PROF. DR. NORIFUMI KAWAI, MPIA (Pittsburgh)

International Business & Trade Università degli Studi di Bergamo Dipartimento di Scienze Aziendali Bergamo, ITALY





■ Your Efforts Matter the Most!





■ Grit: The Power of Passion & Perseverance

- ❖ Professor Dr. Angela Lee Duckworth (born 1970) is an American academic, psychologist & popular science author.
- She is Christopher H. Browne Distinguished Professor of Psychology at the University of Pennsylvania.
- ❖ She is also the Founder & CEO of Character Lab, a not-for-profit whose mission is to advance the science & practice of character development.





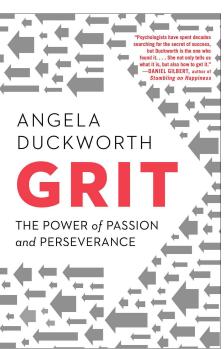
https://www.ted.com/talks/angela_lee_duckworth_grit_the_power_of_passion_and_perseverance





■ Grit: The Power of Passion & Perseverance





Source: Duckworth, A. L. (2013). Grit: The Power of Passion & Perseverance. (2013).





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Identifying success factors for female entrepreneurs using the AMO framework: Empirical evidence from Japan

Norifumi Kawai a,*, Hataya Sibunruang b

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Entrepreneurial persistence
Venture experience
Competitive intensity
Venture growth
Ability
Motivation
Opportunity (AMO) framework

ABSTRACT

This study applies deep insights from the ability, motivation, and opportunity (AMO) framework as an overarching theoretical perspective to identify critical success factors for female entrepreneurs. In doing so, it investigates how entrepreneurial persistence (i.e., motivation or "M"), together with prior venture experience (i.e., ability or "A") and competitive intensity (i.e., opportunity or "O") influence the success of women's entrepreneurial activities. Using data from 308 Japanese female entrepreneurs, we show a positive association between entrepreneurial persistence and female entrepreneurs' venture growth, which becomes stronger when prior venture experience and competitive intensity are considered. Most importantly, the three-way interaction between these factors maximizes the business performance of female entrepreneurs. Thus, venture growth is the highest in the presence of high levels of entrepreneurial persistence, prior venture experience, and competitive intensity. Our findings suggest that policy makers should improve the competitiveness of women-led ventures and create supportive business environments for female entrepreneurs.



^a Università degli Studi di Bergamo, Department of Business Sciences, Via dei Caniana 2, 24127, Bergamo, Italy

b University of Waikato, Waikato Management School, Gate 7, Hillcrest Road, Hamilton, 3240, New Zealand

"Kent Chemical: Organizing for International Growth"

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■ Discussion Points

- **❖** What is the **main argument**?
- *Characterize Kent Chemical in terms of business lines.
 Interpret the balance sheet (Exhibit 1) with care.
- **Assess** Kent Chemical's **internationalization strategy**.
- *Clarify the root cause of the problem relating to Kent Chemical's reorganization process. Discuss effective ways to integrate KCI with KCP in greater detail.
- *What **practical suggestions** can be drawn from this case?





■ International Division Structure



... is a structure that is typically set up when firms initially expand abroad, often engaging in a home replication strategy.



HQs

Supply chain & coffee operations division

Consumer products division

Partner resources division

Starbucks coffee US division

Starbucks coffee international division

2 Major Problems

- (1) Foreign subsidiary managers are **not given sufficient voice** relative to the heads of domestic divisions.
- (2) The ID structure serves as a 'silo' whose activities are not coordinated with the rest of the firm.





■ Geographic (Area) Division Structure





... is a structure that organizes the MNE according to different geographic areas & fits the most for a localization strategy





Mittal Steel Poland

Mittal Steel Germany

Mittal USA

Mittal Steel Canada

Mittal Steel Mexico

Key Points

(1) In contrast to the limited voice of subsidiary managers in the international division structure, **country & regional managers carry a great deal of weight** in a geographic area structure.





■ Global Product Division Structure



... is a structure that is the opposite of the geographic area structure & supports the **global standardization strategy**.



