

Explaining the Internationalisation Process of the Firm: A Process-Based Critique

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Introduction

Since the 1970s, a considerable body of literature has accumulated on the internationalisation process of the firm. After more than 30 years of research, there is widespread consensus that internationalisation is a process that occurs over time, rather than comprising a single set of decisions or discrete events (see e.g. Jones and Coviello 2005). However, while observations about the process nature of this phenomenon are now commonplace, a process approach to research in this area is not: ‘the process view has always played a minor role in the literature on International Management as compared to the static perspective’ (Kutschker, Bäurle and Schmid 1997). Somewhat ironically, the majority of studies into this organizational process have not taken a process approach. Calls for more process and longitudinal research have been repeatedly made (see e.g. Axinn and Matthyssens 2001; Benito, Petersen and Welch 2009; Meyer and Gelbuda 2006), but seemingly to no avail. Internationalisation research has been a ‘hostile climate’ for process research, qualitative inquiries and approaches based on alternative methodologies.

In this paper, a process-based critique of internationalisation research is presented. The contribution of this paper is two-fold. First, by applying a process-based lens, a fresh perspective is offered on internationalisation research, and a future agenda for research proposed. Second, this contribution of this review is methodological, in that it provides insight into how a particular field of inquiry has dealt with process. Internationalisation research can be regarded as a ‘critical case’ of process theorising, since it is a field of inquiry in which process-based approaches are widely agreed to be required, yet they have remained scarce. Internationalisation

research provides fertile ground for understanding the challenges involved in developing and defending process-based explanations.

In the first part of this paper, we briefly review dominant approaches to internationalisation – so-called ‘stages’ and Uppsala Models – which we argue represent very different forms of process theorising. These two models were introduced in the 1970s, so we then present an analysis of internationalisation research that has been conducted subsequently. We propose a typology of internationalisation process studies based on whether they include process data and/or process theory. Some articles purporting to be about the internationalisation process did not actually contain any process data or process theory. Others contained process data, but used them to generate variance-based models or hypothesis testing. Even among the studies that contained process data and process theorising, this theorising took the ‘weak’ form of identifying sequences and stages of development, rather than a ‘stronger’ form that proposes the generative mechanisms driving change from one state to the next.

Other scholars have provided commentaries on how time has been treated in the literature on firm internationalisation. Both Hurmerinta-Peltomäki (2003) and Sharma and Blomstermo (2003) point out that existing literature treats time as ‘a linear phenomenon with a past, present and future’ (Sharma and Blomstermo 2003, p. 55). They point out that time can be conceived in other ways (e.g. as discontinuous or cyclical) than that of the ‘forward-going line’ inherent in internationalisation models (Hurmerinta-Peltomäki 2003). In this paper, we share their concern to make time and process more central to theorising about firm internationalisation. However, we take a different approach. Theirs were largely conceptual papers seeking to reconceptualise the abstract concept of time. In this paper, our focus is methodological and

epistemological, and we use the methodological literature on process research as a lens through which to evaluate and critique internationalisation research.

Process Research: A Brief Definition

Interest in process research has steadily increased since the 1980s. One of the prominent methodological authorities on the topic, Pettigrew (1997, p. 338), distinguishes process studies on the basis of being ‘preoccupied with describing the what, why and how of some sequence of individual and collective action’. However, ‘process’ can be conceptualised and studied in very different ways. A contrast is commonly drawn between process- and variance-based approaches. Variance approaches seek to answer the question, ‘*What* are the antecedents of consequences of the issue?’ (Van de Ven 2007, p. 145). Process theories address a very different question, namely, ‘*How* does the issue emerge, develop, grow or terminate over time?’ (Van de Ven 2007, p. 145). Variance approaches build models in the form of independent variables that can predict outcomes in terms of variations in dependent variables; thus, they fit well with the positivistic notion of science that is still dominant in business schools. Process approaches do not ‘variabilize’ and measure whether a change occurred, rather they use events as the basis for tracing how the change occurred.

As a result, process and change can be studied in very different ways. Van de Ven (2007, p. 149) has argued that variance approaches constitute the default, at least in the business and management fields: ‘because most researchers have been taught a version of variance modelling and because methods for process modelling are perhaps less well developed, researchers tend to conceptualize process problems in variance

terms'. As well as this fundamental division between variance and process theories – which can be regarded as operating at the philosophical and epistemological rather than just methodological levels – it has also been noted that process research itself has been quite diverse (Langley 2009). Therefore, in this paper our analysis incorporates, but also goes beyond, the distinction between variance and processes approaches, so that alternative approaches to undertaking process research can also be considered.

