

International Business and Strategy

Session 1: Introduction to the course and globalization

Agenda for today

- Introductions
- What is globalization?
- What is international business and why study it?
- Course practicalities
 - Purpose, learning outcomes, and structure of the course
 - Assessment and grading
 - Discussion of assignments
 - Binding registration for the CMI simulation
 - Resources for group work
- Introduction to the Ruskovilla Switzerland case

Introductions

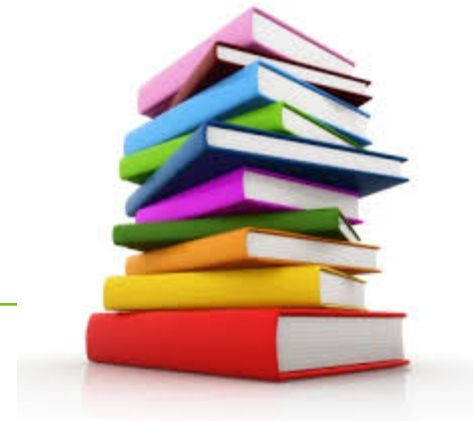
Dr Rebecca Piekkari

- DSc (Econ.), Helsinki School of Economics and Business Administration 1996
- Research Associate, University of Sheffield, UK 1999
- Lecturer, University of Bath, UK, 2000
- Junior Research Fellow, Hanken School of Economics 2002-2004
- Professor of International Business 2004
- Teacher of the Year Award (2010)
- PhD Supervisor of the Year Award (2015)
- CEMS Executive Board Member (2011-)
- Fellow of EIBA (European International Business Academy 2012-)
- Fellow of AIB (Academy of International Business 2018-)
- Finnish Academy of Sciences and Letters, Member (2016-)
- Visiting positions: CBS, INSEAD, University of Sydney, St. Petersburg State University, University of Groningen, Agder University, Stanford University



Publications

- More than 40 peer-reviewed academic articles published in management and organization journals
- More than 30 book chapters and 4 books
- Publications on MNC management; control, coordination and communication in HQ-subsubsidiary relationships; gender and diversity issues; multilingual MNC; young generation of employees; qualitative methods, particularly the case study in international business research
- More than 7000 citations in Google Scholar as of January 2019



Dr. Vinod Jain

- Ph.D. (Strategy and I.B.), University of Maryland College Park (1994); M.S. in Management (UCLA); M.S and B.S. (Hons) in Statistics (Indian Statistical Inst.)
- Founding Director, Center for International Business Education and Research, and Member of Faculty, University of Maryland, Smith School of Business (2005-2012)
- Author: *Global Strategy – Competing in the Connected Economy* (2016); co-author: *How America Benefits from Economic Engagement with India* (2010)
- Visiting Professor: Nottingham University Business School, China; Hult International Business School, China; Copenhagen Business School; Indian Institute of Management – Bangalore
- Fulbright Scholar and Professor, University of Lodz, Poland; IIM – Bangalore
- Recent Research: Capability Building and Innovation in I.T. Services Industry in India (funded by E&Y)
- Former Vice President, Macmillan Publishers; Marketing Research Executive (Coca-Cola); Manager Coordination (Molins PLC)

Doctoral student Kalliopi Platanou

- **My research: Role of social media platforms in explaining field-level phenomena**
 - *How interactions on Twitter re-construct the HRM professional field?*
 - *How the #futureofwork affects the boundaries of the HRM field?*
- **Researcher:** Brave New HR? Digitalisation of people management (Academy of Finland project)
- **Visiting student researcher** at Stanford University (starting in April, 2019)
- **M.Sc. in Business Administration and Economics, Aalto University**
 - *Master thesis on how HR professionals perceive the e-HRM in their blog posts over time.*
 - *Finalist for the best HR thesis in 2015 by HENRY Oy*

Introducing yourself

- In which B.Sc. programme do you study?
- If you are an exchange student, which school and country do you come from?
- What issues about International Business and Strategy do you want to learn about?

Class discussion

“No business is an island”

Source: Håkansson and Snehota
(2017)



What is globalization?

Quiz in class

Quiz in class

Please, form groups of about 4 students and answer the following questions relating to globalization.

