

SCHOOL OF MARKETING AND INTERNATIONAL BUSINESS

**IBUS 402**  
**MULTINATIONAL CORPORATIONS IN THE GLOBAL**  
**BUSINESS ENVIRONMENT**

Trimester Two 2009

**COURSE OUTLINE**

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**Contact Details**

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**Office Hours**

Monday 2.30 - 3.30pm *Other times by appointment only*

**Class Times and Room Numbers**

Wednesday 14.40-17.30 RWW414

**Teaching Period** Monday 13 July to Friday 16 October 2009

**End of Year Study Period** Monday 19 October to Monday 26 October 2009

**Examination Period** (this course does not have an exam)  
Tuesday, 27 October to Saturday 14 November 2009

**Note:** Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.

**Withdrawal dates** Information is available on the university website:  
<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawlsrefunds.aspx>

## Course Objectives

This course examines the role, scope and impact of multinational corporations (MNCs) in the global economy, with particular emphasis on current issues and impact in the global business environment. Critique and extension of existing theories of the MNC are developed in light of these issues.

## Course Content

The principal objective of this course is to investigate the impact of multinational enterprises (MNCs) on the world economy. It starts from recognition that MNCs are a very significant force in the world economy and through foreign direct investment (FDI) interact with governments, multilateral organisations and a diverse range of interest groups. The power of MNCs has led to a concern regarding the exercise of such power and the danger that the actions of MNCs may not always be in the best interests of the world economy as a whole. Such issues are investigated through a balanced analysis of the extent of MNC activity, the motives for the spread of international production and likely impacts in a range of areas. Consideration is given to a number of competing perspectives on the MNC and the interests of both developed and developing economies. Special attention is paid to the New Zealand experience of FDI.

## Course Learning Objectives

At the Honours level you are encouraged to take responsibility for your own learning, to develop an independent research orientation, and exhibit a degree of intellectual independence. Through a mixture of lectures, readings, student-led discussions, seminars and critiques, students who complete this course should:

1. Critically evaluate research and issues relating to MNCs in the world economy.
2. Demonstrate in-depth knowledge and understanding of key areas relating to MNC's in the global business environment.
3. Lead discussion and debate using evidence and ideas to support arguments.
4. Use critical reasoning to identify and interpret the implications of important issues in today's international business environment.

## Course Structure and Delivery

This course is student centred. The three hours per week are typically divided into two parts. The first part will be devoted to a discussion and critique of the readings assigned for that week, and any wider issues of interest. After week two or three, this discussion will be led by a student(s) from the class in the form of an interactive seminar. The second part will be used to provide an overview of the topic under discussion. This will be in a lecture format led by the course coordinator, with opportunities for student discussion and comment.

## Expected Workload

You should expect to devote about 15 hours per week of independent study to this course.

Attendance at classes:	3 hours per week
Reading and critique:	4-6 hours per week
Preparation for seminars and discussion:	4-6 hours per week

It is very important that you keep up with the course readings assigned each week, as this is a fast-paced course, covering a lot of material.

## Course Readings

In addition to required and recommended readings, this course has a mandatory textbook – consider this your ‘bible’ for the trimester! This course was designed with this text in mind, and you will find this book, and the wealth of references included in it, a very valuable reference for the remainder of your studies in International Business.

Dunning, J. H. and Lundan, S. M. (2008). *Multinational Enterprises and the Global Economy*. Cheltenham: Edward Elgar.

In addition, readings will be assigned for each week. Some of these will be required and some recommended readings. These readings should be considered as the starting point for wider reading in preparation for seminars. Students are encouraged to make use of the course textbook, library databases, books and periodicals to obtain further readings relevant to this course.

## Materials and Equipment

The textbook can be ordered from VicBooks, Pipitea or via Amazon.com.

Links to additional readings and material can be found on Blackboard under course resources.

Students are also encouraged to use the *JIBS* referencing style or the ‘SMIB Guidelines for Written Material and Referencing’ for information as to how to present, submit, organize and reference their work. These guidelines, including examples, of appropriate essay, report, and academic research formats are available on-line at [www.vuw.ac.nz/ibproject/referencing.htm](http://www.vuw.ac.nz/ibproject/referencing.htm)

## Assessment Requirements

The paper will be assessed on the basis of 100% coursework. The course work comprises of weekly one-page critiques, participation, seminars and leading class discussion and an end of term test. Detailed guidelines and assessment criteria for all assignments are provided on Blackboard.

