



THE CHINESE UNIVERSITY OF HONG KONG
INTERNATIONAL SUMMER SCHOOL (JULY SESSION)
28 JUNE – 1 AUGUST 2016

Preliminary
December 2015

Course	MGNT4540 Asian Business
Class Time	09:30-12:15 Tue, Wed, Thur
Teacher	Professor Mike PENG Jindal Chair of Global Strategy, The University of Texas at Dallas Visiting Professor, The Chinese University of Hong Kong
Email	To be provided

Course Description

This course examines the technical, economic, political and social environments of Asian countries. The cultural and historical factors leading to these conditions. Their government-business tie-up and management systems.

Prerequisite: MGNT2510 Introduction to International Business.

Note for CUHK students: Not for students who have taken UGEC2722

Course Objective(s)

This course examines the environmental, strategic, and organizational challenges that managers have to deal with when competing in (and out of) today's Asian economies. Our approach will be "think global, act local." It first exposes you to a global business framework drawing on the institution-based and resource-based views (primarily through the textbook). At the same time, it urges you to become an area specialist with a good understanding of the political economy and cultural traditions of the region (primarily through the additional readings drawn from leading journals). Finally, it challenges you to integrate expertise from the book and the readings with your knowledge of the major Asian economies, and create a coherent and insightful understanding of the strategic challenges confronting managers (primarily through case studies and a term project). Overall, we focus on the fundamental question: What determines the success and failure of firms in Asia?

Required Textbook(s) (Core text for the course, to be included in the ISS booklist)

1. M. W. Peng, 2016, *GLOBAL*, 3rd edition, Boston: Cengage Learning—NOTE: This text has the world's shortest textbook title: just one word, *GLOBAL*. Please do not confuse this with other "global" books I have authored, such as *Global Business*, *Global Strategy*, and *Global Strategic Management*. The ISS office will inform you of the online order via the CUHK bookstore that you can place before arriving in Hong Kong. Please place your order as soon as possible before arriving. Last year, a number of students came without ordering the book. Unfortunately, they found that the CUHK bookstore did not carry retail inventory of this book, and an order placed at the beginning of ISS would take four weeks to arrive—obviously too late. Students not having the textbook generally suffer from a poor grade.
2. Articles to be downloaded from the CUHK library e-journal collection free of charge (you will need a CUHK ID to access the CUHK library system; alternatively, you may access the library of your home institution). My own articles are posted at www.mikepeng.com.

Reading(s)/Reference(s) (Additional readings recommended for the course, NOT to be included in the ISS booklist)

NOTE: Given the relentless pace of our course, it is not realistic to assign these books as class readings. However, outside the scope of this course, these five great books are highly recommended.

M. Zeng & P. Williamson, 2007, *Dragons at Your Door: How Chinese Cost Innovation is Disrupting Global Competition*, Harvard Business School Press.
 V. Fung, W. Fung, & Y. Wind, 2008, *Competing in a Flat World: Building Enterprises for a Borderless World*, Wharton School Publishing. [Victor Fung is chairman and William Fung is managing director of Li & Fung, one of Hong Kong's leading companies]
 M. Jacques, 2009, *When China Rules the World*, Penguin.
 E. Tse, 2010, *The China Strategy*, Basic Books.
 H. Kissinger, 2011, *On China*, Penguin.

Course Requirements/Evaluation

Grading

Participation in class discussion 20%
Quiz (two quizzes will be offered, and the better one will be counted) 20%
1-page paper (drawing on one additional reading and one case not assigned to your team) 10%
Group presentation on a debate based on a case 10%
Term project 40% (* assessment item for external review)

Attendance and participation policy

Since the course is built heavily around the case method (we will discuss one case in *every* session), attendance and participation are very important and required of each student. As in the real world, the cases are rich in detail, yet open-ended and incomplete at the same time. Therefore, do not approach a case as you would a book chapter or a magazine article. In order to derive maximum benefit from the case method, it is essential that you mentally “get inside” the case. At a minimum, the well-prepared student comes to class equipped with the knowledge of the readings and with a *written* outline on how to answer each of the discussion questions.

