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Comments from the Editor

Tamir Agmon, Editor

Communication is an important part of business as it is an important part of each and every human interface. It is a more crucial part of the process of international business where by definition people do communicate across different countries, different languages, different cultures and different institutional settings. Communication in international business may take on different expressions. It can be verbal either through discussions or in writing; it can be through accounting and other forms of transmitting financial information, or it can be through trade in goods and in factors of production. Most times, one finds that transacting successfully in the world of international business requires communication in a number of ways. It also requires creating favorable conditions for successful communication between the different stakeholders of the multinational enterprise, both the internal and the external that by the nature of the MNE are located in different countries.

One example is the attempt to harmonize and create accepted international accounting standards. Another example is the harmonization of different institutional settings through tax treaties. Professor Vaara discusses in his article a somewhat different, but very important condition for successful information—creating a common metaphor that will act as a basis for successful communication in the case of an international merger between two firms. Is an international merger an act of war, or is it a marriage? In a war there is a winner and a loser, an aggressor and a defender. A marriage can be seen as cooperation between two equal participants. Often marriage creates life in the form of children; wars always create misery and death. Setting up the right metaphor is both an indication to and facilitation for a fruitful communication that can lead to a successful and mutually beneficial international merger.

In an earlier issue of AIB Insights, (Vol. 4, No. 2, 2004) Mary Ann Von Glinow asked, "Do We Speak The Same Language?" Eero Vaara suggests that by choosing the right metaphors managers, officials, bankers, auditors, and lawyers all typically involved in the complex process of international can create a road on which international and inter-cultural communication can travel safely. Such agreed upon metaphors will help people to speak the same language, or at least to understand each other.

On the surface Professor Almor's article: "Creating Global Market for Violin Making" is discussing the development of violin making as an example of the process of international expansion. However, it is also a case where creating a common base for communication makes it easier to create and maintain an international standard. In this case the language of the communication is music. If one accepts the basic structure and the basic metaphor of classical music the way that it has developed in Europe in the last six hundreds years or so, international communication follows. The large number of world class performing artists of classical music from Asia is evidence that classical music has been established as an international standard with a broad band of global communication. The communication is expressed and practiced in several ways. Communication between composers and performing artists, between performing artists and audiences, between different performing artists from different countries that together form orchestras, quartets, and other ensembles.

One vehicle of carrying out the communication are musical instruments. The development of the industry of violins making is an example to the congruency of the movements of knowledge, goods, ideas, and complimentary factors like composers and performing artists in the international expansion of classical music.

Insights provides an outlet for short, topical, stimulating, and provocative articles. Please submit materials for consideration to the editor—Tamir Agmon at AgmonT@st.colman.ac.il. Submissions are reviewed by the Advisory Board.

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Tel: +1-517-432-1452
Fax: +1-517-432-1009
Email: aib@msu.edu
http://aib.msu.edu

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- Submissions to Insights can be sent at anytime to the editor.

- Submissions may be electronic, by fax, or by mail. Electronic submissions are preferred.

- Submissions will be reviewed by the Editor to ensure material is appropriate for *Insights*, then the advisory board will comment on submissions.

- For consideration for specific editions, submissions must reach the editor by the following dates:

1st Quarter:	December 15
2nd Quarter:	March 15
3rd Quarter:	June 15
4th Quarter:	September 15

- Articles should be approximately 2-3 printed pages.

- Exercises, simulations, and other material should include all the information needed for use in the classroom. Material submitted should not contravene any copyrights.

- Blunders should be based on real-world events and should be new — i.e., not previously published, or disseminated in other media.

We look forward to your comments and submissions.

Eero Vaara

Professor of Management and
Organization
Swedish School of Economics
Helsinki, Finland

Understanding The Metaphoric Basis of Internationalization: The Case of Mergers and Acquisitions

Language plays a key role in organizations. It provides both a basis for cognition or thinking and also serves as a means to shape these cognitions. Language is also the vehicle that is needed for social interaction and reflection upon organizational phenomena.

While much of our daily social activities are 'routine' and thus require no specific sensemaking, this is not the case in the context of radical organizational change such as internationalization through mergers and acquisitions (henceforward merger). These kinds of events create a need to make individually and collectively sense of the new situation and its implications for oneself, the organization and, at times, also for the nation in question. In these kinds of situations, it is of fundamental importance which kinds of images are created around the merger and the new organization. In brief, positive images provide a basis that helps to cope with the situation and work for a meaningful future. Negative images, in turn, question the rationale of the merger, reproduce prejudice and overall provide a problematic basis for cooperation.

