

THE EXTERNALIZATION PROCESS OF SMALLER-SIZED FIRMS

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ABSTRACT

This paper presents a dynamic behavioural model which explains the process of moving abroad of Smaller-sized firms through the foreign market entry mode of exporting. The proposed model of the Externalization process of Smaller-sized firms is at the same time dependent on three broad categories of criteria, the business characteristics of firms, the management behaviour of firms and the opinions of managers in the Internationalization stages as well as being based on an accumulated body of data (input of 110 Smaller-sized firms located in the Greater Manchester area which provided us with completed questionnaires and therefore have been used in computational calculations, 86 of the firms have been classified as Exporters and the rest, 24 firms, have been classified as Non-exporters). This model is an attempt to provide help to the managing directors of Smaller-sized U.K. firms and it can be useful as a guideline for the strategic planning of the activities of both the U.K. governmental agencies and the private professional organizations.

INTRODUCTION

Although according to the Economic Trends of the Central Statistical Office, it is expected that the U.K. exports of manufacturers in 1985 will grow somewhat faster than world trade as recent gains in cost competitiveness help export volumes, the dilemma is still there. Can the British management classify their firms into the right stage of their Externalization activity¹? Both this dilemma and the fact that during the last decade or so, technical advantage moved to the Far East decision-making centre, push U.K. Smaller-sized² firms into a situation that only the implementation of an effective International Business Strategy can give them the opportunity to sustain the economic pressures of our days.

THE EXTERNALIZATION STAGES THEORY

Following several earlier attempts to conceptualize on the internationalization process of firms, here we offer an alternative theory to the Internationalization stages theory. The proposed Externalization stages theory is based upon our survey's empirical findings on first, the business characteristics of firms, second the management behaviour of firms and third the opinions of managers in the Internationalization stages. In the International Marketing literature there are two processes or frameworks as potential International Business Strategies to Smaller-sized firms. On the one hand, the sequential processes support the stage approach/concept, while on the other hand, the non-sequential processes are based upon logic. In favour of the stage model concept are the following contributors: Pavord and Bogard (1975), Johanson and Wiedersheim-Paul (1975), Bilkey and Tesar (1977), Johanson and Vahlne (1977), Khan (1978), Cavusgil and Nevin (1980), Cavusgil (1980), Czinkota (1980), Reid (1981), Cavusgil and Godiwalla (1982) and Coudounaris (1984). Against the stage model concept are the following contributors with the exception of both Reid (1983) and Burton (1984) who respect the stage model concept: Simmonds and Smith (1968),

Etgar and McConnel (1976), Cavusgil (1976), Welch and Wiedersheim-Paul (1977), Olson and Wiedersheim-Paul (1978), Wiedersheim-Paul, Olson and Welch (1978), Welch and Wiedersheim-Paul (1980), Welch (1982/83), Reid (1983), Burton (1984), Dichtl, Leibold, Köglmayr and Müller (1984) and Darling (1985).

The development of our sequential model can be seen as a useful tool to the decision-makers of the Smaller-sized firms in their efforts to introduce or further exploit the mode of exporting as an aggressive versus defensive International Business Strategy.

METHOD

A crucial barrier in our attempt to model structures of Exporting behaviour of firms was the sufficient tackling of the important problem of the huge number of variables that influence the export behaviour of firms. To this extent, Bilkey (1978) suggested four possible solutions. Although his first solution, that is to incorporate every variable directly, has not yet been employed by other researchers in International Marketing, nevertheless it is the "Key" to the successful design and development of our proposed model.

To incorporate every variable directly while modelling the export behaviour of firms is not an easy task. However, this is feasible with the use of our two new numerical techniques, the "blind structures" technique and the "Shuttle" technique. Both these techniques are capable of modelling evolutionary behavioural structures with a high degree of stability and are implemented on data bases which are the input of 110 respondent managing directors to a mail questionnaire posted to Smaller-sized firms located in the Greater Manchester area. It is the use of both these techniques which enable to researcher to identify and define the Externalization stages of Smaller-sized firms with a high degree of statistical significance.

