

11th

Iberian International Business Conference



Book of Abstracts

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Porto, Portugal



CATÓLICA PORTO
SCHOOL OF ECONOMICS AND MANAGEMENT

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Foreward

WELCOME



On behalf of the 11th Iberian International Business Conference organizing committee, it gives me great pleasure to welcome you all to this year's conference, hosted by the School of Economics and Management of the Catholic University of Portugal (Porto). Hosting international conferences such as this one is a key element role in our intention to foster internationally significant and influential research and strengthen our active role in the international scientific community.

This year's conference theme is **"Iberian Diaspora and internationalization processes"**.

Diaspora is a concept associated with a large group of people exiting their home country to live abroad and, therefore, is normally associated with adversity and difficulties at home. However, we have been witnessing the emergence of a more positive facet of this phenomenon, with the identification of a stream of economic advantages resulting from nationals living and working abroad. Remittances, contribution to inward foreign direct investment, financing entrepreneurship in the home country, building networks of knowledge and technology transfer, providing business intelligence about foreign markets, access to valuable local resources and instruments of cultural diplomacy are but a few of the potential gains. These benefits explain why firms, governments, foreign trade agencies and international development institutions started to pay more attention to Diasporas as an important resource for international competition, growth, development and diplomacy.

This conference provides a privileged forum to discuss this theme, building on your latest research on such an important subject. The number of papers submitted to this year's conference attest the interest the topic raises among academics. Research papers using interdisciplinary approaches were also received thus displaying the importance of the topic across scientific fields.

Several papers on traditional IIBC topics, related to Multinationals, Foreign Direct Investment, Internationalization and Exporting, both by large as well as by SMEs, were also received. And although, as a general rule some papers focus on the cases of Portugal and Spain, other cases/countries were also received.

The 11th IIBC would not have succeeded without help of The School of Economics and Management of the Catholic University which supported this initiative since the first minute, providing all the conditions for the organization of this event. In particular we would like to thank the invaluable contribution of Leonor Sopas in the scientific organization of the event. I would also would like to thank the administrative assistant for research Mara Carvalho and the communication assistant Luís Peixoto for their helpful work in a tight time schedule. Special thanks should also be addressed to all the reviewers. All sponsors were also key in supporting this event. Last but not least, a special word of acknowledgement should be addressed to our guest speaker, Maria Elo, for providing very useful insights on Diasporas.

We believe this conference can be considered as an important instrument to strengthen the cooperation among Iberian International Business researchers and to build an increasingly active research community. We hope you have considered this meeting as a great opportunity to share with us your research and your time and, therefore, I wish you all a very good conference and an enjoyable stay in Porto!

Susana Costa e Silva
Conference Chair & Head of Scientific Committee

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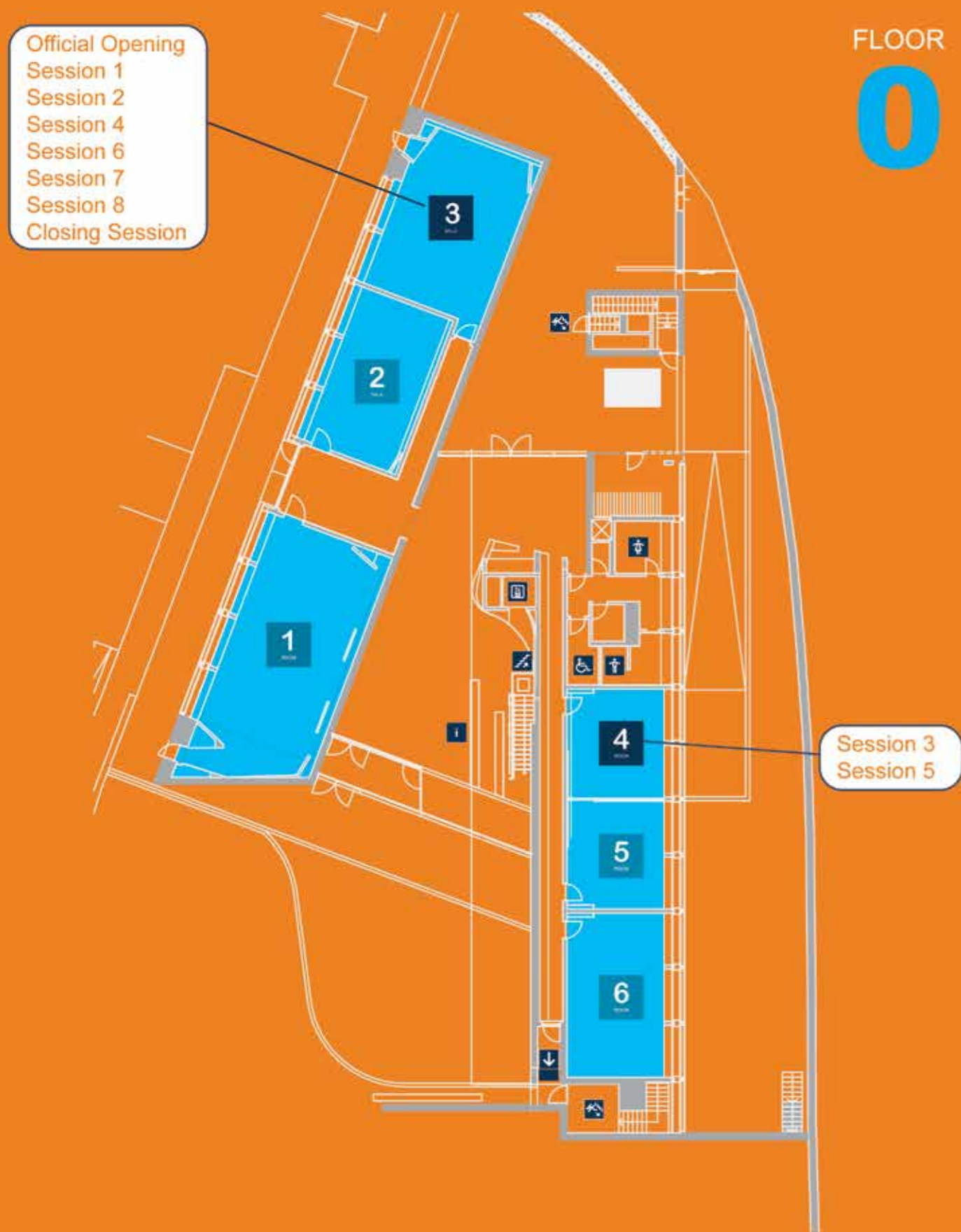
Friday, 2nd October

