

Conference Program
Competition or Cooperation: East vs. West

MacEwan School of Business
May 11-12, 2009

**10:00 a.m. - 12:30 p.m.Robbins Health Learning Centre
2nd Floor, Room 9-216**

Session 1: Comparison of Business Environments: East & West

Chair: Amir Shoham, The College of Management, School of Business Administration, Rishon Lezion, State of Israel.

A Comparison of the Business Environment Evolution in Southeast Asia and Latin America: 1980-2008

Maria Victoria Cortes R, Universidad del Valle, Cali, Republic of Colombia

Perceptions toward Islamic Banking between Muslims and Non-Muslims in Malaysia: Marketing Implications for Islamic Banks

Mark Loo, Taylor University College, Edmonton, Alberta, Canada

Comparison of PRC and Vietnam's responses to the Elimination of US Textile and Apparel Quotas: Economic and Cultural Perspective

Amir Shoham, The College of Management, School of Business Administration, Rishon Lezion, State of Israel.

**10:00 a.m. - 12:30 p.m.....Robbins Health Learning Centre
2nd Floor, Room 9-217**

Session 2: Training the Best for Global Business: The Internationalization of Business Education

Chair: Mike Henry, MacEwan School of Business, Edmonton, Alberta, Canada

Internationalization Strategy of MacEwan School of Business

Mike Henry and Christopher Carr, MacEwan School of Business, Edmonton, Alberta, Canada

Study Tours: Strategies for Serving Business Students

Kimberley Howard and Brian Keller, MacEwan School of Business, Edmonton, Alberta, Canada

Demand for Education in China Leads to a Partnership with an American University

Jeffrey Klein, International School of Management, Paris, France

Breaking into New Markets: International Market Selection for Universities: A Case Study from Europe

René Lenssen, International School of Management, Paris, France

Business Education in Russia: Evolution and Current Trends

Anna Gryaznova, Graduate School of Business Education, Moscow State University, Moscow, Russia

**10:00 a.m. - 12:30 p.m.....Robbins Health Learning Centre
2nd Floor, Room 9-218**

Session 3: Contemporary Management Issues in the East and West

Chair: Lyle Benson, MacEwan School of Business, Edmonton, Alberta, Canada

The Failures of High-Profile Entrepreneurs in the Chinese Economic Reform

Wenxian Zhang, Rollins College
Ilan Alon, Rollins College, Orlando, Florida, United States of America

A Comparative Study on the Source of Stress between Migrant and Native High-tech Knowledge-workers in Shanghai

Lingfeng Yi, Jie Fo, Jing Chen, Business School of East China Normal University, Shanghai, People's Republic of China
William Wei, MacEwan School of Business, Edmonton, Alberta, Canada

The Function of Social Network in Expatriate Effectiveness

Lily Jiao Li and Frank Xiaohua Wang, MacEwan School of Business, Edmonton, Alberta, Canada
Mitch Rothstein, University of Western Ontario, London, Ontario, Canada

12:30 p.m. – 2:00 p.m. Lunch

Keynote Speaker: Dr. Mary B. Teagarden, Professor of Management, World Business Department, Thunderbird University, The American Graduate School of International Management
Editor, *Thunderbird International Business Review*
Glendale, Arizona, United States of America

Keynote Address: **Global Mindsets—East and West**

Robbins Health Learning Centre, The Bow, Main Foyer, Room 9-115

2:00 p.m. – 4:30 p.m.

Session 4: Trends and Patterns of Investment between the East and West

**Section A: Emerging China.....Robbins Health Learning Centre
2nd Floor, Room 9-216**

Chair: Hongxin Zhao, Boeing Institute of International Business, John Cook School of Business
Saint Louis University, St. Louis, Missouri, United States of America

The Internationalization Strategy of Chinese Firms: A Late Comer's Perspective

Weichu Xu, Department of Management, Old Dominion University, Norfolk, Virginia, United States of America
Junsheng Zhang, Bank of China and CUFU, Beijing, People's Republic of China
Yamin Zeng, Tsinghua University, Beijing, People's Republic of China

The Development of the Automotive Industry in China: Opportunities for Mexico

Juan Carlos Gachuz, Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM), Puebla, United Mexican States