Assessment	Learning Objectives Addressed	Weight	Due Date
Weekly critiques (best 8)	1, 4	40%	Weekly
Seminar, class discussion	2, 3, 4	25%	tba
Participation	1, 2, 3, 4	20%	Weekly
Critique of an article	2, 4	25%	17 Aug 5pm

*Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.*

**Weekly Critiques** In preparation for each session, you are required to read the readings that have been assigned for that week and focus your critique on those marked with a \*. Other readings (either in that week or any week of the course) can be used to critique these focal readings as appropriate. To do your weekly critique, you should first read and try to understand the assigned readings. You might like to prepare a brief summary of each one marked with a \* for your own use, including purpose and research gap, seminal or theoretical literature, methodology, key findings, limitations and future areas for research.

The critique itself should not include your summaries, but should comment on the group of papers as a whole. What are the similarities/differences of the papers? Do they have a common purpose, for

instance, looking at a similar issue but from different perspectives? What issues do these papers raise, and how successfully do you think they address them? What limitations, in terms of scope, methodology or research design, and results, are apparent? More help with preparing critiques will be given in week 1 of the course.

The length of your critique should be one page, single-spaced, and it should be typed in Times New Roman 12 point font. **Note that critiques will only be accepted before the weekly class begins (via email or typewritten hardcopy).**

***Seminar & Leading Class Discussion*** In week one you will be assigned a topic and date for your seminar. Seminars are held at the beginning of each lecture session, starting from week three. You may either prepare your seminar individually or be assigned a partner from the class (depending on class numbers). You should aim for the seminar to take approximately 1 to 1½ hours (maximum), including class discussion time.

The purpose of the seminar is twofold. First, it encourages you to read more widely, and report back on a specific topic relating to MNCs in the global economy. Hence you will be expected to not only cover the assigned readings for that week, but also to read more widely into the topic (you should aim to read and review at least 6 new readings in preparation for the seminar). You will then be expected to report your findings back to the class. Your seminar should attempt to address at least one of the issues raised in the discussion questions, but you may also like to develop your own line of enquiry – and are encouraged to do so. This may be based on one of the articles you have read, a key issue you have identified or a case study you have found. The objective of the seminar is for you to provide the class with an in-depth and critical perspective on an aspect of the selected topic, as well as developing your own research, reporting and presentation skills.

The way you present the seminar is over to you, but it should include the following:

- A brief summary of the assigned readings,
- Class discussion on the readings centred around one of the discussion questions,
- An in-depth review of the subject area, perhaps focussing on a specific topic of interest to you, and
- A 1000 word (written) synopsis, plus bibliography (to be submitted via email to the course coordinator prior to the seminar). You should also bring hardcopies of your synopsis for each member of the class.

You might like to be creative with your class discussion, for example assigning activities or ‘quizzes’ to draw out key points, stimulating debate, or facilitating small group discussion around specific questions.

**NOTE:** In the week prior to the seminar, the student(s) presenting should make a time to meet with the course coordinator to discuss how they will lead the session.

The marking schedule for the seminar will be provided on blackboard.

***Class participation*** The success of class sessions will depend heavily on the extent of your preparation for class discussions. You should assist your colleagues in the presentation of their case session by keeping up with all readings. You should have a working knowledge of all the materials assigned for that week, and have prepared draft responses to the discussion questions. Your participation mark will depend primarily on the quality, not the quantity of your participation.

***Full-length Critique of an Article*** Each student will prepare and submit a full-length critique of **one** article, chosen by the course coordinator. You should give your critical evaluation of the article, demonstrating your familiarity with the topic, understanding of the methodology used or research approach and implications for the field of international business. The critique should include an objective assessment of the contribution that the author makes to the international business literature and focus on

critical *but constructive* evaluation of limitations and weaknesses of the article. These may relate to content, research approach, arguments, extent and use of supporting literature and data, style etc. The length of the critique should be about 2000 words.

Further guidelines on how to prepare the critique will be provided on blackboard. Completed assignments should be emailed to the course coordinator.

### **Additional Details on Assignments**

Assignments are to be emailed to the course coordinator before the beginning of the lecture each week. All work handed in must have a title and give the topic of the assignment, your name, ID number and a WORD COUNT.

Extensions **must be applied for in advance** - they will only be considered if a written application is made at least 24 hours prior to the due date, except where the student has a medical certificate, a note from the student counsellor, or some exceptional circumstance exists. Application for an extension must be made to the course coordinator. Work where EXTENSIONS HAVE BEEN GRANTED should be handed in to the SMIB Office RH 1121.

