

About the authors

Giorgio Brosio is professor of Public Finance at the University of Turin. His current research interests include fiscal federalism, the economics of organization and public choice. He has published in *Daedalus*, *Public Choice*, *Public Finance Quarterly*, *The European Journal of Political Economy*, and in a number of Italian journals.

Peter J. Buckley (B.A., M.A., Ph.D) is professor of Managerial Economics at the Management Centre of the University of Bradford, and visiting professor of Economics at the University of Reading, and at the Oslo Business School. He was Vice President of the Academy of International Business (AIB) (1990–1992) and Chair of AIB's UK Region (1985–1991). He has published widely on the theory and strategy of the multinational firm.

Liz Cairncross (M.A., Cambridge; M.Sc., LSE) is member of the Centre for Corporate Strategy and Change, Warwick Business School, University of Warwick, with research interests in policy implementation and analysis in the NHS. She was formerly a researcher at the Centre for Housing Research, Glasgow University, and before that worked in the public and voluntary sectors.

Arnaldo Camuffo (S.M., MIT; Ph.D, Venice) is associate professor of Human Resource Management at the University of Venice "Ca' Foscari." His research interests and publications deal with organization theory and human resources development.

Giovanni Costa is professor of Management at the University of Venice "Ca' Foscari," and at the Scuola di Direzione Aziendale (S.D.A.), Bocconi University, Milan. His research interests and publications deal with organizational economics and human resources management.

Ewan Ferlie (M.Sc., Oxford; Ph.D, Kent) is Associate Director of the Centre for Corporate Strategy and Change, Warwick Business School, University of Warwick. He was previously a research fellow at the Personal Social Services Research Unit, University of Kent. He has worked on a variety of research projects connected with the study of innovation processes/the management of change in health and social services. These have included: innovation in community care for the elderly; changing patterns of fieldwork organization in social services departments; the management of strategic service change in the NHS. He is currently working with a team looking at the role of the restructured health authorities.

Taïeb Hafsi (S.M., MIT; Ph.D, Harvard), is professor of Organizational Policy at the Ecole des Hautes Etudes Commerciales (H.E.C.), University

of Montréal. He held previous academic appointments at the McGill's Faculty of Management, Montréal, and at the Ecole Supérieure des Sciences Économique et Commerciales in France. Most of his research is related to the broad area of managing complexity, and has included in particular the strategic decision-making process in state-controlled organizations, managing divestment, managing strategic change, and national development strategy. He is author of *Entreprise publique et politique industrielle* and *Le changement radical dans les organisations complexes* (with C. Demers), and editor of *Strategic issues in State-Controlled Enterprises*. He published several articles in international academic journals.

Jan Johansson is professor of International Business at the University of Uppsala, Department of Business Studies. His latest publications include *Managing Networks in International Business* (with Mats Forsgren).

Sten Jönsson is professor of Accounting and Finance at the University of Gothenburg since 1976. He graduated and has econ. lic. and Ph.D degrees from the same university. He has published books and articles on management control in turbulent environments, accounting regulation, and public sector reforms. He is the editor of the *Scandinavian Journal of Management*.

Jan J. Jorgensen (Ph.D, McGill University), is assistant professor of Policy at the Faculty of Management, McGill University, Montréal. His current research interests include organizational responses of globalization, public sector divestment and restructuring, and management in developing countries. He is author of *Uganda: A Modern History*, and has published in *Administrative Science Quarterly*, *Academy of Management Review*, and *Journal of Management Studies*.

Christian Koenig (A.M., Harvard University) is associate professor at ESSEC, Paris. His research and publications have dealt with management in the public sector and autonomy strategies of state-owned enterprises. He has also studied collaborative organizations and the role of informal processes like trust in the success of interfirm alliances.

Andrew Pettigrew (B.A.; D.I.A., Liverpool; Ph.D, Manchester; Honorary Ph.D, Linköping) is professor of Organizational Behavior and Director of the Centre for Corporate Strategy and Change at the Warwick Business School, University of Warwick. He held previous academic appointments at Yale University and the London Business School. He is author of *The Politics of Organisational Decision Making* and *The Awakening Giant: Continuity and Change in ICI*, and co-author of *Implementing Strategic Decisions* and *Managing Change for Competitive Success*. He is also editor of *The Management of Strategic Change* and *Competitiveness and the Management Process*. Research interests include strategic decision-making and change processes in organizations.

Enzo Rullani is professor of Business Economics at the Faculty of Economics and Banking at the University of Udine. He is member of the editorial board of *Economia e Politica Industriale* and *Stato e Mercato*. His research interests and publications deal with the economics of information and knowledge applied to the theory of the firm, the process of internationalization, and the emergence of networks.