Contextualizing the Internationalization of Chinese Capital

Francis Schortgen, Department of Political Science, Mount Union College, Alliance, Ohio, United States of America

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**Section B: Foreign Direct Investment.....Robbins Health Learning Centre
2nd Floor, Room 9-217**

Chair: Joong Son, MacEwan School of Business, Edmonton, Alberta, Canada

Breaking into New Markets Case study: Hilton Hotels Corporation
Ernest Wooden Jr., International School of Management, Paris, France

Foreign Direct Investment and Spillover Effect: A Local Firm Perspective
Nilufer Yapici, Florida Atlantic University, Boca Raton, Florida, United States of America

The Primary Effects of FDI on the Labor Market in China and Mexico
Nadia Almaraz Aréizaga and Diana Bank, Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM), Puebla, United Mexican States

Foreign Direct Investment (FDI) and Trade between the East and the West: Competition or Co-operation?
Lawrence M. Akwetey, British Institute of Technology and E-Commerce, London, United Kingdom

2:00 p.m. – 4:30 p.m.

Session 5: Future Business Practice, Environmental Challenges and New Model of Capitalism

**Section A: Future Business Practice.....Robbins Health Learning Centre
2nd Floor, Room 9-218**

Chair: Leslie Blyth, MacEwan School of Business, Edmonton, Alberta, Canada

Does Adoption of ISO 9000 enhance Export Propensity of Chinese Firms? An Institutional View
Hongxin Zhao, Boeing Institute of International Business, John Cook School of Business
Saint Louis University, St. Louis, Missouri, United States of America

Social Burden, Social Venture or Social Responsibility? - A Reflection on CSR in China and Suggestions on CSR Strategy for Multinational Companies in China
Mantian Wang, Rongming Ren, Hongyong Lu, Guiyi Hu, Antai College of Economics and Management, Shanghai Jiao Tong University, Shanghai, People's Republic of China

Moderating Effects of Environmental Dynamism on the Relationship between Dynamic Capabilities Strategy and New Venture Performance in Emerging Market
Hao Jiao, School of Management, Fudan University, Shanghai, People's Republic of China
Koo Chun Kwong, School of Management, Shanghai University, Shanghai, People's Republic of China
Yu Cui, School of Management, Fudan University, Shanghai, People's Republic of China

Exploring the Effects of Inflation on Financial Statements through Ratio Analysis
Cenap Ilter, MacEwan School of Business, Edmonton, Alberta, Canada

**Section B: Environmental Challenges and New Model of Capitalism.....Robbins Centre
2nd Floor, Room 9-201**

Chair: Haifeng Huang, Beijing University of Technology, Beijing, People's Republic of China

Imperialism and its Effects on Natural Resource Acquisition
Marc Sardy, Rollins College, Orlando, Florida, United States of America

Towards a Productive Joint US-China Policy Dialog on Environmental Clean Up
David McHardy Reid and Chris Ajemian, Albers School of Business and Economics,
Seattle University, Seattle, Washington, United States of America

China's Environmental Challenges: The Role of International Collaboration
Tristan Edmondson, Radomir Tylecote, Mint Research Ltd., Beijing, People's Republic of China
Haifeng Huang, Beijing University of Technology, Beijing, People's Republic of China

**Franchising in Morocco: Case of Fast-food Industry: A Comparative Study between a Successful
Entry and a Failure Investment**
Rachid Alami, Paris Dauphine University and International School of Management, Paris, France

U.S. Offshore Outsourcing of Services: Canada or Asia?
Dorothee Feils and Runjuan Liu, University of Alberta, Canada

**4:30 p.m. – 5:30 p.m..... Robbins Health Learning Centre
2nd Floor, Room 9-201**

Session 6: Meet the Editors

- *Multinational Business Review*
Dr. Hongxin "John" Zhao
- *International Journal of Business and Emerging Markets*
Dr. Satyendra Singh
- *Management Organization Review (Special Issue)*
Dr. Ilan Alon
- *Thunderbird International Business Review*
Dr. Mary B. Teagarden

6:00 p.m. - 7:00 p.m. Cocktail Reception
Robbins Health Learning Centre, The Bow, Main Foyer, Room 9-115

