

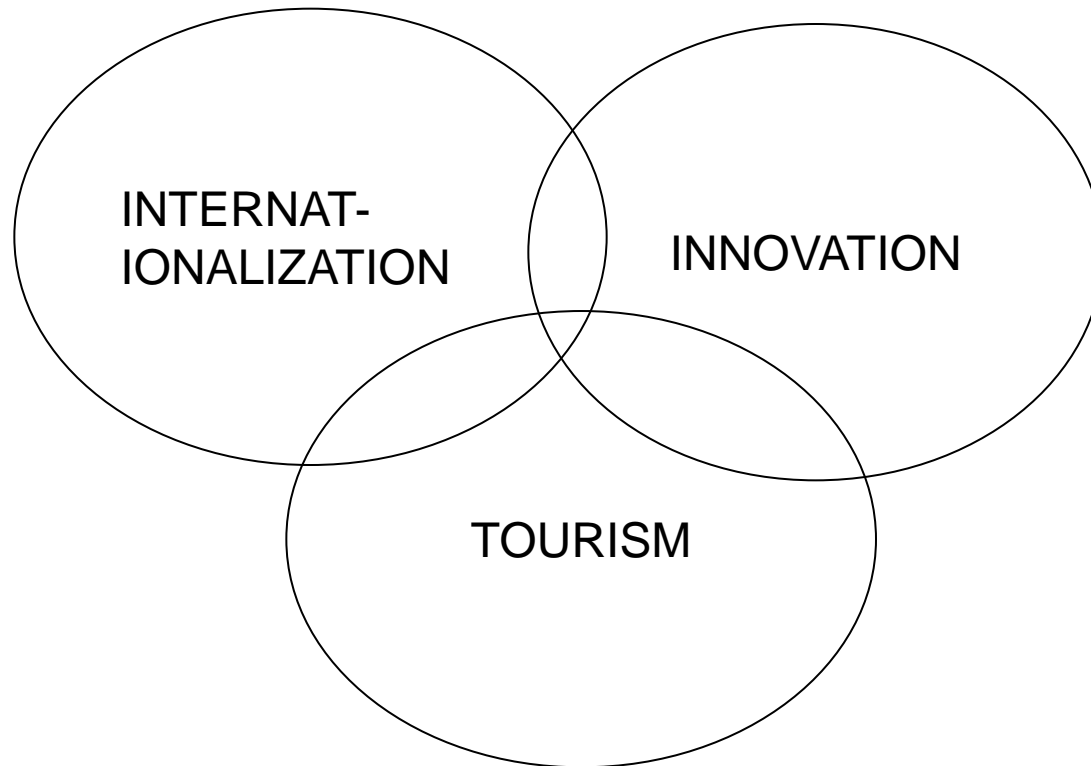
# INTERNATIONALIZATION AND INNOVATION

Allan Williams

Working Lives Research Institute

London Metropolitan University

# INTRODUCTION



# Introduction

THEORIES OF MNEs



THE SPECIFICITY OF TOURISM



GLOBAL CONNECTIVITIES

# INTERNATIONAL ECONOMICS AND INTERNATIONALIZATION

INTZ = INNOV

INTZ (F) INNOV

INTZ = SUPERIOR  
KNOWLEDGE

# Internationalization = innovation

Beamish (1990): internationalization = process of becoming aware of the importance of international transactions .... as well as the process of investing in and undertaking business transactions in other countries.

Implicitly involves 'the internal dynamics and learning of the firm as it expands internationally' (Coviello and Munro 1997)

Stage models (Johanson and Vahlne 1977)

# (Successful) internationalization depends on innovation

Peng (2004): ‘ if international business scholars agree on a ‘big question’ for the field, it ought to concern explanations of the differential performance of internationalizing firms’.

