



LAM FAMILY
COLLEGE of BUSINESS
SAN FRANCISCO STATE UNIVERSITY

San Francisco State University
Lam Family College of Business
Undergraduate Curriculum Committee

IBUS 330 – International Business and Multicultural Relations
Undergraduate Curriculum Committee Course Outline

APPENDIX A:
COURSE OUTLINE FOR IBUS 330 – MAY 2, 2014

I. COURSE NUMBER AND TITLE

IBUS 330: International Business and Multicultural Relations

II. COURSE DESCRIPTION

The purpose of this online course is to introduce students to the fundamental concepts, theories and practices of international business and multicultural relations. It provides an overview of relevant international business patterns, with an emphasis on what differentiates international from purely domestic business and what makes it so much more complex. The basic concepts of the main functional areas of business (Management, Marketing, Finance, HRM) are presented in a series of chapters each demonstrating core issues firms face as they internationalize – each showing how firms can deal effectively with the unique complexities the international dimensions bring to the core concepts. Central to the course are the concepts of culture and knowledge. Several chapters are dedicated to the multicultural relations component. The course builds cross-cultural literacy in students, enabling them to understand cultural diversity and the complexities that arise when working across and within cultures – both domestically and internationally. Furthermore, the course will lay the initial foundations for your own global leadership development and possible career in international business.

III. EFFECTIVE DATE

The course coordinator will propose this course outline be ratified at the beginning of the fall 2014 semester. The previous outline was adopted in fall of 2008.

IV. COURSE OBJECTIVES

1. Understand the basic **nature of international business** and what makes it different from and more complex than domestic business.
2. Understand the basic nature of value creation activities via the **value added chain** (VAC).
3. Appreciate the process of **how individual behaviors aggregate** in planned fashion to produce group or firm level actions in firm Value Added Chains (VACs).
4. Understand what **globalization** is, what its causes and processes are; understand what its impact is on various constituencies including the firm, consumers, governments, society, etc.; be able to express the arguments both for and against globalization; appreciate the ever-present forces of global and local pressures on individuals and firms.
5. Understand what **culture** is: understand its basic nature, causes and consequences and its importance to international and domestic business; appreciate the importance of **cultural diversity** both within and across cultures; appreciate the interaction of individuals and groups in forming expectations or **norms for behavior** in particular situations; be knowledgeable as to how these vary across cultures.
6. Understand the nature of the various **complex and interrelated environments** in which firms operate; appreciate the basic differences in social, political, legal and economic systems as well as levels of

economic development of national economies; appreciate their nature, differences and influence on international and domestic business.

7. Understand individual **ethics** and ethical behaviors and their aggregation into **corporate social responsibility** (CSR) in the firm; appreciate the nature of individual thoughtful action and its aggregation into group or firm level actions reflecting societal desires for sustainability of the world's resources and environments.
8. Have an appreciation of **international trade theory**; know its various forms, patterns, history, theories, and effect on international business.
9. Understand the basic dynamics of foreign investment; know the differences between passive **foreign portfolio investment (FPI)** and active **foreign direct investment (FDI)**; appreciate the significance of FDI for both firms and societies affected by internationalization.
10. Understand the basic nature and form of **government intervention** on trade and investment; appreciate the motivations for intervention and understand the methods of government intervention via induced **market imperfections**; appreciate variations in industrial policy and their effect on firm behavior across nations.
11. Understand the basic rationale for **regional economic integration**; know the different forms such integration can take; appreciate the impact of regional economic integration on firms and societies they affect.
12. Understand the basic tenets of **international monetary and financial environments**; appreciate the complexity and impact such systems have on firms and the societies they affect.
13. Understand both domestic and **international strategies**; appreciate the importance of "fit" between firm competencies, structure, and the environments in which firms operate historically and into the future; know the differences among international, multinational, global and transnational strategies.
14. Understand the basic motivations for and the processes of **firm internationalization**; know the various initial **modes of foreign market entry**; understand the rationale for FDI and collaborate strategies firms employ as they increase their level of international involvement in the sourcing, production and distribution of products and services; appreciate the process of evolution firms go through as they progressively internationalize.
15. Understand the basic forms of **organizational structure** firms may take as they internationalize; appreciate the nature and the importance of structure as it relates to core competencies, firm strategy, and the various environments in which firms operate.
16. Understand the critical relevance of effectively managing the firm's **international human resources**; understand the process of global leader development through expatriation and inpatriation (reverse expatriation); appreciate the impact on your own potential career and global leader development; learn what to say when you are tapped on the shoulder and asked: "Are you ready for an international assignment?"