- 1) Start by giving a name to your team
- 2) Indicate clearly your answer.
- 3) The maximum number of points is 44 points.
- 4) You have 1 min for short questions and 2 min for the long questions.
- 5) Another group will be checking your answers.



Question 1

As of 2017, Germany is Finland's biggest export market. Which is the second biggest export market?

- (a) China
- (b) The Netherlands
- (c) Sweden
- (d) Russia
- (e) United States



Question 2

Which of these countries has traditionally had the largest trade surplus (exports – imports) in recent years?

- (a) China
- (b) Germany
- (c) Japan
- (d) South Korea
- (e) United States



Question 3

In how many languages can one:

Item	# Languages			
	11	17	32	40
a) View NBA games on website?				
b) Take the written driving license test in Ohio?				
c) Take the written driving license test in California?				

NBA: National Basketball Association (USA)

Question 4

Which of the following foreign multinational corporations made R&D investments in Finland recently?

Company	✓
a) Fujitsu (Japan)	
b) Huawei (China)	
c) IBM (USA)	
d) Microsoft (USA)	
e) Rolls Royce (UK)	
f) Yasakawa (Japan)	

Question 5

Which of the following continents had six of the world's ten fastest growing economies during the last decade?

- (a) Africa
- (b) Asia
- (c) Australia
- (d) Europe
- (e) South America



Question 6

Name the country of ownership for each of the following brands/companies.

Brand/Co.	Product/Service	Country of Ownership
a) Alcatel-Lucent (of France)	Telecom equipment	
b) Biotie Therapies (of Finland)	Biopharmaceuticals	
c) Nissan (of Japan)	Cars	
d) Novelis (of USA)	Aluminum rolled products	
e) IH Demeter B.V. (of Netherlands)	Animal fats and proteins	
f) RCA (of USA)	Television	
g) Volvo (of Sweden)	Cars	

Question 7

Which of the following foreign companies are listed on NASDAQ or the New York Stock Exchange (NYSE)?

Company	Products/Services	✓
a) Acorn International, China	Marketing services	
b) Canon, Japan	Imaging & optical equipment	
c) Ericsson, Sweden	Telecom; networking	
d) Infosys Technologies Ltd., India	Software and IT services	
e) Nokia, Finland	Telecommunications	
f) Opera Limited, Norway	Software	
g) Ryanair, Ireland	Airline	

Question 8

Name the country of origin of the CEOs of these companies.

Company	Country of Ownership	Industry	CEO	Country of Origin
a) 3M	U.S.	Multiple industries	Inge Thulin	
b) Accenture	U.S.	Consulting	Pierre Nanterme	
c) Anheuser-Busch InBev	Belgium	Beer	Carlos Brito	
d) Dow Chemical Co.	U.S.	Plastics & chemicals	Andrew N. Liveris	
e) General Motors	U.S.	Automotive	Mary Barra (Makela)	f
f) Microsoft	U.S.	Software	Satya Nadella	
g) Nokia	Finland	Telecom	Rajeev Suri	
h) Stora Enso Oyj	Finland	Paper and pulp	Karl-Henrik Sundstrom	
i) Tesla Motors	U.S.	Automotive	Elon Musk	

Question 9

World Economic Forum's Global Competitiveness Index ranks some 140 countries on a number of dimensions (some of which are shown below). Based on what you know about Finland and Sweden, indicate (✓) the dimensions where Finland has a higher rank than Sweden or Sweden has a higher rank than Finland. (Based on 2017-18 rankings).

Question 9 (cont'd)

Dimension	Finland ranks higher	Sweden ranks higher
Infrastructure		
a) ICT adoption		
b) Macroeconomic stability		
c) Current workforce		
d) Domestic competition		
e) Trade openness		
f) Labor market		
g) Financial system		
h) Innovation capability		

Quiz: Answers

Question 1 (1 p.)

**As of 2017, Germany is Finland's biggest export market.
Which is the second biggest export market?**

- (a) China
- (b) The Netherlands
- (c) Sweden** **2nd**
- (d) Russia
- (e) United States

Question 2 (1 p.)

Which of these countries has traditionally had the largest trade surplus (exports – imports) in recent years?