Stronger versus Weak Process Approaches to Internationalisation

The process nature of internationalisation is inherent in commonly cited definitions. For example, Calof and Beamish (1995, p. 116) define internationalisation as 'the *process* of adapting firms' operations ... to international environments [my italics]'; similarly, Welch and Luostarinen (1988, p. 36) specify internationalisation as consisting of 'the *process* of increasing involvement in international operations [my italics]'. Various models of the internationalisation process have been proposed, such as Luostarinen (1980), but for the purpose of this paper, the focus will be on the two approaches to internationalisation that have dominated research since the 1970s. The first consists of the so-called 'stages' theories of internationalisation (also known as innovation models). Various stages have been proposed (for a comparison, see e.g. Andersen 1993), but they involve delineating how a firm transforms itself from being domestically focused to having 'committed involvement' in foreign operations (Cavusgil 1980).

The most influential theory of firm internationalisation (often called the Uppsala Model) was proposed by Johanson and Vahlne in 1977, and they have since elaborated on and amended this model in successive papers. It provides an

explanation for the sequential pattern of international expansion that the authors had identified in their fieldwork. Theirs is a process model that explains the fundamental mechanisms driving the empirical patterns they had observed. The mechanism they propose is the interplay between experiential market knowledge and market commitment. The model is dynamic in that 'the outcome of one decision – or more generally one cycle of events – constitutes the input of the next' (Johanson and Vahlne 1977, p. 26). Given that the Model proposes a generative mechanism – in other words, goes beyond describing processes to explaining them – this can be denoted a stronger form of process theorising.

The Uppsala Model has been extremely influential but frequently misunderstood. As has been emphasised by Johanson and Vahlne (1990) themselves, as well as by Andersen (1993) and Petersen and Pedersen (1997), there are two levels to the model: an 'operational' and 'theoretical' level. At the operational or empirical level, Johanson and colleagues (e.g. Johanson and Wiedersheim-Paul 1975) observed two dominant patterns that characterised the internationalisation of the firms they studied: firms expand offshore by proceeding from psychically close to psychically distant countries; and their method of market servicing proceeds from exporting to progressively higher levels of commitment, until they have established fully fledged production subsidiaries in foreign markets. The theoretical or conceptual level of the model provides an explanation for this incremental behaviour by positing that internationalisation is a process of gradual knowledge development: firms gain the foreign market knowledge they initially lack through their current business activities in that market, with enhanced knowledge leading them to upgrade their market commitment.

The Uppsala Model continues to be debated, tested and modified – with the original authors themselves extending and refining their Model in subsequent years (for their most recent contribution, see Johanson and Vahlne 2009). Most commentaries on and tests of the Model, however, have conflated the operational and theoretical levels. The Model is often – incorrectly – assumed to consist of a deterministic prediction that firms expand geographically by entering successively more distant countries, and institutionally by progressing from low- to high-commitment modes of market servicing. There has been little critique of the Model from a more process-based perspective.

How the Internationalisation Process of the Firm has been Studied

In this section, we present a typology of internationalisation process research. This section is based on a review of existing empirical studies that followed the seminal contributions of the ‘stages’ and Uppsala researchers in the 1970s (see Table 1 for a list of the studies that have been included). Considerable research has been conducted on the topic of internationalisation – one review found it to be the second most researched topic and most researched sub-topic in international management (Werner, 2002) – but for the purpose of the current paper, we confined myself to empirical studies whose authors explicitly stated that they sought to address the process, patterns or dynamics of internationalisation (i.e. were seeking to build on, test or challenge the stages or Uppsala models). We excluded articles that investigated entry mode choice, as they are confined to a particular decision in the firm’s internationalisation, rather than the process as a whole; as well as articles that investigated the internationalisation of particular types of firms (such as service firms

or internet-based firms), without then seeking to relate their findings to internationalisation theories generally.

Melin (1992) is the only other author to have offered a categorisation of internationalisation research from a process-based perspective. He suggests that longitudinal research on internationalisation has taken four forms: time series of events, analysis of specific events, epochs and bibliographic histories. He therefore distinguishes research largely on the basis of the time periods that are investigated. The time period under investigation is undoubtedly one dimension of a process-based study; however, this does not capture other aspects of a process-based study.

