

GSJ SPECIAL ISSUE CALL FOR PAPERS

COMPLEXITY AND MULTINATIONALS

Special Issue Editors

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Few refute the conception of complexity in global strategy. Besides diligently coordinating intricate webs of knowledge flows and organizational linkages across country borders, multinational organizations are externally embedded in multiple and rapidly changing environments that necessitate constant monitoring and prompt responsiveness (Gupta and Govindarajan, 2000; Meyer et al., 2011). Concepts such as the M-form, contingency, and strategic fit have emerged as central to understanding how firms amidst high levels of complexity organize most effectively (e.g., Birkinshaw and Pedersen, 2009).

In this Special Issue, we seek to revisit the question of complexity and organization, with a focus on multinational corporations (MNCs). There are two specific reasons we believe this inquiry is specifically pertinent. First, there are a number of political and environmental changes that potentially challenge conventional forms of MNCs' organizational design, including the global value chains they orchestrate. The recent backlash against globalization with a gradual return to a more fragmented and nationally oriented economic world system could lead to higher complexity as firms need to scale back their global efforts and devise more country-by-country-oriented approaches to international business. Given the concurrent climate crisis, firms are also increasingly required to absorb and comply with new and stricter regulations on sustainability, including a higher degree of transparency and control on complex global value chains and trading relationships. Second, disruptive technological advancements including artificial intelligence, digitalization, additive manufacturing, and algorithmic decision making open up radical new ways of organizing international business activities. The speed and amount of change should also potentially fuel entrepreneurial activity, in society generally as well as more specifically by and within organizations, as new opportunities emerge and are uncovered and acted upon.

Accordingly, there are several important features of the contemporary global economy that challenge traditional explanations of the relationship between complexity and organization; we, thus, suggest that our understanding of how MNCs react to, organize around, and exploit these changes needs to be revised. Complexity has long been a central construct in explaining the internal and external interconnectedness of organizations (cf. Anderson, 1999). In his seminal article on the architecture of complexity, Simon (1962: 468) describes a complex system as "one made up of a large number of parts that interact in a

nonsimple way.” Similarly, Thompson (1967) portrays a complex organization as a set of many interdependent tasks, and a central managerial challenge is to cope with the ensuing consequences. More recently, organization theory has demonstrated how complexity may increase coordination costs (Zhou, 2011) and reduce the organizational ability to process information (Tushman and Nadler, 1978). This may increase the likelihood of decision errors and eventually lower firm performance (Levinthal, 1997). Research on information asymmetry and agency problems shows how complex structures may support specific capabilities that are difficult to monitor and imitate (Rivkin, 2001) which, in turn, may promote rent appropriation and competitive advantage (Powell et al., 2006).

However, when it comes to understanding how contemporary MNCs organize around (new forms of) complexity, these arguments need modification and extension. For example, the influence of different types of distances between the operations in the multinational corporation becomes highly important to discern (Asmussen, Larsen, and Pedersen (2016). Likewise, as MNCs operate across heterogeneous locations and institutional environments (Meyer et al. (2011), the costs of coordinating the geographically dispersed activities are likely to be substantially more challenging. The combination of multiple geographically dispersed activities that may be governed in a variety of ways pose non-trivial organizational challenges in MNCs (Asmussen et al. (2009); Benito et al. (2009); Zhou (2015)). As such, while environmental, technological, and political environmental changes may provide opportunities for initiatives at various levels of the MNC, these changes also entail higher complexity that result in new managerial and organizational challenges.

The overall objective of this Special Issue is, therefore, to understand the relationship between complexity and organization in contemporary firms, broadly defined—that is, ranging from traditional MNCs to non-profit organizations working on environmental and sustainability issues. Without imposing restrictions on the range of topics suitable for this Special Issue, we envision articles addressing any of the following questions:

- What is the influence of environmental, political, and technological change on how firms organize?
- How do we understand the relationship between the multilevel dimensions of complexity in global strategy?
- What are the drivers of complexity in firms’ activity systems, global value chains, and trading relationships?
- How does complexity evolve? What are the dynamics of complexity in firms’ global operations?
- To what extent and how does added complexity lead to restructuring—including exit and divestment—of foreign units, for example, because of MNCs’ reorganization actions due to a de-globalizing world?
- How do MNCs learn to manage and adapt to the new forms of complexity in their activity systems?
- What are the strategies MNCs use to manage and reduce the impact of new forms of complexity?
- What are the effects of complexity on organizational reorganization and performance, for example through the adoption of simpler and/or more flexible ways of organizing global business activities?
- Do different types of firms—for example, in terms of their nationality, ownership, and/or governance—approach and respond to complexity in the same manner?
- How can we more accurately measure complexity from a global strategy perspective?

