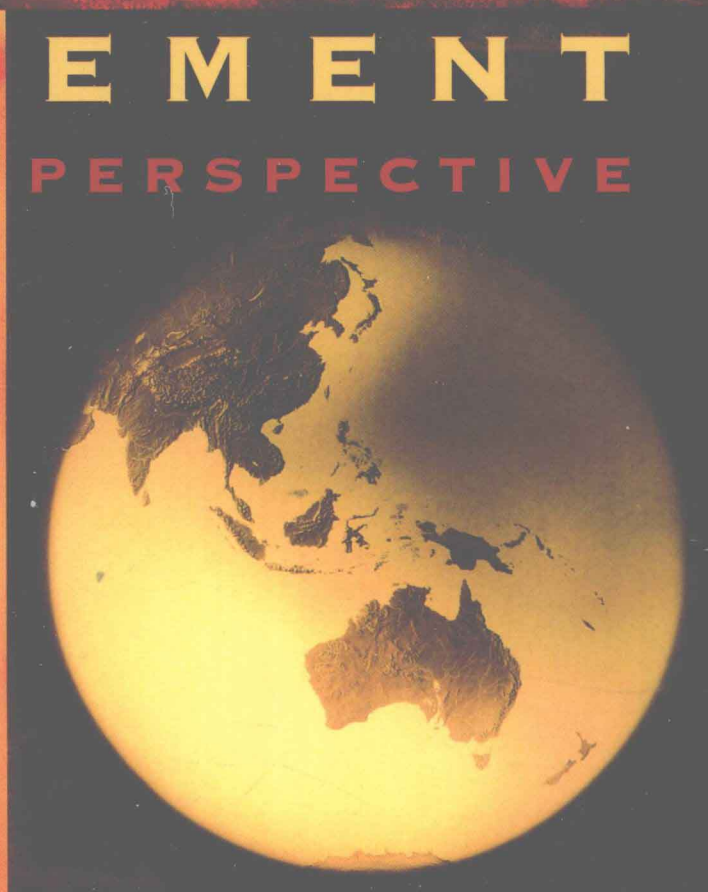
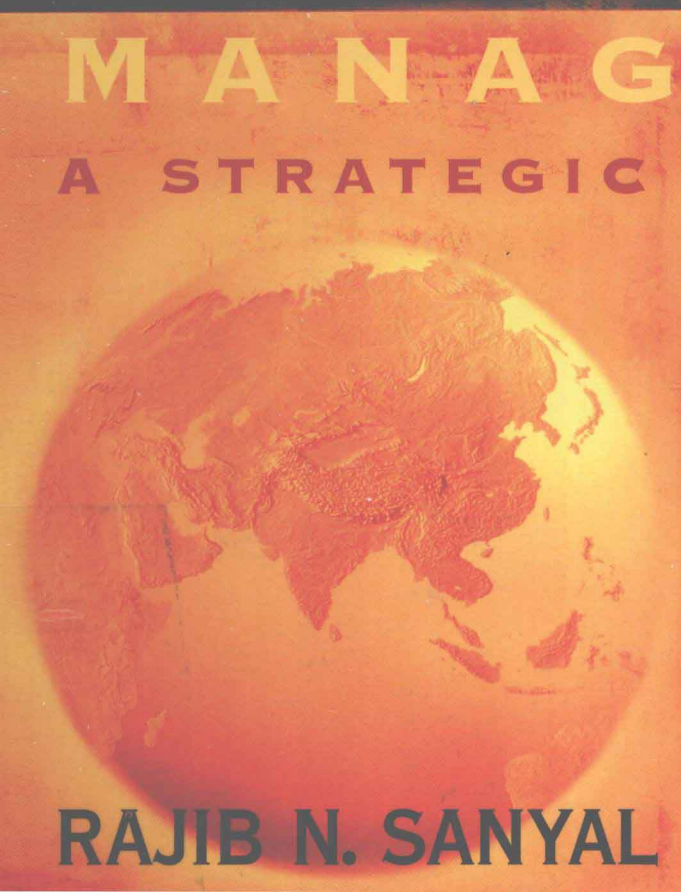


# INTERNATIONAL MANAGEMENT

A STRATEGIC PERSPECTIVE



RAJIB N. SANYAL

# INTERNATIONAL MANAGEMENT

A Strategic Perspective



**Rajib N. Sanyal**

*The College of New Jersey*



UPPER SADDLE RIVER, NEW JERSEY

**Library of Congress Cataloging-in-Publication Data**

Sanyal, Rajib N.

