

# *Perspectives on the Multinational Corporation*

## *(26E03201, 6 ECTS)*

### SYLLABUS

UPDATED 14 Jan. 2018

Instructor's contact information	Course information
Name: Dr Eva Alfoldi E-mail: <a href="mailto:eva.alfoldi@aalto.fi">eva.alfoldi@aalto.fi</a> Office: A-518 Office hours: by appointment	Status of the course: Elective in Management and International Business Master's programme, CEMS course (6 ECTS) Academic Year 2018-19: Period III, Tue & Thu 13:15-16:00 Location: Aalto BIZ, C-331 (Main building) Language of Instruction: English MyCourses page: <a href="https://mycourses.aalto.fi/course/view.php?id=19949">https://mycourses.aalto.fi/course/view.php?id=19949</a>
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#### 1. OVERVIEW

This research-oriented course addresses various theoretical perspectives that can be used to better understand large and geographically dispersed multinational corporations (MNCs). During the course, the following questions will be answered: 1) What kind of theoretical perspectives are available to make sense of MNCs? 2) How has research on the roles and responsibilities of headquarters and subsidiaries changed and evolved over time? 3) How to theorize about the MNC? These questions will be addressed through readings, written assignments, case exercises and guest lectures. The course provides students with potentially relevant theoretical approaches for the MSc thesis work and prepares them for writing an academic piece of work.

## 2. PREREQUISITES

No specific prerequisites. This course is part of MSc studies.

## 3. LEARNING OUTCOMES

Upon completion of the course, students are expected to demonstrate knowledge of the major theoretical perspectives (design, institutional, network, and political) on the MNC. They will also be familiar with effects of various contexts on managing the MNC. Students are expected to be able to critically analyze readings on the MNC, uncover underlying assumptions of theoretical perspectives and apply these perspectives to real-life organizations. Taken together, this course equips students with the necessary knowledge, analytical skills and critical thinking for the MSc thesis and managerial practice.

## 4. ASSESSMENT AND GRADING

1. Individual pre-assignment for Session 1	10%
2. Individual analysis of readings (for 5 sessions)	20% (5 x 4 p.)
3. Case study in groups	50%
4. Individual reflection paper on key learnings	10%
5. Active participation and contribution	10% (5 x 2 p. plus 2 bonus points)

Grading scale 1-5 will be used for all assignments.

0-49 points= 0 (fail)

50-59 points=1

60-69 points=2

70-79 points=3

80-89 points=4

90-100 points=5

## 5. ASSIGNMENTS

### **Individual pre-assignment for Session 1 (10%)**

For your pre-assignment, please search for various definitions of a multinational corporation.

1. How do the definitions compare with each other? Which one do you like the most and why?
2. What kind of assumptions do the authors of these definitions have about the multinational corporation?

Format: max. 2 pages (Font: 12pt Times New Roman; Line spacing: 1,5 lines), include full references to the sources

Deadline: The pre-assignment has to be uploaded to the assignment submission box in MyCourses by 4 January at 23:59.

### **Individual analysis of readings for various sessions (20%, 5 x 4 p.)**

During **Sessions 2, 3, 4, 5** and **6**, we will discuss two assigned readings each, in order to expose you to the relevant academic literature on the topic. Readings will be graded as part of your individual analysis grade. The full references to the articles are available in the course outline below. For each reading, you will find specific questions on MyCourses to help direct your reading. I would suggest you use approximately 1-2 hours for getting familiar with the articles beforehand. To get the best learning benefits, do each pre-reading assignment just before the relevant session, rather than doing them all at once ahead of time.

For this assignment, you will need to read the assigned articles and prepare a 1-3 page PPT-slide summary of them, which you **upload to the MyCourses assignment box before the start of each graded session (Sessions 2, 3, 4, 5 and 6)**.

The reading assignments will be evaluated on a pass/fail basis, and 2 points will be awarded for each. There are two readings per session, i.e. a total of 20 points are available over the 5 sessions. You may also be required to give a short brief about the preparatory reading to the rest of class.

Format: 1-3 PowerPoint slides

Deadline: The pre-reading assignments will have to be uploaded to the MyCourses assignment submission box by 13:00 before the start of each graded session (Sessions 2, 3, 4, 5 and 6).

### **Case study in groups (50%)**

Working in groups, the task is to pick a company of your choice and a significant event, issue or phenomenon in that company's history (e.g. successful or failed merger, acquisition or strategic alliance; the success or failure of a major restructuring, international market entry, new product development, business line diversification etc...) and analyse this event, issue or phenomenon from one of the four theoretical perspectives covered in the course. Groups should think carefully about which perspective to use and why. Each group will present their case study to the rest of the class during the latter part of the course. Possible data sources include media texts, company documents, blogs, advertisements, interviews, and published reports.