Class participation will be graded based on the subjective assessment of the professor. *Given the extensive group-based work and the high caliber of the students, my previous experience suggested that this is likely to be a key area of differentiation in your final grade.*

“Dos” for class discussions

Keep an open mind
 Relate outside experience
 Be provocative and constructive

“Don’ts” for class discussions

Do not make sudden topic changes; recognize the flow of discussion
 Do not repeat yourself and others
 Do not “cut” others to “score points”

Remember it is the *quality* of your participation, not the quantity (or “air time”), that will lead to good performance in class discussion. The following criteria are employed:

Excellent class participation: The student consistently attends class, consistently contributes to case discussions, and consistently demonstrates superior understanding and insights

Good class participation: The student consistently attends class, consistently contributes to case discussions, and occasionally demonstrates superior understanding and insights

Poor class participation: The student inconsistently attends class, inconsistently contributes to case discussions, and rarely demonstrates superior understanding and insights.

You will not be penalized for up to *two* absences, regardless of the reason. Beyond the first two absences, your grade in attendance and participation will be jeopardized.

Quiz

Two 30-minute, *closed-book* quizzes, which consist of short answers, will be offered. Each quiz will cover chapters, readings, and cases. Of course, you will not be tested on “trivial” such as individual names and

statistics. Please focus on the main learning points.

1-page paper on debates/ethics based on one additional reading and one case *not* assigned to your team

Most textbooks present knowledge “as is” and ignore the fact that the field has numerous inconclusive but important debates. *Every* chapter of my *GLOBAL* text has a section on “Debate,” and every chapter has an “Ethical Dilemma” feature. For a number of sessions, additional readings are assigned.

Pick any debate/ethical dilemma to write one 1-page *single spaced* paper, and integrate it with at least one additional reading and one case (not assigned to your team). The driving question is: ***How does the assigned additional reading help you understand and participate in the debate centered on this case?*** For example, between two contrasting positions A and B, you had always intuitively supported A (before taking the class). Now you find assigned chapters/readings to intellectually support your support for A. Or, despite your initial belief in A, through this course, you find chapters/readings that refute your thinking and now you support B.

This assignment is to be done on an *individual* basis. A *hardcopy* is required at the beginning of the class. No electronic submission will be accepted.

Please make sure you understand that “*one page*” means *one page*. That is: NO title page, no additional page for references, and no printing of additional materials on the backside of the same sheet. Violation of the one-page rule will result in your loss of some points.

Group presentation on a debate based on a case

As a group, you will present a case. It will be presented after the lecture is over but before the class discussion begins. You will have 8 minutes and 5 slides. Slide 1 is the mandatory title slide, with all names and emails (in *alphabetical* order of last names please). So you really only have 4 slides. It is *not* mandatory that all members of the group present the case. No need to dress up formally—our class atmosphere is informal. **REQUIRED:** Please submit HARDCOPIES of your slides to me in class. (To save paper: Print 5 slides on 1 sheet please)

Please note that the key is *not* to be comprehensive. The case discussion, after your presentation involving the entire class, will be comprehensive. Do not attempt to summarize every detail of the entire case. Although case discussion questions are helpful, do not attempt to answer them all. The key here is to *focus* on 1-2 question(s).

You choose the most effective format to present the case. YouTube videos are allowed, but will be counted as part of your allocated time. In other words, you can only have a total of 7 minutes and 4 slides if you show a 1-minute video.

One recommended format is to focus on some relevant debate—to have team member 1 present side A, team member 2 present side B, and then team member 3 play the role of moderator/reconciler. Alternatively, the entire team can represent side A, and engage the rest of the class as side B.