The "blind structures" technique

The "blind structures" technique, which is ideal for the detailed description of evolutionary behavioural models, is a combination of the cluster analysis and the discriminant analysis techniques, and is summarized as follows:

Step One: The classification of individuals (i.e., in our case firms) into clusters, is achieved with the use of the Ward's method (1963), a popular agglomerative hierarchical technique, and is based upon behavioural variables which are measured by raw data expressed in binary format rather than in continuous format. The advantage which is derived from the use of data in binary format is that while the survey's missing data due to refusals or failures or don't know responses of the managing directors are not taken into account in the SPSS discriminant analysis procedures, they are taken into account by using the Ward's method on a CLUSTAN data file which is in a binary format.

Step Two: Bearing in mind first, other researcher's findings in our particular area of research (i.e. Cavusgil's research revealed 7 distinct exporter types ranging from least active to most active exporter, and Czinkota's research revealed Eight International Stages) and second the exploratory nature of our survey, we choose the classification of firms with Eight Exporters' stages rather than taking into account the best estimate of the number of stages given by the values of the indicators Δ_1 and Δ_2 of the Ward's method³. On the other hand, our decision to choose the classification of firms with Five Non-exporters' stages is based on the analysis of the Dendrogram provided by the Ward's method on Figure 1 (see below) rather than based on the indicators Δ_1 and Δ_2 .

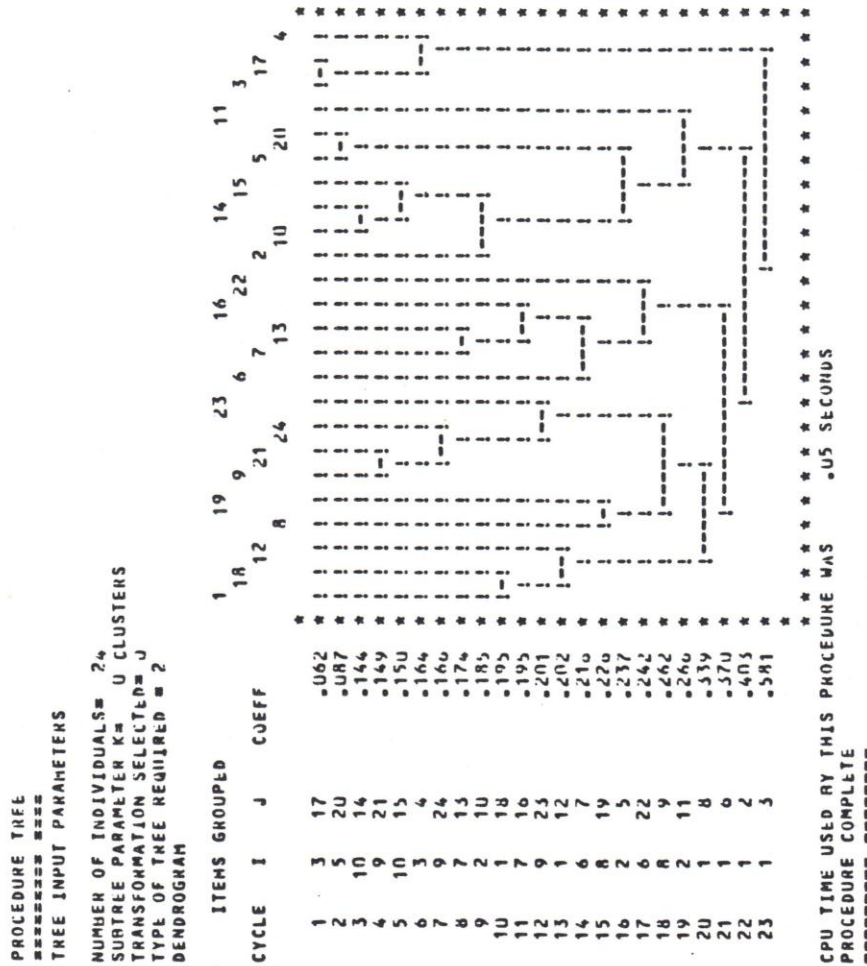


FIGURE 1 - Ward's method: Dendrogram for the Non-exporters from 24 to 1 Clusters.