Arndt Sorge is professor of Industrial and Organization Sociology at Humboldt University, Berlin. He has held several university or research institute positions in Germany, England, France and the Netherlands. Until recently, he has taught organization, international personnel policy, and industrial relations at the Department of Business Administration, University of Limburg, Maastricht. His research interests focus on the organization and management of industrial enterprises, vocational education and training, personnel policy, and industrial relations.

Jan-Erik Vahlne (Ph.D, University of Uppsala) is professor of International Business and Director of the Institute of International Business at the Stockholm School of Economics. His latest publications include *Multinationals: The Swedish Case* (with Erik Hörnell) and *Strategies in Global Competition* (ed. with Neil Hood).

Andrew H. Van de Ven is 3M Professor of Human Systems Management in the Carlson School of Management, and Director of the Minnesota Innovation Research Program in the Strategic Management Research Center of the University of Minnesota, Minneapolis.

Stefano Zambon (M.Sc., LSE) is research fellow of *Economia Aziendale* at the University of Padua. He was formerly a researcher at the University of Venice. His research interests and publications focus on international accounting; interdisciplinary linkages between accounting, management studies, economics; influences of socioeconomic environments on accounting thought; the relationship between theory and practice in accounting and business economics; and internationalization processes of firms with particular reference to the pharmaceutical industry.

Luca Zan (M.B.A., Bocconi) is associate professor of *Economia Aziendale* at the University of Venice "Ca' Foscari," and EIASM's Associate Scholar, Brussels. His research interests and publications deal with strategic management; interdisciplinary linkages between accounting, management studies, and economics; theories of the firm and decision making; history of accounting thought; and workers' cooperatives.

Index

- Abano Terme, 162
Abbott pharmaceutical company, 59
Acquisitions, x, 100
Activity-based learning, xviii, 217
Agence Havas, 292–295, 298
Agency establishment, *see* Foreign agency establishment
Airline deregulation, 242, 268
Aix Group, 183
Alliances, 23, 83, 92
Ambiguity, 7–9, 14
Analytical complexity, 5–6, 8–9, 13, 36
Antitrust legislation, 238
Apprenticeships, 151–152, 164, 188, 191, 195
Armstrong company, 161
Arthur Andersen audit firm, 293
Assicurazioni Generali, 157, 165
Association for the study of foreign experiences, 289, 291
Associative learning, 208, 229
Astra, *see* Losec®
Asymmetric information, 252, 265, 273
Attention, 210–211, 212, 218
Australia, 260, 288
Austrian school of economics, xiii, 18, 24
Autogerma-Volkswagen Italian importer, 165
Automation, 150
Automobile industry, 191–192, 195
Azzurra Corporation, 154

Banca Commerciale Italiana, 104

Banks, 263, *see also* specific banks
Barclays Bank, 284
Beghin-Say, 104
Benetton company, 153, 154–155, 157, 163, 166, 167, 174, 175, 176
Biolife, 163
Blockages, 220, 221, 223
Block contracts, 239
Bonnet & Satam, 104
Bonus systems, 165, 288
Bounded rationality, xiv, 5, 6, 17, 36, 94, 237, 273
Bouygues group, 296–297
Britain, *see* Great Britain
British Steel, 309
British Telecom (BT), 269, 281, 283, 285–289, 300, 308, 309, 310
British Telecom Act, 285, 286
Budgetary incrementalism, 247
Bundesbank, 272
Bureaucratic capture, 261–262
Business idea concept, 22
Business strategy models, 83, 90

Cable and Wireless, 286
Canada, 116
Cartesian theory, 223
Cassa Integrazione Guadagni, 150
Causal explanations, xv–xvi, 3, 7, 14–18, 38
CCF, 298
Centre for Corporate Strategy and Change (University of Warwick), xiv, 246

