

Insights

Volume 3, No. 3, 2003

This is the last issue of Insights that will be edited by BJ Punnett. Insights has a new editor, starting with the upcoming issue. The new editor is Tamir Agmon of The College of Management, Rishon Lezion, Israel. Insights is moving around the world in an appropriately global fashion. This is the 'cross-over' issue of Insights, and we will both make a few brief comments. BJ will reflect on this and past issues and Tamir will comment on his vision for the future of Insights

Comments from BJ:

Many of my past comments have thanked colleagues for their help in making Insights insightful and successful. I am delighted to have played a part, as well, in getting this publication off the ground. I look forward to providing any help that I can in the future to the new editor.

In the last issue of Insights I remarked on the many and varied pieces and issues that we had published. I am pleased that this issue adds to the variety, and shows, once again, that insights can come from many places. There are three articles in this issue. Two are thoughtful personal reflections on the global world around us. The other deals with a cutting edge international research issue.

Joe DiStefano begins "A Glimmer of Hope" by talking of the tensions between hope and despair that are familiar to all of us whose work is international and cross-cultural. This is a note that many of us will quickly relate to, and it is reflected in Farok's piece. Joe's personal and thoughtful article was a pleasure to read, and I thank him for being willing to share these reflections with our readers.

Farok Contractor's "The Aesthetics of Waste: Reflections on the New Shanghai" is actually a letter written from Shanghai and provides a personal insight into recent developments in Shanghai, and the lessons they provide about "development" and advanced economies. Thanks for sharing these thoughts with the readers of Insights.

The article "Urgent Call for Research on International Trade in Human Beings" by Patriya Tansuhaj deals with an aspect of trade and investment that many of us wish did not exist. However, the global trade in humans is now far bigger than the trade in illegal drugs, so can we afford to ignore it? This article makes a strong case for international business scholars playing a leading role in understanding all aspects of international activities, including those we may find unpleasant.

I believe that readers will find many insights in these three articles. In closing, I would like to thank all the authors who have shared their insights with us, and also to thank the members of my Advisory Board who have responded at short notice to all of my requests, and have offered valued advice throughout my period as editor.



Betty Jane (BJ) Punnett,
Outgoing Editor

The Academy of International Business would like to express its appreciation for Betty Jane's hard work and dedication which have made AIB Insights a possibility.

Insights provides an outlet for short, topical, stimulating, and provocative articles. Please submit materials for consideration to the new editor - Tamir Agmon at agmont@012.net.il. Submissions are reviewed by the new Advisory Board

Insights can be accessed through the AIB Website
www.aibworld.net

Current Issue of Insights

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S u b m i s s i o n I n f o r m a t i o n

- Submissions to *Insights* can be sent at any time 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.

- BJ

Comments from Tamir:

Following BJ as the first editor of *AIB Insights* is both easy and difficult. It is easy because BJ has established *Insights* as a very high quality, relevant, and thought-provoking publication. It is difficult because hers is a high standard and a hard act to follow.

The tension between the multidisciplinary nature of international business as a managerial reality and the tradition, maybe the necessity of focused disciplinary research and teaching, makes a publication like *Insights* particularly appropriate for our field of study.

I see *Insights* primarily as a vehicle of communication and a testing ground for new ideas, approaches, and perspectives that together may give us insights into our field. *Insights* is the place for launching new thoughts that in due time may become a full-scale research projects or teaching modules. These can come from members of AIB, and I hope from scholars and managers elsewhere.

On a personal note, more than 30 years ago I graduated from the University of Chicago and began my career in International Business and Finance, a career that has taken me to MIT, USC, Korea University, ESSEC, Helsinki School of Economics, Athens University of Economics and Business, and many other places in addition to my home base in Israel. I feel fortunate that the AIB has given me the opportunity to be a part of an effort to reexamine our field and to generate together with all the current and future contributors new insights into what International Business is all about. For me the most exciting part of my new job is the opportunity of reading the contributions and discussing them with the various authors. I look forward to hear from as many of you as possible.



Tamir Agmon
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Incoming *Insights* Editor

**Please submit materials
for consideration to
the new editor -
Tamir Agmon at
agmont@012.net.il.**

A Glimmer of Hope

by Joseph J. DiStefano
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July 12, 2003

The gestation of this brief piece occurred in a moment of self-directed anger nearly 8 months ago, early in the morning of November 21st. It has taken until another, more encouraging dawn for me to transfer the earlier experience into laptop memory, despite my repeated good intentions during the intervening period. The tensions between hope and despair, too familiar to those of us who have spent their lives in cross-cultural work, were resolved in favor of a glimmer of hope only yesterday. Traveling with friends on the Dingle Peninsula on the West Coast of Ireland, we stopped at a bluff overlooking the sea within sight of the Blasket Islands. As we found a comfortable spot beneath the stone wall edging the road and looked out over the field below, we were greeted by the sight of a calf born only minutes before, being licked clean by its mother. Its attempts to stand on wobbly legs finally achieved some stability after several collapses. When it managed not only to stay erect, but also to find a nourishing teat, the cameras clicked amidst encouraging sighs expressed in several languages by the larger group that had by now assembled. This happier morning, buoyed by the peace of that imagery and the beauty of the sea, seemed the right time to share the bitter breakfast experience from last November.

