COURSE NUMBER: MBAD 6241  
COURSE TITLE: Global Perspectives  
COURSE DESCRIPTION: This course is designed to introduce a global perspective to the MBA Program. The focus is on identifying differences between the domestic US environment and the international environment, and their implications for management, as well as differences in the organization of institutions across countries.

The course starts at a broad level, raising questions about globalization and its implications, then proceeds to survey the international landscape. The course highlights issues such as political risk, that do not arise (or are of secondary importance) in a US environment. The course seeks to raise as many questions as answers, motivating the introduction of tools such as international management, economics, and finance later in the core of the program.

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LEARNING OBJECTIVES:

1. Ability to recognize and address issues important to managers competing in a global economy.

2. Ability to understand and assess globalization in historical context.

3. Ability to apply an international perspective on institutions in the USA and other countries.

4. Ability to identify principal-agent problems, and contrast approaches taken by different countries to addressing them.
5. Ability to assess the roles of the Multinational Enterprise (MNE) in the global economy, and understand how these theories have evolved.

6. Ability to determine the factors behind managerial decisions related to internationalization (going abroad).

**METHOD OF INSTRUCTION:**
Class sessions will be in a lecture and discussion format, requiring attendance, prior preparation of cases, and in-class participation.

**REQUIRED READING:**
Business paper of your choice (*Financial Times* best [www.ft.com](http://www.ft.com), WSJ OK)

No textbook. Reading material on BLACKBOARD (hereafter, Bb). Cases for purchase: [http://cb.hbsp.harvard.edu/cb/access/11521447](http://cb.hbsp.harvard.edu/cb/access/11521447)

**GRADING:**

- **Group Paper (25%):** One of the KEY differences between international and domestic business is political risk, which is the focus of the group paper. The names of 3-5 group members, and country (or countries) you plan to cover are due to the TA by Session 3 class meeting. The paper is due to the TA by Session 7 class meeting. Details are below and on Bb > Group Paper

- **Examination (50%):** An open-book, open-notes examination will be given covering all course materials (lecture, discussion, readings, cases) **Friday, 9 March, 7:10pm**, location to be determined.

- **In-Class Quizzes (25%):** For the first 20 minutes of class sessions 3, 4, and 6 (weeks of 29 January, 5 & 19 February), there will be a short quiz over the readings and cases. The lowest of these quiz grades will be dropped; thus, no makeup quizzes will be offered regardless of situation.

Note: The MBA Faculty Task Force recommends that the grade distribution of the class have an average of 3.2 to 3.4, and no more than 20% of the class receive a grade of A.

**Disability Services:** Contact the DSS office to establish eligibility and coordinate accommodation

**Grading Inquiries:** Grading inquiries must follow the process outlined in Bb > Syllabus

**Academic Integrity:** Conduct must be in accordance with the GW Academic Integrity Code
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<th>Session</th>
<th>Week</th>
<th>Topic</th>
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<td>1</td>
<td>15 Jan</td>
<td>Course Intro, Globalization</td>
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<td>2</td>
<td>22 Jan</td>
<td>The Multinational Enterprise and Foreign Direct Investment</td>
<td>Quiz 1 on Topic 2 &amp; 3 Group Members &amp; Country Due</td>
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<td>3</td>
<td>29 Jan</td>
<td>Political Risk &amp; MNE -- Host Country Relations</td>
<td>Quiz 1 on Topic 2 &amp; 3 Group Members &amp; Country Due</td>
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<td>4</td>
<td>5 Feb</td>
<td>International Corporate Governance</td>
<td>Quiz 2 on Topic 4</td>
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<td>5</td>
<td>12 Feb</td>
<td>Going Abroad: International Joint Ventures, Alliances, and other Entry Modes</td>
<td>Quiz 3 on Topic 5 &amp; 6</td>
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<td>6</td>
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<td>MNE Strategy and Structure</td>
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<td>26 Feb</td>
<td>Integrative Case</td>
<td>Group Paper Due by start of Class</td>
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<td>9 Mar, 7:10pm</td>
<td>Exam (open book, open notes, etc.)</td>
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GUIDELINES FOR GROUP PAPER ON COUNTRY RISK-ANALYSIS

CONTENT

Approach the analysis as if you were a foreign investor thinking about entering that country (for FDI) for the first time. The paper should present a risk assessment (political, financial, economic) for your country, designed for potential entrants into the country. See Bb>Group Paper for suggestions for information sources to get started.