Term project

You are also going to work on a group-based term project, first writing your own case study and then answering this question: “***How can we solve a problem in Asian business?***” The first part will be a case study focusing on a hard-to-tackle problem. Examples include: (1) How to profit from the downturn? (2) How to enter a new foreign market? (3) How to divorce from our JV partner while minimizing the damage to our interests and reputation? (4) How to govern a newly acquired foreign company? (5) How to deal with some ethical dilemmas? Note these are merely examples—this is not an exhaustive list.

Give enough details on the background of the firm, and focus on a difficult decision. This part should take approximately ***4-5 double-spaced pages***. The second part will be your analysis and recommendation to these managers in terms of how to proceed, which should take about ***2-3 pages*** (similar to your case analysis mentioned earlier). All together, the ideal length should be approximately 10-12 pages, including attachments such as figures and tables (***roughly 6-8 pages of double-spaced text + no more than 4 pages of figures, tables, and references***). ***Under no circumstances can the total report (all inclusive) exceed 12 pages.*** The *best* papers will show evidence of some investigative efforts—digging for more information,

interviews/phone calls/emails with managers—and of synthesis and careful editing. They will also be insightful, going beyond the most obvious lessons to draw out the story behind the story. *See Appendix 2 for grading criteria.*

Outside research is expected. Please properly document your sources either in footnotes/endnotes or in (author name, year) format with a reference list attached at the end of your work.

The key deadlines for this project are:

Session 8 (Thursday, July 14): **Progress report (1-2 pages, in any format—this will not be graded)**

Session 14 (Thursday, July 28): **Project presentations: hardcopies (Word printout) + softcopies (both Word and PowerPoint) due in class to be submitted to the professor**

Presentations will use no more than 7 slides (with the mandatory slide 1 to show your names in alphabetical order and emails) and use no more than 10 minutes.

Professionalism

You are expected to exhibit the *highest* level of professionalism and courtesy in and out of class. Please turn off mobile/cell phones. Refrain from using laptops that may be distracting. Please make sure there is no *plagiarism*. Please see the section on Academic Honesty for additional details.

Class Schedule

Date	Topic (read all chapters)	Case readings (“+” additional readings)
#1 Wednesday June 29	CH 1: Globalizing business	The rebirth of the East India Company
#2 Thursday June 30	CH 2: Understanding politics, laws, and economics	Private ownership versus state ownership
#3 Tuesday July 5	CH 3: Emphasizing cultures, ethics, and norms	Cut salaries or cut jobs + Hofstede (2007)
#4 Wednesday July 6	CH 4: Leveraging resources and capabilities	For and against offshoring
#5 Thursday July 7	CH 5: Trading internationally	Is China the largest trading nation in the world?
#6 Tuesday July 12	CH 6: Investing abroad directly	Welcoming vs restricting sovereign wealth fund investments + Gliberman and Shapiro (2009 APJM) + Peng (2012 HBR)
#7 Wednesday July 13 (QUIZ 1)	CH 8: Capitalizing on global and regional integration	Does the TPP have a future? QUIZ 1 (cover #1–#6)
#8 Thursday July 14 (PROJECT PROGRESS REPORT)	CH 10: Entering foreign markets	Business jet makers eye China
#9 Tuesday July 19	CH 11: Making alliances and acquisitions work	Emerging acquirers from China and India + Peng (2012 GSJ)
#10 Wednesday July 20	CH 12: Strategizing, structuring, and learning	GE innovates from the base of the pyramid
#11 Thursday July 21	CH 13: Managing human resources globally	Dallas versus Delhi
#12 Tuesday July 26 (QUIZ 2)	CH 15: Managing corporate social responsibility	Foxconn QUIZ 2 (cover #7–#12)
#13 Wednesday July 27	WRAP UP	
#14 Thursday July 28	TEAM PROJECT PRESENTATIONS	

Others

Honesty in Academic Work

Attention is drawn to University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations. Details may be found at

<http://www.cuhk.edu.hk/policy/academichonesty/>.