The analysis of existing literature for this paper therefore sought to include a wider range of dimensions. First, following a distinction made by Langley (1999), articles were classified according to whether they contained process data and/or process theory (see Figure 1). Unlike cross-sectional data, process data span multiple rather than single points in time. Process theory, as already discussed, seeks to explain the ‘how’ and ‘why’ of changes over time, in contrast to variance theories, which seek to measure the degree to which particular independent variables are associated with outcome variables (Langley 2009). In Figure 1, three combinations are possible in a study of firm internationalisation: 1) process data are included in the study, but not used to generate process theory (Quadrant 1); 2) process theory is based on process data (Quadrant 2); and 3) the study does not include either process data or process theory (Quadrant 3). The fourth option in Figure 1 is deemed not to be possible, at least in the context of an empirical study: that is, generating process theory from data which are not process based.

Process data

		Yes	No
Process theory	No	Quadrant 1 <i>Unrealised</i> N=11	Quadrant 3 <i>Variance-based</i> N=9
	Yes	Quadrant 2 <i>Process-based</i> N=11	N/A

Figure 1: Types of internationalisation process studies

The analytical process was complicated by the fact that the matrix in Figure 1 is necessarily an over-simplification. Process data can be quantitative or qualitative, real time or retrospective. The boundary between process data and cross-sectional data is not clearcut: what length of time is required for a researcher to be able to have captured all, or key elements of, a process? It should be noted that while some authors seem to consider real-time data as the only true process data, this is not the approach taken here: retrospective and even some forms of quantitative data were considered eligible for inclusion. Given the lack of consensus about what constitutes process data, a broad definition was therefore adopted.

Categorising what is or is not process theory is even less clearcut than in the case of process data (see Langley 2009 for a discussion on defining process theory). Process theory can be ‘weak’, in that it simply identifies event sequences, patterns or changes in states (as per ‘stages’ models of internationalisation); or ‘strong’, in that it proposes the underlying mechanisms that drive these developments (as per the Uppsala internationalisation process model). The categories in Figure 1 also assume that the theorising process is consistent within the same study, whereas a researcher may combine elements of both process-based and variance-based approaches.

Table 1 therefore presents a more finely grained categorisation of the internationalisation articles that were reviewed. As well as considering whether a study was based on process data, process theory or both, we also evaluated its methodological orientation (i.e. qualitative, quantitative or mixed), use of data sources (e.g. mail surveys versus retrospective interviews) and time span included in the study. Table 1 shows considerable variation across all these dimensions; below, the findings will be discussed in terms of each quadrant.

Quadrant 1: process data without process theorising ('unrealised')

Quadrant 1 consisted of studies that contained process data but did not develop process theory; the process dimension of their research design was therefore unrealised. For example, Bell (1995) used the results from a mixed method study – consisting of a mail survey and follow-up in-depth interviews – to argue that market selection and entry mode decisions of the sampled firms did not conform to the patterns identified by the Uppsala researchers. However, he did not go on to develop an alternative model, hence this study has been classified as containing process data but not process theory. This was one of a number of studies to critique the Uppsala internationalisation process model, without providing an alternative process explanation (see e.g., Björkman and Eklund 1996; Buckley and Chapman 1997; Turnbull 1987). Rather, additional factors not contained in the Uppsala model are proposed by these authors. These factors – such as the role of changes in management (Björkman and Eklund 1996), client following (Bell 1995) and industry environment (Turnbull 1987) – are identified without conceptualising how they evolve over time.

This quadrant also contained articles whose process data were then used as the basis for variance rather than process-based theorising. For example, the empirical

basis for Fletcher (2001) consists of three surveys, conducted in 1983, 1993 and 1994 respectively. However, a decision was made not to compare the results for the 1983 and 1993 surveys 'because of the small number of firms [n=22] that responded to both surveys due to mergers, acquisitions and bankruptcies' (Fletcher 2001, p. 31). Instead, respondents in the third survey were asked to compare the nature of their international involvement in 1983 and 1993. His research questions are variance-based: for example, do those factors which predict outward internationalisation also predict inward and linked internationalisation? Do the factors that predict internationalisation apply when de-internationalisation has occurred? This means that while Fletcher's conceptual framework posits that 'outward [internationalisation] activities might lead to inward activities and/or linked activities and vice versa', these process-related aspects were 'not explored in the survey' (Fletcher 2001, p. 46).