International management : a strategic perspective / Rajib N. Sanyal

p. cm.

Includes bibliographical references and index.

**ISBN 0-201-47153-1**

1. International business enterprises. I. Title.

HD62.4.S265 2001

658'.049—dc21

00-062413

**Editorial Director:** James Boyd

**Acquisitions Editor:** Melissa Steffens

**Managing Editor:** John Sisson

**Editorial Assistant:** Samantha Steel

**Assistant Editor:** Jessica Sabloff

**Media Project Manager:** Michele Faranda

**Executive Marketing Manager:** Michael Campbell

**Production/Manufacturing Manager:** Gail Steier de Acevedo

**Production Coordinator:** Maureen Wilson

**Senior Prepress/Manufacturing Manager:** Vincent Scelta

**Cover Design:** Kiwi Design

**Cover Art/Photo:** Zoxox Digital/Stone

**Composition:** BookMasters, Inc.

---

**Copyright © 2001 by Prentice-Hall, Inc., Upper Saddle River, New Jersey 07458.** All rights reserved.  
Printed in the United States of America. This publication is protected by Copyright and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. For information regarding permission(s), write to: Rights and Permissions Department.

Prentice  
Hall

10 9 8 7 6 5 4 3 2 1  
ISBN 0-201-47153-1

# INTERNATIONAL MANAGEMENT

## A Strategic Perspective



*To TheoRishi and Tracy, with love*

## PREFACE



*International Management: A Strategic Perspective* is designed to be used as a textbook for a one-semester or one-quarter undergraduate course or as an introductory or background reading in graduate programs. The book consists of 12 chapters, but the coverage of topics is extensive with many student-centered exercises. These features provide the flexibility that an instructor needs to adapt the textbook content to fit the class schedule of either a semester or a quarter. Most students studying international management would have taken a prior course in management such as Principles of Management or Management of Organizational Behavior. This prerequisite is relevant as this textbook is written for the well-prepared student. The focus is on management and, even though it is acknowledged that in international business, finance and economics play critical roles, the treatment of these subjects is less detailed but nevertheless adequate for the reader to recognize and relate their relevance.

*International Management: A Strategic Perspective* is about how managers in firms, big or small, are affected by key environmental factors, such as politics and culture, and how they approach and resolve the differences and difficulties posed by international business opportunities and competition. The book presents a most up-to-date discussion of the contemporary managerial issues in international business and is firmly grounded in the twin dimensions of academic research and real-life business applications. Thus, the reader will find throughout the text a seamless transition between theory and practice with numerous current corporate examples drawn from countries, industries, and businesses around the world. These examples buttress scholarly findings while also illuminating successful or unsuccessful managerial practices. The writing is designed to keep the reader engaged in a dynamic subject, and a variety of end-of-chapter materials, including comprehensive case studies that have been extensively classroom tested, enable a deeper inquiry and analysis of the subject.

Scholars often debate the domains of international business and international management. International management is a subset of international business, the latter encompassing all aspects of doing business, which includes marketing, finance, accounting, and information systems, among others. In contrast, international management is much more focused, concentrating on the manager and the managerial functions of planning, organizing, controlling, and leading. Of course, the international firm and the manager do not function in a vacuum; the environment of international business in terms of laws, cultural mores, economic conditions, exchange rate changes, and so on affect the nature, scope, and consequences of managerial actions. Recognizing this distinctive nature of international management, this text takes the slant of how managers organize the firm to take advantage of various business opportunities at home and abroad, and what practices to adopt under what circumstances.

Many colleges and universities around the world are providing comprehensive educational programs that have a pronounced international thrust at both graduate and undergraduate levels to train people for positions in international firms, government agencies, nongovernmental organizations, and international institutions. In the United States, the main accreditation organization for business schools, American Assembly of Collegiate Schools of Business (AACSB), requires a strong component of international business in the curriculum. University programs have become more sophisticated and include such features as foreign language proficiency, study abroad, international guided travel, executives-in-residence, and internships in international firms, in addition to extensive coursework. More and more firms are placing fresh college/university recruits into tracks designed to build them into global managers. Overseas appointments, which at one time came much later in one's career, now often come at the outset of careers. This textbook provides a student with a comprehensive overview of the key managerial issues that a firm engaged in international business has to address and how they are being addressed.