7:00 p.m. - 9:30 p.m. Dinner

8:00 p.m. Keynote Speaker: Dr. Satyendra Singh
Director of the Centre for Emerging Markets
Associate Professor, Marketing and International Business
Faculty of Business and Economics
University of Winnipeg, Manitoba, Canada

Closing Keynote Address:
**How Market Orientation and Outsourcing Create New Product
Development Capability and Impact Business Performance**
Presentation of "Best Paper" Awards

Abstracts

10:00 a.m. - 12:30 p.m., May 12, 2009

Session 1: Comparison of Business Environments: East & West

A Comparison of the Business Environment Evolution in Southeast Asia and Latin America: 1980-2008

Maria Victoria Cortes R, Universidad del Valle, Cali, Republic of Colombia

The aim of this paper is to compare the evolution of the business environment in Southeast Asia and Latin America since 1980. For this study five countries of each region were selected. This paper is divided into four sections. The first section is a brief summary of the evolution of the socio-economic environment and the main geopolitical characteristics that have influenced the development of business of these two regions. The second part presents a general analysis on the business system, taking as the core the family business. The third part focuses on the Asian crisis, its causes are sought from different theoretical studies and the main lessons of this crisis are highlighted. Despite the considerable apparent difference between both regions, there are similarities in their actual business environment due to common management driving forces such as coordination and work control, family ownership and the nature of the economic agents.

Perceptions toward Islamic Banking between Muslims and Non-Muslims in Malaysia: Marketing Implications for Islamic Banks

Mark Loo, Taylor University College, Edmonton, Canada

The current financial crisis in the West has prompted Islamic Banking proponents to tout its superiority over conventional banking. In multiracial countries such as Malaysia, the Islamic Banks have stepped up aggressive promotions targeting non-Muslims, in particular the Chinese who form the economic backbone of the country. This study investigates the perceptions towards Islamic Banking between Muslims and non-Muslims. A total of 200 Malaysians, with an even split between Muslims and non-Muslims were interviewed on their views towards Islamic Banking. This study found differing views on Islamic Banking among Muslims and non-Muslims. Muslims were more supportive of Islamic Banking than non-Muslims. Regardless of religion, the X-Generation had a more favourable perception towards Islamic Banking than the Baby Boomers. This study raised implications on how to market to non-Muslims and suggestions for further research in attitudinal studies towards Islamic Banking.

Comparison of PRC and Vietnam's responses to the Elimination of US Textile and Apparel Quotas: Economic and Cultural Perspective

Amir Shoham, The College of Management, School of Business Administration, Rishon Lezion, State of Israel.

The intent of this paper is to compare PRC and Vietnamese responses to the elimination of T&A quotas by the US. On the demand side, the paper estimate whether or not PRC and Vietnamese T&A items, formally under quota control, are substitutes or complements in the US market. On the supply side, the paper focuses on institutional differences between each country's T&A sectors, the different domestic government policies that have contributed to their growth and the unique cultural differences which will determine the future progress in each country's T&A sectors.

Session 2: Training the Best for Global Business: The Internationalization of Business Education

Internationalization Strategy of MacEwan School of Business

Mike Henry and Christopher Carr, MacEwan School of Business, Edmonton, Alberta, Canada

Internationalization relates to “the process of integrating an international, intercultural and global dimension into the purpose, functions and delivery of tertiary education”. Given the intensity of international economic integration over the last decade and our current/emerging global demographic reality, a widening range of stakeholders are increasingly recognizing the importance and the benefit of internationalized post-secondary education (PSE). This paper identifies stakeholders of internationalization aspect in Post-Secondary Education in Alberta and proposes an internationalization strategy for MacEwan School of Business.

Study Tours: Strategies for Serving Business Students

Kimberley Howard and Brian Keller, MacEwan School of Business, Edmonton, Alberta, Canada

This presentation offers suggestions on the development and implementation of inaugural for-credit study tours for undergraduate business students. Recommendations on the conception, development, marketing, pre-departure orientation, and time abroad are presented based on two faculty members’ experiences in designing and offering an inaugural study tour.