Step Three: Having decided the number of clusters (stages) to compare with (i.e. in our case 5 stages for the Non-exporters (see Step Two, above) 8 stages for the Exporters (see Step Two, above) and 13 stages for the Opinions of managers in the Internationalization stages (5 Non-exporters' stages plus 8 Exporters' stages), we implement the Stepwise discriminant analysis procedure (the Wilk's method) on continuous data of behavioural variables of firms of the above stages. The reason behind the implementation of the Wilk's method is twofold: first, to introduce quantitative aspects into the model (the qualitative aspects are already introduced into the model by using the Ward's method on binary data, see Step One above) and second, to reduce the number of variables in the model.

Step Four: Furthermore, the stepwise discriminant analysis procedure (the Wilk's method) is applied on a number of combinations of stages (i.e. in the case of the Non-exporters' stages it is applied on six combinations of stages, that is, the combinations (2,3), (1,3), (1,2), (1,2,3), (1,2,3,4), and (1,2,3,4,5), while in the case of the Exporters' stages it is applied on nine combinations of stages, that is, the combinations (2,3), (1,3), (1,2), (1,2,3), (1,2,3,4), (1,2,3,4,5), (1,2,3,4,5,6), (1,2,3,4,5,6,7) and (1,2,3,4,5,6,7,8) where the numbers represent a stage). The variables which are chosen as discriminating each of the above combinations of stages are the significant contributors of these combinations of stages (the sub-discriminant models). In other words, we take into account the partial F ratios (the F-TO-REMOVE ratios as they are indicated on the computer SPSS output). The partial Fs or the so-called F-TO-REMOVE ratios⁴ reveal that although variables which are not significant (according to the Univariate F ratios) may be found to make a significant contribution to a sub-discriminant model (r). In contrast, the partial Fs reveal that variables which are significant (according to the Univariate F ratios) may be found not to make

a significant contribution to the sub-discriminant model.

Step Five: Having identified the significant contributor behavioural variables in each of the sub-discriminant models (i.e. in each combination of stages (2,3), (1,3), (1,2), (1,2,3), (1,2,3,4) and (1,2,3,4,5) of the Non-exporters) we use the detection technique, as we call it, which is based upon two assumptions: first, that the values of each variable lie on a line in the same two-dimensional space and second, that each stage determines an area or areas in the same two-dimensional space. The detection technique, which reveals the significant contributor behavioural variables of each stage, involves the detection of the significant contributor variables between consecutive sub-discriminant models with the exception of the first four sub-discriminant models. In the particular case of the Non-exporters, we detect the following sub-discriminant model:

Sub-discriminant models	No. of Stage
(2,3) - (1,2,3)	1
(1,3) - (1,2,3)	2
(1,2) - (1,2,3)	3
(1,2,3) - (1,2,3,4)	4
(1,2,3,4) - (1,2,3,4,5)	5

The "blind structures" technique which is already discussed above, creates a need for the development of another technique which is capable of assessing alternative evolutionary behavioural models leading to the best model. The latent technique is developed in the section below and it is called the "Shuttle" technique.

The "Shuttle" technique

The arisen need for an assessment of the alternative behavioural models which leads to the best model has pushed the researcher to develop the

"Shuttle" technique. This technique involves the comparison of similar behavioural models and enables the researcher to make a decision about which behavioural model is the most statistically stable out of similar behavioural models, based upon the following three criteria:

- (a) the percentages of variance and the canonical correlations,
- (b) the discriminant analysis scatterplots of the centroids of the stages and
- (c) the discriminant analysis territorial maps.

Findings

The implementation of the "blind structures" technique is inevitably useful since it enables the research to proceed into the development of the following evolutionary behavioural models:

- the models A_1 and B_1 of the Non-exporters' stages,
- the models A_2 , A_3 , B_2 and B_3 of the Exporters' stages
- the models A_4 and B_4 of the Opinions of managers in the Internationalization stages.

Further, the implementation of the "Shuttle" technique on the one hand on the models A_1 and B_1 and on the other hand on the models A_2 , A_3 , B_2 and B_3 reveals the following:

- the model B_1 which does not include the Industrial groups as independent variables in the model, is the most statistically stable model of the Non-exporters' stages and
- the model B_2 which does not include the Industrial groups as independent variables in the model, is the most statistically stable model of the Exporters' stages.