## ORGANIZATION OF THE BOOK

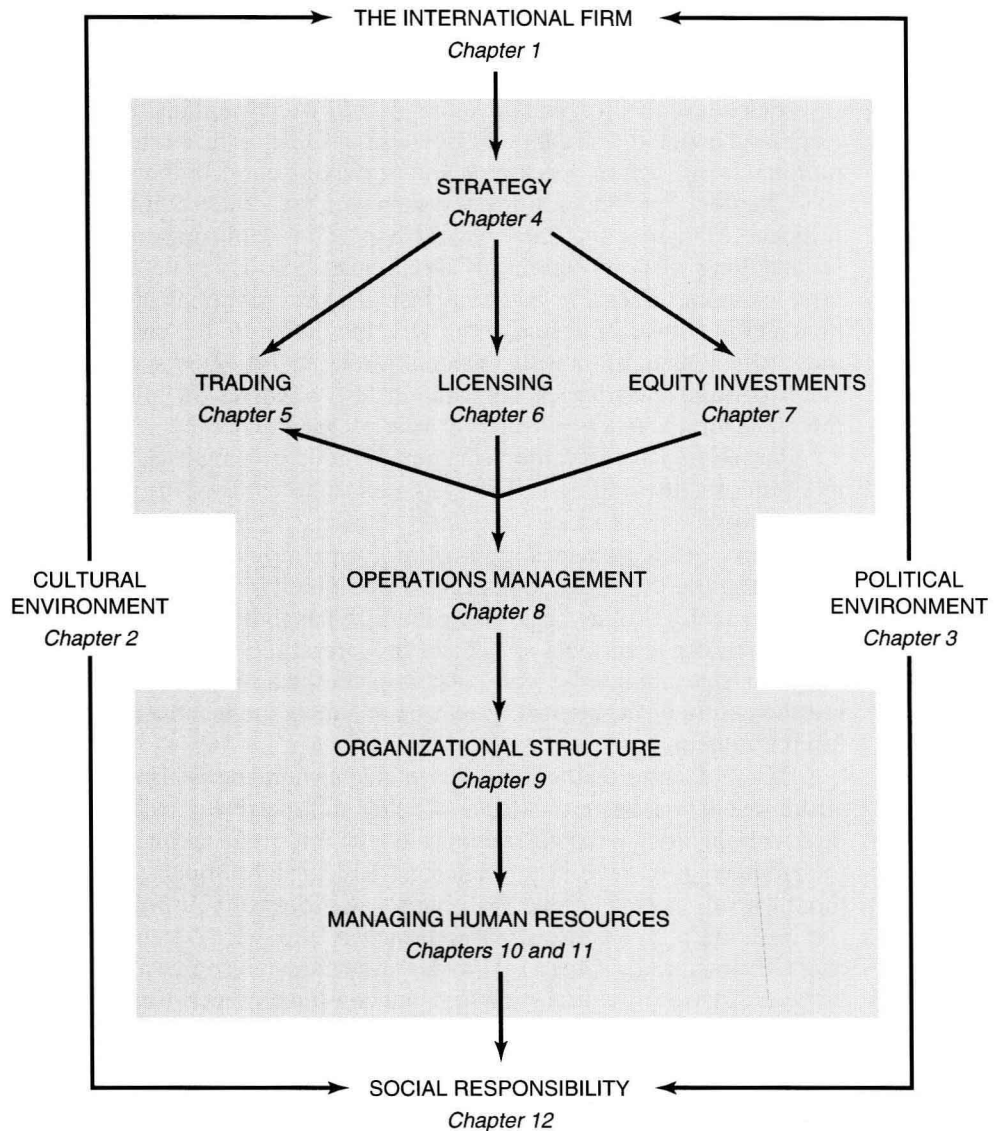
Throughout the book, the term *international firm* is used frequently. It is a generic and broad term used to describe any firm that is engaged in international business whether as exporters or importers, as licensors or licensees, as partners of strategic alliances or joint ventures, or as owners of businesses overseas. The reader will find the use of this term uncomplicated and effective in understanding the nature of management in the international arena. The term *multinational firm* is also used to refer to specific firms that are headquartered in one country and have operations in more than one country.