It had been a busy week of conducting several management development sessions with executives from two different German-based multinational companies. Facing a final, full day with the DaimlerChrysler managers, I had stayed up late the previous evening preparing the mix of several different activities planned for the next day. As I breakfasted on my usual musli and yogurt, I clicked on the morning news to be greeted by more of the seemingly interminable, hostile exchanges between Israelis and Palestinians. On this particular morning the report was of an Israeli military incursion into Bethlehem the previous evening, motivated by an earlier attack by one of the Palestinian groups, justified in its logic by grievances from an even earlier incident, and so on, back through a tortured set of self-defeating acts of vio-

lence done in the name of retribution and to stop violence. As the repeated tragedy of lost lives was being recounted, the familiar sound of “breaking news” interrupted the report and live pictures flickered onto the screen. Soon I saw images of the chaotic aftermath of a suicidal explosion of a (presumed Palestinian) pickup truck that had been crashed into an Israeli bus two time zones away from my comfortable apartment overlooking Lac Lemman.

While the reporter’s agitated voice tried to make sense of the confusion he was watching, I returned my attention to juice and cereal and the timetable for the day’s activities that I had sketched the previous night. “Another morning of violence; another exchange of hatred,” I thought as I turned back to breakfast.

But some corner of consciousness rescued me from my cynicism, and I literally yelled out at myself. “This is NOT normal behavior; don’t allow yourself to be numb to this inhumanity; don’t you DARE eat your breakfast with such indifference.” Shaken by my complacency and recognizing the irony in the day’s agenda of getting high performance from cultural differences, I packed my materials and left for campus, still shaking with anger that I had let myself become inured to the apparent inevitability of cycles of violence.

The day was a full one and I was quickly drawn into the discussion of the case assigned for the day, followed by a role-play of the related cross-cultural negotiation between

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American and Japanese heads of a Canadian-based joint venture, equally owned by their parent companies. The usual mix of German and American managers attending the programs was supplemented this particular week by several Japanese managers from DaimlerChrysler’s minority investment in Mitsubishi. So the subsequent debriefing was even richer than normal, and we all focused on the insights stimulated by the combination of the case, role-play and extensive experience of the participants.

After lunch the group split into two and reviewed descriptions of differ-

ent cultures in preparation for the afternoon simulation. After a period of practice when they became adept at using the language of their assigned culture and at adapting their behaviors to those appropriate for their respective cultures, a series of exchanges between the two groups occurred.¹ Despite the fact that most of the participants had had experience working in other cultures (or perhaps *because of their experience*), the simulation produced extended discussion and lots of “aha’s” across the group. Following the plenary debriefing of the simulation, discussions about the potential applications of the day’s activities were held by multi-

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cultural subgroups and summaries of these discussions were reported back to the full group.

A mix of high energy, curiosity, thoughtful reflection and sharp insights had marked the exchanges over the day. The high level of motivation among the participants increased my own enthusiasm as I listened to their final presentations. I usually try to cap such a day with some observations meant to inspire them to use their learning back on the job. Their spirit was contagious, and I started my wrap-up with more-than-usual intensity. But I was only two or three sentences into my final comments when something triggered my morning's experience of the newscast. A rush of feelings flooded my thoughts, overwhelmed my line of reasoning and actually arrested my words. After an awkward pause, I simply explained the interruption and described the events of the morning. As I spoke the rear door of the classroom opened, and my German faculty colleague ushered in a senior executive from Mitsubishi scheduled to address the group the next day.

With the entrance of the Japanese executive I sensed the glimmer of

hope that the day had offered. Here was a group of seasoned, senior managers from three companies who had come together in a unity of purpose and for mutual learning only 5 decades after their home countries had been engulfed in a world war. They had engaged the week's program with vigor and had focused their energy on the cross-cultural issues of the day's work with intelligence and sensitivity. As I related my anger at permitting myself to become detached from the horrible consequences of hatred, I praised their own success as individuals and as a complex organization at moving beyond the divisions of cultural and religious boundaries. The room became silent as the implications of my comments struck each of us in personally unique ways. I closed more quietly than I had begun by challenging them to use their special opportunities and resources to help heal differences and promote reconciliation wherever and whenever they could.

