

**National University of Singapore
NUS Business School
Department of Management and Organisation**

MNO4315 Global Management of Asian Multinationals

Session: Semester 1, AY2014/15
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Course Objectives

With the U.S. and most EU economies being confronted by heavy sovereign debts and huge unemployment, Asia is deemed to be an engine of growth in the next phase of global development. One also witnesses there is an increasing representation of Asian multinationals among the rank of the world's leading corporations. What is Asia's position in the world economic order of tomorrow? What role will Asian enterprises play in an increasingly interconnected global supply chain? How can Asian multinationals compete in the world market once dominated by the much more established global conglomerates?

This module aims to expose students to the challenging paths of selected Asian multinationals in their journey of globalization. Students will understand the major driving forces, both externally and from within the corporate, that stimulate some pioneer Asian multinationals from Japan, S. Korea and Taiwan in going global, and the critical factors that constitute their rise and fall.

Next, the module will study the rapid rise of some emerging Asian MNCs, especially those from China, India and selected ASEAN countries. Students will learn how rapid changes in the domestic and global business contexts have shaped the international expansion strategies of these Asian challengers. The module also aims to expose students to a better understanding of the many difficulties Asian multinationals face in their cross-border ventures--in nurturing global brands; in building a global talent pool; in seeking international market intelligence and regulative know-hows; and in managing diverse and complex situations.

References:

1. Anil K. Gupta, Toshiro Wakayama and Srinirangan Global Strategies for Emerging Asia. Jossey-Bass, July, 2012
2. PremachandraAthukorala (Edited) The Rise of Asia: Trade and Investment in Global Perspective. New York: Routledge, 2010
3. Lowell Dittmer and George Yu China, the Developing World, and the New Global Dynamic, 2010.
4. Luciano Ciravegna, Robert Fitzgerald, and Sumit K. Kundu. Operating in Emerging Markets. New Jersey: FT Press, 2014
5. A compilation of journal articles and published reports of relevance to the course themes.

Teaching Methodology

The class sessions will be highly interactive in nature. Students are held responsible for their own learning with the facilitation of case studies, role plays, learning projects, buzz group discussions, videos, guest talks and lectures.

Assessments

Case Analysis---Oral Presentation & Written Report 30%

Learning Project Essay Report 30%

Open Book Mid-Term Examination 30%

Class Participation 10%

Major Topics

1. Globalization of Asian Economies : A Region of Dynamic Growth amidst Uncertainties

Readings:

1. Luciano Ciravegna, Robert Fitzgerald, and Sumit K. Kundu. Operating in Emerging Markets. Chap 1 “What are Emerging Markets?”

2. Asia’s Intra-regional Trade and Investment: New Trends and Developments

Readings:

- 1) Prem Athukorala and Hal Hill, The Rise of Asia: Trade and Investment in Global Perspective, Chap.2 “Asian Trade and Investment: Patterns and Trends”, 2010
- 2) Giovanni Capannelli, Jong-Wha Lee, and Peter A. Petri “Economic Interdependence in Asia: Developing Indicators for Regional Integration and Cooperation”, *The Singapore Economic Review*, Vol. 55, No. 1 (2010) 125–161

3. Emergence of Asian Multinationals: Opportunities and Challenges

Readings:

- 1) Huei-Ting Tsai and Andreas B. Eisingerich, “Internationalization Strategies of Emerging Markets Firms”, *California Management Review*, Vol. 53, No. 1 Fall 2010
- 2) Arindam Bhattacharya et al “Introducing the 2013 BCG Global Challengers”, January 2013
https://www.bcgperspectives.com/content/articles/globalization_growth_introducing_the_2013_bcg_global_challengers/
- 3) Ogasavara, Mário Henrique and Masiero, Gilmar. “Internationalization of Asian Companies in Brazil: Factors and Motivations” *International Journal of Management*. Sep 2013, Vol. 30 Issue 3 Part 1, p149-168.

4. Building Resilience of Japanese Brands

Readings:

- 1) Buckley P. J. “The rise of the Japanese multinational enterprise: then and now”. *Asia Pacific Business Review*. Jul 2009, Vol. 15 Issue 3, p309-321.

