

# ICE

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## THE INTANGIBLES OF CORPORATE INTERNATIONALIZATION: INNOVATION, CULTURE AND HUMAN CAPITAL

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**BARAJAS ÍÑIGO, M.<sup>a</sup> Ascensión**

**Innovation and internationalization, an indivisible binomial: Eight case studies**

**Abstract:** This article discusses the connections between innovation processes and the international dimension of business, from four complementary perspectives: company history and culture, access to the source of knowledge, technological specialization and the articulation of commercial networks. Constant reference is made throughout the analysis to these and other intangible factors that determine the success of an innovative company.

**Key words:** corporate internationalization, product innovation.

**JEL Classification:** L1, L2, O3.

**BERNARDI CARRIELLO, Bernardo and LAMOTHE FERNÁNDEZ, Prosper**

**Models for explaining and predicting exchange rate crises in emerging countries**

**Abstract:** This paper examines the factors determining recent exchange rate crises in a group of emerging and transition economies on the basis of monthly data covering the period 1990-2001. The primary objective is to estimate discrete choice models able to explain and predict the exchange rate crises recorded in the Latin American, Asian and Eastern European countries chosen. Generally speaking, the results may be interpreted to support the first and second generation of theoretical exchange rate models, which are found to accurately predict most of the crises taking place in the sample. The results reported are consistent with the findings of previous empirical studies.

**Key words:** exchange rate, financial and exchange rate crises, discrete choice models, interest rates, economic agent expectations, emerging and transition countries

**JEL Classification:** F31, F32.

**CHAMINADE, Cristina and JOHANSON, Ulf**

**The impact of domestic culture on knowledge-intensive companies**

**Abstract:** The present article discusses the role of domestic culture in the rise of knowledge-intensive companies and the implementation of knowledge management models in a selection of European companies. The authors conclude that cultural differences affect the appearance of knowledge-intensive companies and the importance attached to knowledge as a fundamental production factor. Nonetheless, they note that once companies assimilate the importance of knowledge and other intangible assets, no significant differences are observed in the way individual firms measure, manage or publish information on intangibles.

**Key words:** culture, knowledge management.

**JEL Classification:** M14, M21.

**COCA, Adriana and CHAMINADE, Cristina**

**Innovation and intellectual capital management in a multinational firm:  
a case study of Unión Fenosa**

**Abstract:** Most academic studies on intangibles and intellectual capital tend to associate the intensive use of knowledge with companies and industries with a strong technological bias. The present article shows how companies in traditional industries such as electric power may also be knowledge-intensive. The theoretical discussion around the importance of the management of intangibles in the creation of company value is illustrated with a case study of Unión Fenosa. The article describes how this group, through its Corporate University, consultant business (Soluziona) and intellectual capital management model has risen to the new challenges generated by its globalized business environment.

**Key words:** knowledge management, intellectual capital, intangibles, electricity industry, Corporate University.

**JEL Classification:** M14, M21.

**CRESPO, Jorge and VELÁZQUEZ, Francisco J.**

**Foreign direct investment-induced technological spillovers.  
Measurement and effects**

**Abstract:** This article reflects on and reviews the various methods described in the economic literature to measure the technological spillovers induced by foreign direct investment and studies the evidence on the impact of such externalities on economic growth. Of the different methodologies used to measure the technological spillovers deriving from the presence of multinational companies, the approach proposed by Lichtenburg and Van Pottelsberghe de la Potterie (2001), applied to the specific case of OECD countries, is found to be the most suitable. Finally, the authors attempt to provide an explanation for the existence of mixed evidence in the literature about the impact of technological spillovers on economic growth.

**Key words:** technological spillovers, foreign direct investment, multinational firms, economic growth.

**JEL Classification:** F2, O3, O4.

**ESTRADA, Salvador; HEIJS, Joost and BUESA, Mikel**

**Innovation and international trade: A non-linear relationship**

**Abstract:** The purpose of the present paper is to study the factors that affect developing countries? export business, focusing in particular on their innovative behaviour. Most of the

existing literature analyzes this question from the vantage of developed countries and only recently have some surveys begun to address the issue in respect of developing economies. In both cases a positive relationship has been found between innovation and export trade. Prior econometric studies define this relationship linearly. The results obtained in the present paper, however, show that this conclusion may need to be revised. Export likelihood is lowest for companies with the lowest level of innovation, followed by the most innovative firms, whereas companies with an intermediate level of innovation compete most effectively on the global marketplace.

**Key words:** innovation, competitiveness, export likelihood, developing countries, Mexico.

**JEL Classification:** D21, F10.

### HEIJS, Joost

#### The role of foreign companies in the technological development of domestic economies

**Abstract:** This article analyzes the role of foreign companies in Spain's technological development. It begins with a review of the different mechanisms affecting foreign direct investment, economic growth and the innovation system in place in the host country. These more or less theoretical reflections are supplemented with a survey of the empirical literature, with the focus on Spain. The conclusion drawn is that the empirical evidence in this regard, both in general and for the case of Spain in particular, is unclear and that to improve an understanding of the role of foreign companies in innovation the methodology applied in these studies should be refined and adjusted.

**Key words:** foreign direct investment, technological spillover, innovation in Spain.

**JEL Classification:** F2, O3, O4.

### HIEP, Eric and PRUIJS, Liesbeth

#### Showing effective leadership in an intercultural environment

**Abstract:** Culture is a key intangible element in the internationalization process and may determine the success or failure of international negotiations. In an international environment, effective and successful leaders must take account of cultural aspects. Business management must focus on the importance of acquiring what is known as cross-cultural communication skills. In leadership, teamwork and other organizational questions serve as incentives for mandatory tasks in connection with business culture. Intercultural management of an organization entails managing three key elements: individual effectiveness, leadership and teamwork, and business culture. In the nineteen nineties, the experience of certain international companies in different areas of the planet

showed that improving such elements was requisite to enhancing global corporate performance.

**Key words:** leadership, management, culture.

**JEL Classification:** M12, M14, M53, M54.

### **MENJÓN ERIZMENDI, Alberto**

#### **Human resource management, intellectual capital and internationalization: the Iberdrola experience**

**Abstract:** The article discusses Iberdrola's history from the perspective of the three dimensional model of intellectual capital (human, structural and relationship capital). The author proposes an empirical approach to the evolution of the intellectual capital elements associated with the historical development of company strategy. This provides insight into the dynamic nature of intangibles. In particular, it illustrates how at Iberdrola, the key intangibles have changed over time. In this context, a more detailed explanation is provided of the importance of learning from experience in the company's internationalization process, as well as the new focus in human resource management that has gone hand-in-hand with the substantial changes taking place in the industry in recent years.

**Key words:** intangibles, intellectual capital, internationalization, human resources.

**JEL Classification:** M49, M59.

### **REGER, Guido**

#### **The internationalization of research and development in multinational firms**

**Abstract:** The analysis provided here is based on a survey of senior executives in 209 large companies in Western Europe, North America and Japan. The empirical results show a growing tendency to internationalize industrial research and development (R&D). A significant difference is also perceived in the degree and forms of such internationalization. In Japanese companies, R&D internationalization is less widespread than in their European and North American counterparts. And whilst Japanese and North American corporations tend to generate technology in their country of origin, European firms are more prone to create centres of excellence and develop local skills in R&D units located beyond their borders.

**Key words:** internationalization, innovation management, R&D management, centres of excellence.

**JEL Classification:** L23, O32, O33.