The 12 chapters in this book are presented in four parts. The following diagram presents the book's structure and the interrelationship among the topics. Both culture and politics constitute the external environment of international management and they affect the international firm and its sense of social and ethical responsibility. Internal to the firm is the main subject of strategy determination and formulation, which leads to selecting alternative or multiple methods of doing international business—trading (exporting and importing), licensing (and franchising), and equity/nonequity investments. Whatever form of business is selected, it gives rise to the attendant issues of organizing the firm in a way that the strategic goals are realized. Because management is also a matter of employing, motivating, and retaining employees to implement the work of the firm, the issues connected with both the managerial staff as well as the rank and file employees are discussed.

Part I discusses the environment of business today and the role of the manager in the international firm. The first three chapters set the stage for learning about specific firm behaviors.

Chapter 1 describes the place of the firm in today's international business environment, the growing importance of international management, and the characteristics of the successful manager. The material in the chapter serves as the foundation for learning about the managerial choices and skills required to make a firm function successfully in the international environment.

Chapters 2 and 3 expand on the environment of business by discussing the roles of national governments and national cultures. In Chapter 2, the focus is on the role of cul-



**Diagram 1** Organization of the Book

ture in molding societies and business practices. Various paradigms on categorizing and understanding cultures are presented. In addition, the chapter illustrates how managers can adapt to specific cultural differences and successfully pursue the firm's strategic goals. Chapter 3 examines the demands that managers face from various sovereign governments with regard to running the business and the compromises they make. Because politics is a crucial factor in the environment of international business, the chapter looks at how managers anticipate, prepare for, and reduce, if not eliminate, the risk posed to their operations by a range of governmental activities.



Part II of the book focuses on the strategy formulation and foreign market entry choices. Four chapters examine these issues. The thrust of Chapter 4 is on how firms formulate their strategies to compete successfully. Two alternative strategies, one focusing on efficiency of the firm and the other on the firm responding to national differences, are examined in detail. The chapter also looks at some of the strategic issues faced by multinational firms such as developing and protecting core competencies of the firm.

Chapters 5, 6, and 7 study the management dimensions of various international business arrangements. The topic of Chapter 5 is exporting and importing with the latter including offshore sourcing. It also presents a discussion of trading companies. Chapter 6 examines licensing and franchising as international business activities and the managerial issues connected with them. In Chapter 7, the emphasis is on the management issues associated with ownership-related activities such as joint ventures and wholly owned subsidiaries. The chapter also discusses the strategic opportunities and the managerial challenges inherent in strategic alliances.

Part III looks at how the firm goes about organizing itself both in terms of creating its chain of value-adding activities as well as how it is set up in terms of departments, flow of authority, and locus of decision making. Chapter 8 examines the management of logistics issues, such as site selection for plant and facilities, the role of transportation, designing the operations process, and quality control. To run a business successfully and achieve its strategic goals, the firm has to be organized appropriately. Several alternative organizational structures are presented and evaluated in Chapter 9. The chapter also examines the issues of centralization and decentralization of decision making, the nature of the control system, and some of the mechanisms used by firms for enforcing control.

Part IV focuses on the subject of managing human resources in the international environment as well as on the issues of ethics and social responsibility. Chapters 10 and 11 deal with the human resource dimensions of international management. In Chapter 10, the emphasis is on recruiting, selecting, training, and compensating managers, especially those who are posted abroad. The chapter also looks at how firms deal with managers returning home after a period of duty abroad and the special circumstances of women managers. The material in Chapter 11 looks at the human resource aspects of the rank and file workers. An extensive discussion sorts out how the presence of labor unions among a work force complicates the managerial function. Labor unions in the home country historically have opposed overseas investment by firms seeing it as a threat to the continued employment of its members. Thus, managers have to deal with labor relations both in the home and the host country.

In the final chapter of this book, Chapter 12, the topic centers on the dilemmas posed by ethical choices in international operations and the exercise of social responsibility. The chapter also looks at how the international firm is affected by voluntary codes of conduct and how such firms try to influence host governments to avoid strict scrutiny of their practices.