Uncertainty + resource theory

Networking + eclectic behaviour

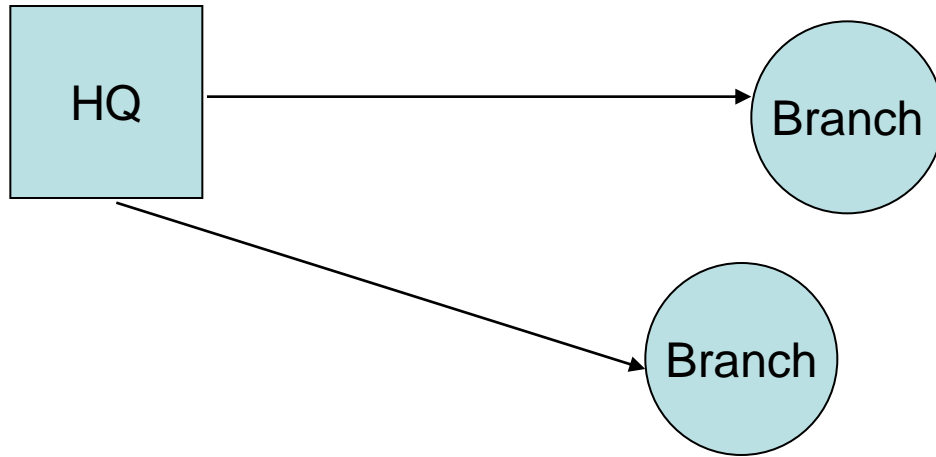
Absorption capacity + openness

# Internationalization requires firms to have superior knowledge

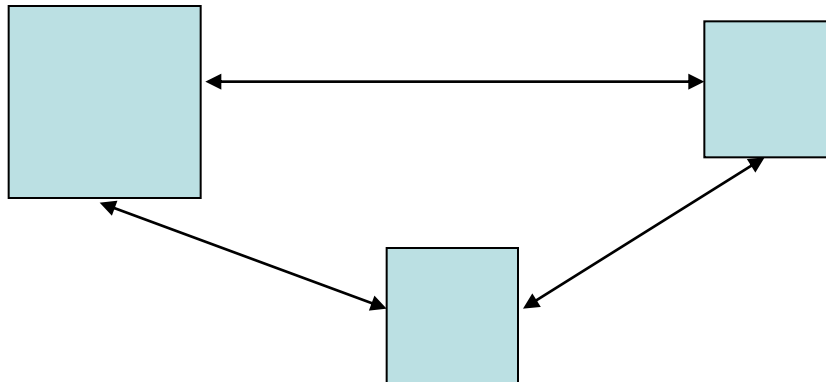
MNEs have absolute knowledge advantages over non-MNEs (Hymer, Kindleberger)

<i>Product strategy</i>	<i>Company type (Morgan)</i>	<i>Innovation type</i>
Standardisation	Multinational	Immitative Incremental
Localisation	Global	Radical