With each assignment, students will be required to submit a signed declaration ([http://www.cuhk.edu.hk/policy/academichonesty/Eng_hm_files_\(2013-14\)/p10.htm](http://www.cuhk.edu.hk/policy/academichonesty/Eng_hm_files_(2013-14)/p10.htm)) that they are aware of these policies, regulations, guidelines and procedures.

In the case of group projects, all students of the same group should be asked to sign the declaration, each of whom is responsible and liable to disciplinary actions should there be any plagiarized contents in the group project, irrespective of whether he/she has signed the declaration and whether he/she has contributed directly or indirectly to the plagiarized contents.

For assignments in the form of a computer-generated document that is principally text-based and submitted via VeriGuide, the statement, in the form of a receipt, will be issued by the system upon students' uploading of the soft copy of the assignment.

Assignments without the properly signed declaration will not be graded by teachers.

Only the final version of the assignment should be submitted via VeriGuide.

The submission of a piece of work, or a part of a piece of work, for more than one purpose (e.g. to satisfy the requirements in two different courses) without declaration to this effect shall be regarded as having committed undeclared multiple submission. It is common and acceptable to reuse a turn of phrase or a sentence or two from one's own work; but wholesale reuse is problematic. In any case, agreement from the course teacher(s) concerned should be obtained prior to the submission of the piece of work.

SESSION SCHEDULE (minor changes may be made at the discretion of the professor)

Session 1 Introduction / CH 1: Globalizing business

Case: The rebirth of the East India Company (Ch 1 Closing Case)

1. From an institution-based view and a resource-based view, explain what was behind the success and (ultimate) failure of the old East India Company?
2. From a resource-based view, explain what is special about the new East India Company?
3. From an institution-based view, predict the likely success or failure of the new East India Company.
4. **ON ETHICS:** Critics argue that the old East India Company was a vanguard of colonialism. As a spokesperson for the new East India Company, how do you react to such criticisms and promote the new venture?

Home work: (1) Form into groups each with 5-6 (max 7) students. Each group has to have at least 3 nationalities—as defined by the country of origin of the SCHOOLS (not individuals). For example, students from Hong Kong, Canada, and the Netherlands can form one group. But students from Singapore and the United States cannot—only two nationalities are represented here; they need to recruit students from another school in another country. (2) Name your group with an Asian flavor, such as “Kung Fu Panda” or “Fabulous Five” (no unauthorized use of any individual's name please). (3) Go over all the cases. (4) Write down on a sheet of paper all names/emails of the group and your top three choices (#1, #2, #3) for group presentation by next class. No emails please.

Session 2 CH 2: Understanding politics, laws, and economics

Case: Private ownership vs state ownership (p. 28)

1. What is the heart of this debate?
2. What exactly is a “market economy”? Why do we need to drop the “F word” (free) from the traditional use of “free market economies”?
3. What are the pros and cons of state ownership?
4. What is the nature of state ownership in China?

Session 3 CH 3: Emphasizing cultures, ethics, and norms

Additional reading: G. Hofstede (2007/4th issue): Asian management in the 21st century, *Asia Pacific Journal of Management*.

Case: Cut salaries or cut jobs? (CH 3 Opening Case)

1. What are the benefits of across-the-board pay cuts?
2. What are the benefits of reduction in force (mass layoffs)?
3. How would you advise this Japanese expatriate working in the United States?

Session 4 CH 4: Leveraging resources and capabilities

Case: For and against offshoring (p. 56)

1. From a resource-based view, explain why offshoring has become a leading corporate movement recently.
2. According to the proponents of offshoring, what are the benefits of offshoring?
3. According to the critics of offshoring, what are drawbacks of offshoring?
4. What is your view on offshoring? (Declare your point of view, such as a student/would-be professional in a developed economy or a young engineer in an emerging economy)

Session 5 CH 5: Trading internationally

Case: Is China the largest trading nation in the world? (CH 5 Opening Case)

1. From a resource-based view, explain what is behind China's rise of a merchandise (goods) exporter.
2. From an institution-based view, explain what is behind China's rise as a leading trading nation.
3. Is China the largest trading nation in the world?