- Chaffoteauz & Maury, 104
- Choice, 5, 6, 7, 36
- CIR, 104
- Clan controls, 154, 177
- Classic theory, 115, 116, 117, *see also*
Neoclassical theory
- CMN-131, 60
- Collective bargaining, 151, 157, 164
- Commerce theory, 128
- Commercialization, 282, 288, 305
- Commission de la Privatisation, 281,
290–291, 293, 298, 303–304
- Commission Nationale de la
Communication et des Libertés
(CNCL), 295–296, 297
- Commitment, 40, 51, 62, 84
market, 44, 45
- Commitment decisions, 44, 51, 62
- Common Agricultural Policy, 271
- Compagnie de Suez, 298
- Competition, 10, *see also* Competitive
advantage
divestment and, 286, 308, 309
government and, 260–261, 267, 272
internationalization and, 101, 102,
104–105
knowledge and, 205–232, *see also*
Knowledge
monopolistic, 238–239
in neoclassical theory, 238, 239, 240
NHS and, 247–248
in regulated markets, 242, 244, 245
- Competitive advantage, 8, 39, 222, 228
HRM and, 174
institutionalist factors in, 183–185, 196,
201, 204
internationalization and, 80, 117–118
- Complexity, 36, 107, 113–114
analytical, 5–6, 8–9, 13, 36
foreign direct investments and, 114–116
in interactionist view, 13–14
in large-sized firms, 207
relational-organizational, 8–9, 13, 20
retrieving of, 117–122
systemic, 36
trade theory and, 114–116, 119, 121
- Composite method, 24
- Computer numerically controlled (CNC)
machine tools, xviii–xix, 184, 191,
192–194, 195–196, 202, 203
- Conceptual learning, 208, 210, 229
- Configurational technologies, 203
- Conservative Party (Great Britain), 279,
283, 285, 300
- Consultants, 161–162
- Consumer proxies, 239, 240
- Container views, 209, 318
- Contextualist theory, xiv–xvi, xv, 13, 278,
279–281, 299, 316
- Continental, 104, 161
- Contingency theory, 12, 182–183, 186,
189, 196–197, *see also*
Neocontingency theory
- Contracts
block, 239
cost and volume, 239
cost per case, 239
external, 167–168
government enforcement of, 263,
264–265
internal, 167–168
one off, 239
- Cooperation models, 83, 92
- Coopers & Lybrand, 285
- Core-periphery model, 164, 175
- CORI, 166
- Corporate culture, 6, 19
- Corporate taxes, 259
- Cost and volume contracts, 239
- Cost per case contracts, 239
- Costs, 185
fixed, 17
joint, 17
policing, 86
search, 86
variables, 17
- Craft workers, 188, 192, 193, 195
- Critical knowledge, 216–217
- Cronassial, 162
- Cross-entries, 119
- Cross-investments, 119
- Cultural distance, 81–82, 90, 101, 120
- Current activities, 44, 46, 51–52, 62
- Danieli, 157, 162, 174, 175
- Darwin, Charles, 274
- Decision making, 3, 5–7, 14–15, 25

- Deliberate order, 18
- Demand side effects, 242, 252, 253
- Denationalization, 115, *see also*
 Divestment; Privatization
- Denmark, 258
- Dependent variables, 315–316
- Deregulation, 242, 268
- Dialogue, 210, 211, 217–222, 223–224,
 230, 231, 232
 external, 219–220
 internal, 218–219
- Differentiated organizations, 215–217,
 228, 230
- Differentiation, 124, 185–186, 189,
 196, 201
- Diffuse industrialization, 176, 177
- Direct costs, 17
- Direct investments, *see* Foreign direct
 investments
- District Health Authority (DHA), 239, 254
- Divestment, x, 176–177, 277–311, *see also*
 Privatization
 in France, xx, 278, 279–281, 289–305,
 307, 310
 in Great Britain, xx, 278, 279–289, 291,
 299–305, 307, 308, 309, 310
 macro processes in, xx, 278, 279–283,
 289–291, 299–300, 303, 308
 micro processes in, xx, 278, 283–288,
 291–297, 299, 300, 303
- Division of cognitive labor, 108, 109–110,
 111, 122, 136
- Division of labor, 120, 189, 274
- Dominant designs, 39
- Du Pont, 275
- Eclectic theory, 112, 122–125, 128–131
- Ecole Nationale d'Administration
 (ENA), 289
- Economics of information, 275
- Economies of scale, 115, 185, 194, 195,
 196, 202, 206
- Economies of scope, 194, 195, 196, 206
- Efficiency
 of divestment, 308–309
 government lack of, 259–260, 261–262,
 273
 of NHS, 237–238, 255
- Pareto, 262, 264, 273, 274
 of regulated markets, 242
 of relational markets, 240
- Efficiency wage theories, 265–266
- Elective affinity, 189
- Electrolux group, 52, 161
- Elf, 299
- Emergent strategy, 17–20, 209–210, 212
- Endogenous knowledge, 109
- Entrepreneurship
 HRM and, 154, 155, 157, 159, 160, 178
 internationalization and, 68
- Entry processes, 43, 44, 50–66
- Eridania, 104
- Eurofed, 272
- Europe, x, xi, xvi, 115, 119
- European Economic Community (EEC),
 x, 104, 272
- Evaluation, *see* Valuation
- Event sequence data, 321–322
- Evolutionary economic theory, 21, 35
- Exchange Rate Mechanism, 272
- Exchange relationships, 46–50, 57, 63
- Expenditures, government, 257, 258,
 259, 267
- Experiential knowledge, 44
- Experiential learning, 208, 210, 212, 229
- Exporting, 46, 84, 85, 86, 87, 100, 125,
 126–127, 317
- External actors, 50, 57
- External contracts, 167–168
- External dialogue, 219–220
- External internal labor market, 165–166,
 167, 175
- Externalities, 265, 273, 309, 310
- Externalization of work, 153–154, 155
- FACIS, 166
- Factor markets, 46
- Family Health Services Authority (FHSA),
 239
- Family-owned businesses, 160, 163, 178
- FIAT, 149–151, 157, 165, 174, 176
- Fidia, 157, 162–163, 175, 176
- Filergie, 161
- Financial Times* index, 287, 289
- Firms, xii, 3
 focal, 66, 67–68, 134–135