Each group will have the opportunity to have two 30-minute group meetings with the course teacher, to discuss their plans and get formative feedback. Meeting slots will be available as follows:

#### Meeting 1

**Wednesday Jan. 16<sup>th</sup>:** 10-12, 14-16

#### Meeting 2 (TBC)

Monday Jan. 28<sup>th</sup>: 10-12, 14-16

Wednesday Jan. 30<sup>th</sup>: 10-12, 14-16

Deadline: The final group report has to be uploaded to the assignment submission box in MyCourses by 11 February at 23:50.

### **Individual reflection paper on key learnings (10%)**

Reflect upon the following questions:

- What were the most important take-aways of the course for you personally?
- How has your thinking about the MNC evolved during the course (compare to your initial thoughts in the pre-assignment for Session 1)?
- What (if anything) will you think about and/or do differently from now on?

Friendly tip: Keep a weekly learning diary during the course!

Format: max. 3 pages (Font: 12pt Times New Roman; Line spacing: 1,5 lines)

Deadline: The assignment has to be uploaded to the assignment submission box in MyCourses by 17 February at 14:00.

**Active participation and contribution (10%, 5 x 2 p. plus 2 bonus points)**

Although the classes are not compulsory, you will learn most by actively participating in the course. Each session and its assignments have been designed in such a way that it is very difficult to pass the course without active participation.

For this purpose, 10% of the course evaluation will be based on active participation and contribution. If you want to receive the activity and contribution points, you will need to contribute to class discussion in meaningful ways in at least **5 of the first 6 sessions** (max. 5 x 2 points). In addition, you can also get **2 bonus points** for responding to the feedback survey. These points will be awarded at the end of the course. Name tags need to be worn throughout the course.

**Note for all assignments:**

**Please note that none of the above assignments are compulsory, you will just not get the points for those that you miss. However, in order to ensure the same rules for all students, the deadlines are non-negotiable and assignments cannot be compensated with a different one.**

## 6. READINGS

Only selected readings (book chapters) are available on MyCourses. As to all the other readings, you are expected to download them yourself based on the references provided in the preliminary schedule. These readings are publicly available, and you can find them easily by searching (in Google) with the article name (please note this works on any Aalto computer, but not elsewhere) or via our university library webpages.

## 7. PRELIMINARY SCHEDULE

Date & Time	Location	Contents
Tue 8.1 13:15-16:00	C-331	<p><b>Session 1: Introduction to the course (<i>participation strongly recommended</i>)</b></p> <p><u>Topic:</u></p> <ul style="list-style-type: none"> <li>- Introductions and getting started</li> <li>- Goals, pedagogy, assignments and practicalities</li> <li>- Discussion of the group case study task</li> <li>- Definitions of the MNC</li> <li>- What makes the MNC important and interesting to study in IB research?</li> <li>- Discussion of the pre-assignment</li> </ul>
Thu 10.1 13:15-16:00	C-331	<p><b>Session 2: Theoretical perspectives on the MNC, HQ and subsidiaries</b></p> <p><u>Topic:</u></p> <ul style="list-style-type: none"> <li>- Which theoretical perspectives are available to understand the MNC and its HQ?</li> <li>- How has research on the changing roles and responsibilities of headquarters and foreign subsidiaries evolved?</li> <li>- Different types of HQ and the parenting advantage</li> <li>- HQ control mechanisms and distance in the MNC</li> </ul> <p><u>Assignments:</u></p> <ul style="list-style-type: none"> <li>- Individual analysis of the two readings</li> </ul> <p><u>Readings:</u></p> <p>Barner-Rasmussen, W., Piekkari, R., Scott-Kennel, J. and Welch, C. (2010) Commander-in-Chief or Absentee Landlord? Key</p>

		<p>Perspectives on Headquarters in Multinational Corporations. In U. Anderson and U. Holm (Eds.), <i>Managing the Contemporary Multinational: The Role of Headquarters</i>, Cheltenham, UK and Northampton, MA: Edward Elgar, 85-105. <b>Available on MyCourses.</b></p> <p>Goold, M., Campbell, A. and M. Alexander (1998) Corporate strategy and parenting theory. <i>Long Range Planning</i>, 31(2), 308-14.</p>
<p>Tue 15.1 13:15-16:00</p>	<p>C-331</p>	<p><b>Session 3: Theoretical perspectives I: Design v Network perspective on the MNC</b></p> <p><u>Topic:</u></p> <ul style="list-style-type: none"> <li>- What is the essence of the design perspective?</li> <li>- What does the design perspective (not) explain?</li> <li>- How would you apply it to your case study?</li> <li>- What is the essence of the network perspective?</li> <li>- What does the network perspective (not) explain?</li> <li>- How would you apply it to your case study?</li> </ul> <p><u>Assignments:</u></p> <ul style="list-style-type: none"> <li>- Individual analysis of the two readings</li> </ul> <p><u>Readings:</u></p> <p>Doz, Y. L. and Prahalad, C. K. (1981) Headquarters' influence and strategic control in MNCs. <i>Sloan Management Review</i>, 23(1), 15-29.</p> <p>Andersson, U. and Forsgren, M. (2000) In search of centre of excellence: Network embeddedness and subsidiary roles in multinational corporations. <i>Management International Review</i>, 40(4), 329-350.</p>