08:30-08:45	Registration	
08:45-10:00	Official Opening (Room 3) Sofia Salgado (Dean of the School of Economics and Management); Susana Costa e Silva (Head of Scientific Committee); Maria Elo (Guest Speaker)	
10:00-11:15	Session 1 - Diaspora (Room 3) Elo, Maria; Leinonen, Johanna - <i>INTERNATIONALIZATION DYNAMICS OF INDIVIDUAL LIVES - ENTRY AND EXIT BEHAVIOR OF HIGHLY SKILLED MIGRANTS.</i> López-Duarte, Cristina; Vidal-Suaréz, Marta Maria; González-Díaz, Belén - <i>A BIBLIOMETRIC STUDY OF MOST INFLUENTIAL AUTHORS IN EXPATRIATE MANAGEMENT AND NATIONAL CULTURE RESEARCH.</i> Borici, Ardita; Gavoci, Mirela - <i>THE IMPACT OF REMITTANCES ON HOUSEHOLDS' WELL-BEING: EVIDENCE FROM ALBANIA.</i> Elo, Maria; Silva, Susana Costa e - <i>THE ROLE OF SATISFACTION ON LABOR DIASPORA DYNAMICS - AN ANALYSIS OF ENTRY AND EXIT OF PORTUGUESE NURSES.</i>	
11:15-11:45	Coffee Break	
11:45-13:00	Session 2 - Foreign Direct Investment (Room 3) Liu, Guangyan; Hensmans, Manuel - <i>DYNAMICS OF CHINA'S OUTWARD FOREIGN DIRECT INVESTMENT IN THE EU: THE PERSPECTIVE OF REGIONAL OPPORTUNISM, INDUSTRIES AND POLITICS.</i> Figueira-de-Lemos, Francisco - <i>THE CONTROL OF FOREIGN OPERATIONS: REASSESSING COASE'S INFLUENCE ON HYME R'S THESIS.</i> Liu, Guangyan - <i>A FIRM-LEVEL ANALYSIS OF INVESTMENT PREFERENCE, GEOGRAPHIC DIVERSIFICATION AND OWNERSHIP COMBINATION.</i> Ferreira, Manuel Portugal; Reis, Nuno Rosa; Pinto, Cláudia Frias - <i>THE FOOTPRINT OF TWO DECADES OF RESEARCH ON EMERGING ECONOMIES: A CITATION AND CO-CITATION REVIEW.</i>	Session 3 - Branding & Cross Cultural Management (Room 4) Inácio, Nicole; Crespo, Cátia Fernandes - <i>THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ACTIONS ON CONSUMERS' PERCEPTIONS TOWARDS GLOBAL BRANDS.</i> Alarcón-Del-Amo, María-Del-Carmen; Casablanca-Segura, Carmen; Llonch-Andreu, Joan - <i>ANTECEDENTS AND CONSEQUENCES OF STAKEHOLDER ORIENTATION IN SPANISH PUBLIC UNIVERSITIES.</i> Madaleno, Ana; Eusébio, Celeste; Varum, Celeste Amorim - <i>EXPORTS AND TOURISM: TESTING THE CAUSALITY.</i> Machado, Joana César; Carvalho, Leonor Vacas de; Torres, Anna; Costa, Patrício - <i>BRAND LOGO DESIGN: EXPLORING CONSUMER RESPONSE TO NATURALNESS ACROSS CULTURES</i>
13:00-14:30	Lunch at CPBS Restaurant	
14:30-15:45	Session 4 - Internationalization & Family Business (Room 3) Silva, Susana Costa e; Wegner, Douglas; Campos, João Moreira de; Rossi, Greice De - <i>NETWORKING FOR INTERNATIONALIZATION: THE CASES OF VITROCRISTAL (PORTUGAL) AND WINES OF BRASIL (BRAZIL).</i> Meneses, Raquel; Avrichir, Ilan; Santos, Agnaldo - <i>THE IMPACT OF NON-FAMILIAL MANAGEMENT IN INTERNATIONALIZATION</i> Pérez, Carlos Bellido; Alesón, Marisa Ramirez - <i>IMPORTS AND EXPORTS: THE CASE OF FAMILY FIRMS.</i> Castro, João Alvim de; Meneses, Raquel - <i>INTERNET IMPACT ON "FAMILY" SME'S PROCESS OF INTERNATIONALIZATION</i>	Session 5 - Internationalization & M&As (Room 4) Santos, João Carvalho; Karl-Barandas, Hortênsia; Martins, Francisco Vitorino; Ferreira, Manuel Portugal - <i>THE PSYCHIC DISTANCE HAZARDS IN CROSS-BORDER MERGER AND ACQUISITION PERFORMANCE: AN EMPIRICAL STUDY OF CROSS-BORDER MERGERS AND ACQUISITIONS FROM 26 COUNTRIES.</i> Reis, Nuno Rosa; Carvalho, Fernando; Ferreira, José Vasconcelos - <i>CROSS-BORDER MERGERS & ACQUISITIONS: A BIBLIOMETRIC REVIEW AND FUTURE RESEARCH AVENUES.</i> Varum, Celeste Amorim; Madaleno, Mara; Faustino, Deise - <i>INTERNATIONALIZATION AND HOW IT IMPACTS OVER FIRMS' CAPITAL STRUCTURE.</i> Santos, João Carvalho; Karl-Barandas, Hortênsia, Martins, Francisco Vitorino - <i>MANAGERS' PERCEPTIONS OF PSYCHIC DISTANCE AND THE PERFORMANCE OF CROSS-BORDER MERGERS AND ACQUISITIONS: A COMPARATIVE CASE STUDY OF FIVE PORTUGUESE FIRMS</i>
15:45-16:15	Coffee Break	

16:15-17:30	Session 6 - MNEs Management & Innovation (Room 3) Ávila, Henrique de Azevedo; Rocha, Angela da; Silva, Jorge Ferreira da - <i>THE RELATIONSHIP BETWEEN PERCEIVED POLITICAL RISK, CULTURAL DISTANCE, AND FIRM INTERNATIONAL EXPERIENCE: A STUDY WITH BRAZILIAN FIRMS.</i> Durán-Herrera, Juan José; Garcia-Cabrera, Antonia Mercedes; López-Duarte, Cristina - <i>SUB-NATIONAL INSTITUTIONS AS DETERMINANTS OF THE MNE'S LOCATION DECISION: UNDERSTANDING THE GEOGRAPHY OF SPANISH FDI IN USA.</i> Simões, Vitor Corado - <i>PARADOX: NEW LENSES TO UNDERSTAND INNOVATION IN MODERN MNES</i> Morais, Ricardo - <i>CRITICAL REALIST CASE STUDIES OF FOREIGN SUBSIDIARY DEVELOPMENT</i>
19:00-...	Visit to Casa da Música
20:30-...	Dinner at Terreia Restaurant (Near Casa da Música)

Saturday, 3rd October

09:00-10:15	Session 7 - International Entrepreneurship (Room 3) Aurélio, Diana; Crespo, Nuno Fernandes - <i>THE RELEVANCE OF ENTREPRENEURS' PERSONALITY CHARACTERISTICS FOR NEW VENTURES' INTERNATIONALIZATION.</i> Ioanid, Alexandra - <i>ENTREPRENEURSHIP AND LEADERSHIP SKILLS WITHIN DIASPORAS: ROMANIAN VERSUS PORTUGUESE DIASPORAS.</i> Pinho, José Carlos; Thompson, Douglas - <i>INSTITUTIONAL FRAMING FOR ENTREPRENEURSHIP: A COMPARATIVE ANALYSIS BETWEEN A SUB-SAHARAN COUNTRY AND A SOUTHERN EUROPEAN COUNTRY</i>
10:15-10:45	Coffee Break
10:45-12:00	Session 8 - Determinants of FDI (Room 3) Ferraz, Paulo Reis; Crespo, Cátia Fernandes - <i>THE INFLUENCE OF CORRUPTION ON FOREIGN DIRECT INVESTMENT: THE PORTUGUESE CASE.</i> Oliveira, Pedro; Forte, Rosa - <i>LABOUR MARKET FLEXIBILITY AND FDI ATTRACTION: A MACROECONOMIC ANALYSIS</i> Veiga, Pedro Mota; Ferreira, João J. - <i>NATIONS COMPETITIVENESS: THE PORTUGUESE CASE.</i> Dávila-Vargas-Machuca, M ^a Angustias; Durán-Herrera, Juan José - <i>EXCHANGE RATE AND FOREIGN DIRECT INVESTMENT: A REVIEW OF THE RECENT THEORETICAL EMPIRICAL CONTRIBUTIONS (2001-2015)</i>
12:00-12:30	Closing Session (Room3) Susana Costa e Silva (Head of Scientific Committee); Juan José Durán-Herrera (Scientific Committee); Vitor Corado Simões (Scientific Committee)
13h00-...	Lunch at Treze%



Sessions chairs

The main function of a session chair is to ensure that the session runs according to the timetable – 15 minutes for each paper, so that the available time is correctly allocated among the different presenters. The session chair should be prepared to intervene by asking the first question and/or by enhancing the overall discussion. In each room there will be 5 – 3 – 1 minute signs to be used by the chair to assist presenters in keeping to their time limit.