Airbus Division Military
Transport
Aircraft
Division

Aeronautics (Helikopter)
Division

Space Division

Defense & Security Systems Division

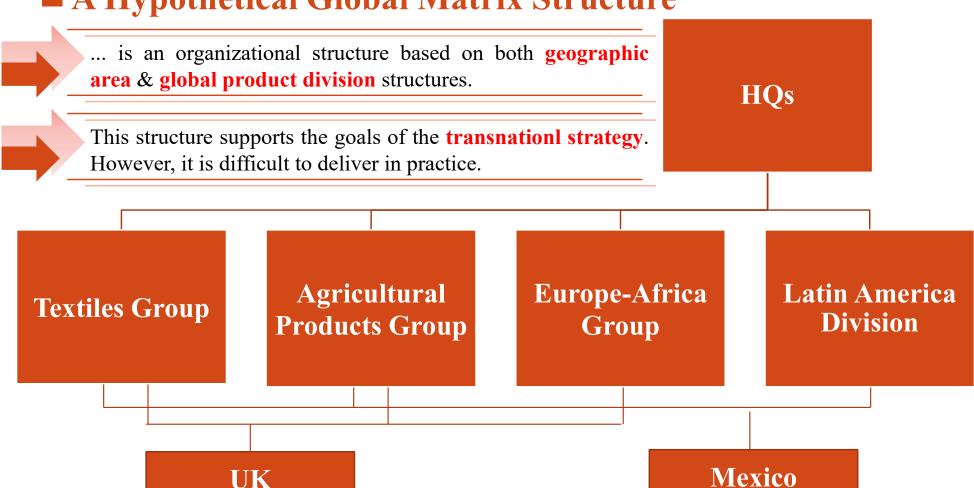
Key Points

(1) This structure greatly facilitates attention to pressures for **cost efficiencies** because it allows for consolidation on a worldwide basis & **reduces inefficient duplication** in multiple countries.





■ A Hypothetical Global Matrix Structure

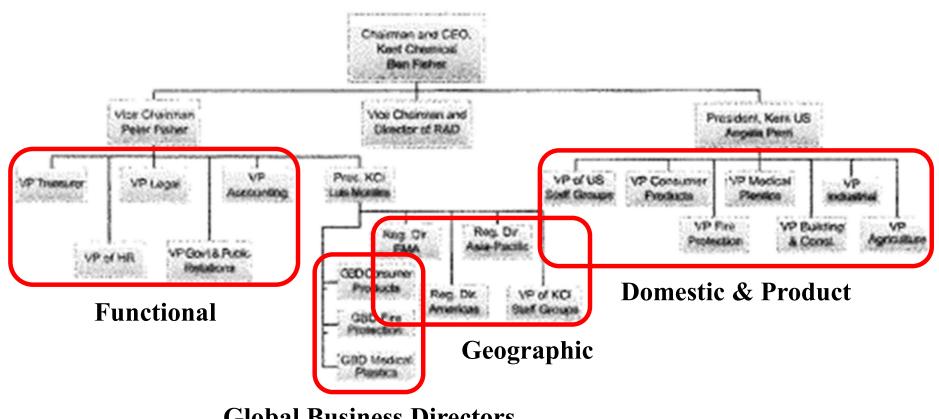






■ Much More Complexities in Reality!

Exhibit 3 Kent Chemical Products Organizational Chart, 2006



Global Business Directors



Ambos, T. C., & Birkinshaw, J. (2010). "Headquarters' Attention & its Effect on Subsidiary Performance." *Management International Review*.

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Questions

- *What is the **uniqueness** of this piece of work?
- *What does it mean by "headquarters' attention"?
- **❖** What is the **underlying rationale** for the positive effect of **headquarters' attention** on **subsidiary performance**?
- Elaborate on the idea behind the **2-by-2 matrix** shown in p.454.
- Provide brief clarifications on each hypothesized relationship.
- ❖Draw a managerial implication from the empirical findings.





■ Research Questions

- *Whether & how does HQs' attention affect subsidiary performance?
- Under what conditions do MNC subsidiaries benefit from headquarters' attention?

■ Theoretical Backgrounds

- The perspective of organizational attention in the context of **HQs-subsidiary relationships.**
- Analytical Strategy
 - *A quantitative approach.
 - **❖283 subsidiaries in 3 countries** (*i.e.*, Australia, Canada, & UK).
 - **❖ Moderated** multiple regressions.



