

Journal of World Business
Call for Papers
Special Issue on

**RISK MITIGATION AND MANAGEMENT STRATEGIES OF MULTINATIONAL
ENTERPRISES**

Guest Editors:

S. Tamer Cavusgil, Georgia State University, USA.

Pervez N. Ghauri, Birmingham Business School, University of Birmingham, U.K.

Vassiliki Bamiatzi, University of Liverpool Management School, U.K.

Byung Il Park, Hankuk University of Foreign Studies, South Korea

Kamel Mellahi, Warwick Business School, Warwick University, U.K.

Background:

Worldwide, cross border business activity continues to expand; with the global FDI now exceeding some US\$ 20 trillion. Yet the past decade has seen an unprecedented degree of political and commercial risk due to heightened levels of national conflict, wars, terrorism, corruption, and fraught political regimes. A long list of multinational enterprises (MNEs) has now grappled with the constantly increasing levels of risk, some at the brink of bankruptcy. These include: JP Morgan, Pfizer, GlaxoSmithKline, Volkswagen, Nestle, Avon and others. In fact, the latest Boston Consulting Group's 2015 report, "*Die Another Day: What leaders Can Do About the Shrinking Life Expectancy of Corporations*", warns over a tremendous increase in failure among publicly listed companies in the U.S. which now stands at 32 percent.

Heightened levels of commercial and political risk may have even contributed to a worldwide slowing trend in cross-border business. For example, UNCTAD (2015) reported a 16 percent reduction in FDI flows because of geopolitical concerns, policy uncertainties and governance issues. What is the impact of this new global environment on cross-border business? Firms now expend considerable efforts to anticipate and mitigate risk of all types, ranging from cyber security to commercial and political risk. Clearly, risk management has now become a strategic priority. Managers now increasingly focus on risk identification, risk quantification, and risk mitigation (FSP Risk Survey 2015).

Risk management is found in the IB literature as a trade-off exercise between time and money (Reuer, Shenkar, & Ragozzino, 2004), or between economic and political country risk and firms' exposure in the host market (Shrader, Oviatt, & McDougall, 2000), or even among financial and strategic actions (Miller, 1992). As a result, the cost of doing business across borders has escalated for both smaller enterprises and MNEs.

Rationale:

Given the unprecedented degree of vulnerability firms now face in international business¹, there

¹ The 2015 Association for Financial Professionals (FSP) Risk Survey of 509 professionals indicated twenty key risk factors impacting on the organizations' earnings and survival, among which political/regulatory uncertainty, tougher competition and country/geopolitical risk as well as cyber risk ranked the highest. Similar findings have been reported by the EY's 2016 Global Forensic Data Analytics Survey, "Shifting into high gear: mitigating risks and

is an acute need for IB scholars to investigate the antecedents and consequences of the current geopolitical environment for IB strategy. What are the proactive responses to heightened levels of risk in cross-border business? What risk management and risk mitigation strategies are being pursued by MNEs? Are these strategies working? What can we learn from the experience of MNEs that have failed to address these new risks and suffered? What have been the response from nation states and international regulatory bodies?

While risk mitigation and management preparedness of MNEs has escalated to top of the corporate agenda, international business scholars have rarely addressed these issues through conceptual or empirical studies. Yet, management consulting firms such as Price Waterhouse, Ernst & Young, BCG, and McKinsey advanced their practice in this area, largely in response to demands by the MNEs.

Scholars from such disciplines as international business, strategy, risk management, public policy, and ethics are invited to submit their works for consideration in this issue.

Illustrative Topics:

The following is an illustrative sample of issues that may be addressed:

- Characterization contemporary political and commercial risks now faced by MNEs;
- Antecedents of new risks;
- Degree of readiness by firms to manage such risks;
- Risk mitigation and management strategies of MNEs;
- Organizational challenges of risk management in the MNE (resource allocation, training, instituting a culture of risk mitigation, etc.);
- National variations among MNEs towards proactive risk management strategies;
- Empirical studies investigating the relationship between risk management and organizational consequences (e.g., firm competitiveness, reputation, entry modes, and corporate social responsibility);
- Empirical investigation of whether the new risks may be deterring cross-border trade and investment;
- Broader, societal effects of contemporary political and commercial risks (e.g., economic growth, regulatory and institutional reforms);
- Ethical considerations and corporate response for responsible behavior;
- Public policy and regulatory frameworks of nation states to address commercial and political risk;