Presenters

Accepted papers must be presented by one of the paper's authors according to the final schedule. We have reserved 15 minutes for each paper which means that the presentation itself may last approximately 10 minutes and then there are 5 minutes for discussion. The session chair will keep track of the time.

Alarcón-Del-Amo, María-Del-Carmen; Casablanco-Segura, Carmen; Llonch-Andreu, Joan

ANTECEDENTS AND CONSEQUENCES OF STAKEHOLDER ORIENTATION IN SPANISH PUBLIC UNIVERSITIES.

This study, based on institutional theory, dynamic capabilities and stakeholder theory, investigates the antecedents and the consequences of responsive and proactive stakeholder orientation (RSO and PSO) in the public university context. No previous research has empirically investigated the key antecedents of RSO and PSO in public universities. Also, the influence of RSO and PSO on the performance of higher education institutions (HEI) has not been investigated, so no previous research has studied the relationship between stakeholder orientation and public universities' performance. Additionally, although the concept of HEIs' latent needs has received some theoretical comments, no empirical proposal exists regarding PSO behaviour in the HEI context. Thus, in the present research we attempt to fill all these important research gaps.

The research is based on a survey among public university managers (as rectors, vice-rectors, deans, heads of departments, managing directors, etc.) as a unit of analysis, because they are responsible for the university strategies related to their main missions: teach, research and transfer of knowledge. The target population is made up of all managers of the 48 Spanish public universities, totaling 7,130 individuals. Data were collected using an online questionnaire sent to all these population. 795 valid questionnaires were returned, which means an 11.15% valid response rate.

We test then the hypotheses using covariance-based structural equation modelling (SEM). The results obtained mainly stresses that the mimetic effect on copy successful university actions, university top manager's emphasis on both stakeholder orientations and a better communication among managers from different university structures have positive effects on a RSO and PSO. Moreover, the results suggest that more responsive or/and proactive stakeholder oriented universities obtain a better organizational performance in terms of beneficiary satisfaction, acquisition of resources and reputation. Furthermore, the findings show that, to achieve some important university performance goals as reputation, a responsive stakeholder orientation is not sufficient, thus a proactive stakeholder orientation is also needed.

Additionally, our study contributes to the literature by validating the construct scales of a RSO and/or a PSO of public universities, and the key constructs of their main antecedents and consequences. Our findings confirm the claim that RSO and PSO, although related, are theoretical distinct constructs.

From a practical perspective, this study suggests that, in order to enhance the RSO and PSO of their institutions, university managers should be acting especially on the emphasis shown to SO, on fostering the cohesion among the different university structures, on reducing as much as possible the level of complexity of the university organization and on trying to imitate the proper stakeholder oriented behaviours of other public universities.

Furthermore, our results should encourage policy-makers to transform these institutions bearing in mind that both, RSO and PSO, could become important sources of competitive advantage. In this line of reasoning we

suggest governments the need to establish policies that encourage the implementation of university strategies oriented to their stakeholders, in order to break the current scenario of their public universities. Also, in sight of these results, we encourage governments to promote the implementation of proactive strategies among public universities as a way to improve the reputation of such institutions.

Aurélio, Diana; Crespo, Nuno Fernandes

THE RELEVANCE OF ENTREPRENEURS' PERSONALITY CHARACTERISTICS FOR NEW VENTURES' INTERNATIONALIZATION

International Entrepreneurship (IE) has its origins from international business and entrepreneurship research. Nevertheless, in the last decades, it has been addressed within a more specific scope due to its complexity. Several studies contributed to a greater understanding of the IE concept, however the literature demands the need for a more integrated framework distinguishing domestic and international new ventures (DNVs vs. INVs). The present study analyzes the influence of the entrepreneur's personality and entrepreneurial characteristics on the firm characteristics and the influence of the latter on internationalization. Therefore, this research attempts to accomplish the following objectives: i) to develop a well-structured framework for the internationalization process of new ventures; ii) to identify entrepreneurial characteristics at the individual and firm level relevant to internationalization; and iii) to distinguish INVs from DNVs regarding the entrepreneurial mindset. The hypotheses were tested through a survey data (using 4.193 responses) combined with secondary data provided by eInforma Dun & Bradstreet database for Portuguese INVs and DNVs founded between 2004 and 2013. The results provided empirical support for the relationships between several entrepreneur's personality characteristics (such as conscientiousness, openness to experience, extraversion, need for achievement and risk perception) and entrepreneurial characteristics (individual entrepreneurial intent, individual entrepreneurial orientation and entrepreneurial alertness). Additionally, an association was found between individual entrepreneurial orientation and individual entrepreneurial intent. There was also empirical support for relationships between individual entrepreneurial characteristics and the firm's entrepreneurial orientation and international orientation. Furthermore, international orientation was positively related to the type of venture (international vs domestic) and the firm's export percentage. The present research provided a different level approach highlighting the role of the entrepreneur whose personality and entrepreneurial characteristics are determinant to the firm's identity and its internationalization.

Keywords: *international entrepreneurship; domestic new ventures; international new ventures; entrepreneurs' characteristics; personality characteristics; internationalization.*

Ávila, Henrique de Azevedo; Rocha, Angela da; Silva, Jorge Ferreira da

THE RELATIONSHIP BETWEEN PERCEIVED POLITICAL RISK, CULTURAL DISTANCE, AND FIRM INTERNATIONAL EXPERIENCE: A STUDY WITH BRAZILIAN FIRMS.

Political risk, cultural distance, and firm international experience are three popular constructs in the International Business literature, appearing in several theories and empirical studies. They are believed to be closely related to how MNEs take decisions concerning market selection, market commitment, entry modes, exit decisions, and many others. Nevertheless, the extant literature covering these subjects presents conflicting and ambiguous results. In addition, some studies have shown that these constructs may have an interactive impact on foreign investment decisions. This paper examines the interrelationships of these constructs in a sample of 165 subsidiaries of Brazilian MNEs, or 40% of the target population. The data was collected using a structured, self-administered questionnaire sent to the total population of Brazilian MNEs. The questionnaire was posted in the internet or sent by email. The model was tested using structural equations modelling. Although the model presented good fit, two of the research hypotheses were rejected. The hypothesis of an impact of cultural distance on the perception of political risk of a given country was empirically supported in the study. The sign of the relationship was negative, suggesting that a higher perception of cultural distance was associated to a lower perception of political risk.

Borici, Ardita; Gavoci, Mirela

THE IMPACT OF REMITTANCES ON HOUSEHOLDS' WELL BEING: EVIDENCE FROM ALBANIA.