## ACKNOWLEDGMENTS



I would be remiss in my responsibilities if I did not acknowledge the value of the extensive comments and suggestions made by two teams of reviewers. Much of the improvement of this book can be credited to the following people.

Laurel Adams, Northwestern University; Trevor Bain, University of Alabama; John W. Clarry, Montclair State University; Andrew Delios, Hong Kong University of Science and Technology; Alan Ellstrand, California State University-Long Beach; David Flanagan, Western Michigan University; Maureen Flemming, University of Montana; Turgut Guvenli, Minnesota State University-Mankato; Erdener Kaynak, Pennsylvania State University; John Kilpatrick, Idaho State University; Hema Krishnan, Xavier University; Mike Lee, California State University; Douglas McCabe, Georgetown University; Ray Montagno, Ball State University; Leslie E. Palich, Baylor University; Carol Sanchez, Grand Valley State University; Manuel G. Serapio, University of Colorado at Denver; Nader H. Shooshtari, University of Montana; Bob Spagnola, Colorado State University; John Stanbury, Indiana University of Kokomo; Ken Tillery, Middle Tennessee State University; Fairlee Winfield, Northern Arizona University; Frederick M. Zimmerman, University of St. Thomas (MN).

I am especially indebted to the students at The College of New Jersey who have taken my international management course over the years. The classroom discussions, the case analyses, and their insightful comments provided me the encouragement and the ideas on what and how to present the material in the book. I am also grateful to Melissa Steffens at Prentice Hall for her constant encouragement and reassurance and for managing so competently the entire editing and publication process. Last but not least, the most important thanks go to my wife Tracy and son TheoRishi. This acknowledgment is more than a mere familial obligation. They suffered patiently through the years sacrificing much so that I could pursue and complete this project. To them, I dedicate this book.

• **The Top Rated Graduate Programs in International Business, 2000**

1. Thunderbird Graduate School, Phoenix, AZ
2. University of South Carolina, Columbia, SC
3. University of Pennsylvania, Philadelphia, PA
4. Columbia University, New York, NY
5. Harvard University, Cambridge, MA
6. New York University, New York, NY
7. University of Michigan, Ann Arbor, MI
8. Stanford University, Stanford, CA
9. University of California, Los Angeles, CA
10. University of California, Berkeley, CA
11. Duke University, Durham, NC

• **The 25 Best Employers in the United States (Firms with over 10,000 workers and with operations abroad), 2000**

1. CISCO, San Jose, CA, computer networking, [www.cisco.com](http://www.cisco.com)
2. Edward Jones, St. Louis, MO, brokerage, [www.edwardjones.com](http://www.edwardjones.com)
3. Charles Schwab, San Francisco, CA, brokerage, [www.schwab.com](http://www.schwab.com)
4. MBNA, Wilmington, DE, banking, [www.mbnainternational.com](http://www.mbnainternational.com)
5. Pfizer, New York, NY, pharmaceutical, [www.pfizer.com](http://www.pfizer.com)
6. Microsoft, Redmond, WA, computer software, [www.microsoft.com](http://www.microsoft.com)
7. Continental Airlines, Houston, TX, airlines, [www.continental.com](http://www.continental.com)
8. Enron, Houston, TX, energy, [www.enron.com](http://www.enron.com)
9. Deloitte & Touche, Wilton, CT, consulting, [www.us.deloitte.com](http://www.us.deloitte.com)
10. Merck, Whitehouse Station, NJ, pharmaceutical, [www.merck.com](http://www.merck.com)
11. Hewlett Packard, Palo Alto, CA, computer, [www.hp.com](http://www.hp.com)
12. Lucent Technologies, Murray Hill, NJ, networking equipment, [www.lucent.com](http://www.lucent.com)

12. Georgetown University, Washington, DC
13. University of Southern California, San Diego, CA
14. Northwestern University, Evanston, IL
15. University of Chicago, Chicago, IL
16. Massachusetts Institute of Technology, Cambridge, MA
17. Indiana University, Bloomington, IN
18. University of Washington, Seattle, WA
19. Cornell University, Ithaca, NY
20. Dartmouth College, Hanover, NH
21. University of Hawaii, Manoa, HI
22. Michigan State University, East Lansing, MI