Session 6 CH 6: Investing abroad directly

Additional reading 1: S. Globerman & D. Shapiro (2009/1st issue): Economic and strategic considerations surrounding Chinese FDI in the United States, *Asia Pacific Journal of Management*

Additional reading 2: M. W. Peng (2012): Why China's investments are not a threat, *Harvard Business Review* (blogs.hbr.org)—download from www.mikepeng.com

Case: Welcoming versus restricting sovereign wealth fund investments (p. 96)

1. What is SWF?
2. What are the arguments advocating that SWF investments need to be restricted?
3. What are the arguments disagreeing with the restrictions on SWF investments?

Session 7 CH 8: Capitalizing on global and regional integration

Case: Does the TPP have a future? (p. 129)

1. What are the advantages of TPP relative to those of APEC? What are the disadvantages of TPP relative to those of APEC?
2. Why does the TPP have such a hard time making progress?
3. Does excluding China to be a part of TPP negotiations make sense?
4. One side of the debate suggests the TPP has no bright future—it would become another Doha. Another side claims the TPP will have a bright future in boosting trade, investment, and GDP for member countries. What do you think?

QUIZ 1: Closed books. Will cover Sessions 1-6.

Session 8 CH 10: Entering foreign markets

DUE: Term project progress report (1-2 pages, in any format as long as it is in *writing*—this will not be graded)

Case: Business jet makers eye China (CH 10 Closing Case)

1. Why are corporate jet makers so eager to enter China?
2. From an institution-based view, what needs to be done to enhance the prospects of this industry in China?
3. From a resource-based view, what does it take to soar in China?

Session 9 CH 11: Making alliances and acquisitions work

Additional reading: M. W. Peng (2012): The global strategy of emerging multinationals from China, *Global Strategy Journal*—download from www.mikepeng.com.

Case: Emerging acquirers from China and India (Ch 11 Closing Case)

1. Why have M&As emerged as the primary mode of foreign market entry for Chinese and Indian MNEs?
2. Drawing on the institution-based and resource-based views, outline the similarities and differences between Chinese and Indian multinational acquirers?
3. **ON ETHICS:** As CEO of a firm from either China or India engaging in a high-profile acquisition overseas, shareholders at home are criticizing you for “squandering” their money, and target firm management and unions—as well as host country government and the media—are resisting. Should you proceed with the acquisition or consider abandoning the deal? If you are considering abandoning the deal, under what conditions would you abandon it?

BONUS TALK: Emerging multinationals from China (download slides at www.mikepeng.com, go to “Media reports and awards” on p. 1, and then go to “May 14, 2013” for the one of the recent versions of the slides). This talk was based on my keynote speech at the “China Goes Global” Conference at Harvard University, October 2009

Session 10 CH 12: Strategizing, structuring, and learning

Case: GE innovates from the base of the pyramid (CH 12 Opening Case)

1. What are the similarities and differences between GE’s traditional innovation and reverse innovation?
2. Why is GE so interested in reverse innovation?
3. What are the main concerns that prevent Western MNEs from aggressively investing in emerging economies? What are the costs if they choose not to focus on emerging economies?
4. Why is a leading Western MNE such as GE afraid of emerging multinationals from emerging economies?

Session 11 CH 13: Managing human resources globally

Case: Dallas versus Delhi (CH 13 Closing Case)

1. What questions should Sarkar ask the people at headquarters in Dallas? Please help him prepare a list.
2. Will Neeli and the children be happy about this move? Why?
3. Should Sarkar accept or decline this opportunity? Why?

Session 12 CH 15: Managing corporate social responsibility

Case: Foxconn (Appendix 1 of syllabus)

1. **ON ETHICS:** Why was Foxconn so embarrassed by worker suicides?
2. **ON ETHICS:** Why having produced highly popular products such as iPhones and iPads was not enough?
3. **ON ETHICS:** What else was Foxconn expected to do?