This study analyzes the determinants of remittances and the impact the behavior of Albanian migrants toward remittances from a microeconomic perspective. Remittances expressed as percentage value of Albania's GDP have decreased through the last years but they have never been lower than 8.3%. This fact makes Albania one of the most potential receivers of remittances in Europe. The paper uses a large nationally-representative household survey from Albania to analyze how the receipt of international remittances affects the well-being level of the households. The welfare level is measured by the extent of the subjective self-assessment of the same households. The propensity score matching approach is applied for this research.

The results indicate that the Albanian households involved in different economic activities are more likely to be economically independent. Additionally, families with higher number of females are focused on the presence of remittances as they are considered strong protective instruments of their well-being. We also conclude that households with the presence of remittances perceive having a better life in comparison with households that do not receive remittances. The same group reflects the conviction that has been able to experience more improvement in their well-being level when compared to the households that did not receive remittances.

Keywords: *migration, remittances, propensity score matching, well-being, Albania*

Castro, João Alvim de; Meneses, Raquel

INTERNET IMPACT ON "FAMILY" SME'S PROCESS OF INTERNATIONALIZATION

The scope of this study is to focus on World Wide Web (Internet) impact on SME's process of internationalization, described as the "outward movement in a firm international operation" (Welch & Luostarinen, 1988, p.36). More specifically, the objective is to analyse this movement at several levels on "Family SME's" and the usage of the Internet to promote international business.

Definitely accepted by all, Internet it is a strong engine for internationalization (Bell & Loane, 2010), reinforced by geopolitical changes such as the creation of the European Union, and the emerging economies of Eastern Europe and Asia that burst the scene with tremendous energy and determination to become a force in international business.

All these events were determinant factors for the creation of the current Global Market, (Gilpin, 2010), where firms competes, 24 hours a day, 7 days a week, 365 days a year.

This process of internationalization is referred by many authors as the "internetization" (Moskovkin & Savchenko 2008, Abouzeedan, 2013) to the process of increasing adoption, diffusion, and deployment of internet-based technologies and processes that increasingly serve as the back bone of internationalization (Etermad, H. et al. 2010).

How did the Family firms used the Internet potential to increase or launch the internationalization process, and coped with these new challenges, knowing that market settings are different, there are new rules and laws (Marsden, 2007), requirements and approaches are specific?

The methodology that is being used at this stage for researching is a qualitative exploratory approach (Stebbins, 2001), supported by a "Multi case study", and the process of building theory from case study research, (Eisenhardt, 1989).

"In-depth interview" are being done to managers and other persons involved with Family firms and also "survey questionnaires" to enlarge the sample and get some quantitative data.

At this point of the study there is no final conclusions, the research is on going, and is part of PHD thesis to be presented at the Faculty of Economics, University of Porto.

On this document it will be presented the literature review that is being done, and some discussions about the topic.

Dávila-Vargas-Machuca, M^a Angustias; Durán-Herrera, Juan José

EXCHANGE RATE AND FOREIGN DIRECT INVESTMENT: A REVIEW OF THE RECENT THEORETICAL EMPIRICAL CONTRIBUTIONS (2001-2015)

Since the collapse of Bretton Woods currency arrangements (1971-1976), the coexistence of large and sudden movements in the exchange rates (ER) and great and intense surges of foreign direct investment (FDI) at the same time in different economies have motivated the development of a literature about the linkage between both variables. The objective of this paper is to present, in a critic way, the current state of the research concerning the influence of the exchange rate variability on the foreign direct investment flows, reviewing shortly the main theoretical empirical models (with ambiguous predictions and few conclusive results) and paying special attention to the latest contributions that have considered the need to introduce new elements that condition this effect. The methodological approach is based on the classification of the ways to measure the exchange rate: levels, expectations and volatility and, with this base, we deepen into the latest contributions around three new lines of research: investment opportunities in third countries, heterogeneity in FDI motive and synthesis and unification of models, as an answer to the new elements incorporated into the research agenda. The main results of traditional literature suggest that host currency depreciations, appreciations expectations and lesser volatility have positive impact on host FDI inflows, but the strong heterogeneity of empirical research has reflected the distance with theoretical models, showing the theoretical ambiguity. During the two last decades a new empirical impulse has emerged through the incorporation of new operational features of the multinational corporation (MNC) allowing to improve the results and to get a greater degree of reconciliation between theory and evidence. Furthermore, the last applied studies have changed the geographic setting from developed countries to developing countries, reflecting the new stylized facts and developments in this field.

Keywords: *exchange rate, foreign direct investment, theoretical and empirical review of exchange rate on foreign direct investment.*

Durán-Herrera, Juan José; Garcia-Cabrera, Antonia Mercedes; López-Duarte, Cristina

SUB-NATIONAL INSTITUTIONS AS DETERMINANTS OF THE MNE'S LOCATION DECISION: UNDERSTANDING THE GEOGRAPHY OF SPANISH FDI IN USA.

Based on the Institutional Theory, this research proposal aims at examining the influence of subnational institutions on MNEs' decisions relative to subsidiaries' location within the host country. In particular, we aim at analyzing location decisions by Spanish MNEs in the USA. This proposal presents the theoretical framework, as well as descriptive information relative to the dataset gathered by the authors comprising 551 Spanish subsidiaries located in 36 different states, 134 counties, and 298 locations at zip code level in the USA. Intra-country differences in normative institutions are approached by differences in distribution of ethnicity, language, and race; cognitive institutions are approached by the agglomeration in a given location of compatriot MNEs and compatriot MNEs competing in the same industry; and regulative institutions by the existence of favorable frameworks aimed at increasing firms' competitiveness and/or markets' attractiveness for foreign investors. Through a cluster analysis 4 different groups of zip codes are identified showing distinctive features in terms of normative, cognitive, and regulative institutions.

Keywords: *Institutions, FDI location, subnational institutions, ethnic, agglomeration*

Elo, Maria; Silva, Susana Costa e

THE ROLE OF SATISFACTION ON LABOR DIASPORA DYNAMICS – AN ANALYSIS OF ENTRY AND EXIT OF PORTUGUESE NURSES.

Psychology and management has acknowledged the effect of satisfaction, but in diaspora research the role that satisfaction plays in international mobility is understood mainly on economic macro-level. However, when labor diasporas, economic clusters and other hot spots emerge, they are not following only economic indicators but also individual level drivers. International migration consists of mobile individuals who decide when and where to enter and why to leave while the infrastructure and institutional framework provide the settings for their decision making and comparison. Pull and push forces have been identified, but their explanatory power is more dominant during the pre-and nascent phases of migration. A good example of this movement is Portugal, a peripheral European country, recently intervened by IMF that suffered the deepest effects of Great Financial Crisis (GFC), namely in a specific professional group: nurses. What makes Portuguese nurses to leave their country and become labor diaspora and stay labor diaspora? This explorative qualitative study is among the first that focuses on the role of satisfaction and its effects on labor diaspora mobility and stability. The findings illustrate that satisfaction relates to good working conditions and wages, but also to the possibilities to communicate with locals and other diasporans, and to the family situation. When this perceived satisfaction is lower than the expected satisfaction after migration the probability of migration is high, but when the difference is inexistent or negative migration will not take place.

The study contributes to the discussion on contemporary labor diaspora and brain circulation. It provides in-depth understanding to the dynamics of this form of labor diaspora from empirical research and provides propositions and suggestions for future research.

Keywords: *Satisfaction, labor diaspora, expatriates, pull factor, push factor, entry, exit, Portugal, nurses*

Elo, Maria; Leinonen, Johanna

INTERNATIONALIZATION DYNAMICS OF INDIVIDUAL LIVES - ENTRY AND EXIT BEHAVIOR OF HIGHLY SKILLED MIGRANTS.

