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Christopher Ziemnowicz, Editor
The University of North Carolina at Pembroke

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A Welcome Note from the President of AIB-Midwest

Greetings!

It is my pleasure to welcome you to the 2018 Academy of International Business – U.S. Midwest Chapter (AIB-Midwest) conference. AIB-Midwest is an organization that fosters research and education in the field of international business. Our chapter's mission is to encourage and assist research activities that advance international business knowledge, increase the availability of teaching materials, and facilitate information and ideas exchange among educators and between international business and academic fields. The specific mission of our meetings is to provide our participants with the opportunity to present their work in a collegial setting, obtain constructive feedback, advance research toward submission for publication and interact with world-class scholars, panelists and keynoter speakers. The conference provides developmental opportunities for students, junior and senior scholars to share international business research, teaching, and practice. The diverse program during the meetings in Chicago is designed to provide you with a rewarding experience in an environment for engaging dialogue and enjoying life together.

This year's conference proceedings contain full papers or abstracts of the works that were accepted for the meeting. These contributions represent research and analyses of some of the problems and emerging phenomena in the global business environment. Hopefully, they will serve as a valuable source for your further research. I hope that you will find this edition of the conference proceedings informative, useful, and thought provoking.

I would like to express my sincere appreciation for your continuous support and contributions to the AIB-Midwest chapter. Over the past few years, AIB-Midwest has witnessed great success at our annual conferences in Chicago. These achievements would not have been possible without your involvement and backing. I would also like to thank all of our authors, reviewers, panelists, speakers, keynote presenters, as well as the conference participants because without whom this event would not happen. Of course, sincere thanks go to our hard working AIB-Midwest executive officers for their active participation and enthusiastic help. Once again, thank you for your work at this year's conference and looking forward to your input at our annual forums in the years to come!

Man Zhang

March 2018

ACKNOWLEDGEMENT FROM THE EDITOR

Dear Colleagues and Friends,

This conference proceedings publication of the Academy of International Business - U.S. Midwest Chapter represents the thirty-second annual edition.

The vision of the Academy of International Business-Midwest Region is to provide a forum and serve as a catalyst for initiating and continuing dialogues about teaching and research projects. The objective of the annual meetings is to bring together attendees from academic institutions (large and small, public and private, domestic and foreign), as well as representatives from governmental agencies, non-profit institutions, and the business community.

The articles in this publication represent a wide array of challenging topics and issues in International Business. They should serve as a source for further study and interaction. Globalization is continuing regardless of fluctuations in particular economies and perceptions among some in specific nations. Practitioners and academicians have to wrestle with the impact of the changes, for better or worse, on the economy, political views, the environment, as well as on the standards of living in both the developed and developing worlds. This annual conference allows participants to share their views, scholarly research findings, and experiences in how to cope and succeed in the increasingly challenging business environments.

This compilation is also a symbol of the continuing success over thirty-one years that would not been possible without the participation of numerous individuals. As each year, the authors, peer reviewers, presenters, session chairs, paper discussants, and panelists, as well as the officers of the AIB-Midwest Chapter, have donated their time and energy to make the annual meeting possible. This endeavor is only successful when it functions as a forum where academicians and business professionals share their research findings and experiences in a collegial and supportive environment.

Once again, your assistance and active involvement in this scholarly endeavor are most appreciated.

Christopher Ziemnowicz

March 2018

Proceedings of the AIB-Midwest 2018 Conference — Volume XXXII

Table of Contents

Economic Freedom, Firm Value, and Firm Profitability: An International Analysis	8
Min-Yu (Stella) Liao, Illinois State University	
Using Meta-Fields To Get Richer Data From Complex Populations	22
Eliane Karsaklian, Universite Sorbonne, Paris, France	
High Performance Work Systems And Performance: An In-Depth Analysis In Omani Context	36
Rabia Imran, Dhofar University	
Hina Shahab FMS, National University of Modern Languages	
A Test of the Awareness-Motivation-Capability Model on the Impact of Knowledge Spillovers In South-South FDI: A Case of Chinese FDI in Cambodia	46
Pisey Vicheth, Lingnan University	
Paul Whitla, Lingnan University	
Kong-Wing Clement Chow, Lingnan University	
Exploring a Culture with SWOT: The Mayangna of Nicaragua	47
Paul Lane, Grand Valley State University	
James W. Penn, Grand Valley State University	
Local Currencies: the Promise, the Pitfall, and the Politics	55
Brosh Teucher, Saint Michael's College	
South China Sea: Changing Dynamics	56
Peter Geib, Minnesota State University-Moorhead	
Lucie Pfaff, Mount Saint Vincent College	
Determinants of outward FDI: Evidence from Scandinavia	66
Shaista Nisar, University of Tampa	
Food Law in the United States and the European Union	68
Kelly Nicole O'Hara, Saint Michael's College	
Sustainability Practices of Albanian SMEs	69
Jeffery Harold Adams, Roosevelt University	
Engjellushe Icka, Nehemiah Gateway University	

Faiza Khoja, University of Houston-Downtown
Ralph Kauffman, University of Houston-Downtown
Steven Coy, University of Houston-Downtown

Economic Sustainability and Poverty Alleviation In Developing Countries: A Study of the Utilization of the Cooperative Business Model In Nicaragua	70
Marc McIntosh, Augsburg University George Dierberger, Augsburg University	
Fronius USA - Inverting Sustainable Energy into 24 Hours of Sun	72
Stephanie Dianne Trendowski, Valparaiso University Joseph Trendowski, Valparaiso University Jim Stuck, Valparaiso University	
The role of Social Capital in Entrepreneurial Self-Efficacy of Marginalized Women in Developing World	82
Hassan Hussein, College of Saint Benedict and Saint John's University Kingshuk Mukherjee, College of Saint Benedict and Saint John's University	
The Role of Online Discussion Forums in International Migrants' Occupational Integration ..	83
Daniel Gulanowski, Carleton University Luciara Nardon, Carleton University	
National Culture and Management: A Critical Review and Directions for Future Research ..	84
Daniel Gulanowski, Carleton University Luciara Nardon, Carleton University	
Stock Trading Involvement in Turkey - An Exploratory Study	85
Gaye Acikdilli, Baskent University Victor Bahhouth, University of North Carolina at Pembroke Christopher Ziemnowicz, University of North Carolina at Pembroke	
Banning Trade in Used Clothes: Should East African Community Risk Ejection from AGOA	86
Tuju Sila, Lindenwood University	
NAFTA: US Jobs and Incomes at Stake	88
Animesh Ghoshal, DePaul University	
Workplace Bullying and International HR Management	89
Kaori Takano, Fort Lewis College	

Managing Subsidiary Divestment through Time - Puerto Rico's Pharmaceutical Industry Experience from 1960 to 2016	97
Luis Manuel Baquero, Pontifical Catholic University of Puerto Rico	
A Short-Term Study Abroad Costa Rica: A Brief Overview	98
Ana Isabel Estrella-Riollano, Missouri State University - West Plains Campus	
Juan Meraz, Missouri State University	
La Planète Des Crypto-Monnaies (planet of the cryptocurrencies)	101
Brosh Teucher, Saint Michael's College	
Business Strategies for Vietnam and Minnesota Trade	102
Henry Tian-hua Engel, Pitzer College	
Kingshuk Mukherjee, College of Saint Benedict and Saint John's University	
Anand Pore, University of Houston-Downtown	
Using New Technologies to Achieve Competitive Advantage in International Markets	116
David J. Boggs, Eastern Illinois University	
Junnatun Naym, Eastern Illinois University	
Online Drug Pricing: U.S. vs. Canada	117
Lydia Gan, University of North Carolina-Pembroke	
Bishwa Koirala, University of North Carolina-Pembroke	
Daniel Bougt, Uppsala University	
Students Enrolled an Educational Leadership Master's Program Utilization of Tes Teach Blendspace for Reflection and Collaboration	118
Katharine Bohley Martin, University of Indianapolis	
Gaoming Zhang, University of Indianapolis	
Integrating Evernote as a Mobile Tool for Reflection and Collaboration: A Case Study of MBA Program of Educational Leadership Collaboration	121
Katharine Bohley Martin, University of Indianapolis	
Gaoming Zhang, University of Indianapolis	
Global Business and Supply Chain Management: Develop and teach this critical element!	124
Alex Polacco, St Cloud State University	
The Potential of Critical Self-Reflection for Intercultural Leadership Development	125
Louis Hickman, Purdue University	
Mesut Akdere, Purdue University	

Telehora For Business Cases: Proposing Virtual Reality For Developing Social Skills	136
Louis Hickman, Purdue University	
Mesut Akdere, Purdue University	
Is Artificial Intelligence Destroying a Bane or a Boon for Managers	145
Anand Pore, University of Houston-Downtown	
David Epstein, University of Houston- Downtown	
Kingshuk Mukherjee, College of Saint Benedict and Saint John's University	
Etienne Musonera, Mercer University	
How Should Online Trading Platforms Evolve: Forecasting a Better Defense Mechanism Against Security Threats	146
Nalindrani Malimage, Saint Cloud State University	
Kingshuk Mukherjee, College of Saint Benedict and Saint John's University	
Anand Pore, University of Houston-Downtown	
Designing for Mulukuku	147
Paul Lane, Grand Valley State University	
Waltraud Beckmann, Bwaltraud Consulting	
Understanding North Korea for Global Business Perspectives	148
Sang T. Choe, University of Southern Indiana	
Glenn A. Pitman, SUNY-Binghamton	
A Study of Consumer Ethno-centrism and Values in Saudi Arabia	154
Etienne Musonera, Mercer University	
Ali Abdullah Alshehri, Mercer University	
Anand Pore, University of Houston-Downtown	
Kingshuk Mukherjee, College of Saint Benedict and Saint John's University	
The role of agglomeration and social capital in local economic development – The small town as the solution to the duality of global competitiveness and urbanization	155
Claudia Gomez, Kent State University	
Deepraj Mukherjee, Kent State University	
Lucas Engelhardt, Kent State University	
Creative Destruction at Work Changing International Trade Dynamics: a reassessment using the Innovation Helixes	156
Elias Carayannis, George Washington University	
Gaye Acikdilli, Baskent University, Ankara, Turkey	
Christopher Ziemnowicz, University of North Carolina at Pembroke	

ECONOMIC FREEDOM, FIRM VALUE, AND FIRM PROFITABILITY: AN INTERNATIONAL ANALYSIS

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ABSTRACT

Using a comprehensive set of international firms from 92 countries, this study investigates the relation between economic freedom and firm performance. The literature has documented evidence that economic freedom is positively associated with economic growth, investment spending, income equality, employment, gender equality, etc. There is, however, little studies examining how economic freedom affects a firm's performance such as firm valuation and profitability. The evidence presented in this study shows that economic freedom strengthens a firm's valuation and profitability. Economic freedom is also more beneficial for firms from emerging markets. Firms headquartered in an emerging market experience higher valuation and profitability with higher levels of economic freedom. Additionally, this study provides evidence that economic freedom is crucial to the success of early-stage firms. Younger firms from countries with higher levels of economic freedom experience greater valuation and profitability.

Keywords: Economic freedom; firm performance; emerging markets; entrepreneurship; economic growth;

1. INTRODUCTION

The focus of this study is to examine the impact of a country's economic freedom on firm performance measured by Tobin's q and profit margins, using a newer version of the economic freedom index and a more comprehensive set of international data. The notion that economic freedom is essential for economic efficiency has been well established in economic theory. An extensive literature focuses on various macroeconomic outcomes associated with the economic freedom, such as GDP growth, income levels, poverty, productivity, and investment spending (Hall and Lawson, 2014). There is, however, little studies examine the association between economic freedom and firm valuation and firm profitability.

Using the most recent Economic Freedom of the World index (Gwartney, Lawson, and Hall, 2016) and 470,187 firm-year observations from 92 countries during the period 2000-2014, I examine the association between economic freedom and firm performance in three different ways. First, I examine how economic freedom affects the overall level of firm valuation and profitability across countries. Second, I examine whether economic freedom exerts uniform impact on firm performance around the world by stratifying my sample firms into two groups depending on whether a firm is headquartered in an emerging market. This is because economic freedom has been widely observed to be important to economic growth (Gwartney et al., 1999; Wu and Davis, 1999; De Haan and Sturm, 2000; Heckelman, 2000; La Porta et al., 2002). Firms from emerging markets may benefit more from higher level of economic freedom than firms from developed markets due to their growth and financing needs. Third, I examine whether the association between economic freedom and firm performance varies between young and matured firms as economic freedom implies free markets which are widely believed to provide more opportunities for early-stage companies (Wennekers et al., 2002; Kreft and Sobel, 2005; Sobel et al., 2007; Bjørnskov and Foss, 2010; Nyström, 2008).

I find that economic freedom strengthens a firm's valuation and profitability. Specifically, I find that firms operating in countries with higher levels of economic freedom experience higher Tobin's q and

profit margins. These results hold after controlling other economic and financial market characteristics. I also find that economic freedom is especially important for firms from emerging markets. This may be because firms from emerging markets rely on the diffusion of technology from elsewhere. If a firm operates in an emerging market, it can certainly benefit from an economically free environment that offers better attractiveness to foreign investors. I provide evidence supporting this view that firms from emerging markets benefit more from higher levels of economic freedom. Additionally, I show that economic freedom is crucial to the success of younger firms. Firms at their early stages require more growth opportunities. Thus, younger firms benefit more from higher levels of economic freedom that provides a steady and reliable monetary environment, a free and open investment environment, and a transparent and open financial system.

The results presented in this study provide important implications for firm managers and investors as economic freedom serves as an indicator of a firm's performance. In an environment in which economic freedom varies widely from country to country, investors in global markets strive to identify attractive investment opportunities. This study shows that economic freedom is key to investment in emerging markets or development in entrepreneurship. The findings of this paper shed lights in our highly integrated global economy, and can be of interest to both academia and the corporate world.

The remainder of the paper is structured as follows. Section 2 provides a review of the literature. Section 3 discusses the hypothesis while section 4 discusses the data and sample construction. Section 5 provides my empirical results. I conclude with a summary and a brief discussion of the importance of these findings in Section 6.

2. LITERATURE REVIEW

Studies in the economic literature have found that the economic freedom is associated with economic growth. For example, Vanssay and Spindler (1994) and Barro (1996) find that economic freedom has a favorable impact on economic growth. Wu and Davis (1999) identify the role of economic freedom in enhancing economic growth after controlling for political freedom. In contrast, Gwartney et al. (1999) and De Haan and Sturm (2000) find that the level of economic freedom does not contribute significantly to economic growth; instead, a positive change in economic freedom does. Also, Heckelman (2000) suggests that the average level of freedom in a nation, as well as many of the specific underlying components of freedom, precedes economic growth. Among many other studies, Faria and Montesinos (2009) and Stansel and Tuszynski (2016) find evidence supporting this view. Additionally, Doucouliagos (2005) and Hall and Lawson (2014) provide reviews of the literature in the economic freedom. The general conclusion of these studies suggests that higher taxes and government regulations, greater restrictions on trade, and weaker property rights and monetary systems — by creating higher costs for producers — will tend to have a dampening effect on entrepreneurship and thus economic growth.

There are also studies that find beneficial impact of economic freedom on investment. For example, Gwartney et al. (2006) show how economic freedom increases investment and how it also results in more productive investment. In a similar vein, Azman-Saini, Baharumshah, and Law (2010) argue that the impact of foreign direct investment (FDI) on growth is contingent on the level of economic freedom in the host country.

It is also noted that economic freedom exerts positive impact on aspects of economies. Berggren (1999) finds that during the period 1975–1985, the higher the degree of economic freedom, the higher the degree of income equality in a country. Feldmann (2007, 2008) confirms a positive role of economic freedom in employment. Esposto and Zaleski (1999) conclude that the quality of life is positively associated with economic freedom. Economic freedom is also found to be positively associated with women's well-being

and gender equality (Stroup, 2008; Weichselbaumer and Winter-Ebmer, 2007; Zweimüller, Winter-Ebmer, and Weichselbaumer, 2008).

There are also some studies that find mixed evidence depending on the components of the economic freedom index. For example, Hopkin and Rodriguez-Pose (2007) find that high levels of public expenditure or government consumption (representing low levels of economic freedom) are strongly associated with low levels of corruption. Instead, restrictions on business activity through heavy regulation and cumbersome bureaucracy (also representing low levels of economic freedom) are a powerful predictor of corruption. Kim (2009) finds that the level of freedom to trade with foreigners of a licensee's country appears to be an insignificant determinant of a U.S. firm's decision in choosing a partner.

There are, however, studies that find a negative association between the economic freedom and income level. Specifically, they find that economic freedom corresponds with greater income inequality (Bergh and Nilsson, 2010; Carter, 2007; Graeff and Mehlkop, 2006). This indicates that more economic freedom may come at a price of an increase in income inequality. Berggren (1999), Gwartney and Lawson (2006), and Scully (2002) suggest this as a trade-off between growth and income equality.

In the finance literature, the economic freedom is found to be associated with corporate governance and ownership structure at the country level. For example, La Porta et al (2002) use the size of government as a measure of government intervention and find that government ownership of banks is especially common in countries with heavy government intervention in the economy. Edwards (2009) finds that capital controls, which disrupt economic freedom, decrease the likelihood of financial crisis. Wang and Wang (2012) find that in a more economically free country, a foreign venture capital backed portfolio company is more likely to pull off a successful exit through an IPO (initial public offering) or an M&A (merger and acquisition). Li (2002) shows that countries with higher economic freedom and stronger shareholder protection have a higher relative market capitalization as a percentage of GDP. Stocker (2005) shows that the rate of increase in economic freedom is directly related to equity returns and that an investment strategy based on economic freedom earned attractive investment returns. Lawson and Roychoudhury (2008) find that firms in the U.S. located in states with higher levels of economic freedom experience higher stock market returns. Their study, however, does not find any association between the economic freedom and investment strategies.

Overall, the literature suggests that economic freedom is beneficial to economic growth, explains why some countries grow faster than others, determines a nation's wealth, and is associated with a nation's governance standards. This study extends the literature of economic freedom and examines how economic freedom determines firm valuation and profitability across different countries.

3. HYPOTHESIS DEVELOPMENT

Economic theory indicates that economic freedom affects incentives, productive effort, and the effectiveness of resource use (De Haan and Sturm, 2000). North and Thomas (1973) contend that the freedom to choose and supply resources, competition in business, trade with others, and secure property rights are central ingredients for economic progress.

Gwartney, et al. (1996) argue: "If people are not permitted to keep what they produce and earn, they will have little incentive to either upgrade their skills or invest in structures and machines designed to enhance future productivity ... if individuals are not allowed to try new ways of doing things, innovation and improvements in technology will be stifled.... [In contrast], if an economy's institutions are consistent

with economic freedom, it will be easier for people to cooperate with each other, specialize in areas where they have a comparative advantage, and realize gains from trade and entrepreneurship”.

Extending the notion that economic freedom is beneficial to economic growth and capital market development, I hypothesize that firms that operate in an environment with higher levels of economic freedom are more likely to benefit from the growing economy, enjoy greater institutional infrastructure, enhance innovation and technology, and experience greater productivity. This, in turn, may lead to higher firm valuation and profitability.

H1: Economic freedom is positively associated with firm valuation and firm profitability.

Neoclassical theory predicts that financial integration can foster growth in emerging markets because it permits capital from rich countries to be invested in economies with low savings but high growth opportunities (Giannetti and Ongena, 2009). Goldsmith (1997) shows that developing countries that better protect economic rights tend to grow faster, have a higher average national income, and have a higher degree of human well-being. Berggren (2003) contends that strong judicial system that protects private-property rights and upholds contracts and agreements is central for a strong economic development. This factor is, however, problematic in many developing nations. Berggren (2003) also suggests that long-term increases in the freedom to trade and carry out financial transactions are crucial to income equality, especially in developing nations.

Bengoa and Sanchez-Robles (2003) suggest that the potential impact of foreign direct investment is greatest in developing countries. This is because developing countries lack the necessary background, such as education, infrastructure, liberalized markets, and economic and social stability, to develop innovations and implement new discoveries in the productive process. Accordingly, they rely on the diffusion of technology that originates elsewhere. If firms in developing countries must benefit from the diffusion of modern technology from the leader countries, developing countries with higher levels of economic freedom are likely to benefit more due to superior attractiveness to foreign investors. Therefore, I hypothesize that firms from emerging markets are likely to benefit more from higher levels of economic freedom because they are more likely to experience technology or investment spillover from other countries.

H2: Firms from emerging markets are likely to benefit more from higher levels of economic freedom.

Meanwhile, economic freedom implies free markets which are widely believed to provide more opportunities for early-stage companies (Wennekers et al., 2002; Kreft and Sobel, 2005; Sobel et al., 2007; BjØrnskov and Foss, 2010; Nyström, 2008; Wang and Wang, 2012).

Wang and Wang (2012) contend that the more constraints there are on the allocation of resources in production and consumption, the fewer growth opportunities and chances of success for venture capital firms. In an economically free market, the burden of bureaucracy and corruption would be smaller and the government would try to provide a steady and reliable monetary environment, a free and open investment environment and a transparent and open financial system. These are essential for the success of early-stage firms.

Because venture capital firms invest primarily in early-stage firms, early-stage firms and venture capital firms may face similar challenges, such as investment risk, transaction costs, and agency problems. Therefore, I hypothesize that, for younger firms or firms at their early stages, economic freedom is particularly important because of their sensitivity to the regulation, vulnerability to the competition, and the reliance on the institution.

H3: Economic freedom is likely to exert greater impact on younger firms or firms at their early stages.

4. DATA AND SAMPLE CONSTRUCTION

I collect data on publicly listed firms from 2000 to 2014 from a variety of sources. I begin with the Morningstar database and obtain all publicly listed firms from all countries provided by Morningstar. This includes firms listed not only on major stock exchanges, but also on smaller or regional stock exchanges around the world. As suggested by Burhop and Lehmann-Hasemeyer (2014), small firms tend to list on regional stock exchanges. Ignoring those regional stock exchanges are likely to create a bias towards larger firms. I also obtain delisted information for which I am able to obtain their listing and delisting dates. This results in an initial sample of 134,719 firms. The same firm can appear in the data several times because of multiple listings on different exchanges or different share classes. I remove duplicated listings that occur in the same year on the same exchange. I retain the listing of primary shares if multiple share classes are reported. This further filtering results in a sample of 123, 663 firms from 128 countries.

I then match these firms obtained from the Morningstar database with Compustat Global to obtain the necessary financial variables for the analysis. All financial variables are winsorized at 1% and 99% level. This results in an intermediate sample for empirical analysis consists of 529,521 firm-year observations.

Next, I obtain Economic Freedom of the World index (hereafter EFW) from the 2016 annual report (Gwartney, Lawson, and Hall, 2016). The index published in Economic Freedom of the World was developed to measure the degree to which the policies and institutions of countries are supportive of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, freedom to enter markets and compete, and security of the person and privately-owned property. The EFW index measures the degree of economic freedom present in five major areas: (1) regulation of credit, labor, and business; (2) freedom to trade internationally; (3) access to sound money; (4) legal structure and security of property rights; and (5) size of government: expenditures, taxes, and enterprises¹. The index ratings of these five areas are then averaged to derive the overall summary rating (Total Score) for each country. Table 1 shows the Pearson correlation coefficients of EFW five major areas.

Table 1: Pearson correlation coefficients of EFW

	Total score	EFW Regulation	Freedom to Trade	Sound Money	Security of Property Rights
Total Score					
EFW Regulation	0.773***				
Freedom to Trade	0.854***	0.558***			
Sound Money	0.832***	0.514***	0.753***		
Security of Property Rights	0.798***	0.583***	0.692***	0.613***	
Size of Government	0.112***	0.080***	-0.136***	-0.150***	-0.290***

Note: *, **, *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

As shown in Table 1, all components of EFW are significantly correlated with each other. I also note that with three exceptions, the EFW index is positively correlated with one another.

I also obtain country level variables from the World Bank and obtain corporate governance (rule of law) data from Sheleifer's website. The coverage of countries varies among different data sources. This results in a final sample of 470,187 firm-year observations from 92 countries. I provide a list of variable definitions in Appendix 1.

Table 2 shows the summary statistics of key variables used in the analysis. As shown in Table 2, on a scale of 0 to 10, the mean (median) value of overall EFW index (total score) of my sample countries is 7.06 (7.20). The median stock market volatility is 19.67% while the median inflation rate is 4.02%. On average, the market capitalization scaled by GDP is 30.5, and the GDP per capita is \$16,782. Also, GDP per capita grows, on average, 3.74% per year.

Table 2: Summary statistics

Variable	Mean	Median	Std Dev
Total score	7.06	7.20	0.88
EFW Regulation	7.00	7.10	0.96
Freedom to Trade	7.46	7.60	1.15
Sound Money	8.37	9.00	1.51
Security of Property Rights	6.26	6.20	1.60
Size of Government	6.19	6.30	1.26
Market volatility	22.18	19.67	12.36
Inflation	25.61	4.02	522.11
Market capitalization/GDP	30.46	9.49	57.04
GDP per capita (in \$)	16782.46	8233.59	21801.36
GDP per capita growth	3.74	3.70	4.02

5. EMPIRICAL RESULTS

5.1 Economic Freedom and Overall Firm Performance

In this section, I examine whether economic freedom is associated with a firm's performance measured by Tobin's q and profit margins. I compute the performance measures for each firm in each year, and take the median value of these performance measures from each country in each year. This is because every firm in the same country is subject to the same level of economic freedom. I then repeat my analysis (un-tabulated) using the performance measures of each firm in each year, and obtain qualitatively identical results.

As shown in Table 3, economic freedom is significantly and positively associated with firm value measured by Tobin's q. I include one EFW component at a time because Table 1 shows that each component is highly correlated with each other. Take model 1 for instance, the coefficient of EFW total score on Tobin's q is 0.10, indicating that one standard deviation increase in EFW total score will result in an increase of Tobin's q by 0.009. This positive association holds across all 5 components of EFW.

Table 3: Regression analysis of EFW and firm valuation

Dependent variable: Tobin's q	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	1.118	1.135	1.167	1.178	1.159	1.147
Total score	0.010*** (<.0001)					
EFW Regulation		0.008*** (<.0001)				
Freedom to Trade			0.003*** (<.0001)			
Sound Money				0.002*** (<.0001)		
Security of Property Rights					0.005*** (<.0001)	
Size of Government						0.007*** (<.0001)

Note: P-values are provided in parentheses. *, **, *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

I then present the results concerning the impact of EFW on firm profitability in Table 4. Results shown in Table 4 are mixed. Although the overall EFW total score is still positively associated with firm profitability, not every sub-component of EFW is. Specifically, I find that there is no relation between firm profitability and sound money or security of property rights. This is in line with Carlsson and Lundström (2002) who find that there is no relation between growth and monetary policy and price stability (sound money). I also find that freedom to trade is inversely related to a firm's profit margin.

Table 4: Regression analysis of EFW and firm profitability

Dependent variable: Profit Margin	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	0.028	0.024	0.037	0.031	0.033	0.027
Total score	0.001** (0.022)					
EFW Regulation		0.001*** (<.0001)				
Freedom to Trade			-0.001*** (0.004)			
Sound Money				0.000 (0.179)		
Security of Property Rights					0.000 (0.748)	
Size of Government						0.001*** (<.0001)

Note: P-values are provided in parentheses. *, **, *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

The inverse relation between profit margin and freedom to trade is, however, not surprising. There are studies supporting the view that free trade and trade openness does have, at least some, positive effects on

efficiency and growth. There are, however, some studies find that freedom to trade with foreigners exerts a negative influence on economic growth (Carlsson and Lundström, 2002).

In order to fully understand the effect of economic freedom on firm performance, I also examine how economic freedom affects a firm's Tobin's q and profit margin while controlling other country characteristics. I control a country's stock market volatility which captures investment risk. I control inflation because monetary and exchange rate policies can affect market returns and market volatility (Mullin, 1993). I also include other economic and financial market indicators such as market capitalization scaled by GDP, GDP per capita, and the growth of GDP per capita. These variables capture the performance, size, and growth of a given country. The results are reported in Table 5 and Table 6.

The results reported in Table 5 and Table 6 are consistent with those shown in Table 3 and Table 4. That is, economic freedom is positively associated with firm valuation measured by Tobin's q, controlling other economic and financial characteristics. Economic freedom is also generally positively associated with firm profitability measured by profit margins. These results suggest that firms operate in an environment with higher level of economic freedom experience superior firm performance. I do find that one of the EFW components, freedom to trade, is negatively associated with a firm's profit margin.

Table 5: Effect of EFW on firm valuation

Dependent variable: Tobin's q	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	1.140	1.094	1.215	1.120	1.197	1.193
	0.019***					
Total score	(<.0001)					
EFW Regulation		0.020***				
		(<.0001)				
Freedom to Trade			0.002***			
			(<.0001)			
Sound Money				0.012***		
				(<.0001)		
Security of Property Rights					0.005***	
					(<.0001)	
Size of Government						0.008***
						(<.0001)
Market volatility	-0.004***	-0.005***	-0.005***	-0.005***	-0.005***	-0.005***
	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)
Inflation	-0.004***	-0.004***	-0.005***	-0.004***	-0.005***	-0.006***
	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)
Market capitalization/GDP	0.000***	0.000***	0.000***	0.000***	0.000***	0.000***
	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)
GDP per capita	0.010***	0.013***	0.012***	0.012***	0.012***	0.012***
	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(0.017)
GDP per capita growth	0.013***	0.023***	0.040***	0.049***	0.038***	0.024***
	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)	(<.0001)
Rule of Law						

Note: P-values are provided in parentheses. *, **, *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Table 6: Effect of EFW on firm profitability

Dependent variable: Profit Margin	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	0.018 0.002*** (0.001)	0.022	0.041	0.024	0.029	0.027
Total score		0.001*** (<.0001)				
EFW Regulation			-0.001*** (0.001)			
Freedom to Trade				0.001*** (0.004)		
Sound Money					0.001 (0.252)	
Security of Property Rights						0.001*** (0.001)
Size of Government	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)
Market volatility	0.000 (0.806)	0.000 (0.429)	0.000 (0.085)	0.000 (0.769)	0.000 (0.221)	0.000 (0.173)
Inflation	0.000 (0.743)	0.000 (0.626)	0.000 (0.090)	0.000 (0.167)	0.000 (0.186)	0.000 (0.828)
Market capitalization/GDP	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)	0.000*** (<.0001)
GDP per capita	0.001*** (<.0001)	0.001*** (<.0001)	0.001*** (<.0001)	0.001*** (<.0001)	0.001*** (<.0001)	0.001*** (<.0001)
GDP per capita growth	0.004*** (<.0001)	0.003*** (<.0001)	0.002*** (0.002)	0.003*** (<.0001)	0.004*** (<.0001)	0.002*** (<.0001)
Rule of Law						

Note: P-values are provided in parentheses. *, **, *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

Combining the results from Table 3 to Table 6, I find evidence supporting my first hypothesis. That is, economic freedom not only benefits a country's economic growth, but also strengthens a firm's valuation and profitability. It is important to note that not all components of EFW are equal. Consistent with the literature, I find mixed results concerning the relation between the freedom to trade and firm performance. Freedom to trade is found to be negatively associated with economic growth (Carlsson and Lundström, 2002), which is consistent with my finding that a firm's profitability is inversely related to this aspect of economic freedom.

5.2 Economic Freedom and Firm Performance in Emerging Markets

In this section, I examine the relation between economic freedom and firm performance in emerging markets. Bengoa and Sanchez-Robles (2003) suggest that poorer countries lack the necessary background, such as education, infrastructure, liberalized markets, and economic and social stability, to develop innovations and implement new discoveries in the productive process. Therefore, they rely on the diffusion of technology that originates elsewhere. If a firm operates in an emerging market, it is likely to benefit more from higher levels of economic freedom. This is because economic freedom can help the diffusion process, which, in turn, will lead to the adaptation of advanced technology, higher economic growth, and improved firm performance.

I use the Morgan Stanley Capital International (MSCI) market classification to identify emerging markets. These countries are included in the MSCI Emerging Markets Index that consists of 24 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates.

Next, I create an indicator variable that equals one if a firm is headquartered in these emerging economies, and zero otherwise. I interact this emerging market indicator variable with the EFW index. This interaction term captures the impact of economic freedom on firm performance in emerging markets.

The results are reported in Table 7. For brevity I show the results using the overall EFW index (total score). In un-tabulated tests, I obtain qualitatively similar results using individual components of EFW. As shown in Table 7, EFW total score is significantly and positively related with Tobin's q and profit margins. This confirms my first hypothesis again that economic freedom is beneficial to firm valuation and profitability. The coefficients on the emerging market indicator is negative and statistically significant. This indicates that firms from emerging markets perform relatively poorly compared with firms from other countries, mainly developed countries. This is expected as emerging markets have inferior technology and infrastructure that promotes firm performance. More importantly, the coefficients on the interaction term of EFW index and emerging market indicator is significantly positive. This is consistent with my second hypothesis that firms from an emerging market are likely to benefit more from higher levels of economic freedom due to their openness to innovations, foreign capital, and financial transactions.

Table 7: The effect of EFW in emerging markets

Dependent variable:	Tobin's q	Profit Margin
Intercept	1.263	0.022
Total score	0.006*** (<.0001)	0.001** (0.034)
Emerging market indicator	-0.212*** (<.0001)	-0.027*** (<.0001)
Total score*Emerging market	0.025*** (<.0001)	0.004*** (<.0001)
Market volatility	-0.004*** (<.0001)	0.000*** (<.0001)
Inflation	-0.004*** (<.0001)	0.000 (0.766)
Market capitalization/GDP	0.000*** (<.0001)	0.000 (0.372)
GDP per capita	0.000*** (<.0001)	0.000*** (<.0001)
GDP per capita growth	0.011*** (<.0001)	0.001*** (<.0001)
Rule of Law	0.005*** (<.0001)	0.004*** (<.0001)

Note: P-values are provided in parentheses. *, **, *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

5.3 Economic Freedom and Firm Performance for Younger Firms

In this section I examine whether early-stage firms that need more growth opportunities benefit more from higher levels of economic freedom. As discussed earlier, a steady and reliable monetary environment, a free and open investment environment and a transparent and open financial system are essential for the success of early-stage firms. Younger firms and matured firms face different challenges, and this section aims to examine whether economic freedom explains firm performance at various stages.

I interact EFW index with firm age and report the results in Table 8. For brevity I show the results using the overall EFW index (total score). In un-tabulated tests, I obtain qualitatively similar results using individual components of EFW. The results shown in Table 8 are consistent with my prior analysis, that is, economic freedom is positively associated with Tobin's q and profit margins. More importantly, the coefficients on the interaction term of EFW index and firm age are significantly negative. This suggests that younger firms originating from countries with higher levels of economic freedom experience higher firm valuation and profitability. This finding is consistent with my third hypothesis, and provides new evidence in the literature of economic freedom.

Table 8: The effect of EFW for young firms

Dependent variable:	Tobin's q	Profit Margin
Intercept	1.206	0.007
Total score	0.010*** (<.0001)	0.003*** (<.0001)
Firm age	0.001*** (<.0001)	0.001*** (0.001)
Total score*Firm age	-0.00017*** (<.0001)	-0.00015*** (0.001)
Market volatility	-0.004*** (<.0001)	0.000*** (<.0001)
Inflation	-0.006*** (<.0001)	0.000 (0.474)
Market capitalization/GDP	0.000*** (<.0001)	0.000 (0.768)
GDP per capita	0.000 (<.0001)	0.000*** (<.0001)
GDP per capita growth	0.010*** (<.0001)	0.001*** (<.0001)
Rule of Law	0.025*** (<.0001)	0.004*** (<.0001)

Note: P-values are provided in parentheses. *, **, *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

6. CONCLUSION

Using a set of international firms from 92 countries, I examine the relation between economic freedom and firm performance. The literature has extensively documented evidence that economic freedom is positively associated with economic growth, income equality, quality of life, investment spending, gender equality, etc. However, empirical studies on economic freedom have focused on its long-term

macroeconomic consequences. Little is known about how economic freedom affects a firm's valuation and profitability.

I use firm level data and find that economic freedom strengthens firm performance. Specifically, I find that firms from countries with higher levels of economic freedom enjoy higher valuation measured by Tobin's q, as well as greater profitability measured by profit margins. These results hold after controlling economic and financial market characteristics. I also find that firms from emerging markets benefit more from high levels of economic freedom. That is, firms from emerging markets experience higher valuation and profitability with higher levels of economic freedom. Finally, I show that economic freedom is crucial to the success of early-stage firms. Younger firms from countries with higher levels of economic freedom exhibit higher valuation and profitability.

This study shows results that economic freedom is not only beneficial to the long-term consequence of macroeconomics, but is also valuable at the firm level for firm performance. The results presented in this study provide implications for firm managers and investors as economic freedom serves as an indicator of a firm's performance. Finally, this study also contributes to and extends the literature of economic freedom with a newer edition of the economic freedom measurement and a wider set of data. As the global economy is constantly changing, using the most recent data is a key to stay updated.

Appendix 1: List of Variables and Their Definitions

Variable	Definition
Stock market turnover	Total value of shares traded during the period divided by the average market capitalization for the period. <i>Source: the World Bank</i>
Market volatility	The average of the 360-day volatility of the national stock market index. <i>Source: the World Bank</i>
Stock market return	The growth rate of annual average stock market index. <i>Source: the World Bank</i>
Inflation	Measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly. <i>Source: the World Bank</i>
Market capitalization/GDP	Total value of all listed shares in a stock market as a percentage of GDP. <i>Source: the World Bank</i>
GDP per capita	Gross domestic product divided by midyear population. GDP is the sum of gross value. <i>Source: the World Bank</i>
GDP per capita growth	Annual percentage growth rate of GDP per capita based on constant local currency. <i>Source: the World Bank</i>
Rule of Law	Assessment of the law and order tradition in the country. Scale from 0 to 10, with lower scores for less tradition for law and order. <i>Source: La Porta, Lopez-de-Silanes, and Shleifer (2002)</i>
Tobin's q	A firm's total assets minus the book value of equity plus the market value of equity divided by book value of total assets.
Profit Margin	A firm's net income divided by a firm's total sales in year t.

FOOTNOTE

1. Within the five major areas, there are 24 components in the index. Many of those components are themselves made up of several sub-components. In total, the index incorporates 42 distinct variables. Each component and sub-component is placed on a scale from 0 to 10 that reflects the distribution of the underlying data. When sub-components are present, the sub-component ratings are averaged to derive the component rating. The component ratings within each area are then averaged to derive ratings for each of the five areas (Gwartney et al., 2016).

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USING META-FIELDS TO GET RICHER DATA FROM COMPLEX POPULATIONS

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1. Abstract

Researchers are familiar with the constraints and difficulties in researching and understanding complex populations. For example, children, expatriates and international negotiators can be defined as complex populations to collect data from because of one main feature that brings them together: they live between two worlds. In this paper, we introduce a new methodology to conduct research with complex populations by using marketing as a meta-field to the understanding of management issues with expatriates. We present here a compilation of findings and methods we have been using in researches aiming at understanding expatriates' adjustment process through their relationship with brands. These researches have been conducted with a longitudinal approach with participants from all continents for eight years. We learned from the results that using marketing as a meta-field associated with the step-by-step methodology enables to unearth deep feelings, emotions and concerns that prevent expatriates from thoroughly adjusting to the host culture. This article is organized as follows. We first introduce the concepts of paradox management and complex populations and their specificities as well as the difficulties researchers face when conducting research with them. Then, we introduce the use of meta-fields to circumvent research hurdles. Next, we explain our step-by-step methodology based on projective techniques in using marketing as the meta-field to understand the underlying difficulties expatriates go through during the adjustment process. We conclude our article in discussing the main outcomes of eight years of research on the topic and highlight the main limitations.