The structure itself and choice of emphasis are up to the group; it is difficult to specify an exact outline for the papers (since some countries may have more/less public information available, and because we’d like you as MBA students to have some freedom/creativity in what you research); write in a way that flows well and is easy to follow. These are general guiding points.

Start by giving some country background (~1 page) before jumping into the main text/analysis to guide the reader into whatever you are about to address (which should be covered in ~8 pages). Points/claims must be supported by data/figures (tables, graphs, etc., which go in the Appendix). Choose points that are most relevant to your countries, and support your arguments.

Conclude with some recommendations (~1-2 pages) to summarize your findings as well as state your decision (i.e. to invest or not, or to invest only under certain circumstances and/or certain sectors, along with supporting justifications).

FORMAT The papers should consist of:

(i) Executive summary (1-page maximum)
(ii) Text (9 pages maximum, double-spaced, 12-point font, 1-inch margins)
(iii) Appendix with graphs, tables, etc. (including sources) referred to in text, and references

Names of 3-5 group members, and country (or countries) you plan to cover are due to the TA by Session 3 class meeting. Papers are due to the TA by Session 7 class meeting.
Session Outline

I. Globalization

Key topics

What do we mean by globalization? How can it be measured? Is the world globalizing? Globalized? If yes, is globalization good or bad? Who are the winners and losers? What concerns does globalization raise? How does the 21st century compare with past eras of globalization? What does the international landscape look like in terms of nations, companies, and civil society? What are the trends in international trade and foreign direct investment, and what are the drivers? What are the implications for firms? Is it necessary to be global to compete?


Mini-Case: Exxon in Venezuela


II. The Landscape of International Business: MNEs & Foreign Direct Investment

Key topics


Readings: Hill 2009, Ch. 7, Foreign Direct Investment (to p.254)

III. Managing in an International Environment: Institutions, Government – MNE Relations, Political Risk

Key topics

How is the international environment different? What role do governments play in encouraging/discouraging international trade & investment? What is political risk? How should managers think about political risk, and what can they do to cope with it? What are the causes and effects of political risk? What role do institutions play in facilitating or impeding international business?

Readings:  Hill, 2009 Ch 7 (from p.254)


Wells, Protecting Foreign Investors, Harvard Business School Note 9-706-044, 2006


Case:  Talisman Energy: The Decision to Enter Iraq, Case 9B09M035, Ivey School of Business, Univ. of Western Ontario, 2009

Optional background:


IV. The Landscape of International Business: International Corporate Governance

Key topics

Agency Problems. Trends in ownership and control. Relationships between management of the enterprise and its owners and other suppliers of capital. Privatization of state-owned enterprise. Comparative governance: market-centered (e.g., US, UK) vs. bank-centered (e.g., Germany). Business networks and groups. Legal determinants of governance. Executive pay across countries. Governance and minority-shareholder protection. Convergence: Will the world become more like the USA?
**Readings:**


Chakrabarti et al, “Corporate Governance in India” *Journal of Applied Corporate Finance*, Winter 2008

**Case:**

*Royal Dutch/Shell: A Shell Game with Oil Reserves* (A) and (B), Rock Center for Corporate Governance, Stanford, Cases CG-11 and CG-17B, 2008

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**V. Going Abroad: Internationalization Process**

**Key topics**

How/when/why/what size do firms enter foreign markets? Advantages and disadvantages. Full ownership, partial ownership, and non-equity modes (e.g., licensing, exporting). First-mover vs. late-mover advantages and disadvantages. Multinationals from emerging markets as case of latter. Pros and cons of joint ventures and alliances.

**Readings:**

Hill, 2009 Ch. 14, “Entry Strategy and Strategic Alliances”


**Case:**

*BP in Russia: Settling the Joint Venture Dispute*, Ivey School of Business, Univ.of Western Ontario, Case 908M99, 2008
VI. Competition & MNE Strategy and Structure

**Key topics**

What are the key competitive forces in a global environment? What are the generic strategies available to firms competing globally, and do managers choose among them? Organization, monitoring, and control of the MNE. Resource allocation within the enterprise. Relationships between MNE strategy and structure. Role of enterprise culture.

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VII. Integrative Case

BP is one of the world’s largest MNEs. The integrative case focuses on its strategy, and interactions with a host country and government in the aftermath of the *Deepwater Horizon* disaster last year – the USA. Because this case is so recent, additional readings will be assigned as events unfold.

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VIII. Examination