An increasing number of highly skilled individuals are leading internationally mobile lives. The decision to become a “diasporan” is expected to be driven by potential for career development and economic opportunities. While scholars have focused on their individual career paths they have left the family context of the highly skilled individuals mainly unexplored. Moreover, research has focused on migration flows from the Global South to the Global North representing high economic asymmetry. This paper explores the dynamic processes through which elite male diasporans enter and exit diaspora life within the Global North sphere and, more specifically, what kind of a role family ties play in different life phases of the mobile individuals. This is a qualitative case study based on personal interviews and it has an exploratory design. We analyze migratory and employment/entrepreneurship decisions of highly skilled men residing in Finland and their personal life-cycle trajectories. Through life-stories of five individual men we highlight the importance of researching highly-skilled men as part of their family networks. The male diasporans chose occupational uncertainty and adventure instead of a more secure career path because of their relationship to a Finn. Also other family considerations, such as children’s education, played a crucial role in decisions to migrate or stay put. The findings imply that the logics of rich-to-rich diaspora are different from diasporas stimulated by economic inequalities as here the economic drivers are less significant than expected. The results imply that companies and governments need to pay attention to family situations of potential employees and foreign resources, if they wish to attract highly-skilled migrants and employ their resources efficiently. This dynamism also requires flexible institutions to support prosperity and resource employment and allow planning of career building as highly skilled individuals whether employed or as entrepreneurs. The findings illustrate that the life cycle planning is of relevance to this planning and that the role of family ties may be particularly strong during the time when marriage plans are made and when childrens’ schooling is relevant. The paper is the first one to discuss male rich-to-rich diaspora and its dynamics and it points out the importance of non-economic drivers in decision making.

Keywords: *Highly skilled migrants, male migrants, diasporic life, entry, exit, family ties, entrepreneurs*

Ferraz, Paulo Reis; Crespo, Cátia Fernandes

THE INFLUENCE OF CORRUPTION ON FOREIGN DIRECT INVESTMENT: THE PORTUGUESE CASE

The following paper analyzes the Foreign Direct Investment (FDI), made and received by Portugal, in the 2009-2012 period. The main focus of this study is the relationship between the Corruption and the FDI, having in consideration the influence of other variables identified in the literature as determinants of FDI. The variables that represent the Bureaucracy and the Economic Freedom are analyzed as well as determinants of Corruption.

The analysis is focused on FDI flows made and received by Portugal with 55 countries. The hypotheses were tested using secondary information sources. Structural equation modelling (SEM) was used in the software PLS (Partial Least Squares).

The results showed that the Corruption had a significant and negative effect on the FDI received by Portugal, in the period of study, but it had no effect on the FDI made by Portugal. The Population and the Physical Distance also affected significantly the FDI that was made and received by Portugal, in the period of 2009-2012. The variables Power Distance, Individualism vs Colectivism, Masculinity vs Femininity, Level of Bureaucracy, Long-Term Orientation vs Short-Term Orientation and Economic Freedom also affected significantly the FDI, although not in the four years under study. Regarding the determinants of corruption, it was concluded that the Economic Freedom had a significant effect on this.

Keywords: *FDI, Corruption, Portugal*

Ferreira, Manuel Portugal; Reis, Nuno Rosa; Pinto, Cláudia Frias

THE FOOTPRINT OF TWO DECADES OF RESEARCH ON EMERGING ECONOMIES: A CITATION AND CO- CITATION REVIEW.

Recent years have witnessed an unprecedented increase in scholars' interest in emerging economies, with an increasing number of papers published and new journals being created. We reviewed the extant research on emerging economies published over the past two decades, 1992 to 2013. This study investigates the core of the literature and the intellectual structure of the knowledge base that has served as the foundation for research on emerging economies. We conducted a bibliometric study of the articles published on emerging economies over the past two decades and in a wide range of business/management journals. In a sample of 564 articles, co-authored by 1,371 scholars, collected from Thomson-Reuters' ISI Web of Knowledge, we employed bibliometric techniques based on citation and co-citation analyses. We identified the most influential works over the period (a structural view) and how their relative influence varied over time (a longitudinal view). We also examined the intellectual structure binding the theories and the authors researching emerging economies, and characterized the knowledge base and evolution of the traditions by conducting longitudinal analyses. This study aims to gain a global rear view of the field, to organize, classify and systematize the stock of accumulated knowledge, and is a primary base to spawn future research endeavors. We complement Xu and Meyer's (2013) brief review of the core theories employed in emerging markets' research in top journals in the years 2001-2010. To the best of our knowledge, this is the first large sample bibliometric study on emerging economies using an extensive number of journals and over an extended period of time that is able to capture the majority of the research on the field. We thus help to build a "rear view" understanding of what have been the conceptual foundations governing emerging economies' research. This understanding is important for newcomers to the field, doctoral students and even experienced researchers, aiding them to build their research agendas. By identifying, organizing and classifying the stock of accumulated knowledge published on emerging economies, we do not aim to establish the most current research trends or infer what future research holds.

Keywords: *emerging economies, bibliometry, co-citation analysis, citation analysis, literature review*

Figueira-de-Lemos, Francisco

THE CONTROL OF FOREIGN OPERATIONS: REASSESSING COASE'S INFLUENCE ON HYMER'S THESIS

This paper aims to explain the degree of control of international operations within the core theories of economics and management, though adding the industry and national level of analysis. In this regard, drawing on Stephen Hymer's (1960/76) fundamental dilemma on the degree of control, our conceptual framework recovers the Coasian view of his seminal thesis, and discusses the firm's decision of owning or not foreign operations within Transaction Costs Economics (TCE) and Internalization conceptualizations. The set of hypothesis applies Williamson's TCE, emphasizing the uncertainty factor on the transaction integration rather than the commonly studied asset specificity. In the same rationale as referred in Hymer's thesis, the uncertainty variable in our perspective seeks the determinants for transaction control rather than efficiency. Preliminary conclusions on the comparison between control and efficiency suggest that Multinationals optimize endogenous with exogenous 'efficiencies'. Moreover, Multinationals may exercise an inefficient control of foreign operations for the sake of society benefit.

Inácio, Nicole; Crespo, Cátia Fernandes

THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ACTIONS ON CONSUMERS' PERCEPTIONS TOWARDS GLOBAL BRANDS.

Corporate Social Responsibility (CSR) has been occupying a vast space in the academic and managerial domains. The widespread media are bringing to the surface issues regarding multinational corporations that can damage their image by making customers avoid their brands. Therefore, in the last decade, many global brands have decided to humanize their image by putting in practice Corporate Social Responsibility initiatives from diverse nature.

This investigation aims to analyze how consumers perceive CSR actions and how these actions may actually bring benefits to the brands. Therefore, we analyze the influence of CSR associations and Corporate Ability associations on Brand Loyalty, Consumer-Company Identification and Social Responsible Purchase Intention, comparing how these different associations may provide different results or complement themselves.

The hypotheses were tested using Structural Equation Modelling (SEM) in the software PLS (Partial Least Squares). A survey with 344 respondents provided evidence that there is a positive link between Social Responsible Purchase Intention, Consumer-Company Identification and Corporate Ability associations with CSR associations from Global Brands. Based on the results we propose further research in the area and we give recommendations for multinational companies to invest in their CSR strategies.

