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INTERNATIONAL BUSINESS CLASSICS

# 国际企业管理

英文版 · 第6版

约翰·卡伦 (John B. Cullen)

著

普拉文·帕博蒂阿 (K. Praveen Parboteeah)

崔新健 改编

MULTINATIONAL MANAGEMENT

A STRATEGIC APPROACH

..... Sixth Edition .....

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圣 智 学 习

 中国人民大学出版社

全新版

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## 出版说明

随着经济全球化的深入发展,国际贸易、投资和商务活动日益频繁,企业不可避免地要应对来自全球范围的更加激烈的竞争。与许多跨国公司相比,我国企业在国际化环境下成功运作的经验不足,国际化经营水平还比较低。更重要的是,我国国际商务专门人才极度短缺。

适应经济发展的要求,加速国际商务专门人才的培养和培训,已成为我国高等院校面临的紧迫任务。2010年,经国务院学位委员会批准,在部分高校设立国际商务硕士专业学位;2012年,教育部颁布了《普通高等学校本科专业目录(2012年)》,将国际商务专业从目录外专业调整为基本专业。

顺应这一教育发展趋势,中国人民大学出版社在成功出版“工商管理经典译丛”的基础上,精心策划并适时推出了“国际商务经典译丛”(翻译版)和“国际商务经典教材”(英文版)两套丛书。丛书所选书目,都是国际知名教授所著的经典教材,经过长期教学实践检验,多次再版且畅销不衰,被许多国家的著名大学和专业经管院校采用,包括查尔斯·希尔的《国际商务》、托马斯·普格尔的《国际贸易》和《国际金融》、沃伦·基根的《全球营销》等。

在引进和出版这两套丛书的过程中,我们力图基于目前国际商务专业的核心课程,兼顾企业国际化经营的实际需要。我们希望,通过政府相关部门的大力支持,通过教育机构、高等院校对企业需求和学科发展的关注,通过学生在学习过程中的积极努力和反馈,以及通过像中国人民大学出版社这样一批职业出版人的不懈追求,最终促进我国管理教育国际化的发展、我国企业国际竞争力的提升以及具有全球视野的国际商务专门人才的成长。

愿我们出版的这两套丛书,能对读者在系统学习国际商务基本理论知识、改善自身国际商务实践、全面提升自己的英语表达和跨文化沟通能力等方面有所助益。

中国人民大学出版社



Defining the nature of today's business are the globalization of markets, financial institutions, and companies; the growing importance of the emerging markets of Brazil, China, India, and Russia (the BRIC markets) and other markets in the continent of Africa; and the global impact of financial crises, wars, terrorism, and even disease. Developing and making strategic choices are the mainstays of successful decision making in this increasingly complex global environment. To help students develop the essential skills needed to formulate and implement successful strategic moves in the new competitive and interlaced global environment, this sixth edition of *Multinational Management: A Strategic Approach* continues its tradition of providing a thorough review and analysis of the latest research on international management. In addition, by using a strategic perspective as a unifying theme to explore the global economy and the impact of managerial decisions, we bring a distinctive method to the teaching and learning of international management. This text was the first international management text to use this critical emphasis on strategic decision making as the cornerstone of its approach, and each subsequent edition has built on this tradition.

After reading this text, students will understand that successful multinational managers view the world as an integrated market where competition and collaboration evolve from almost anywhere and anyone. At the same time, these future managers must appreciate the wide array of differences that exist in cultures and social institutions. This text considers how cultural differences affect strategies and operations and gives the student an appreciation of how social institutions such as the economic system, the polity, the educational system, and religion play an important role in any multinational operation. As such, the reader is not limited to understanding multinational management from the perspective of any one nation or group.

## Pedagogical Approach

In addition to providing a thorough review and analysis of multinational management, *Multinational Management: A Strategic Approach*, sixth edition, includes several unique pedagogical learning tools:

- **Strategic viewpoint:** This viewpoint provides a unifying theme that guides the reader through the material. It highlights for students the process that multinational companies engage in when deciding to compete in the global economy and the management consequences of these strategic choices.
- **Comparative management issues:** Multinational managers must understand the strengths, weaknesses, and strategies of competitors from anywhere in the world. In addition, they must know when and how to adapt their organizational practices to accommodate local situations. Where relevant, the comparative sections of the text assist students in understanding the complexities of the cultures and business practices of other nations.
- **Review of management principles:** The text contains several chapters that assume some background knowledge in management, specifically strategic management, organizational design, human resource management, and organizational behavior. For students with limited previous coursework in management, or for

those who need a review, each chapter provides background primers with brief explanations of key concepts and ideas.