- government and, 273, 274, 275–276
- growth of, 80–81
- large-sized, *see* Large-sized firms
- markets and, 22–23, 25, 39–40, 80–81
- medium-sized, 122–123, 129, 151
- multinationalization of, *see*
 - Multinationalization
- networks of, 133
- resource-based view of, *see* Resource-based theory
- small-sized, 80–81, 122–123, 129
- society and, 39–40
- Fixed costs, 17
- Fixed price offer system, 282, 301
- Flexible manufacturing, 176, 203
- Floby plant, 218–219
- Focal firms, 66, 67–68, 134–135
- Foreign agency establishment, 79, 84, 100
- Foreign direct investments, 85, 86–87, 100, 102, 112, 317
 - complexity and, 114–116
- Foreign market servicing models, 83, 85–87
- Formal theory of networks, 129–130
- Formulation/implementation perspective, 4, 5
- France, xvi, xvii, 154, 161, 162
 - divestment in, xx, 278, 279–281, 289–305, 307, 310
 - government intervention in, 260, 272
 - health care system in, 253–254, 255
 - HRM in, 173, 174
 - institutionalist factors in, 183, 184, 187, 188, 189, 192–194, 196, 202 203
 - Korrugal and, 52
 - privatization in, 268–269
- Franchises, 154, 156, 264
- Free markets, 238–239
- Free-riding potential, 89
- Functional equivalence, 189
- Functional network structures, 49

- Game theory, xiii, 9, 21, 22, 213–217
- General Practitioner (GP) fund holding, 236, 239, 242, 244, 245, 254, 255
- Germany, xii, xvi, xvii, xix, 20, 38, 161, 162, 289
 - HRM in, 173, 174
 - institutionalist factors in, 183, 184, 186–187, 188–189, 191–194, 195–196, 202–203
 - Korrugal in, 52, 56
- Gestalts, 9, 153
- Glasnost, 205
- Glaxo, 58, 61
- Global cognitive system, 107–113, 144
- Globalization, 85, 90, 144
 - eclectic theory in, 122–125
- Global village, 124, 144
- Golden shares, 282, 283, 291, 301
- Government, 257–276
 - interventionist, 261, 262, 266–267
 - normative contributions to proper role of, 260–262
 - reasons for reduced intervention of, 258–260
- Government failures, 261–262, 272–273
- Government regulation, 93, 242–243, 261–263
- Gradualist internationalization models, 84, 85
- Gränges group, 52, 53
- Great Britain, xvii, xix, 86, 289
 - divestment in, xx, 278, 279–289, 291, 299–305, 307, 308, 309, 310
 - government intervention in, 260, 261, 272
 - HRM in, 174, 175
 - institutionalist factors in, 184, 187–189, 191–192, 195–196, 202–204
 - Korrugal in, 52, 53, 54, 56
 - NHS in, *see* National Health Service
 - privatization in, 268–269
- Gross domestic product (GDP), 174, 258, 259, 266
- Gruppo Finanziario Tessile (GFT), 163, 166, 175, 176

- Hachette group, 296–297
- Hard boundaries, 133
- Hässle, *see* Losec®
- Hay point method, 164
- H₂ blockers, 57–58, 62
- Health maintenance organizations (HMOs), 238
- Heckscher-Ohlin goods, 123