Keywords: Paradox management, longitudinal research, meta-field, expatriation

2. Introduction

People who live between two worlds should be able to manage paradoxes. Some do it naturally, like the children while some others have a hard time trying to handle contradictions, like expatriates and international negotiators. Paradox has been defined as "contradictory yet interrelated elements that seem logical in isolation but absurd and irrational when appearing simultaneously" (Lewis, 2000, p. 760). Thus, managing paradoxes does not come naturally to most adults, mainly to the ones having been raised in non-paradoxical cultures.

However, managing paradoxes is not an issue for children because their imagination overrides their vision of reality. While growing up and being socialized, children live between their own world and the world of adults which are clearly contradictory (Karsaklian, 1995; 2006). Children's world is characterized by the words yes and possible while adults' world is made of no and impossible. By the age of 7, children are still very dependent on their parents at the same time that they search for autonomy (Piaget, 1993). And pre-adolescence is the phase of all paradoxes. Socialization is a tough process to go through.

Then, when the children become adults and are well socialized and comfortable with the behavioral patterns of their culture of origin, they are expatriated (Quelch, 1999). This means that they will need to leave some of their deepest values and beliefs behind in order to get used to new ones. They need to unlearn to make room for learning new behavioral patterns as stated by Tung (1987), Stone (1991), Yavas and Bodur (1999) as well as by Stroh et al. (2005). Expatriates should navigate between two worlds: their

home and host cultures. As it is harder to unlearn than to learn, for some people expatriation can be a traumatic experience. Indeed, acculturation can be a tough process to go through (Black et al., 1991).

Some adults won't be expatriated, but they might turn into international negotiators for their home country company. They will then travel very often and work with people from several other cultures. When they negotiate abroad, they are expected to take into account their company's constraints (goals, interests, strategies...) and the ones of their partners at the same time, what can often be contradictory. Unlike expatriates, they don't live abroad but they work abroad. While they don't need to acculturate, they need to abide by the same local rules as expatriates. International negotiators live between two (or more) cultural and corporate worlds (Karsaklian, 2016a; 2014).

In this paper, we explore the methodological difficulties in conducting research with complex populations, namely expatriates. We first review the literature about expatriates and the methodological aspects in researching them, mainly in understanding their issues related to cultural adjustment. We then introduce the idea of using marketing as a meta-field to study these issues. Next, we present a new methodology based on eight years of research with expatriates, which is conducted step by step. We conclude our paper with a discussion which aims at describing the main methodological implications for researchers.

3. Review of literature

In order to be respectful of the length limits for this paper, we will focus on expatriates as one representative research sample of complex populations.

Expatriate is defined as someone who lived and worked overseas (McCall and Hollenbeck, 2002) and refers to foreign job assignments for a specific period of time (Wang, 2008). The term expatriation is more often than not associated with the labelling of a highly-skilled individual who is sent by their employer to work outside of their home country in a subsidiary or private entity for a contracted period of time which requires a specific temporary immigration status and the receipt of employer relocation (Beaverstock, 2008).

When a person moves to another culture, the problem is not the difficulty inherent to the host culture, but the difficulty linked to the difference between home and host countries. When first examining adjustment among expatriates, researchers focused on obvious aspects such as food, weather and daily customs, but more recently, authors added other related dimensions that are adjustment to the job, interacting with host-country individuals and to the general nonworking environment (Stroh et al, 2005).

Many factors affect the adjustment of expatriates such as selection mechanisms and criteria, previous international experience, cross-cultural training, individual factors, job factors, organizational culture, organizational socialization as well as various non-work factors (Black et al., 1991).

Economic and social factors are working to increase global competition and global operations, and subsequently an acceleration of traffic in expatriation and repatriation. The number of expatriates is large and increasing at rates that parallel growth in global business (Harrison, et al., 2004). As a matter of fact, number of researchers envisage a future where job insecurity is the norm; where work is increasingly 'precarious' (Kalleberg, 2009) and careers are boundaryless (DiRenzo and Greenhaus, 2011). The dynamism inherent in a globalised world has changed the psychological contract between workers and employers (Smithson and Lewis, 2000).

One main issue with expatriates is that companies often send people on international positions that are capable but “culturally illiterate” (Black and Gregersen, 1999). Black et al. (1991) represented the expatriates’ adjustment process with what they called the U-curve of cross cultural adjustment, which states four stages: Honeymoon (excitement with novelty), Culture shock (uncomfortable feeling), Adjustment (gradual new culture acceptance), and Mastery (ability to live in the new environment). Businesspeople are not free from culture shock experienced in daily life in a new cultural environment (Jun and Lee, 2001).

3.1. Difficulties when researching complex populations

Having access to complex populations is difficult, there are no specific methods to collect data with them, there is need of multi-method and multidisciplinary approaches and the cultural variables should be taken into account when designing the research protocol.

As a matter of fact, expatriates are very busy people. They are constantly juggling with two parallel responsibilities (reporting to the headquarters back home and managing the local settlement) and as they are often in charge of a geographical zone they travel very frequently and are not always willing to talk about their adjustment issues. Expatriates have often been interviewed with questionnaires, sometimes with open-ended questions to give more freedom for their responses. However, their inner feelings and difficulties in acculturating can hardly be investigated through questionnaires. It is imperative that the methods used to investigate expatriates’ acculturation process are able to capture subjective and qualitative information.

The lack of specific methods to conduct research with complex populations makes their access even more difficult. A more indirect approach is needed to dig deeper into such subjective and qualitative data. Using methods from psychology, sociology, ethnology and other human sciences can help unearth the needed information enabling to work with this type of population.

Complex populations are often deemed as being universal. The use of universal methods for data collection can indeed lead to the impression of homogeneous behaviors while masking the inner feelings of participants. Although projective techniques have been used in business disciplines, they are still not tailored to analyze these specific populations. Finally, the research methodology should integrate cultural differences in order to take into account differences in modes of expression of participants (Karsaklian, 2011b).

3.2. Circumventing research difficulties by using marketing as a meta-field

Because they need to adjust locally while maintaining their loyalty to their home culture, expatriates experience constant tension between the two cultures. There should be limits to their acculturation because they are not immigrants; however their ability to behave as required locally is indispensable to their survival in the host country.

This situation triggers emotional instability mainly during critical phases in the acculturation process. Consequently, structured questionnaires, direct questioning and online interviews are unable to unearth the information researchers need in order to better understand phenomena linked to this population. Expatriates are reluctant to admit their inability to adjust locally, or to understand the local culture or the difficulties at work they might be facing as a result of the lack of cultural adaptation.

In an attempt to identify the underlying factors that both prevent and help expatriates to adjust to the local culture, we conducted a series of studies by using a multi-method approach articulated with meta-field topics. The advantage of this methodology is a) to provide more freedom for expatriates to express their ideas and feelings and b) give an indirect approach to sensitive topics. We opted for using marketing as a

meta-field to better understand the underlying difficulties expatriates go through during the adjustment process.

From the marketing standpoint, we understand expatriates as consumers, and their consumption patterns are altered when they live abroad (Karsaklian, 2012b). Their relationship with brands and advertising is different from the one they have in their home country. Expatriates as consumers is an understudied field in marketing although they represent a growing market target and their relationship with global and local brands can be the key to understanding their subsequent relationship with their host cultures.

As already stated by Aaker (1991), the growth of global consumer segments pushed companies to seek to strengthen their brand's equity in an increasingly competitive marketplace. In this ever-moving world, products disappear but brands continue to exist and provide consumers with the needed stability. When people buy a product, they are not simply buying its functional features but are also acquiring certain symbolic features that are incorporated in the brand (Aaker, 1996).

With the globalization of markets, there are more opportunities to create market potential through stimulating demand for products with universal appeal (Hassan et al., 2003). Johansson and Ronkainen (2005) state that research shows that one of the most common features of a globally integrated marketing strategy is the adoption of one brand name around the world, whereas Callow and Schiffman (2002) talk about how advertising interpretations are dependent on cultural factors of the viewer (Karsaklian, 2016b).

Thompson (2004) evokes an emerging stream of consumer research that suggests a far more encompassing and significant interrelationship between cultural processes and structures and brand meanings that just the brand image. Brands create unique identities for a firm's products in the eyes of its consumers (Keller, 2003). According to Strizhakova et al. (2008), consumers co-create brand meanings and brands become powerful because of their multiple meanings including self-identity, group-identity and national traditions. As one of the fundamental social processes in every culture, marketing communication has been used to exert a strong impact on consumer attitudes and behaviors (Watson et al., 2002). When individuals feel positive they believe that the environment is safe, thus a positive frame will generally be more effective than a negative frame (Chang, 2008).

Expatriates clearly change their consumption behavior when they are abroad, because brands' messages refer less to the product and more to the consumers' values and aspirations. Although many brands target global audiences, researchers and practitioners in marketing have been neglecting this growing target that is composed of people who are never locals, but try to survive in several different cultural environments.

3.3. The role of brands in expatriates' cultural adjustment.

Previous research (Karsaklian, 2011a) has demonstrated that expatriates use brands as helpers in their adjustment process to the host culture. From the marketing point of view, using brands to help expatriates to adjust to the host culture means creating a long term relationship with them because they tend to be loyal to those brands in all countries in which they are sold. Brands become the known references expatriates can rely on when everything else in their new environment is stranger to them. Thereby, Erdem et al. (2006) advise companies to execute communication campaigns that reinforce brands' ability to either reduce risk (Karsaklian, 2009c) or generate group identification. These suggestions would perfectly fit in with the risk-aversion situation experienced by expatriates and their social acceptance needs.

In addition, brand familiarity plays a critical role in a trustworthy relationship with expatriates. Johansson and Ronkainen (2005) state that esteem for a brand is correlated with its familiarity level and celebrity endorsement can be a solution for unfamiliar brands, because the celebrity world is one of the most

powerful sources of cultural meaning at the disposal of the marketing system and the individual consumer (McCracken, 1989).

Therefore, celebrity image can be defined as the perceptions about an individual who enjoys public recognition as reflected by the celebrity associations held in consumer memory (Seno and Lukas, 2007). When expatriates see local or global celebrities endorsing some brands, they understand that these brands are well accepted in the local market and are less reluctant to buy them. According to Shimp (2003), the most important attributes determining effectiveness of the endorser are credibility with trustworthiness, and attractiveness. The attractiveness of a brand can be explained by the esteem consumers have for a brand, by the attractiveness of the endorser and/or by the brand name itself. We also believe that the country of origin can play an important role in consumers' attitudes towards brands, either if it is linked to the brand, to the endorser or to the consumers' nationalities (Balabanis and Diamantopoulos, 2004).

Indeed, global brands are well-known and consumers in general don't know with certainty where they come from. But expatriates relate to them differently as brands guide their choices in the points of sale. They might start consuming brands they were not used to buy in their home country but as they are familiar with them they tend to trust them. One possible consequence of this is that expatriates can become loyal to these brands during and after their sojourn abroad. In addition, when expatriates find brands from their home country, they tend to introduce them to the local consumers they start connecting with. So expatriates can also be a vector of brand penetration in foreign markets.

This review of literature demonstrates that expatriates have been studied mainly from the standpoint of the reasons originating expatriates' failure and the consequent early reentry. In addition, no researches about expatriates as a consumer segment had been conducted in the marketing field so far. The aim of our research was to find new and innovating ways to better understand what expatriates and their families go through during their adjustment phase in the host country.

4. Research objectives

In order to have a better understanding of expatriates' behavior during their cultural adjustment phase to the host country, we created a multi-method approach using marketing as a meta-field. Our main objective was to unearth deep concerns without asking participants direct questions about the factors helping as well as hampering their cultural adjustment.

5. Rational of the studies

Humans are complex beings and thus to understand the experiences lived, it is necessary for the researchers to immerse into the phenomena and observe what may reveal itself in the process. The series of researches we presented here, aimed at understanding the deeper significance, or meaning structures, of the lived experience of participants by describing objects and situations precisely as they are experienced by them (Mills, 1997).

Projective techniques are appropriate methods to unearth feelings, emotions experienced by interviewees and have been largely used by psychologists to uncover deep-rooted thoughts by asking consumers to project themselves on something or someone else. They involve the use of stimuli that allow participants to project their subjective or deep-seated beliefs onto other people or objects (Morrison et al, 2005), and uncover a person's innermost thoughts and feelings.

Those techniques are based on the idea that unconscious desires and feelings can be explored by presenting a participant with an unthreatening situation in which the participant is free to interpret and respond to ambiguous stimuli. The five major subtypes of projective techniques are association (Inkblot and Hand Test), Construction (Draw-a-person and TAT), Completion (Sentence completion test and Picture study), Arrangements/selection (Szondi test and colour test) and Expression (Projective puppet play and handwriting analysis). In the researches presented here we used a set of projective techniques with expatriates for them to narrate their experience with brands during their sojourn abroad.

5.1. A multi-method approach for interviewing expatriates

When telling about their experience, participants respect the chronological order of happenings and create a sense-making situation as narratives convey experience through reconstituting it (Squire, 2008). Narrative meaning is created by establishing that something is a part of a whole. Narrating is telling a story in the form of a causally-linked set of events, happening and situations that affect human beings. Narratives display the significance that events have for one another (Denning, 2000).

Among the qualitative techniques using narratives, the actantial model, developed by A.J. Greimas, is a tool that can theoretically be used to analyze any real or thematized action. In this model, an action can be broken down into six components called actants. Actantial analysis consists in assigning each element of the action being described to one of the actantial classes. Greimas' (1983) Structural Semantics attempts a grand formalization of the narrative content by introducing the notion of "actant" (agents) that are central to the Greimasian approach to narrative. This author studied the role of all agents in a narrative, in relation to their contribution to the plot. After researching a large sample of narratives, he came up with a typology that, since then, has been widely applied. Hence, the actantial model is composed of six actants and three axes, as follows:

- **The axis of desire:** includes a subject and an object. The subject is what is directed toward an object. For example, a fire-fighter is a subject aiming at saving people in a burning house, who are the objects.
- **The axis of power:** comprehends the helper and the opponent. The helper assists the subject in achieving the object of his desire, while the opponent aims to prevent him from reaching it. In our example, the helpers for the subject are everything that the fire-fighter can use to extinguish the fire and to save people: water, ladder, etc. The opponents are the fire itself, the wind and other elements preventing the fire-fighter from accomplishing his mission.
- **The axis of knowledge:** includes the sender and the receiver. The sender is the element requesting the action from the subject and the receiver is the element for which the quest is being undertaken. Continuing with our example, the sender is the fire station and the receivers are the people who were saved, their neighborhood, and the city where the house is in.

In the series of researches we have been conducting for eight years, we combined different projective techniques using marketing as the meta-field to understand expatriates' behaviors. In most of them, our aim was to understand in which measure global brands, as well known references, could play a role in helping expatriates to adjust, and how could advertising help expatriates to understand the behavioral patterns accepted in the host culture (Karsaklian, 2008). Global brand was defined by Steenkamp et al. (2003) as the one that the consumers can find under the same name in multiple countries, while Holt et al (2004) see global branding as the one that relates to a standardization of products, packaging and communications.

During our series of researches we often chose content analysis to study participants' responses, which is an accepted method of textual investigation (Silverman, 2006). As Marvasti (2004) points out, the method offers convenience in simplifying and reducing large amounts of data into organized segments and our reading was based on the textual data from verbatim transcripts (Thompson and Tambyah, 1999). Indeed,

consumption experience is associated with both feelings of great intensity and translation of ongoing activities into reportable stories (Carù and Cova, 2008). In the specific case of cross-cultural research, conduction of personal interviews is analyzing cultural meanings and practices through which members of a culture construct social reality (Moisander and Valtonen, 2006). No quantitative approach could provide this type of data. The chosen methodology was useful to gather specific answers to narrow questions without searching for a wide variety of data, as recommended by Czinkota and Ronkainen (2001).

6. Methodology

The eclectic methodological approach to our research is reflected on the multi-method approach used across time and cultures. The combination of interdisciplinary models and theories led us to create a new method that we present in this section.

6.1. A step by step methodology to collect data with expatriates by using meta-field topics

The main advantage of using meta-field topics is giving an even more indirect appearance to indirect questioning. Using marketing to understand the underlying issues in the expatriate adjustment process reinforces the subtle character of projective techniques used in this methodology which is constituted of five main steps, as follow:

- Step 1 - Informal and free conversation about a meta-field topic to create empathy
- Step 2 - Use of projective techniques with both verbal and non-verbal exercises
- Step 3 - Use of story reading techniques
- Step 4 - Use of storytelling and narratives
- Step 5 - Use of a case study

Step 1 - Informal and free conversation about a meta-field topic to create empathy

Creating a favorable environment prior to conducting research is paramount when working with complex populations. Though it may be seen as a waste of part of the time allocated to conduct the research, it pays off when respondents feel comfortable because they feel engaged in an empathetic relationship with the researcher. The informal conversation, as for example about shopping experiences in general, breaks the ice and takes the respondent away from the position of the one who is interrogated. Thanks to high involvement, respondents feel more willing to participate in the research.

Step 2 - Use of projective techniques with both verbal and non-verbal exercises

As listed before, there are several projective techniques and not all respondents feel comfortable with them all. Short exercises using some of them allow all respondents to find the most appropriate way for them to participate in the research. It is imperative to use both verbal and non-verbal exercises to enable all participants, independently of their cultures, to feel comfortable with the exercise. As an example, words' associations and images' associations (Karsaklian, 2008) are complementary. They can be operationalized both orally and through writing and drawing.

Step 3 – Use of story reading techniques

The text presented to participants should be authentic and original. It should have been written by a person from the same population (an expatriate) not being part of that specific sample. This is of extreme importance because the story should sound real and expatriates should be able to relate to it. A fictitious story can appear as being less plausible and will benefit from less engagement from the interviewees. Participants are asked to read the story and to react to it (Karsaklian, 2009b). They give their opinion about the situation depicted in the story, how likely they think that situation is to happen, if similar situation had already happened to them, if they would/would not want to face the same kind of situation,

how did that situation make them feel, if they could relate to it, if they know or heard of someone having experienced similar situation, and so forth.

Step 4 – Use of storytelling and narratives

Using the same story as for the reading phase is possible so that after participants have finished reacting to it they are asked to describe how the story would unfold as per their vision of it. Participants are asked to describe what would be a logic continuity to that story according to them.

Another story can also be presented to participants. This is useful when the researcher aims at exploring a different topic or issue or gives the same topic a different angle. The story should have a beginning and participants should only elaborate on its continuity - describe what would happen after the described situation. Here again, the story presented should have been written by an expatriate not being part of that specific sample so that participants can relate to it.

It is worth noting here that respondents are not necessarily story tellers or story writers and asking them to write a story can be intimidating. In order to have participants feeling more comfortable with this exercise, they should go through a very quick story writing exercise as ‘training’ prior to getting to the main story. Using Greimas’s model for the training proved to be efficient in helping respondents to build a plot.

As a matter of fact, it seemed that writing a story with inhuman characters was a tough task for the participants to accomplish (Karsaklian, 2009b). They spent between 10 and 30 minutes to write down the story and seemed to be somehow disturbed by the exercise. However, some stories were very enlightening: *When you first arrive in a new country, you feel lost and confused. The first things that you see at the airport are billboards, and when they are about brands that you already know you feel a bit at home. After a while, local brands will become part of your life. You will feel more secure and less lost.*

When I arrived in the airport, I felt as the only fish in the ocean, because I didn’t know anyone. Then, there was an ad for Heineken beer and I went to a bar to drink it with some Lay’s chips while seeing ads for cars and watches at the bar’s TV, and was wondering in which McDonald’s I would have dinner that evening.

Step 5 - Use of a case study

The last step of this multi-method approach to researching expatriates is to use a case study as a projective technique (Karsaklian, 2012a). The case features managers dealing with international business issues including marketing decisions. Although the case study is fictional, all situations described in it are based on real life situations experienced by international managers. While analyzing the case, participants identify themselves with some of these managers and, agree or disagree with some of their decisions, behaviors and opinions. Respondents are expected to give advice about what those managers should have done and what they should do now when facing the situations described in the case. Special focus is given to adaptation to cultural differences as it relates to the situation expatriates are experiencing.

As the case is based on field experience, the likelihood that participants will at some point be able to relate to the situations described in it is very high. Participants project themselves in one or more characters or situations and are able to explain and give advice about how to manage these issues.

The main benefit provided by the use of the case study is that participants are required to take distance from their own thoughts and actions so to understand reactions and situations they have been experiencing. Analyzing the case turns out to be the same as analyzing themselves as part of an international staff and their reactions in past and future situations. It creates a mirror effect that leads them

to be more reflective about their own behaviors. In other words, the case study is about the interviewees rather than the characters in the case.

Although steps from 1 to 4 provide very relevant inputs, the main goal of this methodology is having participants to get familiar with the research process as it unfolds. The more they participate in each step, the more involved they are in the research. By feeling comfortable, they express their ideas unrestrainedly and are perfectly at ease when they are asked to analyze the case study which is ultimately where the researchers want to take them to.

7. Main findings of eight years of research with expatriates using marketing as a meta-field

The results obtained from this series of researches are relevant to two main fields. The first one is management as the main field studying expatriates' adjustment process because they are managed within corporations. The second one is exploring the understudied however growing market which is expatriates' behavior as consumers in the marketing field.

Outcomes of our research demonstrate that expatriates use marketing as a way to juggle between the two worlds as much as a tool enabling their adjustment to the host culture. Their relationship with products, brands, advertising, and shopping change during their sojourn abroad. While they tend to buy more global than local brands, they take advertising as guidelines for acceptable local consumption behavior.

7.1. Expatriates' relationship with brands

Expatriates use local brands to leverage their acculturation to the host country and global brands to reduce risks and anchor their link with their home country. Indeed, at the first stages of the expatriation curve, expatriates find it easier to connect with the values of brands than with local people. Local populations have been raised within cultural values different from those of the expatriates. In some cases, the cultural distance between home and host countries is very big and values between the two cultures can be very different or even opposed. This makes it difficult for expatriates to find common ground with local people readily.

This fact explains, in some extent, why expatriates tend to turn to brands they can relate to. It is well-known, in marketing, that brand communities integrate members by federating them thanks to the use of the same brands (Schembri et al., 2010). Thus expatriates can choose between integrating a local or a global brand community

In addition, results from our researches demonstrated that brands were used to satisfy two main needs of the expatriates: homesickness and the search for quality (Karsaklian, 2009a; 2010a).

Homesickness. Expatriates used home countries' or global brands to recreate situations similar to those they had back home, like long Sundays' lunches prepared with products from the homeland in which *the brands were our relatives*. As it was stated by one respondent when seeing home countries' cars on the streets: *my heart is filled with joy and my day becomes sunny*.

Quality. Although some of the expatriates are used to buy local brands to better adjust to the host culture, they prefer familiar brands for specific uses such as body care products and delicate clothes' washing. They are however often disappointed in well-known brands when they notice that the products under familiar brands are not the same as is back home. Some of them thought that *it was a counterfeit Coca-Cola, because it was sweeter* or a *strange Pepsi, as it was sweeter and spicy*. As a matter of fact, local adaptations of products sold under the same brands are confusing to expatriates who think they are buying the same products but end up experiencing something different as stated by one respondent: *I was looking*

for my shampoo Elsève from L'Oréal and I found Elvital. I hesitated to buy it because to me it was not the same product. And when I used it, I noticed that the result was indeed not the same.

The findings indicate that global brands are precious helpers in expatriates' adjustment by providing practical safety and emotional comfort. The potential of a loyal relationship between global brands and expatriate citizens appears to be greater because of the ambiguity linked to the contextual differences. Familiar brands are perceived as helpers by the expatriates when they experience ambiguous situations linked to the new cultural environment. One could argue that the search for familiar brands intervenes at the beginning of the adjustment curve, but results from this set of researches demonstrated that they are also used during other periods like the crisis as well, when nostalgia is stronger than their willingness to adjust.

8. Conclusion

In this paper, we aimed at presenting an innovative methodology to conduct research with complex populations. We named three of them: children, expatriates and international negotiators. We selected expatriates as a representative complex population with which is it tough to collect data because they are of difficult access, there is lack of a specific methodology to interview them, a multi-disciplinary approach is needed to dig deeper into the needed subjective and qualitative data and to which integrating cultural variables is paramount.

The series of studies conducted throughout the years and across countries demonstrated that using topics from a meta-field helps to gather the needed data with better research conditions. Indeed, by being indirect, the methodology presented here helps expatriates to answer more freely about a topic in which they project themselves without having the feeling that they are disclosing personal or embarrassing information about their adaptation to the host country.

The step-by-step methodology proved very efficient because it enables to create empathy with the respondents and as a result, establishes a more favorable atmosphere for the interactions that will follow. The combination of verbal and non verbal methods as well as of projective techniques enables all participants to feel more comfortable with some of them, instead of being imposed only one method. It makes the whole research time spent with them more casual. Participants experience the research process from the inside rather than being submitted to it.

9. Managerial implications

The experiential approach to the research certainly favors the mutual understanding between the researcher and the participants by bringing them closer and giving the experiment a conversational tone rather than a formal and interrogatory one. The step-by-step approach to the data collection process enables participants to get used to the researcher as well as to the exercises, enhancing the degree of complexity and depth by taking them gradually from very simple activities to more complex and revealing ones. It helps participants to go through a learning curve which in turn enables them to be more and more performant by the end of the five phases.

For several years, researchers have been using qualitative research techniques such as storytelling and other projective techniques to study multiple topics. However, they have rarely used a combination of them with the goal of enhancing the level of difficulty and depth of the data collection gradually. Moreover, and at the best of our knowledge no prior researchers have been using meta-fields to understand the underlying reasons for success and failure in expatriates' acculturation to host countries.

By using the meta-field approach our research demonstrated that expatriates use the same criteria to select and reject brands as they use to select and reject people. Their criteria are based on values and familiarity. Anything or anyone too different (packaging, taste, brand name) is likely to be rejected (Karsaklian, 2010b). They search for people with whom they share values and have common ground and this is true for their adjustment both in professional and social settings in the host country. This explains the existence of expats' communities in all countries. Instead of venturing towards the unknown, numbers of expatriates choose to live and work with people from their home culture. These people are unknown as well, however they share the same culture, language, and probably have similar consumption habits. They supposedly share the same set of values. Although this lifestyle doesn't help them to thoroughly benefit from the international experience, it gives them the assurance they think they need. As stated by Carù and Cova (2008), in an experiential perspective, consumers are less interested in maximizing their benefits and more focused on gratification within a given social context.

The methodology described here was appropriate to explain expatriates' feelings and their attitudes towards brands. The multi-method approach to projective techniques aiming at a deeper understanding of the underlying aspects of expatriate adjustment to host countries has proven efficient as well as using a meta-field such as marketing. Expatriates clearly change their behavior as consumers when they are abroad because brands' messages refer less to the product and more to the consumers' values and aspirations. Although many brands target global audiences, researchers and practitioners have been neglecting this growing market target which is composed of people who are never locals, but try to survive in several different cultural environments.

Indeed, the average length of expatriates' assignments is three years and after re-entry they often start preparing to move to a new destination. It is of interest to researchers to use appropriate methods to understand expatriates' relationship with marketing or other related fields to explain expatriates' behaviors. Using methods that allow going deeper in consumers' feelings provide researchers and practitioners with more accurate information which is a better basis for adequate decision making in management. So far, expatriates were deemed as a restricted niche market, but the increasing number of professionals moving around the world should encourage researchers in the fields of management and marketing to know more about them.

10. Limitations and further research

Although our research has provided probing results, it was limited to one complex culture and to one meta-field. While one of the benefits of using meta-fields in research is contributing to knowledge advancement of two or more fields with the outcomes of one single research we could expect different results if other meta-fields were used to reach the same objectives. Further research should fill in this gap.

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HIGH PERFORMANCE WORK SYSTEMS AND PERFORMANCE: AN IN-DEPTH ANALYSIS IN OMANI CONTEXT

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Abstract

The aim of this research is to explore the positive effect of individual dimensions of high performance work systems on performance outcomes. A purposive sample of 200 respondents from the service sector of Oman was selected for the study. The results reveal that selective recruitment, and job rotation has positive and significant effect on both task performance and in- role behavior whereas, empowerment only affects task behavior and training and development only affects in-role behavior. The effect of performance and competitive based pay was not found on the performance in an Omani context.

Introduction

The recent competitive environment has created a shift in organizational focus towards human resource practices in order to cope with the dynamic competition. In this regards organizations are focusing on creating high performance work systems (HPWS) for better competitive edge and improved effectiveness (Macky and Boxall, 2007). Past two decades are evident of the focus of business and management researches towards exploring the nature and extent of the relationship between HPWS and performance outcomes (Bowen and Ostroff 2004; Paauwe and Boselie 2005 ;Wall and Wood 2005). However still the research is not exhaustive and much room is left for further explorations. (Demirbag, et.al.,2014; Lawler et al. 2010).

The literature available on the linkage between HPWS and performance outcomes is generally in western context ignoring the gulf region. The gulf is oil rich fast growing area with distinctive culture. Oman is one of the gulf countries and shares the similar kind of culture. Oman has a high power distant and uncertainty avoidance culture. Moreover, it's a collectivist society that highly relies on strong ties with extended family and tribes (Al-Hamadi et al., 2007; Moideenkutty, et. al., 2011). Thus considering merit in hiring the employees can become highly difficult plus the HR decisions can generally be influenced by the relationships.

Oman also holds a distinguished scenario because of the existence of large percentage of expatriate workforce (Al-Hamadi et al., 2007). The local workforce generally prefers to work with government owned organizations leaving private sectors mainly in the hands of expatriate employees. The local workforce works on permanent contracts while expatriates are hired on renewable contracts. In order to motivate both local and expatriates there is a need for identification of certain human resource practices that boost performance for both types of workforce. This scenario calls for an in depth analysis of the HPWS and performance. A very limited number of researches were found exploring the relationship between human resource practices and performance outcomes in Omani context (Al-Hamadi and Budhwar, 2006; Budhwar and Mellahi, 2006; Budhwar et al., 2002; Al-Hamadi et al. 2007; Moideenkutty, et. al., 2011). However, none of these studies explored an in-depth relationship between HPWS and performance. The current research would be among the pioneer researches exploring the impact of each

HPWS dimensions on task performance and in-role behavior in the service sector of Oman.

Literature Review

HPWS is described as an integrated system that bundle different HR practices (Evans and Davis, 2005). These practices include staffing, training, incentives, performance appraisal, empowerment, and job rotation for achieving organizational goals (Jiang et al., 2012; Lepak, Liao, Chung, & Harden, 2006). Individual human resource practices are a subset of high performance work system as high performance work system is considered as an umbrella term that includes a variety of human resource practices. The major problem that is faced in defining this concept is that every researcher picks up different set of human resource practices as a part of high performance work system (Delaney and Huselid, 1996).

The concept of performance has evolved through years. Different researchers have defined it differently. It is among key variables that determine success of the organization. Performance at work can be defined as behaviors of the employee that can be quantified and work outcomes that lead to the attainment of organizational goals (Viswesvaran, 2000). However, there is a distinction between behavior and outcomes (Smith, 1976). Performance can be measured through task performance and in-role behavior (Ingold, Kleinmann, König, Melchers, and Van Iddekinge, 2015). Task performance refer as employee efficacy in performing organizational activities (Borman and Motowidlo, 1993). In-role behavior is sequence of actions that employee take depending upon their jobs (Zhu, 2013).

The relationship between a bundle of HR practices and organizational performance is explained in the light of the resource-based view (RBV) of the firm (Barney, 1991; Wernerfelt, 1984) and the behavioral perspective (Schuler & Jackson, 1987; Jackson, Schuler, & Rivero, 1989) have been widely used as theoretical perspectives. The resources internal to the firm are sources of competitive advantage to the extent that they are valuable, rare, inimitable, and difficult to substitute (Barney, 1991), Since human resources may meet these four criteria (Wright, McMahan, & McWilliams, 1994), RBV assumes that human capital can be important sources of competitive advantage and adoptability and potentially have strategic value. On the other hand, the behavioral perspective focuses on the interdependent role behaviors that serve as building blocks for an organizational system (Schuler & Jackson, 1987). This perspective proposes that HR practices motivate employees to exhibit the needed role behaviors associated with various strategies. Performance depends on behavior and these can lead to competitive advantage for any organization. The performance is affected by the kind of HR practices adopted by the organization. The carefully selected Hr practices can result in right person for the job, appropriate skill based trainings, relevant motivational tools and important incentives to accomplish the job (Becker and Huselid, 1998; Huselid, 1995; Jiang et al., 2012; Lepak, et al., 2006). Therefore it is hypothesized that;

H1: Selective Recruitment positively affects Task Performance

H2 Selective Recruitment positively affects in role behavior

H3: Training and Development positively affects Task Performance

H4: Training and Development positively affects in role behavior

H5: Empowerment positively affects Task Performance

H6: Empowerment positively affects in role behavior

H7: Competitive Based Pay positively affects Task Performance

H8: Competitive Based Pay positively affects in role behavior

H9: Performance Based Reward positively affects Task Performance

H10: Performance Based Reward positively affects in role behavior

H11: Job Rotation positively affects Task Performance

H12: Job Rotation positively affects in role behavior

Methods: Population and Sample details: The population chosen for the research was of employees working in the service sector of Oman. The questionnaire was designed adapting items from existing scales. Then it was validated before data collection. A few modifications were made to match the items within the Omani context. Data collection process was started by distributing 400 questionnaires using purposive sampling. The respondents were contacted in their work place. Their participation was on voluntary basis. They were explained about the nature of the variables and purpose of the research. They were also ensured about the confidentiality of the data. Out of 400 questionnaires 2800 were obtained and 200 were found correct in all aspect to be used as a sample in this research. The sample constituted 80% percent males and 20% percent females. Majority of respondents were from 31-40 age group, had a bachelors degree and work in middle level of management.

Measures: The concept of High Performance Work Systems is measured by adopting a scale developed by Hsu, Yeh-Yun Lin, Lawler, & Wu, (2007). The scale consisted of 25 items. The concept of in- role behavior is measured by adopting a five item scale developed by Williams and Anderson (1991). Task performance is measures by using a 5 item scale developed by Bott, Svyantek, Goodman, and Bernal (2003). The scales were anchored at five point Likert-type scale ranging from 1(strongly Disagree) to 5 (strongly Agree).

Analysis Table I. Means, Standard Deviation, Skewness, Kurtosis, Correlations

Scales	Mean (SD)	Skewness Std. Error (.172)	Kurtosis Std Error (.342)	1	2	3	4	5	6	7	8
1 Task Performance	3.88 (.55)	-.917	2.78	1							
2 In-role behavior	3.92 (.63)	-.533	1.14	.51**	1						
3 Selective Recruitment	3.82 (.54)	-	2.47	.72**	.69**	1					
4. Training & Development	3.76 (.57)	-.447	1.11	.60**	.64**	.70**	1				
5. Empowerment	3.73 (.55)	-.614	.999	.65**	.61**	.72**	.66**	1			
6. Competitive Based Pay	3.81 (.59)	-.491	.759	.61**	.65**	.71**	.64**	.71**	1		
7. Performance Based Reward	3.74 (.57)	-.577	.664	.55**	.60**	.65**	.64**	.68**	.68**	1	
8. Job Rotation	3.85 (.54)	-.943	2.53	.63**	.70**	.68**	.63**	.66**	.73**	.70**	1

Note. **. Correlation is significant at the 0.01 level (2tailed). for checking data normality the skewness and kurtosis values exist in the acceptable range (-3 to +3) according to Ghasemi and Zahediasl (2012)

Table II. Convergent Validity, Reliability and Unidimensionality

Variables	Items	Square Multiple Correlations (SMC>.30)	CFI >.90	Standardized Factor Loadings (St. FL>.50)	IC >.60	CR >.60	AVE >.50
1. Task Performance	P1	.43	.96	.65	.80	.80	.45
	P2	.54		.73			
	P3	.38		.62			
	P4	.51		.71			
	P	.44		.66			
2. In-Role Behavior	P6	.66	1.00	.81	.86	.86	.62
	P7	.68		.82			
	P8	.72		.84			
	P9	.45		.67			
3. Selective Recruitment	HP1	.50	.98	.70	.86	.86	.51
	HP2	.56		.75			
	HP3	.56		.74			
	HP4	.46		.68			
	HP5	.45		.67			
	HP6	.55		.74			
4. Training & Development	HP7	.41	1.00	.64	.87	.86	.52
	HP8	.44		.66			
	HP9	.59		.76			
	HP10	.60		.77			
	HP11	.59		.77			
	HP12	.55		.74			
5. Empowerment	HP13	.34	.99	.58	.78	.78	.47
	HP14	.51		.71			
	HP15	.49		.70			
	HP16	.56		.75			
6. Performance Based Pay	HP17	.60	1.00	.77	.77	.77	.53
	HP18	.52		.72			
	HP19	.49		.70			
7. Competitive Based Pay	HP20	.53	1.00	.73	.74	.74	.50
	HP21	.62		.79			
	HP22	.35		.59			
8. Job Rotation	HP23	.49	1.00	.70	.71	.71	.45
	HP24	.46		.68			
	HP25	.40		.63			

Note: Fornell and Larcker (1981) identified that if the construct AVE <.50 but its Composite Reliability is > .60 the construct validity will be considered accurate
 CFI= Confirmatory factor analysis, IC= Internal consistency, CR= Construct reliability, AVE= Average variance extracted

Common Method Bias

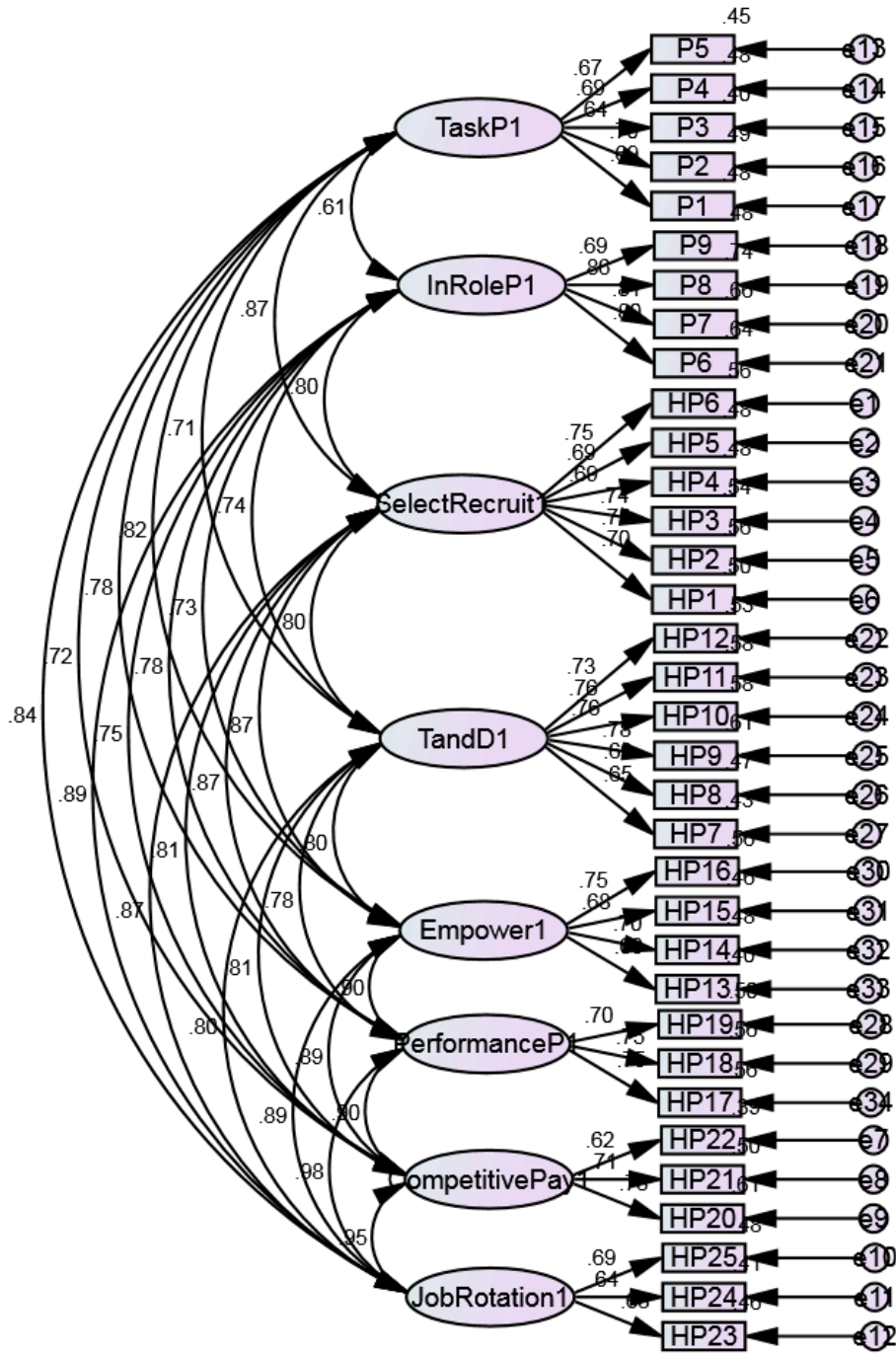
In this study the disclosed 35 items based on 8 factors were restricted to single factor comprised of only 43.116% total variance which is < 50% which is the threshold point hence, proves that common method bias is not detected in this study.