Demand for Education in China Leads to a Partnership with an American University

Jeffrey Klein, International School of Management, Paris, France

China’s demand for education has created major opportunities for foreign universities to partner with local Chinese universities. The number of undergraduate and graduate students entering university has been growing at a clip of 25% each year since 1999. Even with the addition of millions of new slots available at Chinese universities, there aren’t enough places available to satisfy the desire of Chinese students to earn a university degree. Recognizing the advantages of university education to Chinese society and economy, the government has opened up to foreign universities and become a very active player in international education. This is a unique case of a lower household income country using education as a strategy for development. In 2001, the University of the Incarnate Word, based in San Antonio, Texas, began its undergraduate program in Guangzhou with South China Normal University. This paper shows that the political, economic, social, and cultural factors facing China Incarnate Word offered a propitious environment for them to become the first university to offer a full American degree without having to leave China.

Breaking into New Markets: International Market Selection for Universities: A Case Study from Europe

René Lenssen, International School of Management, Paris, France

As the global demand for international education is forecasted to grow to 3.7 million students in the year 2025 (according to research by IDP Australia), universities around the world are increasingly developing more sophisticated methods for developing international marketing strategies to increase the number of international students on their campuses. Universities in English-speaking countries have dominated the international education market. However, this market is now turning into an international education industry, with many new entrants and new business models. This paper will address the process of

developing an international marketing strategy and international market selection by a leading continental European university.

Business Education in Russia: Evolution and Current Trends

Anna Gryaznova, Graduate School of Business Education, Moscow State University, Moscow, Russia

Business and management education is a very recent phenomenon in Russia. Though the first higher education institution in management appeared in 1970-s, business education took a conventional form in late 1990-s. Russian business schools were quick to adopt American experience in management education, and MBA programs were among the first to appear on the market. In parallel with MBA programs, numerous basic educational programs in management (bachelor, master, and specialist) appeared within schools of business and schools of economics, and following the global trends, they quickly exceeded in numbers MBA programs. It seems that today the potential of partnerships between western and Russian business schools is underdeveloped at all levels – from undergraduate to MBA. Local schools certainly could bring into the partnership knowledge of the local situation, connections with the corporate community, an in-place infrastructure, and sometimes a respectable brand of a home university. Western business schools could invest into partnerships the best traditions of business education, including evaluation, quality assurance and developing up-to-date teaching materials. The challenge is alluring, because a blind reproduction of western program would not work out because of the different expectations and learning styles of Russian students and of the different cultural and social context.

Session 3: Contemporary Management Issues in the East and West

The Failures of High-Profile Entrepreneurs in the Chinese Economic Reform

Wenxian Zhang, Rollins College

Ilan Alon, Rollins College, Orlando, Florida, United States of America

Through historical reviews and case studies, this research seeks to understand why some initially successful entrepreneurs failed in the economic boom of past decades. Among various factors contributed to their downfalls are a unique political and business environment, fragile financial systems, traditional cultural influences and personal characteristics. Notwithstanding that these factors should be further tested through empirical studies, those high-profile entrepreneurs are oblivious but essential actors in the grand theater of China's economic transformation, and their failures have contributed to the swift development of the Chinese entrepreneurship over the last thirty years.

A Comparative Study on the Source of Stress between Migrant and Native High-tech Knowledge-workers in Shanghai

Lingfeng Yi, Jie Fo, Jing Chen, Business School of East China Normal University, Shanghai, People's Republic of China

William Wei, MacEwan School of Business, Edmonton, Alberta, Canada

Based on the comparison of migrant and native knowledge-workers in high-tech organizations in Shanghai, this paper provides an analysis of perception of stress and source of stress. The empirical result shows that migrant and native knowledge-workers have the same strain; however, there are significant differences in four source factors, namely workload, achievement motivation, cultural adaptation as well as balance of work and family. Furthermore, education background, originality (hometown) and age have distinct impact on perception of stress.

The Function of Social Network in Expatriate Effectiveness

Lily Jiao Li and Frank Xiaohua Wang, MacEwan School of Business, Edmonton, Alberta, Canada
Mitch Rothstein, University of Western Ontario, London, Ontario, Canada

The role of social networks in expatriate management has received limited attention in literature. This study proposed that an expatriate's social network in a new culture provide two important functions: cultural information and social support, which in turn influence three aspects of expatriate's effectiveness: adjustment, job satisfaction and job performance. The results showed that the size and closeness of an expatriate's social network are positively related to the amount of social support and cultural information he/she receives respectively. The cultural information facilitates an expatriate's adjustment and job performance, and social support improves expatriate adjustment and job satisfaction.