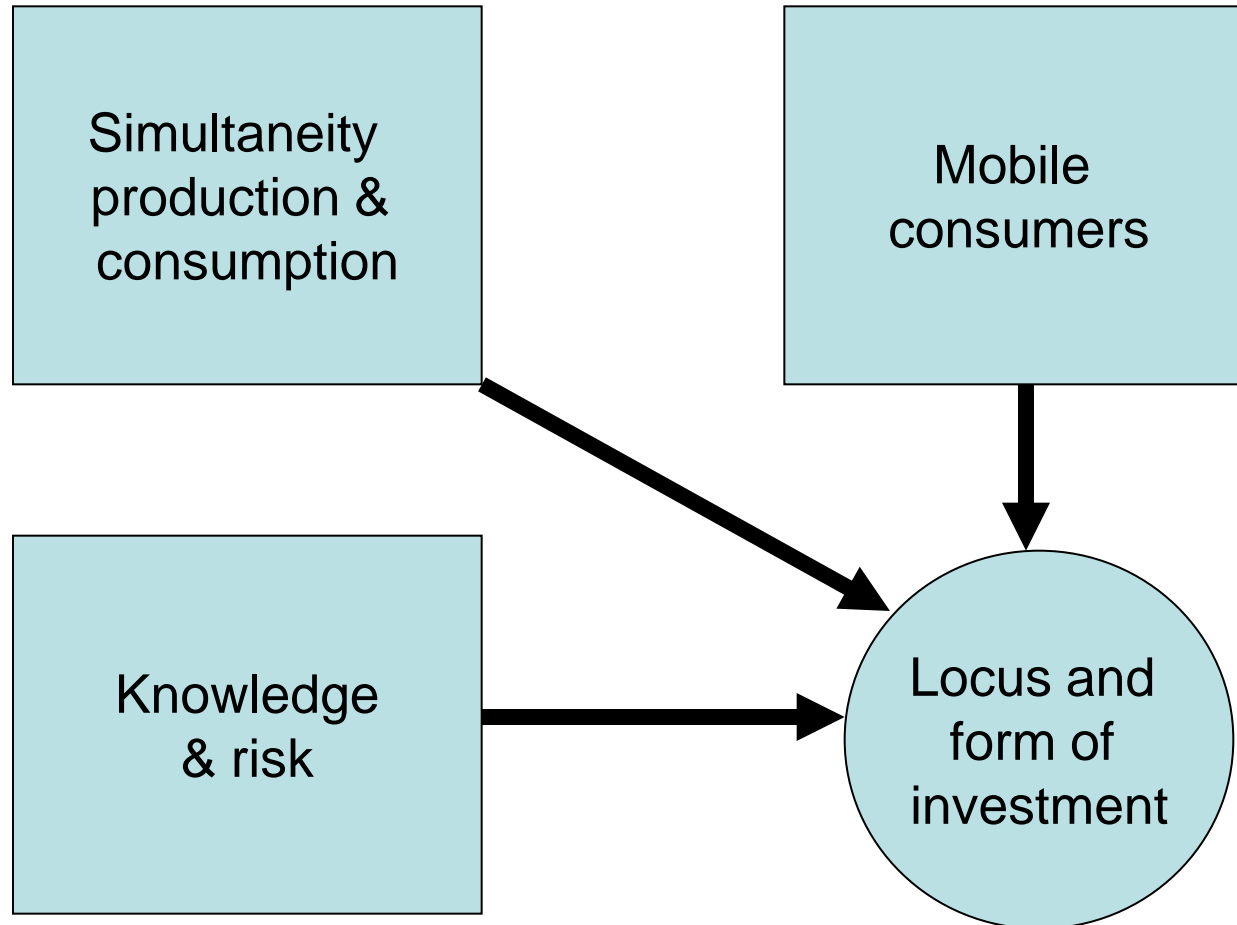
### Hierarchical corporation



### Global corporation



# INTERNATIONALIZATION AND TOURISM



# Internationalization and tourism

- OLI ... ownership, location and internalization (Dunning & McQueen)
- Transaction costs theory – internalization v market transaction (Williamson)
- Key = ownership specific advantages (branding)
- Standardisation
  - McDonalidzation (Ritzer)
  - Whitla on hotels – facilities v services
- Jacob and Groizer – decentralisation and localisation in hotel innovation

# GLOBAL CONNECTIVITY

‘The more connected a place is, the better able it is to attract global flows; and the greater its absorptive capacity, the greater its ability to ‘domesticate’ such flows. Consequently, places benefit or lose from globalisation in accordance with their ‘internal capacities’(absorptive capacity’ and connectivity’), as well as their ability to adapt to and manage external changes (NESTA 2008: 6).

# GLOBAL CONNECTIVITY

'The more connected a place is, the better able it is to attract global flows; and the greater its absorptive capacity, the greater its ability to 'domesticate' such flows. Consequently, places benefit or lose from globalisation in accordance with their 'internal capacities' (absorptive capacity' and connectivity'), as well as their ability to adapt to and manage external changes (NESTA 2008: 6).