Table III. One factor Model (CMV)

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.091	43.116	43.116	15.091	43.116	43.116
2	1.643	4.694	47.810			
3	1.424	4.069	51.879			
4	.	.	.			
5	.	.	.			
31	.	.	.			
33	.182	.521	99.047			
34	.172	.491	99.538			
35	.162	.462	100.000			

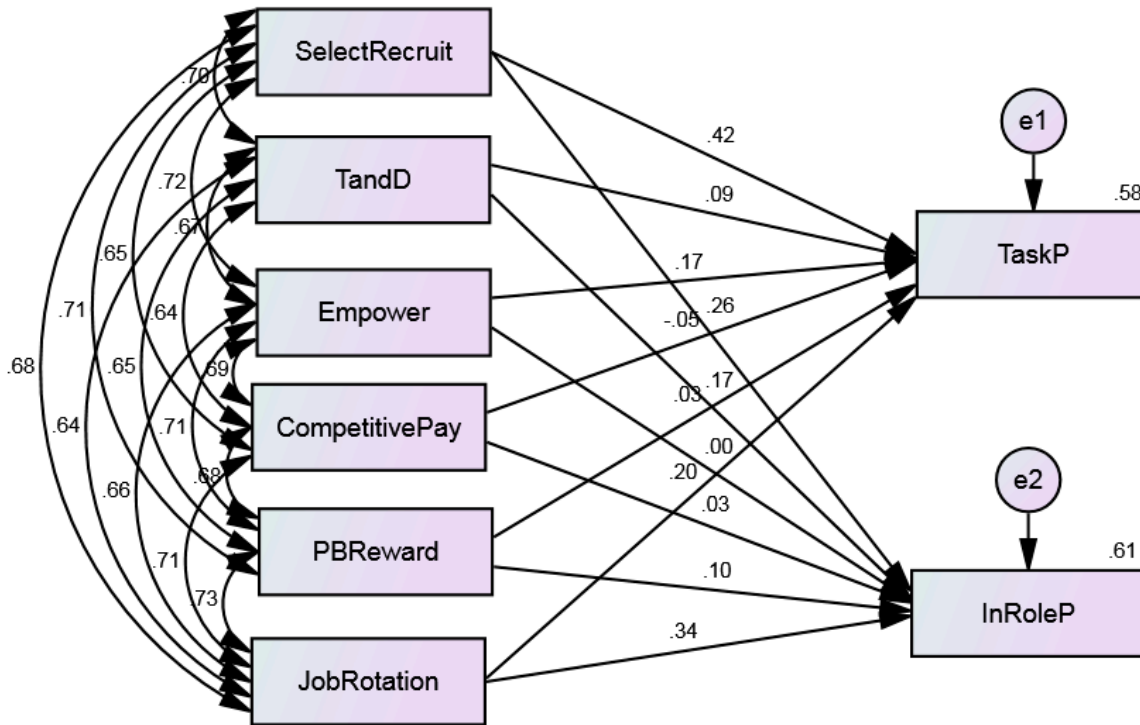
Note: Extraction Method: Principal Component Analysis.

Figure 1. CFA Measurement Model



Note: CMIN/DF = chi-square/degree of freedom (1.00 < CMIN/DF < 7.00); SRMR=Standardized Root Mean Square Residual $\leq .08$, NFI = normed fit index (0 < NFI < 1.00); TLI=Tucker Lewis Index (0.90 < TLI < 1.00) CFI = comparative fit index (0.90 < CFI < 1.00); RMSEA = root mean square of approximation (.01 < RMSEA < 1)
 CMIN/DF=1.4/499 RMR=.02 NFI=.83 TLI=.932 CFI=.940 RMSEA=.04

Figure 2. Structure Equation Model



Note. Kenny, Kanishkan & McCoach (2014) explained that *df* is very low and close to 0 it doesn't allow room to calculate Chi-Square and RMSEA so the value of Chi-Square and RMSEA should be ignored. CMIN/DF = chi-square/degree of freedom ratio (1.00 < CMIN/DF < 7.00); GFI = goodness of fit index (0.90 < GFI < 1.00); SRMR = Standardized Root Mean Square Residual ≤ .08, NFI = normed fit index (0 < NFI < 1.00); CFI = comparative fit index (0.90 < CFI < 1.00); RMSEA = root mean square of approximation (.01 < RMSEA < 1)

Table IV: Hypothesis Testing

S.No	Hypothesis	Structural Path	Standard Regression Weights & P value	Results
H1.	Selective Recruitment positively affect Task Performance	Select Recruit → Task P	.42, P<.001 Significant	Supported
H2.	Selective Recruitment positively affect in role behavior	Select Recruit → InRoleP	.25, P<.001 Significant	Supported
H3.	Training and Development positively affect Task Performance	TandD → TaskP	.08, P>.05 Insignificant	Not Supported
H4.	Training and Development positively affect in role behavior	TandD → InRoleP	.17, P<.05 Significant	Supported
H5.	Empowerment positively affect Task Performance	Empower → TaskP	.17, P<.05 Significant	Supported
H6.	Empowerment positively affect in role behavior	Empower → InRoleP	.00, P>.05 Insignificant	Not Supported
H7.	Competitive Based Pay positively affect Task Performance	CompetitivePay → TaskP	-.05, P>.05 In Significant	Not Supported
H8.	Competitive Based Pay positively affect in role behavior	CompetitivePay → InRoleP	.02, P>.05 In Significant	Not Supported
H9.	Performance Based positively affect Task Performance	PBReward → TaskP	.02, P>.05 Insignificant	Not Supported
H10.	Performance Based Reward positively affect in role behavior	PBReward → InRoleP	.09, P >.05 Insignificant	Not Supported
H11.	Job Rotation has a positively affect Task Performance	JobRotation → TaskP	.20, P <.01 Significant	Supported
H12.	Job Rotation positively affect in role behavior	JobRotation → InRoleP	.33, P<.001 Significant	Supported

Discussion

The aim of the current research was in-depth analysis of HPWS on task performance and in-role behavior. The findings of the research based on purposive sample of 200 respondents from the service sector of Oman. It was hypothesized that the dimensions of HPWS, selective recruitment, training and development, empowerment, performance based rewards, competitive based rewards and job rotation has a positive effect on task performance and in-role behavior. The results reveal that selective recruitment, and job rotation has positive and significant effect on both task performance and in-role behavior whereas, empowerment only affects task behavior and training and development only affects in-role behavior. The effect of performance and competitive based pay was not found on the performance in an Omani context.

The relationship between a bundle of HR practices and organizational performance has been explained by past researches (Barney, 1991; Wernerfelt, 1984). HR practices motivate employees to exhibit the needed role behaviors like higher performance. HPWS that are designed to elicit employees to act in ways that are consistent with organizational goals may lead a number of behaviors and outcomes that provide benefits to the organization (Lepak, et al., 2006; Jiang et al., 2012).

The important strength of this research is that it is among the pioneer studies doing the in- depth analysis of the effect of HPWS dimensions and performance outcomes. The results of the current study are

encouraging for the service sector organizations in Oman that are interested in gaining the competitive advantage for their organization. It provides them a more comprehensive approach to increase their performance based outcomes. This study is equally important for the government and private sector as both the sectors can identify and develop suitable HPWS for their unique environment to increase employee performance. Research is limited due to its cross-sectional study design and data collection difficulties.

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**A TEST OF THE AWARENESS-MOTIVATION-CAPABILITY MODEL ON THE
IMPACT OF KNOWLEDGE SPILLOVERS IN SOUTH-SOUTH FDI: A CASE OF
CHINESE FDI IN CAMBODIA**

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ABSTRACT

Drawing on the Awareness-Motivation-Capability framework, we explore South-South FDI spillovers by investigating the impact of knowledge spillovers from Chinese direct investment to the technological capability of the Cambodian light manufacturing firms. The paper answers two questions: (1) when, where and under what conditions are South-South FDI knowledge spillovers present in a labor-intensive industry? and (2) what are the effects of the spillovers on domestic firms' technological capabilities and does this lead to export performance?

Keywords: Foreign direct investment, knowledge spillovers, technological capability, South-South FDI, labor-intensive industry, export performance

EXPLORING A CULTURE WITH SWOT: THE MAYANGNA OF NICARAGUA

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James W. Penn, Grand Valley State University

Abstract

An exploration into one of Central America's indigenous nations using a business SWOT. The authors have visited the Mayangna people and read about them as part of the empathy process. They are doing this with the hope of eventually creating a culturally sensitive program to help the Mayangna leadership achieve whatever goals they set for their nation and for their communities. This is a special region of a special country and quite remote from the typical tourist destinations. Through the work with the Autonomous University of the Caribbean coast introductions and access were obtained to the Sumu-Mayangna Nation. The paper is an exploration of what has been learned to date in October 2017.

Introduction

In the forest of Nicaragua's Reserve of Santa Cruz live most of the Mayangna people. This Indigenous group is important to the authors' work with the University of the Autonomous Regions of the Caribbean Coast of Nicaragua. It is described as a university founded in 1992 as an "intercultural university community for indigenous peoples and ethnic communities. (Wikipedia). One of the authors has been working with this university for three years, and together, they were investigating how to proceed to help the university, its cultures, its faculty and students. Further, they are looking at the potential for a multi-university program to work with one or more of the indigenous groups. The SWOT, strengths, weaknesses, opportunities, and threats, to look at the Sumu-Mayangna nation as it is a strategic tool, and the nation faces strategic problems.

Special region of a special country

The indigenous people considered in this paper are in a special region of Nicaragua labeled the RAAN or the Autonomous Region of the Atlantic in the North. It might be better labeled, the Autonomous Region of the Northern Caribbean Coast, as it is the Caribbean Sea that laps at its shores. If you study a map, the Caribbean Sea stretches to the Atlantic. This paper will focus mainly on the triangle on the map below outlined by the cities of Siuna, Rosita to the East, and Bonanza to the north. This is where the authors were in the summer of 2017 in addition to some other travels in the greater RAAN. Below in Figure 1 is a map of the RAAN. The cities visited are three of the six white dots that are inland.

Figure 1



Law 28 of Nicaragua created the RAAN to the north and the Autonomous Atlantic Region of the South (RAAS) in 1987. The real power came to the Indigenous peoples with the Law 445, which formally recognized the culture and the historic territories of indigenous peoples as well as ethnic communities in the RAAN and RAAS.

With this law, came community property and territorial property for the Indigenous persons of the Atlantic Coast, which is the Caribbean Coast as well. The power of property rights offers opportunities to the communities. The Mayangna communities seem to have gained three things from law 445. First, is cohesion, as they know where their communities and territories are and to some extent their land boundaries. Second, a greater sense of identity as a community and community lands is theirs to develop. Third, they have a knowledge of what they have in terms of terrain to pass on to future generations.

SWOT as perceived by the authors

The SWOT (Humphrey) is a form of analysis used often in business and strategic planning. In this case, the authors are combining the information they have collected from secondary resources and from primary preliminary ethnographic work into a SWOT for the Mayangna. The SWOT stands for

Strengths, Weaknesses, Opportunities and Threats. It is often taught as the Strengths and Weaknesses are internal to the organization, in this case the Mayangna, and the Opportunities and Threats are considered external.

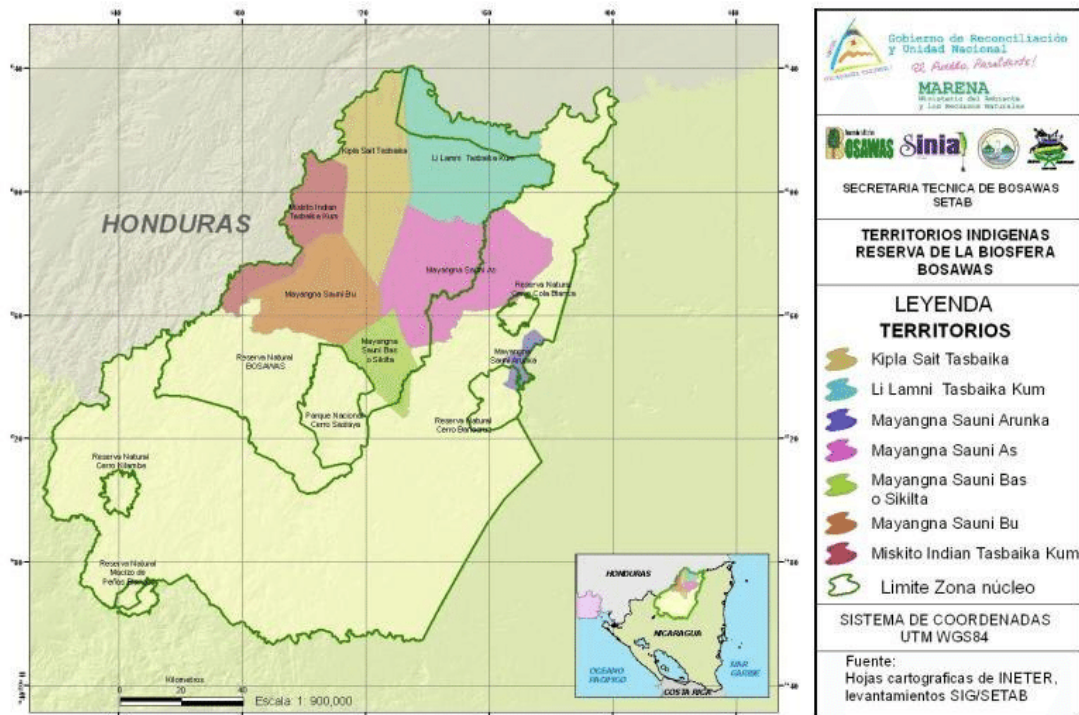
Strengths

The Mayangna have many resources that work to their advantage for future planning. First is law 445 which assigns almost all the lands of the RAAN to the Indigenous and ethnic communities of the Region in perpetuity. The authors have observed that the quality of the land can vary greatly as is true with the lands of the indigenous persons in the United States. In the case of the Mayangna, this is a strength as most of the lands are fertile lands with a healthy forest canopy still in tack in much of the area.

To add to their situation, they have access to approximately 1/3 of the huge Bosawas Natural Reserve. This large biosphere is along the Rio Coco, the northern border of Nicaragua with Honduras and extends approximately 1/3 of the length of the border in the middle between the Caribbean Coast and the Pacific Coast. This is a huge resource for maintaining traditional ways of forest hunting, river fishing, and harvesting natural medicinal plants, as well as, many other traditional things that the Mayangna do. From 2005 to 2010 the Mayangna were given five grants of territorial land titles within and contiguous to the Bosawas Reserve (Danver, 2015).

The Mayangna have been able to maintain their lifestyle in concentrated communities. There are whole regions that the government of the Sumu-Mayangna Nation represent including all the Mayangna territories, (Danver, 2015). This is believed to be a direct result of the 2001 Inter-American Court of Human Rights decision that Nicaragua had violated the rules of indigenous people's property rights. In summary, the small nation of approximately 10,000 (Danver, 2015) have good territory, a government, and many communities of which the authors have been privileged to visit a few.

Figure 2. Mayangna territories in the Bosawas Natural Reserve



https://www.researchgate.net/figure/315553210_fig2_Figure-2-Indigenous-territories-and-Bosawas-in-Nicaragua, Accessed 23.10.2017

Weaknesses

There are some internal weaknesses to the nation. First, and perhaps foremost, is the small size. Imagine being one of the leaders of a nation of 10,000 to 12,000 (Danver, 2015) in the Mayangna triangle, in a globalizing world. The triangle is demarked by Bonanza to the north, Rosita to the East and Siuna (Las Minas) to the south. How do you maintain the nation and the territories with such a small number of people? It is like a small town in the United States. How do you even begin to maintain the language among this small group?

Language erosion is a huge issue as the Mayangna apparently use several different dialects in their communities. Challenge number one, is how do you keep the children learning the language when the schools require instruction in Spanish? Many of the qualified teachers do not speak or know Mayangna and certainly not all the dialects.

In the author's observation at a visit to the campus of URACCAN Rosita, there are people working on developing books, dictionaries, and more in the Mayangna language. In fact, the authors were privileged to visit a session. Further, the authors have heard expressed by several Mayangna including a professor, a university administrator, and community leaders that they very much want the young generations to learn the mother tongue of Mayangna. They also repeatedly expressed the desire for their children to learn English, as well.

Projects like those that that Latoya Hinton (2016) reported on that would develop trilingual dictionaries in Mayangna, Spanish, and English might help students learn in all three languages. The authors' understanding from the leaders is that they would like to see truly trilingual schools in which all three languages were used and taught. This is truly difficult as it is hard enough to find good bilingual teachers. Try to find a consistency of trilingual teachers so that a student can have a progression from the beginning of school to graduation is very difficult. The educators with these language skills are simply not available.

If the Mayangna cannot preserve their language, it will be hard to preserve their culture and traditions. This language is ancient, estimated to be 3,000 years old or more (Danver, 2015). On the other hand, there are global predictions of losing many languages in this century. In 1992, there were over 7,000 languages spoken around the world. It is estimated that 6300 will disappear by the end of this century (Colls, 2009). Will Mayangna be one of these?

In addition to the potential loss of language is weakening social cohesion. There are a couple of primary factors that the authors heard about from the Mayangna. First, is the youth immigration from the rural territories of the Mayangna to the larger cities and towns of Nicaragua. A particularly big lure is the lure of the capital city of Managua. This follows a global trend from rural to urban (Boyd, 2017). For the Mayangna, it is about their future, as according to the leaders interviewed, few return to live in the canopy of the forest, live the traditional lifestyle, help the community, or help their families.

Similarly, intermarriage is a problem of culture. Intermarriage with the colonialist or Mestizos and Cosntenas people from the West or Pacific Coast who live amongst the indigenous peoples often use their land. Usually, the outside member of the union does not want to adapt to the culture and lifestyle of the Mayangna and therefore the Mayangna person is lost to the community.

These combined threats have a huge impact on the future of the Mayangna people especially as birth rates lower and there are not as many young people in the Sumu-Mayangna nation.

Opportunities

The authors perceive some opportunities for the Mayangna. First, they are near and have access to the Bosawas preserve, as well as, the Santa Cruz Natural Reserve and the Cerro Cola Blanca Natural Reserve. They have lands on a number of wonderful rivers of Nicaragua. These include the Bocay, Coco, Pispis, Prinzapolka, and Waspuk Rivers. This area looks to be rich in natural resources of the forest. It also may offer vast opportunities for several types of tourism.

Tourists might include bird watchers, nature lovers, and adrenalin seekers. In the first case, bird watchers need places to stay and good food to eat. They also need guides to take them into the forest safely and show them the birds. Bird watchers are relatively affluent, and this could become a good business, supportive of the natural environment. It would require that the nation to work together to put together a logical six days of birding, some lodges up to tourist standards, lots of training in languages, and the care and guiding of tourists.

A similar group are those who like natural things: this group might enjoy seeing waterfalls, mountain vistas, river scenery, visiting quaint villages, and the forest of the Mayangna. Like the bird watchers, the leaders need to think about accommodations, food, guides, and training to make this work. They will also will need a web presence so they can capture their own clientele. These people want simple and good travel and need to be able to find this at the Mayangna site. If not, they will go to a colonial location for something similar.

The final group that might be a big opportunity in and near the reserves, and rivers would be the young adrenalin-seeking adventurers. Led by young Mayangna, the adrenalin seekers could the experience the thrill of trying to cross a swollen river in a hand-hewed canoe, climb a mountain for viewpoint, bathe under a tropical waterfall after a long hot hike up a mountain, and sleep in a forest hammock listening to the animals of the night. The possibilities are many and the authors believe this is an opportunity for the Mayangna.

Another opportunity for the Mayangna is the -more widespread use of the cellphone. It will also be a threat, but, in this case, it is focused on as an opportunity. Here is a way the Sumu-Mayangna nation can stay connected. Communication from the nation's leaders can be much swifter. It may help with language preservation if Mayangna can be reached from Spanish or English in a translation format. It has the potential to preserve the magical moments of Mayangna culture in photo and video.

The cell phone could, in fact, help with maintaining contact with those who are in urban environments, or who have intermarried. They can participate in the community via cellular communication as families do in the U.S. even when spread out thousands of miles. There is potential for verbal, video, photos, and text usage.

In summary, without destroying their lands, there are some opportunities that are available for the leadership to consider. The problem, as the second decade of the 21st century ends, is the Sumu-Mayangna national leaders need to have a plan and work it. That is the final opportunity and where the authors might facilitate.

Threats

The Mayangna face several different threats. Most-but not all-of these are related to their lands and the territorial grants. Conflict over the lands of the Mayangna are increasing all the time. The people from the Pacific coast, who are called Meztizos or Colonials as in colonizers, are a real problem as the pressure for space for farms increases on the Pacific. The open lands of the Mayangna are more and more tempting.

They are not alone. There are also the Costena which are second generation or more Meztizos. In other words, they were born in the RAAN but are not ethnically indigenous. This is an increasingly larger population and they also feel pressure to find space for their families and farms. Finally, the long-running contest between the Miskito and the Mayangna sometimes involves the actual lands and territories of the Mayangna nation.

The problems are huge and mostly environmental. The Mayangna seem to live gently in the forest collaborating with the plants and animals that live there. The authors have observed planting crops like coffee and cacao in the shade of the existing forest canopy. They also harvest much from the forest.

The colonialists tend to be interested in cattle. This usually means cutting or burning the forest to the ground and then hoping it will turn to grassland. There is a real problem of compaction where cattle loose on unprotected soil leads to it being compacted and then becoming water resistant. If the reader is not experienced with tropical soil, when you burn or clear cut the forest, the sponge earth that it has developed is very fragile. Once compacted by grazing cattle or machinery, it does not spring back. Most importantly, it rarely accepts water meaning that the runoff is much larger than before. As the runoff cuts grooves and subsequent rain turns them into ditches, and ravines. The soil is devastated surprisingly rapidly.

Deforestation occurs for several reasons. It occurs to create grazing pasture for cattle, to create new farmland for those whose land is depleted, and for those young who need a farm. The challenge is that the Mayangna have developed ways to live within the forest. The colonialist or invaders have not. Thus, in addition to taking land that they do not have a right to use, they are decimating it.

Another problem for forest is logging. Nicaragua has many beautiful woods that can be sold to nurture the nation of the Mayangna. There are also many who harvest illegally or on the edge of legal. Logging, if done selectively, does not have to be bad for the forest. However, many loggers are not environmentalists. Loggers also will hunt for food when they are in the forest often over-hunting the local population of game animals. The same with the fish and other life around the streams and rivers.

The Mayangna may not be entirely victims as some communities or individuals may take money for lands that they cannot legally sell. In a country where many property rights are confusing due to the revolution and then the size of families and who controls a specific property after the matriarch or patriarch's death, some Mestizos may believe that they have leased the right, or bought the right to use lands.

Climate change

Climate change is another external threat for the Mayangna. There are predictions of more and more intense weather for Nicaragua as it lies in the intertropical convergence zone between the Caribbean and the Pacific (Sole, 2016). The predictions are that the most seriously impacted will be the RAAN where the Mayangna are located. Hurricanes could really impact the coastal communities; however, the Mayangna are more concentrated in the rainforest, mining and agricultural zones (Kronik, 2010). In short, they can expect a lot of changes in weather that may impact their crops, (for example the timing of the rain, and its intensity). They are lucky they are not a coastal community, where the impact will be even greater.

Mining

The Mayangna are in a center of mining for gold and other precious metals. The authors drove through what appeared to be strip mines in Rosita, Nicaragua. It was a privilege to visit a gold processing center lakeside in Siuna. Here, the bags that the locals collect of rocks believed to have gold are processed. In addition, some very enthusiastic tunnel miners showed us what they were working on and the rocks they were hauling out in their bucket and pulley system from which gold could be extracted. In this region, the

whole process seems to be very labor intensive. It also seems like the owner of the processing operation was from another country. Many people do some kind of surface mining. As you drive along the road, you see white sacks of rock put out for processing. It all seems very informal from the inside of the truck. The problem for the Mayangna is the potential for a big gold strike and many people arriving as in the California gold rush. A second problem is the price of gold. The higher it is, the more attractive it is to tear up your farm or your community in favor of finding some amount of gold. When people become money-centered, they often forget their cultural values.

Weak political voice

The Mayangna do not have a strong voice in the politics of the nation. There are three apparent reasons for this. First, the Mayangna are small in numbers. Estimates range from 10,000 to 12,000 and the Miskito population (the other major indigenous group in the RAAN) is estimated to be more than 120,000 as of 2005 (Wikipedia, Demographics). This is a huge difference in size which accounts for a larger political voice among the Miskito. This is enhanced for the Miskito as they live amongst the other groups in areas such as Bilwi, Waspan, and many other communities, where the Mayangna tend to be concentrated in their nation, removed in the forest.

Cellphones

The last threat the authors observed were the cellphones. Cellphone towers are increasing all over Nicaragua, providing coverage in the most remote places. When the authors arrived for a discussion with the leaders of the Mayangna village, their sons pulled out smart phones and were trying to see if they could do translation live. They were not able to do so in their remote location. However, the elders are keenly aware that this technology can change the lives for their young people rapidly. Is this a tool of destruction or an opportunity to build culture?

SWOT Conclusion

This paper represents only a beginning of learning about the Mayangna. More time is needed in the communities and with the leaders of the nation to understand what it is that they see as the future and the challenges faced by the Mayangna nation. The authors hope to return in 2018 to spend time in the communities and to learn more from the leadership. It is hoped an anthropologist will join us on the next foray into this wonderful small community.

The authors saw many factors in their trips to the Caribbean coast. They have most assuredly missed many factors. This was the first time among the Mayangna people and it was a great experience. The perspectives rendered here are those of the authors. They were there to learn more to begin with an ethnographic approach to understanding the RAAN and the Mayangna people.

The total visit on this trip was ten days of which three were along the Rio Coco at Waspan, in an area that was largely Miskito and then to Bilwi, which has all the ethnic groups of the area in different numbers, Costenas, Creoles, Garifuna, Mayangna, Meztizos, Miskito, Rama. For the last four days, we journeyed to Bonanza, Rosita and Siuna. Most of the time, the authors were sponges learning about the areas that they were traveling through and to with local administrators and faculty. It was an excellent opportunity created by URACCAN.

The dream is that Mayangna leadership will work with a process such as Design Thinking to determine community problems of focus. Teams of students will then work on these problems of focus to help develop solutions for communities or problems. The goal is that these teams would be truly different. They will hopefully include some Mayangna from URACCAN. In addition, the dream is to include students from UNAN Managua and from the authors' university in the United States. In this way, the

teams would be truly interdisciplinary, intercultural, and would include several disciplines from the different universities. Currently, the authors are considering those majoring in or with the intent to major in Anthropology, Entrepreneurship, Ethnography, Geography, Latin American Studies, or Spanish.

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LOCAL CURRENCIES: THE PROMISE, THE PITFALL, AND THE POLITICS

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This paper focuses on the emergence and impact of local currencies around the world. A local currency is type of money that is complementary to a country's official currency and that is generated and circulated only within a specific geographical region or a defined community. A review of evidence pointing at economic and social benefits of such systems (the promise) is followed by an analysis of their structural limitations (the pitfall) and concludes with identifying threats to local currency movement (the politics). The paper closes with recommendations for future business research and implications for entrepreneurs, business leaders, and policy makers.

SOUTH CHINA SEA: CHANGING DYNAMICS

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ABSTRACT

Actions taken by China in the South China Sea have alarmed many of the countries in the region. It is China's assertion of ownership of certain islands, islands also claimed by other Southeast Asian nations that contributed to the protest by The Philippines before the Permanent Court of Justice. In 2016, the Court's ruling was rendered. Actions and reactions by the affected parties to the ruling, as well as political events, make 2016 an interesting year. The election of a new president in The Philippines and in the United States adds to the fluid dynamics in the region. Can a consensus be achieved, or will the conflicts develop into a dangerous situation?

Key Words: South China Sea, China, ASEAN, U.S.A., Permanent Court of Justice, maritime conflicts

INTRODUCTION

This Land Is My Land

The events set in motion by China in the South China Sea in the last decade or more, whether it involved trade or claims on territory, have alarmed many countries in the area. The trade treaties negotiated with ASEAN point to China trying to integrate the countries in Southeast Asia and the South China Sea through mutual trade and trade-related institutions, and, in this way, restore China's historic sphere of influence in the region. But due to China's historic dominance in the region, there is the fear in many countries of the possibility of "economic colonization" by China (Geib & Pfaff, 2016). In light of China's assertion in regard to ownership of certain islands in the East and South China Seas that fear seems to be justified and is seen as a maritime expansion by China. While the actions and reactions of those affected by China's assertiveness have provoked many of its neighbors to build up their armed defenses, the Philippines opted to bring the case before the International Court of Justice in The Hague (Geib & Pfaff, 2016). Xi Jinping's "Belt and Road" initiative is a major symbol of China's new efforts to expand its influence in Asia. "Belt and Road" is the initiative to revive the ancient silk-road trade route that linked China to Europe and South Asia a thousand years ago (interviews).

Changing Dynamics

Several events in 2016 affected the dynamics in the South China Sea. The case brought by the Philippines before the Court of Justice in The Hague came to a close and the court rendered its decision, condemning the island-building activities by China. But in the meantime a new president, Roberto Duterte, was elected in The Philippines, influencing the diplomatic discourse between the Philippines and China. Later in the year, the presidency changed in the United States with the election of Donald Trump in November 2016. These events turned the give and take in the South China Sea into a much more fluid situation.

To better understand the Chinese position in the South China Sea it helps to take a short excursion into the historic background. Historic and cultural aspects are also at the center of the actions and reactions by China's neighbors. Therefore, emphasis will be on the eventual reactions to the events of

2016 and the ongoing rivalries of some of the players in the South China Sea, concluding with a discussion of possible conflict resolution strategies.

METHODOLOGY

This paper employs a research methodology that focuses on political and economic growth in China from 1980 to 2017. The paper also provides a viewpoint on the author's experience and information gathered from interviews with Chinese business professionals. A significant effort has also been made to examine traditional data and documents from a variety of sources when and where they were available. One author most recently did research in Shanghai in the summer of 2017 as well as teaching at Shanghai Finance University in 2013 and 2014. In the summer of 2017 one author spent time in Shanghai and Hong Kong researching our topic. The emphasis of the research was to find the latest trends in globalization strategies. It is important to note that many of the professionals and experts in China wish to have their comments kept confidential. Therefore, we choose to respect their request of confidentiality in all cases. We have referenced and documented dates where they are public.

The methodology for this study where it involves interviews can be described as a focus on the policy views of key stakeholders and influencers. In general, the interviews were conducted with professionals from such organizations as the Economist Group in Hong Kong, Shanghai, and London, the Old Bear Sterns Investment firm, Goldman Sachs, Chase Investment Bank, U.S. Chamber of Commerce, and Boston Consulting Group in at least two locations, Microsoft, and a host of other public and private professionals. The interview format did not include a formal survey but did include structured questions. A significant portion of this research is based on conversations with more than 350 key influencers in Shanghai, Beijing, Hong Kong, Singapore, and Washington, D.C. over a period of 26 years beginning in 1988 and most recently in the summer of 2017.

THE GEOPOLITICAL CONTEXT AND THE RISE OF CHINA

It is clear that China is seeking to re-establish and expand its sphere of influence particularly in Southeast Asia, the South China Sea, and the East China Sea. The core of the maritime disputes stems from China's increasing strong assertion that it should control over 90 percent of the South China Sea. The South China Sea disputes involve both island and maritime claims among several nations including Brunei, the People's Republic of China (PRC), the Republic of China (ROC), Malaysia, Indonesia, the Philippines, and Vietnam. It is important to note that \$5.3 trillion of total trade passes through the South China Sea every year (CFR.org, China's Maritime Disputes). China claims that Chinese seafarers discovered and named islands in the region centuries ago, and the country has ancestral fishing rights. These rights are said to exist within a U-shaped "nine-dash line." This line encircles almost all of the South China Sea. The map, on which the claims are based, dates back to 1947 and reflected a Chinese mapmaker's impression of China's historical claims, but did not reflect the geo-political reality of the mid-twentieth century (Beech, 2016). China has never really clarified what the line means. Does it refer to the bits of land, rocks, reefs, and shoals within the dashes or is it all the waters as implied by official Chinese proclamation about historic fishing grounds close to other nations' coast lines (Beech, 2016). As this research shows there are many factors involved with this new reality. These themes include China's self-perceived humiliation by western colonialism particularly since the opium wars in the 1840s, the protectionism and isolationism of the U.S., the sensitivity of Japan and revisions of the Japanese constitution, the decision of the International Court of Justice, the counter claims of southeast nations, and the counter claims of the U.S. Another relevant historical reality is the rapid economic rise of China since Deng Xiaoping's market oriented reforms of 1978. Moreover, President Xi Jinping has adopted a policy of outward foreign direct investment particularly in regard to the major initiative re-building and expanding the Silk Road known as "One Belt, One Road." The "One Belt, One Road" initiative by China

will invest over 25 trillion dollars from multiple sources to revive the ancient “silk road” trade route from China to Europe (interviews).

Some Important History

After Mao died in 1976, Deng Xiaoping emerged as the paramount leader of China with a new philosophy. Deng’s new approach needs to be seen against the background of at least two important historic realities. These realities include two hundred years of Chinese humiliation under the thumb of western colonial powers and Mao’s Cultural Revolution from 1966 to 1976.

In the view of the Chinese, China was humiliated for 150 years before the communists took power in 1949. During this period China’s economic and political sovereignty was destroyed. The most egregious example of China’s humiliation was the “Triangular Trade” practiced by England, punctuated by the opium wars beginning in 1849 and culminating with the period of “unequal treaties” imposed by the foreign powers (interviews).

The “Triangular Trade” imposed by the British simply meant exporting opium from India into China to raise foreign exchange for the purchase of such items as silk and tea for the European and American markets. The British particularly grew enormously rich by selling opium to the Chinese. The center of the trade in China was Canton, now Guangzhou. The central government of China sought for years to close down the opium trade. It finally closed Canton to foreign traders in 1839 (interviews).

The following opium wars were short. The British and Americans sent warships to re-open the Chinese ports to the opium trade. The Chinese government was too weak to prevent the re-opening of the ports. The result was the unequal treaties of the 1840s. The western powers established foreign concessions in China’s major cities. The turnover of Hong Kong to the British was another outcome of the opium wars. Hong Kong remained a British colony until 1997. This is the backdrop for Deng’s new pragmatism (as example of punctuated equilibrium) meant to re-establish China’s historical power through economic development.

A second historical reality influencing Deng’s pragmatic vision was Mao’s Cultural Revolution from 1966-1976. One can mark the end of Mao’s Cultural Revolution and Deng’s new pragmatism on at least two levels. The first is the end of ideology. The second level is represented by the initiation of new economic reforms (interviews).

From Mao to Deng’s Pragmatism

For years the Chinese Communist Party of Mao tried to substitute communist ideology and organization for traditional Chinese cultural values. The era of dogmatic ideological rigidity culminated in Mao’s “Great Cultural Revolution” from 1966 to 1976. Mao unleashed the destructiveness of the Red Guards to make his last effort to create a communist man and woman. The ensuing political chaos caused dramatic economic decline. As a political moderate Mao had imprisoned Deng even though he had been a member of the original Chinese Communist Party. He re-emerged as China’s paramount leader in 1976.

To stem the economic decline, Deng initiated sweeping economic reforms. Crucial to these reforms were special economic zones (SEZs). The initial SEZ framework can be characterized in the following way:

- Managed directly from Beijing
- Private ownership control
- Tax incentives and tax holidays based on Chinese established investment priorities
- Freedom to hire and fire business employees
- Partnerships with Chinese entities

- Extensive and updated infrastructure that supported international business activities

The original five special economic zones became a platform of success for China's experiment with market reforms and open trade and investment, and export manufacturing. In the 1980s Deng established ten more special economic zones. They also became rapidly successful further enlarging the platform of successful experimentation (interviews).

INCIDENTS AND INDICATIONS

In 2012 China dislodged the Philippine navy from Scarborough Shoal in the South China Sea. Scarborough Shoal is within the 200-mile exclusive economic zone (EEZ) from the Philippine mainland as established under the UN Convention on the Law of the Sea (UNCLOS). Chinese ships blocked Filipino fishermen from fishing near Scarborough Shoal (*The Economist*, 2016). Reacting to the Chinese blockade of the shoal Benigno Aquino, the president of the Philippines at the time, brought the case in 2013 before the Permanent Court of Arbitration, an international tribunal in The Hague (*The Economist*, 2016). It is important to note that building any kind of military installation on Scarborough shoal would give China an important gateway to the open Pacific (interviews).

What is worry-some is China's rapid island building in the South China Sea. China has engaged in a massive building spree for the past few years. In the Spratly archipelago it has turned seven uninhabited rocks and reefs, submerged at high tide, into artificial islands and has fortified them. The same rocks and reefs are also claimed by Vietnam and the Philippines. Both countries are outraged by China's actions. As mentioned above, China removed the Philippine navy from Scarborough Shoal, north of the Spratlys, and Chinese activities suggest that the Shoal will be the next area of reclamation. According to an interview with the commander of U.S. forces in the Pacific, Admiral Harry Harris, China appeared poised to start construction again but backed off when President Obama and other officials issued private warnings to Beijing. Moreover, Admiral Harris's Pacific command moved additional assets to the area (*WSJ*, 2016). Chinese construction on Scarborough would give Beijing a position 120 miles off the strategic Philippine port of Subic Bay and near the Luzon Strait, a key gateway to the open Pacific.

Under the U.N. Convention on the Law of the Sea, to which China is a signatory, only a naturally formed island that can support human or economic life can justify a claim of "exclusive economic zone" (EEZ), which can extend as much as 200 nautical miles. An EEZ is crucial: it grants a coastal nation sovereign rights to all natural resources within those waters, though other nations' ships are allowed to pass through (Beech, 2016). By turning reefs into islands, China may try to claim the 200 miles exclusive economic zone. If it will be allowed to do so, China could practically control the waters of the South China Sea.