- Hersant group, 296
- Hidden action, 264
- Hierarchies, 177
- markets distinguished from, 236, 237
 - in neoclassical theory, 239
 - networks distinguished from, 107, 111, 121, 127–128, 129, 131, 132, 133–145
 - in NHS, 247
 - in transaction cost theory, 236, 237
- Hong Kong, 154
- Horizontal agreements, 155
- Horizontal mobility, 159–160, 164
- Hub system, 268
- Human resource management (HRM), xvii, xviii, 149–178, 314, 317, 318
- changing domain of, 153–157
 - changing focus and dimensions of, 157–163
 - instrumental and constitutive aspects of, 152–153
 - internal labor markets and, *see* Internal labor markets
- Human resources, 183, 185, 186–187, 188, 191, 192, 193, 196, *see also* Human resource management
- IBM Italy, 157, 159–160, 163, 164, 165
- IFINT, 104
- Imperfect information, 262, 263–264, 265, 273
- Importing, 126–127, 262
- Incentive pay, 165
- Income taxes, 259, 268
- Incomplete markets, 262, 263, 265
- Incremental models, xviii, 6, 247
- Independent variables, 315–316
- Industrial logic, 22, 39
- Industrial model of internal labor market, 164
- Inefficiency, *see* Efficiency
- Information, 212–215, 230
- asymmetric, 252, 265, 273
 - economics of, 275
 - imperfect, 262, 263–264, 265, 273
- Innovations, 110, 129, 144, 202, 231
- Institutionalist factors, 181–204
- evidence for, 191–194
 - framework of, 183–189
- Instrumental knowledge, 216
- Interactionist view, 3, 9–11, 13–14, 19, 25
- Interfunctional mobility, 159–160
- Internal contracts, 167–168
- Internal dialogue, 218–219
- Internal labor markets, 150, 157, 164–167
- external, 165–166, 167, 175
 - industrial model of, 164
 - salaried model of, 164, 165, 176
- Internal markets, xvi, 235, 236, 239, 241, 243, 245, 247, 255, *see also* Internal labor markets
- Internal networks of units, 133
- Internationalization, x, xvi, xvii–xviii, 43–77, 79–105, 107–146, 314, 317
- approaches to, 82–92
 - change aspects of, 44, 62
 - defined, 79
 - eclectic theory in, 112, 122–125, 128–131
 - entry processes in, 43, 44, 50–66
 - firm growth in, 80–81
 - global cognitive system and, 107–113, 144
 - gradualist models of, 84–85
 - HRM and, 156
 - knowledge consumption and production in, 126–128
 - networks and, *see* Networks
 - process approaches to, 112, 121–122, 126
 - product life cycle model in, 82, 83, 90, 93, 114, 117, 120, 122, 123
 - special factors in, 81–82
 - stages of involvement model in, 83–85, 91, 121–122
 - state aspects of, 44, 62
 - transaction cost theory and, 83, 87–90, 93, 118, 119–121, 144
 - Uppsala model of, xvii, 43, 44–46, 73, 77
- Interpersonal networks, 133
- Interventionist governments, 261, 262, 266–267
- modest degree of, 217, 222–223, 227, 228
- Intrapreneurs, 64–65, 68, 73
- Irving Bank, 104

- Italtel, 158–159, 162, 163, 164, 174, 176
- Italy, xii, xvi, 113
 government intervention in, 267, 272
 HRM in, xvii, xviii, 149–178, *see also*
 Human resource management
 institutionalist factors in, 196
 internationalization and, 122–123, 125,
 129
 Korrugal entry into, *see* Korrugal
 privatization in, 267
- Japan, x, 20, 25, 38, 113, 193, 194, 289
 HRM in, 152, 160, 173
 institutionalist factors in, 196,
 203–204
 internationalization and, 119, 122, 123
 networks in, 77
- Joint costs, 17
- Joint ventures, x, 23, 79, 86, 92, 121
- Just-in-time concepts, 203
- Kabelmetal, 104
- Keynesian economics, 266, 311
- Kleinwort Benson, 285, 287
- Knowledge, 44, 51, 57, 62, 63, *see also*
 Learning
 complexity and, 113–114, 121
 consuming and producing of, 126–128
 critical, 216–217
 eclectic theory and, 125
 endogenous, 109
 experiential, 44
 government and, 273–276
 instrumental, 216
 leadership and, 211–217
 managerial, 108
 networks and, 108, 109–111, 112–113,
 126–128, 135, 144
 normative, 216
 objective, 44
 practical, 108
 proprietary 109
 public, 109
 role of, 209–211
 scientific, 108, 109
 tacit, 37, 39, 47, 65, 156
 technical, 108
- Knowledge bases, 209, 223
- Korrugal, 52–57, 67
 Losec[®] process compared with, 64–66
- Labor, 151–152, *see also* Internal labor
 markets
 division of, 120, 189, 274
 division of cognitive, 108, 109–110, 111,
 122, 136
- Labour party (Great Britain), 280, 289, 299
- Large-sized firms, 123, 151, 222, 230
 problems in, 206–211
- Latin America, 267
- Leadership, 75
 knowledge and, 211–217
- Learning, *see also* Knowledge
 activity-based, xviii, 217
 associative, 208, 229
 conceptual, 208, 210, 229
 experiential, 208, 210, 212, 229
 organizational, *see* Organizational
 learning
 structuralist, 208, 209, 229
- Leveraged management buyouts, 282, 283
- Licensing, 79, 84, 85, 86–87, 114, 262, 317
- Life-cycle theory, *see* Product life cycle
 model
- Line management, 156, 165
- Linguistics, 209–210
- Linklaters & Paines, 285
- Logit analysis, 321
- Log-linear analysis, 321
- Long-run profit, 8, 17
- Losec[®], 57–64
 Korrugal process compared with, 64–66
- Macro processes, xi, 20, 24, 25, 39, 314
 in divestment, xx, 278, 279–283,
 289–291, 299–300, 303, 308
 government and, 265, 267, 268
 in privatization, 257
- Management, 9–14, 35, 36, 38, 40
 divestment and, 303–305
 of human resources, *see* Human resource
 management
 interactionism and, 9–11, 13–14
 of internationalization, 43–77, 80, 85,