- ***Small business and entrepreneurship applications:*** Unlike most international management texts, this book explains the multinational activities of small businesses. An entire chapter focuses specifically on the problems and prospects for entrepreneurs and small businesses looking to become multinational competitors.
- ***Application based:*** Each chapter gives the learner different opportunities to apply the knowledge gained from reading the chapter: Multinational Management Skill Builders, chapter Internet Activities (located on the book's website, [www.cengage.com/management/cullen](http://www.cengage.com/management/cullen)). These exercises simulate the challenges that practicing multinational managers encounter on the job.

## Key Features

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- ***Multinational Management Skill Builders:*** End-of-chapter projects give the learner the opportunity to apply the text material to real-life managerial problems.
- ***Multinational Management Internet Exercise:*** For this sixth edition, we have added a new feature to take advantage of the wealth of resources available on the Internet. For each chapter, students will now have the option of researching a website relevant to the chapter and reporting the latest findings to the class. This will encourage students to explore the wealth of resources on the Web while at the same time learning about the most recent data.
- ***Extensive examples:*** Throughout the text, many examples enhance the text material by showing actual multinational management situations. These examples are illustrated in six different formats:
  - ***Preview Case in Point:*** These brief cases open each chapter and focus the reader's interest on the chapter content.
  - ***Focus on Emerging Markets:*** This edition strengthens a feature that was introduced in the fourth edition focusing on the growing importance of the BRIC emerging markets in Asia, Latin America, and Europe. Each chapter discusses the many opportunities and threats presented by emerging markets in the context of the chapter. Furthermore, many of these examples emphasize the two dominant emerging markets, India and China.
  - ***Case in Point:*** These real-life examples of multinational companies discuss relevant topics in each chapter.
  - ***Multinational Management Challenge:*** These cases explore challenging situations faced by multinational managers in actual companies and situations.
  - ***Multinational Management Brief:*** Brief examples elaborate on an issue discussed in the text.
  - ***Comparative Management Brief:*** These examples show how a unique cultural or social institutional setting can influence management decisions.
- ***Models as examples:*** The authors created numerous models to act as visual aids for students as they study key principles.

- **Learning aids:** The Multinational Management Electronic Study Tools for students, product support website, and supporting video make learning easy and fun while exposing the learner to the complex issues of multinational management. In addition, included on the product support website are Internet Activities that challenge students to use Internet resources in locating international business information. The Web site also contains an extensive selection of Internet links to resources and information that are updated regularly.

## Contents

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The text is structured into five major parts. Part One is divided into four chapters: three introductory chapters that provide essential background on the nature of multinational management and a fourth on international ethics. These chapters address the challenges facing managers in the new global economy, how national cultures affect management, the institutional context of multinational companies, and the ethical challenges these firms encounter.

Part Two includes three chapters that review how multinational companies formulate successful strategies to compete internationally. Chapter 5 provides a broad overview of strategic management with global implications. Chapter 6 focuses on the strategies required to “go international.” Chapter 7 applies the concepts from the previous two chapters to the unique problems faced by small, entrepreneurial organizations.

Part Three addresses the management systems used to implement multinational strategies. Specifically, Chapter 8 considers how multinational companies design and structure their organizations to implement their strategies. Chapter 9 examines the management and design issues involved in building global strategic alliances.

Part Four contains two chapters dealing with the human resource management issues related to implementing strategy. Topics considered include international human resource practices and the adaptation of these practices across cultures.

Finally, Part Five continues to examine strategy implementation at the level of the individual in the organization. Chapters consider international negotiation and cross-cultural communication, motivating people in different nations, and leadership challenges in multinational companies.

## Ancillary Materials

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*Multinational Management: A Strategic Approach*, sixth edition, offers a highly intensive learning and teaching package of ancillary tools for both students and instructors. These supplements give students and instructors many options for learning and teaching.

