

Transnational Management

Text and Cases in Cross-Border Management

Transnational Management provides an integrated conceptual framework to guide students and instructors through the challenges facing today's multinational enterprises. Through text narrative and cases, the authors skilfully examine the development of strategy, organizational capabilities, and management roles and responsibilities for operating in the global economy.

The key concepts are developed in eight chapters that are supplemented by carefully selected practical case studies from world-leading case writers. All chapters have been revised and updated for this eighth edition to reflect the latest thinking in transnational management while retaining the book's strong integrated conceptual framework. Ten new cases have been added, and four others updated. A full range of online support materials are available, including detailed case teaching notes, almost 200 PowerPoint slides, and a test bank.

Suitable for MBA, executive education, and senior undergraduate students studying international management, international business, or global strategy courses, *Transnational Management* offers a uniquely global perspective on the subject.

Christopher A. Bartlett is Professor Emeritus at Harvard Business School. His research and teaching have focused on strategic and organizational challenges confronting managers in multinational corporations. He is the author or co-author of nine books, including *Managing Across Borders: The Transnational Solution* (co-authored with Sumantra Ghoshal 2002), which was named by the *Financial Times* as one of the 50 most influential business books of the twentieth century. He has also researched and written over 100 case studies and teaching notes, and is Harvard's best-selling case author with over 6 million copies sold. In 2001, he received the Academy of Management's International Division's Distinguished Scholar Award. He is a Fellow of the Academy of Management, the Academy of International Business, the Strategic Management Society, and the World Economic Forum.

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Text and Cases in Cross-Border Management

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PREFACE

This book grew out of the authors' strongly held belief that the best research in the academic fields of international business and cross-border management did more than capture the activities, challenges, and best practices from the field. It also translated those findings into practical and relevant lessons for managers and students of management. That philosophy and commitment has shaped the content of *Transnational Management* over the 25 years since it was first published, and remains at the core of this eighth edition.

Indeed, it was our commitment to deliver current, relevant, and practical research in an engaging format to the students who will be tomorrow's business leaders that led us to make an important change with this new edition. As we became increasingly concerned that many textbooks – including this one – were being priced beyond the means of many of those we were trying to reach, we decided to work with a publisher whose commitments more closely aligned with ours. So this eighth edition of *Transnational Management* begins our exciting new relationship with Cambridge University Press, a publisher that shares our values.

In the quarter-century since the first edition of *Transnational Management* was published, much has changed in the field of multinational enterprise management. In the rapidly evolving global environment, new external demands have required innovative new strategic responses, flexible new organizational capabilities, and adaptive new management capabilities. But many seasoned observers who have operated in the global business environment for decades will insist that despite these differences, the core agenda remains remarkably constant. They make a convincing case that beyond ongoing and inevitable adjustments and refinements, the tensions that characterize cross-border management remain much as they have always been: understanding the world's inexorable evolution toward an integrated strategic whole, yet being sensitive to the constantly evolving impediments and constraints to that ideal; recognizing global and regional opportunities while also being aware of cross-cultural differences and responsive to host country demands; developing the ability to be fast, flexible, and adaptive while also overcoming the barriers to such seamless implementation due to the reality of the distance, language, time, and culture that separate worldwide operations.

We are reminded of this debate with each revision of this volume, as faculty colleagues weigh in on both sides. They remind us that, in many ways, both views are correct. On the one hand, we receive passionate input from those anxious for brand new material that reflects the vibrancy of the field and keeps up with the latest developments. But we also hear from colleagues who recognize the

importance of the ongoing cross-border management tensions, often best captured in classic cases that teach timeless international management issues.

Based on input that we constantly receive from the users of this text as well as from the valuable expert reviews to which each new edition is subjected, we have sought to maintain this balance. As you will see in the following pages, while we have maintained the intellectual integrity of the core concepts, we have also undertaken a major updating of each of the chapters to ensure they reflect the current global context. As a new feature, we have added an extended list of recommended practitioner-oriented readings at the end of each chapter. Where possible, we have used the authors' wording of their article abstracts. We have also provided expanded annotated footnotes of relevant theory. And we have retained our practice of changing about half the case material in this edition, aiming to capture the emerging issues to keep courses fresh, while retaining popular classic cases that have maintained their relevance and have a proven history of stimulating strong classroom engagement and learning.

We trust you will find that the new content, new format, and new publisher support we have assembled for the eighth edition offer a relevant, insightful, and stimulating framework through which to explore the rich territory of transnational management.

ACKNOWLEDGMENTS

Transnational Management has greatly benefited from comments, suggestions, and insights generously offered by colleagues at the hundreds of institutions around the world that have adopted this book. In particular, we would like to acknowledge the key role played by the Cambridge University Press panel of reviewers whose insights and suggestions for the chapter content of the eighth edition proved extremely helpful. They are listed on page xix as our Editorial Advisory Board.

We are also extraordinarily grateful to the colleagues who have contributed to this edition. Co-authors who have collaborated on our own case studies for this edition include faculty colleagues Professors Harold Crookell, Brian J. Hall, Isaiah A. Litvak, Aloysius Newenham-Kahindi, Albert Wöcke, and Michael Y. Yoshino, as well as Research Associates and doctoral students R. Azimah Ainuddin, Heather Beckham, Nicole Bennett, Carole Carlson, Nikhil Celly, Dwarka Chakravarty, Vincent Dessain, Charles Dhanaraj, Perry L. Fagan, Vanessa Hasse, Arar Han, Sarah McAra, Paul S. Myers, Michael Roberts, Anders Sjomann, Laura Winig, and Megan (Min) Zhang. We are also delighted to include additional new case studies authored by Luis Arciniega, Ivy Buche, Ramasastry Chandrasekhar, Meeta Dasgupta, Charles Dhanaraj, Tashmia Ismail, Srivardhini K. Jha, Rishiksha Krishnan, José Luis Rivas, Jean-Louis Schaan, and Margaret Sutherland.

Assembling a textbook always involves coordinating many components, but this is particularly true at a time of transition from one publisher to another. We could not have managed this without the great help provided by the skilled support staff who worked with us over many months to coordinate the flow of emails, phone calls, manuscripts, and other documents between the United States, Canada, and Australia. At Ivey, this includes PhD candidates Dwarka Chakravarty, Yamlaksira Getachew, Max Stallkamp, and Jenny Zhu. However, we would like to offer special thanks to Research Associate Mila Bojic for helping us through the long and arduous revision process.

This eighth edition also represents an important publishing landmark that merits recognition. As mentioned in the preface, we are delighted to be working with Cambridge University Press as our new publisher. To Valerie Appleby, our Commissioning Editor, and Caitlin Lisle, our Development Editor, we offer our grateful thanks not only for your helpful input and continual support, but also for your patience and tolerance through a long and challenging transition process. We look forward to continuing our productive working relationship for many years to come.

Finally, we would like to acknowledge the lasting contribution of our good friend and colleague, the late Sumantra Ghoshal, who passed away in 2004. Sumantra was a founding co-author of this book and left an enduring imprint on the field of

international management and beyond. His wisdom and insights still glow brightly in this volume. But more than his sharp intelligence, we miss his warm, convivial, and energetic company.

Despite the best efforts of all the contributors, responsibility for any remaining shortcomings of the book rests with us. Our only hope is that they are outweighed by the value that you find in these pages and the exciting challenges that they represent in the constantly changing field of transnational management.

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Our thanks also to those reviewers who wish to remain anonymous.