

Dynamics of International Business

ASIA-PACIFIC BUSINESS CASES

Dynamics of International Business: Asia-Pacific Business Cases brings the challenges and complexities of the contemporary international business environment into the classroom. These authentic case studies, based on recent research and events, enable students to engage with the economic, social, political and intercultural factors that impact on international business. They also enable students to explore and understand how these factors are addressed in the real world.

Designed to facilitate a problem-based learning approach to the study of international business and management, the cases in this book:

- draw on a diverse range of businesses and industries – from seafood to video games to renewable energy
- illustrate fundamental themes and concerns within global business, including ethics, sustainability, emerging markets, and cultural and legal differences
- span many countries across the Asia-Pacific region, reflecting the growing importance of trade and business ties within this area
- include discussion questions that encourage students to apply international business theory and develop critical thinking skills in the context of realistic scenarios
- include references and suggestions for further reading.

Extra resources for instructors, including case synopses, learning objectives and guided answers to the discussion questions, are available at www.cambridge.edu.au/academic/internationalbusiness.

Prem Ramburuth is Professor of International Business and President of the Academic Board at the University of New South Wales, Australia.

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Cambridge University Press

978-1-107-67546-9 - Dynamics of International Business: Asia-Pacific Business Cases

Edited by Prem Ramburuth, Christina Stringer and Manuel Serapio

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Praise for *Dynamics of International Business*

'It is not often that a case collection provides the depth, scope and clarity that make it a useful companion for both teaching and research. This collection does just that, providing an interdisciplinary lens with which to observe, reflect on, and, most importantly, understand complex business problems, in particular in the Asia Pacific region.'

Oded Shenkar
Ford Motor Company Chair in Global Business Management Fisher College of Business,
The Ohio State University

'A case book we've been waiting for! Its objective is to encourage and enable faculty and teaching staff to infuse IB content into business courses at all levels. . . . It fills the gap of lacking case studies from outside the US or Europe. It's a must for any IB teacher who wants to gear-up his/her teaching towards the Century of the Asia Pacific.'

Klaus Macharzina
Emeritus Professor and AIB Fellow, Hohenheim University

'This is a very informative and well constructed collection of case studies . . . Particularly refreshing and insightful are unique conditions, whether institutional and regulatory or sociocultural and economic, facing multinationals or domestic firms competing in the region, making it a very useful book for instructors and students interested in business landscapes and strategies unfolding there.'

Yadong Luo,
Emery Findlay Distinguished Chair and Professor of International Business,
University of Miami

'Congratulations to PACIBER for its major accomplishment of this Case Book . . . This Case Book is further evidence of the role of PACIBER in advancing International Business Education in this region. With more than 20 cases from academics across the Asia-Pacific region, I believe this Case Book will provide valuable learning experiences for readers, both academics and practitioners.'

Emeritus Professor Khunying Suchada Kiranandana
Chairperson, Chulalongkorn University Council

' . . . a thoughtful and valuable collection of cases written by international business professionals who have vast experiences in countries across the Asia Pacific Region. Through these cases, highly relevant scenarios in the international business environment can be brought into an educational setting to engage participants on decidedly relevant Asia Pacific topics and issues.'

Dr. Stefanie Lenway
Eli and Edythe L. Broad Dean, Eli Broad College of Business, Michigan State University

'This is an excellent set of short cases useful in any business school class that prepares folks to understand, and work in, any of the dynamic and rapidly growing Asian economies.'

Raj Aggarwal
Sullivan Professor of International Business, University of Akron

' . . . an impressive collection of cases and teaching notes. The true extent of globalization in the world economy is not often well represented, but in this one volume, you will find true diversity in topic, country, and industry . . . With the diversity of cases, and the increased need for students to understand global economies, this collection is a great resource for faculty at institutions all around the world.'