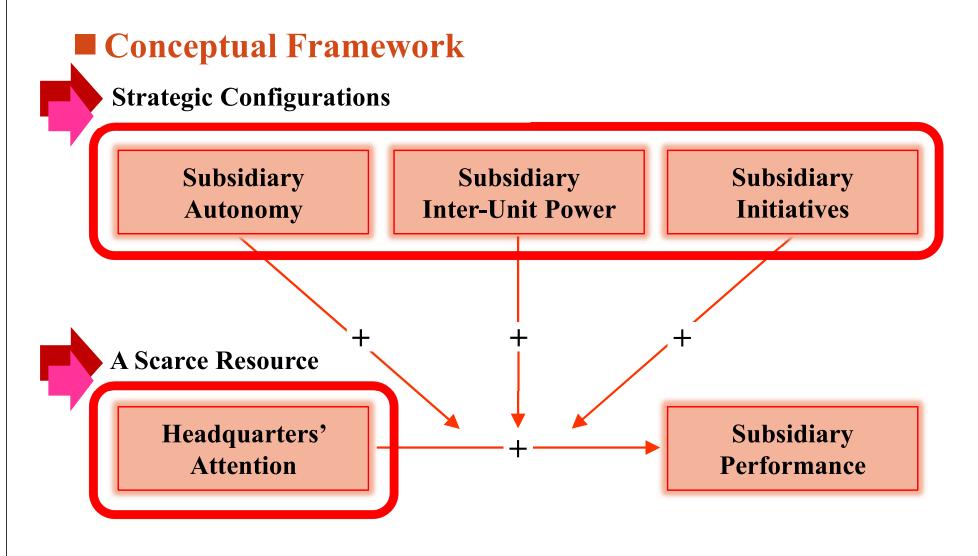


■ Introduction

- **♦ Attention** is **the most crucial & scarce resource** in organization (Haas & Hansen, 2001).
- *HQs may desire to (1) support <u>subsidiaries</u> operations, (2) transfer <u>knowledge</u>, (3) ensure <u>coordination</u> or (3) strengthen their control & limit <u>disruptive behaviors</u>.
- Subsidiaries are competing for HQs' attention to (1) acquire resources, (2) augment their market mandate, (3) increase their bargaining power, or (4) try to avoid intervention.
- Little is known how "attention" affects strategic decisions, actions, & behaviors (Smith et al., 1991; Thomas & McDaniel, 1990).







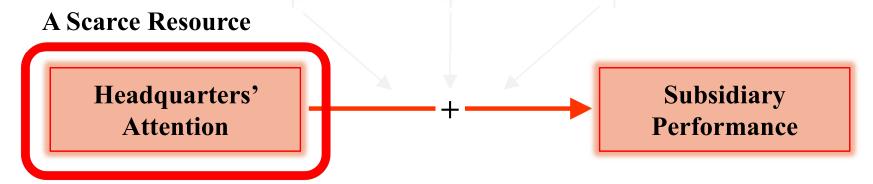




■ Hypotheses

KEY POINTS

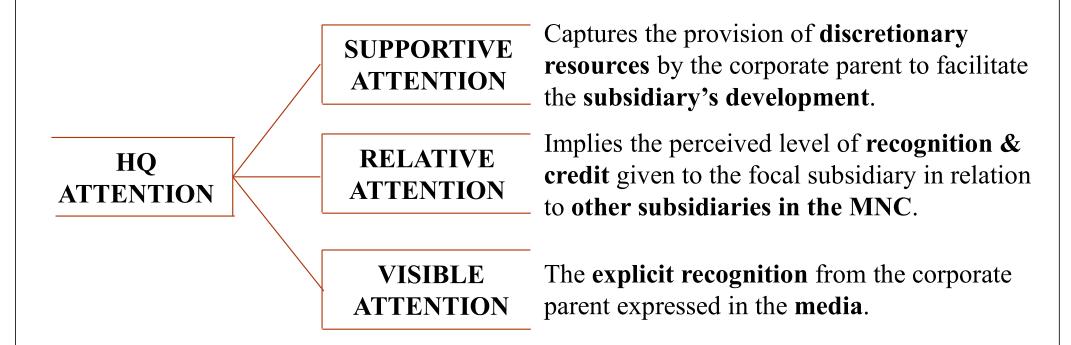
- **Attention** has been viewed as **a socially structured pattern in organizations** & constitutes **a scarce resource** (Ocasio, 1997).
- The shifting level of attention/connectedness granted to a particular unit may act as a mechanism of subsidiary development over time (Galunic & Eisenhardt, 2001).
- ❖ In addition to manifest consequences (e.g., product inflow & resource commitments), attention has a positive signaling effect (Dutton & Ashford, 1993).
- * The firm is a political system as driven by political coalitions (Forsgren et al., 2005).







