

AMITY GLOBAL BUSINESS REVIEW

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From the desk of the editor in chief

FROM THE EDITOR'S DESK

Welcome to the first edition of “**Amity Global Business Review**”.

In his introduction to culture's consequences and their relation with Global Business, Hofstede 1980, says of studying social sciences:

“Social scientists approach social reality as the blind men from the Indian fable approached the elephant; the one who gets hold of a leg thinking it's a tree, the one who gets the tail thinking it's a rope, but none of them understand what the whole animal is like. We will never be more than blind men in front of the “Global Business – elephant” ; but by joining forces with other blind men and women and approaching the animal from as many different angles as possible, we may find out more about it than we could ever do alone.”

Today Global Business is an inescapable reality for practitioners and academics alike. The challenges of building ongoing relationships with customers and consumers in Global markets are compounded by operation across different market environments, fraught with the complexity of differences in levels of economic development, cultural norms, technical standards, political grouping and regimes, thus making it difficult to fully comprehend. Thus studying the issue from a number of different perspectives, as Hofstede suggests, may give a fuller picture of the whole ‘elephant’.

Keeping the above objective in mind “Amity Business Global Review” is an attempt to bring out the various issues which the noted researchers, academicians and practitioners feel are most important in managing the Global Business. This research journal is being brought out by the **Centre of International Business** which is engaged in training and producing global managers with the noble objective of contributing to trade and industry in the best possible way. Therefore, our role is more in creating an understanding of the globalisation phenomenon and its impact on international trade as a whole and on SMEs, which form the major part of community engaged in international trade. The new world trade order calls for developing an insight into the trading systems, interweaving of culture, commodity and consumerism, trends in international marketing and ever-growing importance of supply-chain management. Convergence in communication technology and growing use of internet has redefined the trade practices across the world.

As part of our commitment towards research, a sincere effort has been made in this direction by bringing out this research journal which addresses the various issues as identified above and present them before entrepreneurs, exporters, and institutions

promoting international trade. The research findings of eminent scholars would go a long way in better understanding of dynamics of international trade and impact of globalisation worldwide.

This referred research journal is a compilation of articles written by eminent scholars & industry professionals from around the world. In the inaugural edition we have contributions from leading academicians from Institutes like **Eastern Michigan University, California State University, University of Memphis, University of Isfahan, University of East London and University of Central England in Birmingham to name a few.** The research contributions from the eminent authors have addressed the challenges faced all over the world, be it developed countries like U.S.A. and U.K., or developing economies like China.

The research article of **Prof Ramesh C. Garg** from **Eastern Michigan University** focuses on whether Globalization is synonymous to Americanization. Research article by **Dr. Maktoba Omar** and **Prof. Morrison Handley-Schachler** from **Napier University Business School** investigates the changes that occur on the market arena in relation to the business environment in China after the opening up to the outside world. **Prof Javed Hussain** and **Susan Zhang** have analysed the challenges being faced by smaller firms in U.K. and China.

The article by **Ms. Taran Patel of Groupe ESC Rennes, France**, explains the use Divisive Vs. Dynamic Cultural Theories to analyse the viability of International Strategic Alliance. In this issue we also have contributions from **Prof. M. Akbar, IIM Lucknow**, India and **Ms. Vijayalakshmi C, MDI, Gurgaon**, India on interesting topics like Greiner's Life Cycle which traces the life cycle of organizations through five evolutionary stages separated by brief periods of revolution.

Prof. Gabriel Ogunmokun and **Mrs. Fiona M.Y. Chong** in their research article have tried to identify whether there are significant differences in the export performance of the firms with an ethnocentric versus a non-ethnocentric worldview of international marketing and finally **Dr. Ali Sanayei**, Associate Professor at Faculty of Administrative Sciences & Economic, **University of Isfahan**, in his research paper has tried to find reasons for success and failures for IT Projects and given suggestions on the successful management of IT projects. In his research paper **Prof. C. Panduranga Bhatta, Indian Institute of Management Calcutta**, India has examined the issue of business ethics and have also included a few authentic examples of best practices from India and abroad in this regard.

Over a period of time we have been witnessing changes sweeping across the trade horizon. New equations and dynamism has emerged in world trade outlook. These processes have opened up immense opportunities amidst numerous perceptions of threats and called for new ideas, technology, adoption, adaptation and improvement in order to survive the transformation and moreover to sustain and grow. As this is an ongoing process, the economic dimension of the process of globalisation influencing the international trade must be continuously explored through exchange of ideas. In this context we believe that the research articles of the authors would provide a great

opportunity to highlight key issues present new models and management thoughts which will have a far-reaching influence in international trade practices and corporate strategic planning.

Through this Research Journal we strive to keep you updated with the happenings in the arena of International Trade and look forward to your valuable feedback, inputs and contributions.

Dr. Gurinder Singh
Dy. Director General
Editor-in-Chief, Amity Global Business Review

Americanization Versus Globalization, Ramesh Garg, Eastern Michigan University, USA

Anti-American demonstrations, super imposition of American culture, pollution of the environment, loss of jobs, domination of the U.S. products, people, and businesses are some of the concerns that might lead one to believe that globalization is synonymous to Americanization. This paper examines this widely spread misconception. It further discusses a host of dimensions that a company needs to follow if it wants to be a truly global company without regards to its national origin. Many of the American companies are successful globally not because they are American, but because they measure up to some of the dimensions discussed in this paper.