Later that evening at the closing dinner for the program their warm and thoughtful responses to our experience of the day reminded me once more of the extraordinary privilege we have as professors

working in the field of cross-cultural management. And it has buoyed me over the periods of despair as renewed outbreaks of violence in the Middle East, in Africa and elsewhere have occurred. As a period of renewed hope is emerging once again with another cease-fire between Israelis and Palestinians and with the potential for cessation of hostilities in Liberia², I decided to share these thoughts with AIB colleagues. We do have special opportunities as we work with corporate executives from different countries, just as they have special opportunities as they work with people whose histories of divisiveness can be spanned by common commercial purpose.

It is worth reminding ourselves that the applications of the concepts and educational experiences we provide can help create a better world. Finally, by “outing” my own brush with complacency, I hope to serve warning to myself – and to urge you, too - not to permit the swings between despair and hope to become resolved in either bitter or silent cynicism. I would welcome hearing about your own experiences that might add to my glimmer of hope.

ecome detached from the horrible consequences individuals and as a complex organization at gious boundaries.”

Postscript:

Just before emailing this manuscript off to B.J. Punnett, I started reading *Friedman's fables*, by the noted rabbi and family therapist. The author's Prologue includes the following excerpt used, in part, to explain why he wrote the fables. I just *had* to include it:

I have observed a whole generation go by...all the while struggling to discern the illusion of change from the reality that things are pretty much the same as when I got here. The universality of this experience has left me wondering, Why has all the intelligence, and wisdom, and experience, and knowledge that has advanced our species in so many other areas of civilization not worked nearly as well in the improvement of our species itself? Is it that human nature is simply human nature? Are we somehow all cursed? Or is it something more simple than that, like the possibility that we are all caught up in myths about what it takes to get others to hear? For everywhere the paradox seems to be the same: Not only are communicants failing to listen to their mentors, they are actively tying their tongues.³

End Notes

¹ Yes, it was the BaFa-BaFa simulation.

² As I review this text a week after our holiday in Ireland, shelling has started in the capital of Burundi. But I recover my optimism by reminding myself that the model of cross-cultural effectiveness developed by Martha Maznevski and myself, has been used in training peace-keepers in Bosnia.

³ Edwin H. Friedman, *Friedman's fables* (New York: The Guilford Press, 1990), pp. 3-4.



The Aesthetics of Waste: Reflections on the New Shanghai

Farok J. Contractor
Rutgers University

Abstract

An essay written to a friend while teaching in China, containing reflections on the meaning of modernization, and conscious waste, as an index of economic development.

The poor use and reuse every scrap. Slums maximize the utilization of space with narrow alleys and rectangular shapes. The hallmark of socialism used to be rows of unadorned monotonic boxes, marching to the horizon.

Chinese cities are undergoing a transformation unprecedented in human history. Prior to 1993, the right bank of the Huangpu River, where Shanghai is located, was a swamp, reserved by Communist fiat for future development. All building, it was decreed, must occur west of the river. Then, in an astonishingly brief seven years, a new city called Pudong emerged from the swamp, and today it boasts half the office square footage of Singapore, the third tallest building in the world, an enormous new airport, and some of the most wackily innovative architecture anywhere. Skyscrapers sprout giant metallic lotus blossoms or pagodas on their crowns. Others have Turkish minarets and domes on their rooflines. Odd spirals and triangles clash with straight lines. Some buildings increase in girth as they reach higher, or mimic asparagus sprouts. I would have to call it Skyscraper Baroque—a Buck Rogers fantasy in concrete and glass. It is as if the science fiction comic books of our childhood had come alive, in every detail except for the roads high up in the sky. It is as if innately talented architecture students had been let loose after receiving only two lessons. Manhattan is drab in comparison with Shanghai or Hong Kong. And when these architecture students add maturity and restraint to their budding tastes, the most exciting structures will be built in Asia.

Mies van der Rohe, that exponent of rectilinear rectitude, would be horrified. No sparse restraint here. No tyranny of the box. A heady excess and, yes, a wantonly playful wastefulness. What impresses me is how rapidly China is shifting from socialist optimization and a poverty mentality, to that hallmark of an advanced society—namely conscious waste. An oval or a triangle is far from the most economical shape. It does not fully utilize space. To add pagodas and domes, or gigantic metallic flowers to the tops of buildings does little for financial results. The Jinmao Tower has an empty atrium soaring all the way from the fifty-sixth to the eighty-eighth floor, a shocking underutilization of interior space. Chinese municipalities have suddenly rediscovered trees. You know that Shanghai is a parvenu city from the youth of its plantings. Many older parks are lost, but fresh saplings are everywhere. Trees? What a bourgeois indulgence. Birds? Pshaw! Mao once ordered all the birds in Beijing shot.