- 93, *see also* Internationalization
 line, 156, 165
 middle, *see* Middle management
 project, 64, 67, 68
 systemic view and, 11–12, 13–14
 top, *see* Top management
 Management by Objectives (MBO), 165
 Management literature, 3, 4, 5, 6–7
 questioning underpinnings of, 14–20
 Managerial knowledge, 108
March of the 40,000, 150
 Market commitment, 44, 45
 Market failures, 243, 261, 262–263, 265,
 272–273, 275
 Market knowledge, 44
 Markets, 128, 177
 factor, 46
 firms and, 22–23, 25, 39–40, 80–81
 government intervention in, 260–261,
 274, 275
 hierarchies distinguished from, 236, 237
 incomplete, 262, 263, 265
 internal, *see* Internal labor markets;
 Internal markets
 in neoclassical theory, *see* Neoclassical
 theory
 networks distinguished from, 107, 111,
 121, 127–128, 129, 131, 132, 145
 in NHS, 247
 pseudo, xix, 245–246
 regulated, 241–245, 252
 relational nonregulated, xix, 240–241,
 252
 in transaction cost theory, 236, 237
 Market uncertainty, 44, 46
 Marxism, 243, 244
 Marzotto, 104, 162, 163
 Mass production, 115
 Maxwell group, 296
 Mazda, 160
 Medium-sized firms, 122–123, 129, 151
 Mercury network, 289
 Mergers, x, 100
 Merrill Lynch, 293
 Merit-based promotions, 150
 Messages, 209–210, 230
 Metzler, 161
 Microelectronics industry, 192
 Micro processes, xi, 20, 24, 25, 314
 in divestment, xx, 278, 283–288,
 291–297, 299, 300, 303
 government and, 265, 267
 Middle management
 HRM and, 150, 156, 157–158, 165, 174
 networks and, 47
 organizational learning and, 222, 231
 Minnesota Innovation Research Program
 (MIRP), xvii, xx, 320
 Mitterrand administration, 290
 Modest intervention, 217, 222–223, 227,
 228
 Monopolies, 185, 238–239, 273
 divestment and, 286, 289, 309, 310
 government as, 263
 natural, 242, 281, 300, 301
 privatization and, 269
 Monopolistic competition, 238–239
 Multinationalization, 81, 82, 109, 110, 111,
 112, 128, 136, 144
 complexity and, 114–116, 118, 121
 HRM and, 151

 National Freight Consortium (NFC),
 283–285, 288, 305
 National Health Service (NHS), 235–255,
 314
 recent changes in, 235–236
 transaction cost theory in, xix, 236–238,
 239, 251, 253, 254–255
 National Health Service (NHS) Trusts,
 244–245, 248
 Natural monopolies, 242, 281, 300, 301
 Neoclassical theory, xii–xiii, xix, 20–21,
 123, 238–240, 251–252, 253, *see also*
 Classic theory
 systemic view vs., 12
 Neocontingency theory, xix, 182–183, 187,
 189, 192, 194, *see also* Contingency
 theory
 Neoliberal position, 236, 243
 Netherlands, 243
 Networks, 23, 40, 43–44, 46–50, 67, 73,
 75, 77, 83, 92, 107–146
 as communication systems, 131–135
 eclectic theory in, 112, 122–125,
 128–131
 entry processes in, 50–66

- of firms, 133
- formal theory of, 129–130
- global cognitive system and, 107–113, 144
- interpersonal, 133
- knowledge and, 108, 109–111, 112–113, 126–128, 135, 144
- structure of, 48–50
- subjective theory of, 133–135
- of units, 133
- New York, 245
- New Zealand, 260
- Ngf protein, 163
- Normative knowledge, 216
- Novalucol-Novaluzid, 58
- Novelty, 17, 18
- Null hypothesis, 182, 191