Where possible assignments will be returned to students in class, or by the course coordinator at a pre-arranged time and place. All uncollected assignments will be held by the SMIB office (RH 1121) for three months following the end of the trimester, and then disposed of.

### **Penalties**

Late work will be accepted without penalty with good reason ( e.g., a medical certificate) and prior permission. In other cases, five marks will be deducted (out of 100) for each day, or part day, the assignment is late.

### **Mandatory Course Requirements**

It is required that students obtain at least 50 % (C grade) overall AND attend at least 80% of classes to obtain a pass grade for this course.

### **Communication of Additional Information**

Via email and blackboard. Please ensure the course coordinator has your current email address.

### **Lecture Schedule**

The course schedule is as follows.

<b>IBUS 402 Lecture and Seminar Outline</b>				
<b>Week</b>	<b>Date</b>	<b>Topic</b>	<b>Readings</b>	<b>Due</b>
<b><i>Part I MNCs in the Global Business Environment – Activities, Motives &amp; Theories</i></b>				
1	15 July	Introduction to the course Global Business Environment Critiques & assignments	Chapter 1, 21 Article of your choice	<i>See outline of this class on the following page</i>
2	22 July	Extent and Pattern of MNC Activity	Chapter 2, UNCTAD (2008), Morgan & Katsikeas (1997), Sethi et. al. (2003)	Weekly critique
3	29 July	Motives for International Production	Chapters 3&4, Rugman (1980), Dunning (1998)	Weekly critique
4	5 Aug	Theories of International Production	Chapters 4&5, Dunning (2000), Buckley & Casson (1998)	Weekly critique
<b><i>Part II The Impact of the MNC</i></b>				
5	12 Aug	FDI and Growth and Development of Host Economies (macro perspective)	Chapter 10, Schuler et. al. (2006), Barry et. al. (2003).	Weekly critique
<b>24<sup>th</sup> August – 6<sup>th</sup> September                      M I D - T R I M E S T E R   B R E A K</b>				
6	19 Aug	MNCs, Linkages and Local Industry (micro perspective)	Chapter 16, Jindra et. al. (2009), Scott-Kennel & Enderwick (2005), Ivarsson & Alvstam (2004)	<b>Article Critique</b> Weekly critique
7	9 Sept	MNCs and Nation States	Chapters 18&19, Rugman & Verbeke (1998), Eden & Lenway (2001), Agmon (2003)	Weekly critique
8	16 Sept	MNCs and FDI in New Zealand	Scott-Kennel & Akeoie (2004), Enderwick (2003), Scott-Kennel (2004), Sweet & Nash (2007)	Weekly critique
9	23 Sept	HRM & Employment Impacts	Chapter 13, Jain et. al. (1998), Engardio et. al. (2003)	Weekly critique
10	30 Sept	Corporate Social Responsibility	Chapter 18, Carroll (1999), Heineken (2007), Donaldson (1996)	Weekly critique
11	7 Oct	MNCs & Global Concerns	Chapter 20, Shrivastava (1997), Kobrin (2001), article of your choice	Weekly critique
12	14 Oct	Review		

## **IBUS 402 Week 1.** Introduction to the course and the Global Business Environment

**Content:** This session provides an introduction to the course and to the global business environment that shapes and is shaped by the activities of MNCs. This session will also cover expectations and techniques relating to weekly critiques & other assignments in the course.

**Objective:** This session introduces the key themes of this course, namely; the activities of the MNC; and the impact of their activities on home and host economies.

**Task:** To prepare for this session you should:

1. purchase your textbook and read the first chapter
2. find one article of your own choosing relating to the role and impact of the MNC.
3. be prepared to address the discussion questions in class.

### **Discussion questions:**

What is the role of the MNC in the global business environment? Who are its stakeholders?

What types of impact does the MNC have on global, regional and local stakeholders?

What interesting examples can you think of which illustrate the role and (positive or negative) impact of the MNC?

### **Readings:**

Dunning and Lundan (2008, Chapter 1: 3-16; and Chapter 21: 735-761).

One article of your own choosing relating to the role and impact of the MNC.

**NOTE:** Please note that for reasons of space the remaining weekly outlines for the course will be posted on blackboard or emailed to you in advance.

### **For the following important information follow the links provided:**

Academic Integrity and Plagiarism: <http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes: <http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices:  
<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme: [http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)