The above findings, to a high degree suggest that the Externalization process

of Smaller-sized firms is not statistically different among Industrial groups⁵.

TOWARDS A MODEL

In the International Business literature it is suggested that there are three broad alternative strategies available to a firm to choose from, while it enters a foreign market. These strategies are the following:

- entering foreign markets through exporting,
- entering foreign markets through International licensing and other contractual arrangements (i.e. Franchising, Technical agreements) and
- entering foreign markets through investment in local production (i.e. Greenfield venture - new establishment, investment entry through acquisition, investment entry through joint ventures and wholly owned subsidiaries).

It is believed that the Internationalization process of Smaller-sized firms is achieved mostly through the export strategy. Thus, in this section, based on the information provided by our behavioural models B_1 , B_2 and A_4 , we develop the Externalization Stages Behavioural Model which in other words explains the Externalization process of Smaller-sized firms. The proposed model which is outlined in Figure 2 opposite, is basically dependent on three broad categories of criteria:

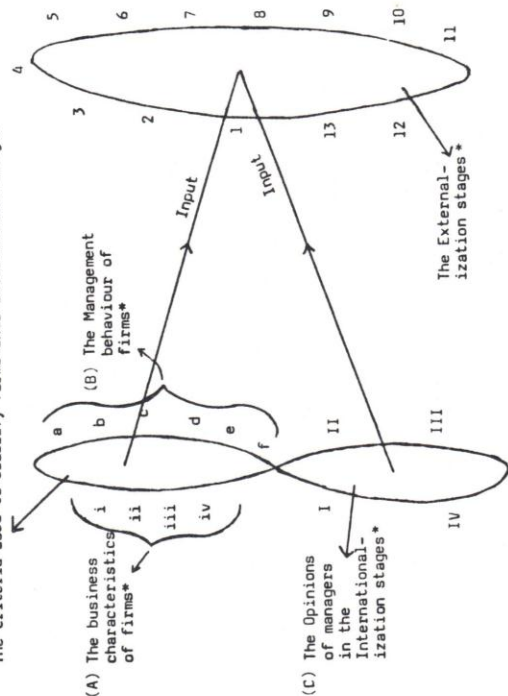
- (A) the business characteristics of firms;
- (B) the management behaviour of firms and
- (C) the opinions of managers in the Internationalization stages.

"Behaviouralism" and "Dynamism" the invading forces

Bilkey (1978) was the first author who criticised both Etgar and McConnell's model and Cavusgil's model as static models and on this ground we proceed in the formulation of a dynamic model, either by employing feedback loops as Welch and Wiedersheim-Paul (1977) did, or by employing stages of development

FIGURE 2: The Externalization process of firms

The criteria used to classify firms into international stages



Footnotes

* The various symbols in this Figure have the following meaning:

- (A) The Business Characteristics of firms:
- i The firm's characteristics whether Non-exporter or Exporter
 - ii The firm's characteristics BEYOND and DURING the first export order (only for Exporters)
 - iii The firm's characteristics DURING the period AFTER the first export order (only for Exporters)
 - iv The manager's characteristics whether Non-exporter or Exporter
- (B) The Management Behaviour of firms:
- a. The manager's opinion towards three statements (comparisons between the firm's international selling activity and the firm's domestic selling activity (whether Non-exporter or Exporter)
 - b. The manager's opinion towards his/her firm's strengths and weaknesses (whether Non-exporter or Exporter)
 - c. The manager's opinion towards his/her firm's objectives (only for Non-exporters)
 - d. The manager's opinion towards the development of his/her firm's export opportunities in foreign markets in the next ten years (only for Exporters)
 - e. The manager's opinion towards the difficulties that U.K. products or services face in foreign markets (only for Exporters)
 - f. The manager's opinion towards some issues on exporting (whether Non-exporter or Exporter)