Kenneth G. Brown
Professor, University of Iowa, USA

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Edited by

**PREM RAMBURUTH,
CHRISTINA STRINGER
AND
MANUEL SERAPIO**

*Cases from the Pacific Asian Consortium for International
Business Education and Research (PACIBER)*



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UNIVERSITY PRESS

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781107675469

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First published 2013

Reprinted 2014

Cover designed by Marianna Berek-Lewis
Typeset by Integra Software Services Pvt. Ltd
Printed in Singapore by C.O.S. Printers Pte Ltd

A catalogue record for this publication is available from the British Library

A Cataloguing-in-Publication entry is available from the catalogue of the National Library of Australia at www.nla.gov.au

ISBN 978-1-107-67546-9 Paperback

Additional resources for this publication at www.cambridge.edu.au/academic/internationalbusiness

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*This book is dedicated to
Dr NH Paul Chung, Professor
Founder of the Pacific Asian Management Institute
His great vision inspired the creation of PACIBER.*

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■ Foreword

Globalisation of capital markets, developments in information technology and advances in communications and transportation are transforming business practices around the world. Successfully engaging in business in the international arena requires knowledge of the wide variety of cultures, national backgrounds, business practices and languages spoken throughout the area. Leading business schools in the Asia-Pacific region are becoming essential players in providing knowledge and skills for current and prospective business professionals.

The Pacific Asian Consortium for International Business Education and Research (PACIBER) was created in 1988 as a consortium of universities dedicated to establishing linkages to promote international business education, research and exchanges of information, faculty and students. PACIBER member schools benefit by increased access to and networking with the leading business schools in North America, Asia and Oceania. Collaborative activities between PACIBER member schools add value to member universities through a range of activities. These include joint research projects, recruitment and exchange of students, faculty exchange and networking, placement of students in member school programs, joint curriculum development, access to the latest developments in business education, increased research funding opportunities from private and government agencies, and invaluable networks with leading business schools.

With its secretariat at the crossroads of the Pacific, in the University of Hawai'i's Pacific Asian Management Institute, PACIBER strives to widen the scope of cooperation, facilitate communication and expand consciousness about the Asia-Pacific region among its members, and in the business community at large. PACIBER representatives gather every year in the location of a member school to receive updates on current international business issues, discuss curriculum development and present new initiatives for the consortium. Research panels and keynote speeches are also part of the program. These annual meetings of PACIBER provide a forum for the exchange of ideas, where members can network and learn from one another. Through faculty exchanges and other mutually beneficial alliances, member universities can raise the level of their business education programs to world-class standards.

This casebook is a product of the type of integrated research and curriculum development projects in which PACIBER members are engaged. The goal of the book is to help faculty – particularly those in the Asia-Pacific region – integrate current and relevant Asia-Pacific business content into their curriculum. It is also designed to increase active learning, as well as develop communication and cross-cultural skills in all business students – skills that are known to be extremely important to employers.

The book represents a collaborative effort by over 30 authors and editors from throughout the Asia-Pacific region. It would not have been possible without the contributions of cases by dozens of scholars. We acknowledge their diligent work in preparing and revising their cases and providing teaching materials to complement the cases.

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FOREWORD

The book benefited substantially from the capable management and commitment of our editorial trio, led by Professor Prem Ramburuth and her assistant, Irene Ellul, at the University of New South Wales, who organised and coordinated the process with the publishing company. Our other co-editors, Dr Christina Stringer of the University of Auckland and Dr Manuel Serapio of the University of Colorado Denver, each managed cases in their areas of expertise, and provided ongoing input on all aspects of the book. This team of three editors worked diligently over a two-year period to solicit cases, manage the review and revision process, and organise the content into a usable and user-friendly volume. The diversity, range and quality of the cases is testimony to their hard work and talent.

We also acknowledge the assistance of André Everett, Grant Kim, Rochelle Macarthur, Tamira Reed, Cindy Qin, Nisarg Desai and Nikki Serapio, and the tremendous support of David Jackson, the Commissioning Editor-Academic of Cambridge University Press.

We are pleased to present this volume at the celebration of PACIBER's 25th anniversary in 2013. We encourage scholars who are interested in our programs to consult our website at <<http://www.paciber.org>>.

*Shirley J Daniel, Director
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Cambridge University Press
978-1-107-67546-9 - Dynamics of International Business: Asia-Pacific Business Cases
Edited by Prem Ramburuth, Christina Stringer and Manuel Serapio
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Cambridge University Press

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■ Preface

It is widely acknowledged that actively engaging students is vital to the learning process. Unfortunately, our education systems have all too often fostered one-way communication and information flows from teacher to student. As a result, it is sometimes difficult to get students to participate actively in class discussions, and this is probably more true in the Asia-Pacific region than in the United States and Europe. However, most of us are familiar with the Chinese proverb: ‘Tell me and I’ll forget; show me and I may remember; involve me and I’ll understand.’ This book is designed to help teachers of international business implement this sage advice in their classrooms through the use of cases.