Submission Instructions:

The deadline for submissions is **31 October 2018**. For more information on *Journal of World Business*, including style guidelines, please visit the *Journal of World Business* website at: <http://www.journals.elsevier.com/journal-of-world-business/>

All submissions will be subject to the regular blind peer review process at the *Journal of World Business*. The guest editors are seeking reviewers for this issue and are soliciting nominations and volunteers to participate as reviewers. Please contact the guest editors to volunteer or

demonstrating returns" with cyber breaching, internal fraud and the increasingly complex regulatory regimes reaching their top risk factors across nine industry sectors globally.

nominate a reviewer.

For More Information:

Please contact the guest editors:

S. Tamer Cavusgil, Georgia State University, USA (cavusgil@gsu.edu)

Pervez N. Ghauri, University of Birmingham, United Kingdom (p.ghauri@bham.ac.uk)

Vassiliki Bamiatzi, University of Liverpool Management School (bamiatzi@liverpool.ac.uk)

Byung Il Park, Hankuk University of Foreign Studies, South Korea (leedspark@hufs.ac.kr)

Kamel Mellahi, Warwick Business School, United Kingdom (kamel.mellahi@wbs.ac.uk)

A Sample of Relevant Work:

BCG Perspectives 2015. The Boston Consulting Group Report. *Die Another Day: What leaders Can Do About the Shrinking Life Expectancy of Corporations*, New York Doh, J.P., Lawton, T.C., & Rajwani, T. 2012. Advancing nonmarket strategy research: Institutional perspectives in a changing world. *Academy of Management Perspectives*, 26(3): 22-39.

EY. 2016. *Global Forensic Data Analytics Survey: Shifting into high gear: mitigating risks and demonstrating returns*

Kardes, I., Ozturk, A., Cavusgil, S.T. & Cavusgil, E. (2013). Managing global megaprojects: Complexity and risk management. *International Business Review*, 22(6): 905-917.

Figueira-de-Lemos, F., Johanson, J., & Vahlne, J.E. (2011). Risk management in the internationalization process of the firm: A note on the Uppsala model. *Journal of World Business*, 46(2): 143-153.

Henisz, W. J., Mansfield, E., & Von Glinow, M. A. (2010). Conflict, security, and political risk: International business in challenging times. *Journal of International Business Studies*, 41(5): 759-764

Manuj, Ila, & Mentzer, T.J. 2008. "Global supply chain risk management strategies." *International Journal of Physical Distribution & Logistics Management* 38(3): 192-223.

Mauro, P. (1995). Corruption and growth. *Quarterly Journal of Economics*, 110(3): 681-712.

Miller, K. D. (1992). A framework for integrated risk management in international business. *Journal of international business studies*, 23(2): 311-331.

Petrou, A. P., & Thanos, I. C. (2014). The "grabbing hand" or the "helping hand" view of corruption: Evidence from bank foreign market entries, *Journal of World Business*, 49: 444-454.

Reuer, J. J., Shenkar, O., & Ragozzino, R. (2004). Mitigating risk in international mergers and acquisitions: the role of contingent payouts. *Journal of International Business Studies*, 35(1): 19-32.

Shleifer, A., & Vishny, R.W. (1993). Corruption. *Quarterly Journal of Economics*, 108(3): 599-617.

Shrader, Rodney C., Oviatt, M.B, & McDougall, P.P. 2000. "How new ventures exploit trade-offs among international risk factors: Lessons for the accelerated internationalization of the 21st century." *Academy of Management journal* 43(6): 1227-1247.

AFP. 2015. *Risk Survey: Report of Survey Results*, The Association for Financial Professionals: Bethesda

Transparence International. 2014. *Corruption perception index* [online]. Berlin: Transparence International. Available <https://www.transparency.org/> [accessed 4 August, 2015].

UNCTAD. 2015. *World investment report: Reforming international investment governance*, Geneva: United Nations.