Another study coded to this category, Pedersen and Petersen (1998), addressed the challenge of obtaining process data by asking questions about specific episodes in their mail survey. The episodes consisted of the firm's commitment decisions at different points in time: 'The aim was to map the company's involvement on [*sic*] the foreign market from initial entry' (Pedersen and Petersen 1998, p. 492). The pace of commitment was the dependent variable in the study: the authors sought to identify the factors that determine the pace by which firms commit to foreign markets. The authors conclude with a LISREL model that explains some of the variation in the dependent variable.

Fletcher's (2001) and Pedersen and Petersen's (1998) study were quantitative, but qualitative studies also may result in variance-based models. Thus, Oesterle (1997) provides what he terms an 'historical' case study, based on the life of Gottlieb Daimler (1837-1900). Drawing on secondary historical data, he tracks the evolution

of Daimler's invention and its commercialisation. He uses his interpretation of the Daimler case to propose the determinants of a firm's time-span to internationalisation. The theoretical outcome of this narrative of Daimler's life, invention and commercial activities is encapsulated in a two-by-two matrix that summarises the key determinants of the speed by which a firm internationalises. Similarly, in Chetty and Campbell-Hunt (2003) the rich firm 'histories' constructed from retrospective interviews are transformed into a conceptual model that specifies what factors specify which internationalisation path – regional or global – that a firm takes. They conclude that 'paths to internationalisation ... stem from a need to adopt marketing and manufacturing strategies that are coherent with the rest of the firm's configuration of strategies' (Chetty and Campbell-Hunt 2003, p. 814). A third example of a qualitative study that does not produce process theorising is Andersson (2000), in which a detailed chronological analysis of firm histories results in a typology of entrepreneurial behaviour, arguing that each of the three types is associated with a different kind of internationalisation pattern. Thus, it is important not to assume that qualitative case studies necessarily lead to process-based theorising.

Quadrant 2: Process data and process theorising ('process-based')

Quadrant 2 studies – in other words, those studies based on process data that also sought to develop process theory – were largely based on qualitative data, although some quantitative papers were also coded to this category (2 quantitative, 1 mixed). Like Quadrant 1 studies, they were interested in identifying patterns of international expansion over time, but as well, they sought to explain them. These studies could be termed 'biographic histories' (following Melin 1992), in that they spanned the entire history of the firm's internationalisation process, or its history in a particular market,

to the present. For example, Fletcher's (2008) single case study of the Australian firm James N. Kirby covered a 40-year period of internationalisation, from the company's first exports to its acquisition and subsequent integration by the acquiring firm. In order to study this length of time, multiple data sources had been collected at multiple time periods: repeat interviews over a six-year period and documentary evidence obtained from the company, supplemented by the firm's responses to two earlier surveys and a period of participant observation the previous decade. The authors of one of the studies in this quadrant, Clark, Pugh and Mallory (1997, p. 611), argue that this biographical approach is essential: 'a proper test of the Uppsala Model should examine the process by which a firm internationalises over its lifespan'. All these studies, like Clark et al. (1997), build on the Uppsala Model, and their theoretical contribution consists of a modification of, or extension to, this model.

In Table 1, articles in Quadrant 2 are differentiated on the basis of whether they develop 'strong' or 'weak' process theory. The quantitative studies in this category result in 'weak' process theory, in that they identify patterns or stages, but do not explain how and why these patterns occur. For example, Gankema, Snuif and Zwart (2000) conducted a five-year panel study of 144 European SMEs in order to test one of the stages theories. They found support for the theory under examination, but their analysis is limited by the fact that their study covers a five-year period, rather than the internationalisation process as a whole; and their data captures that a shift in stage has occurred but not why. Similarly, Jones (1999, p. 25) identifies four distinct patterns of internationalisation, but not how and why they evolve. She bases her classification on a mail survey of SMEs to obtain what she termed a 'chronology of link formation': in other words, she asked respondents to list the types of cross-border links they had formed, and the date upon which the first link of this type was formed.

This means that she has a very partial view of the process, as she does not have data on subsequent links that each firm made. In this way, her data consist of discrete episodes rather than full sequences. On the basis of her data, she cannot explain why a firm chooses a particular internationalisation pattern; instead, she can only specify what demographic features of a company are associated with a particular pattern.

