addressing the conference theme. Each paper or panel proposal must be submitted to only one track. Please select the track closest to your proposal from the list below using the keywords as a guide.

All single country studies must focus on IB relevant topics such as MNEs, international institutions, trade, global value chains etc.

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## **1. The internationalization process and international entrepreneurship**

TRACK CHAIR: [OLLI KUIVALAINEN & RUDOLF SINKOVICS](#) (BOTH [UNIVERSITY OF MANCHESTER, UK](#) AND [LAPPEENRANTA UNIVERSITY OF TECHNOLOGY, FINLAND](#))

Rapidly internationalizing SMEs compete and cooperate with large MNEs in the global market. This track seeks contributions that examine the internationalization process of different kinds of firms, whether small and entrepreneurial firms, established multinationals, or latecomer MNEs from emerging markets. It covers contributions that focus on the characteristics of the process, whether gradual, rapid or leapfrogging, increasing or decreasing, as well as the various kinds of human, financial and political resources firms draw on in their internationalization process. It also covers contributions that examine the specific influence of different kinds of entrepreneurs such as women, expatriates or diaspora entrepreneurs.

**Keywords:** Internationalization process model; Gradual internationalization; Rapid internationalization; Internationalization and performance; Divestment; Exporting by SMEs; International entrepreneurship; Entrepreneurial networks; Early internationalization; International new ventures; Born global firms; High tech start-ups; Micro-multinationals; International entrepreneurial orientation; Women entrepreneurs; Internet entrepreneurs; Expatriate entrepreneurs

## 2. Managing the value chain

TRACK CHAIR: SOMNATH LAHIRI (ILLINOIS STATE UNIVERSITY, US) & DEBMALYA MUKHERJEE (UNIVERSITY OF AKRON, US)

What determines the economic footprint of the firm, and how should the value chain be managed in order to create a sustainable competitive advantage for firms? This track concentrates on the management and coordination of the different functions that comprise disaggregated value chains. It deals with the location of the operations of the MNE, outsourcing and offshoring decisions (and the reversal of such decisions), as well as the cross-border coordination of the contractual and equity-based relationships throughout the value chain.

**Keywords:** Outsourcing; Offshoring; Global production networks; Geography of IB activities  
Clusters and subnational regions; Global value chains; Disaggregation of value chains;  
Value chain coordination; Sourcing; Supply chain management; Logistics; Relocation of production; Re-shoring/Backshoring; OEM contracting

## 3. Marketing and consumer research

TRACK CHAIR: DIRK MORSCHETT (UNIVERSITY OF FRIBOURG, SWITZERLAND) & STEFAN SCHMID (ESCP EUROPE, GERMANY)

How do you reach customers in mature markets, emerging markets or at the bottom of the pyramid? This track focuses on the downstream activities of MNEs and the different modalities of reaching customers abroad. It examines issues related to the importance of branding and buyer behavior across countries, as well as the influence of the home country on consumer perception. It also invites papers that examine the application of informatics in marketing, such as in the development of big data and social media analytics.

**Keywords:** Exporting; Franchising; Advertising; Marketing channels; Distribution channels; Brand loyalty; Brand management; Pricing; Buyer behavior; Base of the Pyramid Retailing; Entry mode; Market orientation; Market segmentation; Consumer behavior; Cross-cultural marketing Buyer-supplier relations; Country-of-origin perceptions; Business-to-business marketing; Online markets; Big data; Market design; Mobile and social media analytics

## 4. Innovation and knowledge management

TRACK CHAIR: GRAZIA SANTANGELO (UNIVERSITY OF CATANIA, ITALY)

Knowledge creation and transfer across countries are central to our theories of the MNE. This track deals with the technological and organizational generation and transfer of new knowledge. It examines the internal and external aspects of innovation activities, with the internal aspects being focused on knowledge generation and transfer within the MNE, and the external being focused on contractual and equity-based collaborations with external partners. It also examines the changing geography of innovation and the access of the multinational firm to location bound sources of innovation, and the influence of national and regional innovation systems on this process.