QUIZ 2: Closed books. Will cover Sessions 7-12, including today’s materials.

Session 13 WRAP UP

Session 14 TERM PROJECT PRESENTATIONS

REQUIRED: All group members' names and emails on the cover sheet of your paper and PPT slide 1. Please submit:

1. A hardcopy of your project paper + your slides (6 slides per page) **HAND IN DURING CLASS**
2. An email attachment of your Word file + your PPT file (no later than 11 PM of the day of presentation)

Appendix 1 Additional case study for Session #12: FOXCONN¹

Until 2010, the vast majority of the end users of Apple iPhones and iPads, Hewlett-Packard laptops, Amazon Kindles, and Microsoft Xboxes around the world had no clue about the firm that manufactured their beloved gadgets. The firm is Foxconn, which is headquartered in Taipei, Taiwan. Foxconn's shares (under the name of Hon Hai) are not only listed in Taipei in the Taiwan World Stock Exchange (TWSE: 2317), but also in Hong Kong (SEHK: 2038), London (LSE: HHPD), and NASDAQ (HNHPF). With US\$132 billion in annual revenue, Foxconn is the global leader in contract manufacturing services. In other words, everybody has heard that leading firms such as Cisco, Dell, Ericsson, Intel, Motorola, Nintendo, Nokia, and Sony—in addition to those named in the first line of this box above—have outsourced a large chunk of their manufacturing to “low-cost producers.” But to whom? Prior to 2010, only a small number of people knew the answer: Foxconn has been scooping up a tremendous number of outsourcing orders.

Starting in 1975 in Taipei with a merger US\$7,500, Foxconn was founded by Taiwanese entrepreneur Terry Gou, who still serves as its chairman. As Foxconn became a giant, industry insiders knew and respected it. But outside the industry, Foxconn lived in relative obscurity. It is likely to be the largest firm many people around the world never heard of. Just how big is Foxconn? Worldwide, it has 1.3 million employees. In China alone, it employs over 900,000 workers (300,000 on one factory campus in Shenzhen). To put these mind-boggling numbers in perspective, its worldwide headcount is as large as the entire US military, and its headcount in China is three times the size of the Taiwanese military. In addition to China, Foxconn has factories in 11 countries: Brazil, the Czech Republic, Hungary, India, Japan, Malaysia, Mexico, Pakistan, Slovakia, South Korea, and the United States. Foxconn is the largest private employer and the largest exporter in China and the second-largest exporter in the Czech Republic.

In 2010, Foxconn stumbled into media spotlight, not because of its accomplishments, but because of a dozen suicides committed by employees in Shenzhen, China, in a span of several months. Most of them died by jumping from high-rise Foxconn dormitories. This was one of the biggest paradoxes associated with Foxconn. What were Foxconn's secrets for being so successful? Just as when 100 years ago Henry Ford created the mass assembly line by standardizing each worker's job, Foxconn pioneered a business model that it called e-enabled Components, Modules, Moves, and Services (eCMMS) that helped its clients save a ton of money. But why were there so many worker suicides that shocked the world? The business model was certainly a culprit. Working at Foxconn demands a great deal of concentration and repetition that breed enormous stress. Bloomberg Businessweek described Gou as “a ruthless taskmaster.” Although the media and corporate social responsibility (CSR) gurus criticized Foxconn for treating workers like machines and exploiting cheap labor, there was no evidence—according to audits run by Apple and other clients—that Foxconn mistreated or abused employees. Instead, in China, labor watchdogs gave Foxconn credit for exceeding the norms, by paying workers (relatively) higher salaries, on time, and for overtime. In both 2005 and 2006, it was among the Best Employers in China, according to a ChinaHR.com poll. In response to the suicides, Foxconn in 2010 installed nets outside dormitories to prevent suicides and increased Shenzhen factory workers' pay by 30% to

¹ This case was authored by Mike W. Peng, and published in M. W. Peng (2017), *Global Business*, 4th edition, pp. 537-538, Boston: Cengage Learning. © Cengage Learning. Used by permission of the author for his own teaching. Further duplication is prohibited.