Hutzschenreuter, D'Aveni and Voll (2009, p. 68) face a similar dilemma to that of Gankema et al. (2000): their data cover a 10-year period only, which means 'we could not observe firms going through several stages of the proposed model' – a longer time period would have been required. They identify four distinct patterns of internationalisation, but unlike Jones (1999) their dataset – annual reports – also allows them to conduct a qualitative analysis of stated reasons behind international expansion decisions: 'We scan all text within the reports and collect all statements regarding reasons for internationalisation, reasons for specific entry modes, patterns, and any other information associated with internationalisation (Hutzschenreuter et al. 2009, p. 59). This enables them to go beyond demographic information to point to factors stimulating their internationalisation, such as cost pressures, prior international experience and other corporate priorities.

Some qualitative studies in this quadrant have been identified as generating 'stronger' process theory, in that they do not just trace the evolution of the firm, but they also seek to identify the key mechanisms or drivers behind the process. Thus Fletcher (2008) nominates 'network embeddedness' as the key driver of internationalisation, and discusses a single episode in greater depth to show how such embeddedness explains the outcome of the event under study. Networks are also identified as a key driver in Chetty and Blankenburg Holm (2000) and Coviello and Munro (1997). However, while these studies had greater explanatory force in that they

were able to account for *why* particular events unfolded in the way that they did, they did not take the additional step of demonstrating the dynamic nature of the mechanism in operation. For example, a feature of the Uppsala Model is its path dependence: existing activities and decisions in a foreign market are influenced by the firm's stock of knowledge and its degree of commitment to that market; in turn, these activities and decisions will shape future knowledge and commitment (Araujo and Rezende 2003). Given that the dynamic element of the theories in the Quadrant 2 studies is not well developed, they might be viewed as examples of 'stronger' rather than 'strongest' process theorising.

One of the articles in Quadrant 2, by Lamb and Liesch (2002), seeks to challenge what they regard as the linear, uni-directional and deterministic nature of most internationalisation models. Their interviews with managers led them to conclude that constructs are difficult to separate, the direction of causality is not clear, processes are interlocking and international development may not be linear. Thus, the key constructs of internationalisation 'interact, rather than act on one another in a deterministic manner' (Lamb and Liesch 2002, p. 23). Here, the authors are indicating a possible questioning of positivist notions of causality and explanation, but they draw back from this in their conclusion, in which they suggest a new construct could be modelled. Thus, in this quadrant, dominant philosophical and epistemological positions remain unchallenged.

Quadrant 3: Process data and theorising absent ('variance-based')

In Quadrant 3, authors identified themselves as contributing to internationalisation process research, but took a variance-based rather than process-based approach, both in terms of data collection and theorising. For example, Barkema and Drogendijk

(2007, p. 1113) conclude from their study that ‘internationalisation processes still matter’. However, their dependent variable is *present* FDI performance, and rather than investigating the process of internationalisation, their survey measured the international experience of the company in terms of its total number of foreign subsidiaries, as well as specifying whether the company had commenced operation in the host country with contractual agreements. As a result, neither knowledge nor commitment is included (see Johanson and Vahlne 2006 for a similar critique). Similarly, Sullivan and Bauershmids (1990) use the scope of internationalisation, as measured by the geographical extent of sales and production operations, to test the effect of experience of management perception. Thus, the size of a firm’s foreign operations – in other words, the *outcome* of a firm’s internationalisation – is used as a proxy for the *process* of a firm’s internationalisation.

As an alternative to using outcome measures, such as the current percentage of international sales to total sales (Andersson, Gabrielsson and Wictor 2004), other authors address the complexity of process by reducing it to a single episode. Thus, Millington and Bayliss (1990) investigate a single decision by British companies – to establish an offshore manufacturing subsidiary or joint venture in another EC country – and ask respondents to a survey what prior experience, if any, their firm had in that host country (e.g. licensing, exporting, no prior experience). While Millington and Bayliss (1990) asked their respondents about concrete prior events, Eriksson, Johanson, Majkgård and Sharma (1997) asked respondents to consider the perceived cost related to a potential future move: that of taking on an additional client order from abroad. Eriksson et al. (1997, p. 346) note about internationalization that ‘it is difficult to operationalize this process in a standardized research design’.