2:00 p.m. – 4:30 p.m., May 12, 2009

Session 4: Trends and Patterns of Investment between the East and West

Section A: Emerging China

The Internationalization Strategy of Chinese Firms: A Late Comer Perspective

Weichu Xu, Department of Management, Old Dominion University, Norfolk, Virginia,
United States of America

Junsheng Zhang, Bank of China and CUFU, Beijing, People's Republic of China

Yamin Zeng, Tsinghua University, Beijing, People's Republic of China

The purpose of the paper is to discuss the internationalization strategy of Chinese firms from a latecomer perspective. First this paper reviews five existing conceptual frameworks of foreign market entry mode for the internationalization of firms from developed countries. Then paper integrates the different factors considering in existing frameworks to a comprehensive framework. With this modified framework and Chinese firms unique characteristics, some propositions are presented about the features of Chinese firms internationalization based on the theories discussed from a later comer perspective. This paper also discusses the future studies on Chinese firms' internationalization strategy should attempt to increase the congruence between the theoretical and operational level, to clarify concepts and variables of the frameworks and the relationships among those variables.

The Development of the Automotive Industry in China: Opportunities for Mexico

Juan Carlos Gachuz, Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM), Puebla, United Mexican States

The automotive industry in China has developed rapidly over the last twenty years. As the product of a strategic planning, of state resources and technology transfer from multinational enterprises, the Chinese automotive industry is one of the most important industries internationally. Currently, China is the third largest producer of cars worldwide and has the largest car market growth in the world. Despite this, the Chinese automotive industry is just beginning to develop a concrete strategy of export and production of vehicles into other countries. The industry has plans to expand its production especially in developing countries with sufficient infrastructure to produce vehicles for export to regional markets. This represents an invaluable opportunity for a country like Mexico, which besides having an important domestic market, also has the infrastructure, technology and manpower needed for vehicle production and an existing export

platform for North and South America. Mexico must generate multiple-producing vehicles to reduce her dependence on U.S. producers, and increase her investment from Asia and particularly from China.

Contextualizing the Internationalization of Chinese Capital

Francis Schortgen, Department of Political Science, Mount Union College, Alliance, Ohio, United States of America

This paper offers an interpretation of China's expanding financial clout from the perspective of a shifting distribution of wealth and power. To date, efforts to understand the dynamics behind and implications of China's internationalization have largely failed to provide a deeply contextual picture. Indeed, much of the China discourse in the West, notably the United States, is framed by geostrategic and security considerations. As such it tends to be highly concentrated on the purportedly inevitable "China threat" whereas avenues for considering China as a "strategic partner" remain largely unexplored. The interpretation provided here illustrates that while China's economic and financial internationalization gives augurs in, if not a new world order, then certainly a new global dynamic, this trend need not come at the expense of possible cooperation.

Section B: Foreign Direct Investment

Breaking into New Markets Case study: Hilton Hotels Corporation

Ernest Wooden Jr., International School of Management, Paris, France

This paper examines the history and recent strategic efforts of internationally famed Hilton Hotels Corporation to grow and seed its multiple Brands globally. The paper examines the historical framework and overarching strategy employed by the company which set the stage for Hilton's growth to include the internationalization of Brands outside of its core Brand –Hilton, specifically those it had acquired with the purchase of Promus Hotels and later that of Hilton Group plc. The paper further examines the marketing and structural mechanisms used by the global hotel company to limit development, branding and franchise risks across its targeted markets. Finally the paper opines on the risks to the long term outlook for international hotel growth given the sweeping global macro economic retraction affecting both demand and supply through the tightening availability of real estate development financing.

Foreign Direct Investment and Spillover Effect: A Local Firm Perspective

Nilufer Yapici, Florida Atlantic University, Boca Raton, Florida, United States of America

Looking at the Foreign Direct Investment (FDI) literature on spillover, one might lose sight of the local firms in the developing countries. I argue that knowledge spillovers lead to superior local firm performance if the local firms use networks available to them to gain access to external knowledge and enhance their absorptive capacity through exploitation of the external knowledge. Advanced absorptive capacity allows the local firms to recognize knowledge spillovers before the competitors do and exploit it, giving rise to superior products relative competition in the industry.