- (C) The Opinions of managers in the Internationalization stages
- I The degree of agreement or disagreement which best represents the manager's opinion regarding various statements (whether Non-exporter or Exporter)
 - II Some statements about exporting with which some managers agree and others disagree (whether Non-exporter or Exporter)
 - III The most powerful motives for a businessman (only for Exporters)
 - IV The manager does or does not comment on the value of the services, information and assistance provided by ECGD and BOIB (only for Exporters)

The Externalization stages:

The Non-exporters' stages

- 1. Completely disappointed firm
- 2. Partially uninterested firm
- 3. Completely uninterested firm
- 4. Partially interested in exporting firm (but has failed)
- 5. Interested in exporting firm

The Exporters' stages

- 6. Exploring exporter
- 7. Experimental exporter
- 8. Disappointed and declining exporter
- 9. Steady exporter
- 10. Less successful exporter or increasingly alert exporter
- 11. Successful stagnant exporter
- 12. Successful concentrated exporter
- 13. Successful saturated exporter.

as both Bilkey and Tesar (1977) and Czinkota (1980) did.

It is interesting to note that from the early days of this survey, we realized that both the models employed on the one hand by Bilkey and Tesar (1977) and on the other hand by Czinkota and Johnston (1981) were lacking in behavioural aspects. In other words, both these models face a fundamental weakness because to a great degree they both lack behavioural dynamism. When we say that both models lack behavioural dynamism we mean that the classification of firms into international stages for these models was achieved with the help of only a few behavioural variables. Bearing in mind this lack of behavioural dynamism in the above two models, the researcher devoted his efforts towards the introduction of the issue of "behaviouralism" into the lines of the above two distinctive efforts. Therefore, quantitative as well as qualitative cut-off criteria explain the behaviour of firms.

According to Czinkota (1982), in their attempt to classify firms into international stages, Bilkey and Tesar (1977) used the following seven criteria:

- past exporter
- present exporter
- exploration of exporting
- filling of unsolicited order
- length of exporting experience
- volume of exports as percentage of sales
- countries exported to.

Following the above attempt, four years later Czinkota and Johnston (1981) altered the criteria employed by Bilkey and Tesar, and extended them into the following nine criteria:

past export volume as percentage of sales
 present export volume as percentage of sales
 future (predicted) export volume as percentage of sales
 absolute export volume in dollars
 length of export experience
 type of countries exported to
 number of export customers
 number of export transactions
 manpower committed to exporting.

At about the same time, Cavusgil and Nevin (1981) argued that a number of management and firm characteristics account for a substantial portion of the variation in the export marketing behaviour of firms. Cavusgil and Nevin (1980) though, in an earlier version of their views about the export marketing behaviour of firms, stressed that:

"The empirical studies clearly suggest that the behavioural variables, along with individual firm characteristics, are especially useful in explaining firm-to-firm variation in export behaviour (Cavusgil and Nevin, 1979)."

It is obvious that Cavusgil and Nevin distinguished the behavioural variables from the individual firm characteristics. This is an assumption which the present researcher does not agree with. However, from our point of view, the behavioural variables include other aspects of firm's behaviour (see below and opposite) and the individual firm characteristics. Thus, we believe that "behaviouralism" can provide a substantial and a deeper insight and explanation of the movements of the "animal" which is called the firm. Of course, Cavusgil and Nevin's present point of view has been diverted from their earlier contention about the explanatory power of the behavioural variables. In other words, in an attempt to explain the movements of the firm, Cavusgil and Nevin (1981) moved away from behaviouralism, which is broader in content, by setting themselves a limitation on the global behavioural spectrum of the

firm's activity. Indeed, they preferred to restrict themselves and got stuck with their recent point of view that management and firm characteristics explain a substantial portion of the variation in the export marketing behaviour of firms, rather than to attempt to support a broader contention on the process of the firm's behaviour.

Although the models which were put forward, on the one hand by Bilkey and Tesar (1977) and on the other hand by Czinkota and Johnston (1981) (see above), were supported by extensive empirical work, they are both, to a great extent, short of behavioural content; thus, they are inadequate to explain the behaviour of firms. Therefore, these two attempts to classify firms into international stages have very subjective character.