- Objective knowledge, 44
- OCEAN, 104
- Office of Telecommunications (OFTEL), 286, 287, 289
- Ofgas and Oftel, 242
- Oil industry, 12
- Oligopolies, 9, 105, 115, 118–119, 120, 239
- Olivetti and Bull Computers, 159
- Omeprazol, *see* Losec®
- One off contracts, 239
- Organizational development models, 91
- Organizational learning, 6, 186, 207–209, 214, 227, 230, 231
 - in dialogue mode, 217–222
- Organizational-relational complexity, *see* Relational-organizational complexity
- Organizational routines, 25–26, 37, 39
- Organization by communication, 132, 145
- Organization theory, 39, 186
- Organized crime, 267
- Output
 - differentiation of, *see* Differentiation
 - volume of, 185, 189
- Out-sourcing, 175, 176

- Panopticon effect, 207, 229
- Pareto efficiency, 262, 264, 273, 274
- Paribas, 293, 298

- Parson's theorems, 213
- Partial ignorance, 6, 16
- Part-time workers, 151, 152, 164
- Pay for performance, 150
- Perestroika, 205
- Perrier, 104
- Persistence phenomenon, 213
- Philip and Drew brokers, 287
- Physical distance, 81, 84, 120
- Picoprazol, 61
- Pirelli, 104, 161, 163, 165, 167, 174, 176
- Policing costs, 86
- Ponzano-Veneto-based group, 154
- Popular capitalism, 288, 290
- Postal services, 263
- Post Office Act, 285
- Power network structures, 49–50
- Power theory, 237
- Practical knowledge, 108
- Pragmatism, 209
- Prescriptive attitudes, 18–20, 38
- Price
 - divestment and, 308, 309–310
 - institutionalist factors in, 194, 201
 - transfer, 81
- Priming, 208, 229, 318
- Privatization, xi, xvi, 242, 257, 267, 268–269, 316–317, *see also* Divestment
 - defined, 307–308
 - objectives of, 308
 - reasons for increase in, 259–260
- Privatization Commission, *see* Commission de la Privatisation
- Proactive approach to human resource management, 161
- Processes, 313–314, *see also* Macro processes; Micro processes
 - in internationalization, 112, 121–122, 126
 - meanings of, 315–318
 - research designs of observe, 318–322
- Production subsidiaries, 79, 84
- Product life cycle model, 82, 83, 90, 93, 114, 117, 120, 122, 123
- Professional self-regulation, 243–245, 253–254
- Profits
 - divestment and, 288

- long-run, 8, 17
- privatization and, 268–269
- short-run, 8, 17
- Project development, 220, 221
- Project management, 64, 67, 68
- Proprietary knowledge, 109
- Provider capture, 236
- Pseudo markets, xix, 245–246
- Psychic distance, 46, 52, 57, 81–82, 120
 - business strategy models and, 90
 - stages of involvement model and, 84
 - Uppsala model and, 46
- Public knowledge, 109
- Public sector, xi, xvii, 314–315, *see also*
 - Divestment; Government; National Health Service
- Public sector borrowing requirement (PSBR), 308

- Quality
 - in health care, 239, 240
 - institutionalist factors in, 185, 194, 201, 202

- Rate price index system, 309–310
- Rationality, 207, 223, 229, 230
- Reactive approach to human resource management, 161
- Reagan administration, 279
- Regulated markets, 241–245, 252
- Regulation
 - of divestment, 309–310
 - government, 93, 242–243, 261–262
 - professional, 243–245, 253–254
- Reification fallacy, 10
- Relational nonregulated markets, xix, 240–241, 252
- Relational-organizational complexity, 8–9, 13, 20
- Renationalization, 280, 289, 299
- Renault, 292, 299
- Rent-seeking activities, 262
- Research and development (R&D)
 - HRM and, 156, 158–159, 160, 162, 163, 174
 - institutionalist factors in, 202–203, 204
 - internationalization and, 104
 - Losec[®] and, *see* Losec[®]
 - Resource-based theory, 35, 37, 38, 39, 40
 - Ricardian goods, 123, 127, 183
 - Risk aversion, 84, 102, 103, 264
 - Risk factors, 16, 17
 - Robotics, 203–204