**Keywords:** Networks for innovation; Global and local knowledge; Technology management; Knowledge sourcing; Knowledge creation and diffusion; Knowledge sharing; Organizational learning; Exploration vs. exploitation; Absorptive capacity; Open innovation; Knowledge governance mechanisms; Knowledge access; R&D subsidiaries; National and regional innovation systems; Reverse knowledge transfer; Centers of excellence; Innovation clusters; R&D offshoring; Licensing; Learning alliances; University-MNE relationships

## 5. Organization strategy and management

TRACK CHAIR: OLIVIER BERTRAND (SKEMA BUSINESS SCHOOL, FRANCE) & MARIE-ANN BETSCHINGER (UNIVERSITY OF FRIBOURG, SWITZERLAND)

What organizational forms do MNEs adopt at different points in their evolution? This track focuses on the organizational and structural challenges and responses of multinational enterprises. It examines different strategies MNEs adopt to overcome the integration-responsiveness dilemma and to achieve an effective balance between centralization and decentralization. It also welcomes papers concerned with organizational change that is driven by corporate management, and the overall impact of the top management team on the development of organizational capabilities and organizational performance.

**Keywords:** Multidomestic strategy; Transnational strategy; Global strategy; International competitiveness; Mergers and acquisitions; Growth strategies; Global networks; Global alliances; Parent-subsidiary relationships; Headquarters role; Regional headquarters; Organizational change and development; Organization culture; High performing organizations; Boundary spanning; Organizational capabilities; Core competencies; Top management teams; Virtual teams

## 6. Human resource management

TRACK CHAIR: DAN CAPRAR (THE UNIVERSITY OF SYDNEY, AUSTRALIA) & BETINA SZKUDLAREK (THE UNIVERSITY OF SYDNEY, AUSTRALIA)

Global leadership, international HRM, global talent management and diversity management are vital to the management of human resources within the multinational firm. This track encompasses papers dealing with the range of HR activities from recruitment and selection to training, compensation, retention as well as leadership development within the multinational firm. It also examines the positive and negative effects of diversity on the performance of the organization, issues related to cross-cultural management, and the role of language in multinational organizations.

**Keywords.** International human resource management; Expatriate management; Talent management; Training and development; Retention; Leadership development; Global staffing; Global mindset; Diversity; Cross-cultural management; Cross-cultural communication and language; International mobility; Multicultural teams; Intercultural competence and cultural intelligence; Bicultural and multicultural identity; International migration; Education and international careers; Cosmopolitans; Returnees; Diasporans; Gender issues across cultures; Work-family issues

## 7. Corporate governance and financial management

TRACK CHAIR: RUTH AGUILERA (NORTHEASTERN UNIVERSITY, US) & DAVID REEB (NATIONAL UNIVERSITY OF SINGAPORE, SINGAPORE)

This track deals with the range of ownership structures that link the firm's owners and managers and their impact on the management and performance of the firm. It deals with the impact of different kinds of board structures on the effectiveness of governance, the differences between public, privately held and state-owned firms, and the influence of large or activist shareholders on the governance of the firm. It also deals with the accounting and finance issues that arise in an international context in terms of e.g. differences in accounting standards, reporting standards, financial risk management, access to international capital markets and cross-border taxation.

**Keywords:** Ownership structures; Board processes, practices, and effectiveness; Board diversity; Governance in family-owned firms; Shareholder categories; Mechanisms for protecting shareholder rights; Levels and composition of management compensation; Institutional investors; Shareholder activism; Stakeholder activism; Directorship interlocks; State ownership; Corporate groups; International finance and taxation; Transfer pricing;

Accounting standards and conventions; Non-financial accounting and reporting standards; Capital structure; Corporate control; Exchange rate exposure; Macroeconomic risk management; International financial integration; Corporate performance; Financial risk management; International cross-listing; International financial reporting

## 8. International business policy

TRACK CHAIR: JEREMY CLEGG & MIGUEL MATOS TORRES (BOTH UNIVERSITY OF LEEDS, UK)