These images can be understood as metaphors. These metaphors are dreamlike understandings that we use when making sense of specific phenomenon. They need not be very clear; in fact, they are often ambiguous and even contradictory. They do not either have to be explicitly articulated or spelled out when individuals make sense of new situations. In social interaction and communication, these metaphors play a crucial role. Accordingly, most of our culture is based on metaphors (e.g. Lakoff and Johnson, 1980). We are not, however, often aware of them. Consider, for example, words such as 'market' or 'strategy' that we use daily in organizations. These can be seen as 'dead metaphors' in the sense that they no longer are perceived as metaphoric but have grown into objects or parts of factualized social reality. At the same time, some new metaphors, because they are catchy and seem to coin meaning in a specifically effective way, may receive specific attention. This is the way that journal headlines are often constructed.

Central in metaphors is that they help us to understand specific phenomena, such as mergers, by linking them with other social domains with their established vocabularies. Making such connections thus means constructing analogies between different 'social worlds'. As mergers are specifically abstract and complex social phenomena, the need for such metaphors is particularly evident. In the merger setting, one can, for example, look at the merger as a marriage, war and battle or sports. In fact, looking at press releases or media coverage around recent international mergers and acquisitions reveals that these are widely used metaphors. In brief,

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considering the merger as a marriage creates usually positive images of long-term relationships based on attraction, trust and loyalty. At the same time, marriages can also be problematic; filled with sadness rather than joy, unsatisfactory, violent, etc. This imagery also allows one to ponder upon whether the marriage was based on true love or arranged, whether it is characterized by equality and whether it will last or end by a divorce.

The war and battle imagery is particularly forceful. It should actually be linked with the 'strategy' rhetoric that originates from military discourse. In this setting, a merger is characterized by confrontation between two or more parties and power struggles of various kind. This is in a sense a 'problem scenario' when compared with marriages, for example. At the same time, it should be noted that such rhetoric also justifies, legitimates and naturalizes such tendencies as corporate takeovers, domination of the winners, imposition of one's culture over the other party or colonialization. These are important issues in international mergers.

'Marriage', 'union' and 'partnership' are words that are frequently used in merger or acquisition announcements and press releases.

The sports imagery has become increasingly important in contemporary society. According to many, at least in times of peace, sports has replaced the more traditional war images. In particular, the sports images provide a means to make sense of the collaborative-confrontational relationships between the merger parties. It is especially useful for cross-national comparisons where mergers can, for example, be compared with international football matches.

These imageries thus provide different means for making sense of the mergers at hand. They are not, however, just 'harmless' words that are interesting or entertaining. First, the images have political implications. On the one hand, the metaphors that become most popular in specific contexts do reflect and reconstruct specific attitudes. For example, whether a merger is seen as a joyful partnership or a bloodshed ending in either party's death obviously makes a world of difference. What should be emphasized here is that the same images may also have different meaning for different parties. In recent Finnish-Swedish mergers that I have studied, Finns have often seen themselves as inferior due to the post-colonial kind of historical relationship between Swedes and Finns (Vaara, Tienari and Säntti, 2003; Risberg, Tienari and Vaara, 2003). Images of Finnish-Swedish union therefore often tend to be problematic for the Finns associating them with the Swedes taking over, dominating or in worst cases taking all that is valuable from Finland to Sweden (as they arguably did hundreds of years ago).

On the other hand, management of meaning is one of the fundamental tasks of top management in merger processes. It is thus no wonder that the decision-makers behind the deals tend to make use of, for example, the marriage metaphor. 'Marriage', 'union' and 'partnership' are words that are frequently used in merger or acquisition announcements and press releases. It is not either a coincidence that top management often try to frame post-merger tensions related to resource allocation, investments, disinvestments or cutbacks as sportsman-like competition leading to prizes given to the most competent rather than wars ending in slaughter, bloodshed, atrocities and death.

Second, metaphors do define what is legitimate or natural in the merger settings. For example, seeing mergers and acquisitions as war and battle means that we look at financial markets, specific industries and corporate organizations as arenas where one expects to see harsh battles over corporate control, leading to someone winning the control of other organizations, with all kinds of implications. We may not approve of all of these connotations, but the more we use the vocabulary of war and battle in these settings, the more natural military-like manoeuvres and colonial acts become. It is noteworthy here that the whole globe is now seen increasingly as a potential battlefield for corporate power and control. Likewise, portraying mergers and acquisitions as sports does imply that we expect and appropriate such phenomena as bidding contests, competition for key positions in the merged organization and continuous matches between the representatives of the merger parties when integrating the previously separate organizations and choosing the 'best practices'.