The Primary Effects of FDI on the Labor Market in China and Mexico

Nadia Almaraz Aréizaga and Diana Bank, Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM), Puebla, United Mexican States

Much research has been done on the effects of foreign direct investment (FDI) and its positive relationship to economic growth. Additional jobs and higher incomes for workers are expected to be amongst the most prominent effects of such investment. Emerging markets, such as China and Mexico, have tried to promote FDI for their continued economic growth and development. This paper tried to study how the labor markets of these economies have reacted to such investment. Data shows that it has brought about different outcomes in both countries due to the type of FDI and country characteristics, such as competitiveness, productivity and economic stability.

Foreign Direct Investment (FDI) and Trade between the East and the West: Competition or Cooperation?

Lawrence M. Akwetey, British Institute of Technology and E-Commerce, London, United Kingdom

The recent trend of investment, trade and business relations that have flourished between the East and the West, engendering cooperative and competitive antecedents for possible future East-West relationships and the internal economic, social and political evolution of the markets of these two regions usher in an unprecedented new East-West economic and business era. It has been observed that many of the new up-and-coming economic powers e.g. China, Russia, India, etc neither embrace nor aspire to the Western model of doing things; but the new industrial revolution in the East, e.g. China, Russia, and India, has led to the redistribution of the world's wealth. The dawn of the 21st century investment, trade and business relations opportunities in an enabling business and economic environment in the East, particularly China, India, Russia, Eastern Europe and Eastern Asia marked the beginning of a New Era of Competition, and/or Cooperation, heralding a period of competitive East-West business, trade and investment relations, hitherto hard to conceive. This paper looks back at the business/economic situation in the East (pre and post Cold War) and carefully isolates and discusses the critical success factors that catapulted the East e.g. China, India, Russia into economic prosperity and, more importantly, how that was transformed into competition or cooperation in East-West trade, investment (FDI) and business relationships.

Session 5: Future Business Practice, Environmental Challenges and New Model of Capitalism

Section A: Future Business Practice

Does Adoption of ISO 9000 enhance Export Propensity of Chinese Firms? An Institutional View

Hongxin Zhao, Boeing Institute of International Business, John Cook School of Business
Saint Louis University, St. Louis, Missouri, United States of America

Exporting is often the first stage of internationalisation for firms in emerging economies (Pan/Tse 2000). For Chinese firms, exporting has been the most important internationalisation decision as administrative controls on overseas direct investment by Chinese firms have only recently been relaxed (Buckley et al. 2007). This dynamic change provides us with a natural context to test theories concerning exporting strategies (Filatotchev et al. 2001). A number of existing studies of export behaviour of Chinese firms have investigated the determinants ranging from product strategies and capabilities (Brouthers, O'Donnell and Hadjimarcou, 2005), firm location and industry concentration factors (Zhao and Zou, 2002), to export marketing capabilities (Zou, Fang and Zhao, 2003). However, little is known about whether organizational practice in terms of adoption of ISO 9000 that certifies the various aspects of firm quality influence the export propensity of the Chinese firms and what role the institutional development plays in

it. At firm level, it has been argued that the adoption of ISO 9000 was motivated to improve and maintain international sales (Guler et al., 2002; Simmons & White, 1999), but there has been no empirical evidence to support this assertion. At the country level, the recent study by Clougherty and Grajeck, (2008) found that ISO 9000 diffusion in developing economies enhanced exports and inflow of FDI but not in developed economies. This study seeks to examine the impact of the adoption of ISO 9000 on the export propensity and the moderating effect of institutional development. The data of 857 Chinese private firms are used to test the proposed hypotheses. The preliminary findings show that firms that adopted ISO 9000 are more likely to engage in export than those firms without the adoption. The results also show that the high level of institutional development strengthens the positive effect of ISO 9000 adoption.