MNEs have an economic, as well as a social and political impact on their home and host countries. The economic aspect entails the impact of MNEs and FDI on economic growth and industrial and economic restructuring, market structure, and the competition between countries and regions to attract investment. The social and political dimensions deal with the issues of ethics and legitimacy and efforts by the multinational enterprise to mitigate political risk by engaging in negotiations with various stakeholders to enhance its position. In addition to these effects, papers in this track examine how different kinds of institutional regimes condition the activities of multinational firms, and the extent to which MNEs are able to shape the regulatory regimes that govern them on the national, regional and supranational levels.

**Keywords:** Business-government negotiation; Formal and informal institutions; Institutional distance; Comparative analysis of institutions; Legitimacy of business practices; Ethics and corporate citizenship; Sub-national institutions; Political risk; Political ties; State ownership; Business systems; Competitive advantage and home country advantages; Varieties of capitalism; Legal systems; Regulatory systems; International agreements; Regional integration; Intellectual property rights protection; Patterns of FDI and trade; Investment attraction and locational competition; FDI impact on home and host countries; Economic development and growth; Knowledge and productivity spillovers; Public-private partnerships; Stakeholder engagement; Accountability of investors

## 9. Teaching IB

TRACK CHAIR: LIESL RIDDLE (GEORGE WASHINGTON UNIVERSITY, US) & MARIA ELO (UNIVERSITY OF TURKU, FINLAND)

What do students need to know about IB, and how to make teaching IB more effective, more fun and more rewarding? This special track deals with all aspects of teaching IB, including handling diverse classrooms, case teaching in international business, as well as the use of different tools and methods such as simulations, role-play and various forms of multimedia to enhance IB teaching.

**Keywords:** Experiential learning; Developing an IB curriculum; Internationalizing the business school curriculum; Cross-cultural classrooms; Case teaching; Executive education; International study tours as part of the IB experience; Simulations and role-playing; Blended learning; Multimedia in IB teaching

## 10. Conference track: The contribution of MNEs to building sustainable societies

TRACK CHAIR: ELISA GIULIANI (UNIVERSITY OF PISA, ITALY)

This track invites contributions that deal with the sustainable development goals and the role of MNEs in meeting these goals. While the papers submitted to the conference track could also be submitted to any of the other tracks that cover different aspects of MNE activity, papers that address one or more of the focal areas of the SDGs such as poverty, climate change, energy and innovation infrastructure or economic growth, should be submitted to the special conference track. We also invite submissions dealing with related themes such as new business models for sustainable development, social innovation and multistakeholder development cooperation.

**Keywords:** Renewable energy investment; Infrastructure investment; Investment in education, training and health; Climate change mitigation; New business models for sustainable development; Social innovation;

## 11. Conference host track: Managing turbulence and ambiguity

TRACK CHAIR: MELODENA STEPHENS BALAKRISHNAN (KARLSHOCHSCHULE, GERMANY)

Whether we are looking at black swans, macro-environmental shocks, political conflict or internal risks, crisis management is critical for MNEs, SMEs, IGOs, NGOs and governments to manage their international reputation, retain legitimacy and gain resilience in order to overcome these events. In spite of its practical relevance, there has been a dearth of studies on cross-border crisis management and the strategies needed to mitigate the effects of high uncertainty and ambiguity in international business. Some regions, such as the Middle East, appear more vulnerable to crisis, and yet, businesses run efficiently and effectively – suggesting a multi-lens perspective is needed, separating the HQ and host country viewpoints. This track invites qualitative, quantitative and conceptual papers examining how MNEs are coping with extreme events and uncertainty in their operations.

**Keywords:** Crisis and chaos management; Typology of crises; Global versus local crises – classification, perception and management; Predictability of spillovers; Types of collateral damage; Crisis containment strategies and mitigation; International stakeholder management; Organizational resilience, adaptation and coping behaviors; Crisis communication across international markets and stakeholders; Reputation and legitimacy management; Political interventions in international crisis management and their impact on firms and trade