What are then the implications for managers? What I have been arguing is that contemporary phenomena such as international mergers and acquisitions are all about images. This is not to say that they would not have concrete and often dramatic consequences for the organizations and people involved. They do indeed. The point is that we should be able to understand that the way we choose to portray and view these phenomena has important consequences for people's attitudes and the actions taken. For managers in charge, this should not be read as an advice to engage in the cheapest kind of marketing or management of meaning. This should rather be taken as a challenge to opt for collective dialogue or multilogue. In this kind of discussion, the metaphors used do reveal underlying interpretations that easily pass unnoticed. They are thus a great source of learning, even without engaging in overly deep psychoanalytic interpretations. In any case, one should not try to do the impossible and close people's mouths. Rather, one could take even the most negative kinds of views with a grain of salt and, if possible, try to find the (sometimes hidden) message and humor in them. Indeed, many metaphors can be taken as irony and sarcasm. Finally, in a setting characterized by a genuine open discussion, one can also find and promote those kinds of positive metaphors that can lay the foundation for positive joint identity building.

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Creating a Global Standard for Violin Making

Tamar Almor

School of Business Administration, College of Management, Israel

As a young girl I often wondered who had made my violin. Peering down into the *f*-holes (the violin's sound holes) I frequently tried to discern an inscription, label or any other sign of the person who originally built my violin. Even as a child I was aware that violins are usually very old, much older than the people I knew. The person who sold me the instrument told me that my violin dated back to the 18th century and was probably made in the Netherlands or Germany, although I always secretly hoped that one day I would discover an inscription that would show that my violin really originated from Cremona, Italy, the birthplace of the modern violin.

After having neglected my violin for many years, I have recently returned to playing this marvelous instrument, which can sing as no human being can, provided you are willing to devote endless hours to practice. My current violin teacher, Avraham, a new immigrant from the former Soviet Union, speaks broken Hebrew but knows how to play the violin like no one else I know. He is helping me regain the atrophied skills I built up through many years of practice as a youngster in the Netherlands. Although he uses different terms for the notes and musical signs, we understand each other very well because the musical language taught in the Netherlands is the same as that taught in the former Soviet Union.

As a result of my renewed interest in the violin, I went to visit Gregory Shteinas, who learned the art of violin making in the former Soviet Union and currently lives a few blocks from my home in Herzliya, Israel. When I showed him my violin he immediately asked me what music I used to play as a child. Even though we immigrated to Israel as grown-ups from completely different backgrounds, know little of one another's culture, and do not even speak one another's mother tongues, we do share the common language of music and musical instruments.

My visit to Gregory and our discussion about violins sparked my curiosity about this instrument and its development through the ages. Specifically, I asked myself if it would be possible to analyze the development of the modern violin using an expanded version of the product cycle framework. The goal would be to illustrate how the salient determinants of competitive advantage—R&D, production and marketing activities—evolve along with the product cycle. In 2003, Seev Hirsch, Niron Hashai, and I wrote a paper in which we used such a model to show how changes in the "knowledge-intensity" of products along the product cycle are interrelated with changes in the "service-intensity" and "distance premium." This makes it possible to predict the sequence in which knowledge-intensive firms internationalize R&D, production and marketing activities.

Development of the modern violin: The introductory phase

> *During the introductory phase of the product life cycle, when investment in R&D peaks, technological superiority has a major impact on competitive advantage, and may even grant innovating firms a monopolistic position. Production and marketing are of secondary importance in shaping the competitive position during this phase.*
>
> (Almor et al., 2003)

Like many innovative products, the modern violin has its origins in other technologies which provided partial solutions for the needs of musicians. Various string instruments are seen as ancient forerunners of the violin, such as the Ravanastron, which is said to have been invented in India as early as 5000 BC[1]. Although string instruments were known to the Arabs, Turks and other Oriental peoples before they were known in Europe, it is the European violin that is now most commonly played and has been the industry standard since the 18th century[2].

In the 11th and 12th centuries variations on the ancient zither were most commonly used. In Europe in the Middle Ages, the vielle and the rote were both popular. These were simple string instruments on which the musician could produce various sounds by impressing, and thereby shortening, the strings. The strings were made to vibrate by means of a musical bow, an arched stick with a taut string tied to its two ends. Resonance enhancers were used, including coconut, calabash (a dried and hollowed out gourd otherwise used as a food bowl), tortoise shells, wooden boxes or pig bladders, any of which could be thrust tightly between the strings and played with the bow. Quite early on, small string instruments were already played in the modern fashion by holding them to one's left shoulder or breast, not only across one's knees[3].