(a) China

(b) Germany

(c) Japan

(d) South Korea

(e) United States

Question 3 (3 points)

In how many languages can one:

Item	# Languages			
	11	17	32	40
a) View NBA games on website?	✓			
b) Take the written driving license test in Ohio?		✓		
c) Take the written driving license test in California?			✓	

NBA: National Basketball Association (USA)

Question 4 (6 points)

Which of the following foreign multinational corporations made R&D investments in Finland recently?

Company	✓
a) Fujitsu (Japan)	✓
b) Huawei (China)	✓
c) IBM (USA)	✓
d) Microsoft (USA)	✓
e) Rolls Royce (UK)	✓
f) Yasakawa (Japan)	✓

Question 5 (1 p.)

Which of the following continents had six of the world's ten fastest growing economies during the last decade?

- (a) Africa**
- (b) Asia
- (c) Australia
- (d) Europe
- (e) South America

Question 6 (7 p.)

Name the country of ownership for each of the following brands/companies.

Brand/Co.	Product/Service	Country of Ownership
a) Alcatel-Lucent (of France)	Telecom equipment	Finland
b) Biotie Therapies (of Finland)	Biopharmaceuticals	U.S.
c) Nissan (of Japan)	Cars	Japan & France
d) Novelis (of USA)	Aluminum rolled products	India
e) IH Demeter B.V. (of Netherlands)	Animal fats and proteins	Finland
f) RCA (of USA)	Television	China
g) Volvo (of Sweden)	Cars	China

Question 7 (7 p.)

Which of the following foreign companies are listed on NASDAQ or the New York Stock Exchange (NYSE)?

Company	Products/Servicea	✓
a) Acorn International, China	Marketing services	NYSE
b) Canon, Japan	Imaging & optical equipment	NYSE
c) Ericsson, Sweden	Telecom; networking	Nasdaq
d) Infosys Technologies Ltd., India	Software and IT services	Nasdaq
e) Nokia, Finland	Telecommunications	NYSE
f) Opera Limited, Norway	Software	Nasdaq
g) Ryanair, Ireland	Airline	Nasdaq

Question 8 (9 p.)

Name the country of origin of the CEOs of these companies.

Company	Country of Ownership	Industry	CEO	Country of Origin
a) 3M	U.S.	Multiple industries	<u>Inge Thulin</u>	Sweden
b) Accenture	U.S.	Consulting	Pierre Nanterme	France
c) Anheuser-Busch InBev	Belgium	Beer	Carlos Brito	Brazil
d) Dow Chemical Co.	U.S.	Plastics & chemicals	Andrew N. Liveris	Australia
e) General Motors	U.S.	Automotive	Mary Barra* (Makela)	Finland
f) Microsoft	U.S.	Software	Satya Nadella	India
g) Nokia	Finland	Telecom	Rajeev Suri**	India
h) Stora Enso Oyj	Finland	Paper and pulp	Karl-Henrik Sundstrom	Sweden
i) Tesla Motors	U.S.	Automotive	Elon Musk	South Africa

Question 9

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Question 9 (cont'd, 9 p.)

Dimension	Finland Ranks Higher	Sweden Ranks Higher
a) Infrastructure		✓
b) ICT Adoption		✓
c) Macroeconomic Stability	Same Rank	Same Rank
d) Current Workforce	✓	
e) Domestic Competition		✓
f) Trade Openness	About Same	About Same
g) Labor Market	About Same	About Same
h) Financial System	About Same	About Same
i) Innovation Capability		✓

Ranks range from 0 to 100 (highest); both countries are quite similar on most dimensions

What is international business and why study it?

What is international business?