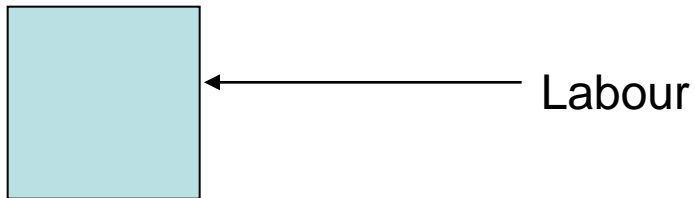
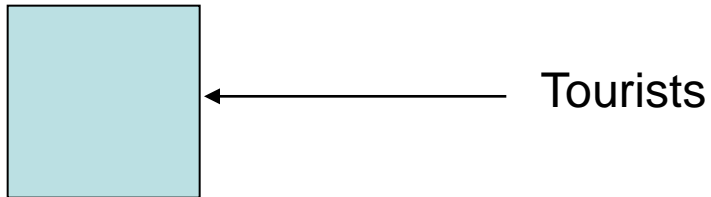
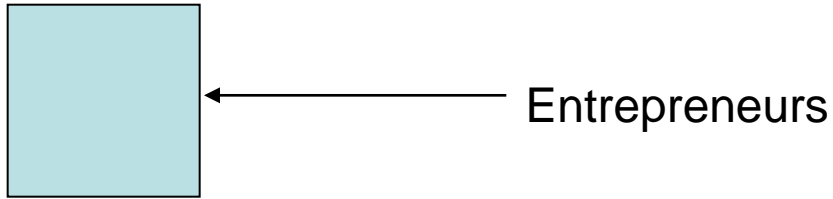
ENTREPRENEURSHIP

LABOUR

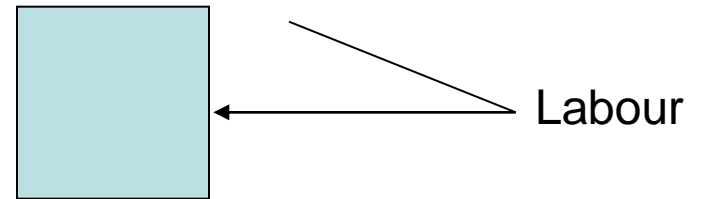
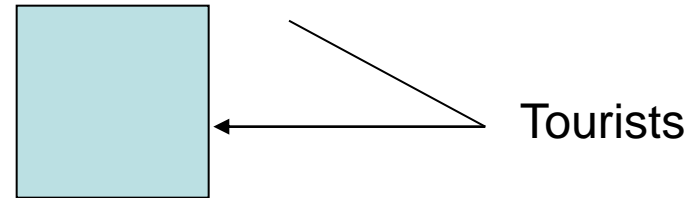
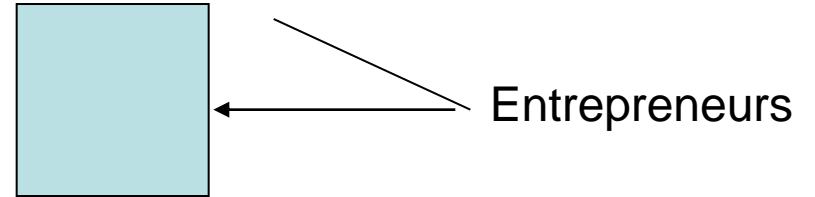
TOURISTS