China's hectic building, turning rocks and reefs into islands, has led to protests from several nations in the region, foremost by those which lay claim to the same reefs. A Taiwanese garrison occupies Itu Aba, the biggest natural island in the Spratly archipelago. The island is actually claimed by China, Taiwan, The Philippines, and Vietnam (*The Economist*, 2016). But China has turned three of the rocks in the Spratly's into islands larger than Itu Aba. It has recently landed civilian aircraft carrying "tourists" on one of them. And China has again moved a large oil rig into the waters claimed by Vietnam – as it did in 2014 when it provoked fatal anti-Chinese riots.

Ruling by the Permanent Court of Arbitration

On July 12, 2016 the Hague Tribunal constituted under UNCLOS ruled against China in arbitration instituted by the Philippines (The Hague, 2016). The tribunal found that it has jurisdiction to

consider the dispute. The tribunal concluded that the convention allocates rights to maritime areas and that protection for pre-existing rights, basis of China's position, were considered, but not adopted in the convention (Permanent Court of Arbitration). The tribunal concluded, "that to the extent that China had historic rights to resources in the waters of the South China Sea, such rights were extinguished to the extent they were incompatible with the exclusive economic zones provided for in the convention." In an even broader inclusion, one finds the following: "The Tribunal also noted that although Chinese navigators and fishermen, as well as those of other states, had historically made use of the islands in the South China Sea, there was no evidence that China had historically exercised exclusive control over the waters or their resources." The Tribunal concluded that there was no legal basis for China to claim historic rights to resources within the sea areas falling within the "nine-dash line" (Permanent Court of Arbitration).

The Tribunal also ruled that China violated Philippine sovereignty by the following:

- Interfering with Philippine fishing and petroleum exploration
- Constructing artificial islands
- Philippine fishermen had traditional fishing rights at Scarborough Shoal and China interfered with these rights
- China's interventions have created serious environmental and traffic problems in the area
- The Tribunal ruled that China had no legitimate control over the Spratly Islands, and has no rights to dredging or island building (Permanent Court of Arbitration)

China's Reaction

Neighboring countries, and the United States, are waiting to see whether threatening behavior will follow China's furious rhetoric. As a member of UNCLOS, China is supposed to obey the court. Unfortunately, the court has no enforcement mechanism. Now, in the aftermath of the ruling, the biggest question facing the countries of the South China Sea is whether Asia's oceans will be governed by the rules of UNCLOS or whether those rules will be bent to accommodate China's rising power.

China's basic reaction to the U.N. decision was to reject it. Moreover, China views the rising turmoil in the South China Sea as the fault of the United States. China's leadership sees a pattern of the U.S. and its allies (Japan, Vietnam, and The Philippines in particular) bullying China. The U.S. continues monitoring flights and "sniffer" efforts to try to maintain freedom of commerce lanes open (interviews). Some of the actions taken by China in the aftermath of the ruling are quite disturbing. The maritime authority of Hainan, an island province of Guandong, said it was closing an area in the South China Sea for three days while conducting naval exercises. Beijing has been talking about setting up an Air Defense Identification Zone in the area, requiring incoming aircraft to identify themselves to its authorities (*The Economist*, 2016). However, according to Admiral Harris, since the tribunal verdict "There hasn't been any demonstrable change in Chinese behavior around Scarborough in terms of dredging or any of that activity. So I think we are at a place where truly we have to wait and see" (*WSJ*, 2016).

Admiral Harris also reported that various aspects of China's record aren't as bad as they may seem. For example that some of China's seemingly aggressive intercepts of U.S. planes were caused by poor airmanship and not some signal from Beijing (*WSJ*, 2016). In actuality, China has been strangely quiescent since the Court rejected its territorial claims in the South China Sea and has made attempts to get along with the neighboring nations, especially Vietnam and The Philippines (*The Economist*, 2017).

Changes in the Philippines

In June of 2016 the presidency changed in the Philippines. Roberto Duterte replaced Mr. Aquino as president. Duterte changed course in the dispute with China. By standing up to China, the Philippines had to pay a price. The support Beijing gave other ASEAN members dried up for the Philippines. Filipino

businesses were struggling in China, and very little investment flowed to the Philippines (*The Economist*, 2016).

Mr. Duterte announced he would end joint military exercises with the United States and might cancel the Defense Cooperation Agreement. In October 2016, on a state visit to China, Mr. Duterte announced that he was distancing the Philippines from the U.S. for closer alignment with China. In return, Beijing promised billions of dollars in loans and investment and ended the blockade of Scarborough Shoal (*The Economist*, 2016). The two countries even expressed their desire for joint exploration for resources, something the Philippines had resisted up to now (*The Economist*, 2017). But what will happen in the next election in the Philippines?

There is a clear message for other Southeast Asian nations, which have competing claims in the South China Sea: Cooperate with China and mutual trade will flow. The question for the Southeast Asian nations has always been what will the Chinese do next? Therefore, the existing uneasiness all around and the preference for an American presence in the Pacific. That situation has not changed.

The strife in the South China Sea will certainly continue. Although no side wants to provoke conflict, no one wants China to be the only power to dictate conditions. In the end of his book, *The South China Sea*, Hayton had suggested that if the nine-dash line were to be redrawn, the Sea could become a collectively managed region for the benefit of all (Hayton, 2014). Maybe Hayton's suggestion could be pursued further, if all parties would be willing to compromise.

Political Changes in the U.S.

The American led Trans-Pacific Partnership (TPP), signed in October 2015, was seen by President Obama as central to his foreign policy – the “pivot”, or “rebalance” to Asia and the Pacific. Twelve Pacific Rim countries signed on to this free-trade agreement, among them Canada, Australia, Japan, Singapore, Malaysia, Vietnam, Chile and Peru (*The Economist*, 2015). The treaty was aimed at economic reform. It would give improved access to the American market, lower tariffs, but above all concentrate on bringing down agricultural barriers and freer trade in services. The TPP promised greater access to markets for more service providers.

On November 8, 2016 the United States elected a new president – Donald Trump. Once in office, one of the first actions by the new president was to cancel U.S. membership in TPP. With American withdrawal, the survival of TPP faces an uphill battle. The remaining eleven countries may try to move forward. Japan and Canada have been in talks with other parties, and there is a chance that other countries may join. If the deal goes forward, the U.S. will have less leverage in future trade talks with member countries (*Bloomberg Businessweek*, 2017). According to Martin Wolf, Financial Editor of the *British Financial Times*, the president's withdrawal from the TPP trade pact was a monumental mistake (Wolf interview).

The U.S. led TPP was presented by President Obama as a way of countering China. Chinese President Xi has made free-trade agreements a major part of his strategy to expand China's influence in the South China Sea. The Regional Comprehensive Economic Partnership (RCEP), an ambitious all-Asia free trade deal, aimed to offset the impact of TPP, may now be the regional deal with the best chance of survival (Einhorn, 2015).

Although generally seen as a China-led initiative, the RCEP is under the auspices of ASEAN with the intent to meld the existing free-trade agreements that ASEAN has with six other countries (*The Economist*, 2017). In regard to trade deals done by China, they tend to focus on securing access to resources and markets and reducing trade barriers such as tariffs. In contrast to the TPP, there are no demands for increased protection of worker rights and environmental standards. According to a professor

at Hong Kong's School of Economics and Finance, China will not insist much on anything when forming free-trade agreements (Einhorn, 2015).

A TPP failure will change the dynamics in the Pacific. The TPP had been stressed by President Obama as an attempt to stop China from writing the rules for Pacific countries. Asian nations threatened by Chinese territorial claims in the South China Sea will probably be wary about Chinese trade diplomacy (Einhorn, 2015). "If the RCEP goes through and the TPP fails, it's a huge political message" according to a lecturer at Monarch University in Melbourne (Einhorn, 2016).

The Most Recent Exacerbating Events

The U.S. is intent on maintaining freedom of the seas for commerce in the face of China's claim to 80 percent of the South China Sea and claims over the East China Sea. Moreover, there is the huge added complexity of North Korea's nuclear testing and its relationship to China (interviews). In August of 2017 North Korea fired a missile over Japan further destabilizing the Pacific turmoil (Reuters, 2017). Earlier in August North Korea threatened to fire four missiles into the sea near the U.S. Pacific territory of Guam (Ibid). In the case of the North Korea-Japan scenario many expert observers suggest Japan will have to strongly react or face more North Korean provocations (Reuters, 2017).

Other recent events have added to the problems. In August of 2017, Chinese frigates shadowed the USS John McCain as it sailed in the East China Sea to monitor and perhaps enforce freedom of the seas. In May of 2017 PLA (China) fighter jets intercepted U.S. Airforce nuclear test "sniffer flights" in the East China Sea. The U.S. plane was conducting a routine mission in accordance with international law in international waters. The Chinese continue to view the flights as provocative. China declared an "air defense identification zone" over a large section of the East China Sea in 2013. The U.S. spokesperson refused to say whether the U.S. "sniffer flight" was in the Chinese zone (*Shanghai Daily*, May 22, 2017). In December 2016 a Chinese naval ship seized a U.S. underwater drone collecting oceanographic data for anti-submarine operations off the Philippine coast outside the area claimed by China. This could be considered a clear violation of international law (interviews). In another development in May of 2017 Japan scrambled fighter jets after four Chinese coastguard vessels entered what Japan considers its territorial waters near disputed East China Sea islands (*South China Morning Post*, May 20, 2017).

Competitive Reality

Beijing's perspective on the maritime disputes is clear and straightforward. The tension is a consequence of U.S. efforts to contain China from attempts to control its historically rightful territory (interviews). The U.S. view is to underline freedom of the seas, the traditional rule of international law, and international political stability in the region (interviews). There are several dimensions to the conflict, as we have shown in previous paragraphs including military, legal, political-economic, and diplomatic.

Regarding the military dimension, our research highlights recent events in previous paragraphs. Long-term policy orientations represent another important dimension. We can quote Admiral Harry Harris, the commander of U.S. forces in the Pacific, in that respect. He states that the U.S. is advancing toward its goal of placing 60 percent of its air and naval assets in the Pacific by 2020. Moreover, the Navy is building to a fleet of 308 ships from 287 five years ago. Admiral Harris states, "So I can stand in front of anybody and tell them what I believe – the military component of the (U.S.) rebalance is real" (*WSJ*). Meanwhile, the Chinese continue to think long term about re-establishing what they perceive as their traditional sphere of influence including island building with airplane runways in the South China Sea and the East China Sea (interviews).

CONCLUSION: CONFLICT RESOLUTION STRATEGIES

Effective dispute resolution clearly needs to be multi-faceted. It needs to address military, regional, political, legal and economic issues. Most important, resolution strategies need to emphasize diplomatic solutions (interviews). The following suggestions represent our thinking regarding conflict resolution.

Perspective Education

All parties to the maritime disputes need to engage in continuous perspective education. This involves primarily three themes.

- Training in policy and perceptual “self-awareness” in order to better understand the relevant issues and social psychological dynamics of one’s own perspectives. This enables actors to better understand their strengths and weaknesses regarding conflict resolution.
- Training in “other awareness” to underline the perspectives of other actors – allies and competitors – in the context of the disputes.
- Emphasis on history and culture.

Ethnocentrism and Cross-cultural Communication

The major problem in cross-cultural communication is ethno-centrism. Ethno-centrism is the perspective that one’s own cultural orientation is the only “right” way to think and proceed. It is the rejection of other values and policies. The authors suggest the following strategies.

- Constant communication with allies and competitors within the context of strategies to avoid ethnocentrism.
- Constant communication to build relational context.
- Constant training in effective strategies for cross-cultural communication to support continuing negotiation.

Diplomatic Collaboration

The data from interviews of key professional observers suggests that given the military and political tensions the strongest approach to conflict resolution is collaboration (interviews). Conflict resolution strategies can include ignoring, command, competition, compromise, and collaboration.

- Diplomatic collaboration focuses on win-win approaches to maximize joint results. It seeks to create partnering relationships where common ground can be found. For example, it is clear that
- China and the U.S. are competitive on a number of levels but have a huge mutual interest in the peaceful outcome of the disputes. If they can partner enough to dispel distrust they can make progress. Some evidence shows China has already moderated some of its positions, as has the U.S. (interviews).
- Collaboration sees conflict as natural and recognizes that mutually beneficial solutions may best advance commitments to solutions (interviews).
- U.S. collaborations with allies is an important effort that needs to be conducted on the basis of effective cross-cultural communication establishing “self-awareness” and “other-awareness.” “Self-awareness” and “other-awareness” needs to apply to collaboration with allies and China (interviews). It also applies to China’s efforts as well as U.S. efforts.

Alliances

- Alliances are the path to more effective influence e.g. U.S., Japan and Vietnam; China and Southeast Asia.

- Alliance building and partnering with competitors.
- Constant efforts at teambuilding emphasizing goals, roles, and trust development with potential allies and competitors.
- Need to explore new alliance possibilities, e.g. U.S. and India.
- Understand what is necessary to take off the table regarding alliance building and negotiation strategies.

Collaboration for China Inclusion

It is clear that China is a rising power. Even more broadly it is becoming a multi-polar world. Regarding the maritime disputes, the U.S. and its allies seek to uphold the rule of law and freedom of the seas. Some observers conclude that if the U.S. and its allies push back against China's rise too aggressively it will isolate China. Concurrently, if China asserts itself by ignoring the claims of other nations in the South China Sea and the East China Sea it will engage in self-isolation (interviews).

Isolation is hugely problematic. Admiral Harris recently made several important points about China and its potential isolation. Harris said, "We don't want China to be isolated. Isolation is a bad place to be...it's dangerous." Moreover, he also believes China seeks hegemony in East Asia. He told the U.S. Congress in February 2016 that China's ambition is not incompatible with the ambition that China becomes a "responsible stakeholder" in the liberal, rules-based international order. Clearly, Admiral Harris while believing in a strong asymmetric defense capability, he underlines that the "main battle" must be fought on the diplomatic front (*Wall Street Journal*, August 6-7, 2016).

The Compromise Option

We conclude that compromise is a secondary strategy. Compromise differs from collaboration in that involves not as much emphasis on win-win partnering efforts. Compromise occurs when each party gives up something of value to the other. Other conflict resolution options such as ignoring behavior and accommodation are not appropriate for the highly competitive nature of the regional turmoil.

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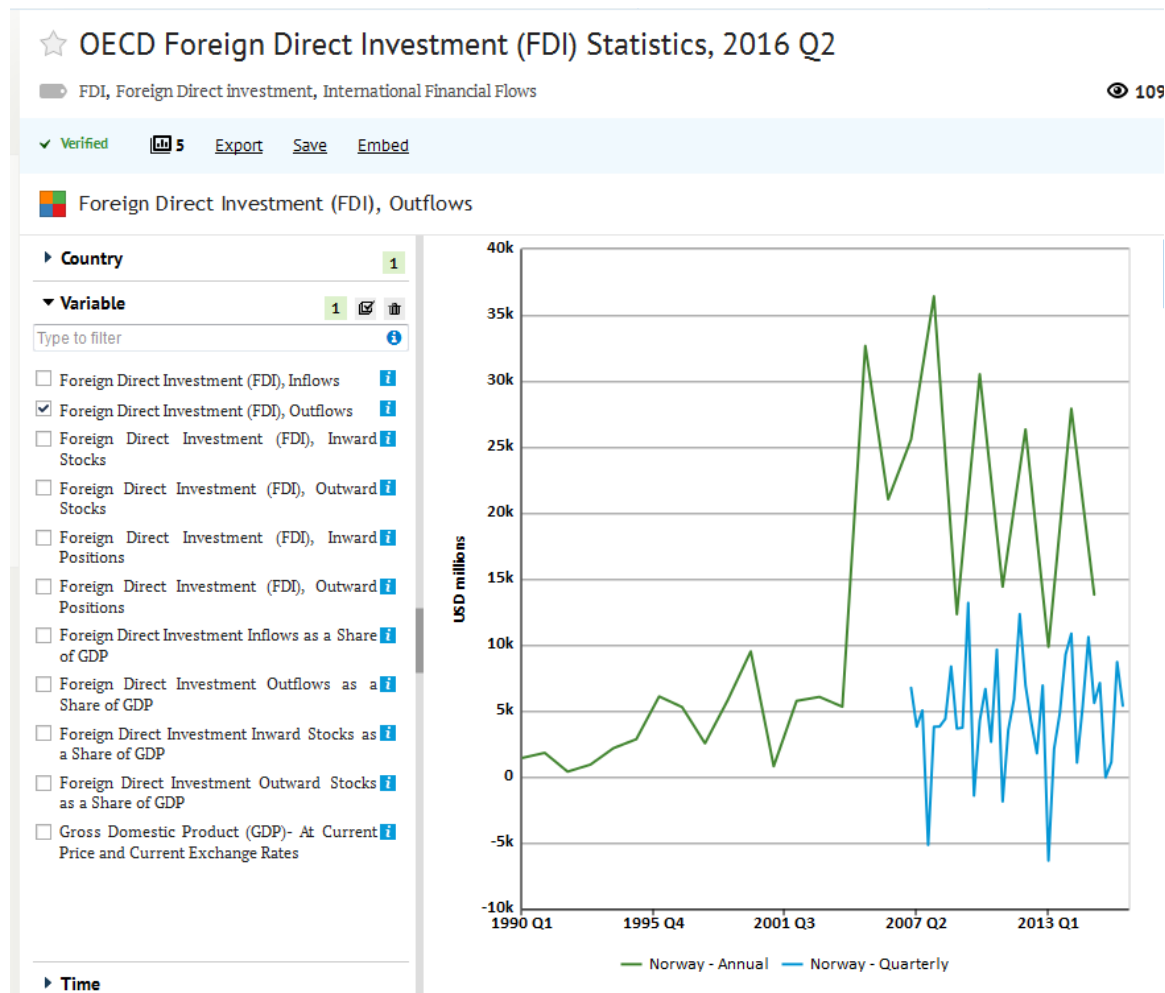
DETERMINANTS OF OUTWARD FDI: EVIDENCE FROM SCANDINAVIA

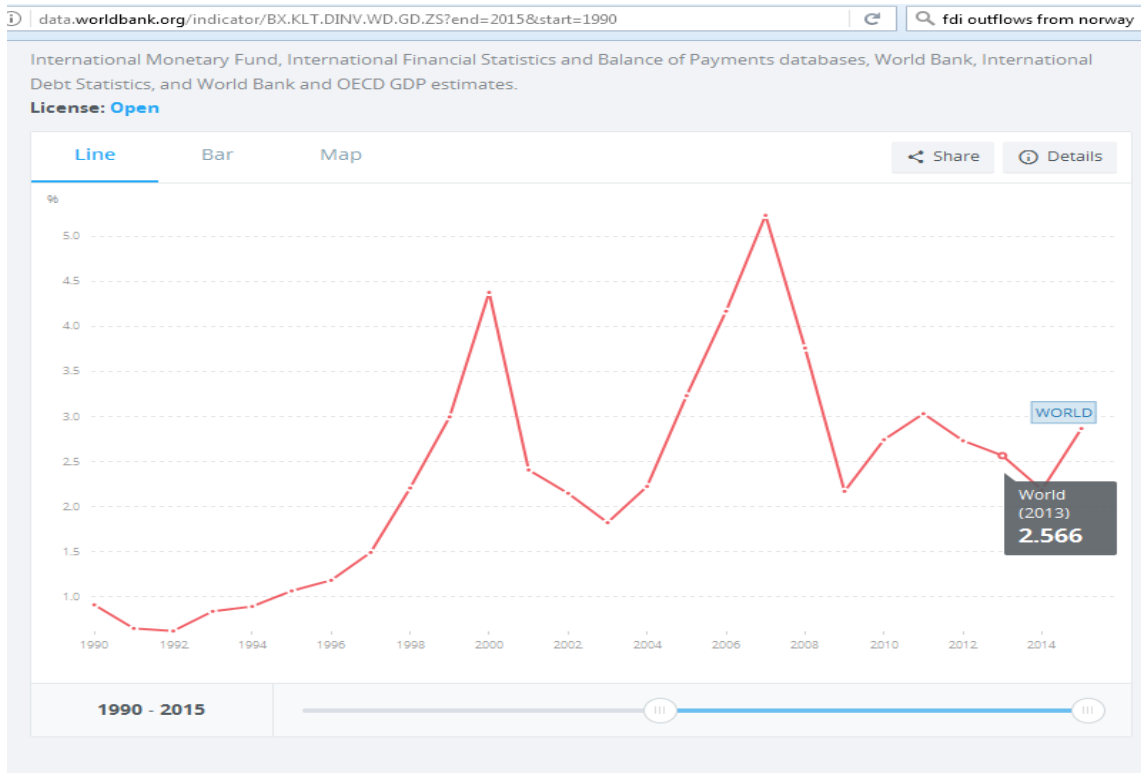
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Abstract

Using cointegrating regressions with Fully Modified OLS (FMOLS) and the vector autoregressive and error correction model (VAR/VECM) on quarterly data, this study is examining the impact of micro-level (firm-specific) factors and macro-level (country-specific) factors on outward foreign direct investment (FDI) in three small open economies: Norway, Sweden and Denmark under the location specific advantage. Norway, Sweden and Denmark are small open economies, which share many common features: they are about the same size, they belong to the same cultural block and their political institutions and traditions share many of the same characteristics. This allows us to explore the differences and similarities in the internationalization process of their MNEs.

Key words: Foreign direct investment, MNE, Norway, Sweden, Denmark





There are "endogenous" home country-specific factors that also act as centripetal and centrifugal forces. Institutions, support infrastructure, and related companies exist in a given location (Markusen 1996). The ability of such factors to meet the needs of the multinational enterprise (MNE) play a crucial role in determining the extent of their internationalization (Narula 2002). For this reason, it has been argued that the home base plays a continued or possibly increasingly important role for the global firm (Porter 1990; Porter and Sol veil 1998).

FOOD LAW IN THE UNITED STATES AND THE EUROPEAN UNION

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Abstract

The paper I am working on for submission is about the different food regulations between the United States and the European Union, with a focus on the European country of Spain. The European Union has stricter food regulations when it comes to GMO's, and food additives. This difference in food regulations has caused trade disputes between the United States and the European Union. For example, the ban on the importation of American beef due to hormones in the European Union.

In the paper, the main focus is on discussing and analyzing the food laws in both regions and then illustrating how these laws impact the societies of the United States and the European Union. Not just the citizens, their health and mentalities, but also their economies. There will be special attention drawn to the European country of Spain. Data such as imports and exports into the two regions to and from each other over the past 20-30 years will be analyzed and used to illustrate the impact of these different food regulations.

SUSTAINABILITY PRACTICES OF ALBANIAN SMEs

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Abstract

There has been a growing global awareness concerning the importance of using sustainability practices in businesses. Drivers for the increase in sustainability practices include increasing legal requirements by governments, customer demands, and political/societal pressure.

Small and Medium Enterprises (SMEs) have a vital role in this movement. The Institute of Business Ethics in London presents the business case for social responsibility in small and medium-sized enterprises (Institute of Business Ethics, London, 2013), and the website Sustainability4SMEs.com has resources that support the economic benefits of sustainability for SMEs (Sustainability4SMEs, 2013). However, knowledge of sustainability practices in SMEs has been limited.

Although Albania has been striving to enact environmental laws and regulations that approximate those that exist in the European Union, progress has been slow. Eco-efficient and eco-innovation policies are not well developed in Albania. The government has not developed standards of sustainability for industries. The growth of sustainability practices is constrained by a lack of knowledge on environmental issues. Albanian SMEs are often unaware of environmental management practices (European Investment Bank, 2016). As a result, the implementation of sustainability practices by Albanian SMEs is practically unknown.

A conceptual model of supply chain environmental sustainability development is discussed in this paper based on Hayes and Wheelwright's four-stage operations development model. The four-stage model presented is specifically based on sustainability development in supply chain activities in SMEs.

Research Objectives

The objectives of this research are to assess the current status of supply chain sustainability development and implementation in a sample of SMEs and to develop and conceptually test an approach to implementing sustainability practices in the supply chains of Albanian SMEs.

Methodology

The research uses a small-sample, case analysis methodology. The first step is to hypothesize an approach for developing improved supply chain sustainability practices in SMEs by adapting the Hayes and Wheelwright four-stage model of strategic contribution to sustainability practices. Next, interview from five to eight SMEs in Albania to ascertain the current status of SME supply chain sustainability in these organizations, and compare the results with the stages of the hypothesized sustainability model to assess the degree of progress. Finally, obtain feedback to enable development of the hypothesized model into a practical approach for improving the level of sustainability in SMEs.

Contribution

This paper contributes to the sustainability literature in two ways: (1) It provides information on the state of implementation of environmentally sustainable management supply chain practices in Albanian SMEs; and (2) it serves as a potential planning tool for sustainability development in Albanian SMEs and micro organizations.

ECONOMIC SUSTAINABILITY AND POVERTY ALLEVIATION IN DEVELOPING COUNTRIES: A STUDY OF THE UTILIZATION OF THE COOPERATIVE BUSINESS MODEL IN NICARAGUA

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ABSTRACT

This study explores whether organizational outcomes and living conditions among poor smallholder farmers are improved significantly as a result of employing a cooperative business model and structures within the Nicaraguan coffee industry, an important player in the global \$100 billion coffee industry (Thurston, 2013). The study analyzes data obtained primarily from interviews with key grass roots level stakeholders. The results suggest that despite a fragile economy recovering from a series of violent political upheavals and multiple supply chain related constraints in the coffee commodity market, a rural agricultural cooperative has the potential to achieve economic sustainability without compromising altruistic associative objectives. The key multi-faceted aspects contributing to this optimization of the twin goals of economic sustainability and social improvement were investigated. The central hypothesis tested was: in an underdeveloped economy, ravaged by decades of war, can rural agricultural farmers reap substantial gains in economic and social outcomes using a cooperative business model.

This study analyzed interview responses from key stakeholders in the Nicaraguan coffee supply chain, with a focus on the peasant farmers and the cooperative leaders themselves, exploring both external and internal factors contributing to economic sustainability and improvement in overall living conditions. The data analysis initially focused on secondary sources relating to the Nicaraguan coffee industry and the post-conflict cooperative movement in Nicaragua. The analysis was subsequently supplemented with in depth interview methods and interview questions based on theoretical constructs surrounding economic and environmental sustainability. As a result, factors influencing economic and social development performance were discovered.

Results for this study's primary research questions revealed that for the Nicaraguan coffee industry, several factors call into question whether a cooperative business model is an ideal organizational structure for optimizing the twin goals of sustainability and outreach to the literally thousands of poor micro entrepreneurs in the Third World who would be economically empowered by the structures embedded in small rural agricultural cooperatives. Analysis done of the evolution of the cooperative movement in the Nicaraguan coffee industry since the Sandinistas gain power, through the overthrow of the Somoza government, revealed macro and micro operational challenges relating to: (i) corporate governance and internal controls; (ii) navigation of the "field to market" supply chain forces involved to insure optimization of price and quantity delivered; (iii) uncontrollable macro-economic challenges relating to commodity

price fluctuations, fair trade policies surrounding labor conditions, processes ensuring “organic” certified coffee, and pervasive supply chain corruption as a result of being located in one of the poorest countries in the world; (iv) women and generational empowerment in a post-conflict, male dominated society; (v) mission/culture creep; and (vi) opportunity costs as a result of the time, energy and resources necessary to maintain economic sustainability.

The results of this study suggest that for poor rural agricultural farmers, a transformation from individual run farms to a cooperative structure has the potential to increase their economic sustainability and overall living conditions in developing countries, with minimal economic consequences. Practitioners involved in the use of alternative economic models to alleviate poverty and social capital researchers should find the analysis and results from this study helpful in determining whether there needs to be a shift in focus to further studies of the cooperative business model. The study of alternative business models is especially timely today since nearly 800 million people continue to live in extreme poverty (World Bank, 2017), the majority being poor rural, agricultural farmers.

This study suggests that there are new, powerful macro and micro forces that play a key role in the optimization of long-term economic and environmental sustainability for a rural, agricultural based cooperative institution operating in the challenging Third World environment.

FRONIUS USA - INVERTING SUSTAINABLE ENERGY INTO 24 HOURS OF SUN

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CASE DESCRIPTION

The primary subject matter of this case concerns the changing landscape of consumer energy needs. It focuses the application of alternative technologies and fuel sources to work towards a sustainable energy source; a 24-Hour Sun. Secondary issues examined include collaborative efforts with other organization to move a mission forward. This case is designed to be taught in one to one and one-half hours. It has a difficulty level of three; junior level. It is expected to take about an hour of outside preparation by students. Case information was gathered from public information and personal interviews at Fronius USA Headquarters.

CASE SYNOPSIS

Fronius is a multinational company based in Pettenbach, Austria. They strive for a sustainable future through innovation, quality, and first-rate service. From humble beginnings in 1945, Fronius has grown to a large multinational corporation with three separate successful business units; Perfect Charging, Perfect Welding, and Solar Energy. Fronius believes in a future where 100% of the global energy requirements come from renewable energy sources; or the world of 24 hours of sun. As the world looks for alternative sources of energy, Fronius must balance the 24-hour sun initiative while maintaining its other core businesses.

BACKGROUND

When Fronius was founded by husband and wife Gunter and Friedl Fronius in 1945, charging car batteries was a major problem. Gunter Fronius was driven to find a solid solution to this issue. He built his first battery charger and opened a specialist repair workshop for radios and electrical engineering. With a small workshop and one additional employee, he laid the framework for a multinational company. By 1950, Mr. Fronius expanded to include welding transformers through the launch of Perfect Welding Business Unit. By the 1980s, the successful medium sized company was turned over to his children, Brigette and Klaus. Under their leadership, Fronius saw tremendous internationalization and growth. In the early 1990s, the company saw potential in the field of solar energy, and thus split into three distinct divisions: Perfect Welding, Solar Energy, and Perfect Charging.

In 1995, Fronius launched “Sunrise”, their first grid-connected solar inverter which generates power from solar energy and feeds it into the energy grid. By 2001, “Fronius IG” inverter offered flexibility to customers utilizing data communication and compatibility with industry-standard photovoltaic modules. Subsequently, Fronius expanded to the United States in 2002, locating in the Detroit area to be near the automotive industry. In 2012, they opened a state-of-the-art USA national headquarters in Portage, Indiana. Fronius has greatly contributed to the American market having offices across the county in Brighton MI, Chattanooga TN, Houston TX, Riverside CA, and San Francisco CA. Today, Fronius has subsidiaries in 28 countries and representatives in over 60 countries. Throughout their growth and expansion, Fronius has maintained their focus on creating a sustainable future through innovation, quality, and first-rate service.

FRONIUS BUSINESS UNITS

Since the beginning, Fronius has a strong passion for new technologies and rigorous research. They position themselves as the technology leader, finding, developing, and implementing innovative methods in each of their business units. Fronius seeks out new opportunities and works towards finding difficult solutions. They attribute this to their clear vision, inventive spirit, and ingrained passion for quality. This allows them to extend the limits of what is possible and set the trends that change the market.

A Strategic Business Unit (SBU) is an independently managed division of a large company. Each division will have its own vision, mission, and objectives. The planning of each of these divisions are done separately from other businesses of the company. More specifically, a SBU is a cluster of associated businesses. Typically, the separations often include divisions along the lines of businesses, products, or product/brand. Each of the divisions maintains autonomous planning and has its own set of competitors. Fronius is segmented in this way.

The first of the three business units is Perfect Charging which has been around since Fronius' inception in 1945. Their range of products and services in this unit allows Fronius to deliver performance, efficiency, cost effectiveness and sustainability. The purpose of this range of products is to ensure maximum power availability for vehicles thereby lowering operating costs and a longer service life. The second business unit within Fronius is the Perfect Welding Business Unit. Operating since 1950, this unit has progressed the welding technology sector. One specific innovation, a process of thermal joining steel and aluminum was once considered unachievable. Fronius' efforts to push the boundaries of possible has led to this innovation. The newest but equally important business unit is Solar Energy. Starting as a pioneer in the field, Fronius' 24 hours of sun vision has substantially contributed to the energy revolution. To aid in their goal of a future with 100% of energy coming from renewable sources, Fronius covers a product spectrum that includes energy generation, storage, distribution and consumption of solar energy. More specifically, this includes inverters, storage units, meters, energy monitoring system along with integrative complete system solutions.

24 HOURS OF SUN INITIATIVE

Like many companies, Fronius is search for a path to the perfect sustainable future. The longevity of the company rests on the ability to commit to sustainable practices. To attract customers, the products must not only be effective, but cost effective as well. Keeping this in mind, Fronius introduced the next generation of solar systems to the industry, the Fronius Smart Solution. This system satisfies the needs for both residential and commercial users. It provides a flexible design, shade mitigation, NEC compliance, high performance and state-of-the-art monitoring. Additionally, the system was developed to keep the number of components low and installation easy to be more easily integrated with other companies.

To achieve the 24 hours of sun initiative, Fronius is utilizing three principles relating to the generation, storage, distribution, or consumption of renewable energy:

1. The Reliability of supply: does it ensure a long term and reliable operation
2. System Optimization: does it optimize performance along the lines of efficiency
3. Future Proofing: does it contribute to or accommodate future demands

With the application of the principles listed above, Fronius will take one step at a time to ensure a most cost-effective form of energy in the world, making 24 hours of sun a reality for every nation. Fronius knows that this is not to be achieved alone, but rather a collaborative effort with other passionate program initiatives around the globe. See Table 1 for an example of how these technologies work with one another.

FIGURE 1: FRONIUS' VISION FOR THE FUTURE



TABLE 1: FRONIUS' VISION FOR THE FUTURE DESCRIPTION¹

Technology	Description
1. Photovoltaic Power Plant	Converts part of the solar radiation into electrical energy using solar cells. Energy can be used, stored, or fed into the public grid.
2. Wind	A wind farm converts wind energy into electrical energy. Kinetic energy of the wind causes rotor blades on the turbine to rotate. Rotational energy is fed into a generator, converting the mechanical energy into electricity.
3. Hydroelectric Power Station	Mechanical energy of water drives a generator, which produces electrical energy using transformers. This can be done with running water on a continuous basis, or pumped storage to produce energy on demand.
4. Energy Independent Single-Family Home	The “Fronius house of the future” shows how photovoltaics can be used as the primary energy source to generate a fully autonomous electricity and heat supply for an energy-efficient single-family home.
5. Communal Storage Unit	Communal storage unit distributes renewable energy as electricity, heat, or fuel as needed.
6. Pumped Storage Electrical Power Station	Currently the only efficient way of storing large quantities of electricity for a long period of time. When there is a surplus energy, water is pumped out of the storage basin to a reservoir located at a higher level. When energy is needed, the water flows back into the lower basin, driving a turbine, and producing electricity.
7. Central electrolysis/ Methanisation plant	Electrolysis or methanisation plants produce hydrogen or, in a second step, methane with the help of surplus power using an electrolysis process. Both substances can be used for space heating, industrial processes or in power stations as needed.
8. Hydrogen Refueling Station	Hydrogen is an excellent alternative to conventional drive systems and doesn't produce any harmful emissions; the only waste product is pure water. Hydrogen, which is generated from renewable energy, ensures sustainable and convenient mobility without limitation.

¹ Table adapted from Fronius.com

9. Methane gas Powered Station	Methane plants can rapidly react to changes in power output in the public grid and supply the electricity needed. In peak load gas-fired power stations, temporarily stored methane that is produced from renewable energy is converted back into electricity.
10. Energy-independent mobile communication base stations	For areas with no grid connection, a PV system generates electricity, which is then stored temporarily in the form of hydrogen following an electrolysis process and made available at stations using fuel cells. This provides a reliable, sustainable and permanently available energy supply.
11. Green intralogistics	The term “Green logistics” is used to describe environmentally friendly and sustainable transport and logistics concepts. Fuel cell vehicles, which are powered by hydrogen, and battery-driven vehicles, which use power from renewable energy sources, represent an important area to start implementing comprehensive energy concepts.

FRONIUS USA

Fronius expanded to United States in 2002 by opening a location in Brighton, Michigan which is strategically located near the automotive hub of Detroit. Since 2002, Fronius USA has expanded from six original employees to a team of more than 100 individuals in sales and service across the US. As a result of sustained growth in America, Fronius opened a state-of-the-art US headquarters in Portage, IN in 2012. Portage was selected due to its proximity to Chicago (40 miles) and affordability. In fact, the building that currently houses Fronius USA was paid for with cash. The location is ideal for many of the Austrian executives who enjoy the proximity of Chicago and the low operational costs in nearby Portage. Fronius USA CEO Wolfgang Niedrist has been with the company for 18 years and was one of the six original US employees. He maintains intimate approach to operations. He is responsible for the leadership and training of Fronius USA employees. As a native Austrian himself, he strives to integrate the primarily Austrian and American workforce. Additionally, he oversees the massive Fronius warehouse, a task that is typically handled at a lower level. His commitment to the company is a shared theme of many members of the organization. The company enjoys low turnover and high employee retention. In addition to Wolfgang, the rest of the original six US employees still maintain leadership positions. When an open position does arise, Fronius is very particular to ensure those onboarded meet their standards.

COLLABORATIVE EFFORTS TOWARD 24 HOURS OF SUN

Organizations utilizing Fronius products have received national recognition. For example, North Putnam Community Schools (Bainbridge, Indiana) was recognized by The Solar Energy Industries (SEIA) and the Smart Electric Power Alliance (SEPA) as the best photovoltaic project in the Midwest at the 2016 Photovoltaic Conference and Expo in Chicago. To win, the project demonstrated innovation, community involvement, and best practices that advance the industry – encompassing the Fronius concept of 24 Hours of Sun. North Putnam Community Schools is the first Indiana to run completely off zero “net energy”. The project will pay off it roughly 10 years due to the immense cost savings on the school’s energy bill. “This system is a great example on how solar can benefit the Midwest and is a lighthouse project for the whole region”, Tristan Kreager, Director of Solar Energy at Fronius USA, says.

New Ebenezer Baptist Church in Merrillville, Indiana also discovered the cost saving benefits of sustainable energy alternatives. In 2015, the church installed a system that saves them \$3,000 to \$4,000 per year in energy bills. Working with Jefferson Electric, LLC, the project was assisted through a grant from the Indiana Office of Energy Development to finance the project. Reverend Tom Brian hopes to

encourage more churches to go solar and participates in the Climate Boot Camp, an event hosted by Hoosier Interfaith Power and Light.

Similar benefits are being realized by private home owners and businesses on a larger scale. Qwik Solar partnered with Fronius to bring a massive solar farm to life in Geneva, NY. This remote net metered project comprises 35 separate projects totaling over 1.5 MW of power. Employing New York state's remote metering law and the NYSEDA NY-Sun Solar Electric Incentive Program, these projects are currently crediting energy into the accounts of 10 homeowners and 25 businesses. As a collective benefit, each of the systems is locally owned with the tax credits and cost savings staying in the local economy. This project is ongoing and expected to benefit additional private home and business owners.

Finally, Fronius is helping companies utilize more environmentally friendly means of procuring energy in their own backyards. SunWind Power is a Kentucky company that has witnessed the coal dependency has had on its state. Building toward a sustainable future of 24 hours of sun, Kentucky homes can move towards a greener and more efficient future. Jeremy Coxon, Installer with SunWind Power, values the flexible design and innovative features that simplified training and installation. A report released in October 2017 by the Union of Concerned Scientists (UCS)² identified 2.6 gigawatts (GW) of coal capacity across six Midwest states that are considered uneconomic compared to cleaner alternatives. The report also found, nationally, that more than 20 percent of coal-fired generation is deemed uneconomical. Fronius is committed to ensuring a sustainable future.