<p>Thu 17.1 13:15-16:00</p>	<p>C-331</p>	<p><b>Session 4: Theoretical perspectives II: Institutional v Political perspective on the MNC</b></p> <p><u>Topic:</u></p> <ul style="list-style-type: none"> <li>- What is the essence of the institutional perspective?</li> <li>- What does the institutional perspective (not) explain?</li> <li>- How would you apply it to your case study?</li> <li>- What is the essence of the political perspective?</li> <li>- What does the political perspective (not) explain?</li> <li>- How would you apply it to your case study?</li> </ul> <p><u>Assignments:</u></p> <ul style="list-style-type: none"> <li>- Individual analysis of the two readings</li> </ul> <p><u>Readings:</u></p> <p>Kostova, T. and Zaheer (1999) Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. <i>Academy of Management Review</i>, 24(1), 64-81.</p> <p>Geppert, M. and Dörrenbächer, C. (2014) Politics and power within multinational corporations: Mainstream studies, emerging critical approaches and suggestions for future research. <i>International Journal of Management Reviews</i>, 16(2), 226-244.</p>
<p>Tue 22.1 13:15-16:00</p>	<p>C-331</p>	<p><b>Session 5: Context and contextualisation in research on the MNC</b></p> <p><u>Topic:</u></p> <ul style="list-style-type: none"> <li>- What is context and contextualisation, and why do they matter in IB research?</li> <li>- How to theorise about the MNC in a contextualised manner</li> </ul>



		<p><u>Assignments:</u></p> <ul style="list-style-type: none"> <li>- Individual analysis of the two readings</li> </ul> <p><u>Readings:</u></p> <p>Bamberger, P. A. (2008) Beyond contextualization: Using context theories to narrow the micro-macro gap in management research. <i>Academy of Management Journal</i>, 51(5), 839-846.</p> <p>Michailova, S. (2011) Contextualizing in international business research: Why do we need more of it and how can we be better at it? <i>Scandinavian Journal of Management</i>, 27(1), 129-139.</p>
Thu 24.1 13:15-16:00	C-331	<p><b>Session 6: Regional headquarters and regional management</b></p> <p><u>Topic:</u></p> <ul style="list-style-type: none"> <li>- The challenges and opportunities of managing regionally</li> </ul> <p><u>Assignments:</u></p> <ul style="list-style-type: none"> <li>- Individual analysis of the two readings</li> </ul> <p><u>Readings:</u></p> <p>Alfoldi, E. A., Clegg, L. J., and McGaughey, S. L. (2012) Coordination at the edge of the empire: The delegation of headquarters functions through regional management mandates. <i>Journal of International Management</i>, 18(3), 276–292.</p> <p>Kähäri, P. (2015) Why do regional headquarters live and die? <i>AIB Insights</i>, 15(3), pp. 9-10.</p>
Tue 29.1 13:15-16:00	C-331	<p><b>Session 7: Group case study presentations Part I</b></p> <p><u>Assignments:</u></p>

		<ul style="list-style-type: none"> <li>- Group case study presentations</li> <li>- Q&amp;A after each presentation</li> </ul>
Thu 31.1 13:15-16:00	C-331	<p><b>Session 8: Group case study presentations Part II, course wrap-up and advice on dissertation research</b></p> <p><u>Assignments:</u></p> <ul style="list-style-type: none"> <li>- Group case study presentations</li> <li>- Q&amp;A after each presentation</li> </ul> <p><u>Topic:</u></p> <ul style="list-style-type: none"> <li>- Wrap-up and consolidation of learnings</li> <li>- Looking ahead to your dissertation research (topic selection, conceptualisation, originality etc.)</li> </ul>

## 8. COURSE WORKLOAD

Classroom hours	24
Class preparation	30
Assignments	106
<b>Total</b>	<b>160 h (6 ECTS)</b>

## 9. ETHICAL RULES

Aalto University Code of Academic Integrity and Handling of Violations

<https://into.aalto.fi/pages/viewpage.action?pageId=3772443>