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New Books Analyze International Dynamics in New Ways

New books from two School of Management (SOM) professors in the Organizations, Strategy and International Management area are attracting a good deal of academic attention.

Global Strategy (South-Western College Publishing, 2006), written by Mike W. Peng, Ph.D., Provost's Distinguished Professor of Global Strategy, is a best-selling textbook on the subject. The book broadens the definition of global strategy beyond the scope of multinational enterprises, providing, as South-Western says, “in-depth and consistent explanation of cutting-edge research” and engaging methodology.

Culture and Demography in Organizations (Princeton University Press, 2005), co-written by J. Richard Harrison, Ph.D., associate professor of organizations, strategy, and international management, examines how corporations and other organizations maintain and transmit their cultures over time.

Dr. Peng's *Global Strategy* not only explores the foreign side of conducting international business but also examines how domestic firms compete against each other and against foreign entrants.

“Historically, most of the non-global strategy research relied on Michael Porter's five forces theory,” Dr. Peng says. It “basically says that you have a diversity

of strategy by firms around the country, depending on the dynamics and difference within any given industry, or [on] the resource-based school of thought,” explains Dr. Peng.

“The most interesting finding in the research I've been doing is the realization that institutions matter, that institutions are the rules of the game. In my view, global strategy research is adding a third leg to the strategy tripod.”

Because Michael Porter was working in the U.S. economy, he could say that government really doesn't matter because regulations are generally consistent throughout the country, Dr. Peng notes.

“But if you go outside the United States, even in fairly familiar ground such as Canada and Mexico, regulations are very different; and [that is] multiplied if you are doing business in China, Russia or India,” he says. “If you are a Dallas company, for example, and you are trying to do business in the Middle East, you have to know the

rules of the game there — from formal laws and regulatory systems to informal norms and values — or you will be flying in total darkness.”

In *Culture and Demography in Organizations*, Dr. Harrison and co-author Glenn R. Carroll, Ph.D., the Laurence W. Lane Professor of Organizational Behavior and Change at Stanford University's Graduate School of Business, introduce a new analysis based in mathematical

tools and computer simulation.

In the book, the scholars base their analysis on a formal model with three components: hiring, socialization and employee turnover. In exploring the model's implications through computer-simulation methods, the authors cover topics such as organizational growth and decline, top management teams, organizational influence networks, terrorist organizations, cultural integration following mergers, and organizational failure. For each topic, they identify the conditions influencing cultural transmission.

“By changing parameters in the simulation program — such as cultural selectivity in hiring, the socialization influence of management relative to co-workers, the level of turnover and its sensitivity to cultural fit, and the rate of growth or decline in the size of the organization — we are able to examine an organization's cultural behavior under different scenarios,” Dr. Harrison explains. “For example, we can use different combinations of parameter settings to examine differences in Japanese and American organizations. Compared to American firms, Japanese firms tend to be more selective in hiring, to put more emphasis on socialization by management and to have lower turnover rates.”

Professor Liebowitz Delivers Keynote Address at Innovation Conference in Malaysia

UTD School of Management (SOM) Professor Stan Liebowitz, Ph.D., delivered the keynote address last November at a conference in Malaysia on the convergence of information systems and business.

Dr. Liebowitz, professor of managerial economics and director of SOM's Center