A third strategy can be found in Rao and Naidu (1993). In this study, participating firms were assigned to one of four 'stages', depending on their export status (i.e. from non-exporters to regular exporters). The four groups were then tested for differences, resulting in the conclusion that the four groups do exhibit meaningful differences. Discriminant analysis was then used to determine what independent variables can predict the stage of internationalisation. Here, the concept of a 'stage' has completely lost its processual meaning; the term does not denote part of a sequence; rather it is used synonymously with 'type' or 'group'. The authors in fact have no data to confirm that one 'stage' occurs before or after another, so they do not attempt to establish any sequencing between the stages. In a similarly designed study, the authors acknowledge that such an approach, being 'atemporal', 'is unable to determine the degree of causation or movement between stages' (Wickramasekera and Oczkowski 2006, p. 47).

Most of the studies in this quadrant consisted of quantitative studies and hypothesis testing (e.g. Engwall and Wallenstål 1988, who test for correlations), with the exception of Calof and Beamish (1993), which was based on retrospective interviews. However, while the authors of this study had indeed gathered rich qualitative evidence, they focused on a single decision or decisions (i.e. why the firm had switched mode), rather than the interlinkages between them. While they had data on multiple mode changes per firm, the authors did not seek to understand these changes as part of the same process, but rather analysed them discretely. The mode changes were discussed in aggregate terms, rather than per firm, thus making it impossible to judge how one mode decision related to another in sequence. Moreover, a process orientation was also absent from the theoretical development provided in the paper. The authors conclude with a model of the internationalisation process that in

fact is variance-based: mode change is associated with particular internal and external stimuli, and mediated by executives' perceptions of the firm's resource, strategy and its environment.

Reflections on the findings

One conclusion from this typological analysis of existing literature on internationalisation is that very few such studies combine process data *and* strong process theorising. Instead, the majority of studies were of three kinds: they contained, first, process data but not process theorising; second, neither process data nor process theorising; or third, process data and weak process theorising. This is surprising given that one of the most influential theories in the field, Johanson and Vahlne's (1977) so-called Uppsala Model, is a strong form of theorising – yet this example has not been emulated in later research. Instead, evidence was found that process theory is being 'tested' using variance approaches and assumptions, and qualitative studies are squeezed into variance-based templates.

Even more troubling, the process nature of the Uppsala model has largely been neglected or misinterpreted by critics and supporters of the model alike. For example, very few authors who claimed to be building on or testing existing models distinguish between the Uppsala and stages models of internationalisation. Rather, both are regarded as comparable – without recognising that one goes further than the other in terms of process theorising. Perhaps the most sustained criticism of the theoretical adequacy of these models can be found in Andersen (1993), who uses what he terms 'scientific criteria' in his analysis. While he does not make it explicit, these criteria are positivist and variance-based. For example, he assesses whether the theories are properly falsifiable according to Popper's prescriptions, finding that the Uppsala

Model falls short in this regard. While Andersen (1993) does acknowledge the limitation of cross-sectional studies, he nevertheless maintains traditional variance-based criteria when it comes to normative prescriptions about what theory should contain.

Toward a process-based approach to internationalisation research

The literature reviewed for this paper confirms that internationalisation of the firm can evolve over a protracted period of time: the longest period studied was 100 years (Zander and Zander 1997). Such a lengthy process holds considerable challenges for researchers – yet these challenges have rarely been addressed. Instead, variance-based theorising and weak process theorising remain in the majority, with process-based explanations being erased as a result. Given this dominance of variance-based approaches to theorising, in this section of the paper, we identify central considerations for a reorientation of internationalisation research towards a process approach. What can be gained from this analysis of the internationalisation literature? How can it inform efforts to bring process back in? In this section, the focus is on key considerations for a more process-based view that emerge from the literature review.

The first is philosophical: that process researchers need to articulate the key differences between process- and variance-based theorising. This difference has not been acknowledged by internationalisation researchers: the need for process data has been frequently acknowledged, but not the possibility of a different approach to theorising. We would argue that the key difference between the two approaches to theorising lies in opposing views on causality and generalisation. Process approaches, whether critical realist or interpretivist, reject the regularity model of causation and remain sceptical about the possibility or desirability of generalisability in the social

sciences (see e.g. Tsoukas 1989). Without an understanding of these differences, process-based theories are likely to be judged, inappropriately, on variance-based terms, as does e.g. Andersen (1993) in his criticism of the Uppsala Model. The explanatory power of the Uppsala Model is rarely acknowledged, yet it is striking: Johanson and Vahlne (1990, p. 11) explicitly frame their model as positing ‘causal cycles’. This aspect of the model has been commonly misinterpreted as normative or deterministic. Yet far from being prescriptive, the model provides an explanation as to why and how processes occur in a way that has rarely been emulated in subsequent research.