Source: U.S. News ([www.usnews.com](http://www.usnews.com))

13. America On-Line, Dulles, TX, Internet communication, [www.aol.com](http://www.aol.com)
14. Eli Lilly, Indianapolis, IN, pharmaceutical, [www.lilly.com](http://www.lilly.com)
15. Federal Express, Memphis, TX, package delivery, [www.fedex.com](http://www.fedex.com)
16. Capital One Financial, Falls Church, VA, finance, [www.capitalone.com](http://www.capitalone.com)
17. Intel, Santa Clara, CA, computer chips, [www.intel.com](http://www.intel.com)
18. Johnson & Johnson, New Brunswick, NJ, pharmaceutical, [www.jnj.com](http://www.jnj.com)
19. Marriott International, Washington, DC, hospitality, [www.marriott.com](http://www.marriott.com)
20. American Express, New York, NY, finance, [www.americanexpress.com](http://www.americanexpress.com)
21. Dell Computer, Round Texas, TX, computer, [www.dell.com](http://www.dell.com)
22. Lenscrafters, Cincinnati, OH, eye glass, [www.lenscrafters.com](http://www.lenscrafters.com)
23. Sun Microsystems, Palo Alto, CA, computer systems, [www.sun.com](http://www.sun.com)
24. Ernst & Young, New York, NY, consulting, [www.ey.com](http://www.ey.com)
25. Starbucks, Seattle, WA, coffee shop, [www.starbucks.com](http://www.starbucks.com)

Source: Fortune ([www.fortune.com](http://www.fortune.com))

# CONTENTS



## **PART I: THE SETTING OF INTERNATIONAL MANAGEMENT 1**

### **CHAPTER 1 The International Firm and the Manager 1**

What Is International Management?	2
Distinctive Features of International Management	4
<i>Multiple Governments and Nationalism</i>	4
<i>International Financial Management</i>	6
<i>Cultural Differences</i>	8
<i>Competitive Strategy</i>	8
Growth in World Trade and Investment	9
<i>Why Do Firms Trade and Invest Abroad?</i>	13
Environment of International Business	17
<i>Resistance to Trade and Investment</i>	20
Forms of International Business	21
<i>Emergence of E-commerce</i>	22
Internationalization of the Firm	23
<i>Outward Versus Inward Perspective</i>	25
The International Business Manager	27
Conclusions	31
Appendix 1-1 Foreign Exchange Rates and Balance of Payments	39

### **CHAPTER 2 Cultural Variables 42**

Defining Culture	43
<i>Importance of Culture</i>	45
<i>Components of Culture</i>	46
Frameworks to Categorize National Cultures	48
<i>Hofstede's Value Survey Model</i>	48
<i>Relevance of Hofstede's Findings</i>	49
<i>Cultural Orientations Framework</i>	53
<i>Trompenaars's Cultural Parameters</i>	53
<i>Country Clusters</i>	55
Organizational Culture	55
<i>Managerial Philosophy Toward International Operations</i>	59
<i>Convergence Versus Divergence</i>	60
Communication	62
<i>The Communication Model</i>	64
Negotiations	66
<i>Preparing for International Negotiations</i>	68

Motivation	70
Leadership and Decision Making	72
Preparing for Cross-Cultural Management	75
Conclusions	77

### **CHAPTER 3 Management of Political Risk 84**

The Interaction Between Politics and Business	85
Defining Political Risk	86
Sources of Risk	86
<i>Home Country</i>	88
<i>Host Country</i>	90
<i>Third Countries</i>	91
Why Does Political Risk Arise?	91
<i>Macro and Micro Risks</i>	92
Impact of Political Risk on the Firm	93
<i>Transfer Risks</i>	93
<i>Operational Risks</i>	94
<i>Ownership Risks</i>	94
Risk-Prone Firms	95
Risk-Prone Countries	97
Forecasting Risk	99
<i>External Agencies</i>	99
<i>In-House Analysis</i>	100
<i>Forecasting Techniques</i>	100
<i>Reliability and Usefulness of Forecasting Techniques</i>	102
Corporate Strategies to Avoid and Reduce Risk	103
<i>Timing the Investment</i>	103
<i>Negotiating a Favorable Environment</i>	104
<i>Defensive Strategy</i>	106
<i>Integrative Strategy</i>	108
<i>Protecting the Subsidiary</i>	109
<i>Coalition Building</i>	110
<i>Exit Strategy</i>	112
Crisis Management	112
<i>Kidnapping</i>	113
Conclusions	116