Focus on international and business:

- International context:
 - *How to work in different geographical, cultural, institutional contexts*
- Country perspective:
 - *Economic engagement between nations*
- Firm perspective:
 - *Why and how firms go abroad*
 - *How to manage international businesses*

Meyer (2012):

- IB scholars explore how and why cross-national differences matter and how businesses are able to transcend national (and other) differences



The field of International Business

- Interdisciplinary field building on theoretical frameworks and methodological tools from, e.g. economics, strategy, sociology, psychology, economic geography
- Historically dominated by economics, trade and FDI, posing questions such as "Why do MNEs exist? What modes of operating across borders do they choose and why? Who loses/benefits from international trade?"
- In 1980s, growing attention to challenges of managing MNEs
- From late 1990s, increasing focus on organizational practices and the "front lines", ie. middle and lower organizational levels (e.g. cross-border teams)



Course practicalities

House rules

- Classes start at 1 pm sharp – please be punctual!
- Classes finish by 4 pm; in case you need to leave earlier, inform the lecturer ahead of time; preferable to leave during breaks
- Phone calls are to be taken during breaks, not in class
- When emailing lecturers or course coordinator, please use a polite and professional tone and acknowledge the reply you receive
- The best sessions are those in which everybody is actively present and engaged
- Let's make this course a great teaching and learning experience!

Purpose of this course is...

- To introduce students to international business and strategy
- To provide a comprehensive understanding of the complexities of operating in a globalizing world as well as the opportunities it offers
- To advance the understanding of various theoretical aspects of international business and strategy and applying it to real-life cases
- To develop hands-on skills of operating in the international business environment
- To expose students to a conflict resolution simulation facilitated by the international NGO, CMI (Crisis Management Initiative)

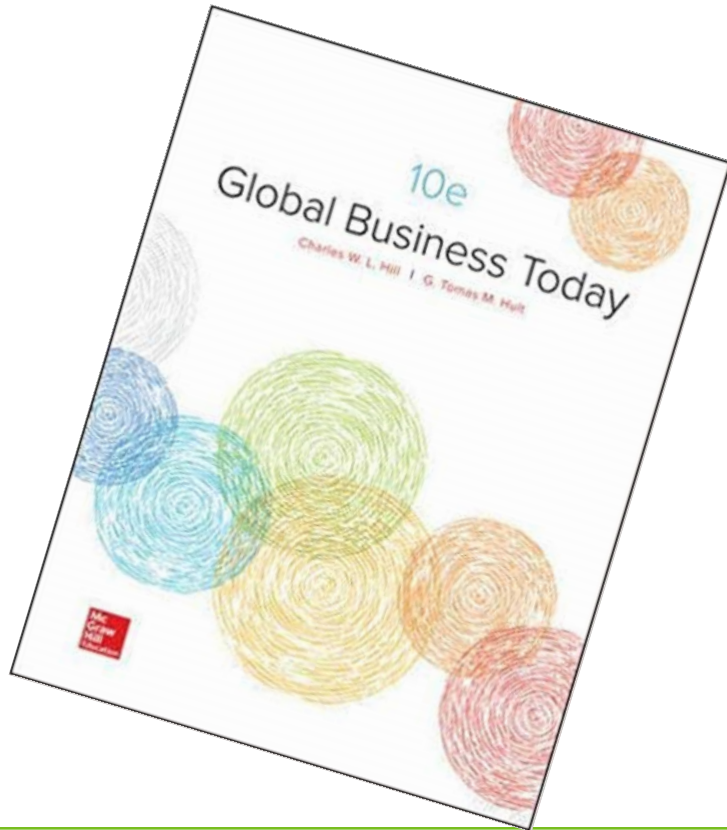
Learning outcomes

Upon completion of the course, you are expected to:

- Understand theoretical, empirical, and managerial issues in international business and strategy
- Apply theoretical knowledge to real life companies and find possible solutions
- Analyze information from real life companies (including, for example, news and reports) and combine it with the theoretical insights obtained during the course
- Understand ethical dilemmas faced by firms operating in a global context
- Develop skills to manage conflict in a global context through a simulation case study
- Communicate your problem solution in a professional way (e.g., through in class presentations and blog posts)



Textbook and articles



- Global Business Today, 10th edition, by Charles W. L. Hill and G. Tomas M. Hult, McGraw-Hill, 2018, international edition.
- Selected articles
- Readings assigned for each session, please come prepared!