Social Burden, Social Venture or Social Responsibility? - A Reflection on CSR in China and Suggestions on CSR Strategy for Multinational Companies in China

Mantian Wang, Rongming Ren, Hongyong Lu, Guiyi Hu, Antai College of Economics and Management, Shanghai Jiao Tong University, Shanghai, People's Republic of China

Thirty years into its reforms and opening, the People's Republic of China (referred to as China) has come to many terms of the world, including public awareness of corporate social responsibility (CSR). Yet to Chinese enterprises, CSR sounds much like the backbreaking social burdens to state-owned enterprises (SOEs). The "cradle to grave" welfare system, notorious but standard in a planned economy, did have a role for most SOEs to fail in the face of competition from a new, burgeoning private sector. While laws were written to free SOEs from their "social burdens," township enterprises rose to set a different example. Some of them even profited from their "social ventures." Cross-comparing the state sector and township enterprise approach to the issue sheds light on how best MNCs could tailor their CSR strategies to the specific context of China in order to achieve desired results.

Moderating Effects of Environmental Dynamism on the Relationship between Dynamic Capabilities Strategy and New Venture Performance in Emerging Market

Hao Jiao, School of Management, Fudan University, Shanghai, People's Republic of China
Koo Chun Kwong, School of Management, Shanghai University, Shanghai, People's Republic of China
Yu Cui, School of Management, Fudan University, Shanghai, People's Republic of China

Why the firm gets the profit and how to achieve the economic rents of the industry above the average are the fundamental questions in the strategic management. Dynamic capabilities theory posits the new theoretical perspective, which is most important for the new ventures to address the rapidly changing environment. Therefore, more and more new ventures begin to adopt the dynamic Capabilities strategy in the dynamic and complicated uncertainty environment, but from the dynamic Capabilities strategy to new venture performance, it should be some transitional paths and experiences effects of other variables. And also, the focus point of relevant research changes from whether it should be build the dynamic Capabilities strategy to the mechanism of how to construct the dynamic Capabilities strategy and possible difficulties in this process. Based on previous studies, this paper makes all explorative study of the relationship between dynamic Capabilities strategy and new venture performance. Then the moderating effects of environmental dynamism on the relationship between dynamic Capabilities strategy and new venture performance is discussed and examined empirically by developing structural equation models using partial least squares method with evidence from Chinese's new ventures. Implications and future research directions are considered.

Exploring the Effects of Inflation on Financial Statements through Ratio Analysis

Cenap Ilter, MacEwan School of Business, Edmonton, Alberta, Canada

The following article explores the effects of inflation on income statement and balance sheet. Inflation, even at lower rates affects companies' financial statements. International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies-IAS 29" imposes some percentage criteria as to restatement of financial statements. Inflation rate criterion for restatement of financial statements can be set as minimum as possible. The reason is that inflation adjustments change the figures and it changes figures even at lower inflation rates. As the inflation accelerates the effects of inflation become more apparent on balance sheets. A model company has been developed and gradual increases in inflation rates have been tried on the model company's balance sheet and income statement. Model shows that even at lower rates, the inflation may negatively affect financial statements. Model shows what ratios are affected by inflation adjustments. Article proposes that inflation adjustments to financial statement should be a continuous issue and should be consistently applied to financial statements even at lower rates than required by IAS 29.

Section B: Environmental Challenges and New Model of Capitalism

Imperialism and its Effects on Natural Resource Acquisition

Marc Sardy, Rollins College, Orlando, Florida, United States of America

International merger and acquisition activities have been the subject of much controversy. According to the socialist view, merger and acquisition activity is a phase of imperialism carried out without empire or territorial conquest. Globalization of national economies, therefore, will result in monopolization of most of the world economies and domination by capitalistic enterprises. Harpal Brar (1997) regards this movement as the final stage of capitalism. On the other hand, the view of capitalistic economics is that merger and acquisition function in international trade as the result of three major forces: the desire to be a least cost producer, an attempt to achieve economies of scale; and a desire to guarantee a supply of cheap labor and raw materials. In short, it is the microeconomics of the firm that lead to merger and acquisition (m & a) activities.