## **PART II: MANAGING UNDER DIFFERENT ENTRY METHODS 125**

### **CHAPTER 4 Strategy Formulation and Implementation 125**

What Is Strategy?	126
<i>Role of Management</i>	126
<i>Strategy in International Business</i>	127
Strategy Formulation	129
<i>The Dynamic External Environment</i>	129

<i>Assessing a Firm's Capabilities</i>	129
Various Strategic Choices	130
<i>Evolutionary Approach</i>	130
<i>Low Cost and Differentiation</i>	131
<i>Global Strategy</i>	132
<i>Multinational or Multidomestic Strategy</i>	139
Transition from Multidomestic to Global Strategy	141
Elements of Successful Strategies	142
<i>Revolutionary Thinking</i>	142
<i>Innovation</i>	144
<i>Core Competence</i>	149
<i>Information Technology</i>	152
Implementation of Strategy	152
<i>Strategic Tasks</i>	154
<i>Organizational Structure</i>	154
<i>Integrating Operations</i>	156
<i>Strategy-Making Process</i>	156
Conclusions	157
<b>CHAPTER 5 Exporting and Importing</b>	<b>164</b>
The Global Trading Environment	165
<i>E-commerce</i>	166
<i>Limitations to Trade</i>	167
Strategic Purposes for Exporting and Importing	167
<i>Analysis of Opportunities</i>	169
<i>Management Contract</i>	171
<i>Characteristics of the Firm</i>	173
Managerial Issues in Exporting and Importing	173
<i>Selecting Countries</i>	173
<i>Product Adaptation</i>	179
<i>Choice of Channels</i>	181
<i>Pricing Strategies</i>	188
Financial Issues in Exporting and Importing	193
<i>Foreign Exchange Rates</i>	193
<i>Real Exchange Rates</i>	194
<i>Trade Financing</i>	194
Barter and Countertrade Arrangements	196
Conclusions	198
<b>CHAPTER 6 Licensing and Franchising</b>	<b>204</b>
Licensing	205
<i>Importance of Royalties and License Fees</i>	206
<i>Royalty</i>	207
<i>Licensing and Firm Strategy</i>	208
<i>Reasons for Licensing</i>	208
<i>Disadvantages of Licensing</i>	209
Technology Licensing	211

Trademark Licensing	212
<i>Key Strategic Decisions</i>	216
<i>Implementing a Trademark Licensing Program</i>	218
<i>Potential Problems</i>	219
<i>Licensing Agents</i>	219
Franchising	219
<i>Types of Franchising</i>	221
<i>Reasons for the Popularity of Franchising</i>	222
<i>Selecting Markets</i>	223
<i>Other Key Issues in Franchising</i>	223
Managerial Issues in Licensing/Franchising	224
<i>Selecting the Licenser (or Licensee)</i>	224
<i>Negotiating the License Agreement</i>	227
<i>Administering the Agreement</i>	227
<i>Terminating the Agreement</i>	228
Components of a Licensing Agreement	228
Comparing Licensing, Trademark Licensing, and Franchising	230
International Litigation	230
<i>Alternative Dispute Resolution Techniques</i>	232
<i>Protecting Patents and Trademarks</i>	232
Conclusions	234

## **CHAPTER 7 Strategic Alliances and Equity Investments 247**

Definitions	248
The Move to Alliances and Foreign Investment	249
<i>Choice of Countries</i>	250
Reasons for Forming Strategic Alliances and Joint Ventures	251
<i>Requirements for Forming Strategic Alliances</i>	253
<i>Creating a Strategic Alliance</i>	256
Equity Joint Ventures	256
<i>Extent of Equity Ownership</i>	258
<i>Negotiating the Joint Venture</i>	259
<i>Managing the Joint Venture</i>	261
<i>Successful Joint Ventures</i>	264
<i>Failure of Joint Ventures</i>	266
Life Cycle of Alliances	269
The Alliance Manager: What Does It Take?	270
Wholly Owned Subsidiaries	272
<i>Reasons for 100 Percent Ownership</i>	272
<i>Drawbacks to 100 Percent Ownership</i>	274
Conclusions	276