Themes of the sessions

1. Introduction to the course & Ruskovilla Switzerland case (with Minna Schmidt)
 2. Organizational culture & Freska case (with Susanna Takkunen and Sebastian Heinrichs, Freska Founder & CEO)
 3. CMI (Crisis Management Initiative) simulation (with Dennis Matveev)
 4. Cultural differences & ethics and sustainability in an international context
 5. Foreign direct investment & international business strategy
 6. ***Feedback session***
 7. Foreign market entry & global production and supply chains
 8. Global human resource management (with Kalliopi Platanou)
 9. ***Group presentations: Ruskovilla Switzerland case***
 10. Coaching session on blog communication (with Pinja Kallis)
 11. ***Group presentations: Freska case***
 12. Course wrap-up
-

Assessment and grading

Grading

- 1) Case study in groups (50%)
- 2) Individual assignment – blog post (25%)
- 3) Quizzes (24%, 6 x 4 points)
- 4) Bonus point for answering the course feedback survey: 1%

Final grade 0-5

- *0-50 points = 0*
- *50-59 points = 1*
- *60-69 points = 2*
- *70-79 points = 3*
- *80-89 points = 4*
- *90-100 points = 5*

1. Case study in groups: Introduction to the task

The task

- 1) Listen carefully to the case study presentations given by company representatives (January 8th and January 10th). By the end of the second session, please indicate your 1st and 2nd choice for the case assignment.
- 2) Solve the challenge/problem by applying theoretical knowledge obtained during the course
- 3) Prepare a max 15-minute presentation of your chosen case study, **February 5th** presentations on Ruskovilla Switzerland and **February 12th** presentations on Freska case)
- 4) Submit the final power presentation file by **February 18th** at 4pm to MyCourses

Practicalities about the case study presentation

Group presentations take place on February 5th (Ruskovilla Switzerland case) and February 12th (Freska case):

- Length of presentation: max. 15 minutes plus Q & A and feedback from company representatives, faculty, and fellow students
- All group members are expected to present
- Collective responsibility and accountability for group work
- To be graded 0-5

Criteria for grading the case study in groups (50%)

1 p.: Executive summary: What is this case study about? (“step back”)

2p.: Use of theory, depth of analysis and quality of insight: : How well do you use theoretical concepts as a thinking tool (“glasses”) to make sense of and explain the case? How well do you present your analysis and answer the question(s)? (course material and beyond)

1p.: Action plan: advantages/disadvantages, pros/cons, facilitators/inhibitors, plusses/minuses etc. (= answers to the questions)

1p.: Quality of presentation: To what extent did the presentation improve based on feedback?

Group consultation: Focus on group processes, not just outcome

- Each group has to reserve a 20-minute meeting for consultation, where the group can discuss issues related to the case study with the teachers.
- The feedback session takes place on **January 24th** at 13:00 – 16:00 (interim check point)
- A detailed schedule with possible time slots for registration will be provided.

Skills acquired in group work

Most often reported skills

- Being a reliable team member 89 %
- Taking an active role in contributing to group decision making 82 %
- Being able to work in diverse teams 78 %
- Communication skills 78 %

Least often reported skills

- Conflict management 37 %
- Facilitation of contribution of team members 40 %
- Motivating others 41 %
- Giving constructive feedback to team members 44 %

Source: Selkälä, R. (2018) A valuable learning experience or frustrating waste of time? A study on students' group work perceptions in Aalto University School of Business. MSc thesis.

Group formation

Group formation

- 10 groups of 4-5 students each
- The team formation has been done based on your degree programme (e.g., Management, Finance, Marketing, etc.) and student status (e.g., exchange or Aalto student)
- Diversity as a criterion in group formation to simulate team work in practical, professional settings
- Markman (2018): 3 Ways to Identify Cultural Differences on a Global Team

Case study groups *(also found on MyCourses)*

Group	Names
1	Teemu Juutinen Taika Nummi Fanny Klucin Anthony Aka-Anghui Lotta Eräkangas
2	Jesse Hirvelä Jari Ahtola Liisa Salo Annie Zhou Ville Hynninen
3	Charlotte Delbet Robin Ahti Lauri Mattila Annika Hartzell Edward Juvonen

Group	Names
4	Johannes Korhonen Heidi-Henrietta Saarikko Lauri Lindfords Matias Kauhanen Téa Grazzini
5	Jonas Heurtaud Meri Ikäheimo Liew Jing Hui Juulia Turkkila