 - Saint-Gobain, 294, 298
 - Salaried model of internal labor market, 164, 165, 176
 - Salaries, *see* Wages
 - Sales personnel, 159, 160, 163
 - Sales subsidiaries, 79, 84, 100
 - Scandinavian school of economics, xvi, 84, 122, 129, 145, 240
 - Schroder Wagg, 283, 285
 - Scientific knowledge, 108, 109
 - Search costs, 86
 - Self-employment, 152, 164
 - Sense-making, 7–9, 18
 - Shearson Lehman Brothers, 293
 - Shirking model, 265–266
 - Shop-floor skills, 191, 192, 195, 202
 - Short-run profits, 8, 17
 - Single European Act of 1992, x
 - Small-sized firms, 80–81, 122–123, 129
 - SMI, 104
 - Smith, Adam, 238, 274
 - Smith Kline & French, 58, 60
 - Social exchange, 240
 - Socialist governments, 279, 280–281, 299
 - Societal effect approach, 183, 196
 - Société Générale de Belgique, 104, 293
 - Society, 39–40
 - Soft boundaries, 131–133
 - Southeast Asia, 261
 - Soviet Union, x, 262
 - Spontaneous order, 18
 - Stages of involvement model, 83–85, 91, 121–122
 - Stefanel company, 155–156, 157, 162, 174, 175, 176
 - Stock exchange crash, 298–299, 304
 - Strategic conduct, 6, 7–8
 - Strategic design, 6, 7, 8
 - Strategic groups, 22, 39
 - Strategic management, *see* Management
 - Structuralist learning, 208, 209, 229

- Structural policies, 257, 258, 267, 268–269
- Subcontractors, 155, 156
- Subjective theory of networks, 133–135
- Subsidies, 264, 265, 267
- Success factors, 17, 73
- Supply and demand, 82, 83
- Supply side effects, 238, 252
- Sweden, xvii, 161, 219–220
- health care system in, 237, 238
- Korrugal in, *see* Korrugal
- stages of involvement model in, 84
- Sygen, 162
- Systemic complexity, 36
- Systemic view, 3, 5, 11–12, 19, 20, 25, 132
- interactionist view and 13–14
- neoclassical theory vs., 12
- Tacit knowledge, 37, 39, 47, 65, 156
- Tagamet, 58, 60, 61
- Tariffs, 86, 93, 269, 289
- Task environment, 181
- Taxes, 81, 86, 93, 257, 258–259, 260, 263, 264, 266
- corporate, 259
- income, 259, 268
- Value Added, 294
- Tax revolts, 258–259
- Taylorism, 206
- Technical knowledge, 108
- Temporary workers, 151, 152, 155, 164
- Tender offer system, 282, 290, 293–294, 301
- Territorial boundaries, 220, 221
- TFI, 291, 292, 295–297, 298
- Thatcher administration, 246, 255, 299, 309
- Theory of Contests, 308
- Third World countries, 81, 116
- Time-series regression analysis, 321–322
- Top management, 206, 228–229
- HRM and, 155, 157, 163
- internationalization and, 67, 68
- in Losec® project, 64, 65
- organizational learning and, 217, 222, 231
- Total-quality-control concepts, 203
- Trade theory, 109, 111–112
- complexity reduction via, 114–116, 119, 121
- government policies on, 268
- Transaction cost theory, 112, 317
- divestment and, 294
- government and, 263, 264, 272–273, 275
- HRM and, 177
- internationalization and, 83, 87–90, 93, 118, 119–121, 144
- in NHS, xix, 236–238, 239, 251, 253, 254–255
- Transfer price, 81
- Transnational unification, 115, 118, 123–124
- Transport Act, 284
- Treaty of Rome, 290
- Trust, xix, 223, 230
- defined, 213
- HRM and, 154, 177–178
- internationalization and, 57, 63
- leadership and, 212–215
- in relational markets, 240, 241
- Trust hospitals, 247, 248
- Unions, 113
- divestment and, 280, 289, 294, 297–298
- HRM and, 150, 151, 152, 157, 164
- United Kingdom, *see* Great Britain
- United States, xvii, 161, 162, 279, 288, 290, 309
- deregulation in, 268
- government intervention in, 260
- health care system in, 239, 244, 253, 254
- HRM in, 149, 173, 174, 175, 176
- institutionalist factors in, 196
- internationalization and, 115, 116, 117, 122, 123
- regulated markets in, 242
- tax revolts in, 258
- Uppsala internationalization model, xvii, 43, 44–46, 73, 75, 77
- Valentino, 166
- Valuation, 281, 290, 298, 303–304
- of Agence Havas, 293
- of BT, 287
- of NFC, 283–284
- of TFI, 295–296
- Value Added Tax (VAT), 294

Variance theory, 315
Variables costs, 17
Verstehen, 18
Volume of output, 185, 189

Wages, 268
 efficiency theories of, 265–266
 HRM and, 164–165
Weberian theory, 134, 229
Welfare economics, 273, 274, 275

Will, 211–212
Worms and Warburg, 293

Young and Rubicam, 292

Zantac, 58, 61
Zanussi, 161, 164, 174, 176
Zollinger-Ellison syndrome, 61