PROGRESS IN INTERNATIONAL BUSINESS RESEARCH VOLUME 12

DISTANCE IN INTERNATIONAL BUSINESS: CONCEPT, COST AND VALUE

EDITED BY

ALAIN VERBEKE

Haskayne School of Business, University of Calgary, Alberta, Canada; and Henley Business School, University of Reading, UK; and Solvay Business School, University of Brussels (VUB), Belgium

JONAS PUCK

WU Vienna, Vienna, Austria

ROB VAN TULDER

Erasmus University Rotterdam, Rotterdam, The Netherlands



United Kingdom – North America – Japan India – Malaysia – China

CONTENTS

LIST OF CONTRIBUTORS	ix	
ABOUT THE EDITORS	xiii	
PROLOGUE – VOYAGES OF SELF-DISCOVERY: A REFLECTION ON FOUR DECADES OF RESEARCH ON EXPATRIATION AND CROSS-CULTURAL INTERACTIONS Rosalie L. Tung	1	
CHAPTER 1 DISTANCE IN INTERNATIONAL BUSINES STUDIES: CONCEPT, COST AND VALUE Alain Verbeke, Rob van Tulder and Jonas Puck	S 17	
PART I THE CONCEPT OF DISTANCE		
CHAPTER 2 ARE WE AT A TURNING POINT FOR DISTANCE RESEARCH IN INTERNATIONAL BUSINESS STUDIES? Douglas Dow	47	
CHAPTER 3 INSTITUTIONAL OVERLAP AS BASIS FOR INTERNATIONAL BUSINESS Robbert Maseland	69	
CHAPTER 4 HOW DO MANAGERS' DEVIANT PERCEPTIONS OF "CULTURAL DISTANCE" RELATE TO THE PERFORMANCE OF INTERNATIONAL SMEs? Goudarz Azar and Rian Drogendijk	91	
CHAPTER 5 THE CONCEPT OF INSTITUTIONAL AND CULTURAL COMPATIBILITY Tilo Halaszovich	107	

vi CONTENTS

CHAPTER 6 THE DIRECTION OF REGULATORY INSTITUTIONAL DISTANCE AND MNE'S SUBSIDIARY OWNERSHIP STRATEGY: RE-EXAMINING THEORY ANI EVIDENCE IN THE CASE OF EMERGING MARKETS Palitha Konara and Vikrant Shirodkar	D <i>135</i>	
PART II THE COST OF CULTURAL AND PSYCHIC DISTANCE		
CHAPTER 7 OWNERSHIP STRATEGY AND SUBSIDIAR SURVIVAL IN FOREIGN ACQUISITIONS: THE MODERATING EFFECTS OF EXPERIENCE, CULTURAL DISTANCE, AND HOST COUNTRY DEVELOPMENT Yi Wang and Jorma Larimo	Y 157	
CHAPTER 8 THE PSYCHIC DISTANCE HAZARDS IN CROSS-BORDER ACQUISITION PERFORMANCE: AN EMPIRICAL STUDY OF CROSS-BORDER ACQUISITIONS FROM 26 COUNTRIES João Carvalho Santos, Hortênsia Barandas-Karl and Francisco Vitorino Martins		
CHAPTER 9 WHY DOES PSYCHIC DISTANCE INHIBIT INTERNATIONAL BUYER–SUPPLIER RELATIONSHIPS?	183 207	
PART III THE COST OF INSTITUTIONAL DISTANCE		
CHAPTER 10 INSTITUTIONAL DISTANCE AND LOCATION CHOICE: NEW EMPIRICAL EVIDENCE FROM EMERGING-MARKET MNEs Diego Quer, Enrique Claver and Laura Rienda	225	
CHAPTER 11 FIRM RESOURCES, INSTITUTIONAL DISTANCE, AND THE CHOICE OF ENTRY MODE Jonas F. Puck, Markus Hödl, Igor Filatotchev and Thomas Lindner	239	

Contents vii

CHAPTER 12 HOW THE DIRECTION OF INSTITUTIONAL DISTANCE INFLUENCES FOREIGN ENTRY MODE CHOICES: AN INFORMATION ECONOMICS PERSPECTIVE Michael J. Mueller, Guus Hendriks and	
Arjen H.L. Slangen	271
CHAPTER 13 EQUITY COMMITMENT IN CROSS-BORDER ACQUISITIONS: THE INFLUENCE OF DISTANCE AND ORGANIZATIONAL RESOURCES Desislava Dikova, Ahmad Arslan and Jorma Larimo	297
PART IV THE VALUE OF DISTANCE	
CHAPTER 14 THE GEOGRAPHY OF INTERNATIONAL KNOWLEDGE SOURCING: LOOKING BACK AND MOVING FORWARD Alessandra Perri and Grazia D. Santangelo	341
CHAPTER 15 CSR IMPLEMENTATION IN MNEs: THE ROLE OF DISTANCE AND PRIORITIZATION OF DEMANDS Anne Jacqueminet	363
CHAPTER 16 BREAKING BAD? THE EFFECT OF FAULTLINE STRENGTH AND DISTANCE ON RELATIONSHIP CONFLICT, AND PERFORMANCE IN TEAMS. A CONDITIONAL PROCESS MODEL Ursula Pregernig	379
CHAPTER 17 WHEN DISTANCE IS GOOD: AN UPPER-ECHELONS PERSPECTIVE ON THE ROLE OF DISTANCE IN INTERNATIONALIZATION Dorota Piaskowska	403
CHAPTER 18 HOW TO INTERNATIONALIZE A TRADITIONAL PORTUGUESE-STYLE FOOD – LIABILITY OR ASSET OF PORTUGUESENESS? Susana Costa e Silva and Maria Elo	425

viii CONTENTS

PART V ALTERNATIVE LENSES FOR IB RESEARCH	
CHAPTER 19 LIABILITIES OF DISTANCE: GOVERNANCE COST DYNAMICS IN MNE HEADQUARTERS-SUBSIDIARY RELATIONSHIPS Sverre Tomassen	445
CHAPTER 20 REDUCING PSYCHIC DISTANCE THROUGH SPRINGBOARD SUBSIDIARIES: AN EXPLORATORY CASE STUDY Nina Magomedova, Fariza Achcaoucaou and Paloma Miravitlles	471
CHAPTER 21 CULTURAL DISTANCE, REPUTATION TRANSFERABILITY, AND CROSS- BORDER ACQUISITIONS: A CONSUMER PERSPECTIVE Michela Matarazzo, Federica De Vanna, Giulia Lanzilli and Riccardo Resciniti	495
CHAPTER 22 DOMESTIC ALLIANCE FORMATION AND THE FOREIGN DIVESTMENT DECISIONS OF FIRMS Viacheslav Iurkov and Gabriel R.G. Benito	517
INDEX	539