## **PART III: ORGANIZING THE FIRM'S ACTIVITIES 285**

### **CHAPTER 8 Operations Management and Logistics 285**

Location of Facilities	286
<i>Labor Factors</i>	287

<i>Access to Markets</i>	289
<i>Communications Infrastructure</i>	290
<i>Taxes and Incentive Programs</i>	291
<i>Foreign Exchange Rates</i>	292
<i>Regulatory Regime and Political Stability</i>	292
<i>Quality of Life</i>	293
<i>Transportation</i>	293
<i>Site Specific Factors</i>	294
<i>Evaluating Location Alternatives</i>	294
Strategic Role of Overseas Facilities	297
<i>Different Types of Facilities</i>	297
Research and Development Activities	299
Capacity and Plant Size	303
Value Chain Analysis	305
Global Sourcing	307
<i>Typology of Outsourcing</i>	307
<i>Determinants of Sourcing</i>	308
<i>Popularity of Offshore Sourcing</i>	308
<i>Caution About Offshore Outsourcing</i>	309
<i>Role of Suppliers</i>	310
Logistics and Supply Chain Management	311
<i>Role of Government</i>	312
<i>Need for Intermediaries</i>	313
Just-in-Time Production	315
Quality	315
<i>International Quality Awards</i>	316
<i>International Standards Organization</i>	317
Conclusions	318
<b>CHAPTER 9 Organizational Design and Control</b>	<b>325</b>
Defining Organizational Structure	326
Evolution of an Organization's Structure	326
Determinants of Structure	327
Types of Organizational Structures	330
<i>Business Units</i>	330
<i>Simple Structure</i>	330
<i>Functional Structure</i>	330
<i>International Division Structure</i>	332
<i>Product Structure</i>	332
<i>Geographical Structure</i>	334
<i>Mixed or Hybrid Structure</i>	336
<i>Matrix Structure</i>	338
<i>New Types of Organizational Structures</i>	340
Organizational Restructuring	344
<i>Recasting Business Structures</i>	345
Centralized Versus Decentralized Decision Making	348



<i>Changing Role of Headquarters</i>	350
<i>Factors Determining Centralization and Decentralization</i>	351
<b>Control and Control Mechanisms</b>	353
<i>Creating Effective Control Systems</i>	354
<i>Types of Control</i>	355
<i>Communication Systems</i>	357
<i>Reintroducing Control</i>	360
<b>Conclusions</b>	361

## **PART IV: MANAGING EMPLOYEES AND SOCIAL RESPONSIBILITY 367**

### **CHAPTER 10 Human Resource Management 367**

<b>Role of the Human Resource Department</b>	368
<b>Employment Laws</b>	370
<i>Immigration</i>	371
<b>Recruitment and Selection for Overseas Positions</b>	371
<i>Inpatriate Managers</i>	373
<i>Women Managers</i>	374
<b>Choice of Sources of Managers</b>	375
<i>Home Country Nationals</i>	376
<i>Host Country Nationals</i>	376
<i>Third Country Nationals</i>	377
<i>Changing Patterns of Staffing</i>	377
<b>Method of Selecting Managers for Overseas Assignments</b>	379
<b>Characteristics of the Successful Expatriate</b>	379
<b>Failure in Overseas Assignments</b>	381
<i>Dual Career Couples</i>	382
<i>Culture Shock</i>	383
<b>Cross-Cultural Training</b>	384
<i>Tung's Framework</i>	385
<i>Mendenhall and Oddou Framework</i>	386
<i>Black and Mendenhall's Comprehensive Model</i>	387
<b>Performance Evaluation</b>	387
<b>Repatriation Issues</b>	390
<b>Compensation</b>	393
<i>Negotiation</i>	393
<i>Localization</i>	394
<i>Balance Sheet</i>	394
<i>Lump Sum</i>	395
<i>Cafeteria</i>	395
<b>Additional Components of a Compensation Package</b>	396
<i>Income Taxes</i>	397
<i>Problems with Differential Compensation Systems</i>	397
<b>Management Development</b>	399
<i>Teamwork</i>	400
<i>Cultural Transformation</i>	400