Business Process Outsourcing (BPO) And Destination India : Challenge Management Strategies For Sustainable Growth, Dr. Prema Nakra, School of Management, Marist College, USA

When World Bank decided to move its back office operations from Washington DC to India in early 2001, the decision raised many eyebrows from critics and skeptics alike across the Western World. A year later, World Bank could report with pride that the payoff of resorting to offshore outsourcing was better than expected. The Bank not only slashed its costs by 15 per cent, it was also able to chop down a backlog of accounts receivables and expense forms from hundreds of items to just a handful. In addition, the Bank claims that the Indian accountants had in fact, helped the Bank re-engineer its entire business process (Knowledge at Wharton, 2002). This story and multiple others like this are being repeated in the media across the globe to reflect a growing trend of sending back office work from developed countries to developing countries.

Welcome to the brave new world where offshore outsourcing is increasingly becoming a norm rather than an exception. Not just manufacturing jobs, but also highly-paid technical and professional work including medicine and journalism are being outsourced by multinational corporations and government agencies across the globe. Globalization of services (offshore outsourcing) is making significant positive contributions to global economies and to the buying power of the USA, India, the Philippines and a myriad of other countries.

Management Worldview Of International Marketing And It's Effect On Export Performance: An Exploratory Study Of Exporting Companies In Australia, Gabriel Ogunmokun, University of Southern Queensland, Australia, & Fiona M Y Chong, Research Centre for International Marketing, Exporting and Trade, Australia

This paper presents the results of a study that was designed to identify whether there are significant differences in the export performance of the firms with an ethnocentric versus a non-ethnocentric worldview of international marketing. Although 223 questionnaires were sent out to companies, the findings presented in this paper are based on only 101 usable questionnaires.

The Challenge Of Financing Small Firms In UK And China And Its Implications For Developing Economies, Javed Hussain & Sujun Zhang, University of Central England, Business School, UK

SMEs are an important part of our society and they play an important role in economic development and employment generation. This paper evaluates the major problems faced by SMEs in getting access to finance and suggests measures to ensure that sufficient funds are available for SMEs to carry out their operations successfully.

Divisive Vs Dynamic Cultural Theories : Explaining The Viability Of International Strategic Alliances, Taran Patel, Groupe ESC Rennes, France

We argue that the dynamic group of culture-related theories (e.g. the cultural Theory) which not only attempt to describe how the same people behave differently at different times, but also goes on to link the underlying sense making and thought processes TO actions and behaviours, are better at explaining the dynamic functioning of international alliances than the Divisive group (e.g. theories proposed by Hofstede, Trompenaars and

Turner and the GLOBE study) which categorizes people according to differences in national cultures thereby reducing the cross-cultural discourse to mere descriptions of national stereotypes.

The Charismatic Side Of Foreign Direct Investment in the Economical and Social Giant China, Maktoba Omar & Morrison Handley-Schachler, Napier University Business School, Scotland

Market orientation for many organisations seen as conceptual premise to instigate their changing points, this applies with particular force to organisations in transition economies. Especially those that have to cope with the challenges imposed by the cultural rite of passage from political-based market governance to competitive market systems. The marketing mantra, market orientation, is routinely offered as the basis for business success. While the sincerity of this principle is of little doubt in most developed western economies, implementations in many transition-economy contexts are revealing a range of paradoxes. This paper using China as a contextual premise, offers starting observations in measuring how local companies are adopting a market orientation. Although some of the early results are consistent with those obtained in the West, but there is an underlying lacuna that needs to be addressed so that useful culture-specific interpretations are offered vis-à-vis locale-specific knowledge. To plug this gap, the paper argues for an approach that accommodates the institutional perquisites, focusing the temporal, spatial and wider socio-cultural and historical characteristics of marketing itself.

Answering The Question In Greiner's Life Cycle Model: A Dialectical Alternate, C Vijaylakshmi, MDI Gurgaon, India & M Akbar, IIM Lucknow, India

Larry Greiner's Evolution and Revolution model (Greiner, 1972 1998), which traces the life cycle of organizations through five evolutionary stages separated by brief periods of revolution, has been widely accepted as a suitable framework to analyze an organization's life history. The model ends with a question mark (Revolutionary phase VI), which has not been convincingly answered. This article takes a critical review of Greiner's model along with other summary lifecycle models and concludes that Dialectical approach provides better insights to understand Greiner's model. An alternate

representation of Greiner's model using Competing Values Framework (Quinn and Rohrbaugh, 1983) is discussed. It is conjectured that the Question Mark Phase is a repetition of Revolutionary Phase I (Leadership Crisis) at a larger level and has to be addressed by visionary leadership. The alternate model also provide clues to break the endless evolutionary - revolutionary cycles by simultaneously balancing contrasting forces of flexibility and stability on one hand and internal and external focus on the other.

Role Of Public Private Partnerships In Developing The Micro-Finance And Micro-Insurance Market, Dr. Satinder Bhatia, IIFT, India

This paper evaluates microfinance as a tool for poverty alleviation. Due to governmental enthusiasm the Microfinance Institutions (MFIs) including the non-profit starts-ups created to serve the poor and newest entrants like existing institutions (mainly banks) are restructuring themselves to meet the needs of poorer clientele. The successes stories of microfinance / micro insurance institutions around the world also evaluates how these organizations have played an important role in economic upliftment of the poor.

Business Ethics: Contemporary Perspectives And Practices, C Panduranga Bhatta, IIM, Kolkatta, India

Business organizations worldwide are increasingly recognising their responsibilities towards issues besides investors, returns and profits. This has led to active discussions, resolutions and evolution of different perspectives and practices of business ethics and values. This paper examines these and presents an analytical review of examples of some global best practices in this area based on secondary research. This author presents different definitions and views of world leaders on the subject and critically evaluates the successful translation of visions and missions into action. This paper also explores the business behind caring for environmental issues and social responsibilities and tries to derive conclusions for 'authentic excellence' in the corporate world.