Keywords: *Corporate Social Responsibility (CSR); Corporate Ability (CA); Brand Loyalty; Consumer-Company Identification (C-C Identification); Social Responsible Purchase Intention*

Ioanid, Alexandra

ENTREPRENEURSHIP AND LEADERSHIP SKILLS WITHIN DIASPORAS: ROMANIAN VERSUS PORTUGUESE DIASPORAS

In a globalized world the migration of the workforce became a normal phenomenon, implying large number of people leaving behind their families and friends in search of a better life standard. Eastern European countries have the highest rate of migration in the European Union and among them Romania has more than three million citizens living and working abroad. The biggest Romanian communities are in Italy and Spain (almost 2 million Romanians), but countries like Germany, UK, Austria, Hungary and Belgium host many Romanians. This study focuses on the Romanian Diaspora evolution in time from the entrepreneurship point of view, looking if the persons that live abroad long enough, gain sufficient knowledge and wish at the same time to open their own business in the country they live or in their home country.

The paper considers also the leadership skills that people living in the Diaspora gain in time and on how they chose to use these skills considering their entrepreneurial spirit. This exploratory research showed that living abroad forced most of the people in this situation to get out of their comfort zone, learn new things and most important gain confidence that they can succeed on their own. The similarities and differences on how Romanian and Portuguese people act within Diasporas, or after returning to their home countries are presented in details in the paper together with some recommendations from the most successful Diasporas' representatives.

Keywords: *Diasporas, leadership skills, entrepreneurship*

Liu, Guangyan

A FIRM-LEVEL ANALYSIS OF INVESTMENT PREFERENCE, GEOGRAPHIC DIVERSIFICATION AND OWNERSHIP COMBINATION.

The correlation between the firm's ownership and its investment behavior has been studied by many scholars. However, does geographic location matter? This paper provides the evidence with firm - level data of Chinese listing companies at the Shanghai Stock Exchange and Shenzhen Stock Exchange. We draw on the data of the China Stock Market & Accounting Research (CSMAR) and the Center for Chinese Economic Research (CCER) from 2003 to 2013. Through building the regression model between firm performance and ownership, geography and other control variables, we found that those firms in Pearl River Delta, Yangzi River Delta and Round Bohai Region are more active in investment than their counterparts from other regions. Furthermore, based on our classification of ownerships: the state-owned enterprise (SOE), private-owned enterprise (POE) and foreign owned enterprise (FOE), we found that POEs involved more frequently in investment activities. As a result, we conclude that geographic location has the crucial effect on the firm's investment behavior as well as its nature of ownership.

Liu, Guangyan; Hensmans, Manuel

DYNAMICS OF CHINA'S OUTWARD FOREIGN DIRECT INVESTMENT IN THE EU: THE PERSPECTIVE OF REGIONAL OPPORTUNISM, INDUSTRIES AND POLITICS.

The fast growth of China's outward foreign direct investment (OFDI) and its jump expected in future capture the interests in term of theoretical research. Generally, location selection in a specific European Union (EU) country is often described as a role of bridgehead to target entire European market. However, the proportion of China's OFDI over that of invested counterparts is still less and its growth in individual country is very diverse as well. Furthermore, the scenario of its continuous growth is not always true, which contradicts the optimism of many people. In order to supplement the defect of existing knowledge on it, this paper depicts a panorama of China's OFDI in the EU from the perspective of both member countries and industries through cross comparison of its variety. Based on the depiction, we find that China's OFDI in the EU is indeed closely related to regional opportunism of the market, preexisting clusters in the host country and bilateral agreements between the host nation and Chinese government. As a result, we propose that i) Chinese OFDI increases strongly under the condition of high level of regional negotiation; ii) Chinese OFDI increases strongly because of preexistence of a strong cluster in a European country; iii) Chinese OFDI increases strongly because of new important bilateral agreements with the Chinese government.

López-Duarte, Cristina; Vidal-Suaréz, Marta Maria; González-Díaz, Belén

A BIBLIOMETRIC STUDY OF MOST INFLUENTIAL AUTHORS IN EXPATRIATE MANAGEMENT AND NATIONAL CULTURE RESEARCH.

This study ranks researchers in expatriate management related to national culture issues. It is based on publications in elite Management, International Business, and Human Resource academic journals between 2000 and 2012. The database comprises 222 articles involving 368 authors. The analysis uses a broad scoring procedure that includes: (I) scholars' productivity in terms of number of publications (both, total and adjusted), (II) authors' productivity in terms of potential impact based on journals' performance (a wide spectrum of different metrics is used in order to allow for alternative perspectives), and (III) a citation analysis. The use of multiple and diverse scores provides a comprehensive understanding of the ranking of scholars within this particular subfield of research.

Machado, Joana César; Carvalho, Leonor Vacas de; Torres, Anna; Costa, Patrício

BRAND LOGO DESIGN: EXPLORING CONSUMER RESPONSE TO NATURALNESS ACROSS CULTURES

Literature concerned with logo strategy suggests that the aesthetic appeal of brand logo significantly influences consumer reactions. The main purpose of this research is to study the influence of the different categories of natural logo designs on consumer response. Through two studies in three countries, this research sheds light on consumer logo preferences, by investigating the psychological properties of the naturalness of logo design. Results showed that naturalness is an essential design element that significantly influences affective responses. Moreover, results suggest that organic designs are clearly preferred, and that the appeal of the different categories of natural designs seems to be universal. Furthermore, our findings suggest that affect towards unknown organic logos is at the same level that affects towards known abstract logos. This is a relevant finding from a managerial point of view, since familiarity (an essential cognitive response towards the brand that has a cost for the firm) can be replaced at non-cost with the type of logo design used.

Keywords: *brand, brand logo design, consumer response, national cultures*

Madaleno, Ana; Eusébio, Celeste; Varum, Celeste Amorim

EXPORTS AND TOURISM: TESTING THE CAUSALITY.

This paper analysis the dialectic between exports of local processed agro-food products and inbound tourism. On the one hand, the inflow of visitors reduces the costs of entering in foreign markets. Indeed, as it brings a sample of the international market to the local economy, international tourism reduces the costs of acquiring information about the demands of international clients. Furthermore, international visitors learn about and taste new products while travelling, and back in their countries, they act as promoters of these products from abroad. Hence, 'tourism acts as a springboard for promotion of domestic products in foreign markets'. The contact with the local agro-food products, in restaurants, shops and local fairs, for example, plays a major role in the way visitors experience the destination, and some visitors even return to the same destination to taste and enjoy its authentic products.

The empirical research is conducted with respect to Portugal and some local agro-food products for which Portugal is known internationally, namely cheese, olive oil, sausages, canned fish, and wine. Data for the period between 2000 and 2012 is analysed using Johansen's maximum likelihood method (ML) and Granger causality test. The results of Granger short-run causality test reveal that the relationship exist, but the significance and direction of causality differs between products. Based on these results it argues that policymakers should exploit new opportunities related with the reputation and image of the region of origin of the local products to promote tourism. Moreover, by providing evidence on the impact from increased inflows of visitors on increased exports of local products, the strength of a new channel through which tourism in Portugal can have economy wide gains emerges.

Meneses, Raquel; Avrichir, Ilan; Santos, Agnaldo

THE IMPACT OF NON-FAMILIAL MANAGEMENT IN INTERNATIONALIZATION

Purpose: Although the concepts of “family business,” internationalization, and “agency theory” have received some attention in the literature, these concepts and theories have been used independently. Our study helps close the gap between what we know and what we need to know about family managers’ and non-family managers’ (NFM’s) decision making regarding internationalization

Design/methodology/approach: We analyze the story of Busscar, a Brazilian firm that began internationalization with a family manager and finished it with a non-family one. The transition happened suddenly, as the family CEO died in an accident and the company promoted a overnight to replace him. This circumstance and the fact that Busscar accelerated its internationalization process after the transition just to go bankrupt a few years later makes this case a critical one.