V. COURSE CONTENT

14 Contact Weeks, 1 week for introduction, 1 spring/fall break, 1 finals week

1. WEEK ONE: Chapter one: Introduction to International Business

Chapter one defines international business (IB) and introduces key IB concepts. It describes the "who, what, how, where, and why" of IB. Chapter one also describes how IB affects us all -- firms, governments, nations, and consumers. It demonstrates how international business is far more

complex than “domestic” business. It presents the key players in IB, most notably the large Multinational Enterprise (MNE), as well as the role of numerous smaller multinational enterprises ranging from inexperienced entrepreneurial exporters to far more established firms. Chapter one presents the key activities of international business along with several models for examining the critical strategies, structures and processes firms use. It describes why it is important for students to study IB even if they do not plan an international career. Finally, all chapters in this book spotlight a particular country, presenting major demographics as well as engaging metaphors to see into the nation’s culture: Chapter one spotlights India.

2. WEEK TWO: Chapter two: Globalization and Internationalization of the Firm

This chapter deals with globalization and its critical relationship to International Business. The authors trace the historical antecedents to globalization and discuss the reasons for its powerful growth it has experienced in recent decades. The chapter analyzes the driving forces propelling globalization. Specifically the role central role of technological advances is explored. The societal consequences of market globalization are presented. A key analytical tool, the Value Added Chain is introduced to bring into focus how firm internationalization strategies within the context of globalizing environments. The cultural focus is on the U.S.A.

3. WEEK THREE: Chapter three: The Role of Culture

Chapter three presents a multi-faceted definition of culture, explaining how it develops and evolves as well as how it provides a context for its members to interpret and respond to their environments. It provides tools for measuring differences in culture and explores the implications and challenges such variations present to international managers and firms. The chapter explores several major research paradigms probing the nature and impact of culture on international business. The cultural focus of the chapter is on Japan.

4. WEEK FOUR: Chapter four: The Cultural Environments Facing Business

Chapter four builds upon the cultural concepts presented in chapter three. It deepens our understanding of culture by presenting various methods to analyze the differences exhibited from one culture to the next. It explores the major cultural paradigms researchers have used to explore not only differences across cultures but also change within them. It probes deeply into the cognitive and behavioral factors that influence how business is viewed and carried out in different cultures. The authors show how these analytical tools can facilitate acculturation or successfully cultural adjustment expatriates and other international business people must engage. Practical guidelines for cultural adjustment are given. The country focus of the chapter is on Saudi Arabia.

5. WEEK FIVE: Chapter five: International Human Resources

Chapter five presents the most important information for students aspiring to careers in international, or even “domestic,” business. It begins by examining the importance of strategic congruence between the firm and the management of its most important assets – people, the human assets of a firm. The chapter explores the process of bringing the right people with the right skills and abilities, at the right time and place, to manage the firm’s internationalizing value creation activities. It probes the international selection, training, development and deployment of managers around the globe. Specifically, the chapter addresses the critical process of global leader development through informed expatriation and repatriation processes. The cultural focus of the chapter is on Canada.

6. WEEK SIX: Chapter six: Politics, Law and Business Ethics

Chapter six defines various political systems and their differential impact on international business. It introduces the notion of political risk and describes the challenges it poses for international firms and managers. The chapter also introduces different legal systems international businesses encounter around the world. Additionally, the notion of individual value-driven ethics and their aggregation into

firm-level corporate responsibility is explored. The cultural focus of the chapter is on Vietnam.