Discussion Questions:

1. How might a company, specifically Fronius, operate three distinct business units successfully?
2. What can Fronius do to make 24 Hours of Sun a reality?
3. Since the 24-Hours of Sun Initiative requires other strategic partners, how might Fronius further develop these relationships?
4. What opportunities does a company like Fronius have to make an impact on your campus?



² <http://midwestenergynews.com/2017/10/10/report-identifies-2-6-gigawatts-of-uneconomic-coal-plants-in-midwest/>

TEACHING NOTE:
FRONIUS USA: INVERTING SUSTAINABLE ENERGY INTO 24 HOURS OF SUNLIGHT

Stephanie Dianne Trendowski, Valparaiso University
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Jim Stuck, Valparaiso University

CASE DESCRIPTION

The primary subject matter of this case concerns the changing landscape of consumer energy needs. It focuses the application of alternative technologies and fuel sources to work towards a sustainable energy source. Secondary issues examined include collaborative efforts with other organization to move a mission forward. This case is designed to be taught in one to one and one half hours. It has a difficulty level of three; junior level. It is expected to take about an hour of outside preparation by students.

CASE SYNOPSIS

Fronius is a multinational company based in Pettenbach, Austria. They strive for a sustainable future through innovation, quality, and first-rate service. From humble beginnings in 1945, Fronius has grown to a large multinational corporation with three separate successful business units; Perfect Charging, Perfect Welding, and Solar Energy. Fronius believes in a future where 100% of the global energy requirements come from renewable energy sources; or the world of 24 hours of sun. As the world looks for alternative sources of energy, Fronius must balance the 24-hour sun initiative while maintaining its other core businesses.

DISCUSSION QUESTIONS

1. How might a company, specifically Fronius, operate three distinct business units successfully?
2. What can Fronius do to make 24 Hours of Sun a reality?
3. Since the 24-Hours of Sun Initiative requires other strategic partners, how might Fronius further develop these relationships?
4. What opportunities does a company like Fronius have to make an impact on your campus?

RECOMMENDATION FOR TEACHING APPROACH

To start the discussion, it may be advantageous to ask students about their knowledge of alternative energy. Some students may be very knowledgeable and utilize these sources. Other students may only understand the concept, but not how its applied. The varying perspectives will likely get the discussion going with some students having a very passionate response. For that utilize alternative energy, they will likely discuss the long term benefits of sustainability. They may focus on the ability to live off the grid and not be reliant on energy companies. In addition to the financial savings, the discussion can lead towards areas that are remote and have less opportunities for energy. Similarly, developing countries with less infrastructure could be brought into the mix. For those than are less enthusiastic, the upfront cost and lack of convenience could be deterrents. For existing homes and businesses, the standard is to attach to the grid and flip on a switch. As the industry standard, it's sometimes hard to move away. Secondly, the large panels to obtain solar electricity may be unsightly to some. These is certainly not an exhaustive list of the pros and cons. The discussion around alternative energy could encompass an entire class period prior to discussing the case itself. Its suggested to start this

discussion for a framework, then move into case specific discussion. To aid in this discussion, several discussion questions are included:

SUGGESTED ASSIGNMENT QUESTIONS WITH RESPONSES

1. How might a company, specifically Fronius, operate three distinct business units successfully? A Strategic Business Unit (SBU) is an independently managed division of a large company. Each division will have its own vision, mission, and objectives. The planning of each of these divisions are done separately from other businesses of the company. More specifically, a SBU is a cluster of associated businesses. Typically, the separations often include divisions along the lines of businesses, products, or product/brand. Each of the divisions maintains autonomous planning and has its own set of competitors. Fronius is segmented in this way.

In order to successfully utilize the strategic business unit model, each autonomous unit should be self-sustaining. As with Fronius, the Perfect Charging, Perfect Welding, and Solar Energy units are all independent with their own set of customers, rivals, and markets. If any of these units began to falter, Fronius could operate the other two without interruption.

(The description of each unit from the case follows)

The first of the three business units is Perfect Charging which has been around since Fronius' inception in 1945. Their range of products and services in this unit allows Fronius to deliver performance, efficiency, cost effectiveness and sustainability. The purpose of this range of products is to ensure maximum power availability for vehicles thereby lowering operating costs and a longer service life. The second business unit within Fronius is the Perfect Welding Business Unit. Operating since 1950, this unit has progressed the welding technology sector. One specific innovation, a process of thermal joining steel and aluminum was once considered unachievable. Fronius' efforts to push the boundaries of possible has led to this innovation. The newest but equally important business unit is Solar Energy. Starting as a pioneer in the field, Fronius' 24 hours of sun vision has substantially contributed to the energy revolution. To aid in their goal of a future with 100% of energy coming from renewable sources, Fronius covers a product spectrum that includes energy generation, storage, distribution and consumption of solar energy. More specifically, this includes inverters, storage units, meters, energy monitoring system along with integrative complete system solutions.

2. What can Fronius do to make 24 Hours of Sun a reality?

To answer this question, students can refer to figure 1 and table 1 in the case. Figure one illustrates a picture of 11 different technologies working together towards 24 hours of sun. Similarly, table one provides a written description of each of these technologies. Though Fronius only active works on a few of these, they can continue their strategic partnership with other organizations.

FIGURE 1: FRONIUS' VISION FOR THE FUTURE



Each of the numbers corresponds with a different technology description below in table 1. Many of these technologies are likely implemented in the nearby area. For those students that are unfamiliar with this industry, it will provide an opportunity to learn more. As a creative activity or discussion, the students could develop their own model for a sustainable system. Since the table includes nearly a dozen technologies, a large range of ideas could develop.

TABLE 1: FRONIUS' VISION FOR THE FUTURE DESCRIPTION³

Technology	Description
1. Photovoltaic Power Plant	Converts part of the solar radiation into electrical energy using solar cells. Energy can be used, stored, or fed into the public grid.
2. Wind	A wind farm converts wind energy into electrical energy. Kinetic energy of the wind causes rotor blades on the turbine to rotate. Rotational energy is fed into a generator, converting the mechanical energy into electricity.
3. Hydroelectric Power Station	Mechanical energy of water drives a generator, which produces electrical energy using transformers. This can be done with running water on a continuous basis, or pumped storage to produce energy on demand.
4. Energy Independent Single-Family Home	The “Fronius house of the future” shows how photovoltaics can be used as the primary energy source to generate a fully autonomous electricity and heat supply for an energy-efficient single-family home.
5. Communal Storage Unit	Communal storage unit distributes renewable energy as electricity, heat, or fuel as needed.
6. Pumped Storage Electrical Power Station	Currently the only efficient way of storing large quantities of electricity for a long period of time. When there is a surplus energy, water is pumped out of the storage basin to a reservoir located at a higher level. When energy is needed, the water flows back into the lower basin, driving a turbine, and producing electricity.
7. Central electrolysis/ Methanisation plant	Electrolysis or methanisation plants produce hydrogen or, in a second step, methane with the help of surplus power using an electrolysis process. Both substances can be used for space heating, industrial processes or in power stations as needed.

³ Table adapted from Fronius.com

8. Hydrogen Refueling Station	Hydrogen is an excellent alternative to conventional drive systems and doesn't produce any harmful emissions; the only waste product is pure water. Hydrogen, which is generated from renewable energy, ensures sustainable and convenient mobility without limitation.
9. Methane gas Powered Station	Methane plants can rapidly react to changes in power output in the public grid and supply the electricity needed. In peak load gas-fired power stations, temporarily stored methane that is produced from renewable energy is converted back into electricity.
10. Energy-independent mobile communication base stations	For areas with no grid connection, a PV system generates electricity, which is then stored temporarily in the form of hydrogen following an electrolysis process and made available at stations using fuel cells. This provides a reliable, sustainable and permanently available energy supply.
11. Green intralogistics	The term "Green logistics" is used to describe environmentally friendly and sustainable transport and logistics concepts. Fuel cell vehicles, which are powered by hydrogen, and battery-driven vehicles, which use power from renewable energy sources, represent an important area to start implementing comprehensive energy concepts.

3. Since the 24-Hours of Sun Initiative requires other strategic partners, how might Fronius further develop these relationships?

One way to start this discussion is to clarify what specifically Fronius does. In terms of sustainable energy, Fronius is the inverter. They do not make the panels that capture the energy. They make the inverter that convert the captured energy into useable energy. In that relationship, neither party can be effective alone. The case discusses several current relationships outlined below. The student can discuss how they can deepen these relationships – with additional technology/opportunities or develop new relationships. In either case, they will be making this technology more accessible for many consumers. The case outlines several projects that Fronius has completed, or that is ongoing. If the student is interested, he/she can look up additional projects that Fronius is part of.

Organizations utilizing Fronius products have received national recognition. For example, North Putnam Community Schools (Bainbridge, Indiana) was recognized by The Solar Energy Industries (SEIA) and the Smart Electric Power Alliance (SEPA) as the best photovoltaic project in the Midwest at the 2016 Photovoltaic Conference and Expo in Chicago. To win, the project demonstrated innovation, community involvement, and best practices that advance the industry – encompassing the Fronius concept of 24 Hours of Sun. North Putnam Community Schools is the first Indiana to run completely off zero “net energy”. The project will pay off it roughly 10 years due to the immense cost savings on the school’s energy bill. “This system is a great example on how solar can benefit the Midwest and is a lighthouse project for the whole region”, Tristan Kreager, Director of Solar Energy at Fronius USA, says.

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project comprises 35 separate projects totaling over 1.5 MW of power. Employing New York state's remote metering law and the NYSEERDA NY-Sun Solar Electric Incentive Program, these projects are currently crediting energy into the accounts of 10 homeowners and 25 businesses. As a collective benefit, each of the systems is locally owned with the tax credits and cost savings staying in the local economy. This project is ongoing and expected to benefit additional private home and business owners.

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4. What opportunities does a company like Fronius have to make an impact on your campus?

To answer this question, students should have a basic understanding of opportunities available to them. On many campuses, there are specific green initiative programs that students can become involved with. If there are none, students can discuss an opportunity to implement them. On a larger scale, the students can focus on the external community. Background research into what currently exists can be a minor assignment on its own. Once the student has seen what has been started, and merges this to opportunities, he/she will be able to answer this question. The benefit from this question will be the brainstorming that comes along. Students may become active on campus or in their community when they realize the opportunity for impact.

⁴ <http://midwestenergynews.com/2017/10/10/report-identifies-2-6-gigawatts-of-uneconomic-coal-plants-in-midwest/>

THE ROLE OF SOCIAL CAPITAL IN ENTREPRENEURIAL SELF-EFFICACY OF MARGINALIZED WOMEN IN DEVELOPING WORLD

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ABSTRACT

When traditional avenues for entrepreneurial learning become inaccessible for marginalized people, people tend to develop other unconventional avenues to learn and initiate small business that positively affect their lives. Previous research concluded that social capital is created through the patterns of social interactions that occur within different social structures. By considering the role of social capital within women's informal face-to-face social networks, this paper explores the dynamics between spontaneous learning, and entrepreneurial self-efficacy and their potentials to eliminate maldistribution and misrecognition of marginalized women in developing world. The paper examines how rural women utilize self-created social networks as unconventional avenues to learn and advance their entrepreneurial self-efficacy. The paper turns the focus of business pedagogy away from classical, formal classroom process to the unconventional avenues of lifelong learning that have remained outside of the scope of much research. It uniquely places the question of the pedagogical consequences of social capital into an analysis of women's social interactions within informal self-created social networks. The production of social capital and its consequences on entrepreneurial learning and entrepreneurial self-efficacy was examined by the authors with the use of data collected from 36 individual in- depth semi-structured interviews and focus group discussions with 49 women from three rural villages in Egypt. The findings reveal that self-created social networks create a space that is not found in other areas of marginalized rural women's lives; and that create a unique space for these women to learn and acquire entrepreneurial skills. Women reported that, these skills were crucial not only in helping them to initiate and run small business but also in dealing with social injustice represented in maldistribution and misrecognition of their societies.

Keywords: pedagogy; entrepreneurial self-efficacy; social capital; lifelong learning; distribution; recognition; culture; human resources.

THE ROLE OF ONLINE DISCUSSION FORUMS IN INTERNATIONAL MIGRANTS' OCCUPATIONAL INTEGRATION

Daniel Gulanowski, Carleton University

Luciara Nardon, Carleton University

ABSTRACT

Two main global trends are changing the nature of International Business: increased global mobility and migration (Caligiuri and Bonache, 2016; Doh et al., 2016) and increased reliance on technology for communication and work (Ahmed and Veronis, 2016; Janta and Ladkin, 2013; Yoon, 2017). In this phenomenon-guided research (Doh, 2017; Von Krogh et al., 2012) we explore the intersection between these two trends in the context of increasing use of online discussion forums by newcomers to Canada to access job related information.

We explore newcomers' needs and the degree to which these needs are satisfied through discussion forums participation through an inductive conventional qualitative content analysis of 574 discussion threads. A single thread contains interactions and communications between community members on a topic of interest to the members of the particular forum community, and it typically contains an initial post and subsequent replies. Preliminary analysis suggests that online forums facilitate the co-creation of social capital and cultural capital, with the potential to influence newcomers' employment expectations and career decision-making.

This research expands the relational perspective of newcomers' capital mobilization (Al Ariss and Syed, 2011) to the online discussion forums environment. This study also sets a stage for further International Business theorizing concerning global mobility and the role of online technologies in adjustment.

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NATIONAL CULTURE AND MANAGEMENT: A CRITICAL REVIEW AND DIRECTIONS FOR FUTURE RESEARCH

Daniel Gulanowski, Carleton University

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ABSTRACT

International business and management scholars have been studying concepts relating to the national culture construct for a very long time and the complexity and our understanding of the construct have increased substantially in the last two decades. For example, recent views and assessment approaches offer novel perspectives on the role of national culture, cultural change, dynamic nature of culture, as well as the relationship between culture and behavior. However, extant literature on the national culture construct is very fragmented and span many disciplines. Thus, there is a need for a systematic review of extant literature to advance our understanding of the recent developments and to provide directions for future research.

This study critically examines 111 relevant recent and seminal management publications, with the overall objective of gaining better insights on developments in the area. In particular, this study examines various definitions, views, conceptualizations, assessment approaches, as well as several other aspects related to the national culture construct and management, to seek and identify gaps in the relevant literature and suggest directions for further research.

The studies examined in this review were identified through a multi-step iterative process, which began by identifying relevant articles via Scholar Portal; continued with a review of those articles' abstracts to eliminate articles that were clearly peripheral to the purpose of this study; continued with manual review of references of retained articles to identify further sources that might have been missed in the previous step.

This critical review identifies and discusses several themes of recent research developments and heated debates, including the notion of cultural change, cultural friction, multi-level and multi-layer views of culture, as well as novel assessment approaches of national culture.

(References available on request.)

STOCK TRADING INVOLVEMENT IN TURKEY - AN EXPLORATORY STUDY

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ABSTRACT

Stock markets such as the Istanbul Exchange in Turkey are of interest to foreign as well as domestic investors. This study investigates one of the factors characteristic of emerging markets: the effect of socio-economic variables on stock trading by indigenous investors. It explores the case of Turkey. It uses logistic regression to evaluate the effect of socio-economic variables in stock trading. Additionally, the survey included the role of Internet exposure in spurring Turkish people to participate in the stock market. The study examined the role of Internet technology in predicting the log odds of trading in stocks in Turkey. The summary findings were robust. It shows that the personal profile of Turkish investors plays a significant role in their domestic stock market trading. In addition, even though using the Internet did not exhibit a high significant predictive power as socio-economic variable in identifying stock investors, it still had the potential to be used as a catalyst to promote stock trading.

Key words: Turkey, socio-economic, stock trading, investors, stock market, Internet.

BANNING TRADE IN USED CLOTHES: SHOULD EAST AFRICAN COMMUNITY RISK EJECTION FROM AGOA?

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ABSTRACT

After billions of dollars in foreign aid failed to spur economic development in Sub-Saharan Africa (SSA), development partners have shifted focus from aid to trade. Whereas trade is touted as a paradigm shift, the patronage of the aid paradigm remains in the trade paradigm. A case in point is the African Growth and Opportunity Act (AGOA). A key objective of AGOA was to grant SSA countries access to the US market by reducing or eliminating tariffs. AGOA was originally envisaged as a unilateral trade agreement. Subsequent iterations of the Act, however, indicate a mission creep where reciprocity has become a controlling factor. The US government requires East African Community (EAC) countries to allow imports of used clothing from the USA in order for those countries to enjoy AGOA privileges. In 2016, the EAC countries of Kenya, Uganda, Tanzania, Rwanda, and Burundi agreed to increase tariffs on imported used clothes, with a plan for an outright ban by 2019. This action resulted in an out-of-cycle review by the US. The purpose of this paper is to analyze whether EAC countries should proceed with the tariffs and ban as planned, or if they should shelve those plans in favor of AGOA.

A synthesis of extant literature on AGOA indicates a difference of opinion between practitioners and scholars. Practitioners are generally in agreement that the Act has significant positive impact, whereas scholarly research generally indicates that on the aggregate, AGOA does not have a statistically significant impact on US imports from participating countries. Recommendations for the EAC countries will emerge from this synthesis of the literature.

Keywords: African Growth and Opportunity Act (AGOA), preferential trade agreements, tariffs, aid, apparel, SSA, exports, imports, textile.

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NAFTA: US JOBS AND INCOMES AT STAKE

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ABSTRACT

Since the formation of NAFTA in 1994, the economy of the United States has become tightly integrated with those of Canada and Mexico. US trade with NAFTA partners has grown more rapidly than overall US trade. While much attention has been paid to rising imports from NAFTA partners, and particularly from Mexico, Canada remains the biggest market for US exports, and Mexico has become the second largest market. However, with President Trump's repeated attacks on NAFTA, and the apparent lack of success in the current rounds of renegotiations, there is considerable concern that the agreement might unravel; a recent study by Citibank put the odds of such an outcome as 40%. In this paper, I investigate the jobs and incomes in the US which depend on exports to Canada and Mexico. For exports, I begin by disaggregating exports by industry, and then use the World Bank's database on the labor content of exports, by industry, and by skilled and unskilled labor, to calculate the number of jobs at stake. To estimate income generated, I use Bureau of Labor Statistics figures. Based on US export figures for 2016, I estimate the number of American jobs dependent on exports to Canada and Mexico as 2.8 million and 2.5 million respectively, and labor income generated by exports to Canada and Mexico as \$174 billion and \$151 billion respectively.

WORKPLACE BULLYING AND INTERNATIONAL HR MANAGEMENT

Kaori Takano, Fort Lewis College

ABSTRACT

Workplace bullying has been detrimental to organizational performance and recruitment efforts for the past decades and minority groups tend to be the target, however, doing nothing to help the bullied has been the most common reaction in the USA. The author recognizes that the lack of an anti-bullying policy has enabled bullies to escalate their abusive behaviors. Very little research addressed the implications of workplace bullying that minorities and foreign nationals experience within multinational corporations. This paper overviews the research produced both outside and inside of the USA and found that the role of HR professionals, as related to bullying, needs significant improvement.

Keywords: workplace bullying, human resource management, multinational corporations, minorities

INTRODUCTION

A significant number of researchers in the world have recognized that workplace bullying is becoming a serious social problem and is detrimental to organizational performance and recruitment efforts for the past decades (Appelbaum & Roy-Girard, 2007; D’Cruz & Noronha, 2010; Einarsen, 1999; Rayner & Cooper, 1997; Townend, 2008).

Even nowadays, 72% of Americans are aware of workplace bullying but shockingly doing nothing to help bullied colleagues has been the most common reaction (Namie, 2014). In the United States, according to a report published by the Workplace Bullying Institute (Namie, 2014:9), all three non-white groups, Hispanic, African American, and Asian, had much higher rates than the white group in terms of being negatively affected by workplace bullying. Ferrell and Ferrell (2009) pointed out that the bully’s motive is usually to conceal or divert from his or her own incompetency, and they will often project their inadequacies on to others. According to a British business psychologist, one of the areas bullying most frequently occurs is when the people in a minority group are bullied by those in the majority (Townend, 2008). She pointed out that bullies are driven by an underlying fear, usually of “the other,” of the unknown, and fear of being “bettered” by others. According to Townend, people use bullying behavior to cover up their own frustration and the underlying forementioned fear. She suggested that organizations should provide opportunities for people to learn more about each other to reduce the fear of the “unknown” (Townend, 2008).

What is most troubling in the WBI report is that the common characteristics of those bullied targets include those people being compassionate and kind, agreeable, and cooperative (Namie, 2014), all of which tend to be the desired behaviors of individuals who make a positive overall contribution to the organization, called organizational citizenship (Ebert & Griffin, 2013). The WBI report revealed that doing nothing is the most common reaction and only 5-6 % of the respondents reported that their employers created effective anti-bullying policies and faithfully enforced them (Namie, 2014). The fact that minority groups tend to be the target of workplace bullying and the lack of anti-bullying policy enabled bullies to escalate their abusive behaviors, led this researcher to believe that it must be, or should be one of the growing concerns for HR managers of global business organizations.

CULTURE AND MULTINATIONAL CORPORATIONS

Many multinational corporations entering foreign markets need to understand how cultural factors impact the selection and development of international employees, and that the effective management of international human resources allows firms to outperform competitors by “identifying business opportunities, adapting to changing conditions, sharing knowledge throughout the firm, coordinating acquisitions, and maintaining a high-performing, committed overseas workforce” (Sweeney & McFarlin, 2015:450). Furthermore, socially responsible business organizations not only strive to treat workers fairly, make them a part of the team, and respect their dignity, but also put extra efforts to find, hire, train and promote qualified minorities as one of their social responsibilities (Ebert & Griffin, 2013:40).

There are millions of immigrants and ethnic minorities within the United States. The number has increased over the last four decades including nearly 8 million foreign nationals coming to the US from 2001 through 2005 when there was much tighter immigration scrutiny due to post September 11, 2001 concerns (as cited in McFarlin & Sweeney, 2013), and the number continues to grow by almost one million every year (The United States Department of Homeland Security, 2015). We are all aware that in the era of globalization, the United States is not the only country with a constant flow of immigrants or foreigners. Therefore, workplace bullying literatures naturally cover immigrants and minority workers. While cross-cultural researchers continuously pointed out how miscommunication, misunderstanding, misconception, and conflict can occur due to cultural differences (Ferraro & Briody, 2013; Moran, Abramson, & Moran, 2014; Sweeney & McFarlin, 2015; Varner & Beamer, 2011), very little research addressed the implications of workplace bullying that minorities and foreign nationals experience within multinational corporations.

For example, upon examination of research using EBSCO with keywords workplace bullying, 3,579 publications showed up with the oldest publication from 1994. However, when you added international business as keywords, only 51 publications showed up, which is approximately 1.4% of the workplace bullying literatures. Furthermore, upon close examination of these 51 publications, only two publications directly dealt with its implications for global organizations, which is only 0.056%! A significant number of publications came from disciplines such as mental health, psychology, communication studies, stress management etc. Most of them tended to focus on the psychological impact of workplace bullying on victims and their performance and/or mental health. Most literatures published for the past decade attempt to raise awareness of growing workplace bullying, rather than offering practical solutions, providing frameworks for policies, or preventative actions from the HR perspective. Because the global market constantly shifts depending on the flow of immigrants in many countries, this researcher attempts to create a big picture of what has been researched in the past and shed light on the under-researched area of emerging workplace bullying in terms of HR management in the global context.

WORKPLACE BULLYING OUTSIDE THE USA

European countries are a couple of decades ahead of the USA in terms of workplace bullying research. For example, the UK is one of them. One of the foremost scholars, Andrea Adams attracted attention from academics in the early 1990s (as cited in Sheehan, Barker, and Rayner, 1999; Sandler, 2013) and Adams in her 1992 publication claimed that bullying can happen to anyone in any organization because bullies may select their targets with different motivations (as cited in Rayner, 1999; Adams, 1992). Rayner and Cooper (1997) are one of the first researchers relating workplace bullying to HR issues by asking, “Should HRM professionals put it on their agenda or ignore it?” (1997: 211) and called for joint investigation from academics and practitioners. They pointed out that workplace bullying may fall into the “duty of care” category and that there was no specific law against bullying in the UK. For this reason, they reported that the 27% of bullied respondents left the job. Therefore, they claimed that high turnover

is costly for successful organization development. Even the bullied who chose to stay were not likely to make productive suggestions to the organization (Rayner & Cooper, 1997).

Researchers in Scandinavian countries more than two decades ago also recognized workplace bullying as a social problem. For example, a Swedish psychologist Heinz Leymann called for attention to problematic behaviors in workplaces (Leymann, 1990). In his article, Leymann called it “mobbing” “ganging up on someone” with the victim subjected to a systematic stigmatizing injustice. Leymann also claimed that the conciliation work will require both legal and psychological expertise (Leymann, 1990). A workplace bullying scholar in Norway, Stale Einarsen (1999) explained that envy is one of the main reasons for bullying, however, I must point out that Einarsen’s study of 1999 still focused on the personality of the victim and how it provoked abusive behaviors. Norwegian scholars including Einarsen also found that leadership role and role conflict are important potential predictors of bullying (Hauge, Einarsen, Knardahl, Lau, Notelaers, Stogstad, 2011). Additionally Denise Salin from Finland and Heige Hoel from UK reviewed empirical findings on gender and bullying and concluded that workplace bullying is not a gender- neutral but a gender phenomenon (Salin & Hoel, 2013).

Australia has some active workplace bullying scholars. Michael Sheehan is the foremost workplace bullying scholar in Australia and published his research articles, some of which were published with another productive scholar in the UK, Charlotte Rayner (Sheehan, 1999; Sheehan, Barker, & Rayner, 1999; Rayner, Sheehan, & Barker, 1999). Rayner, Sheehan, and Barker (1999) in their article in the *International Journal of Manpower*, conducted an overview of existing literatures and recognized the researchers’ efforts to acknowledge and embrace the complexity of workplace bullying. These same authors also provided, in another article, some of the applied approaches to workplace bullying taken in four countries, Australia, Ireland, Sweden and the UK (Sheehan, Barker, and Rayner, 1999). The authors discussed the success of the formation of a non- profit organization in Australia. The organization successfully developed the guidelines, *Guide to Bullying at Work* which is considered a step towards industry self-regulation as a strategy. The authors also discussed a positive movement in Ireland calling for the need for early intervention and development of an anti-bullying program in the workplace. Sweden was ahead of the curve and recognized bullying could undermine national social and economic goals and developed a policy prohibiting workplace bullying. The authors made it clear that the purpose of their article is to raise an awareness of how workplace bullying is being addressed and call for proposals for positive strategies dealing with the problem (Sheehan, Barker, Rayner, 1999). The role of HR professionals was never mentioned or discussed in this particular article. Additional studies were found in Australia, such as Vickers (2009) who highlighted the potential and much wider unexamined problem of workplace bullying of people with disabilities in Australia. Hutchinson and Eveline (2010) questioned why their gender-neutral workplace bullying policies are justified in the Australian context.

Literatures suggest that an actual shift seemingly occurred from describing workplace bullying to examining HR practices between 2005-2010 within the workplace bullying research community. Naturally studies on the HR role in bullying situations slowly started to emerge after 2010. For example, Pauline Rennie Peyton’s work of 2003 moved one step forward by calling for taking action, and proposed theoretical approaches relevant to dealing with bullying (as cited in Mann, 2005). According to Mann (2005), Peyton’s work is on psychological approaches, rather than practical HR management. Martin and Klein’s study (2013) in the UK identified a problem of HR professionals who are reluctant to document information about the frequency and severity of bullying. HR staff relied on interpretations of workplace bullying, which allowed both individual professionals and the organization to defend. Failure to identify and document bullying poorly served victimized individuals. Sandler (2013) suggested that senior management must demonstrate strong commitment to the problem and evidence should be collected from various sources to look for a pattern of complaints. HR can play a crucial role in preparing for clear communication when senior management confront bullies about their behaviors and the negative

consequences of the failure to change should be spelled out. Sandler briefly mentioned the role of HR, but hardly put any emphasis on the role of HR in her 2013 writing.

Very few studies come from Asia, however, there are some. For example, Meek (2004) claimed that Japanese workers are less satisfied with their jobs than their Western counterparts, and his findings were related to death from overwork and workplace bullying. Another researcher from Japan, Tada (2010) reports the findings of the data from 440 industrial counselors and found that 81% were consulted about workplace bullying. The findings also revealed that workplace bullying is an organizational issue and managers should demonstrate leadership to deal with bullying situations. Tada (2010) also pointed out that employees are regularly transferred as part of corporate strategy in Japan. This works well to alleviate workplace bullying by moving people around, however, small organizations often have no place to make transfers. (Tada, 2010).

Sims and Sun (2012) resonated with the majority of literatures in that just witnessing workplace bullying has a negative impact on the workplace and employees' intention to turnover in China, and that managers should ensure a positive and professional working environment. Peng, Chen, Chang, and Zhuang (2016) recently conducted quantitative research examining workplace bullying in Taiwan and suggested that a friendly work environment should be established and prevent employees from encountering workplace bullying. Although the finding is in alignment with the existing literature, the weakness of quantitative research like this is that the data may present some relationships among variables, but generally fail to explain why there is a relationship in their study. Most Asian countries are collective and hierarchical societies (Ferraro & Briody, 2013) where the voice of individual employee tends to be suppressed and employees are expected to obey managers' orders and instructions. I assume that this makes it difficult for employees to speak about workplace bullying, or participate in workplace bullying research, which may have led to very few studies from Asian countries. Workplace Bullying in the United States Workplace bullying literatures produced by American scholars are a couple of decades behind their counterparts in European countries. At first, dysfunctional behaviors were identified by researchers of organization culture and conflict management using terms such as "mobbing" "intimidation," "perpetrators," "work-related stress," "conflict," "abusive behavior," "internal terrorists", "interpersonal injustice," and slowly merged into "workplace bullying" (Branch, Ramsay, & Barker, 2013). These researchers all claimed that workplace bullying diminishes productivity and commitment in the United States (Kisamore, Jawahar, Liguori, Mharapara, & Stone, 2010; Van Fleet, & Van Fleet, 2006, Vega & Comer, 2005). Naturally, workplace bullying scholars in the United States learned more about it across the globe and recognized that the USA is left behind (Vega & Comer, 2005). Scholars in the United States started citing the work of European and Australian scholars in their publications, however, interestingly, rarely addressed the role of HR professionals.

Some studies specifically addressed the implications for global organizations. For example, Harvey, Treadway and Heames (2007) developed a descriptive model to gain insight into bullying activities in global organizations by identifying six fields: Macro external globalization conditions, internal organizational cultures, characteristics of bullies, characteristics of the victims, observers' role, and social emotional contagion (acceptance as a social norm). These authors and Duke (2009) published their slightly adjusted model in the *Journal of Business Ethics* and proposed six steps: provision for an anti-bullying policy, review process of bullying should be clearly established, the mechanism for reviewing accusations should be well articulated, the standardized review process for investigation should be established prior to the investigation, the range of sanctions for bullying should be formalized and well communicated. The entire bullying standards and review processes must be constantly assessed depending on the diversity and legal standards in the countries in which the organization operates (Harvey, Treadway, Heames & Duke, 2009). This article focused on a theoretical framework for dealing with bullying in global organizations, however, like other studies, it never addressed the role of HR professionals. Avery, Tonidandel, Volpone, Raghuram (2010) sharply pointed out that many employers

believe that immigrants are easier to exploit without mentioning bullying and did not relate to potential HR issues. Kisamore, Jawahar, Liguori, Mharapara, and Stone (2010) collected data from students from American universities and concluded that the individuals who are politically skilled and have high social competencies are more likely to engage in abusive behaviors. The role of HR in the students' workplace was never discussed and seemingly irrelevant in the study.

Germain's alarming study (2013) reported that employment can become a life-threatening stressor in the USA. Occupational suicides increased by 22.2 % between 1995-2010 and employers are not required to report self-inflicted injuries (such as attempted suicides) to OSHA. Germain (2013) found out that the main cause of employee suicide is psychological distress at work and it includes the fear of demotion or termination, the repetitive nature of work, and the possible lack of psychosocial support from superiors or colleagues. I believe that these factors all potentially fall into the category of workplace bullying. As Germain (2013) pointed out, even though globalization and the increased competitiveness in the global market negatively affect employees' well-being, organizational leaders rarely question how their approach to globalization affect employees. Additionally, McDaniel, Ngala, and Leonard's study (2015) in the USA pointed out that there is a strong mediating relationship between the victim's self-perception of competency and victims' relations to bullying behaviors, and that developing competent individuals would build coping mechanisms when confronted by bullies. Howard, Johnston, Wech and Stout (2016) examined the factors that shape employee responses to bullying and simply suggested that empowered employees can influence the bullying situation. Yet, these recent studies in the USA seemingly focus more on victims' ability and perception, rather than predatory bullies. This is where, as Einarsen (1999) discussed, more than a decade ago, simply the trend of nature and causes of bullying at work was being described, without mentioning the role of HR professionals. Cowan and Fox (2015) investigated the HR's role in bullying situations in the USA and found out that there is a significant gap in perception between HR professionals and senior management regarding the role of HR professionals. HR believes that their role is to advise senior management as a neutral third-party investigator and do not believe that they should fix it or take care of it, whereas, senior managers expect HR professionals to make bullying go away, even though HR professionals do not have power to execute corrective actions to fix the problem. For this reason, this gap created contradiction and a paradox in bullying situations. Rizman's study (2016) investigated the prevalence of workplace bullying reported to HR professionals in correctional facilities and found that HR professionals are more likely to accurately report workplace bullying than self-reported ones. Both research indicated that the role of HR in the USA was minimum in terms of workplace bullying and unfortunately far from creating a clear policy or program to address this problem. Even the very recent studies such as Manners and Cates (2016), simply recognized that workplace bullying exists in the United States. At best, American scholars have just started recognizing the need for improving the HR role in bullying situations. Emerging Markets and Need to Improve the Role of HR As globalization advances, researchers in developed countries started to recognize the need to improve the role of HR professionals in workplace bullying situations. For example, McCulloch (2010) in her article in the Journal of the International Ombudsman Association addressed the problem from a practitioners' view in New Zealand. She claimed that instigating an anti-bullying policy is the first step, and pointed out that many HR professionals disregard concerns by assuming that accusations are a code for "I cannot get along with this person" without inquiring in an impartial manner about the concern (McCulloch, 2010). Catley, Blackwood, Forsyth, Tapping & Bentley (2017) examined the complaint management process and HR professionals' ability to assess the substance of the complaint in NZ and found out that the problem rests on an unfair HR practice, which triggered legal action.

European countries are not the exception regarding the research arguing that the role of HR should be examined. Martin and Klein (2013) conducted research in the UK by examining self-reports of bullies or victims, and pointed out that the ambiguous role of HR created confusion in bullying situations. Scholars in Finland zoomed up their attention especially to immigrants as minorities. They claimed that immigrants are at a higher risk of being bullied than natives and called for training to improve employees'

cross-cultural communication skills and prevent conflicts escalating into bullying. (Bergbom, Vartiavaanane, & Kinnunen, 2015). Their suggestions basically pointed to the role of HR management. Rockett, Fan, Dwyer, and Foy (2017) conducted a multiple case study in Irish universities that have policies regarding workplace bullying in Ireland. They examined the views of HR leaders regarding the efficacy of policies and HR's view on application of such policies. They indicated that the role of HR leaders is sometimes contradictory and paradoxical and their policies and procedures implemented by HR leaders sometimes unintentionally perpetuate workplace bullying.

The speed of globalization pushed researchers in emerging markets to realize that their countries cannot escape from workplace bullying as seen, the past decades, in advanced countries. D'Cruz and Noronha conducted a study in India (D'Cruz & Noronha, 2010; 2011) regarding the critical role of HR professionals along with bystander behavior (D'Cruz, Noronha, & Beale, 2014). Petrylaite (2011) examined legal components in several European Union countries and admitted that Lithuania does not have any special legal measures to combat workplace bullying. Galanaki and Papalexandris (2013) conducted a survey of 840 junior and middle managers from diverse sectors in Greece to measure workplace bullying and make proposals to HR professionals. Recent studies include research examining workplace bullying in emerging economies such as Estonia (Tambur & Vadi, 2012), a small developing country in the Caribbean region (Devonish, 2013), and Turkey (Akyuz, Gedik, Balaban, Yildirim, & Temiz, 2013; D'Cruz, Paull, Omari & Guneri- Cangarli, 2016; Karatuna, 2015). Addressing this detrimental social phenomenon continues to grow worldwide. Therefore, I believe that this should be highlighted as an under-researched area and a call for action regarding the role of HR in order to create an effective policy in the United States. Many other countries have been successful in addressing this issue. The United States cannot afford being left behind.

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MANAGING SUBSIDIARY DIVESTMENT THROUGH TIME - PUERTO RICO'S PHARMACEUTICAL INDUSTRY EXPERIENCE FROM 1960 TO 2016

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Abstract

Existing literature on foreign divestiture has mainly focused on the independent business situations of individual subsidiaries, rather than their positions within global networks. The objective of this article is to study foreign divestment events by evaluating activities that have occurred in the pharmaceutical industry for a long period of time. This qualitative research seeks to evidence the divestment activities of foreign subsidiaries from US, German, England, Canada and Sweden, among others located in Puerto Rico for a period of sixty years. The findings show that the merge and acquisitions that occurred in the 1990s resulted in an excessive concentration of production plants in Puerto Rico, in excess of productive capacity, duplication of production operations and the obtaining of product lines that were not in their business strategies. An important finding in the study of the decisions of disinvestment of the manufacturing plants has been to show that many events of partial detachment of the plants occur before their definitive closure. A finding that reveals our analysis is that in the stage of maturity of the industry, it is becoming increasingly difficult to find buyers for plants and the abandonment of plants is substantially increased after several years of searching buyers. Among the reasons that can be established are the obsolescence of the divested plants and the size of them is no longer necessary in the new production system of the global pharmaceutical industry. In many of the cases the plants were created for blockbuster drugs that at some point lost the patent and became low cost generic drugs, the use dosages changed or the production and technology systems became obsolete

Keywords: Divestment decision process, Caribbean subsidiaries, pharmaceutical manufacturing operations, subsidiary management styles.

A SHORT-TERM STUDY ABROAD COSTA RICA: A BRIEF OVERVIEW

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Introduction

The purpose of this study is to reflect on the short-term study abroad educational experience and exposure of the environmental and cultural characteristics of Costa Rica. “Short-term study abroad programs are increasingly popular but their relative brevity makes it difficult to both successfully convey discipline-specific content and provide students with a meaningful cultural experience” (Gibson, Benjamin, Oseto & Adams, 2012, Pg. 23). The course took place in a true natural setting with no electronic devices. This allowed participants to fully experience the real beauty of Costa Rica. This also provided the opportunity for personal development as well as team congruency. “Short-term programs are an attractive alternative for students who are unable to spend longer periods of time studying internationally for financial and/or other reasons” (Gibson, Benjamin, Oseto & Adams, 2012, Pg. 23). Students learned about rainforests, water quality assessments, environmental threats, sustainable agriculture, environmental protection, climate change, and the ecology of the Leatherback sea turtle (endangered species). An additional key component was the increased cultural consciousness and competence by been embedded in another country. “As the impact of globalization affects our social, political, and environmental systems, study abroad opportunities have increasingly become priority both for students and for the college programs in which they are enrolled” (Blake-Campbell, 2014, Pg. 60).

Ecological Factors

For this study away program participants were expected to be fully prepared prior to departure. This preparation included but not limited to; fundamental knowledge of tropical ecosystems, endangered species, climate change, and working knowledge of international travel as part of a group. This pre trip knowledge will help the participants achieve greatest success academically, increase cultural conciseness and competences, as well as a better overall international experience. “One great strength of “being present” at a study abroad location, unlike the classroom, is the ability to connect in a meaningful way with historical artifacts” (Ryan, 2017, Pg. 31).

