

# MANAGING THE MULTINATIONAL NETWORK

## (SPRING SEMESTER 2022)

### Course Objective and Content

The objective of this course is to enable students to understand the mechanisms that can be employed to coordinate and manage a Multinational Corporation (MNC), seen as a network. Theoretical approaches to explain the network perspectives are discussed as a basis for making decisions on the application of adequate coordination mechanisms.

MNCs are complex entities, comprised of organizational units operating in heterogeneous local environments. The course will enable the students to understand the mechanisms that can be employed to coordinate and manage a MNC network. Theories of International Business are used to explain the network perspective. Topics of the course will include:

- MNC as networks (e.g. intra-organizational networks and inter-organizational networks, designing interfaces between network players, network management, partner selection, etc.)
- Coordination of MNCs (e.g. formal and informal coordination mechanisms)
- Theories, theoretical approaches, and concepts to explain the network perspective (e.g. interaction approach, resource-dependency theory, principal-agent theory)

**ECTS: 4.5**

### Schedule

**Lecture:**

Tuesday, 10.15-12.00 h, room A120

Tuesday, 15.15-17.00 h, room G120 (odd weeks; 1.3., 15.3., 29.3., 12.4., 26.4.)

*Guest lectures may also take place at other times.*

### Modules

European and Global Business  
General Management

# Topics

1. Introduction: A Network Perspective on Multinational Companies
2. Theories, Theoretical Approaches, and Concepts to Explain the Network Perspective
  - 2.1. Basic Theories
    - Transaction Cost Theory
    - Resource-Based View
    - Knowledge-Based View
    - Resource-Dependency Theory
    - Principal-Agent Theory
    - Information-Processing Theory
    - Exploration vs. Exploitation
  - 2.2. Dynamic Models
    - Stages Models
    - Born Globals
  - 2.3. Network Models
    - The Interaction Approach
    - Markets as Networks
    - The Concept of (Dual) Embeddedness
  - 2.4. Contingency Approaches
3. MNCs as Networks
  - 3.1. Formal and Informal Coordination Mechanisms
  - 3.2. Roles of Subsidiaries in MNC Networks: Role Typologies
  - 3.3. Managing Alliances
4. International HRM
5. M&A by Emerging Market Firms

## Exercises

In addition to the normal lectures, specific excursions will be added to treat specific topics in more depth. Furthermore, guest lectures will be integrated into the course, to ensure that the course is practically orientated.

Even though guest lectures may occasionally be held outside normal lecture hours your participation in these presentations is mandatory.

Furthermore, some exercises will be done in the form of excursions with focus on one specific topic in more depth.

Note: The normal number of hours for a 4.5 ECTS course is not exceeded.

## Final Exam and Final Grade

A written final exam on all issues covered in the lecture, the excursions the additional lectures, the guest presentations and the mandatory readings gives the final grade.

Overall, we intend to have interactive class discussions, during the lecture, the excursions and during the guest lectures. We may reward very active class participation with extra points towards the final grade.

## Bibliography

Barney, J. (1991): Firm Resources and Sustained Competitive Advantage, in: Journal of Management, Vol. 17, No. 1, pp. 99-120.

Geyskens, I.; Steenkamp, J.-B.; Kumar, N. (2006): Make, Buy, or Ally: A Transaction Cost Theory Meta-Analysis, in: Academy of Management Journal, Vol. 49, No. 3, pp. 519-543 (reading only to p. 525).

Ghoshal, S.; Moran, Peter (1996): Bad for Practice: A Critique of the Transaction Cost Theory, in: Academy of Management Review, Vol. 21, No. 1, pp. 13-47.

Gulati, R. (1998): Alliances and Networks, in: Strategic Management Journal, Vol. 19, pp. 293-317.

Kogut, B.; Zander, U. (1996): What Firms Do? Coordination, Identity, and Learning, in: Organization Science, Vol. 7, No. 5, pp. 502-518.

*Additional articles might be provided during the lecture.*