The Mining and Materials Group Database was used in this study. It is a comprehensive dataset covering mining data from around the world. It focuses on mining of metals, precious and semiprecious materials and coal; excluding oil and natural gas. We specifically looked at data for all recorded mergers and acquisition activities for the years 1994 – 2008. For purposes of comparison, we used the World Bank classification of region grouping¹ to assign countries to a specific region. In addition, data on corruption and data on risk were examined by group related 't' tests. Four stories emerge in this study of merger and acquisition. They are the role of the developed world; activities in the recently emerging developing world; corruption and risk. Our proxy for Imperialist countries from the developed world tends to acquire resource targets in the developed world and those in the developing world tend to acquire resources in the developed and developing world.

Towards a Productive Joint US-China Policy Dialog on Environmental Clean Up

David McHardy Reid and Chris Ajemian, Albers School of Business and Economics,
Seattle University, Seattle, Washington, United States of America

This paper posits the need for a quadpartite policy initiative designed to help overcome the inertia in environmental protection and preservation negotiations between China and the United States. The

primary stakeholders in this proposed initiative: China, EU, Japan and the United States, we argue, have the power to ease back on greenhouse gas emissions and to accelerate the clean up of rivers and other waterways, in China and elsewhere, with zero retardation of economic growth. However the clean-up and emission retardation negotiation process, so far, has been stymied by arguments regarding which party has caused the problem as opposed to exacerbating the problem. A solution, we argue, may be engineered by offsetting any growth stultification as a result of 'going green' by the nurturing and development of clean technology industries, which would in turn be stimulated by widening the access to Cleantech intellectual property across the borders of the stakeholders. We develop some precepts to bring this about.

China's Environmental Challenges: The Role of International Collaboration

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As the urgency of tackling climate change increases, so converting China's fossil-fuel hungry economy to a more sustainable model becomes ever more critical. Although much responsibility for climate change mitigation lies with the West, any international environmental collaboration must include China to have a real chance of combating climate change. That collaboration should encompass the development of China's green legislation, technology and financing; indeed, very few new areas of China's green economy can be developed properly without extensive international collaboration. This paper seeks to address the theoretical background to collaboration and the specific advantages it offers participants. To better understand the limits and problems associated with collaboration, we outline international collaboration case studies, and explore obstacles to collaboration, such as IPR concerns and inter cultural difficulties. China's efforts require not simply more international collaboration, but better forms of it., and so we offer recommendations on the methodology of collaboration and the formulation of policy to better aid the development of collaboration between China and the rest of the world. For effective international collaboration to take place, various factors must come into play: the most pressing challenges must be identified, the value of different methodologies for finding solutions must be demonstrated, lessons must be taken from previous attempts at collaboration, and a plan must be drawn up with China to create a coordinated collaborative plan to address climate change. By aggregating the best of collaboration theory and practice, China and the world can work together to mitigate the worst effects of climate change.

Franchising in Morocco: Case of Fast-food Industry: A Comparative Study between a Successful Entry and a Failure Investment

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Why have some fast-food brands succeeded tremendously in the Moroccan market whereas others have failed to make their business thrive or went bankrupt? By studying some of the most well-known US fast-food restaurants that have gone over franchising in Morocco, this paper tries to shed light on visible and invisible factors that influence dramatically, from customer point of view, the success of going abroad in international markets characterized by wide cultural and business tradition differences. In the African market, the key factors of success appear to stem from a number of variables such as, among other factors, adapting menus to local traditions and having a local business partner that you can trust. We are about to propose a business framework based on market research and previous models that have been developed by scholars for fast-food companies that want to mitigate risks and enhance their chance for success.

U.S. Offshore Outsourcing of Services: Canada or Asia?

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Offshore outsourcing of services is a fairly recent phenomenon that has received much attention lately. There is some confusion as to the exact meaning of the term. Outsourcing of services refers to paying an unaffiliated business to provide services to a firm, such as software development, that could be performed in-house. “Offshore” means that the service provider is located in a foreign country. Thus, offshore outsourcing of services implies that the services are purchased from an unaffiliated firm in a foreign country. Canada is the largest trading partner of the United States, as is well known for trade in merchandise. In our study, we focus on the much less studied outsourcing of services. We analyze the trends of offshore outsourcing by US firms between 1992 and 2005. Particularly, we examine which types of services are outsourced to Canada and which are outsourced to Asian countries.