



**Brunel**  
University  
London

# **MG5565- International Management**

## **Lecture 1- Introduction to International Management**

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# Teaching team

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# Readings and resources

## Core readings

- Deresky, Helen. 2017. (9<sup>th</sup> Edn.), *International Management: Managing Across Borders and Cultures: text and cases*. Pearson Education. (**Purchase recommended**) (Electronic version available) <https://ebookcentral.proquest.com/lib/brunelu/reader.action?docID=5186007&ppg=8>

## Supplement readings

- Bartlett Christopher A. and Paul Beamish. 2014. *Transnational Management: Text, Cases, and Readings in Cross-Border Management*. McGraw-Hill.
- Rodrigues, Carl. 2009 (3<sup>rd</sup> Edn.) *International Management*. Sage.
- Various journal articles available at UNCTAD, *World Investment Report*. various years.

## For students without business or economics background:

Charles Hill 2017. *International Business: competing in the global market place*. McGraw Hill.

# Module Assessment

- Individual coursework (100%)
- 3000 words: +/-10% excluding references
- Coursework is on BBL now
- Submission deadline: 12:00 noon on Thursday **15th December 2022** via WISEflow
- Coursework template

# Module plan

<b>Lecture 1: Introduction</b>	Introduction to the module Understanding of globalisation
<b>Lecture 2: The political, economic, legal and technological environment</b>	Chapter 1, Deresky text, 9 <sup>th</sup> edition
<b>Lecture 3: Social responsibility and ethics</b>	Chapter 2, Deresky text, 9 <sup>th</sup> edition
<b>Lecture 4: The role of culture in international management</b>	Chapter 3, Deresky text, 9 <sup>th</sup> edition
<b>Lecture 5: The cross-cultural communication environment</b>	Chapter 4&5, Deresky text 9 <sup>th</sup> edition
<b>Lecture 6: Formulating strategy</b>	Chapter 6, Deresky text, 9 <sup>th</sup> edition
<b>Lecture 7: Implementing strategy: small businesses, strategic alliances and emerging economy firms</b>	Chapter 7, Deresky text, 9 <sup>th</sup> edition
<b>Lecture 8: Organization structure</b> <b>Seminar 1: Coursework surgery</b>	Chapter 8, Deresky text, 9 <sup>th</sup> edition
<b>Lecture 9: Headquarters-foreign subsidiary control relationships</b>	Chapter 13, Rodrigues text 3 <sup>rd</sup> edition
<b>Seminar 2: Coursework surgery</b>	
<b>Revision</b>	

# What will be covered in this module?

- **Part 1: the global manager's environment**
  - Political, economic, legal and technological environment
  - Social responsibility, ethics and sustainability
- **Part 2: the cultural context of global management**
  - The role of culture
  - Communicating across cultures
- **Part 3: the management of international and global operations**
  - Formulating strategy
  - Implementing strategy
  - Organization structure and control systems
  - Headquarter-foreign subsidiary control relationships

# **Introduction to International Management**

# Learning Objectives

- **To understand the global business environment**
- **To understand how the global business environment affects the strategic and operational decisions which managers must make**



**To understand the global business environment and how it affects the strategic and operational decisions which managers must make**

# Lets discuss:

- What does International business mean to you?
- What does International management mean to you?
- Two examples of International business?

# What Is Globalization?

- **What is globalization?**
  - The process by which organizations start functioning on an international scale or develop their international effect
  - Global competition characterized by networks of international connections that bind countries, institutions, and people in an interdependent global economy.
  - The shift toward a more **integrated** and **interdependent global** economy

# Global Trends

## Five key global trends:

- Changing balance of growth towards emerging markets
- Need for increased productivity and consumption in developed countries
- Increasing global interconnectivity
- Increasing gap between supply and demand of natural resources
- Challenge for governments to develop policies for economic growth and financial stability

# Challenges to Globalism

- Backlash against capitalism and rekindling of nationalism
- Increased protectionism of high-demand resources
- Need to develop top managers with international understanding and experience
- Increasing pressure and publicity for companies to consider the social responsibility of their actions

# Effects of Globalization on Corporations

- Global companies are becoming less tied to specific locations
- Companies that desire to remain competitive will have to develop a team of experienced international managers
- Small companies are also affected by and in turn affect globalism

# The Globalization of Human Capital

- While firms still offshore manufacturing jobs, some are reshoring jobs to lower shipping costs
- Firms are outsourcing white-collar jobs to other countries such as India
- For global firms, winning the war for talent is a pressing issue

# Regional Trading Blocs

- agreements between governments and countries to manage, maintain, and promote trade between the member countries (part of the same bloc).
- Economic agreements to reduce and remove tariff and nontariff barriers
- Free flow of goods, services, and factors of production
- Trade blocs continually expand their borders to include neighboring countries
- Much of today's world trade takes place within these three regional free-trade blocs:
  - > Western Europe, Asia, and the Americas



# Regional Economic Groups

- Free Trade Area
- Customs Union
- Common Market
- Economic Union
- Political Union

- **FTA:** The most basic form of regional economic group is the free trade area (FTA), which involves an agreement between countries that commits to removing all barriers to trade of goods and services among the member countries.
- A **customs union** refers to an agreement between countries that involves the removal of all barriers to the free flow of goods and services between member countries and establishment of a common trade policy with non-member countries.

- A **common market** refers to an agreement between a group of countries that commit to the removal of all barriers to the free flow of goods and services, as well as factors of production—such as the free movement of labour and capital between member countries.
- An **economic union** describes a deeper level of economic integration between member countries compared with a common market, customs union, and free trade area.
- The deepest level of economic integration is the **political union**, which consists of a central political system that directs and oversees economic, social, and foreign policies of the member states.

**Thank you for your contribution  
and  
all the very best**