Case: Toyota’s Management of Product Recalls

5. Technical Superiority and Customer Connection: The Korean Way

Readings:

- 1) Hongshik Lee “Decision to Invest abroad: The Case of South Korean Multinationals” *Pacific Economic Review*, 15: 2 (2010) 81..302
- 2) Hongshik Lee “The Destination of Outward FDI and the Performance of South Korean Multinationals” *Emerging Markets Finance & Trade / May–June 2010*, Vol. 46, No. 3, pp. 59–66.

Case: Samsung Setting New Trends

6. From Imitation to Innovation: Competitive Advancement of Taiwan’s Electronics Industry

Readings:

- 1) Macher, Jeffrey T, Mowery, David C, Di Minin, Alberto. "The "Non-Globalization" of Innovation in the Semiconductor Industry", California Management Review. Fall2007, Vol. 50 Issue 1, p217-242.
- 2) Wen-Bin Chuang and Hui-lin Lin, "Interdependence between Overseas and Domestic R&D Activities: Evidence from Taiwanese Multinationals", Asian Economic Journal 2010, Vol. 24 No. 4, 305–332

Case: TSMC Wins in Niche Business

7. Challenges to India's Globalization and Economic Deregulation

Readings:

- 1) Anil Gupta, Toshiro Wakayama and U. SrinivasaRangan (Ed.) Global Strategies for Emerging Asia, Chap.6 "Dubious Value of International Acquisitions by emerging Economy Firms: The Case of Indian Firms" by AnnelKarnani, 2012
- 2) Anil K. Gupta and Haiyan Wang "Getting China and India Right", Chap. 3 "Megamarkets and Microcustomers", Jossey-Bass, 2009

Case: Tata Motors Goes Global

8. Hong Kong at a Cross-Road—In Search of Future Paths of Growth

Readings:

- 1) "Hong Kong's Economy Is In The Calm Before The Storm", The Economist, Nov. 14, 2013<http://www.newshour24.com/business/1zcx27ogtm/Hong-Kongs-Economy-Calm-Before-Storm.htm>
- 2) Ryan Lam "Economic Outlook 2014: A Year in Transition" , Hang Seng Bank : Hong Kong Economic Monitor December 2013
https://www.hangseng.com/cms/tpr/eng/analyses/PDF/hkem_e.pdf

9. China Goes Global: Managing International Mergers and Acquisitions

Readings:

- 1) BalaRamasamy, Matthew Yeung and Sylvie Laforet "China's Outward Foreign Direct Investment: Location Choice and Firm Ownership" Journal of World Business, 47 (2012) 17-25
- 2) Adele Parmentola, "The Internationalization Strategy of New Chinese Multinationals: Determinants and Evolution", International Journal of Management Vol. 28 No. 1 Part 2 Mar 2011

Case: Lenovo in the PC+ Era

10. Mid-term Examination (Open book)

11. ASEAN as New Investment Hub

Readings:

- 1) Masron, TajulAriffin and YusopZulkornain, "The ASEAN investment area, other FDI initiatives, and intra-ASEAN foreign direct investment", Asian-Pacific Economic Literature. Nov2012, Vol. 26 Issue 2, p88-103.
Aug2010, Vol. 27 Issue 2, p200-220.
- 2) Simarmata, DjamesterA., "The Effects of Global Debt Problems on the ASEAN Economy", Journal of Southeast Asian Economies. Aug2013, Vol. 30 Issue 2, p201-212. 12p. 3 Charts

Case: Unilever in Indonesia and Vietnam

12. China-ASEAN Strategic Partnership

Readings:

- 1) Lowell Dittmer and George Yu China, the Developing World, and the New Global

Dynamic,2010,Chap.4JornDosch, “China and Southeast Asia: A New Regional Order in the Making”

- 2) George T. haley, Usha C.V. Haley and Chin Tiong Tan, New Asian Emperors, Chap. 3The Overseas Chinese Today: not the Family Business, But the Family as a Business”, John Wiley, 2009