7. WEEK SEVEN: Chapter seven: Economics and Emerging Markets

This chapter examines the continuum of economic systems found in international business world environments and explores the challenges they present to international managers and firms. The concept of economic development and different forms for measuring it are introduced. Finally, the chapter examines the vital impact of emerging economies, big emerging markets, and the growing importance of the BRIC nations – Brazil, Russia, India and China – and the opportunities and challenges they present internationalizing firms. The Cultural focus of the chapter is on Russia.

8. WEEK EIGHT: Chapter eight: Theories of International Trade and Investment

This chapter describes the evolution of trade and investment theories and their ability to increasingly explain patterns of trade and foreign investment around the world. Such theories seek to explain why nations and firms trade and invest as they do. It also examines the key concept of comparative advantage and how it affects the internationalization of firm value creation activities. Emphasis is given to the motivation for, and process of, firm internationalization. This chapter's cultural focus is on South Korea.

9. WEEK NINE: Chapter nine: Foreign Direct Investment

Chapter nine examines in detail the lifeblood of international business, foreign direct investment (FDI) and contrasts it to passive portfolio investment (FPI). The chapter explains firm motivations for choosing FDI over other forms of internationalization such as exporting and contractual penetration of foreign markets. It examines the key features of the various types of FDI. Finally, the chapter examines forms of collaboration with other firms. The cultural focus of this chapter is on Germany.

10. WEEK TEN: Chapter ten: Government Influence on Trade

The chapter presents both economic and political rationales for governments entering into the mix and regulating trade and investment. This represents a critical dimension of the environments in which international business takes place. Governments have a big stake in the process – their motivations for intervening in otherwise free trade and investment range from fighting unemployment to protecting “infant industries,” developing their own industrial base and engaging in regional economic integration with other nations. The chapter details the methods governments use to intervene, both tariff and non-tariff based. Knowledge of the motivations for and applications of governmental intervention in trade and investment is critical to successful firm use of appropriate strategies. The cultural focus of this chapter is on Argentina.

11. WEEK ELEVEN: Chapter eleven: International Cooperation among Nations

This chapter examines the process of regional economic integration among nations seeking to enhance both upstream and downstream environments in which firms can rationalize value creation activities and capture economies of scale, scope, and learning. The rationale for and processes integral to such supra-national cooperation are explored. In addition to major regionally integrating blocs such as the European Union (EU), the North American Free Trade Agreement (NAFTA), and others (MERCOSUR, ASEAN, etc.), the chapter explores the role other supra-national agencies such as the World Trade Organization (WTO) play in advancing global integration of the world's economies. The cultural focus of this chapter is on Mexico.

12. WEEK TWELVE: Chapter twelve: The International Monetary and Financial Environment

Chapter twelve explores another critical environmental dimension for international business: the realm of money and finance. The chapter probes both global financial and international monetary systems. It describes exchange rate mechanisms, economic growth, and the roles of central banks, national stock, and bond markets. In addition, the International Monetary Fund (IMF) and the World Bank – two key supra-national organizations with huge impact on nations and internationalizing firms

– are discussed. The cultural focus of this chapter is on China.

13. WEEK THIRTEEN: Chapter thirteen: Strategy and Organization in the International Firm

This key chapter details the various strategies, structures, and control systems firms employ to fit their external environments and internal objectives. It brings into clear focus the relationship between complex international environments and strategic and structural approaches, through key tools such as the International Responsiveness Grid. The chapter examines the appropriateness and dynamics of international (home-replication), multinational (multi-domestic), global, and transnational strategies. Key dimensions of organizational architecture for each are examined with special attention to centralized vs decentralized decision-making. The cultural focus of this chapter is on Sweden.