In the light of the latter argument as well as bearing in mind first the above criticisms on Cavusgil and Nevin's recent but restricted contention, second the criticism expressed by Wiedersheim-Paul, Olson and Welch (1978) about the weakness of the theoretical framework of their "pre-export" behaviour model, and third the findings of our research's models, support our contention that the externalization activity of firms is a sequential process of the business characteristics of firms, the management behaviour of firms and the opinions of managers in the Internationalization stages. Thus, we develop below the Externalization stages behavioural model which has as components the Non-exporters' stages behavioural model and the Exporters' stages behavioural model. The Externalization stages behavioural model is a dynamic model on the grounds that first we employ stages of development and second the firms accommodated forward and backward movement at least in the Exporters' stages behavioural model as it is supported by our empirical findings. The latent aspect of dynamism is revealed by Cannon (1981) in his model (which comprised non-exporters, passive and active exporters), that is, firms accommodate forward and backward movement without any obvious problems.

The Classification of Smaller-sized firms

In the present research, we employ two broad categories of criteria, in particular (A) the business characteristics of firms and (B) the management behaviour of firms (see Figure 2, above), to classify firms into international stages and they are broader in terms of behavioural content and cover the whole spectrum of the non-exporting and the exporting activities. Thus, the classification of firms into international stages is achieved in a less subjective manner than both the above efforts by Bilkey and Tesar (1977) and Czinkota and Johnston (1981).

It is important to note that, first, the business characteristics of firms includes the following four criteria:

- (i) the firm's characteristics whether Non-exporter or Exporter;
- (ii) the firm's characteristics BEYOND and DURING the first export order (only for Exporters);
- (iii) the firm's characteristics DURING the period AFTER the first export order and
- (iv) the manager's characteristics whether Non-exporter or Exporter

and second, the management behaviour of firms includes the following six criteria:

- (a) the manager's opinion towards three statements (comparisons between the firm's international selling activity and the firm's domestic selling activity) (whether Non-exporter or Exporter);
- (b) the manager's opinion towards his/her firm's strengths and weaknesses (whether Non-exporter or Exporter);
- (c) the manager's opinion towards his/her firm's objectives (only for Exporters);
- (d) the manager's opinion towards the development of his/her firm's export opportunities in foreign markets in the next ten years (only for Exporters);

- (e) The manager's opinion towards the difficulties that U.K. products or services face in foreign markets (only for Exporters) and
- (f) the manager's opinion towards some issues on exporting (whether Non-exporter or Exporter).

The Opinions of Managers

Although the three broad categories of criteria, (A) the business characteristics of firms, (B) the management behaviour of firms and (C) the opinions of managers in the Internationalization stages explain the Externalization process of Smaller-sized firms, only the third category of criteria due to the limited computer space/capacity (see below) are not taken into account in the classification of Smaller-sized firms into International stages. The category of criteria of the Opinions of managers in the Internationalization stages includes the following four criteria:

- (I) the degree of agreement or disagreement which best represents the manager's opinion regarding various statements (whether Non-exporter or Exporter);
- (II) some statements about exporting which some managers agree and others disagree with (whether Non-exporter or Exporter);
- (III) the most powerful motives for a businessman (only for Exporters) and
- (IV) the manager does nor does not comment on the value of the services, information and assistance provided by ECGD and BOTB (only for Exporters).

LIMITATIONS

The limitations of this research are associated with the computer space/capacity. Specifically, we have been forced, first, to separate Non-exporters and Exporters based on leading questions and PARTs of the questionnaire, and then to implement the cluster analysis technique, the

Ward's method, on both separate groups of firms and second, to exclude the Opinions of managers in the Internationalization stages from being criteria to classify firms in international stages (in Non-exporters' stages and in Exporters' stages).

The above two limitations have the implication first, that the researcher makes decisions as to which firms are either Non-exporters or Exporters and second, the classification of firms in stages is based upon behavioural variables which do not include the Opinions of managers in the Internationalization stages. Thus, the above implications affect our conceptual framework and on this basis other researchers have to think of other ways of tackling the above two limitations.

CONCLUSIONS AND IMPLICATIONS

The so-called by Dichtl, Leibold, Köglmayr and Müller (1984), difficult, if not impossible, utopic global model is now available. The Externalization behavioural stages model as illustrated in Figure 2 above, is at the same time empirically and statistically tested, and has the attribute of being the most statistically stable model found among other alternative models.