During the trip to Costa Rica, students had introductory information and lectures for each activity they will experience. The majority of the lectures were interactives and based on previous knowledge. Daily hikes provided opportunity for the students to reflect about species they had researched and later encountered in the field. After focused research, students presented posters that supported practicing and applying scientific methodology. “Clearly the field trips used in U.S. environmental health education, or the practicum requirement of many curricula, can result in a similar intensity and opportunity for learning. Yet the immersive nature of a study abroad course itself a more passionate experience, leading to more powerful lasting lessons, and provides impressions and lasting lessons, and provides “a rich and engaging opportunity for students to learn firsthand””(Ryan, 2017, Pg. 32).

Host Resources

This course was taught using the Ecology Project International program. This program has guides and instructors that major in environmental education who able to adjust their activities to assist with all

my requests such as: water quality assessment, night time rainforest hike, university campus visit, and independent research. All course activities were focused on habitat characteristics, environmental threats, sustainability, environmental responsibility, ethics, and team building. “Field-based learning provides an ideal environment for constructivist learning that promotes deep scientific understanding in conservation biology and biodiversity” (McLaughlin & Johnson, 2006, Pg. 66).

Ecology Project International

Upon arrival in Costa Rica we met our guides and Ecology Project International (EPI) instructors. We then relocated to EPI Centre for Education in Conservation and Science (CECC) in San Rafael, Costa Rica where we spent the night. Participants received an orientation about course logistics and had the opportunity to discuss course expectations.

Tirimbina Biological Reserve

The Trimbina Biological Reserve is an educational, scientific and ecotourism destination, situated among the forests and rivers of the northern region of Costa Rica, and we spent two nights here. On the first day, participants were assigned researching information of two indigenous species and share the new knowledge with the rest of the group about what species were discovered on the field trip. Participants then learned the importance of rainforest, threats, and species diversity while hiking in the actual forest. We also had the opportunity to observe a flock of seven green macaws (endangered species), poisonous frogs, toucans, tropical birds, snakes, and local insects. The participants also learned about bats and the bat research program that takes place in this biological station that night.

On the second day at Tirimbina, participants performed water quality assessment using biological and chemical factors. They had the opportunity to collect and classify macroinvertebrates, to perform nitrate research, dissolved oxygen, phosphate, pH, and turbidity tests at Tirimbina River. We did our rainforest hike to experience the rainforest diversity at night.

Earth University

Our participants learned about the university’s mission in agricultural sustainability, leadership, ethical entrepreneurship, and environmental and social commitment. They also learned about courses, research programs, and opportunities available for international students and visitors.

Pacuare Natural Reserve

We experienced three days with no electricity in Pacuare Natural Reserve (2,500 acres), located in the Caribbean coast of Costa Rica. This is one of the most important areas of nesting for leatherback sea turtles. Participants were learned about sea turtle biology, threats, climate change, and water pollution during the daytime. Participating in sea turtle patrols during the nighttime allowed minimal time to rest. We had the opportunity to collect data about female turtles coming to the shore to lay eggs and to help release hatchlings back into the ocean. During daytime hike, we observed sloths, capuchin, howler, and spider monkeys, agami herons (rare species), caimans, and other exotic birds. Participants also had the opportunity to work on their independent research projects, developing questions and presenting their results in a small poster session to each other.

EPI Campus Revisited

Our final night in Costa Rica participants returned to the EPI Campus, enjoyed their graduation event, and shared their trip’s highlights and challenges. The next morning, we headed to San José airport.

Cultural Competence

During the trip, students were in contact with local people in each of the localities. Our EPI guides/ instructors were from Costa Rica and Spain. During the Pacuare Natural Reserve visit, most of the researchers and research assistants were from Costa Rica, but volunteers were from Spain and England; students had the opportunity to interact with them especially during night patrols. Language training was not part of the program. However, students were very receptive to learn basic Spanish vocabulary. “Culture travels the path of least resistance, which is to say that, students are much more likely to interact with those who are culturally akin to themselves than those who are not” (Lemmons, 2015, Pg. 549).

Conclusion

The study away opportunities provide students with an incredible learning experience as well as develop international travel skills, ecological knowledge and application, and a basic level of cultural competence. “Learning is further enhanced through interdisciplinary perspectives incorporating principles of biology, ecology, environmental science, geography, economics, sociology, political science, history, and other interdisciplinary perspectives promote learning through addressing principle sources of curricular incoherence including irrelevance, information under/over load, obscurity or indirectness, and inaccuracy” (Johnson & Ratcliff, 204). According to McLaughlin and Johnson: “More university faculty are needed who see themselves teaching in ‘classrooms without walls,’ as leaders who can positively impact our young citizens beyond test scores, and as trained professionals who can organize and carry-out short-term study abroad courses” (McLaughlin & Johnson, 2006, Pg. 76). “Future studies should take into account normative aspects related to studying abroad or integrate them when interpreting present findings” (Petzold & Peter, 2015, Pg. 897).

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LA PLANÈTE DES CRYPTO-MONNAIES
(PLANET OF THE CRYPTOCURRENCIES)

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In 2017 Bitcoin, the most established cryptocurrency, gained over 900% to be traded over 10,000 USD per currency unit. By November 2017, there were well over 1,300 cryptocurrencies traded worldwide. This paper examines on the evolution of cryptocurrency coins and tokens and its trajectory. A review of predictions regarding the trajectory of cryptocurrencies and their underlying Blockchain technology is followed by an analysis of the promise of these predictions and concludes with proposing the underlying motives and logic driving the cryptocurrency movement. The paper closes with recommendations for future business research and implications for investors, entrepreneurs, business leaders, and policy makers.

BUSINESS STRATEGIES FOR VIETNAM AND MINNESOTA TRADE

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Keywords: Foreign Direct Investment; Trade; Minnesota; Vietnam; USA; Liberalization; Economic Reform.

INTRODUCTION

From the mid-1950s to the mid-1970s, the United States (U.S.) were heavily involved with Vietnam largely due to the Vietnam War. President Gerald R. Ford extended former President Richard M. Nixon's 1964 trade embargo on Vietnam and for roughly the next two decades, bilateral trade and financial transactions were prohibited. It wasn't until 1994 that the trade embargo was lifted and relations between the United States and Vietnam became normalized through the Clinton administration the following year (Martin 2016; U.S. Department of State 2017). Since then, relations between Vietnam and the United States have blossomed.

As an international pair notoriously known for the Vietnam War, Vietnam and the United States are now major partners in trade and commerce. Pew Research Center found that 84% of the Vietnamese respondents view the United States favorably (Pew Research Center, 2017). The United States is Vietnam's largest export followed by China; Vietnam's second largest export market (Vietnam Country Commercial Guide, 2017). According to U.S. trade statistics, bilateral trade has grown from about \$220 million in 1994 to \$45.1 billion in 2015 (Martin, 2016). U.S. investments in Vietnam have also grown significantly to nearly \$1.5 billion over the past seven years (Obama, 2016). Vice versa, among the top thirty U.S. export markets, Vietnam has experienced the fastest growth over the past ten years with goods exports to Vietnam increasing by more than 800%. U.S. goods exports to Vietnam grew by 40% in 2016 with a dollar growth increase of \$3.1 billion (U.S. Trade Overview 2016; 2017).

Over the past 25 years, Vietnam's annual economic growth rate of 5.3% has been the second highest in Asia just behind China (Vietnam Country Commercial Guide, 2017). Once one of the world's poorest countries, this populous country has shown remarkable growth that reflects even greater potential.

VIETNAM OVERVIEW

Geography

Located in Southeast Asia, Vietnam sits on the southeastern edge of the Indochinese peninsula. Bordering China in the north, Laos and Cambodia along its southeast west boarder, and the notable Asia trade routes along the eastern coast, Vietnam's geographical location provides a very attractive strategic advantage for international trade and commerce (PwC, 2017). The long but narrow country consists of natural transport routes running from the North to the South. In and out of the highlands and mountainous inlands are navigable rivers such as the Mekong River in the South. For thousands of years, The Mekong has been tied to the fortunes of the river, deeply rooted for holding a fundamental role in guiding prosperity of the region (Axelrod, 2016).

The favorable location enables Vietnam accessibility to some of the world's most booming markets. Facing the South China Sea, one of the world's major trading zones, and sitting between strong Asian economies such as Hong Kong and Singapore, Vietnam has the capabilities to emerge as a world class economic hub for both business and politics (Hiebert, M., Nguyen, P., & Poling, G. B., 2014). As a result, Vietnam is increasingly becoming a launching pad into the Association of Southeast Asian Nations (ASEAN) and Chinese markets (Alejandro, 2012).

Skill Development

Vietnam's population is over 96 million people, making it the third most populated country in Southeast Asia (CIA, 2017). It has a growing middle class interested in global technologies and services, with about 50% of the population 24 years or younger and only about 6% 65 years or older (CIA, 2017).

The demand and access of education has grown on all levels alongside the growing young population. Focusing on sustained investment in education, Vietnam allocates about 20% of its annual budget to the education sector each year, and 6.3% of the country's GDP towards education (Oxford Business Group, 2016, Schipani, 2017). Literacy rates have risen above 90% (U.S. Department of State, 2014; 2016; CIA, 2017). Both primary and junior secondary education is experiencing growth (Schipani, 2017). In 2015, Vietnam ranked 12th out of 76 countries for student skills in math and science by the OECD, above the U.S. and many EU countries.

Demand for higher education is dramatically rising. Enrollment in universities and colleges increased from 162,000 between 1992 and 1993 to 1,045,382 between 2002 and 2003. However, according to a survey conducted by Vietnam's Ministry of Health, the General Statistics Office, the World Health Organization, and UNICEF, out of 90% of general students that want to enroll, only 10% of them actually do get enrolled (Hayeden, 2015). Unable to meet demands, substantial efforts towards implementing an improved modern system of higher education are being exercised. Programs such as Vietnam's 2011 – 2020 Socio-Economic Development Strategy (SEDS), a higher education reform agenda, aim to strengthen governance, rationalize financing, improve the quality of teaching and research, improve accountability for performance, and enhance transparency in financial management within the higher education sector (Postiglione, 2011).

Technical and vocational education and training in Vietnam is strong. As part of the systematic reform of higher education, Vietnam has established a network of community colleges to feed into universities and colleges, and give greater accessibility to education for poor urban and rural populations, women and minorities. This ensures a social balance in education through helping the talented poor to find greater opportunities and increase the job rate (Postiglione, 2011; Schipani, 2017).

Continuous reform and development of the education system will increasingly produce graduates with a high level of education that can adapt to new technologies and serve high skilled industries (Lee and Healy, 2006).

Labor Force

Since market reforms in 1986 (will be discussed more in the next section), Vietnam's labor force of 55.93 million people is sizable, literate and young. With roughly half the population 24 years or younger, is experiencing a "golden population structure," (CIA, 2017). For decades, China was the go to nation for cheaper labor. But unlike Vietnam, China has experienced a decline in a young skilled workforce due to the "one-child policy" that was implemented in the late 70's. Along with years of decreased birth rates, and the high growth rates that China has accomplished in the past decades, China's labor cost is now

significantly higher than Vietnam's. In Shanghai, which has the highest minimum wage in China, the minimum wage for 2016 was \$329 per month (China Labor Bulletin, 2013). In Hanoi and Ho Chi Minh Vietnam, which has the highest minimum in Vietnam, the minimum wage for 2016 was \$157 per month (U.S. Department of State, 2016). Vietnam's labor cost is less than half of China's, presenting an ideal production base for companies. In comparison to other Southeast Asian countries, the average base salaries at the professional level in China are 1.9 to 2.2 times those of the Philippines and Vietnam, the two lowest in ASEAN (Willis Towers Watson, 2016). Alongside the country's growth is a decrease in poverty. Since 1993, the proportion of the population living below the national poverty line has dropped about from 60% to 13.5% in 2014. More than 40 million people escaped poverty over the course of two decades (World Bank, 2017).

Liberalization

Vietnam is based on a totalitarian system with a Communist party in power. Meaning that the Communist Party of Vietnam (CPV) oversees all economic affairs from national to firm level and decisions can only be made a small number of state trading monopolies (Evans, 1989, 1995, McCaig & Pavcnik, 2013). Following the Vietnam War and throughout the 1980s, Vietnam adopted a planned economy. Struggling with collectivization of agricultural and industrial production, the annual rate of inflation increased over 700%, exports covered less than half of imports, and there was essentially no foreign direct investment (FDI) (Mallon, 2004). Facing a major economic crisis, the central government worked to stabilize the economy. In 1986, Doi Moi, the idea of a socialist-oriented market economy was introduced, transforming Vietnam from one of the poorest countries in the world to a lower middle-income country (Vietnam Overview, 2017, Scheela, 2001). The decision to transition from a centrally planned economy into a more open economy drastically improved Vietnam's business environment. Since the 1990s, the socialist-oriented market economy has flourished with new trade opportunities and inflows of foreign funds (Mallon, 2004; Scheela, 2001).

An attractive destination for international trade and investment in Southeast Asia, Vietnam is committed to liberalization and economic integration into the global economy, including major developed markets such as the U.S. Europe, and Asia. As a member of the Association of South East Asian Nations (ASEAN) and of the ASEAN Free Trade Area (AFTA), Vietnam's network of free trade agreements continues to expand. In 2001, it put into action a Bilateral Trade Agreement (BTA) with the United States. In 2007, Vietnam became the 150th member of the World Trade Organization (WTO). In 2015, it signed a bilateral trade agreement with Korea, and is currently negotiating a Free Trade Agreement with the EFTA countries that include Norway, Iceland, Liechtenstein, and Switzerland (U.S. Embassy, 2016). Most notable is the Trans-Pacific Partnership (TPP), a free-trade international agreement between eleven countries that border the Pacific Ocean: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam (Martin, 2016). Originally part of President Barack Obama's significant efforts to enhance influence in Asia, newly elect Donald Trump signed a presidential memorandum to withdraw the U.S. from the agreement on January 23, 2017. Despite the setback, the remaining eleven countries, with a combined GDP of \$12.4 trillion, are still confident of sealing the deal. The agreement will aim to remove tariffs on industrial and farm products between the eleven countries, which had a total of \$356.3 billion last year (Kaneko & White, 2017) This will allow smaller economies like Vietnam greater accessibility to larger economies such as Japan, Canada, Australia, and Mexico.

Foreign Direct Investment (FDI) has played a central role in Vietnam's economic transition, successfully attracting large volumes of foreign direct investment from China, South Korea, Taiwan, Japan, the US and many European countries (Kokko 2003). FDI has focuses on sectors that will bring advanced technology, increase the labor market skillset, and improve Vietnam's labor productivity. Since reform of Doi Moi in 1986, annual FDI inflows into Vietnam have increased from \$0.32 billion in 1988 to nearly \$4.0 billion in 2005, with an annual growth rate of 28%. Total investment capital in Vietnam increased

400% from \$5.63 billion in 1995 to \$22.98 billion in 2004 (Nguyen, 2006). It received \$24 billion in total foreign direct investment in 2015, a 17% increase on the previous year (PwC, 2016). The country has made significant investments in infrastructure in order to endure foreigner investment. Da Nang for example, is the 6th largest city in Vietnam and has invested over \$4.5 billion in high-tech and infrastructure projects in the past 6 years to become an information technology (IT) and high-tech hub (Mukherjee, 2016). In 2015, investments of \$3 billion from Samsung, \$1.5 billion from LG, and \$500 million from Microsoft were made towards Vietnam's high-tech sector (U.S. Department of State, 2016). As of March 2017, the World Bank has provided Vietnam with \$22.5 billion in grants (Vietnam Overview, 2017). According to the Vietnam General Statistics Office (GSO), FDI contributed to 70% of total exports in 2015, up from 47 percent in 2000. Foreign invested enterprises' contribution to GDP increased to 18 percent from 13 percent over the same period (U.S. Department of State, 2016).

Economic Reform

As Vietnam's high growth rate continued, the country underwent economic reform with (Doi Moi) and the agriculture sector was heavily impacted. Between 1985 and 1995, production of rice in agriculture erupted with an average annual rate of 4.6% (Minot and Golleti 2000). 70% of Vietnamese households produced rice and 77% of cultivated land devoted to rice paddies in 1992 (Minot and Goletti 2000; Wiens 1998). In 1990, over 70% of workers were in agriculture, 18% in services, 8% in manufacturing and 1% in mining. As reform developed and the state monopoly relaxed, workers began to work in other sectors, moving out of the low- productivity agriculture jobs and into higher-productivity manufacturing and services jobs. By 2008, the percent employed in agriculture went from 73% to 54%, and manufacturing employment increased to 14% (Mccaig & Pavcnik, 2013). Vietnam also encountered labor force expansion, the rise of private enterprises, and inflows of new investment and technology. Gaps in allocation of labor became evident, and agricultural labor was released into non-agricultural sectors (Mccaig & Pavcnik, 2013).

Agriculture still plays a critical role in Vietnam's economy making up about 44 % of the country's total employment and a significant contributor to international trade (World Bank Vietnam). In 2015, the services sector accounted for approximately 50% of GDP followed by manufacturing at 33%, and agricultural at 17% (PwC, 2016). Services are also growing at an average rate of 7-8 % (Ernst & Young, 2013). The continual growth of the services sector and increase in its share of the economy is a reflection of Vietnam's changing and reformed market.

VIETNAM & MINNESOTA TRADE BREAKDOWN

Vietnam Exports & Imports

In 2016, Vietnam annual exports to foreign countries reached \$176.6 billion, an increase of 9%. Vietnam exports value was \$44.6 billion in the first quarter of 2017, representing an increase of about 15% from the previous year. Vietnam's main export products are telephones, mobile phones and parts thereof; computers, electrical products, spare-parts and components thereof; machine, equipment, tools and instruments; textiles and garments, and footwear (Vietnam Customs, 2017). Looking at Vietnam's top industry sectors, the country is a big supplier of high-tech consumer products to the United States. Traditionally, China has dominated this domain with its cheap labor force. However, Vietnam now has a cheaper labor force as previously presented, and there has been a shift to Vietnam. Attracting substantial investments from large tech companies such as Samsung, Microsoft and LG, Vietnam has emerged as an important electronics exporter, and is expected to claim an estimated 12-13% of the mobile phones market from 2015 to 2018 (Vietnam – Info. and Comms., 2017). As shown in Figure 1,

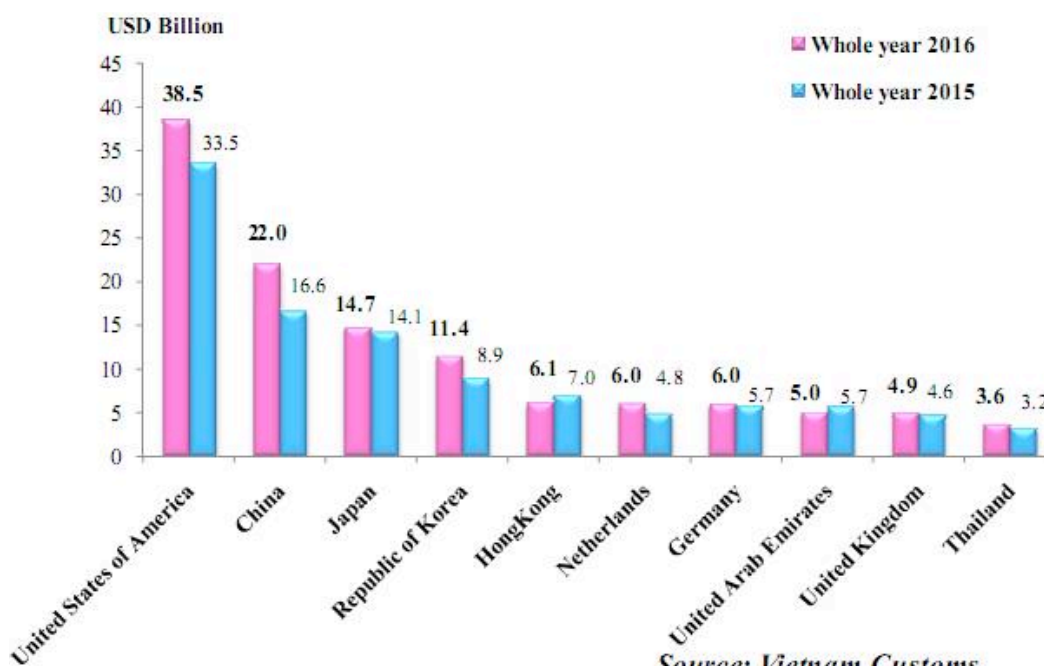
Figure 1 - Exports, Imports' Total Value and Growth Rate of Vietnam by Continent/Market in 2016

Continent/market	Export			Import		
	Value (Bil. USD)	Annual change (%)	Share (%)	Value (Bil. USD)	Annual change (%)	Share (%)
Asia	85.28	6.9	48.3	140.76	4.3	80.8
<i>ASEAN</i>	<i>17.38</i>	<i>-4.1</i>	<i>9.8</i>	<i>23.92</i>	<i>0.5</i>	<i>13.7</i>
<i>China</i>	<i>21.95</i>	<i>32.5</i>	<i>12.4</i>	<i>49.96</i>	<i>0.9</i>	<i>28.7</i>
<i>Japan</i>	<i>14.68</i>	<i>3.9</i>	<i>8.3</i>	<i>15.04</i>	<i>4.7</i>	<i>8.6</i>
<i>Republic of Korea</i>	<i>11.42</i>	<i>28.0</i>	<i>6.5</i>	<i>32.04</i>	<i>15.9</i>	<i>18.4</i>
Europe	37.84	10.5	21.4	13.43	9.5	7.7
<i>EU (28)</i>	<i>33.97</i>	<i>9.8</i>	<i>19.2</i>	<i>11.07</i>	<i>6.2</i>	<i>6.4</i>
Oceania	3.39	1.5	1.9	2.82	15.2	1.6
America	47.38	14.2	26.8	14.50	4.3	8.3
<i>USA</i>	<i>38.46</i>	<i>14.9</i>	<i>21.8</i>	<i>8.71</i>	<i>11.8</i>	<i>5.0</i>
Africa	2.74	-12.8	1.6	2.60	32.1	1.5
Total	176.63	9.0	100.0	174.11	5.2	100.0

Source: Vietnam Customs

Vietnam is exporting more goods to China and the Republic of Korea, with growth rates of 32.5% and 28% respectively, instead of relying on trade within ASEAN region having a decrease of 4.1%. The U.S. remains Vietnam's largest export market nation at roughly \$38.5 billion as shown in Figure 2.

Figure 2 - Top Ten Main Export Markets for Vietnam in 2016 and 2015



Source: Vietnam Customs

Total imports value increased 5.2% to \$174.1 billion in 2016. The first quarter of 2017 imports value went up 24.9% to US dollars 46.55 billion from previous year. The growth was contributed by an increase in Vietnam’s top import products of machine, equipment, tools and instruments; computers, electrical products, spare-parts and components; textile, leather and footwear materials, and auxiliaries group; telephones, mobile phones and parts thereof; and iron and steel (Vietnam Customs, 2017).

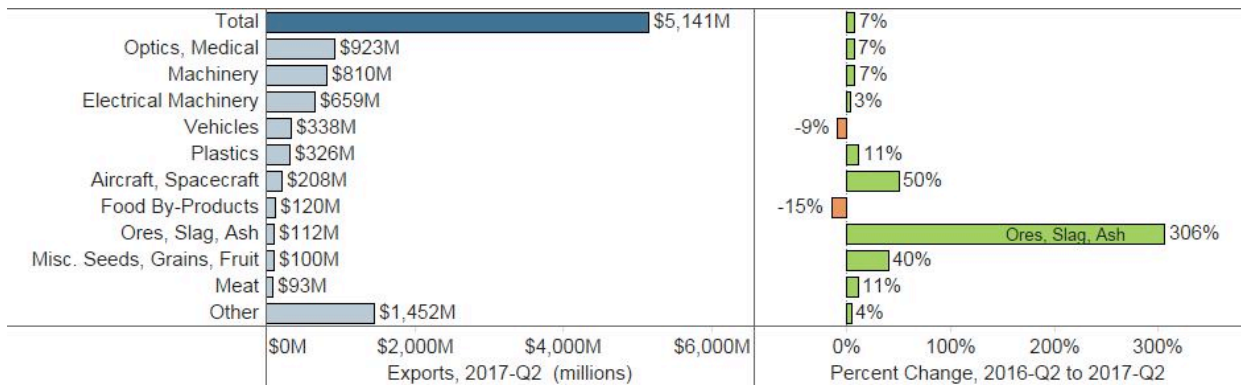
Minnesota Exports & Imports

Minnesota exports to foreign countries are integral to the state’s economy, accounting for \$33 billion in revenue annually (DEED, 2017). Despite state exports dropping 5% in 2016 to \$19 billion, exports continued to rebound in 2017 showing positive growth in the second quarter. Total exports from Minnesota reached \$5.1 billion, growing 7.4% from the previous year, equivalent to \$355 million for the second quarter of 2017. In comparison to nationwide, U.S. total export growth between the same period was lower at 5.9%. For Minnesota’s manufacturing sector alone, manufacturing exports increased by 5.4% equaling \$4.7 billion in the second quarter of 2017, beating that of the U.S. with an increase of 4.2%. Regionally, exports to Asia were valued at \$6.4 billion for 2016, and increased the most by \$200 million to \$1.7 billion, or up 13% in the second quarter of 2017 (DEED Economic Analysis Unit, 2017).

Figure 3 shows the top ten products Minnesota exports for the second quarter of 2017 and the percentage growth of each since the previous year. Optics and medical products topped the list with a 7% increase followed by machinery, and electrical machinery, both increasing by 7% as well. Sales of ores, slag and ash surged 306% making the top nine with the largest percent increase.

Total imports valued at over \$28.5 billion between 2015 and 2016, a decrease of 5%. The decrease was contributed by Minnesota’s stop three imports receiving negative growth. Minerals fuels, mineral oils, products of their distillation, and bituminous substances dropped by 5%; computers, electrical products, spare-parts and components by 18%; and nuclear reactors, boilers, machinery and parts by 3%. Optics and medical products, and toys, games and sports equipment both had positive growth of 14% and 13% respectively (MTO, 2017)

Figure 3 Exports and Trends Among Minnesota’s Top 10 Products, Second Quarter 2017



Source: Minnesota Department of Employment and Economic Development (DEED)

Existing Trade

From the fifty states in the United States, Minnesota ranks 26th overall for total trade with Vietnam with over \$212.6 traded in 2016. This represents just under an 8% decrease from 2015. Minnesota exports rank 19th, and import from Vietnam rank 30th nationwide (MTO, 2017).

Vietnam is Minnesota's 32nd largest export market with a total of just over \$82 million in exports in 2016. Despite a decrease in overall exports to Vietnam by 4% in 2015, Vietnam moved up one spot from 2016 (DEED, 2017). According to data obtained from the Minnesota Trade Office (MTO), nuclear reactors and machinery had the largest number of products exported by a significant margin. Valued at over \$23.3 million after recording a 24% increase, this sector alone accounted for approximately 28% of all exports to Vietnam in 2016. Optical and medical instruments come in second at over \$9.7 million, followed by electrical machinery with over \$8.3 million and 47% in growth. Wrapping up the top five exports are residues and waste from the food industries and prepared animal feed despite a negative 46% growth; plastics and articles; and sugars and sugar confectionary with a strong of 381% increase. Vietnam is ranked 5th in Southeast Asia for exports from Minnesota. See Figure 6 below for extended data on Minnesota exports (MTO, 2017). See figure 4 below.

Figure 4 Minnesota Exports to Vietnam, 2015-2016

All commodity chapters	\$86,034,254	\$82,215,842	-4%
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	\$18,869,430	\$23,351,784	24%
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	\$11,611,845	\$9,739,081	-16%
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television recorders and reproducers, parts and accessories	\$5,720,138	\$8,380,226	47%
Residues and waste from the food industries; prepared animal feed	\$10,390,198	\$5,644,160	-46%
Plastics and articles thereof	\$4,901,274	\$5,052,867	3%
Sugars and sugar confectionary	\$994,553	\$4,779,838	381%
Dairy produce; birds' eggs; natural honey; edible products of animal origin, NESOI	\$1,452,492	\$3,974,115	174%
Raw hides and skins (other than fur skins) and leather	\$3,465,807	\$2,775,941	-20%
Pharmaceutical products	\$1,176,974	\$2,225,185	89%
Glass and glassware	\$1,209,242	\$1,910,542	58%
Miscellaneous chemical products	\$1,279,837	\$1,755,549	37%
Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruits; industrial or medicinal plants; straw and fodder	\$12,500,822	\$1,538,355	-88%
Toys, games and sports equipment; parts and accessories thereof	\$506,853	\$1,183,234	133%
Soap etc.; lubricating products; waxes, polishing or scouring products; candles etc., modeling pastes; dental waxes and dental plaster preparations	\$966,612	\$1,142,952	18%
Organic chemicals	\$868,955	\$1,061,962	22%

Source: Minnesota Trade Office (MTO)

Using the same data source, Vietnam is Minnesota's 17th largest country for imports. Reporting imports of approximately \$130.5 million for 2016 represented a 10% decrease from the previous year. In Southeast Asia, Vietnam is ranked third overall for Minnesota imports. Despite a decrease of 38%, electric machinery remained Minnesota's top import from Vietnam at \$24 million followed by \$20.6 million in furniture, a 20% increase from the previous year. Optics and medical products, and apparel articles both decreased by 7% accounting for \$16.1 million and \$10 million in imports. Vehicles made it

into the top five at almost \$10 million, while dairy products just missed out after 38% growth (MTO, 2017). See Figure 5 below.

Figure 5 Minnesota Imports from Vietnam, 2015-2016

All commodities chapters	\$144,408,445	\$130,458,869	-10%
Electric machinery etc.; sound equip; TV equip; parts	\$38,970,756	\$24,026,649	-38%
Furniture; bedding etc.; lamps nesoi etc.; prefab buildings	\$17,144,232	\$20,609,462	20%
Optic, photo etc., medic or surgical instruments etc.	\$17,300,257	\$16,108,828	-7%
Apparel articles and accessories, not knit etc.	\$10,777,846	\$10,022,835	-7%
Vehicles, except railway or tramway, and parts etc.	\$8,454,800	\$9,982,464	18%
Dairy prods; birds eggs; honey; ed animal pr nesoi	\$6,968,448	\$9,703,574	39%
Footwear, gaiters etc. and parts thereof	\$8,942,492	\$6,663,389	-25%
Nuclear reactors, boilers, machinery etc.; parts	\$10,453,304	\$6,241,079	-40%
Toys, games & sport equipment; parts & accessories	\$3,737,973	\$6,215,732	66%
Apparel articles and accessories, knit or crochet	\$3,381,224	\$5,209,026	54%
Leather art; saddlery etc.; handbags etc.; gut art	\$4,268,701	\$3,425,025	-20%
Rubber and articles thereof	\$2,298,544	\$1,570,932	-32%
Textile art nesoi; needlecraft sets; worn text art	\$1,335,036	\$1,370,870	3%
Plastics and articles thereof	\$1,233,899	\$1,275,925	3%
Headgear and parts thereof	\$465,351	\$1,068,992	130%

Source: Minnesota Trade Office (MTO)

Future Trade Opportunities

Provided by Li King Fend of the Minnesota Trade Office (MTO), Figure 6 shows the predicted exports from Minnesota to Vietnam from 2017 to 2025. As shown, Minnesota exports to Vietnam are expected to continue to grow year-on-year.

Figure 6 - Minnesota Exports Predictions to Vietnam 2017 - 2025

2017	\$99,014,672
2018	\$105,386,391
2019	\$111,758,111
2020	\$118,129,831
2021	\$124,501,550
2022	\$130,873,270
2023	\$137,224,990
2024	\$143,616,709
2025	\$149,988,429

Source: Minnesota Trade Office (MTO)

Vietnam is a fast-growing country that can offer Minnesota and the United States as a whole, numerous opportunities to expand trade and even direct foreign investment. To best strategize the creation of greater business relationships between the two regions, opportunities can be sourced by analyzing sectors that could lead to success.

In Minnesota, clean and renewable energy is on the rise, primarily through wind and solar energy making Minnesota one of the most progressive states in the industry. Due to Vietnam's highly populated and polluted urban areas such as Hanoi, one of the most polluted cities in Southeast Asia, Vietnam has a high need and demand for clean renewable energy. With a history of disregarding pollution and seeing the issues in China, Vietnam is pushing to improve the quality of life for its citizens through more modern technology. With the expertise in clean energy and momentum in the industry, the Vietnamese market is a promising business opportunity for Minnesota's companies to invest in and expand. Furthermore, improvements in clean energy have reflected positively on employment in Minnesota. Between 2000 and 2014, employment in clean energy surged 78% and steadily through the recession. The annual wages of these clean energy jobs are also 42% higher than the state average (DEED, 2017). With Minnesota strong in exporting machinery, and exports to Vietnam expected to grow year-on-year, the door of opportunity for Minnesota companies is wide open and in their favor. The United States is already involved in partnerships that support clean renewable energy such as the USAID and Coca-Cola Public-Private Partnership (U.S. Embassy and Consulate in Vietnam, 2016).

In response to the rapidly growing population, major infrastructure projects are constantly being developed. With the government promoting infrastructure development, Vietnam's public and private infrastructure investment is the highest in Southeast Asia and just second to China for all of Asia, accounting for an average of 5.7% of the country's GDP (Vietnam Country Commercial Guide, 2017). This presents investment opportunities for companies to invest in Public Private Partnerships (PPP) and low-cost manufacturing operations. Researching and identify where infrastructure has the potential to develop, Minnesota companies can capitalize on high return strategies.

Vietnam's economic growth and demographic changes have also impacted the demand for healthcare services. With outdated or overcrowded facilities, equipment, and services, approximately 30,000 Vietnamese people go abroad for higher quality of healthcare treatment, spending \$2 billion every year out of pocket. Identified as a national development priority, government funding and private investments are increasing (Vietnam Country Commercial Guide, 2017). Developments such as facility upgrades of hospitals and departments are creating new opportunities for medical devices in Vietnam, a sector Minnesota is particularly strong in. Minnesota is widely recognized as one of the healthiest states in the United States, and exported \$923 million in optics and medical in the second quarter of 2017 (DEED, 2017). In Vietnam, demand for medical equipment continues to increase because domestic manufacturers can only meet the demand for basic medical supplies. With about 90% of medical equipment in Vietnam is imported, the large healthcare and medical equipment market is an excellent opportunity for Minnesota companies to take advantage of (Vietnam Country Commercial Guide, 2017).

On a greater stance, Minnesota companies should invest in Vietnam to take advantage of ASEAN's free trade agreements with both China and India. Tariffs have been reduced significantly, and because Vietnam is a member of ASEAN trade agreements, Minnesota companies who establish direct foreign investment or a subsidiary in Vietnam can reap those benefits. As Minnesota's third largest importer in Southeast Asia, Minnesota based companies should be interested in investing more in Vietnam. "By the end of 2012, approximately 40 percent of the 700 supermarkets in Vietnam were a part of a foreign group. Considering Vietnam only began opening its doors to companies including Metro Cash & Carry and Lotte Mart in 2009, this represents a big jump," (Shira, 2017). Potential with trade between the two countries is boundless.

Reasons for Minnesota to Invest in Vietnam

- 1) Strong GDP growth expected to continue for medium term.
- 2) The fastest-growing middle and affluent class in the region, with young consumers who are among the most optimistic in the world providing the right demographics for growth.
- 3) Real income increasing, as is receptivity to U.S. products and services.
- 4) A large population of over 90 million consumers.
- 5) Political stability in region is known for its uncertainty.

Minnesota Companies Currently Trading with Vietnam

From the interviewed references earlier Li King Feng, Minnesota is a global leader in biotechnology and biomedical search with deep roots in agriculture, food exports, and water technology. However, there are additional areas of business that make Minnesota a global competitor. At first thought, one might not think there is much, if any, relationship between a state like Minnesota and Vietnam. But according to the MTO, there are currently eight businesses founded in Minnesota with strong ties to Vietnam. Of those eight, three well-known global enterprises include Cargill, C.H. Robinson, and Graco (Mukherjee, 2016). The following paragraphs will breakdown each company on how and why their connection with Vietnam has brought success.

Cargill is a 150-year-old company based out of Minnetonka, Minnesota that brings food, agricultural, industrial, and financial products to customers worldwide. Employing 150,000 people and a company net worth of over \$50 billion, Cargill stands in a position to have great impact globally. In 1995, Cargill was one of the first American companies to open its doors to Vietnam once diplomatic relations became normalized. With an initial focus in Vietnam was to address animal nutrition problems, Cargill introduced appropriate feed to animals and found success. Then in 1999, Cargill opened its first feed plant in Vietnam to package appropriate sized feedbags to sell to the Vietnamese agriculture market, primarily farmers. The plant also served as a training facility to aid Vietnamese farmers in becoming more productive with the hog and other animals across the industry. Since then, Cargill has been recognized through multiple awards for their influence in Vietnam, including “the best U.S. Corporation in Vietnam,” in 2000 from the U.S. State Department. The total number of employees in Vietnam has grown from 20 to over 1,100, working in animal nutrition, cocoa, food and beverage ingredients, and grain and oilseeds. Cargill’s Vietnam and Minnesota relationship continues to flourish, presenting the positive effects U.S. companies can have on developing countries (Cargill).

C.H. Robinson was founded in 1905 and is headquartered in Eden Prairie, Minnesota. Today, C.H. Robinson employs over 13,000 people and is one of the world’s largest third party logistic providers, recording \$13.5 billion in gross revenues in 2015. The company provides freight transportation and logistics, outsource solutions, produce sourcing, and information services to 110,000 customers through their network of international offices (C.H. Robinson Worldwide). Growing throughout the U.S., C.H. Robinson soon recognized the need to grow internationally. In 2015, the company expanded operations into one of the world’s fastest growing economies and opened a forwarding office in Ho Chi Minh City, a key hub for transportation and logistics in Southeast Asia (C.H. Robinson, Global Newsroom, 2015). Although relations with Vietnam only began in 2015, C.H. Robinson has confidence and is continuing to demonstrate its commitment to the region (C.H. Worldwide).

Graco Incorporated was found in 1926 in Minneapolis, Minnesota. Beginning as a small family business, Graco has transformed into a \$1.2 billion company and one of the world’s largest fluid handling manufacturers. In 2014, the company recorded \$226 million in income, making a 7.1% increase from the year before (Graco). With intentions to take their services abroad, Graco launched business in Vietnam about 10 years ago and continues to prioritize the growth development in services of fluid handling

equipment throughout Southeast Asia. Although the market in Vietnam is currently smaller compared to others in the region, Vietnam's overall market potential is still emerging with positive prospects in the future (Mukherjee, 2016). Believing in Vietnam's infrastructure development that is necessary to support the growth of the nation's fast-growing population and economy, a positive relationship with Vietnam is vital for the emerging market.

These three companies show that there do exist effective business relations between Minnesota and Vietnam and that there is favorable potential to increase such ties. In correspondence with Li King Feng, if Minnesota can increase exports, job creation will increase for the state and contribute to the betterment of Minnesota economy. Many Minnesota manufactured goods and products are in great demand by the rest of the world, including Vietnam, presenting a great opportunity to be capitalized on. "We (Minnesota) export to more than 200 countries in the world. Companies follow the money," (See Appendix for Interview with Li King Feng).

Vietnamese Businesses in Minnesota

In addition to large corporations, there are small businesses in Minnesota owned by Vietnamese people. There are a low number of Vietnamese owned businesses in Minnesota, and these people encounter a variety of both struggle and success. Of the limited Vietnamese owned businesses in the St. Cloud area, the primary finds were restaurants and nail salons. When expanding to the Twin Cities area, the results remained the same. Thus, we decided it would be best to interview the owners of a Vietnamese store and restaurant called Viet-Tien, and Kim's Nail Salon.