14. WEEK FOURTEEN: Chapter fourteen: Strategies for Analyzing and Entering Foreign Markets

The chapter presents the processes firms go through to scan their international market environments, analyze potential targets, and then choose an appropriate strategy for penetrating those foreign markets. It examines a spectrum of entry modes ranging from the least risky to the most involved, and from exporting to full foreign direct investment. Specifically, the chapter probes a firm's timing, level of entry, and mode of entry, which can include licensing, franchising, and specialty contracts, as well as types of direct investment including mergers, acquisitions, and greenfield FDI. The cultural focus of this chapter is on Thailand.

VI. PREREQUISITE KNOWLEDGE

Students must have earned 60 credits and be at least a junior. The assumption then is that students will have been exposed to basic concepts covered in basic introductory business courses and other disciplines such as economics, history, etc.

VII. TEACHING METHODS AND MATERIALS

- 1. Methods:** The course is offered completely online, save for the in-person final examination. Core concepts are presented via online audio/video lectures, weekly chapter assignments from the textbook (e-book), weekly online quizzes, an online mid-term examination, content and other supplemental discussion forums online, daily (including nights and weekends) virtual accessibility via e-mail, chat, and forums, and enhanced in-person office hours with Graduate Assistants and the Professor (a total of 31 scheduled office hours per week – see syllabus page one). A unique feature of this large scale (650 to 1200 students starting this fall) online course is the writing component. Currently, every two weeks students submit short (two to three single-spaced pages in APA format) essays answering questions based on the chapter topics presented during the two-week period. Students are permitted revise and resubmit attempts (unlimited) using the Turnitin feature in iLearn. A team of Graduate Assistants work from templates created by the professor to grade the essays. Half of the points are based on grammar, syntax, APA style for the paper and references; the other half is for content. Weekly team meetings are held for several hours on Fridays at the downtown campus where the teams all grade 10 to 15 randomly chosen essays and discuss the grading system and content with the Professor. This is a unique feature of the large-scale, online course. It was been continually revised over the past several years, having moved from 28 one to two page single-spaced essays submitted in paper via a workbook to the current slightly longer essay format for seven essays submitted electronically every two weeks. These “Study Guide Question” essays are augmented by guided online discussion, a supplementary

website based on the Purdue Online Writing Laboratory or “OWL” – with the Professors “Online Writing Help” page which includes not only many OWL-like features, but expanded paper-writing resources and a sample paper written in APA style on the topic of writing a short 15 to 18 double-spaced paper in APA style. The writing focus in the SGQs and their grading with the guided online discussions targets common mistakes made by students in their writing including subjects such as plagiarism – what it is, what forms it takes, and how to avoid it. We have regular, quick success in reducing the incidence of plagiarism and feel this unique feature of the course does a service to both students and faculty in future courses.

2. **Text:** The required E-Course and E-Text together is: *International Business plus NEW MyManagementLab with Pearson E-Text – Access Card Package, 3/e*. The e-text is a compendium of chapters selected from four textbooks on the departmental list of acceptable books. For each chapter the best selection was chosen from the following four texts:

- A. Cavusgil, T, Knight, G, & Riesenberger, J. (2013). *International Business: The New Realities*, 3rd Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall.
- B. Daniels, J., Radebaugh L., & Sullivan, D. (2008). *International Business: Environments and Operations*, 14th Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall.
- C. Griffin, R.W., & Pustay, M.W. (2014). *International Business* 8th Ed. Upper Saddle River, NJ: Pearson/Prentice Hall.
- D. Wild, J.J., & Wild, K.L. (2013). *International Business: The Challenges of Globalization*, 7th Ed. Upper Saddle River, NJ: Prentice Hall.

VIII. GRADING

Current graded activities for spring 2014 are shown below. (See Appendix: Performance Appraisals for all courses over the past five years).

1. Introductory syllabus quiz ...	10 points
2. Personal profile ...	50 points
3. Weekly Quizzes: 14 quizzes, 10 points each	140 points
4. Short Essays: 7 essays, 20 points each,	140 points
5. Midterm examination (Online)	330 points
6. <u>Final examination (In-Person)</u>	<u>330 points</u>
Total	1000 points