Case study groups *(also found on MyCourses)*

Group	Names
6	Laura Anttinen Timo Päivöke Annika Vasa Verner Mäntymaa Randy Lai
7	Lauri Puranen Raghav Sharma Sara Ettanen Markus Uusimäki Ella Pohjolainen
8	Joel Rinne Sinikka Nussbaumer Hanna Jauri Shaun Teo Susanna Haapalainen

Group	Names
9	Oliver Malpass Ronja Kouvo Yvonne Ng Ming Hui Marja Karvinen Patrik Tuokko
10	Ville Ruuttunen Helena Dantas Allegro Jutta Virtanen Aleksi Luukkonen Chaudhry Pervaiz

2. Individual assignment: blog post

The task

- 1) **Find a topical and timely issue in international business and strategy and write a blog post about it.**
- 2) The purpose of the assignment is to write an opinion piece with the purpose of targeting a wide audience. A coaching session on blog communication by Pinja Kallis, ProCom will be offered on **February 7th**.
- 3) Format: 1200 – 1500 words (including references)
- 4) Deadline: **February 24th** at 6 pm, on MyCourses
- 5) To be graded 0-5

Criteria for grading the blog post (25%)

1p. Topic: Justification of the topic selection (“why is it important and timely?”, title)

1p. Structure: Logic and clarity of the argument

1p. Reflection and critical thinking: providing and challenging different views on the topic

1p. Depth of the analysis and quality of insights: how well you present the analysis

1p. Writing style: Persuasiveness, rhetorical strategies, interest and attention factors, use of different sources, full sentences, not brief bullet points.

3. Quizzes before classes

The task

6 quizzes x 4 points: Session 1, 2, 4, 5, 7, and 8.

→ 24% of the final grade.

- Multiple choice questions based on the assigned readings of the respective session.
- To be done individually through MyCourses and be completed before the start of the respective session.

Effective group work

Reflections on group work

Reflect on your experiences of group work based on this group and any other groups on which you have worked in the past:

- What has characterized the most effective groups in which you have participated?
- How did these groups differ from the less effective ones that you have been part of?
- In your view, what is the 'recipe' of effective and successful group work?

Questions for your first team meeting

- Who are you as a person and professional?
- What is important for you in life and work?
- Where do you see yourself in 10 years?
- What are your learning goals for this course?
- Would you like to be assigned leader of your team?

Effective group work

- Good communication and social skills
- Positive interdependence: 'we' instead of 'me'; yet individual accountability and personal responsibility
- Attending and participating in meetings, fulfilling promised work
- Group processing
- Shared goals
- Processes for conflict resolution



Communication

- Face-to-face communication during group work, contribution to written work, contribution to group presentation
- Promote each other's success
- Orally explain how to solve problems
- Teach one's knowledge to others
- Check for understanding
- Discuss concepts to be learned
- Connect present with past learning



What makes a group work well

- Group goals
- Organisation
- Timelines for group work
- Being prepared
- Having a plan B
- Being positive and open to the group experience



Motivation matters

- Think about your group - why are people there?
- Do you have different reasons for being there?
- Is there potential for conflict because of this?
- How can this be dealt with?
- Decide on shared goals!

Basic group work skills

- **Trust:** making sure you meet all commitments and maintain confidentiality when required
- **Coaching:** using your skills, knowledge and experience to assist other group members or to ask for help
- **Sharing information:** to assist others to do their job
- **Flexibility:** show willingness to cooperate and help others when possible
- **Good manners:** doing small, simple things such as thanking others for their help
- **Listening:** not just being physically present but effective listening and participation

Choice of communication style

- An aggressive style is characterized by anger, blame and insensitivity to others
- A dominating style is bossy and takes over others
- A passive style allows others to decide
- A restrained style does not fully take part in group work
- **An assertive** style listens responsively, speaks confidently, provides respectful feedback and contributes to decisions
- This style is to be aimed at when communicating with members of the group



Session 2

- **Organizational culture**
- **Introduction to the Freska case (with Susanna Takkunen and Sebastian Heinrichs, Freska Founder & CEO)**
- **Quiz 2 is based on Levy et al. (2010) article and information available on the Freska webpage**