One even sees a few tentative joggers in the streets. They draw puzzled looks from the older generation. My mother, who in some ways has one foot in the seventeenth century, would make a quizzical remark on seeing me venture out for a run. She would say, “Why are you wasting energy?” To the calorie-deprived, the act of deliberately and pointlessly running in the streets must seem meaningless. Indeed, the whole industry of dieting, which is emerging in China, is a testament to waste.

Much of the GNP of an advanced country economy may be deemed superfluous—an unnecessary indulgence. Consciously aesthetic wastefulness is the hallmark of a modern society. A few million Chinese have, by that criterion, already crossed that threshold. Christmas and Thanksgiving cards occupy the attention of millions, not just in Western nations, but in Asia as well. A Turkish saint, who lived in the fourth century, causes evening traffic jams in a few of the richer sections of twenty-first-century Beijing, when crowds of rich Chinese go to dinner on February 14. Yes, Pam, Saint Valentine exists and is quite popular here. A diamond ring adds little to bodily well-being, although much to the world GNP. The leisured classes occupy their time in unproductive communications and reveries. For example, I have spent nearly forty minutes writing you this non-utilitarian message. Yesterday, I even bought you a touristic bauble—an utterly useless and wasteful object. When the bower bird brings back a colorful thread to his mate, they at least use it to build their nest.

I think I will now retire to my bower, alone and bereft, and try to fall asleep thinking of you, and nests.

Affectionately,
Farok

Shanghai
November 2001



Urgent Call for Research on International Trade in Human Beings



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International human trade is a dark side of international business that has largely been ignored by the international business researchers. With a rapid globalization, these activities have intensified to become a global phenomenon in the past two decades. It is important that our IB community helps raise an awareness of such an important global business phenomenon, that reflects the dark side of globalization, urged by Eden and Lenway (2001) for more research.

Much international business research has focused on enormous benefits of globalization, such as rapid expansion of free market economies, opening up societies to democratic government, and people coming together via a global network of media, transportation and information technology. But as globalization provides economic and social benefits, it has not eliminated economic, cultural, and political barriers for people who need work and better incomes. It has indeed increased the pressure on people to migrate seeking better lives and encouraged trade in

human beings. As globalization results in the rapidly increased traffic flows of people across borders, much deals with international trade in human beings.

Human beings have long been traded worldwide as commodities. Today this trade continues and has expanded to include not only living human beings, but also spare parts and virtual images. These activities have boomed rapidly with globalization. Kyle (2001) views economic globalization as fostering both increasing international migration and transnational organized crime. These two components of globalization then accelerated the global phenomenon of human smuggling. Kyle and Koslowski (2001, p. 1) mark the year 1998 as “the year that human smuggling became an official *global problem*. This modern form of slavery is a truly global phenomenon in terms of the number of affected countries and the number of people involved, aided by advances in international transportation, information technology and financial network worldwide. With globalization resulting in rapidly increased traffic flows of people across borders, a large proportion of such flows deal with international trade of human beings, *whole or parts*. “*Whole*,” refers to a long array of activities that may be legal and ethical at the surface such as exporting of labor workers to countries with manpower shortages, to illegal and unethical activities in the domain of modern-day slavery or smuggling of people-- men, women and children. “*Parts*,” refers to legal and illegal trade in human organs. Also expanding out of control without much regulations is “*Virtual*” trade in humans or the transmission and transactions of images and information of people worldwide.

The American Medical Association is considering seriously putting price tags on human organs in the United States, as a solution to a huge shortage of human organs. Globalization makes this sector of the human trade industry much easier either via patients travelling to another country for a transplant, or the harvested organs can be transported rapidly by air to the recipient. Even when these transactions are made illegal, the practice remains

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widespread in the black market. According to Harrison (1999, p. 22), “The human body part trade simply mirrors the *normal* system of unequal exchanges that mark other forms of trade between the developed and underdeveloped regions of the world, and between classes, ethnicities, genders, etc. within and across these same regions.” The flows match the description of global human trafficking as well with the flow clearing goes from poor countries to rich countries.

We recently organized a special panel session on international human trade at the 2003 Annual Meeting of the Academy of International Business in Monterey, California. The papers include such issues as distinguishing between legal and illegal activities, ethics and social responsibilities of MNEs on labor issues, labor exports, determinants of human organ trade, and examining power between migrant workers and agents. For a copy of these papers, please contact me at tansuhaj@wsu.edu. We did receive much interest with enthusiastic discussions during the session. The audience and the discussants suggested more topics for future research (such as international adoption and bridal trade). Theories from political science, sociology and economics were also suggested for a more systematic explanation of this phenomenon. I look forward to reading more research on such an important area of research that International business academicians should not ignore. I also welcome collaboration on future research and proposal for the next AIB annual meeting in Istanbul, Turkey.

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