■ What is Headquarters' Attention?

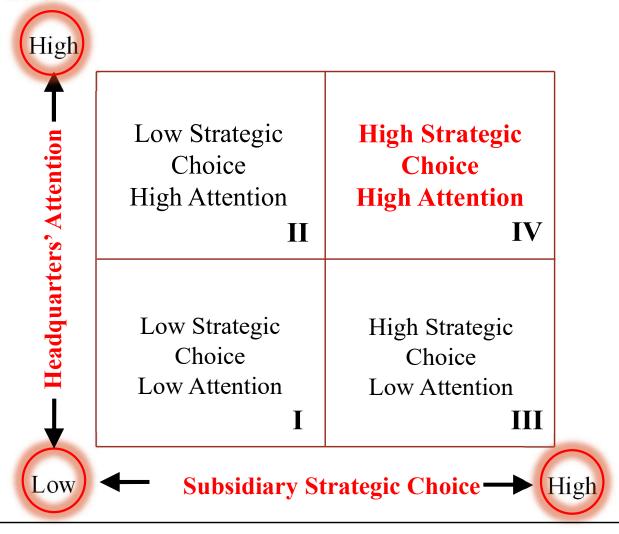


Source: Law et al. (1996), Ambos & Birkinshaw (2010), & Bouquet & Birkinshaw (2008).





■ Model of Internal Collaboration within MNCs







■ Hypothesis 1

KEY POINTS Strategic Configurations A high degree of autonomy contributes to expanding the **flexibility** needed to <u>cope</u> with the **Subsidiary** local environment (Harzing, 1999). * Receiving attention, relevant information, or **Autonomy** recognition from headquarters allows the autonomous subsidiary to contribute to the organization without facing the "liability of isolation" (Monteiro et al., 2008) & become an **A Scarce Resource** "autonomous baron" (Ghoshal & Nohria 1997). Headquarters' **Subsidiary** Attention **Performance**





■ Hypothesis 2

KEY POINTS

The relative strength of a subsidiary depends on its ability to raise resources through relationships with other subsidiaries inside the MNC.

A Scarce Resource

Headquarters'
Attention

Strategic Configurations

Subsidiary Inter-Unit Power bargaining power will be able to use HQs' attention to broaden & legitimize the influence of their actions & activities.

Subsidiaries that exercise a

HQs' attention
 compliments subsidiaries'
 power position & help to
 devise their strategic
 actions more efficiently.

Subsidiary Performance





■ Hypothesis 3

KEY POINTS

Subsidiary initiatives refer to a discrete, proactive undertaking that advances a new way for the corporation to use or expand its resources (Birkinshaw, 1997).

❖ Subsidiary initiatives benefit the entire organization as they lead to the transfer of proprietary capabilities (Rugman & Verbeke, 2001).

A Scarce Resource

Headquarters'
Attention

Strategic Configurations

Subsidiary Initiatives

Subsidiary Performance

❖ Initiative-taking subsidiaries are able to leverage HQs' attention & use it to realize the full potential of their initiatives (Ambos & Birkinshaw, 2010).





■ Managerial Relevance

- *Focusing on MNC subsidiaries with a high level of strategic choice may be most effective but will even create in-group/out-group cycles in the organization (Monteiro et al., 2008).
- Subsidiary managers should strive for both HQs' attention & strategic choice, as gaining HQs' attention alone is not sufficient to improve their subsidiary performance (Ambos & Birkinshaw, 2010).
- Competitive superiority can be fully realized when the importance of "ambidextrous" managerial mindsets (to focus on the local market & the global linkage) is valued among subsidiary managers (Ambos & Birkinshaw, 2010; Gibson & Birkinshaw, 2004).



O'Brien et al. (2019). "The Microfoundations of Subsidiary Initiatives: How Subsidiary Manager Activities Unlock Entrepreneurship", *Global Strategy Journal*.