- **Website:** Visitors to the website ([www.cengagebrain.com](http://www.cengagebrain.com)) will find these teaching ancillaries available for download in the password-protected Instructor Resources section. The student companion website provides key instructional materials, and a Premium Website for students features additional Internet-based learning activities related to international business for each chapter.

**Accessing CengageBrain**

1. Use your browser to go to [www.CengageBrain.com](http://www.CengageBrain.com).
2. The first time you go to the site, you will need to register. It's free. Click on "Sign Up" in the top right corner of the page and fill out the registration information. (After you have signed in once, whenever you return to CengageBrain, you will enter the user name and password you have chosen and you will be taken directly to the companion site for your book.)
3. Once you have registered and logged in for the first time, go to the "Search for Books or Materials" bar and enter the author or ISBN for your textbook. When the title of your text appears, click on it and you will be taken to the companion site. There you can choose among the various folders provided on the Student side of the site. NOTE: If you are currently using more than one Cengage textbook, the same user name and password will give you access to all the companion sites for your Cengage titles. After you have entered the information for each title, all the titles you are using will appear listed in the pull-down menu in the "Search for Books or Materials" bar. Whenever you return to CengageBrain, you can click on the title of the site you wish to visit and go directly there.

**For Instructors**

- ***Instructor's Manual:*** The Instructor's Manual offers instructional materials, case solutions, and questions. For this sixth edition, we continue to provide case solutions for each chapter in a consistent format. Instructors are provided with a list of suggested questions and solutions, along with a synopsis and case objectives that show the academic value of each case.
- ***PowerPoint® Slide Presentations:*** The authors have created more than 450 slides illustrating the concepts of each chapter.
- ***ExamView:*** ExamView Computerized Testing Software, located on the Instructor's Resource CD-ROM, contains all of the questions in the test bank, which are available on the instructor's companion website. This program is easy-to-use test creation software, compatible with Microsoft Windows. Instructors can add or edit questions, instructions, and answers, and select questions by previewing them on the screen, selecting them randomly, or selecting them by number.
- ***Instructor's Resource CD-ROM:*** This CD-ROM includes the key instructor support materials—Instructor's Manual, ExamView Test Bank, and PowerPoint® Slides—and provides instructors with a comprehensive capability for customizing lectures and presentations.
- ***DVD:*** The DVD to accompany *Multinational Management: A Strategic Approach*, sixth edition, offers video clips featuring real-world companies and illustrating the international business concepts outlined in the text. Focusing on both small and large businesses, the video clips help students apply the theories presented in the book to actual situations and issues that global corporations face. A set of video case-based discussion questions and answers are included in the Instructor's Manual.



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# Foundations of Multinational Management

*part one*



*chapter 1*  
Multinational Management  
in a Changing World

*chapter 2*  
Culture and Multinational  
Management

*chapter 3*  
The Institutional Context of  
Multinational Management

*chapter 4*  
Managing Ethical and Social  
Responsibility Challenges in  
Multinational Companies

# Multinational Management in a Changing World

## Learning Objectives

*After reading this chapter you should be able to:*

- Define multinational management.
- Understand the characteristics of a multinational company.
- Understand the nature of the global economy and the key forces that drive globalization.
- Know the basic classification of the world's economies.
- Identify the characteristics of the next generation of multinational managers.

## Preview

## C A S E I N P O I N T

### Emerging Market Multinationals

The latest trend in global business is the rise of new multinationals hailing from emerging markets such as India, China, Brazil, and Russia. Furthermore, successful companies are also emerging from African nations. These new multinationals are using innovative strategies to compete effectively with their established counterparts from developed countries. Often, these emerging market multinationals use their local markets for testing before deploying their products to Western markets.

Take the cases of companies based in India and South America. For example, in 2008, Tata Motors, one of India's biggest industrial conglomerates, acquired the British automakers Jaguar and Land Rover and began developing cars for these prestigious companies. Moreover, the world's leading maker of regional jets is based in Brazil. Embraer, a Brazilian company, has taken advantage of its local engineering experience to innovate at a global level. It now manufactures small, sleek, fast jets for the international market.