…often we find that various technologies develop concurrently, until one becomes dominant.

The five-stringed vielle came into being during this period and was gradually upgraded. Ribs were introduced to facilitate the use of the bow, a separate tailpiece and bridge were added and gradually the Renaissance viol came into being. In the 16th century various new instruments were developed concurrently, such as the viola da gamba (a viol held between the player's legs), the lira da braccio (which was played with a bow) and the viola da braccio (which was held against the shoulder)[4]. This sort of process is very typical of the early phases of new technology development; often we find that various technologies develop concurrently, until one becomes dominant.

Of all the competing technologies mentioned above, it was the viola da braccio that became the basis for the modern violin, with a number of significant modifications: The number of strings was reduced from five to four; the pegbox and lateral pegs were integrated; and the instrument was tuned in fifths, which made it possible to use four fingers to create different tones. Moreover, the sound holes, which were originally crescent-shaped, evolved into the current *f*-shaped form.

The violin emerged in its definitive form around 1550 in Cremona, in what is now northern Italy. Andrea Amati of Cremona (1525-1611) is generally considered the inventor of the modern violin and is known as the founder of the great Cremonese school of violin making[5], although some argue that Gasparo da Salo (1540-1609) from Brescia should carry the title of inventor of the modern violin (Todes, 1999). In the mid-16th century Amati occupied a nearly monopolistic position in producing what we would now call the modern violin. No other instrument makers outside Cremona mastered Amati's techniques.

Until this time, it had been traditional for musicians to make their own instruments. But after the 16th century, violin making and violin playing became separate occupations. Like composers, violin makers were often supported by aristocratic or even royal patrons.

Internationalization of violin making: The growth phase

During the growth phase, as technology gradually diffuses, first mover advantages of innovating firms are eroded. At this stage, the firm's competitive position depends more and more on its ability to provide pre- and post-sales services efficiently. Hence the marketing function becomes the major determinant of the firm's competitive position.

(Almor et al., 2003)

It is said that Andrea Amati made 24 violins, 6 violas and 8 cellos for King Charles IX of France, for use at the court of Versailles[6]. The close relationship between France and Italy allowed Andrea Amati to target foreign markets with his new technology as well as serving local customers. Not only did Amati sell his innovative products to foreign customers, he also allowed selected foreign violin makers to learn his techniques, thereby creating an international industry standard for the production of modern violins.

It took about a century for the innovative knowledge of violin making that developed in Cremona to spread throughout Europe. Jacob Stainer of Absam bei Innsbruck, Austria (1617-1683) emerged as the first great violin maker north of the Alps. Johann Sebastian Bach, Francesco Maria Veracini, Pietro Antonio Locatelli and Leopold Mozart played Stainer violins. It is not known where Stainer learned the trade, but it is assumed that he had connections with the Amati family. Matthias I Klotz of Mittenwald, Germany (1656-1743) was a well known violin maker who studied with Jacob Stainer and Nicolo Amati[7], while Hendrik Jacobs of Amsterdam (1629-1693) and Jan Boumeester of Amsterdam (1629-1681) were also deeply influenced by Amati (Müller, 1955).

Despite this internationalization, Cremona has remained the seat of violin making until today. Perhaps the most famous Cremonese violin maker was Antonio Stradivari (1644-1757), known as Stradivarius, whose geometrical interpretation of violin design has served as the conceptual model for violin makers ever since. Another well known Cremonese violin maker was Joseph Guarnarius del Gesu (1698-1744), who created among other famous violins the instrument used by Paganini, which was dubbed the "Cannon" because of its sonorous sound. Well-known violin making families such as the Guarneris, the Bergonzis and the Ruggieris built masterpieces during the 17th and 18th centuries, further increasing Cremona's fame.

Industrialization of the violin —the maturity phase

Production takes over as the prime determinant of competitive advantage when maturity is reached, growth slackens and unit production costs account for a growing percentage of total costs (Klepper, 1996).

When a product is standardized, production cost considerations, rather than technological superiority or improved servicing, become the major determinants of competitive advantage.