# GLOBAL CONNECTIVITY AND HUMAN MOBILITY

Migration model



Circular migration model



# INTERNATIONAL ENTREPRENEURSHIP

**A) Resource theory of the firm (Barney 1991)**

**Knowledge as key resource (Wiklund & Shepherd 2003 )**

**Uncommon knowledge (Bentley)**

	<b>INTRA- SECTORAL</b>	<b>INTER- SECTORAL</b>	<b>INTER- NATIONAL</b>
<b>CAPITAL</b>			√
<b>KNOWLEDGE (TACIT)</b>			√

# International entrepreneurship

## **B) ETHNIC AND MIGRANT SMEs**

Waldinger et al (1990) interactive approach

### Opportunity structures

market conditions

access to ownership

mediating government policy

### Group characteristics

predisposition

resource mobilization

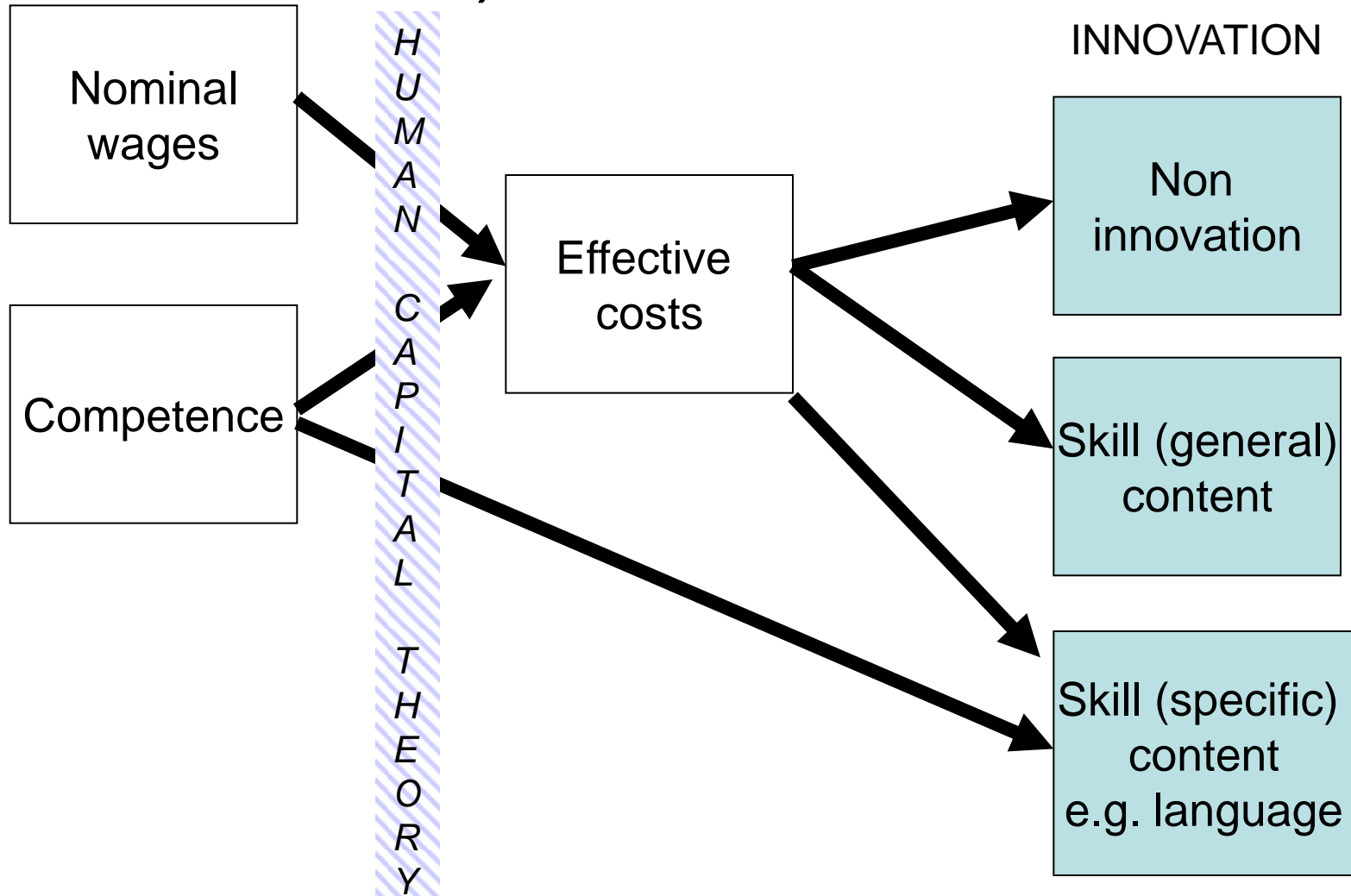
Break out (Ram and Jones 1998)

Transnational entrepreneurs (Portes 2000)

Second generation (Peters 2002)