In the past and recently, various devices/models have been suggested by researchers (i.e. in the past the "pre-export" behaviour model by Wiedersheim-Paul, Olson and Welch (1978), and the "innovative-adoption process" behaviour model by Reid (1981) and recently the "export orientation" model by Burton (1984), the "foreign market orientation" model by Dichtl, Leibold, Köglmayr and Müller (1984) and the "Planning Process" model by Darling (1985), but they are just subjective creations without any statistical significance and are falling apart, or in other words, they collapse in front of our Externalization behavioural stages model which can be useful in practice to the managing directors of Smaller-

sized firms as well as to both the U.K. government agencies and the private professional organizations. The latest device which is put forward by Darling (1985) presents a static model without any dynamism. Adding to these criticisms, the "Planning Process" model is weak since the firm's manager who takes the decisions towards his/her firm's movement abroad, to enter or to continue exploiting markets abroad, is a "pathetic observer" rather than to be the "heart" of this device and he/she has no opinions about the global activity of entering foreign markets. It is important to note that our proposed model is derived from the combination of our two new revolutionary techniques on modelling evolutionary behavioural structures, the "blind structures" technique and the "Shuttle" technique which invented and implemented on our present survey's sets of data by the present researcher. Both these techniques together, are of potential application on any efforts on modelling evolutionary behavioural structures in other Sciences, for example in cancer disease therapy, in chemistry, in astronomy and in nuclear physics.

The development of the "blind structures" technique and the "Shuttle" technique may bring to an end many problems engaged in Sciences, bearing in mind that the first test of these two new techniques is successful due to the high degree of similarity of our survey's findings to other surveys' findings elsewhere.

FOOTNOTES

1. The Externalization activity covers the whole spectrum of non-exporting and exporting activities.
2. We define the Smaller-sized firms as those firms which meet the following two criteria:
 - (a) Firms which employ more than 4 and less than 1,000 full-time employees and
 - (b) Firms which have an annual turnover of less than £20 million.
3. The study of the hierarchical structure is facilitated by reference to the Δ_1 and Δ_2 entries which indicate to a certain extent the exact stage in the analysis the investigator has to stop, nonetheless the technique ultimately reduces the data to a single cluster containing all the objects (firms). Thus, the problem of deciding on the correct number of clusters can be resolved with the help of the Δ_1 and Δ_2 indicators.
4. For the calculation of the degrees of freedom of the Partial F ratios, g-1 and n-g-p, see W.R. Klecka "Discriminant Analysis", Series: Qualitative Applications in the Social Sciences, A Sage University Paper 19, London: Sage Publications, fourth printing, 1982, paragraph F-T0-REMOVE, pp. 57-58 and p.55, where n = the number of cases, g = the number of groups and p = the number of variables entered (including the one being entered on the current step (see SUMMARY TABLE of the SPSS computer output).
5. Since the research's findings suggest that both the most statistically stable model of the Non-exporters' stages and of the Exporters' stages do not include the Industrial groups as independent variables, the research excludes the Industrial groups from being independent variables in the models A_4 and B_4 of the Opinions of managers in the Internationalization stages. The implementation though, of the "Shuttle" technique on both

of the models A_4 and B_4 of the Opinions of managers in the Internationalization stages, reveals that the model A_4 is the most statistically stable model. It is worth noting that the stepwise discriminant analysis procedure (the Wilk's method) is applied on fourteen combinations of stages for the Opinions of managers in the Internationalization stages.

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NEWSLETTER

Edited by Ivan R. Vernon, Executive Secretary
 Dateline: September 15, 1986

REGISTER NOW!
1986 AIB Annual Meeting
London School of Business
London, England
November 21-23, 1986

COMMENT FROM PROGRAM CHAIRPERSONS

The Program Committee received a record 216 papers and panels for review. Despite increasing the number of concurrent sessions from six to seven, we were still forced to reject almost one-third of the papers and panels. It is unfortunate that we had to reject some good submissions, but we believe that those which have been accepted represent a very good assortment of quality papers and panels.