US\$176 a month. Such raises cut earnings per share by about 5% in 2010 and by 12% in 2011. As a result, Gou recently scaled back his annual growth target from 30% to 15%.

Given Apple's "green" image, it reportedly entertained the notion of dropping Foxconn as a supplier, which had spilled some "blood" on pristine iPhones and iPads. But Apple quickly and quietly dropped this idea, which would be suicidal—thanks to Foxconn's unrivaled bargaining power. Foxconn, for its part, promised to beef up CSR. Virtually all workers in Shenzhen were away from their families and friends. Just across the border from Hong Kong, Shenzhen itself was a "new" city that became a boom town since the 1980s. Although Shenzhen now has more than ten million people, it had a trivial population before the economic reforms took off. Practically no twentysomethings or thirtysomethings were raised in Shenzhen. They all came to Shenzhen in search of jobs. A majority of such migrant workers (who were known as "low-cost" laborers in the West) came from poor inland provinces. Thanks to the loneliness and boredom, some of the most depressed employees ended up killing themselves. Wouldn't it be better if Foxconn could set up factories in inland provinces so that workers would stay close to their families and friends, instead of migrating over a long distance to work in Shenzhen? Hopefully, not many of them would commit suicide, which would be very embarrassing to Foxconn and Apple. Since cost of living in Shenzhen rose sharply, it recently became a high-cost city in China. So moving some production inland would also help Foxconn reduce labor costs.

As a result, Foxconn recently constructed a huge new factory in Zhengzhou, Henan province, which is one of the poorest provinces south of Beijing and a major source of migrant workers. This major undertaking also earned CSR kudos from the Chinese government, which encouraged more multinationals to invest in inland, underdeveloped regions such as Henan. Now with 120,000 employees, Foxconn's Zhengzhou factory made your iPhone 6. In 2014, if you were among the first customers who ordered iPhone 6 from the United States, that iPhone package in the mail actually had a Zhengzhou address—it was not from an Apple factory; it was from the Foxconn factory. While no worker suicide or other incidents were reported in Zhengzhou, Foxconn for the first time also installed a large number of robots—known as Foxbots—to handle repetitive work. Robots can break down but they will never commit suicide.

Sources: Based on (1) *Bloomberg Businessweek*, 2010, Chairman Gou, September 13: 58–69; (2) *Bloomberg Businessweek*, 2011, How to beat the high cost of happy workers, May 9: 39–40; (3) W. Su, 2014, Foxconn, in M. W. Peng, *Global Business*, 3rd ed. (pp. 595–597), Cincinnati: Cengage Learning; (4) W. Su, M. W. Peng, W. Tan, & Y. Cheung, 2015, The signaling effect of corporate social responsibility in emerging economies, *Journal of Business Ethics* (in press); (5) www.foxconn.com.

Appendix 2 Grading Criteria for Term Projects (PAY ATTENTION!!!)

I. Content Issues (60%)

- (a) Use of concepts and theories applied to the case (10%)
- (b) Reasonableness of analysis (20%)
- (c) Effectiveness of examples (10%)
- (d) Appropriateness of recommendations/conclusions (20%)

II. Process Issues (40%)*

- (a) Effectiveness of presentation (20%)
- (b) Effectiveness of written reports (20%)

Appendix 3 Background Survey

Name: _____ Name preferred to be called: _____

Email: _____

Home town/state/country: _____

What is the institution where you are seeking your degree

[] CUHK [] Other (specify) _____

Major/Concentration: _____

Did you take a case-based course before? If so, when and where?

Did you take an international business (IB) or strategic management (SM) course before? If so, when, where, at what level?

Briefly describe your work experience (if applicable):

Briefly describe your most distinguishing physical feature so that the professor can get to know you quickly (e.g., I am 10 feet tall; my hair is orange)

Anything else you would like me to know?