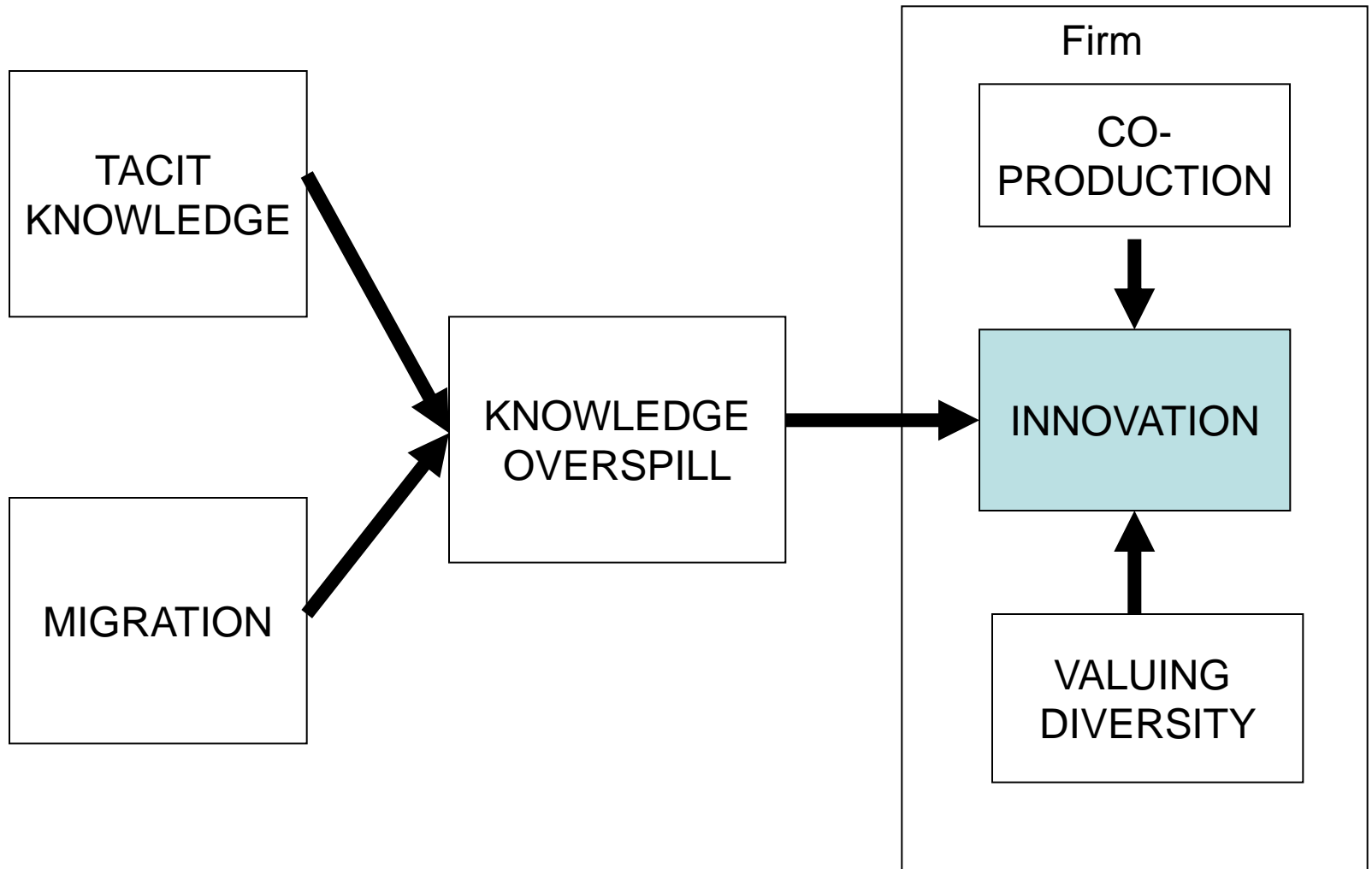
# INTERNATIONALIZATION OF LABOUR

## A) LABOUR INPUT APPROACH



# Internationalization of labour

## B) LABOUR AS KNOWLEDGE APPROACH



# Internationalization of labour

Tourism-labour migration  
Eg Uriely

	<b>Common Knowledge</b>	<b>Uncommon Knowledge</b>
<b>Innovation-oriented</b>	<i>Migrant tourism worker</i>	<i>Travelling professional worker</i>
<b>Non-oriented</b>	<i>Working holiday tourist</i>	<i>Non institutionalised working tourist</i>

# INTERNATIONALIZATION OF CONSUMPTION

- a) Demand led theories of innovation
- b) Consumption as competence (Howells)

S D Logic

Co-creation

# Internationalization of consumption

