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Tribute Volume:
DANIËL VAN DEN BULCKE

Multinational Enterprises, Markets and Institutional Diversity



Alain Verbeke • Rob Van Tulder • Sarianna Lundan

PROGRESS IN INTERNATIONAL BUSINESS RESEARCH
VOLUME 9

MULTINATIONAL ENTERPRISES, MARKETS AND INSTITUTIONAL DIVERSITY

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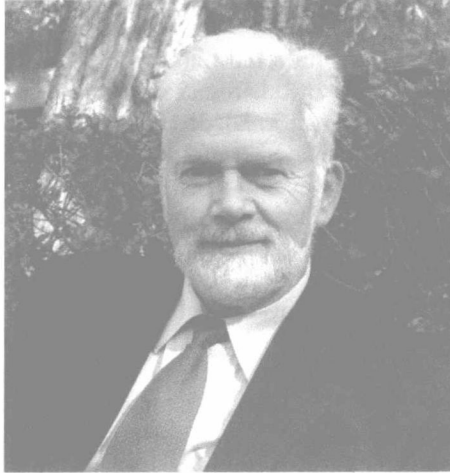
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DEDICATION



This research volume is dedicated to Daniël Van Den Bulcke, professor emeritus of international business (IB), who passed away on January 8th, 2014. He was 74 years old.

Daniël or Danny Van Den Bulcke was a beloved member of the University of Antwerp. He served this institution as a faculty member from 1985 to 2004, and remained actively engaged with the university and the IB research and teaching community after his retirement until his sudden passing.

Danny will be remembered for his thoughtful and principled leadership, as well as his warm persona. He was a renowned academic expert in IB and highly respected among his peers for his many contributions to the intellectual development of the field.

Danny was a pioneer of IB research and teaching in the Benelux and beyond. He taught at no less than ten Belgian institutes and universities, including the Universities of Leuven, Ghent, Limburg, Brussels and of course Antwerp. At the University of Antwerp, he lectured at the Institute of Development Policy and Management (IOB), the Faculty of Applied

Economics, the Institute of Transport and Maritime Management (ITMMA) and the Antwerp Management School (AMS). He was also a visiting professor at five Dutch universities, and instrumental in establishing IB research and teaching in Cambodia, China, India, Indonesia, Laos, Macau, the Philippines, Poland, Thailand, and Vietnam. Many of his students from across the world kept in touch with him long after their graduation.

During his career, Danny authored many books and articles, all of these addressing the subject matter of this research volume, namely multinational enterprises, markets and institutional diversity. He was often one of the very first researchers to address emerging issues in international business - mostly at the request of public policy institutions, including the United Nations, the European Centre for the Study and Information on Multinationals, the International Labour Organisation and the Belgian Ministry of Economic Affairs. He also ran a large number of education-based, international development projects in countries such as Burundi, Cambodia, Cameroon, China, Madagascar, Laos, the Philippines, Rwanda, South Africa, Thailand, and Vietnam. He was awarded the Sanqin Prize by the Shaanxi Province in China and the Friendship Prize by the Chinese Ministry of Foreign Experts for his many contributions to the educational development of Chinese universities.

He will be remembered by most as a founding father and the Chairman of the European International Business Academy (EIBA), which he ran for many years. He was also Vice-President of the Academy of International Business (AIB) and a Fellow of both EIBA and AIB. During each EIBA yearly conference, he was the friendly host of every new face attending the event, and he deeply influenced many future IB scholars through the doctoral tutorials he organized from 1987 until 2004.

During his long and distinguished career, Danny traveled the world many times over and developed deep friendships with numerous people around the globe. He truly embodied the belief that increased international exchange can make the world a better place, and he did make it a better one.

Danny is survived by his wife, two daughters, and five grandchildren.

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CHAPTER 1

NEW ANALYSIS OF MULTINATIONAL ENTERPRISES AND THEIR LINKAGES WITH MARKETS AND INSTITUTIONAL DIVERSITY

Alain Verbeke, Rob Van Tulder and
Sarianna Lundan

ABSTRACT

Purpose – This chapter provides an overview of various new streams in international business (IB) research that will have an important impact on IB studies in the years to come, both from a conceptual and a methodological perspective.

Methodology/approach – The authors discuss a set of 18 chapters, all included in this research volume, and highlight both the key intellectual contributions and the challenges identified that will need to be taken into account in future research.

Findings – The findings of the studies discussed are manifold and profound. Some of the main findings include the following: (1) multinational

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enterprise (MNE)-centric empirical research studies should be avoided. Resource recombination typically requires taking into account the resource base and the strategies of at least two economic actors. (2) IB studies, almost by definition, need to take into account “distance,” but most prior empirical research has not done a particularly good job in including relevant distance parameters in a methodologically sound way to assess their impact on MNE strategy, operational functioning or performance. (3) Nonbusiness institutions can be very helpful in promoting MNE expansion but include “dark side” institutions that sometimes appear very effective in particular situational contexts. (4) Institutional diversity matters: it can make international knowledge transfers difficult, it can lead to discrimination against firms from specific nationalities, it certainly suggests that there is no generalizable multinationality–performance relationship, and it raises the question whether new theory is needed to accommodate previously neglected institutional contexts.

Practical implications – This overview of several recent IB studies confirms that managing the international innovation chain in its entirety is fraught with difficulties. MNE senior management must economize on bounded rationality (meaning: improving information quality and information processing) and bounded reliability (meaning: making sure that economic actors make good on open-ended promises, whether implicit or explicit). Any IB transaction by definition entails new resource recombination. Doing so effectively requires correct information, reliable partners and a recombination outcome that supports value creation for the MNE. Multiple, practice-driven puzzles in the IB context are proposed to the reader, and the outcomes are often unexpected.

Originality/value – A variety of new concepts and methodological approaches are proposed to improve the quality of future IB research.

Keywords: Multinational enterprise (MNE); emerging market multinational enterprise (EMNE); institutions; global factory; firm performance; cultural distance

INTRODUCTION

This research volume includes new analyses of the complex interactions among multinational enterprises (MNEs), external markets, and diverse institutions. It has four parts.