While there are a number of experiential learning techniques that can be used in higher education, case-based teaching is one of the most efficient and flexible methods for actively involving and encouraging students to make the transition from classroom to practice. Cases provide an opportunity for students to apply technical knowledge and theories derived from lectures and textbooks to real-world situations. Effective integration of cases as part of a course can allow students to cultivate an array of skills that will be useful in their careers. Specifically, Edge and Coleman (1986) list nine action skills that are reinforced through the use of cases – skills that enable a person to:

1. think clearly in complex ambiguous situations
2. devise reasonable, consistent, creative action plans
3. apply quantitative tools
4. recognise the significance of information
5. determine vital missing information
6. communicate orally in groups
7. write clear, forceful, convincing reports
8. guide students’ careers
9. apply personal values to organisational decisions.

The use of cases as part of course pedagogy is particularly useful in teaching international business, where global skills development is essential, exposure to cross-border understanding and cultural contexts is required, and ‘primary experience’ in global contexts on a large and frequent scale is not feasible (Ramburuth & Daniel 2011).

Unfortunately, teachers are often challenged when it comes to finding appropriate cases from affordable sources that address international topics and situations (Coulthard & Dooley 2010; Ramburuth & Welch 2005). In a study that examined syllabi for core strategy courses at 51 leading business schools, Ghemawat (2007) found that 33 per cent of courses he reviewed with colleagues did not have a single case study that took place outside the United States, and most did not teach global strategy concepts or tools. In addition, as the required business school curriculum content topics continue to increase, many faculty members find it difficult to squeeze more assignments and topics into an already extensive class syllabus. In many core courses, it is not feasible to devote a whole class period to a single case discussion.

PREFACE

However, a shorter case can be integrated more easily, and provide a valuable opportunity to engage students in the theories and topics they are already studying.

The goal of this casebook is to encourage and enable more faculty and teaching staff to infuse international business content and active learning into business courses at all levels. The book is designed specifically to provide up-to-date, realistic, concise and easy-to-integrate international business case situations from the Asia-Pacific region. Each case is designed to include a concise scenario and discussion questions. The questions provide options for stimulating discussion at undergraduate and graduate levels, are formulated for the involvement of individual and group work, and include extension questions aimed at facilitating advanced levels of learning.

Frequently, an obstacle to finding and integrating the 'right' case occurs when no teaching notes are available to help the instructor efficiently understand the case concepts, demonstrate how they might be integrated into a class or suggest potential answers to the questions. This casebook addresses these issues and provides insightful teaching notes and potential answers to the questions set, offers alternate questions to be tailored to class needs and suggests references for further reading. Instructors and students who are novices at using the case method of instruction will be able to experience a more lively and meaningful class discussion.

The cases included will provide a valuable complement to any course in which the instructor would like to include an international business component, particularly with an Asia-Pacific focus. Example courses and topics could include:

- Introduction to International Business
- Global Business Environments
- Business Strategy
- International Entrepreneurship
- Cross-cultural Management
- Organisation Design and Behaviour
- Globalisation and Society.

To facilitate the integration of cases into existing international business and management courses and topics, the cases are organised into four broad categories:

- Part I: The Environment of International Business, including issues relating to political, legal, economic, cultural, ethical and sustainable environments
- Part II: Strategy and Entrepreneurship, including issues relating to globalisation, entry modes, strategic alliances, leadership, innovation, and opportunities and risks in international business
- Part III: Managing People in International Business, including issues relating to international management, human resources, cross-cultural management, expatriation, and training and development for global contexts
- Part IV: Operating in International Markets, including issues relating to sourcing, global competition, market share, foreign direct investments, exports and imports, and other issues encountered in engaging in business in foreign environments.

The cases are 'real-life' examples written by academic and practitioners in international business. They aim to provide authentic learning experiences covering the many topics listed.

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