We invite submissions of both theoretical papers and empirical papers. We do not have specific theoretical or methodological preferences. For empirical studies, we welcome high-quality qualitatively oriented papers and quantitatively oriented papers, as well as papers using mixed methods.

On a processual note, we are planning to host a by-invitation-only paper development workshop for submissions that are invited to revise and resubmit in the process of being considered for inclusion in the Special Issue.

For more information about this Call for Papers, please contact the Special Issue Editors Julian Birkinshaw, London Business School (jbirkinshaw@london.edu), Marcus M. Larsen, Copenhagen Business School (mml.si@cbs.dk), Yue Maggie Zhou, Ross School of Business, University of Michigan (ymz@umich.edu), and Gabriel R.G. Benito, BI Norwegian Business School (gabriel.r.g.benito@bi.no).

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Special Issue Editor Bios:

Julian Birkinshaw is Professor and Deputy Dean at the London Business School. He is a Fellow of the British Academy, the Academy of Social Sciences, and the Academy of International Business, and he has honorary doctorates from the Stockholm School of Economics and Copenhagen Business School. Julian has PhD and MBA degrees in Business from the Richard Ivey School of Business, University of Western Ontario, and a BSc (Hons) from the University of Durham. His main area of expertise is in strategy and organization in large established firms and on such specific issues as management innovation, strategic agility, corporate entrepreneurship, organization design, and headquarters-subsidary relationships. He is the author of 15 books, including *Fast/Forward* (2017), *Becoming a Better Boss* (2013), *Reinventing Management* (2010), and *Giant Steps in Management* (2007), and more than 100 articles in such journals as *Strategic Management Journal*, *Organization Science*, and *Harvard Business Review*.

Marcus M. Larsen is a Professor MSO in the Department of Strategy and Innovation at the Copenhagen Business School and an Adjunct Professor in the Department of Strategy and Entrepreneurship at BI Norwegian Business School. His research focuses on organizational design in multinational corporations and has been published in *Strategic Management Journal*, *Journal of International Business Studies*, and *Organization Science*. He is currently working as Principal Investigator on “The firm in the informal economy” project granted by the Carlsberg Foundation. He has received several awards for his research, including the Peter J. Buckley and Mark Casson AIB Dissertation Award, the Barry Richman AoM Best Dissertation Award, and the Temple University/AIB Best Paper Award.

Yue Maggie Zhou is an Associate Professor of Strategy at the Stephen M. Ross School of Business, University of Michigan. Maggie has a B.Eng. from Shanghai Jiaotong University, an MBA from the University of Maryland, and a PhD from the University of Michigan. Her research focuses on the theory of the firm, competitive strategy, organization structure, and institutions. Her recent studies investigate the role of complexity in setting limits to firm growth, competitive strategies, and organizational design. Her work has been published in the *Strategic Management Journal*, *Organization Science*, *Journal of Corporate Finance*, and *Advances in Strategic Management*. She is an Associate Editor for the *Strategic Management Journal* and serves on the editorial board of *Organization Science*.

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Gabriel R.G. Benito is Professor in the Department of Strategy and Entrepreneurship at BI Norwegian Business School. His current research agenda focuses on corporate governance, the strategies of MNCs, and the economic organization of international business. His books include *Foreign Operation Methods* (w/Welch and Petersen, 2018) and *Multinationals on the Periphery* (w/Narula, 2007). His research has appeared in such journals as *Journal of International Business Studies*, *Journal of Management Studies*, and *Journal of Economic Geography*. He is Co-Editor of *Global Strategy Journal* and Consulting Editor of *Journal of International Business Studies*. He was elected Fellow of the Academy of International Business in 2015 and Fellow of European International Business Academy in 2017.