

**1****An anatomy of state control in the globalization of state-owned enterprises [Texto impreso] / Hao Liang, Bing Ren and Sunny Li Sun**

Este artículo se encuentra disponible en su edición impresa. Los datos para su localización están accesibles a través del enlace al título de la publicación.

References: p. 238-239

Abstract: Integrating agency theory with institutional analysis in international business, we propose a state-control perspective to analyze government-control mechanisms in emerging economies' globalization of state-owned enterprises (SOEs). We identify two types of state control that influence SOEs' globalization decisions and the degree of globalization (DOG): state ownership control and executives' political connections, both of which are contingent upon the home country's evolving institutional environments. Using a two-step corporate globalization decision model and 17,272 firm – year observations of non-financial, Chinese-listed companies, we find a strong impact of both types of state control on SOEs' globalization, although the impacts differ between the periods before and after domestic governance reform and across different globalization decision steps. The diminishing impact of executives' political connections and the increasing impact of state ownership control on firms' DOG demonstrate the evolving relationship between the state and the managers, as well as the dynamics of state control in globalizing SOEs.

Journal of international business studies. -- 2015, v. 46, n. 2, february/march, p. 223-240

1. Agency theory 2. State control 3. State-owned enterprises 4. Political relationships 5. Corporate globalization

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**2****International evidence on the impact of adopting english as an external reporting language [Texto impreso] / Thomas Jeanjean ... [et al.]**

Este artículo se encuentra disponible en su edición impresa. Los datos para su localización están accesibles a través del enlace al título de la publicación.

References: p. 200-202

Abstract: This study investigates the economic consequences of non-English-speaking companies adopting English as an external reporting language. We examine a sample of European companies that initiate the voluntary issuance of an annual report in English in addition to the local language annual report. To control for self-selection, we use a difference-in-differences design with a propensity score matched control sample. We find that adoption of English as an external reporting language is associated with increased foreign ownership, decreased information asymmetry, and increased analyst following. We also find that these benefits are not conditional on the use of IFRS for financial reporting. Our findings hold if we run a number of robustness checks to control for correlated events (creation of an investor relations service, provision of conference calls, and/or changes in management). These results are consistent with the language used in the annual report acting as a barrier to investment for some investors and with annual reports issued in English reducing investors' information processing costs.

Journal of international business studies. -- 2015, v. 46, n. 2, february/march, p. 180-205

1. English 2. Language (language design, silent language, translation) 3. Annual report 4. Foreign ownership 5. Information asymmetry 6. Analyst following

**3****Language friction and partner selection in cross-border R&D alliance formation [Texto impreso] / Amol M Joshi and Nandini Lahiri**

Este artículo se encuentra disponible en su edición impresa. Los datos para su localización están accesibles a través del enlace al título de la publicación.

References: p. 147-151

**Abstract:** How does language friction affect alliance formation? Language friction is a form of cultural friction arising from structural differences in the respective languages used by potential partners to reason and solve problems together. A little language friction may prompt partners to rethink solutions, thereby enhancing collaboration, but excessive friction may impede collaboration. We develop a Language Friction Index (LFI) to quantify relative differences in linguistic structure for any language pair. Utilizing a unique data set of semiconductor design activities (1988–2001), our empirical analysis finds an inverted U-shaped relationship between partners' LFI and the likelihood of cross-border research and development (R&D) alliance formation. This relationship is further moderated by prior ties and technological distance. Our findings have several important implications, including: (1) language differences are a measurable and discernible source of cultural friction; (2) the effects of language friction are economically significant and strategically consequential; (3) certain aspects of language friction occur independent of language proficiency and persist despite the use of lingua franca to reduce language barriers; (4) linguistic diversity is an indirect marker of cognitive diversity, which is useful in boosting creativity, especially in first-time collaborations; (5) beyond R&D alliances, language friction may also influence other types of strategic interactions and organizational processes.

*Journal of international business studies.* -- 2015, v. 46, n. 2, february/march, p. 123-152

1. Language 2. Friction 3. Alliances and joint ventures 4. Innovation and R&D 5. Linguistics 6. Cross-cultural research/measurement issues

**4****Political bargaining and multinational bank bailouts [Texto impreso] / Michael R King**

Este artículo se encuentra disponible en su edición impresa. Los datos para su localización están accesibles a través del enlace al título de la publicación.

References: p. 218-219

**Abstract:** This article examines the role of political bargaining and state institutions in explaining variation in state support to multinational banks (MNBs). International business theory predicts that multinational enterprises will engage in political activities to gain a competitive advantage over rivals. I hypothesize that MNBs with greater bargaining power and favorable institutions received state capital injections on more attractive terms than foreign rivals. I test this hypothesis by studying the October 2008 state recapitalizations of MNBs by the UK, France, Germany, the United States, and Switzerland. I measure the relative attractiveness of state bailouts by comparing the bank stock price reactions when the bailouts were announced. The stock prices of MNBs receiving more favorable state support outperformed foreign rivals, reflecting the competitive advantage gained. States imposed more punitive terms on banks when political and legal institutions were more favorable and MNBs were unable to form a coalition. States that are highly dependent on banks and where state bailouts were large relative to GDP were also more punitive. These findings highlight the importance of political behavior as a tool of strategy, and the need for coordination on banking policy across states to reduce moral hazard.

*Journal of international business studies.* -- 2015, v. 46, n. 2, february/march, p. 206-222

1. Business/government interaction and relations 2. Political strategies 3. Bargaining 4. Financial crisis 5. Banking and finance 6. Markets and institutions

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**Understanding the words of relationships [Texto impreso] : language as an essential tool to manage CSR in communities of place / W Travis Selmier II, Aloysius Newenham-Kahindi and Chang Hoon Oh**

Este artículo se encuentra disponible en su edición impresa. Los datos para su localización están accesibles a través del enlace al título de la publicación.

References: p. 177-179

Abstract: Multinational enterprises (MNEs) encounter relentless stakeholder pressures when operating across linguistic, cultural and institutional boundaries. Our aims are to examine whether and how acquisition of language resources may help MNEs to bridge these boundaries and reduce pressures on MNE legitimacy by improving their corporate social responsibility (CSR) outcomes. We propose an MNE model of language resource acquisition policy based on three language orientations: “language-as-problem,” “language-as-resource” and “language-as-right.” Using sociolinguistic tools – an “ecological” analysis of how language affects MNE–stakeholder relationships – and surveying 15 mining MNEs from Australia, Canada, China, South Africa, Switzerland and the United Kingdom operating in East Africa, our research found some MNEs employ regional lingua francas like Swahili and local leadership practices to build sustainable relationships with local stakeholders. These local stakeholders are members of communities of place (CofP), who steward the land their ancestors have inhabited for centuries, and their voices have grown as to how that land is used. As their voices have grown, MNEs should improve CSR outcomes with CofP through better communications. A well-designed language acquisition policy may improve such communication and so fend off threats to MNE legitimacy.

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1. Language (language design, silent language, translation) 2. MNE-stakeholder relationships 3. Corporate social responsibility 4. Communities of place 5. Swahili, Africa