Multinationals from developed nations are also paying attention to emerging companies from China and Mexico. For example, Chery International, China's leading car exporter, has plans to build plants in the Middle East, Africa, and Eastern Europe. Furthermore, collectively, the leading exporters of cars in China exported almost 900,000 cars in 2011. Cemex, one of the world's largest suppliers of cement, is based in Mexico, and has improved on its local business model to go international.

Recent trends also suggest that new multinationals are emerging in Africa. Safaricom, Kenya's most popular mobile phone company, listed its shares on the Nairobi Stock Exchange and was able to raise over \$800 million in one of the biggest initial public offerings in sub-Saharan Africa. In fact, Kenya is fast becoming the African tech hub; hundreds of start-ups have sprung up there over the past few years. Furthermore, companies such as Celtel are banking on Africa's thirst for mobile phones.

The overwhelming agreement among experts is that emerging market countries and their multinationals have already become, or

are expected to become, major players in world trade. Such trends are dramatically changing the environmental landscape for established Western multinationals.

Sources: Based on Economist. 2012. "Still in second gear." May 5, 62–63; Economist. 2012. "Upwardly mobile." August 25, 53–54; Economist. 2008. "The new champions." September 20, 53; Economist. 2008. "The challengers—Emerging market multinationals." January 12, 61; Mo, I. 2012. "Celtel's founder on building a business on the world's poorest continent." Harvard Business Review, October, 41–44.

As the examples in the Preview Case in Point show, businesses and individuals, whether from the old or the new economy, increasingly see the entire world as a source of business opportunities. The world is becoming one interconnected economy in which companies conduct business and compete anywhere and with anyone, regardless of national boundaries. New multinationals with the clout to compete effectively against established multinationals are emerging worldwide. In a global economy, any company or individual from any country can become a competitor. The Internet crosses national boundaries with the click of a mouse, allowing even the smallest businesses to go global immediately. Consequently, companies can no longer afford the luxury of assuming that success in their home markets equates to long-term profitability—or even survival. Furthermore, although the integrated global economy presents challenges and threats such as terrorism, war, and recession, it also presents significant opportunities for most companies. Consider the next Focus on Emerging Markets.

What does this trend mean to the student of international business? With companies increasingly looking at global rather than domestic markets, managers will

## Focus on Emerging Markets

### Growing Opportunities

As mentioned in the Preview Case in Point, emerging markets are providing the base for the development of a new breed of powerful competitors. However, emerging markets also provide established companies with significant opportunities. As of 2012, while much of the developed world reeled from the economic recession, emerging markets were proving able to weather the storm better. The ability to grow despite the recession has largely been due to healthy demand in local markets. For example, although car sales in the developed markets fell during the recession, they increased significantly in China. China is now the world's largest market for cars, with sales of 18.5 million cars, compared to only 13.1 million in the United States.

Such upward trends are likely to continue. In fact, while recent data show a slowdown in the growth of emerging markets, they are still experiencing much more robust growth than Western countries. Goldman Sachs estimates that the global middle class is growing by over 70 million a year, and it is expected to continue growing. By 2030, experts predict that over two billion people will have joined the middle class worldwide. Such trends suggest tremendous opportunities for multinationals.

Sources: Economist. 2008. "The new champions." September 20, 53; Economist. 2009. "Not so Nano; Emerging market multinationals." March 28, 20–21. Economist. 2012. "Still in second gear." May 5, 62–63; Economist. 2012. "Dream on?" July 21, 59–60.

### Multinational management

The formulation of strategies and the design of management systems that successfully take advantage of international opportunities and that respond to international threats.

have little choice in the future but to be multinational in their outlook and strategies. Consequently, all students of business should have at least a basic background in multinational management. **Multinational management** is the formulation of strategies and the design of management systems that successfully take advantage of international opportunities and respond to international threats. Successful multinational managers are executives with the ability and motivation to meet and beat the challenges of multinational management.

To provide you with a basic background in multinational management, this book introduces you to the latest information on how managers throughout the world respond to the challenges of globalization. You will see how businesses, both large and small, deal with the complexities of national differences in cultures, economies, and political systems. You will learn how multinational managers use their understanding of these national differences to formulate strategies to maximize their companies' success in globalizing industries. But, because having good strategies is not enough to succeed in today's economy, you will learn how multinational managers carry out their global strategies.

To give you insights into the real world of multinational management, you will find several features in this and the following chapters.