(Almor et al., 2003)

Dispersion of knowledge about the modern violin and standardization of the product led to attempts to establish optimal norms. The process of manufacturing was rationalized; isolated parts of the violin were produced by different artisans and assembled afterwards. The first violin factory was founded around 1790 at Mirecourt, France, by Dieder Nicolas. Afterwards other European cities took part in the mass production of string instruments[8]. Thus industrial manufacturing of violins came into being in many countries, a process that still goes on in the 21th century.

Although this process is very cost effective, the mass-produced violin has never gained much success or respect. In general, mass-produced violins are used only by those who are just starting out and have to practice the basics. As soon as a budding musician develops some feeling for the violin, she will switch to an instrument that was built by a luthier (violin maker) or at least in a small shop under the direction of a master violin maker[9].

Even today, a good violin owes as much to the methods and standards introduced by Amati and Stradivarius as it does to the ability of the violin maker to choose the right wood and shape it in such a way that it resonates easily and forms an instrument that can potentially last for hundreds of years[10]. Making a violin requires great patience, careful planning and design. It takes a long time to shape and thin the wood. The maker must tap and flex each piece until he is satisfied with its response. No two pieces of wood ever have precisely the same properties; while some pieces vibrate loudly with a long ringing tone, others just sound dull. The violin maker must choose those pieces that respond satisfactorily to his ear.

Once the violin is glued together, it is varnished. Varnish protects the wood and can also influence the sound it produces. The varnish on many classical Cremonese instruments is one of the great achievements of violin making history. Sadly, this knowledge seems to have been lost[11].

When I asked Gregory Shteinas what it takes to make a good violin, he replied that this is an obsession that lasts a lifetime and can never be replaced by industrial manufacturing. He added that classical violins, such as those produced in 16th and 17th century Cremona, were never successfully duplicated at a later date. Thus it seems that violin making, although based on specific techniques, is more of an art than a mass production process, even after nearly four centuries. Competitive advantage in this field seems to be the result of skills and abilities acquired over many years of practice, rather than the ability to rationalize the process and drive down the price of the product. Still, the basics of modern violin making have become standardized enough for the Cremona model to become the worldwide industry standard, thereby creating a truly sustainable competitive advantage for Cremona-type luthiers over the centuries.

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Footnotes

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More Department Names With "International" in Them

Jean Boddewyn and Clifford Wymbs

Zicklin School of Business
Baruch College (CUNY)
17 Lexington Avenue
New York, NY 10010

Following the publication of our article "Department Names with 'International' in Them" in *Insights* (Vol. 4, No. 1, 2004, pp. 11-12), which was based on 36 answers to our query on the AIB-L mailing list, we received or located 20 more titles related to International Business. Figure 1 lists the updated titles thus obtained. There were additions to all three categories—particularly, in the "Other Department and School Names." It is obvious that "International Business" is alive and well under various guises. Further information should be sent to Jean_Boddewyn@Baruch.cuny.edu and Clifford_Wymbs@Baruch.cuny.edu to keep this list current.

Figure 1

Department of International Business

- Quinnipiac College
- U of Auckland (NZ)
- U of South Carolina
- Eckerd College
- American U (DC)
- San Francisco State U
- George Washington U
- St. Louis U
- AGSIM (Thunderbird, "World Business")

Department of Marketing and International Business

- Baruch College (City U of New York)
- Hofstra University
- U of Washington
- College of New Jersey
- Minnesota State U

Other Department and School Names

- Department of Management and International Business (Loyola/Maryland)
- Department of Marketing and International Management (Waikato U, NZ)
- Department of International Economics and Management (Copenhagen Business School)
- School of Marketing and International Business (Western Sydney U, Australia)
- Department of Management, Marketing and International Business (U of Texas/Pan American)
- Department of Management, International Business and Entrepreneurship (Florida Atlantic U)
- Department of Organization, Strategy and International Management (U of Texas/Dallas)
- Department of Management and Global Business (Rutgers U/ Newark)
- Strategy and International Management Group (MIT)
- Department of Finance, Insurance, International Business and Real Estate (Howard U)
- Department of Management, Marketing and International Business (Texas A&M International U)
- International Business Area (Simon Fraser U)
- International Business School (Brandeis U)
- Management and International Business (Florida International U)
- Economics, Finance and Global Business (William Patterson U)
- Strategy and International Business Group (Edinburgh, UK)
- International Business Division (Leeds, UK)
- School of Marketing and International Business (Victoria U of Wellington, NZ)
- Research Institute for International Management (U of St. Gallen, Switzerland)
- School of International Business and Logistics (Maine Maritime Academy)