13. Conclusions and Feedback on Mid-term

Guidelines for Course Assignments

I. Case Presentation (30%: Individual oral presentation 10% + Group slides 20%)

The case write-ups describe some major contextual forces—both external and in-company ones, that drive selected Asian corporations to expand their business overseas, and the management challenges they face in the process of internationalization. In this module, we include for discussion some established Asian MNCs like Toyota and Samsung, which, after decades of hard work, and countless attempts of reform and improvements, have reached the ranks of global players and widely recognized as competitive world leaders in selected business domains. We also include, in contrast, some emerging challengers from the re-emerging Asian giants such as Tata Motors from India and Lenovo from China. These emerging corporate icons, despite of their market dominance in the domestic turf, are relative new players in the global scene. They usually choose to reach their international presence through mergers and acquisitions, which represents a new mode of corporate development in Asia. What may be some unique management issues that confront them as they expand globally?

For impactful learning, students in groups of 5 to 6 will be given a case scenario and some case questions which serve to guide them in their preparation and presentation of the case from the perspective of an assigned managerial role. Course instructor will create the case scenarios and assign roles to each presenting team and its audience. Each presenting team will be responsible for analyzing the business scenario, making decisions and proposing actions for the company in accordance to its role in the case scenario. Members are advised to treat the case questions merely as guidelines in organizing their thoughts and content coverage in their presentation, and not by giving answers to the questions per se. The presenting team will have to submit to the instructor a printed set of written slides (with full names of all members) during its oral presentation, and the final version of the slides in e-format one week after its oral presentation.

II. Independent Learning Project (30%)

A learning project, to be undertaken by students in small groups of 2 to 3, is an exercise that involves a more intensive study of a topic of relevance to the course undertaken. Asia is huge, complex and diverse. Many Asian countries went independent only after World War II, and they have experienced many dramatic transitions to reach the present status of political/economic progress, but many are also adversely affected by a rising inflation and a widening wealth gap.

Asia as a rising market is an emerging center of economic activities. This has attracted more local and foreign investment which often results in a keener competition in many sectors. What role Asian MNCs can and should play in the changing context of the region? How can Asian companies perform and add value under the constraints of a rising cost of living, increased mobility of human capital, and diverse demands of their customers.

A project report can be a conceptual paper addressing a significant management issue facing many Asian multinationals in their path of cross-border investment. (e.g. Brand Building of Asian Multinationals; Building Strategic Alliance with Local Players; Management of a Diverse Workforce; Asian Leadership for Non-Asian Operations etc.) A conceptual understanding of the topic addressed must be substantiated by a good literature review and discussion on the actual exposure of at least two Asian MNCs.

The report can also be a field study documenting the experience of a cross-border journey made by an Asian company or an industry sector. Field reports should focus on the management challenges facing the Asian MNC(s) in a particular destination (host country) and on specific economic activities (e.g. Investing in the infrastructural built-up of Indo-China; Capitalizing on India's Deregulation in Consumer Markets, E-commerce in China etc.)

Each project report should carry a good literature review on the chosen topic; your observations of some major internalization issues facing Asian MNCs; analysis of the dynamic factors causing such management challenges; and recommendations for actions. A field study report should include some relevant background information of the company to be addressed and interviews with selected decision makers of the Asian enterprise under study. Alternatively, in-company data or research findings from credible sources can also be considered a substitute source of primary information from the field. All essays, including graphics, footnotes, and reference list, should not exceed 20 pages in total. The report should be typed in Time Roman Font Size 12 with double spacing, and be submitted to the instructor on or before October 31, 2014.

III. Open-book Mid-term Test (30%)

An open-book mid-term test in the format of short essay questions will be conducted during class. It serves to assess students' level understanding of the business trends and investment patterns of the Asia MNCs, as well as their recognition of some effective management approaches in the overseas ventures of Asian MNCs. The mid-term test will be organized around mid-September, with exact date to be announced in class.

IV. Class Participation (10%)

Students will learn by engaging in active listening, idea contribution, and reflecting on critiques and comments made by peers with a positive mindset. Students will be recognized for their active participation in class discussion, and their raising of intelligent questions and insightful comments that contribute to this additional learning of the class.