The second concern emerging from this analysis, following Melin (1992), lies in the results about temporal orientation found in Table 1. While the time span studied by internationalisation scholars is typically limited, Fletcher (2008) and Zander and Zander (1997) have shown that internationalisation can occur over decades or even generations. A process approach to internationalisation needs to be fundamentally historical, given the lengthy time period over which a firm’s internationalisation process evolves. Given that a firm’s international expansion can take decades not years, real-time accounts become problematic, unless supplemented with retrospective histories. Yet this time span is rarely captured in empirical studies. However, ‘historicising’ internationalisation research requires a reassessment of the explanatory power of history. Even among process researchers, there is a tendency to distance process theorising from history and historiography (e.g. Pettigrew 1997); yet scholars in other disciplines, such as historical sociology, have sought to reconcile history with social theory.

A third consideration is that of questioning common conceptions of what is meant by ‘the internationalisation process’. Researchers in this area typically refer to

the internationalisation process of the firm – in other words, the assumption is of a single process. Instead, a fruitful avenue to be explored is a move away from a view of process in the singular to one of multiple, possibly even conflicting processes. Existing research frames internationalisation processes as being both organizational and inter-organizational in nature: internationalisation can be viewed as a process of learning and knowledge accumulation (an internal process), as well as a process of positioning in inter-organizational networks (an external process). Equally, internationalisation could be analysed as a process of organizational change and identity construction. Moreover, it is the intersection and conflict between these processes that is a fruitful area for future research. So far, the only acknowledgement in the field of multiple processes concerns the discussion about which unit of analysis should be used: product, market or firm? (For a discussion, see e.g. Zander and Zander 1997). Pettigrew (1997) has pointed out that internationalisation can in fact be studied at multiple levels of analysis (e.g. both firm level and sector level); thus, these levels of analysis could be combined in the one study.

Moreover, there is growing recognition that internationalisation is one among many organisational processes; thus, as well as examining a process at different levels of analysis, it is useful exploring the multiple processes that occur at the same level of analysis (Pettigrew 1997). For example, Jones (1999, p. 37) suggests that ‘the question of how internationalisation fits into the overall set of activities in which the firm is engaged is interesting’, which suggests that internationalisation should not be studied in isolation from other developments within the organisation and its institutional field. Yet the studies reviewed for this paper do not take this more contextualised, holistic approach: only one of the papers reviewed (Chetty and

Campbell-Hunt 2003) seeks to position internationalisation within the wider ‘strategy configuration’ of the firm.

Conclusion

An analysis of the history of internationalisation research shows that a field’s dominant epistemology and ontology are critical considerations for process researchers. Internationalisation research provides the case of a process-based phenomenon that, despite the promising beginnings of theoretical inquiry in the 1970s, has been persistently interpreted through a variance-based lens. We would therefore argue that philosophical questions cannot be ignored by process scholars, and that there are considerable barriers to process research in a field such as international business, which is dominated by variance-based positivism. Ultimately, reorienting theorising about internationalisation requires an explicit questioning of these fundamental assumptions.

This review has also suggested that the shift to more process-based theorising in internationalisation research requires a rethinking of other common features of studies in this field. One issue surrounds the temporal orientation of studies: despite the fact that internationalisation evolves over many years, if not decades, typically the methods in use do not allow researchers to capture this evolution. The second issue surrounds common assumptions about what constitutes the internationalisation process and what the boundaries of inquiry are. Typically, internationalisation is conceived as a single process divorced from other organisational processes and developments. Moving towards a process-based approach therefore requires a very different research design to that typically found in the field. This paper has therefore been more than a call for more process theorising, but has also mounted the argument

that researchers can usefully think about what kind of process studies and process theorising to conduct.