When engaging with the people at Vien-Tien, the language barrier was too large and that an interview was not possible. Although the interview was not a success, we realized that language could be a significantly large barrier for the Vietnamese community in America. While the younger generations have the time and environment to grow up in in the traditional U.S. education systems and learn English, older refugees immigrating to the U.S. have a much smaller opportunity to learn English. In the U.S. English is essentially a necessity to start a business. Without it owners will encounter an immediate set back. Communicating with employees and customers, and the overall success of the business will be hindered.

For the interview was at Kim's Nail Salon to speak with the owner, Kim. For quality and quantitative purposes, we asked the owner to answer a variety of questions on a scale of 1-5 (1 low, 5 high). The questionnaire (View complete interview with Kim in the Appendix) was taken personally by Kim to gain a better understanding of what it is like to do business in Minnesota as a Vietnamese expatriate. Unfortunately, we were unable to get further reasoning behind the number responses, and it was difficult to understand our findings there is nothing to compare them to. However, it was clear to see from the responses that the language barrier was a problem for Kim. Overseeing employee and customer interaction, we found that speaking English was difficult for the employees as well. Despite not grasping a clear understanding of Kim's responses, we were able to conclude that Kim's business provides employment opportunity for fellow Vietnamese expatriates and that she is happy. She will continue to be successful in her business because of her specific talent level and affordable prices.

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USING NEW TECHNOLOGIES TO ACHIEVE COMPETITIVE ADVANTAGE IN INTERNATIONAL MARKETS

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ABSTRACT

While technology requirements vary across time and place, investing in new technologies is a well-practiced tactic that is part of strategies to build competitive position. In this research we focus on the link between multinational investments in new technologies and opportunities for achieving foreign and cross-border strategic competitive advantage. Consideration is given to national technology differences, timing of technology investments, development of complementary assets, and the importance of organizational and human factors that are critical to the technology implementation and adoption process. Our paper contributes to scholarly understanding of competing with technology across geographies, cultures, and political and economic regimes.

Key words: multinational, technology, sustainable competitive advantage, resource-based view

ONLINE DRUG PRICING: U.S. VS. CANADA

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Abstract

This study examines the pricing of online prescription drugs between Canada and the U.S. using panel data. The analysis was made through regression models to allow comparisons of prices between online retailers of the two countries. Our results indicate that brand name drugs are priced lower in Canada, while there is no significant price difference for generic drugs between the two countries. Our results confirm that online drug prices and the number of suppliers are negatively related, though there is no distinct difference in how prices of brand name and generic drugs respond to the number of suppliers.

Keywords: Online drug pricing, online pharmacies, brand name drugs, generic drugs, price dispersion.

STUDENTS ENROLLED AN EDUCATIONAL LEADERSHIP MASTER'S PROGRAM UTILIZATION OF TES TEACH BLENDSPACE FOR REFLECTION AND COLLABORATION

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ABSTRACT

Students used TES Teach to reflect upon their four-day field experiences from the travel seminar. Participants were asked to answer specific reflection questions when they reflected their field experience in this video-based platform. The findings will be reported with regard to students computer skill set before the course, their options of implementing technology for the reflection component of the course, and their intentions of future uses of this technology in their personal lives and professional lives. Recommendations and suggestions will also be included in this paper. Those who are involved with field experience for students will benefit from this research.

Keywords: Reflection, Educational Leadership, Business, Field Experience, Applied Learning, TES Teach Blendspace

INTRODUCTION: WHY REFLECTION IMPORTANT FOR EDUCATIONAL LEADERS?

Reflection is deemed an essential skill for educational leaders (Roberts, 2008). Both learning theorists and leadership scholars underline the importance of including reflective practice in educational leadership training programs. However, developing reflective skills is no easy task. Even current leaders may find it is difficult to reflect on their actions (Smith, 2001). In this paper, authors explored a new approach to facilitating prospective education leaders' reflective skills by using Blendspace, a web-based collaborative video tool.

CONTEXT OF THE STUDY: PROGRAM OVERVIEW AND COURSE OBJECTIVES

In this research project, an online-based collaborative video tool (Blendspace) was used as new efforts to promote prospective educational leaders' reflection skills and collaboration. All participants were graduate students enrolled in a travel seminar for an MBA Educational Leadership program in a midwestern university.

The main objective of the program and the course is to produce transformational educational leaders who are able to take "best practices" in education and "best practices" in business and apply them to improve the education gap. The MBA in Educational Leadership program is designed to combine the best practices in business and education with a variety of opportunities for fellows to apply their learning in a school setting. Coursework in this program utilizes an applied, problem-based approach that is directly related to fieldwork experiences and the majority of courses are co-taught by a business faculty and an education faculty. The main objective of the program and the course is to produce transformational educational leaders who are able to take "best practices" in education and "best practices" in business and apply them to improve the education gap and applied learning and reflection.

The course is an applied component of the program. The travel seminar has been offered three times and each of the cohorts visited leaders in K-12 schools, non-profit institutions that support educational institution, and businesses to observe best practices and interact with their leadership team. The main goal of the course is to further students' understanding and knowledge of education and

business leaders' best practices and how they can apply these best practices to their current career, as well as their future career within the education arena. When surveying the students it was important to learn if the main goals of the course were met via the reflection component of the course.

SELECTION OF BLENDSPACE

In an attempt to increase the reflection and collaboration among graduate students, the researchers opted to integrate technology. After careful consideration of multiple options, the authors opted on utilizing TES Teach with Blendspace for the reflection and collaboration component of the course.

The purpose of the reflection assignment was the same as the discussion board goal previously. What makes this assignment different from the assignment in the last two years was it added a multimedia technology component in hopes of getting a deeper reflection from the post and a more in depth discussion with their peers.

The authors were in search of a tool to improve reflection beyond the typical text-based discussion boards offered in most Learning Management Systems (LMS). After reviewing numerous methods and tools, the authors opted to use TES Teach with Blendspace (<https://www.blendspace.com>), which is an easy-to-use multimedia platform. Using a drag-and-drop interface, one can organize videos, text, links, and images. TES Teach with Blendspace is compatible with many social media tools and platforms. Content can be easily pulled from YouTube, Google, Flickr, and other online sources, Dropbox, or Google Drive, as well as one's own computer. Some preliminary findings on Blendspace also suggested that there was positive impact on college student learning (Chen & Jourdin, 2015). Compared with the traditional discussion board embedded in the Learning Management System, TES Teach with Blendspace is more powerful with regard to multimedia presentation and would empower learners with more learning opportunities involving multimedia presentations. As we have learned from existing research, multimedia technology tools have great potentials in our teaching (Blankenship & Hinnebusch, 2013; Haley, Steeley & Salahshoor, 2013). In addition, TES Teach with Blendspace is compatible with devices of all sizes (e.g., phones, tablets and computers), which is an important feature when we consider adopting it for a travel seminar.

Before deciding to implement a new technology in the classroom, faculty polled students about their computer skill levels. All of the students reported having average or above average computer skills, thus the faculty members were not too concerned about the technical difficulty of integrating the new technology into the course. On one occasion, students were polled to determine what their knowledge base was on TES Teach with Blendspace and the majority (88%) of the students had never heard of TES Teach with Blendspace. After the students were surveyed, a training module on TES Teach with Blendspace was added to the course. Once students had been exposed to TES Teach with Blendspace, they were surveyed to determine if they had used a similar program and the majority of the students had never used a program similar to TES Teach with Blendspace.

FINDINGS

After the assignment for the course was completed, the students were surveyed to determine the future use of TES Teach with Blendspace. Sixty percent of the students reported they would definitely use the technology in their personal lives. More importantly, all students reported they plan to use Blendspace or other video/audio recording software in their teaching. When probed further, students stated it improved their reflection and helped them better achieve the goal of the reflection assignment. When surveyed about the usage of Blendspace or other video/audio recording software in their future roles of educational leadership, the 71% of students stated they would "definitely" use such technology again and 23% of the students reported they "might use it" at their future roles as an educational leader.

One of the benefits of TES Teach with Blendspace is that it is portable. For example, students can access this technology on any electronic device without any noticeable changes in the technology. This was a main benefit for the students. When polled, all students used multiple devices to access the

technology. The majority (66%) of the students used their laptop, but other modes, such as were used to access TES Teach with Blendspace.

At the end of the course, students were asked how easy it was to use the technology. Over ninety percent of the students reported it was very easy or somewhat easy. Students were surveyed to determine if the technology implemented allowed them to keep a close record of their thoughts, reflections, and analyze their learning and 74% reported it did allow you to keep a close record of your thoughts, reflections, and analyze your learning?

The majority of the students reported the technology assisted them in their reflection assignment for the course. Students were also surveyed on the technology allowed for more fluid exchanges between instructor and students in comparison to Learning Management Systems (LMS). Over half of the participants agreed that the technology improved the exchange between instructor and student. When asked if the technology allowed for more fluid exchanges between peers in comparison to the text based LMS options, the majority of the students (92%) agreed that it did improve exchange.

In addition to reflection, collaboration was a very important component of this course, as well as their decision to use TES Teach with Blendspace. Ninety-two percent of students reported that the implementation of TES Teach with Blendspace allowed them to have for more fluid exchanges between peers.

LESSONS LEARNED/RECOMMENDATIONS

Overall, the integration of TES Teach with Blendspace in the course was a success and the authors plan to continue to implement this technology into the reflection components of this course in the future. The authors have also reflected on this experience. The next time in teaching the course, the authors will provide more details about various video recording tools students could use for their reflection component, as well as have a required assignment to motivate students in learning the technology and to ensure technology issues can be addressed prior to the trip. The instructors plan to integrate more course activities (e.g., disseminating course materials, uploading lecture slides, and publishing course announcements, etc.) in TES Teach with Blendspace for the next course, so there is a smoother transition from the LMS to TES Teach with Blendspace. A higher level integration of TES Teach may also have positive impact on the communication between instructors and students. Moreover, a longitudinal study to determine if students continue to use the technology in their careers could be helpful.

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INTEGRATING EVERNOTE AS A MOBILE TOOL FOR REFLECTION AND COLLABORATION: A CASE STUDY OF MBA PROGRAM OF EDUCATIONAL LEADERSHIP

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ABSTRACT

Field experiences and reflections are a critical component in preparation programs for educators and educational leaders. However, how to effectively take notes and how to improve reflections remain a challenge. In this presentation, the authors will share how they have integrated Evernote, a collaborative, multimedia, note-taking tool, within a MBA program of Educational Leadership to facilitate graduate students' field experiences, reflection, and collaboration. Data was collected about students' technology proficiency level, their learning experiences, and perception of Evernote. Both qualitative and quantitative data will be reported. Implications of the results of this study and lessons learned will also be provided.

Keywords: Reflection, Evernote, Mobile learning, Educational Leadership, Business, Field Experience

INTRODUCTION

Reflection is an important skill for teachers and teacher leaders (Roberts, 2008). Reflection is also vital to field experience. However, developing reflective skills is no easy task. It is reported that even current educational leaders may find it is difficult to reflect on their actions (Smith, 2001). In this paper, authors explored a new approach to facilitating prospective education leaders' reflective skills by using Evernote, a mobile, multimedia technology tool that could promote reflection and collaboration.

PROGRAM OVERVIEW AND COURSE CONTEXT

This project is part of a travel seminar for prospective educational leaders. All of the participants of this research projects were enrolled in an intensive-MBA program of Educational Leadership, which is designed to combine the best practices in business and education and to provide a variety of opportunities for graduate students to apply their learning in a school setting. Fellows receive a full tuition scholarship in this 13-month cohort-based program. The program adopts a "grow-your-own" model. All fellows in the program have to go through a highly selective nomination process by school districts or charter school authorizers. Throughout the program, fellows are provided school leadership and business immersion experiences, within and supported by the fellows' current district or charter school.

One required component of the MBA Educational Leadership program was a travel seminar course, during which students visited schools and educational organizations, to see how educational leaders have designed transformative educational opportunities for learners of diverse backgrounds. The main goal of the course is to further students' understanding and knowledge of education and business leaders' best practices and how they can apply these best practices to their current career, as well as their future career within the education arena.

The leadership seminar has been offered three times and each of the cohorts visited leaders in K-12 schools, non-profit institutions that support educational institution, and businesses to observe best practices and interact with their leadership team. For the most recent year and also the year that this research was conducted, students visited a variety of educational organizations in the Chicago area, such as different types of schools, non-profit after-school programs, and counseling programs that focused on

social emotional development for at-risk students. The travel seminar consisted three parts: pre-departure activities, four days of travelling, and post-trip reflection. The authors designed the travel course with reflection components—to reflect upon their field experiences and to discuss how they may apply their learning into their own school/district settings or for their future environment. In the most recent offering of the course, they integrated Evernote, a mobile, multimedia, and collaborative tool for the reflection component for the travel seminar. Data was collected about graduate students' prior experiences with Evernote as well as their use of the tool and their perception of this experience. Recommendations and suggestions will also be included in this paper. People who are involved with field experience in teacher education programs at both the undergraduate and graduate level will benefit from this research.

SELECTION AND IMPLEMENTATION OF THE TECHNOLOGY

Evernote is a cloud-based service that allows users to save anything they want and then easily find it. Compared with traditional notetaking tools, Evernote is strong in two ways. First, Evernote is a free multi-media tool that allows users to take pictures or clip online resources, along with traditional text entry for note-taking tools. Second, Evernote is a mobile technology tool that works fine as web-based technology tools for computers or as an app for mobile technologies (e.g., smartphones and tablets). These two features would allow prospective teacher leaders to take multimedia field notes in a more prompt way when they are in the field. Some existing research also suggests the potentials of integrating Evernote in professional development for pre-service teachers (Kearney & Maher, 2013). This research project will add more to the literature of teacher education and mobile technology by focusing more on field observation and reflection for prospective educational leaders.

DATA COLLECTION AND RESULTS

Survey was the primary source of data collection for this study. Participants were asked to fill out an anonymous online survey after they completed the travel seminar. Data analysis is still undergoing and only preliminary results are reported in this brief paper. Results of open-ended questions may be included in the final version of this conference paper.

Overall technology proficiency and prior experience with Evernote

When students were asked to rate their computer skill level, 97% stated their computer skills were average or above average (41% reported above average and 56% average). When asked about Evernote, 50% of the students stated they had heard about but they had not used it and 32% students had not heard of Evernote at all. The remainder of the students, 18%, stated they had used Evernote.

Experiences with Evernote

Upon completion of the course, students were asked about experiences with Evernote. Even though many of the students had not used Evernote prior to the course, all students reported using Evernote was easy. Specifically, 44% reported that Evernote was somewhat easy and 56% of the students reported it was very easy.

Overall students reported their Evernote experience as positive learning experiences. The majority of the students (i.e., 91%) agreed that Evernote allowed them to keep a close record of their thoughts, reflections, and analyze their learning.

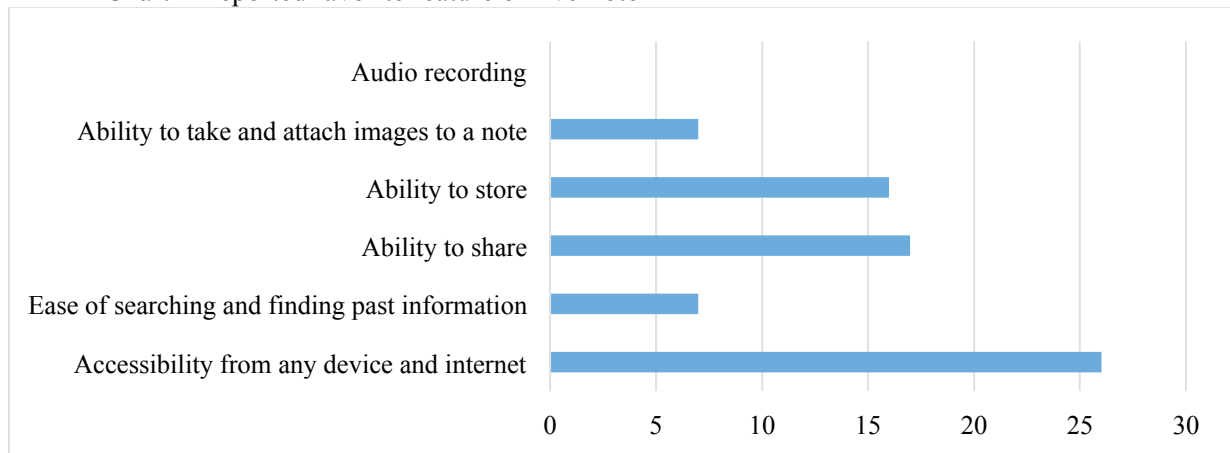
Collaboration is a key component of the program, course, and reflection. When considering collaboration, students were asked about Evernote's ability to assist in fluid exchanges between peers and if Evernote was a better tool than the University's Learning Management Systems (LMS), 65% of the students stated it that they agreed or strongly agreed that it did.

Access and mobility

When asked about how the students accessed Evernote, the results were evenly split with 41% on a laptop, 39% on a smartphone, and 20% on a tablet, which lead into the results. Students were also asked about the features of Evernote they liked the most. As illustrated in Chart 1, the accessibility from any

device and internet was a very important feature. The ability to share and store as well as the ability to take and attach images to a note were also very important features.

Chart 1 Reported favorite feature of Evernote



Expected Use of Evernote in the Future

After the Evernote course requirement had been completed, 85% students reported they would use Evernote (or another program similar to Evernote) in their personal life. Moreover, 80% of the students are planning to utilize Evernote (or another program similar to Evernote) in their future teaching. Fifteen percent of the students reported they would definitely use Evernote in their future educational leadership career. While 70% of the students reported they might use it again in their future career.

LIMITATIONS AND RECOMMENDATIONS

The ability to attach images was an issue with the free version of Evernote due to storage limits. The limited storage that comes with the basic version of Evernote also significantly limits the possibility of synchronization and accesses their notes from multiple devices. Next time, faculty will encourage students to get the educational account or a paid account. The ability to store was important, but was limited due to the free account and is expected to increase in importance once an account with more storage will be used.

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GLOBAL BUSINESS AND SUPPLY CHAIN MANAGEMENT: DEVELOP AND TEACH THIS CRITICAL ELEMENT!

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ABSTRACT

Trust has been identified as a key factor among a business and its stakeholders in international business and supply chain management. Communication is a prime determinant in effective management and leadership, in inter-cultural or international business communications. This paper presents the argument that effective communication is key to developing trust especially where it (communication) is non-verbal. The author identifies a foundational element that is overlooked in communication, but which should be emphasized and taught in today's global business and supply chain environment.

Key words: Leadership, international/global business, supply chain management, inter-cultural/international communication, non-verbal communication, trust.

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THE POTENTIAL OF CRITICAL SELF-REFLECTION FOR INTERCULTURAL LEADERSHIP DEVELOPMENT

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ABSTRACT

Modern organizations increasingly require self-regulatory and social skills. Self-efficacy gauges the belief individuals have regarding their ability to perform across situations, and intercultural competence represents a venue for improving social skills. Self-efficacy and intercultural competence are vital for today's leaders who must meet challenging goals by coordinating the efforts of diverse coworkers in uncertain contexts, and self-reflection is a common component of both constructs' theoretical underpinnings, suggesting critical self-reflection may be an inexpensive and effective tool for developing these intercultural leadership competencies. We propose a research program to investigate the impact of semi-structured self-reflection on self-efficacy and intercultural competence.

Keywords: self-reflection, intercultural leadership development, self-efficacy, intercultural competence

INTRODUCTION

Modern, flatter organizations require employees and leaders who are capable of self-regulation and effective interpersonal communication. Self-efficacy aids with self-evaluation, self-monitoring, and self-reaction, important components of self-regulation which is increasingly important as the workforce is disrupted by rapid technological and social changes (Bandura, 2001). Technological, social, and industrial changes have increased the interaction between physically dislocated and culturally diverse employees, requiring virtual interaction with remote employees, coworkers in other facilities, and geographically dispersed customers and suppliers. Collaboration to create competitive advantage requires employees to willfully, intentionally, and effectively interact with culturally diverse others (Cumberland, Herd, Alagaraja, & Kerrick, 2016).

The necessity of self-regulation and interaction with diverse others indicates self-efficacy and intercultural competence are especially important for leaders in today's organizations. Identifying and designing inexpensive methods for developing self-efficacy and intercultural competence are essential for preparing our workforce for the changing world of work. Self-efficacy is a perception individuals have that forms following reflection about past events regarding their ability to perform by applying their skills in diverse situations for diverse outcomes (Bandura, 1977). Employees with high self-efficacy are likely to persist longer in their efforts, attributing failures not to personal shortcomings but to inexperience and lack of effort (Bandura, 1977), enabling self-efficacy to contribute to leadership self-development activities through increased persistence (Boyce, Zaccaro, & Wisecarver, 2010). Intercultural interactions occur not only when individuals of different races, nationalities, or ethnicities interact, but also, when rural individuals interact with urban, when the poor interact with the wealthy, and when the relatively young interact with the relatively old. Intercultural competence is "the ability to communicate effectively and appropriately in intercultural situations based on one's intercultural knowledge, skills, and attitudes" (Deardorff, 2004, pp. 194). Globalization has made intercultural competence an essential skill for the leaders of tomorrow (Yeager & Callahan, 2016). Intercultural competence development is an intentional, long-term process that requires continued and persistent effort (Hammer, 2012).

Self-reflection is a common component of both self-efficacy and intercultural competence development, hereafter referred to together as intercultural leadership. They both explicitly describe the importance of self-reflection in the developmental process (Bandura, 2001; Hammer, 2012). Reflection is a method that can maximize the impact of past experiences by helping individuals enter a learning mode (Heslin & Keating, 2017). Similarly, Kolb's (1984) four stages of learning include observation and reflection as the third stage. We argue that self-reflection on past events is likely to improve intercultural leadership competencies when learners are asked to reflect in a semi-structured manner on how experiences relate to specific, critical competencies. Similar programs of self-reflection (Cope, 2003; Terhune, 2006) have been proposed elsewhere but have not provided the specific outcomes likely to occur from such a program. Reflection can help make meaning of experiences, providing more learning than otherwise occurs and allowing an examination of existing presuppositions (Mezirow, 1990). Self-reflection enables individuals to make the most of their experiences outside of formal training. In other words, reflection maximizes the impact of informal day-to-day interactions, the experiences that are recognized as providing the majority of leadership development that occurs (DeRue, Nahrgang, Hollenbeck, & Workman, 2012; McCall, 2004; Ohlott, 2004), especially within virtual teams (Hart, 2016).

LITERATURE REVIEW

Self-Reflection

Self-reflection allows individuals to examine implicit assumptions relating to beliefs (Mezirow, 1990). Critical self-reflection, or premise reflection, involves an examination of the validity of presuppositions involved in prior experience and learning, examining the why of behavior and subsequent consequences (Mezirow, 1990). Critical self-reflection moves a learner from passively experiencing events to an examination of beliefs and presuppositions that are near to the center of an individual's self-concept involving all three parts of the mind: affective, cognitive, and conative (Mezirow, 1990). Mezirow (1990) argued that critical self-reflection enables significant learning experiences for adults by helping them reassess their orientations to knowing, believing, feeling, perceiving, and acting. Transforming our perspective can lead to a more discriminating, permeable, inclusive, and integrative perspective, and the importance of self-reflection is recognized in the adoption of it as a component of cadet development at West Point (Harms, Spain, & Hannah, 2011) and in a variety of other organizational settings (DeRue et al., 2012).

Three areas exist where individuals commonly distort meaning perspectives: epistemic, socio-cultural, and psychic (Mezirow, 1990). Meaning distortion is caused by introjection, or when the values of other people are uncritically accepted—a form of blind followership. Uncritical acceptance of prevailing norms and values is likely to inhibit intercultural leadership, since parochial worldviews tend to generate a polarizing us versus them attitude that inhibits effective intercultural interaction (Hammer, 2012). Additionally, introjection represents extrinsic motivation that has not been fully integrated into an individual's sense of self, which is related to low sense of self-efficacy and lack of control over events (Deci & Ryan, 2000).

Epistemic distortions are those related to the use and nature of knowledge, and the distortions can include treating abstractions concretely, seeing social phenomena as immutable and beyond our control, and using descriptive knowledge in a prescriptive manner (Mezirow, 1990). Socio-cultural distortions are when belief systems relating to existing social and power structures are taken-for-granted, actively supporting the status quo. These distortions include taking the beliefs of a subgroup to represent the group as a whole (e.g., negative perceptions of the African American community because of small segments of the Black Lives Matter movement) and “mistaking self-fulfilling and self-validating beliefs for beliefs that are not self-fulfilling or self-validating” (Mezirow, 1990, pp. 5). Psychic distortions relate to presuppositions that

generate unnecessary and unwarranted anxiety impeding natural functioning, and they are generally rooted in traumatic childhood events that inhibit action, such as effectively engaging in a loving relationship, confrontation, or taking risks, by generating anxiety when these actions are approached (Mezirow, 1990). For example, some individuals will be anxious that any confrontation may lead to violent outbursts on their part, and they must work to overcome these past pressures in order to function effectively today (Also, c.f. discussion of how core beliefs, schemas, and assumptions, similar to psychic distortions, contribute to automatic cognitive and biological responses that inhibit action in Mendenhall, Arnardottir, Oddou, & Burke, 2013). Self-awareness should increase with reflection that leads to meaning distortion correction, and self-awareness is an essential component of intercultural competence (Mendenhall et al., 2013) and a critical skill for personal development.

Self-Reflection for Management Development

Management education has recognized self-reflection as one component that helps develop management graduates with greater ethical character (Crossan, Mazutis, Geijts, & Gandz, 2013) and a more mindful approach to leadership (Baden & Higgs, 2015). Similarly, asking students to reflect on and critically consider the dominant values in business school education is thought to make management graduates more ethically aware and responsible (Flyvbjerg, 2006). In other words, reflection can be used to overcome socio-cultural distortions relating to business school. Rarely, however, have researchers demonstrated that interventions consisting primarily of critical self-reflection can spur improvement in intercultural leadership competencies.

An element of structure, such as presented in this research proposal, may increase the impact of self-reflection since unstructured reflection interventions largely demonstrate null effects (Hezlett, 2016). One way formal training develops individuals is by providing “an opportunity to reflect on and make better sense of actual experience” (McCall, 2004, pp. 129). Training helps individuals enter a leadership learning mode where they can use self-reflection to diagnose the cause-and-effect of their actions, consider counterfactuals, and identify lessons learned from past experience (Heslin & Keating, 2017). DeRue et al. (2012) demonstrated that after-event reviews, or opportunities to systematically review past behavior to examine how events contribute to outcomes, positively impact leadership development. Their after-event reviews occurred in 30-45 minute sessions with trained facilitators within two weeks of four cohort-wide developmental experiences of MBA students. We consider DeRue et al.’s (2012) intervention to be a structured reflection experience because after-event reviews are conducted with trained facilitators.

Reflection must engage the past, present, and future to aid understanding of how alternative actions could have changed outcomes. Hibbert, Beech, and Siedlok (2017) argue that philosophical hermeneutics provides a theoretical foundation for why reflection leads to insights. They argue that philosophical hermeneutics suggests that humility “opens up our interpretations to wider critical reflection (and thus a greater variety of insights) in dialogue” (18). Reflection, they argue, is a process that must be learned in two steps: first, learning to recognize how individual moments exist within a complex flow of time; second, nurturing an awareness that we may learn from these moments can aid our understanding of people and concepts. Recognizing these two aspects of reflection connects momentary behavior and experiences to a long-term perspective that helps individuals engage more fully in moments by recognizing the connection to both past and future events (Hibbert et al., 2017).

Social Cognitive Theory and Self-Efficacy

Social cognitive theory argues that agency is emergent and interactive (Bandura, 1989). People are not wholly autonomous or wholly mechanistic—rather, behavior is determined through an interplay of reciprocal causation with environmental events and personal factors including action, affective response,

and cognition interacting as determinants (Bandura, 1989). Put differently, social cognitive theory argues that behavior is determined through both the social environment, our actions and the actions of others, and our cognitive processes. The central mechanism of personal agency in social cognitive theory is self-efficacy, or the belief an individual has regarding “their capabilities to exercise control over events that affect their lives” (Bandura, 1989, pp. 1175). Self-efficacy can predict activities and situations individuals will pursue, because they engage in activities and situations that they believe themselves to be capable of handling while avoiding situations where they judge their abilities or skills to be inadequate (Bandura, 1989). The interplay between self-efficacy and the social situations forced on and selected by individuals makes it clear that human behavior can never be fully understood when removed from the social systems in which we are embedded (Bandura, 2001).

This embeddedness results in our culture, although Bandura does not use the word culture, significantly impacting our lives. Bandura (2001) points out that self-efficacy, affective states, and a host of self-regulatory influences are impacted by cultural dimensions such as socioeconomic status and family structure. A collective sense of efficacy, Bandura (2001) argues, may aid the world in effectively working together as globalization changes local systems into transnational systems. Collective efficacy may be able to accomplish this by overcoming epistemic distortions relating to the immutability of social phenomena—enabling us to engage more difficult problems than we otherwise would. Bandura’s (2001) interest in culture stems from fighting against a biological reduction of psychology since, he argues, the diversity of beliefs and behaviors created by global cultures demonstrates that biology is not the only determinant of human behavior.

Critical self-reflection fosters consciousness, and social cognitive theory posits that “Consciousness is the very substance of mental life that not only makes life personally manageable but worth living” (Bandura, 2001, pp. 3). Consciousness is fundamental to agentic behavior. Bandura (2001) lists four features of conscious agentic behavior that are uniquely human: intentionality, forethought, self-reactiveness, and self-reflectiveness. He (2001) argues that self-reflectiveness allows an individual to analyze the impact of their previous modes of thought and action, metacognitively assessing and improving. van Woerkom (2004) pointed out that self-reflection is important for the field of human resource development because it both solves existing problems and poses new ones, and it can be perceived as a state in which one may choose to engage “depending on the importance and relevance of a task” (Donovan, Güss, & Naslund, 2015 pp. 285), with highly ego involving activities more likely to spur reflection. Self-reflection can either be a positive or negative feedback mechanism, or both of the two mechanisms through which self-regulation of motivation occurs (Bandura, 1989). The proactivity, or positive feedback, occurs because an individual decides to engage in self-reflection, considering and analyzing past events. Negative feedback occurs because the reexamination of these events, beliefs, and behaviors allows identifying how past actions may inhibit or aid career and life success, suggesting ways to improve the match between desired outcomes and behavior. Self-reflection, then, provides people the capability of self-regulation by providing both discrepancy reduction (negative feedback model) and discrepancy creation (positive feedback model) within one conscious behavior. Self-regulation is considered a key component of personal leadership development (Akdere, 2015; Boyce et al., 2010), and self-reflection contributes to self-regulation by enabling self-evaluation, self-monitoring, and self-reaction. Self-reflection can even help employees grow in the face of personal failure, such as when failing to receive a promotion (Vough & Caza, 2017), and employees are more likely to engage in self-reflection when they accept personal responsibility for their decisions and actions relating to past events (Wilson & Dunn, 2004). Increased recognition of how one’s current actions are impacted by the past and impact the future (Hibbert et al., 2017) should increase the belief an individual has that he or she can perform well on difficult tasks, since they would be able to recognize how momentary actions can be used to build toward successful future events.

The ability to combine conscious behaviors into agentic functioning has become increasingly important in the ever-increasing rate of change of today's workplace. Both technical skills and knowledge rapidly become obsolete in today's workforce, requiring individuals to personally take control of their development through self-regulation (Bandura, 2001). Similarly, Bandura (2001) argues that a collective sense of efficacy can enable organizations to become more adaptable to changing circumstances, thereby increasing the longevity of organizational prosperity. Bandura et al. (1996) demonstrated that high self-efficacy can increase prosocial orientation, thereby increasing the frequency and effectiveness of collaborative, cooperative behaviors, enhancing the capability of a team or organization to bring about a desired future state.

Contradictory evidence regarding self-efficacy's positive effects does exist (e.g., Halper & Vancouver, 2015), but the countervailing evidence has largely been demonstrated with simple tasks in laboratory settings with little social interaction or the involvement of personal ego. Personal events must be subjectively threatening to impact self-efficacy (Bandura, 1977). Additionally, conceptions of generalized self-efficacy (e.g., Chen, Gully, & Eden, 2001) run counter to Bandura's (2012) arguments regarding how self-efficacy functions, since he argues that self-efficacy should be measured only at the relevant domain-level. Bandura's (2012) piece comes in response to work such as Halper and Vancouver (2015) that demonstrates situations of null or negative effects from increased self-efficacy, and Yeo and Neal's (2006) results suggesting domain-linked self-efficacy has negative effects, while general self-efficacy enhanced performance in the well-known air traffic control simulation. The socialization context, especially important for soon-to-be college graduates, has demonstrated links between self-efficacy and the effectiveness of self-study onboarding and training activities (Saks, 1994), greater proactivity during socialization (Gruman, Saks, & Zweig, 2006; Major & Kozlowski, 1997; Ohly & Fritz, 2007), and job satisfaction (Bauer, Bodner, Erdogan, Truxillo, & Tucker, 2007). We believe that generalized self-efficacy is increasingly important in a world that, as Bandura (2001) pointed out, is experiencing rapid and disruptive changes that require individuals to function effectively in a variety of situations and roles over their lifetime. No longer can individuals expect a specific domain to be the sole source of their livelihood—rather, they require a diverse set of skills that can be applicable across varied situations.

Due to the changes experienced in today's workplace, we do not focus on a specific domain of self-efficacy. Cajiao and Burke (2016) have previously demonstrated that instructional methods utilizing greater amounts of social interaction and guided self-reflection contribute to perception of a safe learning environment and increased self-efficacy for class performance. It has also been demonstrated that self-efficacy may decrease when management students are asked to reflect on negative role models, whereas reflection on positive role models prevents the decrease in self-efficacy caused by reflection on negative role models (Baden, 2014). We argue that self-reflection can increase generalized self-efficacy because individuals gain a greater understanding of how societal, economic, and political forces combine with their goals and efforts to determine their success. Reflection, then, involves examining the forces both within and without that have contributed to past successes and failures. Additionally, part of the self-efficacy improvement from self-reflection may be caused by self-expansion, or when individuals who self-reflect integrate experiences that expand their self-concept to include more capabilities, perspectives, and identities (Mattingly & Lewandowski Jr., 2013). Better nuanced understandings of successes and failures gives individuals the opportunity to see how their efforts lead to success.

Proposition 1. Semi-structured self-reflection intervention increases generalized self-efficacy.

Intercultural Competence

Intercultural competence is increasingly important today as our work environments become increasingly geographically dispersed and supply chains become increasingly global. Early research into the effectiveness of intercultural teams demonstrated that poorly managed intercultural teams underperform

compared with homogeneous teams, but well-managed intercultural teams outperform homogeneous teams (Distefano & Maznevski, 2000). Intercultural competence, then, can be vital for teams and organizations seeking to innovate and outperform their global competitors.

The most commonly cited definition of intercultural competence specifically highlights that intercultural competence is “the ability to communicate effectively and appropriately in intercultural situations based on one’s intercultural knowledge, skills, and attitudes” (Deardorff, 2004, pp. 194). Therefore, developing intercultural attitudes, skills, and knowledge, but especially the skill of intercultural communication, are important competencies to develop in today’s business leaders since the definition specifically concerns itself with communication. Written self-reflection provides additional experience in written communication. The Association of American Colleges and Universities (AAC&U) have created the intercultural knowledge and competence VALUE rubric as a tool to assess student learning outcomes, using performance descriptors demonstrating progressively more sophisticated levels of attainment (2009). The necessary attitudes include openness and curiosity (AAC&U, 2009) which are both likely to increase the ability of an individual to have positive intercultural experiences. The necessary skills are empathy, “the attempt by one self-aware self to comprehend unjudgementally the positive and negative experiences of another self” (Wispe, 1986, pp. 318), and verbal and nonverbal communication. For knowledge, intercultural competence requires self-awareness of our own cultural biases and rules and “knowledge of cultural worldview frameworks” (AAC&U, 2009, pp. 2) which involves understanding how historical forces have helped form the current culture since individuals may have socio-cultural distortions regarding cultural and societal forces. These attitudes, skills, and knowledge are foundational components of intercultural competence (Deardorff, 2006).

A large body of literature exists demonstrating the impact of study abroad on learner intercultural development (c.f. Perry & Southwell, 2011). However, outside of the undergraduate context, study abroad is not a practical method for developing intercultural competence due to the expense and logistical complexity of such programs. Self-reflection is an inexpensive method that can be adopted by learners in a self-determined manner, or it can be part of a training program that engages learners for a short time, hoping that they will continue to reflect and be mindful beyond the end of the training period.

Similar to how self-reflection can develop an expanded self-concept and, thereby, increased self-efficacy, Reichard et al. (2015) demonstrated that a broadened perspective brought on by intercultural experiences and subsequent reflection signifies low ethnocentrism, an important component of intercultural development (c.f., Hammer, 2012). Additionally, Reichard et al. (2015) point out that reflection on intercultural experiences will ensure the maximum developmental impact on learners. Consciousness-raising exercises, self-reflection among them, have been shown to help corporate executives deal with diversity (Mirvis, 2008). Developing leaders who are culturally aware is especially important for the emerging generation of leaders who may be tasked with leading older and more experienced colleagues (Yeager & Callahan, 2016) in addition to the increasing diversity brought on by globalization. Self-reflection has been utilized as a key component of intercultural competence development via cognitive-behavior therapy, where reflection both enlightens learners as to the learning that has occurred and solidifies that learning in their core beliefs and schemas (Mendenhall et al., 2013). Additionally, the Intercultural Development Inventory paradigm specifically claims that intercultural competence development does not occur from cultural experiences that are unexamined (Hammer, 2012). Rather, reflection on cultural experiences is required to gain cultural insights and develop intercultural competence.

Proposition 2. Semi-structured self-reflection intervention increases intercultural competence.

PROPOSED APPROACH

Intervention

The intervention proposed in this paper involves a two sample quasi-experimental design, pre- and post-test study. One group of student participants will be measured without undergoing the proposed learning intervention. Participants in the experiment group will first write draft reflections relating experiences in their past to each of nine competencies identified as essential in a survey commissioned by the AAC&U that showed today's graduates are lacking in many skills that employers consider vitally important (Hart Research Associates, 2013; 2015). These nine competencies are deeper learning, analytical reasoning, effective communication, critical thinking, managing complexity, collaborative work, self-directed learning, cultural awareness, and innovation. The findings of the AAC&U survey are mirrored in a recent report published by The Chronicle of Higher Education that suggested these competencies are essential for creating graduates who can apply their knowledge across boundaries (Carlson, 2017). Students will be provided with summary descriptions of each competency to spur their reflection. The students will also be provided with feedback on their draft reflections leading to potential revisions. Then they will write a summative reflection that brings all their most impactful experiences together before an experienced recruiter reviews them in order to assess the quality as a potential employer would.

Measures

Generalized Self-Efficacy. Chen, Gully, and Eden (2001) developed a generalized self-efficacy scale in response to increasing interest in a form of self-efficacy that is applicable to a wide variety of situations rather than being task-specific. The scale consists of 8-items that are responded to via a five point Likert scale. Example items include, "I will be able to achieve most of the goals that I have set for myself," and "Even when things are tough, I can perform quite well" (Chen, Gully, & Eden, 2001). Their (2001) paper details extensive validation work of the instrument.

