I. GENERAL INFORMATION

Title: Global and Multinational Management and Strategy
Code: INBU 7130
Credits: 3 (Three)

II. COURSE DESCRIPTION

Formulation of multinational companies strategies and policy. Critical analysis of strategic managerial alternatives within the global context of business operations in a political, economic and cultural environment. Simulation of intercultural negotiations. Includes the development of international strategy for local companies.

III. OBJECTIVES

1. GENERAL OBJECTIVES

1. The objectives of this course are to acquaint students with the environment in which international companies operate and to obtain in depth knowledge about the multinational enterprise (MNE) and its quest for competitive advantage in a global market place.

2. Trends in investment, world trade and innovation as they pertain to the MNE will be analyzed.
3. The scope of the course will emphasize globalization and recent factors associated with the IT revolution. We will look at major themes which drive corporate strategy such as: the international value chain, global taxation issues, sourcing and production, economies in transition (Russia and China), privatization, mergers/acquisitions, foreign exchange, and more.

4. Analyze the major ethical issue and problems that confront MNCs in selected countries.

5. The student will develop an understanding of conceptual and theoretical foundations of differences between managing domestic and international companies. Collective knowledge about MNCs, their strategy, design and organization will be analyzed.

6. The successful completion of this course should enable them to understand and analyze environmental problems, which challenge management.

IV. CONTENT (TOPICS)

In the following topics the student is expected to acquire in depth knowledge
What is a multinational enterprise? What is foreign direct investment? What theories have been developed to explain why MNEs exist and why they are successful? What are the weaknesses and strengths of these different theories? How have the levels and structures of MNE activity changed over the past decade? What are the current global patterns of MNE activity?

A. MNES in the Global Economy: Facts, Theory and History

Readings


**B. Inside the Multinational Enterprise**

What do we know about the ways MNEs organize their interfirm and intrafirm relationships? What factors affect the internal organizational structure of the MNE? What alternatives does a firm have for entering foreign markets? What are the possible benefits and costs of various contractual arrangements?

1. **Entry and Expansion Strategies of MNE’s**

2. **Organization of MNE Activities**

**Readings**


* Richard Caves, *Multinational Enterprise and Economic Analysis*, chapters 3 and 4

John Dunning. 1995. “Reappraising the Eclectic Paradigm in an Age of Alliance


**C. The Impact of MNE Activity**

1. Technology and Innovatory Capacity
2. Employment and Human Resource Management

**READINGS**


* Richard Caves, *Multinational Enterprise and Economic Analysis*, chapters 5 and 6


**D. Political Risk and Foreign Direct Investment**

**READINGS**

International Business Studies.


E. How do firms influence politics in the United States?

READINGS


F. How do firms influence politics in developing countries?

READINGS


Goodman et al 1996 “FDI and Demand for Protection” International Organization


**G. The Outsourcing Debate**

**READINGS**


Daniel W. Drezner. The Outsourcing Bogey. *Foreign Affairs*, May/June 2004


**H. POLICY ISSUES: TAXING MULTINATIONALS AND OTHER POLITICAL ISSUES**

**READINGS**


* Richard Caves, *Multinational Enterprise and Economic Analysis*, chapters 8-10

**V. ACTIVITIES**
A. Presentation in Power Point of Results of Paper Assigned

VI. EVALUATION

Examination

During the trimester, two regular examinations will be given (mid-term and final). Both will be worth 100% weighted by 0.25% and will be comprised of essay, short answer, and applied problem questions. The final will be comprehensive in nature.

Paper

A research paper worth 100% weighted by 0.30% is required for each student. The paper should cover the theory and policies of global management, multinational enterprises and globalization. Issues that influence the behavior of the global economy. Further information concerning the paper will be presented in class.

Exercises

Each topic is accompanied by a problem set worth 100% weighted by 0.20%.

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<thead>
<tr>
<th>Points</th>
<th>Final Grade</th>
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<tbody>
<tr>
<td>Mid-Term Exam</td>
<td>100</td>
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<td>Final Exam</td>
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<tr>
<td>Term-Paper and Presentation</td>
<td>100</td>
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<tr>
<td>Problems Set</td>
<td>100</td>
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<tr>
<td>TOTAL</td>
<td>400</td>
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Grading Scale

The following maximum grading scale is guaranteed:

* 90 - 100% = A
* 80 - 89% = B
VII. SPECIAL NOTES:

1. Auxiliary services or special needs
   Students who require special assistance or ancillary services must request them at the beginning of the year or as soon as he (she) realizes that they need them, through the corresponding register in ________________________________.

2. Dishonesty, fraud and plagiarism
   Dishonesty, fraud, plagiarism and any other inappropriate behavior with regard to the academic work constitute major infringements sanctioned by the Reglamento General de Estudiantes. Major offences, according to the Reglamento General de Estudiantes may have as a result, among other sanctions, the suspension from the University for a defined time greater than one year or permanent expulsion from the University.

3. Use of electronic devices
   Cell phones and any other electronic device that could disrupt the processes of teaching and learning or alter the environment conducive to academic excellence must be deactivated. Pressing situations will be addressed, as appropriate. Handling of electronic devices to access, store or send data during evaluations or examinations is prohibited.
VIII. EDUCATIONAL RESOURCES

A. MAIN TEXT


B. OTHER RECOMMENDED TEXTS


C. OTHER RESOURCES

A. Presentation in Power Point of Results of Paper Assigned

B. Students are expected to have done the REQUIRED READINGS for each week PRIOR to that class and should come prepared to discuss these readings; please note this also includes the readings for the FIRST class. Everyone must read starred readings. In addition, students should read one or two of the other readings if time permits. Supplementary readings are listed for students who wish to do further work on a particular topic.

D. Subscribe to The Economist Magazine (printed or internet)

IX. BIBLIOGRAPHY

Additional readings recommended for Student interested in this subject


John Dunning, “Reappraising the Eclectic Paradigm in an Age of Alliance Capitalism”. *Journal of International Business* 1995,


**OPAC/VAAEPS**

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