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Table 1: Process dimensions of Internationalisation Studies

Internationalisation study	Process theory?	Process data?	Category	Methodological orientation	Data source	Time span
Andersson 2000	No	Yes	Quadrant 1	Qualitative	Documents and largely retrospective interviews	Biographic history of internationalization
Andersson, Gabrielsson and Wictor 2004	No	No	Quadrant 3	Quantitative	Mail survey	Current
Barkema and Drogendijk 2007	No	No	Quadrant 3	Quantitative	Mail survey	Not discussed
Bell 1995	No	Yes	Quadrant 1	Mixed	Survey and retrospective interviews	Not discussed
Björkman and Eklund 1996	No	Yes	Quadrant 1	Mixed	Survey and some retrospective interviews	When first subsidiary established until present
Buckley and Chapman 1997	No	Yes	Quadrant 1	Qualitative	Real-time interviews	Events during the 4-year period of data collection
Calof and Beamish 1995	No	No	Quadrant 3	Qualitative	Retrospective interviews	Mode changes between 1980-1990
Chetty and Blankenburg Holm 2000	Yes - weak	Yes	Quadrant 2	Qualitative	Real-time, repeat interviews	Focus in three year period separating two rounds of interviewing

Chetty and Campbell-Hunt 2003	No	Yes	Quadrant 1	Qualitative	Retrospective interviews	Biographic history of internationalisation
Clark, Pugh and Mallory 1997	Yes	Yes	Quadrant 2	Qualitative	Retrospective interviews	Biographic history of internationalisation
Coviello and Munro 1997	Yes – strong	Yes	Quadrant 2	Qualitative	Retrospective interviews	Biographic history of internationalisation
Eckert and Mayrhofer 2005	No	Yes	Quadrant 1	Qualitative	Secondary data e.g. annual reports, archival records, business press	Mid-1980s -2002
Engwall and Wallenstål 1988	No	No	Quadrant 3	Quantitative	Secondary data	1961-1985
Eriksson et al 1997	No	No	Quadrant 3	Quantitative data	Mail survey	Asks respondents to consider future scenario
Fletcher 2001	No	Yes	Quadrant 1	Quantitative	Two surveys	Surveys collected at two points in time but these longitudinal results not incorporated
Fletcher 2008	Yes - strong	Yes	Quadrant 2	Qualitative	Repeat interviews over a six-year period, archival material the main sources	40 years
Gankema, Snuif and Zwart 2000	Yes - weakly	Yes	Quadrant 2	Quantitative	Panel data	5 years

Gemser, Brand and Sorge 2004	Yes - weakly	Yes	Quadrant 2	Qualitative	Retrospective interviews	Biographic history of firm internationalisation
Hadjikhani 1997	Yes	Yes	Quadrant 2	Qualitative	Interviews conducted at different time periods	Up to 30 years or more
Hutzschenreuter, D'Aveni & Voll 2009	No	Yes	Quadrant 1	Mixed	Documents (annual reports) analysed both qualitatively and quantitatively	10 years
Jansson and Sandberg 2008	No	No	Quadrant 3	Mixed	Mail surveys and case study	Not discussed
Jones 1999	No	Yes	Quadrant 1	Quantitative	Mail survey	Episodes: first cross-border activity of each type
Lamb and Liesch (2002)	Yes	Yes	Quadrant 2	Qualitative	Retrospective interviews	Biographic history of firm
Millington and Bayliss 1990	No	No	Quadrant 3	Quantitative	Mail survey	Single episode in the internationalisation process i.e. investment decision
Oesterle 1997	No	Yes	Quadrant 1	Qualitative	Secondary data (existing histories)	1872-1900
Pedersen and Petersen 1998	No	Yes	Quadrant 1	Quantitative	Mail survey	Key episodes of firm in its most recently established foreign market
Rao and Naidu 1993	No	No	Quadrant 3	Quantitative	Mail survey	Largely about current position of the firm

Sullivan and Bauerschmidt 1990	No	No	Quadrant 3	Quantitative	Mail survey	Cross-sectional
Turnbull 1987	No	Yes	Quadrant 1	Qualitative	Retrospective interviews	Not discussed
Wickramsekera and Oczkowski 2006	No	No	Quadrant 3	Quantitative	Mail survey	Cross-sectional
Zafarullah, Ali and Young 1997	No	Yes	Quadrant 1	Qualitative	Retrospective interviews	Biographic history of internationalisation
Zander and Zander 1997	Yes	Yes	Quadrant 2	Mainly	Patent data and secondary data	1890-1990