Intercultural Competence. To measure intercultural competence, Intercultural Attitudes, Skills, and Knowledge (A.S.K.2) Short Scale (Holgate, Parker, & Calahan, n.d.; hereafter, Intercultural ASK) will be used. The survey is an adaptation of the items in the AAC&U's Intercultural Knowledge and Competence VALUE rubric (2009). The Intercultural ASK measures intercultural competence using 14 items using six point Likert scale that ask respondents to rate the degree to which each statement represents their behavior, with responses ranging from 'not at all' to 'very high degree'. Items assess respondents' intercultural attitudes of openness and curiosity, intercultural skills of communication and empathy, and intercultural knowledge of worldviews and cultural self-awareness. Example items include, "I reserve judgment during interactions with people culturally different from me," and "I act in a supportive way that recognizes the feelings of different cultural groups" (Holgate, Parker, & Calahan, n.d.).

DISCUSSION

The proposed research enables participating students to consider their past experiences and reflect on how those experiences relate to competencies that are essential for success in today's workplace. Part of the goal in the educational context is to improve the students' likelihood of obtaining a job upon graduation through helping them develop the ability to talk about their experiences with recruiters in job interviews. Participants would be required to confront how their past behavior would appear under examination by potential employers, and this is reinforced by having an experienced recruiter review the content and quality of the reflections. Therefore, by deliberately connecting the past with the present and the future, the proposed intervention presents a potential method to enhance and increase the impact of self-reflection on leadership development by mentally connecting the causal relationship between past

behavior and outcomes by requiring participants to answer the questions, “How did I behave . . . what did I do . . . and what were the consequences of my actions” (Ohlott, 2004, pp. 174).

IMPLICATIONS FOR RESEARCH AND PRACTICE

Future research should work to develop a better theoretical understanding of the impact critical self-reflection may have on individuals in general and on developing social skills in students in particular. The current understanding, primarily from Mezirow (1990), is that self-reflection allows a reexamination of assumptions, biases, and unconscious (i.e., automatic) behavior in past events. Transformation via self-reflection occurs when these assumptions, biases, and unconscious behaviors are recognized as unproductive and restrictive, allowing an overcoming and correcting of these old ways of behaving and seeing the bigger picture in order to grow as a leader. The theories of the field of human resource development and training may be useful underpinnings to begin explaining the theoretical drivers of the impact of self-reflection. More appropriate theoretical underpinnings connecting self-reflection further to mindfulness, self-esteem, and self-efficacy are needed, and the arguments above demonstrate linkages between reflection and self-efficacy development.

Given the prevalence of technology interaction in work and life as well as the constant flow of information, engaging in self-reflection is becoming even more challenging in today’s societies. Creating a sound theoretical foundation for self-reflection will increase the acceptance of research examining the link between self-reflection as an isolated intervention and outcomes. Future research in this vein includes examining how self-reflection, together with other interventions, may separately contribute to intercultural attitudes, skills, knowledge, and self-efficacy. Self-efficacy development is an especially important future research direction because self-efficacy predicts employee proactivity (Cooper-Thomas & Burke, 2012) and leadership development (Murphy & Johnson, 2016; Runhaar, Sanders, & Yang, 2010). The research can be applied to the training efforts in the workforce by using self-reflection as a development tool with employees. Significant amounts of money are spent each year on employee training and development, and self-reflection programs represent a low-cost option that may prove effective within structured training and development programs.

Practitioners, whether educators or trainers, benefit from this research stream because impactful, low-cost self-reflection interventions provide another tool for developmental processes that are focused on increasingly important social and interpersonal capabilities rather than business functioning (Volz-Peacock, Carson, & Marquardt, 2016). Self-reflection asks individuals to consider critically their past experiences. Self-reflection, like intercultural leadership competencies, is likely to require empathy to be effective since it is integral to both socialization and growth (Mirvis, 2008). Guiding reflection requires the training facilitator to make themselves vulnerable by discussing their own life in an open manner (Rowland & Higgs, 2008), and successful guidance of leadership development through reflection may require “pluralistic caring communities” (Hibbert et al., 2017, pp. 26) that provide support for individual expression and development. Empathy aids the ability of the trainer to discuss highly personal experiences with the learner to support their reflective process.

CONCLUSION

Self-reflection is an inexpensive but powerful method that potentially contributes greatly to intercultural leadership development. Today’s workforce requires the ability to self-manage, self-initiate, and effectively engage with a diverse set of organizational stakeholders to enable individual, group, and organizational success. Self-reflection is a common component of both social cognitive theory and intercultural development, and here we have taken steps to link the self-reflection literature to these

research streams. The proposed program of intercultural leadership development through self-reflection ties past actions and experiences to the present and the future, likely improving the developmental impact of self-reflection on self-efficacy and intercultural competence.

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TELEHORA FOR BUSINESS CASES: PROPOSING VIRTUAL REALITY FOR DEVELOPING SOCIAL SKILLS

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ABSTRACT

Today's workplaces are increasingly diverse and collaborative. As a result, according to employers, social skills are deficient in recent college graduates. We propose virtual reality (VR) simulations that immerse students in international leadership case studies. Students will experience how the choices they make have impact on business outcomes. Students are unable to gain these experiences through formal education by other means (e.g., roleplaying or business cases), making the experiences appropriate for VR delivery, which is likely to increase student motivation and engagement. The simulations represent immersive, safe learning environments for social skill development.

Keywords: virtual reality, social skills development, management education, international business cases

INTRODUCTION

Surveys of employers continue to show that today's graduates are deficient in social skills that are necessary for applying technical expertise to business problems (Hart Research Associates, 2013; 2015; Carlson, 2017). The shortcoming in today's graduates is mirrored by the current state of serious games and, more specifically, VR in education. Specifically, most work in the past utilizing VR for education has focused on science and medicine education (Freitas, Rebolledo-Mendez, Liarokapis, Magoulas, & Poulouvassilis, 2006; Clark, Tanner-Smith, & Killingsworth, 2016). However, VR has been suggested as a potential locale for social skills development (Hickman & Akdere, 2017; Pirius, 2007), and existing VR environments have demonstrated that social skills development can occur as a part of user interactions within multiplayer virtual worlds (Diehl & Prins, 2008).

Social skills are vital for the modern workforce. A recent report stated, "high-paying, difficult-to-automate jobs increasingly require social skills" (Deming, 2017, pp. 3), and "between 1980 and 2012, jobs requiring high levels of social interaction grew by nearly 12 percentage points as a share of the U.S. labor force" (2017, pp. 1). Increasingly, work groups, customers, and supply chains are geographically dispersed, requiring employees to have "the ability to communicate effectively and appropriately in intercultural situations" (Deardorff, 2006, pp. 247-248), and the modern workplace relies on collaboration and coordination among employees with complementary skills. In fact, work performance researchers have recognized for many years that technical skills alone are inadequate: social skills are essential for individual, team, and organizational success (Borman & Motowidlo, 1993). Over 95% of U.S. employers believe that college students should have experiences that teach them to solve problems with people holding different views than their own, while 75% of employers say that students should gain intercultural skills and knowledge of non-US societies. Moreover, only 21% of U.S. employers believe

that current college graduates are well prepared with regard to awareness of diversity within the US, while 18% believe that graduates are well prepared to work with people from different backgrounds, and just 15% believe that graduates have adequate awareness of diversity outside the US (Hart Research Associates, 2015).

To fill this social skills gap, we have undertaken the development of VR simulations specifically designed to develop social skills by immersing students in international business cases. Recent college graduates have shortcomings in social skills that prevent them from effectively applying the knowledge they learned in college. Social skill development should be integrated in larger classroom experiences, complementing development in technical skills (Felder, Woods, Stice, & Rugarcia, 2000). This paper presents the methodology we plan to follow, using VR simulations to provide experiential learning in social skills development that is likely to be engaging and motivating for learners as well as highly scalable to reach a wide audience. The efficacy of virtual environments for leadership development has previously been suggested (Gordon, Van Lent, Van Velsen, Carpenter, & Jhala, 2004), but VR, in the social skills development context, remains largely unexplored in human resource development research. Paired with effective pedagogical methods including reflection and debrief, VR represents a highly scalable and cost-effective method for developing social skills, competencies necessary to unlock the skills and knowledge of today's employees.

LITERATURE REVIEW

Background and Need

Recent reports have specified the extent to which employers consider today's college graduates to be deficient in social skills. Employers recognize that technical skills are necessary, but they are by no means sufficient for success in the modern workforce (Hart Research Associates, 2013; 2015; Carlson, 2017). With the impending threat of automation for many jobs, both technical and social skills are needed for the non-linear tasks that cannot be performed by artificial intelligence (Carlson, 2017). The job skills and work tasks that cannot be replicated through digitalization or automation are typically complemented by technology, and social skills is one area that has so far proven difficult to automate (Autor, 2015). Social skills and competencies, such as leadership, communication, integrity, analytical reasoning, and intercultural competency are often considered as important as an individual's undergraduate major on the job market since much of the work today requires broad, critical perspectives that can approach problems from diverse, novel viewpoints.

Communication is one of the top, necessary skills identified in both studies. The speculated reasons for graduates' shortcomings in communication skills is that students are not doing enough writing in college, that their daily communication occurs largely in shorthand via text messages, and that their tendency for digitally mediated communication reduces their ability to manage conflict (Carlson, 2017). Inclusion of conflict management in these issues makes it clear that communication is also a vital skill for effective leadership, another skill identified as necessary due to the aging workforce and the lack of loyalty to employers among today's graduates.

Intercultural competence was also identified as a key skill for tomorrow's employees (Hart Research Associates, 2013; 2015; Carlson, 2017). 96% of employers said it was important for new hires to be comfortable working with people from diverse backgrounds, and Carlson (2017) pointed out that the

recent political landscape, especially in the U.S., has demonstrated that large numbers of people are uncomfortable with cultural differences, whether religious, socioeconomic, racial, or sexual. Similarly, intercultural competence has the potential to increase the productivity and impact of teams. Early research into diverse teams demonstrated that when such teams are managed poorly, they underperform compared to homogeneous teams, but when diverse teams are managed well, they outperform homogeneous teams (Distefano & Maznevski, 2000). Therefore, well-managed diverse teams are a source of competitive advantage, making intercultural leadership important for organizational success.

Communication, leadership, and intercultural competence all point to increasingly required behaviors for today's graduates: collaboration and teamwork (Hart Research Associates, 2013; 2015; Carlson, 2017). The problems faced by organizations and the world can no longer be solved by a single person. Cross-disciplinary expertise and skills are needed to effectively compete in the global marketplace specifically by being team players who can involve themselves in group decision-making, contributing both their own ideas and supporting the ideas of others when appropriate. Together, all these skills point to a need for increased intercultural leadership skills that will enable graduates to collaborate and interact effectively with their coworkers, customers, and suppliers.

Telehora and Experiential Learning

Telehora is a recent term built on the same base as television and telephone. Television is viewing something from a distance, and telephone is hearing voices from a distance. Telehora is experiencing something from a distance (Mathews, 2017). Telehora, therefore, encompasses the realm of VR which, while currently accessible primarily as computer programs, is eventually expected to be a primary delivery medium for television shows and movies. Employers recognize that experiential learning is a vital and necessary component of preparing college students to perform in the real world (Carlson, 2017). Telehora is one way to provide experiential learning to students.

Experiential learning theory has demonstrated the central role that experience plays in the learning process (Kolb, Boyatzis, & Mainemelis, 2001) and requires time for reflection to be effective (Kolb & Kolb, 2005). Gaining real-world experience for students largely consists of competitions (such as hackathons and business model competitions), volunteer work, or internship experiences. Particularly important for VR design is identification of experiences that would be difficult or impossible for formal education to provide by other means (Pantelidis, 2009), making international business experiences a good candidate since travel abroad programs, the primary method used in colleges today for international exposure, is prohibitively expensive for many students. VR engages the sympathetic nervous system (closely tied to the fight-or-flight response system) more fully than passive information transference such as lectures (Mayo, 2009), encoding VR experiences into the brain as active experience which provides increased memory retention and faster recall (Mikropoulos & Natsis, 2010). Recent advances in VR technologies enables educators to provide students with highly realistic, immersive experiences that present the experience students need without the time, expense, and manpower of traditional interventions. Non-traditional, experiential learning via digital technologies may also help to overcome difficulties faced by students from lower academic and socioeconomic backgrounds by providing a safe space for learning that helps increase their self-efficacy, or their belief that they can succeed (Dede, Ketelhut, & Ruess, 2002).

Developing intercultural competence requires self-reflection on intercultural experiences (Hammer, 2012). Critical self-reflection allows analysis of pre-existing assumptions that may be incorrect and is

central to rational thought and behavior (Mezirow, 1998). Additionally, the third stage of learning according to (Kolb, 1984), is observation and reflection. Put differently, diverse sources suggest that unexamined experiences do not contribute to growth. Experiences must be critically reflected upon to learn the correct lessons out of them and overcome thought patterns that prevent effective functioning, even when the experience is provided via VR.

Technological Background

Although VR technologies are not new, recent technological advances have increased the resolution and dramatically reduced the cost for deploying VR material. Two decades ago, VR had to be played on a desktop computer or on custom-built, proprietary headsets. Today, with their multiple accelerometers, even cellular smartphones can be used to experience VR. VR headsets are the most expensive way to deliver VR material, but they provide the greatest sense of immersion since they replace the real world with the virtual one through complete visual occlusion. Smartphones are expensive but widely owned in developed countries and can be paired with specialized software and viewing boxes such as Google Cardboard to provide an experience somewhat comparable to using VR headsets. Finally, the pervasiveness of desktop and laptop computers makes them the most readily available method for VR playback, but the sense of immersion and presence is greatly reduced since playback occurs on televisions or computer screens.

Following closely behind the developments in VR technology, broad field-of-view video recording has increased in popularity and availability. Today, consumer technologies exist that can record 360-degree panoramic videos for VR playback. Our project utilizes the GoPro Omni, an integrated system that automatically stitches together footage from 6 GoPro video cameras into a single panoramic image. Applications of 360-degree video are still sparse in the educational landscape, with one exception being the Injustice interactive VR experience developed at Carnegie Mellon (Kalpana, 2015). In the Injustice VR module, learners are waiting at a bus stop when, suddenly, police harass a young African American man. The user's reactions to the police, based both on where they look and how they choose to respond in speech, drive the story to different outcomes. The goal of their project was to understand the differences in how emotions are elicited and experienced in VR versus traditional film.

With the relatively low amount of 360-degree educational materials developed today, it is no surprise that we could find no research comparing the effects of 360-degree video VR with computer generated graphics (CGI) VR. The potential impact differences are large since 360-degree video allows real people to enter VR experiences while CGI can create graphics that look relatively similar to humans but an element of unreality still exists that reduces the user's immersion and presence. We intend to create our modules in both 360-degree video and CGI so that we can determine which delivery method is more impactful on student development, advancing beyond understanding the impact of VR compared to traditional film (Kalpana, 2015).

To compare the impact of 360-degree video VR modules versus CGI, we plan to use not just traditional self-report measures but also biometric measurements. Similar to how VR technologies have decreased in cost in recent years, biometric measurements have recently become commercialized so that off-the-shelf products can be purchased that provide electromyography/electrocardiography (EMG), galvanic skin response (GSR), and facial emotion detection capabilities. While we use these technologies to monitor user emotions and engagement, in the future, user emotions may be able to be integrated with gaze and speech responses to drive storylines as computers become emotionally intelligent (Picard, Vyzas, &

Healey, 2001). Used together, EMG and GSR provide both the intensity and direction of emotional response via non-invasive monitoring. This will provide us with a new understanding into the experience of users in the moment while they experience the VR modules, rather than waiting for them to report their emotions and engagement after-the-fact. Others have done exactly this, using GSR to examine student emotional response to e-learning materials (Handri et al., 2010). One drawback to utilizing EMG and GSR for emotion detection is they require sensors to be connected to the user, changing the conditions from being a natural setting and reducing their immersion. When students experience the VR modules on a desktop or laptop computer, facial emotion detection, a less noticeable procedure, can be used, even remotely, in order to understand their in-the-moment experiences. Facial emotion detection can be used to measure the engagement of students undergoing an educational intervention, using it as a tool to understand what needs to be improved in educational design (Whitehill, Serpell, Lin, Foster, & Movellan, 2014). These emotional monitoring technologies should aid our understanding of how learners experience VR with different delivery mechanisms (VR headset versus smartphones versus computers) and different mediums (360-degree video versus CGI) when complemented with traditional self-report measures.

PROPOSED METHODS

In order to give students experiences that will contribute to their social skills development, we are designing telehora VR modules that immerse students in international business cases. Specifically, students will be immersed in intercultural business contexts where they must make choices that contribute to the success of the project, rather than roleplaying a business scenario or discussing a business case. Branching storylines can be created in digital environments that enable students to learn through trial and error (Gordon et al., 2004). Digital modules, then, can be designed such that student choices differentially impact the situation and drive the story in new directions, providing immediate feedback on decisions (e.g., Kalpana, 2015). Decisions made in digital environments should have consequences that elucidate the desired pedagogical outcomes in order to be efficacious (Gordon et al., 2004).

E-learning for social skills development must put learners in control, provide opportunities for self-evaluation and reflection, engage students with a provocative hook, integrate theory, practice, and learning, and be driven by an underlying pedagogy (Adams & Morgan, 2007; Morgan & Adams, 2009). The VR modules allow the learner to control the pace of the module, enable them to make decisions that impact the outcome, ask students to write reflections afterward on their experience, provide a debrief that discusses important elements of the simulation that students may have missed, and are built on dimensions of intercultural leadership that are supported by prior research. Additionally, VR modules provide a safe and replicable environment for learners so that all students are assured to receive the same experience and do not have to be worried about making public and visible mistakes.

The developmental model of intercultural sensitivity and intercultural development inventory (IDI; Hammer, 2012) look at development as an experiential and intentional process that requires self-reflection on intercultural experiences. The developmental model recognizes that intercultural experiences are necessary for intercultural leadership development, so our VR modules provide a cost-effective way to provide many students with an intercultural experience. One segment of user choices in the modules is built on the underlying framework of the Intercultural Development Inventory (IDI), an assessment instrument for intercultural competence. Specifically, user responses are crafted so that there is a natural feeling response to users who are at each stage of the intercultural development continuum. The five stages of the continuum are denial, polarization, minimization, acceptance, and adaptation, ranging from

the lowest level of intercultural competence to full intercultural adaptation. Thereby, no user will encounter a situation in VR where they feel that none of the responses are representative of their desired and natural responses. Doing so should keep the user fully immersed since they will feel that their chances for interaction are natural and in line with their accepted identity.

An intercultural knowledge and competence VALUE rubric provides a set of intercultural attitudes, skills, and knowledge that are necessary for effective intercultural interaction (Rhodes, 2009). The attitudes are openness and curiosity, the skills are empathy and verbal/non-verbal communication, and the required knowledge is of cultural self-awareness and cultural worldview frameworks. Our module design has been driven by the intercultural development continuum and the components of intercultural competence. These components are used not only to design the situations that students will experience but will also serve as a framework for student reflection after completing the VR modules.

We have also, in the VR simulations, used the cultural dimensions of power distance, individualism/collectivism, masculinity, uncertainty avoidance, long/short term orientation, and indulgence (Hofstede, n.d.) to create unfamiliar settings for students. Using these robust and well-established cultural dimensions enables the modules to better represent unfamiliar cultures in a way that is natural, accurate, and reflects the workplace behaviors and attitudes in different parts of the world. This should both increase learner knowledge about cultural differences but should also increase self-awareness regarding their own culturally induced behaviors.

Finally, authentic leadership (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2007) is an important construct for today's workplaces. Authentic leaders are self-aware, operate in a transparent fashion, have strong sense of morality, and include the opinions of others in decision-making. These elements are vital in collaborative work contexts where the expertise of various team members are needed for the team to succeed.

CONCLUSION

Highly scalable methods for on-demand education seem to be the future of education. Increasingly, students need to be reached wherever and whenever they are in order to reduce the costs associated with traditional learning methods. Digital technologies provide materials that can be adopted in self-study or organized education settings and provide a method for active learning that more fully engages learners. The case of VR is especially promising because a variety of delivery mechanisms exist, extending the potential reach of our proposed project.

If the VR modules are successful for intercultural leadership development, it will provide further evidence that VR can be an effective educational tool outside of the hard sciences. Demonstrating VR's effectiveness may further the growth of VR in social science education. If educators can better provide safe experiential learning opportunities for students through VR, students may benefit greatly since experiences are central to learning and development, both in general (Kolb, 1984) and for intercultural leadership in particular (Hammer, 2012).

Creating a pedagogical foundation for the design of VR simulations is an important step in their development. The process requires script writing, expert content evaluation, refining and finalizing the scripts, before the modules can be recorded with 360-degree video cameras and developed with CGI

characters. The path to understanding the impact of the proposed VR simulations is an even longer one, since data must be collected from students who participate in the six different delivery types through three delivery devices (VR headsets, smartphones, and traditional computers) and two mediums (360-degree video and CGI). However, the results will be vital for educational practices in business and management particularly, as we will test the impact of different delivery mechanisms, that have different associated costs, on student learning by utilizing biometric measurements that were previously too expensive to use. The findings will also contribute toward addressing social skill shortages that today's employers have recognized. This innovative approach to developing intercultural leadership competencies through virtual reality holds the potential to aid in the development of well-rounded students who have the requisite social skills to become global business leaders capable of solving both the technical and people problems they will face in their careers. Undoubtedly, effective workplace leaders will usher a new era for innovation and inventions which is critical for improving every aspect of human life.

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IS ARTIFICIAL INTELLIGENCE DESTROYING A BANE OR A BOON FOR MANAGERS?

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ABSTRACT

Artificial Intelligence (AI) and its effect on the workforce is a widely researched topic, but relatively little attention has been focused on AI and its effect on managers. On one hand AI could make managers redundant by taking over most of the activities performed by the managers and on the other hand AI could automate most of the routine tasks and administrative functions, hence freeing the manager's precious time to focus on activities that are essential for the growth of the organization. This paper explores the challenges and the opportunities presented by AI to managers at various levels of organization.

Keywords: Artificial Intelligence, managers

HOW SHOULD ONLINE TRADING PLATFORMS EVOLVE – FORECASTING A BETTER DEFENSE MECHANISM AGAINST SECURITY THREATS

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ABSTRACT

In the recent past, e-commerce platform has developed than ever before. The growth of ecommerce had enabled the fast growth in businesses. Also the traditional business platforms had transformed at large scale, enabling the globalization largely.

The purpose of the paper is to study the cyber security vulnerabilities in line with the development of ecommerce. The paper narrows down this to the study of the security vulnerabilities in online trading. That means the research focuses on online trading platforms such as Amazon and Ebay. Also, the evolution of such security attacks will be studied in detail, focusing on the factors of such evolution. This would help in forecasting the future of security threats in online trading platforms. The detailed study of the security threats in the online trading platforms will be used to forecast and the future of threats. That means, such forecast in terms of security threats will be helpful in preparing the platforms better in reducing such threats. It is determined to bring in new knowledge through the detailed study in which the forecast of the nature of threats will be brought into light.

It is alarming to find out that even the most reputed organizations had become subject to security attacks. In the recent past, many such organizations have become subject to security threats questioning the inability to defend against such attacks regardless of their investment. The paper will help in developing more secure online trading platforms.

DESIGNING FOR MULUKUKU

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Waltraud Beckmann, Bwaltraud consulting

ABSTRACT

A case history of a Design Thinking Workshop held in Mulukuku, Nicaragua for UNICAM, UNAN-Managua by the authors. The request first occurred in 2016, and the event was held November 24-25, 2017. The town is at the entrance to the RAAN, the developing northern part of the Caribbean coast of Nicaragua.

The challenges were many in this rural community! Who would attend? Where would it be held? What would be a relevant theme this community? What activities would help participants through a workshop? This was not the typical academic group of faculty and students that the authors work with.

UNDERSTANDING NORTH KOREA FOR GLOBAL BUSINESS PERSPECTIVES

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ABSTRACT

As one of the remaining five communist countries on earth, North Korea became infamous in recent years with its nuclear issues with outside world and political instability inside the country. This paper, though looks North Korea from a different angle to identify its strengths and potentials in the future to become a productive global citizen by identifying five key factors. . They are (1) untapped underground resources, (2) economic geography favorable for effective supply chain via land routs, (3) affordable labor force with discipline and education, (4) people's desire to achieve economic wellbeing, and (5) latent needs of variety of consumer goods, and global recognition of the name of the country for awareness.

Key Words: Global Business, North Korea, Positive Facts, Negative news, Natural Resources

INTRODUCTION

In recent years, North Korea as one of the five remaining communist countries including China, Vietnam, Laos and Cuba (Cote 2013), few days pass by without our being exposed to the negative news of the nation; mainly two categories, one is nuclear missile development and another on detention of visiting American citizens on the reasons that many of us can hardly understand (Choe 2017; Surluga 2017; Grinberg 2017; Gorman 2017). The news of testing long-range missiles with development of nuclear weapons have been ongoing issues since early 1980s when North Korea started as a way of defending the country from the foreign aggressions by which Korea had experienced more than 299 times as shown in some records, while the detention of Americans has been more of recent incidents (CNN 2017) ranging from 2010 through 2016. As of today, five of the eight detainees have been released to come home but leaving three still in the North Korean prison (Finnegan 2017). Two most common crimes are "hostile acts" against the regime and illegal entry into the country. Hostile acts include such as smear campaign against the regime and taking a state poster from a wall without permission.

These commonplace news of two categories are sufficient enough to project an image of North Korea as a country that is desperate to survive beating the odds of collapse in 1990s and . After the USSR was dissolved in 1990, many believed North Korea was to follow the trail. In 1993, the survey of 25 multinational corporations operating in South Korea produced the results in which an overwhelming majority (18) believed North Korea will collapse, and further two thirds of the 18 multinationals thought a collapse will happen over the next three to five years (Business Asia, 1993). Every time when the ruler of North Korea changed, people around the world were highly skeptical of the survival of the regime. The death of Kim Il Sung, the founding President of North Korea in 1994 created a great deal of doubt of his son, Kim Jung-il's leadership in spite of a decade of apprenticeship received under his father. But the regime survived and it was in 2011 when North Korea was in microscopic observation by the whole world because Kim Jung-il's death had led crowning the young son Kim Jung Un, only 28 years old to become the supreme leader of North Korea succeeding his father.

PURPOSE AND METHODOLOGY OF THE RESEARCH

This research is to see another side of North Korea that is different from contemporary images projected as some that are mentioned in the previous section. This research purports to see a business aspects of North Korea. It is the author's opinion that North Korea will someday in the near future be joining the global business community. Throughout the seven decades of North Korean history, founded in 1948 by the division of Korea in 1945 into two unequal parts, the utmost goal of the country has been *Jooche*, a national policy to be a strong country without the intervention by any foreign aggressions. Naturally, the geopolitical ties with the communist China and Russia kept North Korea with minimal interaction with the West, particularly the United States. North Korea today is the last and the most isolated communist country, after all other communist countries had opened their doors to the global community; China in the 1970s by leader Deng Xiaoping accepting the principles of market capitalism, Russia in the 1990s by the dissolution of the USSR, Vietnam in the 2000s taking a path toward the global economy, and Cuba in 2015 by resuming the diplomatic ties with the U.S. (Cote 2013, Liptak 2016).

North Korea has no official diplomatic ties with the U.S. As of today, Sweden serves as the protecting power for Australia, Canada, and the United States of America in North Korea (U.S. Department of State 2017). The isolated state releases no information whatsoever of the country to the outside world. Few people know about the true facts of North Korea. There are, however, three sources on which the North Korean watchers can rely; expatriates of North Korea who sought asylums by defecting into South Korea while they were in foreign assignments, refugees from North Korea that left the country for better life and freedom most of whom came through secret routs in China, and foreign diplomats and journalists that had direct contacts with people in North Korea through invited visits.

SIX REASONS FOR BUSINESS IN NORTH KOREA

While North Korea has been painted as a cruel inhumane society and the poorest economy in the world by the barrage of criticism in the political news of the world, there is potential for North Korea in the future. Among the many are the six reasons to project North Korea as a viable business partner for many. They are (1) untapped underground resources, (2) economic geography favorable for effective supply chain via land routs, (3) affordable labor force with discipline and education, (4) people's desire to achieve economic wellbeing, (5) latent needs of variety of consumer goods, and (6) globally recognized name of the country branded for awareness.

(1) Untapped Underground Resources

Table 1: Raw Material Reserves of North Korea (In Billion Tons Unless Otherwise Specified)

Natural Resources	Grade	North Korea's Reserve
Lignite and Anthracite (million tons)	Coal grade	4,500
Iron ore (million tons)	Fe 50%	5,000
Zinc (million tons)		4.0 – 4.5
Lead ore (million tons)		3.0
Copper (million tons)	Metal	2,900
Gold	Metal	2,000
silver		5,000
Magnesite ore	MgO 45%	10
Hydro resources (m/kW)		10
Tidal energy (m/kW)		4.6
Tungsten (thousand tons)	WO ₃ , 65%	246
Molybdenite (thousand tons)	MoS ₂ , 90%	54
Nickel (thousand tons)	Metal	36
Rare Earth (million tons)		6,000 (includes 216.2 REEs)

Sources: EIU Country Profile 1995-1996; Chon, Kim and Chun, 1995; Yang 2000; Korea Resource Cooperation 2009, xii.

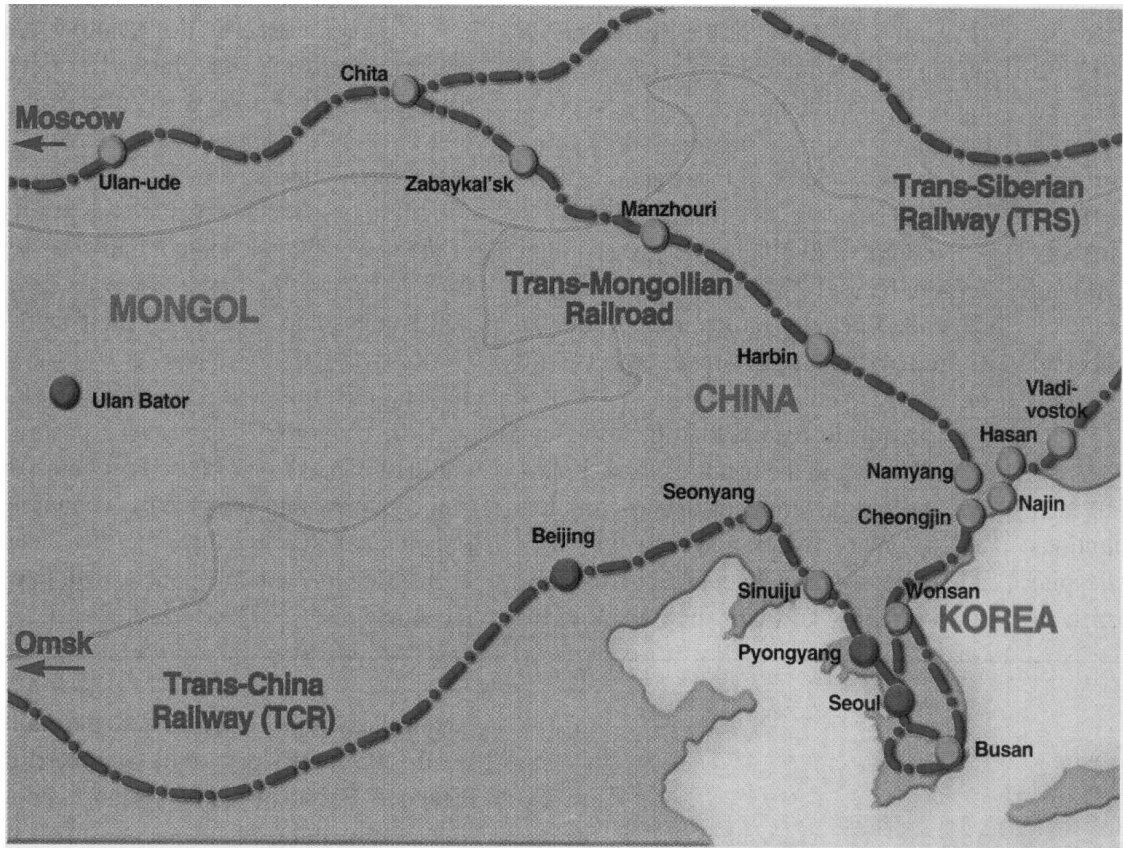
Figure 1. Map of Korean Peninsula



Source of the Map: hgsausageworks.bl

(2) Economic Geography as a Strategic Location

Figure 2. Map of Iron Silk Road



Source: Business Korea September 2000, p. 14.

(3) Affordable Labor force with Discipline and Education

North Korea's labor force consists of 14 million people (CIA World Factbook 2014). Unfortunately, abundance does not equate to effective productivity. The labor force grows idle as the country's economy stagnates with unemployment rate as high as 25.6% in 2013 estimate by the U.S. Department of State. Less than 20% of North Korea's factories are operating and the country experienced a declining economy throughout the years till today. The economy had a short-lived spurt in 1999 as a result of foreign aid and foreign direct investment after a decade-long decline. Currently, North Korea's economy is at a negative growth and ranked 213th out of 230 countries in terms of GDP per capita.

(4) People's Desire to Achieve Economic Wellbeing

The mindset of the people in the country can determine the fate of future for the country. As of today, people in North Korea are deprived of the most of the 30 basic human rights (United Nations 1948, Melody 2009), not to mention the five basic freedoms of which include press, petition, religion, speech, and assembly, but their desire to have better life is indefatigable. Increasing number of North Koreans defect each year to South Korea and the U.S. via China and other countries like Thailand in Southeast

Asia. They are hungry for work, but there are no jobs to do. They are motivated to work hard, but there is no opportunity to use their energy.

(5) Latent Needs of Variety of Consumer Goods

Demands for goods and services are derived from the desires by consumers who have the ability to pay for. As North Korea's government and labor force begin to receive rewards for their hard work, the country's overall ability and willingness to purchase domestic and foreign-made goods will undoubtedly increase. The purchasing power of people in North Korea is sure to rise in relation to the growing economic activities. The country can experience improved foreign relations with countries around the world that in return reduce the tension of military and increase political stability all of which are influenced by the stepped up global commerce and business.

As of today, North Korea spends more than 30 percent of its GDP for national defense compared to less than 3 percent spent by many countries around the world including South Korea (Lee 2000). The political stability of North Korea can help divert the heavy defense budget to the impoverished economic revitalization to enhance the Chinese-style market-oriented business environment. The increase in personal incomes will become attractive to importers wishing to market their goods in the country of 24 million consumers.

(6) Recognized Name of the Country for Awareness

Though negative are the name in many aspects, the name is widely known throughout the world taking advantage of the mass media and the economic success of the southern brethren.

CONCLUSION AND RECOMMENDATION

As Robert Service states in his book, *Comrades! A History of World Communism*, the country that adheres most strictly to communist principles is North Korea among the five remaining communist countries on the earth (Service 2007). The vertically hierarchical society with collective culture has been experiencing economic difficulty with near-starvation in some parts of the country. Putting aside the dire political issues such as nuclear arms program, the country presents several positive facts attractive to many multinational corporations for global businesses.

For businesses, the country is easily accessible by waters; east and west coasts, by land connecting to the large markets; China and Europe, once the region were stabilized, and by short distance from Japan, the third largest economy in the world. South Korea's advanced technology and established business infrastructures are highly valuable backdrop for entering the North Korean markets. Well-educated labor force with 100 % literacy rate in reading and writing is another significant factor for business efficiency among the several positive characteristics discussed.

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A STUDY OF CONSUMER ETHNO-CENTRISM AND VALUES IN SAUDI ARABIA

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ABSTRACT

In this study we analyze and report on consumer ethnocentrism (CE) and values in Saudi Arabia, The study seeks to determine relationships of the ethnocentrism to factors such as age, gender and education. We analyzed the relationship between ethnocentrism and societal values in the country of Saudi Arabia, and completed a factor analysis AIO (activity, interests, and opinions). Finally, the research seeks to replicate finding regarding demographic and lifestyles. Results show that age, gender and education are supported, and there was little support for the relationship between lifestyle and ethnocentrism. Limitations and suggestions for future research are provided.

Keywords: Consumer Ethnocentrism, Values, Saudi Arabia

THE ROLE OF AGGLOMERATION AND SOCIAL CAPITAL IN LOCAL ECONOMIC DEVELOPMENT – THE SMALL TOWN AS THE SOLUTION TO THE DUALITY OF GLOBAL COMPETITIVENESS AND URBANIZATION

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It is well-known that urbanization resulting from increased industrialization around the world has had some negative environmental and health-related consequences. One problem that can arise as part of this urbanization process is a rural-urban migration. In effect, the substitution of capital for labor in agriculture results in a large population that moves from rural areas to urban areas. This reality has led experts to investigate how this current situation can be made more sustainable for long-term economic growth and increased global prosperity.¹ Certainly, the development of smaller towns can reduce the percentage of a country's industry that concentrated in megacities. Small town economic development may not only help solve the urbanization problem it may also be an important contributor to the national and global economies. Extensive evidence suggests that local dimension of economic development matter as much as global or national levels of analysis since organizations participate in local dimensions of economic activity such as clusters, as well as value chains that link them to national and global dimensions of the economy (Pietrobelli & Rabellotti, 2004). Therefore, further examination is necessary in order to make sure these smaller towns can be sustained since they both may solve the urbanization problem and be an important contributor to national and global economies.

It has been argued that business creation is an important contributor to local economic development. However, the contribution of entrepreneurship to sustainable economic development is contingent to local environmental conditions. Porter (2000) argues that an important part of the competitive advantage of organizations may lay on the local environment they are based on. Beyond taxes and wages, the environmental conditions at the local level will influence an organization's ability to compete at national and global levels. The combination of the external economies in the form of agglomeration economies, and the effects of active cooperation among local actors in the form of social capital, may define the degree of collective efficiency of the local economy (Porter, 2000). Therefore, in this paper we offer a theoretical model presenting the interaction between economic development at the local level and business creation; and the interactive role that agglomeration and social capital play in the creation of sustainable businesses for long term economic development at the local level. The paper offers a number of theoretically supported propositions of the relationship between these variables. Through this conceptual model we offer support for our contention that sustainable economic development is determined by the ability for new businesses to emerge and succeed supported by agglomeration economies and collective social capital in their locality.

¹ Torey, B. B., 2004. *Urbanization: An Environmental Force to be Reckoned with*. [Online] Available at: <http://www.prb.org/Publications/Articles/2004/UrbanizationAnEnvironmentalForceToBeReckonedWith.aspx> [Accessed 30 November 2017]

CREATIVE DESTRUCTION AT WORK CHANGING INTERNATIONAL TRADE DYNAMICS: A REASSESSMENT USING THE INNOVATION HELIXES

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ABSTRACT

Increasing sentiment of populism in many nations, United Kingdom leaving the European Union, and Donald Trump, as president of the United States, are some of the most unmistakable shifts away from the globalization concept. Economists have pursued explanations of why and how international trade takes place, along with the costs and benefits of globalization. International trade has changed drastically over the last few centuries, but the rate and direction of today's changes is exceptional. The comparative advantage hypothesis is a foundation of globalization and arguably one of the reasons for increasing international trade along with the advantages associated with openness of global markets. International trade is characterized by complexity by its participants and often with suspicion by the public. This is due to the levels of development in national industries and economies as well as specific factors and agendas among different countries. The concepts of creative destruction, technological change, democracy, and society are used as conceptual filters to assess implications for theory, policy, practice, and politics around the world. This study examines the Helix models of innovation systems to assess the current shifts in national attitudes, competitiveness, and business policies along with their associated impacts on economic development and international trade.

Key words: Globalization, Innovation Helixes, Comparative Advantage, International Trade

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