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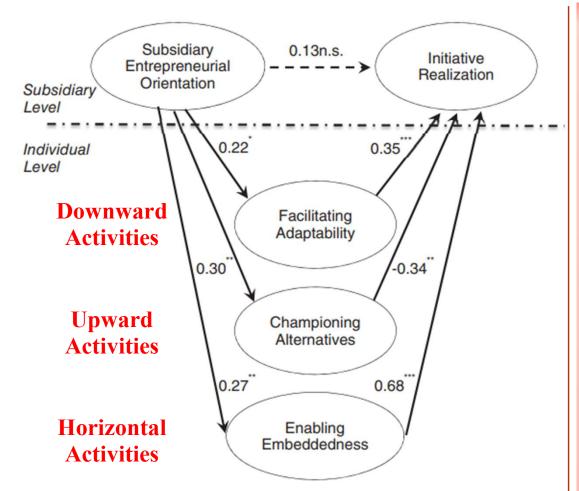
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"Subsidiary Initiative at Schenck in China"



■ How Do Subsidiary CEOs Unlock Entrepreneurship?



Source: O'Brien et al. (2018: 15) in Global Strategy Journal.

COMMENTS

Facilitating Adaptability

• Mobilize their employees & create an entrepreneurial space by preventing such activities from interference by corporate-level management.

Championing Alternatives

- Identify the value of an idea & bring it to HQs' attention.
- Engage in issue selling & winning top managers' support for particular issues to attract HQ' attention.

Enabling Rmbeddedness

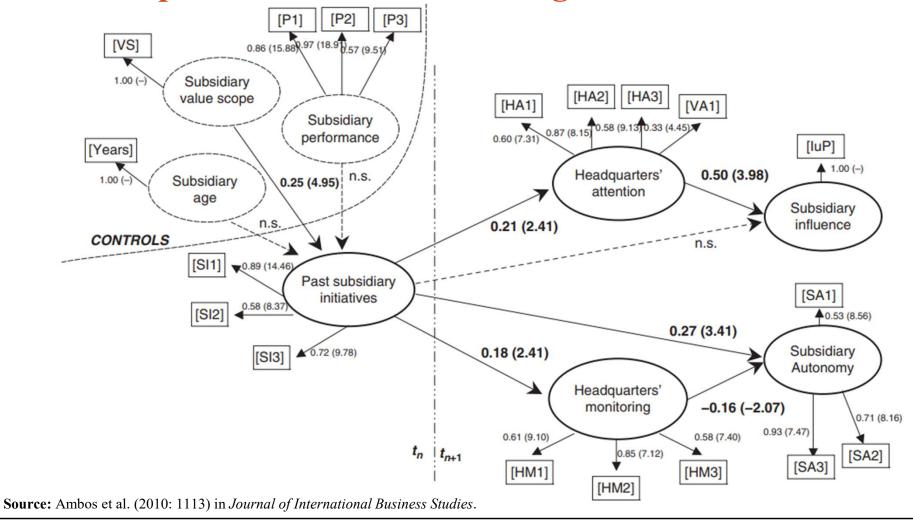
• Access information on future market trends & novel ideas & monitor competitors via engagement with customers & suppliers, managers.



"Subsidiary Initiative at Schenck in China"



■ Consequences of Initiative-Taking in MNCs





Reading Assignments for 25.04.2024 (Thursday)



■ Please Read the Following Articles!

- ❖ Yang, X., Jiang, Y., Kang, R. & Ke, Y. (2009). "A Comparative Analysis of the Internationalization of Chinese & Japanese Firms", *Asia Pacific Journal of Management*, 26: 141-162.
- *"Xiaomi Challenges Global Smartphone Leaders" (pp. 500-504 in P&M).
- *"Beko Washes Clothes Across Europe" (pp. 558-560 in P&M).
- *"Nidec Corporation" (in Hubbard, 2013).



The End of Today's Lecture



ご清聴有難う御座いました。
Thank you so much!
Vielen Dank für Ihre Aufmerksamkeit!
Grazie mille!

Contact Address

ADDRESS: 208 in Via dei Caniana 2, 24127 Bergamo, ITALY E-mail: norifumi.kawai@unibg.it

