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Source: *Strategic Management Journal*, Vol. 8, No. 5 (Sep. - Oct., 1987), pp. 425-440

Published by: Wiley

Stable URL: <http://www.jstor.org/stable/2486231>

Accessed: 17-09-2016 23:48 UTC

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GLOBAL STRATEGY: AN ORGANIZING FRAMEWORK

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Global strategy has recently emerged as a popular concept among managers of multinational corporations as well as among researchers and students in the field of international management. This paper presents a conceptual framework encompassing a range of different issues relevant to global strategies. The framework provides a basis for organizing existing literature on the topic and for creating a map of the field. Such a map can be useful for teaching and also for guiding future research in this area. The article, however, is primarily directed at managers of multinational corporations, and is aimed at providing them with a basis for relating and synthesizing the different perspectives and prescriptions that are currently available for global strategic management.

Over the past few years the concept of global strategy has taken the world of multinational corporations (MNCs) by storm. Scores of articles in the *Harvard Business Review*, *Fortune*, *The Economist* and other popular journals have urged multinationals to 'go global' in their strategies. The topic has clearly captured the attention of MNC managers. Conferences on global strategy, whether organized by the Conference Board in New York, *The Financial Times* in London, or Nomura Securities in Tokyo, have invariably attracted enthusiastic corporate support and sizeable audiences. Even in the relatively slow-moving world of academe the issue of globalization of industries and companies has emerged as a new bandwagon, as manifest in the large number of papers on the topic presented at recent meetings of the Academy of Management, the Academy of International Business and the Strategic Management Society. 'Manage globally' appears to be the latest battlecry in the world of international business.

MULTIPLE PERSPECTIVES, MANY PRESCRIPTIONS

This enthusiasm notwithstanding, there is a great deal of conceptual ambiguity about what a 'global' strategy really means. As pointed out by Hamel and Prahalad (1985), the distinction among a global industry, a global firm, and a global strategy is somewhat blurred in the literature. According to Hout, Porter and Rudden (1982), a global strategy is appropriate for global industries which are defined as those in which a firm's competitive position in one national market is significantly affected by its competitive position in other national markets. Such interactions between a firm's positions in different markets may arise from scale benefits or from the potential of synergies or sharing of costs and resources across markets. However, as argued by Bartlett (1985), Kogut (1984) and many others, those scale and synergy benefits may often be created by strategic actions of individual firms and may

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