

## BSM632 INTERNATIONAL BUSINESS

Number of Aston Credits: 10

Number of ECTS Credits: 5

### Staff Member Responsible for the Module:

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Availability: Please see office hours on the online appointment system

Or contact the Economics and Strategy Group Administrator

Lynne Woolley, SW1017, Extension 3038

### Pre-requisites for the module:

None

### Mode of Attendance:

This is an on campus module and attendance to lectures, case study sessions and group presentations are compulsory.

### Module Objectives and Learning Outcomes:

The international dimension (changes in comparative and competitive advantage, integration of markets and globalisation, government policies) is becoming increasingly important for business activities within Europe and worldwide. Nations are more economically integrated than at any other point in history. This presents business leaders with unprecedented opportunities and challenges. This course seeks to equip future business leaders to exploit these opportunities and cope with these challenges.

The aim of this module is to provide a systematic understanding of the fundamental aspects of the global business environment that influence business decisions and behaviour. This course is designed to provide a basic understanding of the challenges and opportunities involved in the operation of multinational enterprises. Major areas of discussion include the economic, political, social and cultural influences on the operation of multinational enterprises, as well as key concepts in international management. Managers must understand the structural economic factors that determine locational advantages, the way government policies both promote and restrain the integration of

national economies with the global economy, and the impact of volatility in the global macroeconomic environment on international business strategy.

#### Module Content:

- Week 1:** Introduction to module  
The new international environment of business
- Week 2:** The evolution of international business  
Varieties of capitalism  
The emergence of multinationals  
The “Triad”
- Week 3:** Managing international environments  
Culture and business  
Expatriates in multinational firms
- Week 4:** Firm competitiveness and national competitiveness  
Porter’s diamond
- Week 5:** Why do firms invest abroad? 1/2  
Vernon’s international product life cycle  
Johanson & Vahlne’s internationalisation model
- Week 6:** Why do firms invest abroad? 2/2  
Dunning’s OLI model
- Week 7:** How do firms invest abroad?  
Entry modes
- Week 8:** How do multinationals organise and manage subsidiaries?  
Bartlett & Ghoshal’s *Managing across Borders*
- Week 9:** Course review and revision.
- Week 10:** **Timed essay**

#### Corporate Connections:

The module makes extensive use of case studies of major international companies.

#### International Dimensions:

The course is entirely international in terms of its content, case-study material and examination.



### Method of Teaching:

The module employs a combination of lectures, case study discussion, syndicate group work and syndicate presentations. Lectures are used to impart the basic knowledge on key theories of international business and provide guidance on the use of appropriate techniques. Within their groups students prepare aspects of the weekly topics for presentation (both oral and written) to peers. This is followed by case studies and exercises illustrating the application of theories and models, while class discussions permit their evaluation and appraisal.

### Method of Assessment and Feedback:

The assessment is divided into the following two components as:

1. **Group report and presentation in the tutorial** (weeks 3-8): based on a written summary available to the whole group via Blackboard (Wiki) that deepens the weekly topic, **worth 10%** (continuous assessment).
2. **Timed essay**: 2,500 words, choose two questions out of four, question are equally weighted. Question paper will be released to students via Blackboard on Thursday (before the exam week) at 7 p.m., to be submitted electronically via Blackboard (Turnitin) on Monday (first day exam week) 7 p.m., **worth 90%** (summative assessment).

Types of feedback available in the module: Students will receive feedback on their continuous assessment from peers and tutors, as well as a subsequent mark which is worth 10% and is thus mainly formative in nature and will clarify marking criteria and assessment style to students. Moreover, class discussion of cases and examples provides informal feedback within the group.

### Learning Hours:

Contact hours	27
Revision	3
Directed learning	25
Private study/group work	25
Assessment	20
<b>Total</b>	<b>100</b>

### Tutorial topics

Each syndicate group has to prepare one online entry on a topic chosen from the list below and present it for 10 minutes between weeks 3 and 8.



The online entry should be between 1,000-2,000 words and provide a sound basis for students to revise from for the timed essay. Hence you will need to carefully select information and clarify how a model was developed, why, what its limitations are and what kind of criticisms exist. It is important that this should be done in your own words, **DO NOT COPY FROM TEXTBOOKS!** Your entry should add something significant to the material and improve students' understanding of the models.

- Week 3:** Managing international environments
- 1 Hofstede's model: why use those dimensions?
  - 2 Other models of cross-cultural communication
  - 3 Criticism of Hofstede
  - 4 Perlmutter's model of multinational HR practices
- Week 4:** Firm competitiveness and national competitiveness
- 5 Factor & demand conditions and the role of government
  - 6 Related & supplying industry and firm strategy & structure
  - 7 The double diamond
  - 8 Criticisms of Porter's diamond
- Week 5:** Why do firms invest abroad? 1/2
- 9 Vernon's IPLC: development and context
  - 10 Johanson & Vahlne: development and context
  - 11 Shortcomings of Vernon's model
  - 12 Shortcomings of Johanson & Vahlne's model
- Week 6:** Why do firms invest abroad? 2/2
- 13 Ownership-specific advantages: Why are they important?
  - 14 Location-specific advantages: Why are they important?
  - 15 Internationalisation advantages: Why are they important?
  - 16 Criticisms of the OLI model
- Week 7:** How do firms invest abroad?
- 17 OLI and entry modes
  - 18 Non-equity modes
  - 19 Equity modes
  - 20 Timing and scale of entry
- Week 8:** How do multinationals organize and manage subsidiaries?
- 21 Decentralized forms of organizing subsidiaries
  - 22 Centralized forms of organizing subsidiaries

- 23 The matrix organization
- 24 Prahalad & Doz's model of multinational organization

### Essential Reading :

Hill, C.W.L. (2009); *International Business: competing in the global marketplace*; 7<sup>th</sup> ed.; McGraw-Hill.

### Indicative Bibliography:

Bartlett, C.A., and Ghoshal, S. (2002); *Managing across borders: The transnational solution*; 2<sup>nd</sup> ed.; Harvard Business School Press.

Dicken, P. (2007); *Global Shift*, 5<sup>th</sup> ed.; Sage.

Jones, G., and Hill, C.W.H. (2010); *Case Studies in Strategic Management*, 9<sup>th</sup> ed.; Cengage.

Peng, M. (2009), *Global Business*, Cengage.

Porter, M.E. (2004); *Competitive Advantage: creating and sustaining superior performance*, Free Press.

### Recommended Journals:

Journal of International Business Studies

Strategic Management Journal

Journal of World Business (Colombia)

Management International Review

Thunderbird International Business Review

Transnational Corporations

International Business Review