Findings: We conclude that under NFM’s, the speed and scope of firm-internationalization processes were accelerated and the financial risks augmented, in line with agency theory hypothesis and contradicting suggestions that NFM’s tend to be more structured.

Research limitations/implications: For many researchers, it is important to professionalize the management of family firms. It is expected that an NFM leads to a more structured strategy. Our study shows otherwise. Changing the manager leads to opportunistic internationalization using emerging strategies rather than following deliberate ones.

Originality/value: This study suggests that the firm, the network, entrepreneurship and ownership are not the only important variables. Manager origin (inside or outside the family) can change everything.

Keywords: *Family business, succession, international business, international strategy, agency theory.*

Morais, Ricardo

CRITICAL REALIST CASE STUDIES OF FOREIGN SUBSIDIARY DEVELOPMENT

In this methodological paper, I explore the potential of critical realist case studies for research on foreign subsidiary development. For that purpose, I begin with a review of the ontological, epistemological, and methodological assumptions of critical realism. Ontologically, reality is assumed to be stratified and emergent; epistemologically, knowledge is assumed to be transitive, but objective; and methodologically, research is expected to be highly contextual. In addition, I review the implications of such assumptions for causation, explanation, and generalization. In particular, causation is regarded as the manifestation of mechanisms rather than variables; explanation is based on retroduction rather than induction or deduction; and generalization is assumed to be transfactual rather than analytical or statistical. Critical realist case studies can thus be distinguished from other types of case studies for their emphasis on contextual explanation. In order to illustrate the potential for such case studies in international business research, I conclude with an application to foreign subsidiary development.

Keywords: *critical realism, case studies, foreign subsidiary development*

Oliveira, Pedro; Forte, Rosa

LABOUR MARKET FLEXIBILITY AND FDI ATTRACTION: A MACROECONOMIC ANALYSIS

The foreign direct investment (FDI) is a mode of entry into international markets that can provide important benefits to the host economies. For this reason, policymakers have sought to apply policies to attract greater foreign direct investment flows. Thus, it is useful to understand how these policies influence the attraction of FDI. Although there is an extensive and relevant literature that explores the determinants of FDI, there are few studies that focus on the relationship between labour market flexibility and foreign direct investment. Within the existing studies that focus on this determinant, there are few studies who use macroeconomic data, verifying thus a higher incidence of firm-level studies. Additionally, most of the studies also use old data. Thus, this study aims to analyze the influence of labour market flexibility on foreign direct investment, based on macroeconomic data for a set of 180 countries and a relatively recent period of analysis (2004-2009). Using econometric techniques with panel data, the results show that labour market flexibility enhances the attraction of FDI. In particular, the rigidity of working hours is the dimension of labour market regulations that most negatively affects the attraction of FDI. Furthermore, based on the control variables used, it was found that the economic and financial incentives, trade barriers, the growth and the size of the market and the level of human capital are important determinants in the explanation of FDI's patterns.

Keywords: *Foreign direct investment, location determinants, labour market flexibility, labour regulations*

Pérez, Carlos Bellido; Alesón, Marisa Ramirez

IMPORTS AND EXPORTS: THE CASE OF FAMILY FIRMS

Within the growing literature on family businesses, the topic of internationalization is receiving increased attention among academic researchers. However, the results obtained are inconclusiveness. We expect to provide more light to this literature analyzing the impact of imports on both export propensity and export intensity in the particular case of family businesses. We also deepen on the study of intermediate imports from subsidiaries and other independent suppliers. We use a Spanish manufacturing panel data for the period 2006-2012 from the database SBS. The method used is a two-stage Heckman selection model. We find a positive impact of imports on exports, so there are no differences between family and non-family firms. When we focus on intermediate imports, the behavior of family businesses and other companies is no exactly the same.

Keywords: *Imports, exports, internationalization, family firms.*

Pinho, José Carlos; Thompson, Douglas

INSTITUTIONAL FRAMING FOR ENTREPRENEURSHIP: A COMPARATIVE ANALYSIS BETWEEN A SUB-SAHARAN COUNTRY AND A SOUTHERN EUROPEAN COUNTRY

This article examines several institutional driven dimensions and the capacity to start a business in a factor-driven country and in an innovation-driven country. The study uses data from the National Expert Survey - Global Entrepreneurship Monitor (NES-GEM) data. Specifically, the data was gathered through the application of a structured interview to National (entrepreneurship) Experts in a cross-cultural context. Two countries, Portugal and Angola are analysed. Results show that there are significant differences concerning the cultural and social norms, the government entrepreneurship programs as well as the social image of the entrepreneur. The study is limited by the reduced number of countries selected. A further limitation is based on the fact that the study only addresses the institutional factors present on NES-GEM. In terms of originality, first, the study addresses an area of the GEM model that is under-researched - the National Experts Survey database. Second, the study compares three institutional factors between two subsample data sets representing a factor-driven economy and an innovation-driven economy.

Keywords: *Cross-cultural Management; Global Entrepreneurship; GEM data*

Reis, Nuno Rosa; Carvalho, Fernando; Ferreira, José Vasconcelos

CROSS-BORDER MERGERS & ACQUISITIONS: A BIBLIOMETRIC REVIEW AND FUTURE RESEARCH AVENUES.

Cross-border mergers and acquisitions have attracted a substantial attention over the last few years. The increasing number of cross-border deals has also driven the attention of scholars to this phenomenon and research has augmented over the years. Therefore it is useful to look into the literature and grasp what is already known in a systematic and analytical way. There has been some attempts to review the extant knowledge in the field. However, most reviews are more general M&A reviews and do not focus specifically on cross-border deals, or restrict the analysis to a specific region. Other studies use different approaches, such as meta-analyses to look into the determinants of performance, but do not focus on cross-border deals. In this paper we conduct a bibliometric review of cross-border mergers and acquisitions over a 20-year period (1994-2013). Using a sample of 256 articles published in 69 journals we performed citation, co-citation and factor analyses, in a longitudinal way which allowed us to observe the evolution of the themes and theoretical approaches used. We did not restrict the data retrieval to a single field but instead opted for retrieving articles published in Business and Management outlets. Therefore we include general management journals (e.g. Academy of Management Journal) and specific outlets for several disciplines such as international business (IB) (e.g. Journal of International Business Studies), strategic management (e.g. Strategic Management Journal), human resources (e.g. International Journal of Human Resource Management) and others. We conducted citation, co-citation and factor analyses both for the entire sample and also for sub-periods in a longitudinal way. These analyses arguably allow us to understand what are the key topics delved into and what are the key works influencing CBMA research. We also grasp the intellectual structure of the CBMA field as we present the ties binding theories and authors. Thus we identified the importance of culture-related works as well as the increasing importance of resource- and knowledge-related approaches. Finally we suggest some avenues for future research endeavors. Our bibliometric review is also valuable as it presents in a systematic way a large amount of scattered information on CBMA and allows for scholars – especially junior scholars and newcomers to the field – to quickly grasp the current state of CBMA research. Also our study may be useful to detect gaps in the existing research literature and may thus contribute to a further understanding of CBMA.