- The *Preview Case in Point* shows you examples of how multinational companies deal with a key issue discussed in the chapter.
- *Cases in Point* give information on how multinational companies handle other issues raised in the course of the chapter.
- *Multinational Management Briefs* provide further details and examples that extend the discussion.
- *Multinational Management Challenges* describe problems and dilemmas that real multinational managers face, and for which there are no easy answers.
- *Comparative Management Briefs* provide examples of management issues that are influenced by a unique cultural or social institutional setting.
- Finally, the *Focus on Emerging Markets* feature reflects the sustained importance of emerging markets in world trade.

Multinational management takes place within the multinational company. But what exactly is a multinational company? The next section gives a definition and brief introduction to the major players in multinational competition.

## The Nature of the Multinational Company

### Multinational company (MNC)

Any company that engages in business functions beyond its domestic borders.

The **multinational company (MNC)** is broadly defined as any company that engages in business functions beyond its domestic borders. This definition includes all types of companies, large and small, that engage in international business. Most MNCs, however, are multinational corporations; that is, the companies are publicly owned through stocks. Usually, when you see references to MNCs in the popular business press, the reference is to multinational corporations. The largest multinationals are all public corporations.

Exhibit 1.1 lists the top 20 multinational corporations ranked by sales revenue. As the exhibit shows, many of the largest corporations are in the petroleum industry—not surprisingly, given the continuous increase in oil prices. However, out of the top 10 companies, some are automotive companies and big consumers of the oil industry. Wal-Mart is the only retailer, and a few of the remaining



**EXHIBIT 1.1** Largest Companies in the World

Rank	Company	Industry	Headquarters Country	Revenues (US\$ million)
1	Royal Dutch Shell	Petroleum	Netherlands	484,489
2	Exxon Mobil	Petroleum	USA	452,926
3	Wal-Mart Stores	Retailing	USA	446,960
4	BP	Petroleum	UK	386,463
5	Sinopec Group	Petroleum	China	375,214
6	China National Petroleum	Petroleum	China	352,338
7	State Grid	Power Supply	China	259,142
8	Chevron	Petroleum	USA	245,621
9	ConocoPhillips	Petroleum	USA	237,272
10	Toyota Motor	Automotive	Japan	253,364
11	Total	Petroleum	USA	231,580
12	Volkswagen	Automotive	Germany	221,551
13	Japan Post Holdings	Finance	Japan	211,019
14	Glencore International	Manufacturing	Switzerland	186,152
15	Gazprom	Petroleum	Russia	157,831
16	E.On	Energy	U.K.	157,057
17	ENI	Petroleum	Italy	153,676
18	ING Group	Insurance	USA	150,571
19	General Motors	Automotive	USA	150,276
20	Samsung Electronics	Electronics	South Korea	148,944

Source: Adapted from Fortune 2012. "Fortune Global 500." <http://www.fortune.com/fortune/global500>.

companies are from the financial and insurance industries. However, it is also important to note that not all top-20 companies are from Western countries. For example, the companies ranked fifth (Sinopec) and sixth (China National Petroleum) are both Chinese multinationals. Furthermore, the list also includes previously unknown multinationals such as E.On and ENI.

Where are most of the global multinationals located? Exhibit 1.2 lists selected countries with higher numbers of Fortune Global 500 companies. As you can see, global multinationals are concentrated not just in major Western cities. Prominent new competitors can be found in countries such as China, South Korea, Brazil, and Mexico. As of 2012, the United States had about 132 global multinationals, with China having the next highest number at 73. This is in sharp contrast to the situation in 2008, when the United States had 153 global multinationals and Japan had 64, the second-highest number. Such trends show the impressive growth of companies from emerging markets such as Brazil (8 global multinationals), Russia (7 global multinationals), India (8 global multinationals), and China (73 global multinationals). This exhibit also shows that global companies can be located anywhere in the world and are not confined to European or U.S. cities.

What kinds of business activities might make a company multinational? The most apparent activity, of course, is international sales. When a company produces in its own country and sells in another country, it engages in the simplest form of multinational activity. However, as you will see in much more detail, crossing national borders opens up more options than simply selling internationally.

To introduce some of these options, consider the following hypothetical U.S. company that produces and sells men's shirts. As a domestic-only company,