The London Business School (LBS) facilities for this program are excellent. We have essentially taken over the LBS for the entire weekend. There are more than an adequate number of catered classrooms, a large exhibit room for displays, coffee, and registration, and a luncheon room. LBS is located opposite Regents Park which is a most pleasant place to visit during breaks or at lunchtime.

Joan B. Vermont
Executive Secretary
World Trade Education Center
Cleveland State University
Cleveland, Ohio 44115
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John B. Vermorel
Executive Secretary

SATURDAY, NOVEMBER 22, 1986

2:00 - 3:30 p.m.

TECHNOLOGY AND DEVELOPMENT (LT 4)

Chair: William A. Stover, Princeton University

"Measuring Europe's Technological Performance: Results and Prospects"

Keith Pavitt, University of Sussex

"Adjusting National Laws and Regulations Governing Flows to a Changing Economic Environment"

Jack Baranson, Illinois Institute of Technology

"Restrictive Conditions in Technology Transfer: Some New Australian Evidence"

Tom Parry, University of New South Wales

"New Perspectives on Technology Development in Newly Industrializing Asia"

Wenlee Ting, American Graduate School of International Management

2:00 - 3:30 p.m.

JAPANESE INVESTMENT AND MANAGEMENT PRACTICES (LT 5)

Chair: Gunnar Hedlund, Stockholm School of Economics

"Japanese Manufacturing Abroad: A Reappraisal"

Wolfgang Reitsperger, University of Hawaii

"Trade Conflict and Japanese Manufacturing Direct Investment in the United States: An Empirical Examination"

Douglas High, Pennsylvania State University

Hans Scholthammer, University of California Los Angeles

"A Proposal for Transferring a Japanese Management System Overseas: A Preliminary Study of Applying the Information Sharing System Model to Japanese Management in the United Kingdom"

H. Sakuma, Tokyo International University

2:00 - 3:30 p.m.

PANEL: RECENT INNOVATIONS IN INTERNATIONAL FINANCIAL MARKETS: THE PRICING OF SWAPS AND HEDGES (Fairbairn Room)

Chairs: Ato Ghosh and Sarkis Khoury

Panelists: To be announced.

3:30 - 4:00 p.m.

COFFEE/TEA BREAK IN EXHIBIT AREA

SATURDAY, NOVEMBER 22, 1986

4:00 - 5:30 p.m.

THEME (3) MANAGEMENT AND ORGANIZATIONAL STRATEGY

Chair: Louis T. Wells Jr., Harvard Business School

"Global Strategy: An Organising Framework"

Sumantra Ghoshal, INSEAD

"Organising the Multinational: Present and Future"

Michael Z. Brooke, Manchester University

"Organising for Worldwide Advantage"

R.E. White, University of Western Ontario

Thomas A. Poynter, University of Western Ontario

4:00 - 5:30 p.m.

TESTING THEORIES OF MULTINATIONAL ENTERPRISE (LT 1)

Chair: Bernard Wolf, York University

"The Limits of Explanation: Tests on the Theory of the Multinational Enterprise"

Peter J. Buckley, University of Bradford

"The Industry Determinants of Foreign Direct Investment in the United States"

Thomas A. Pugel, New York University

"Portugal and FDI Attraction: A Multi-Criteria Approach"

Vitor Corado Simoes, Foreign Investment Institute, Technical University of Lisbon

4:00 - 5:30 p.m.

TRADE RELATED ISSUES (1) (LT 2)

Chair: Tunc Erem, Marmara University (Turkey)

"Sudden Wealth/Sudden Poverty: Implications for Export Opportunities"

Robert T. Green, University of Texas at Austin

Trina L. Larsen, University of Texas at Austin

"The Effect of Human Resource-Based Managerial Perceptions and Organizational Commitment on Exporting Activities of Firms"

Seth N. Buatsi, Hofstra University

Yao Apasu, Florida International University

"The Externalisation Process of Smaller-Sized Firms"

Dafnis Coudounaris, A & D Coudounaris Brothers Enterprises, Ltd.

Discussant: Ilkka A. Ronkainen, Georgetown University