Keywords: *Cross-border M&As; international acquisitions; bibliometric review*

Santos, João Carvalho; Karl-Barandas, Hortênsia, Martins, Francisco Vitorino

MANAGERS' PERCEPTIONS OF PSYCHIC DISTANCE AND THE PERFORMANCE OF CROSSBORDER MERGERS AND ACQUISITIONS: A COMPARATIVE CASE STUDY OF FIVE PORTUGUESE FIRMS

This article reports a comparative case study of five Portuguese firms that conducted cross-border mergers and acquisitions (CBM&As). We analyzed the managers' perception of psychic distance (PD) on CBM&As performance. PD must be applied at an individual level, since only the individuals within the firm perceive PD hazard. Accordingly, this paper seeks to contribute to a better understanding of the PD hazards on CBM&As performance. We present a conceptual model, hypothesizing the integrative impact managers' perceptions of the different variables of the psychic distance on CBM&As performance. We found that not all the variables of psychic distance have the same impact on CBM&As performance. Moreover all the interviewed managers agree that managers' individual characteristics, especially international experience, prior contacts with different cultures and experience and knowledge of different cultures, are essential to minimize psychic distance hazards. The findings of this study may be useful both for managers of firms that aim at internationalization and for those who have been finding difficulties in managing CBM&As due to differences between home and host countries.

Keywords: *Psychic distance, managers' perception, cross-border M&As, case study, performance, internationalization.*

Santos, João Carvalho; Karl-Barandas, Hortênsia; Martins, Francisco Vitorino; Ferreira, Manuel Portugal

THE PSYCHIC DISTANCE HAZARDS IN CROSS-BORDER MERGER AND ACQUISITION PERFORMANCE: AN EMPIRICAL STUDY OF CROSS-BORDER MERGERS AND ACQUISITIONS FROM 26 COUNTRIES

The internationalization strategies of multinational corporations (MNCs), more specifically through cross-border mergers and acquisitions (CBM&As), have warranted the research focus of many international business, strategic management and corporate finance scholars for decades. The CBM&As performance has also been widely addressed in the literature and has significant theoretical and practical importance. However, the knowledge about the variables that affect the CBM&As performance remains limited. Only a few studies have sought to examine the impact of cultural issues, such as cultural distance or psychic distance, on CBM&As performance. Therefore the findings on extant literature are not conclusive and often contradictory. Our findings suggest that psychic distance, as a whole, has a negative impact on CBM&As performance. Analyzing the different dimensions of psychic distance stimuli (PDS), we concluded three individual items - differences in language, education and political systems – are also significant. Thus, this paper seeks to contribute to a better understanding of the psychic distance hazards on CBM&As by breaking down the psychic distance stimuli developed by Dow and Karunaratna (2006) and test the effect of each dimension on CBM&As performance, using the event study methodology. The findings of this study may be useful for managers of firms that wish to undertake CBM&As as it denotes important dimensions which hinder post-deal performance.

Keywords: *Psychic distance, cross-border M&As, performance, internationalization, event study, CAR.*

Silva, Susana Costa e; Wegner, Douglas; Campos, João Moreira de; Rossi, Greice De

NETWORKING FOR INTERNATIONALIZATION: THE CASES OF VITROCRISTAL (PORTUGAL) AND WINES OF BRASIL (BRAZIL)

The study compares the development dynamics of two business networks created to promote the internationalization of its members: Vitrocrystal (Portugal) and Wines of Brasil (Brazil). Data were collected by interviewing five representatives of the Brazilian business network and nine representatives of the Portuguese one. The results describe the development pattern of both business networks, showing that the Brazilian network is consolidated while the Portuguese one finished its activities in 2007 after a period of financial constraint and the end of governmental support. The study has theoretical implications as it describes the development dynamics of such cooperative agreements and the difficulties they may face in their life cycle. As a practical implication, the experience of the Portuguese business network may be useful for the Brazilian one.

Simões, Vitor Corado

PARADOX: NEW LENSES TO UNDERSTAND INNOVATION IN MODERN MNES

Management involves dealing with contradictory demands. For instance, companies have to innovate. Innovation means that past successful behaviors to be discarded, and replaced by others for the company to forge ahead in a new environment. However, companies cannot easily forget the past: their present conditions are shaped by earlier trajectories. How can a company keep its identity, its persona, while changing?

This is the essence of paradox. Paradox is central in organization studies, being at the heart of innovation management. Schumpeter's idea of "creative destruction" is paradoxical in itself. Yet, the use of paradox in international management is limited. This is surprising, having in mind the pervasive nature of dualities (local/global, headquarters/subsidiaries, standardization/adaptation, centralization/decentralization, core/periphery) in international management.

This paper is based on the idea that we might benefit a lot from using paradox lenses in addressing the key international management issues. To do so, an "appreciative theory" approach, in line with Richard Nelson's ideas, is followed. The paper provides four examples of paradox thinking to improve our understanding about innovation management in multinational companies (MNCs). These are the following: the paradox of capabilities as fate; the paradox of organizational structure; the paradox of cooperation; and the paradox of opening versus closing. It was found that the capability to address these paradoxes, through different approaches, plays a key role in promoting innovation. It is important to bear in mind, however, that solutions are inevitably temporary. Tensions and contradictions need to be addressed time and again.

The use of paradox lenses provided a new view of the challenges and opportunities of innovation in MNEs. The advantages of thinking in terms of dualities, and not just of single elements, have been underlined. Furthermore, as we have shown, such dualities are inter-related, and highlight the need to allow for diversity and fighting hubris in MNEs. This contributes to provide a more 'mixed' and complex view of innovation management in the MNE.

Keywords: *Paradox, International management, Innovation, Multinational Companies, Conflicting tensions.*

Varum, Celeste Amorim; Madaleno, Mara; Faustino, Deise

INTERNATIONALIZATION AND HOW IT IMPACTS OVER FIRMS' CAPITAL STRUCTURE.

Internationalization is almost inevitable to the vast majority of companies. Its effects at company level have been the subject of much research, and there are several studies addressing the issue. Multiple studies address the impact of internationalization on various aspects, such as firm growth, productivity or innovation. In addition to these, the internationalization is likely to impact upon the capital structure of the company. The relationship between internationalization and capital structure has been however relatively neglected both by the IB and by the finance literature. The present work addresses this neglect, exploring the impact of internationalization upon firms' capital structure. Doing so, it confirms that involvement in export activities improves firms' debt ratios, even when we account also for other factors which are likely to matter. The empirical study is applied to a sample of 200 firms located in Portugal, using data from the SABI database.

Keywords: *Capital Structure; Exports; Internationalization*

Veiga, Pedro Mota; Ferreira, João J.

NATIONS COMPETITIVENESS: THE PORTUGUESE CASE

This study analyzes factors that influence the competitiveness of countries and the Portuguese competitiveness in comparison with European Union countries, in particular with Greece and Ireland. We also present a formal model of Porter Diamond model and its generalization. The data come from Global Competitiveness Index from 2006 to 2013 for 144 countries. The methodology is based on principal components analyses, regression analyses and cluster analyses. The methodology used is innovative and the regression analysis allows us to estimate competitiveness levels. The results show that political institutions, social infrastructure and microeconomic competitiveness have an impact on competitiveness and monetary and fiscal policies are irrelevant for the competitiveness of the countries. Portugal lies in the group of middle-high competitiveness countries and Portuguese competitiveness is average in the European Union, however it is inferior to Ireland and superior to Greece. The main limitation of this research article is that the dataset is limited to the Global Competitiveness Index.

Keywords: *Portuguese Competitiveness; Porter diamond; Global Competitiveness Index; Business Competitiveness Index*

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