A Systematic Review of Literature Using Business Systems Theory: Lessons for International Business Research

Abstract:

Business system theory (BST) lies at the intersection of organization theory, political economy and sociology. It is gaining incremental attention in the field of management, particularly in cross-border and comparative studies of the structure, strategy and management of multinationals. Yet, international business (IB) studies do not tend to borrow much from this sub-field. This paper reviews BST literature from 1992 to 2015 and seeks to identify its contributions and gaps, in ways that can be helpful for future research in IB. Trend analysis of BST literature and mapping this sub-field suggests that the BST research stream can be identified in relation to four 'broad themes' which we describe as junctures- i.e. comparative business systems, internationalisation and MNC management, organizational capability and innovation, and transnational communities. Mapping and pattern recognition of the 'themes' focused in BST literature show that the highest focus of publications is on the study of internationalisation and the structure, strategy and management of multinationals. International business studies, particularly that using neo- and new-institutionalism as a framework have much to learn from the BST and its literature. Thus, the systematic review, on the one hand, presents a perspective on the key themes of BST literature and how they inter-relate and have developed, whilst, on the other hand, it brings these themes and contributions into the light for IB studies and suggests how IB and BST can enter into a productive dialogue.

1. Introduction:

Over two decades research using business systems theory (BST) has continued to grow in importance, focusing on various ways of organizing economic activities by local and multinational corporations (MNCs) in both national and cross-national contexts. BST studies have been interested in how variations in institutions constitute, change and reproduce varying forms of rationales, mechanisms, and dynamics of organising economic activities in different countries. This comparative study of the differences between how firms are organized in distinct national contexts has also led BST to focus on MNC management and evolving dynamics of transnational contexts (Morgan, 2001b&c). When firms move to new institutional environments, how do they adapt to this challenge? We can identify the organization and management challenges which the MNC faces as it encounters new forms of institutions. These challenges will vary depending on the strategy of the MNC and in particular the degree to which it has to embed itself in a new

context. Rooted in organizational sociology, BST research (Whitley, 1992b, 2010b, Whitley, 2012) focuses on the similar actors and dynamics (i.e. MNCs, institutional actors, and national & global environmental dynamics) as international business (IB) / international management (IM) research tends to focus, having its root in organizational economics (See, Dunning, 1998). This disciplinary difference also reflects ontological and epistemological differences which in turn reveal themselves in the questions asked and the methods which are deemed appropriate for answering the questions. Nevertheless, many researchers have called for more use of elements of the BST perspective in IB studies (Redding 2005; Tempel and Walgenbach 2007; Morgan, 2007; Jackson and Deeg, 2008; Judge, et al. 2014). Interestingly, two of these calls- Redding (2005) and Jackson and Deeg (2008) - published in the *Journal of International Business Studies* (JIBS) have received relatively high citation rates on Google 227 and 240 citations respectively; this suggests that there is interest in making connections between BST studies and the IB field as can be seen from book collections such as Ghoshal and Westney (1991) and more recently Collinson and Morgan (2009) where researchers from both these streams engaged in dialogue and debate.

Our review paper aims to contribute to two areas: IB as a cross-disciplinary field focusing predominantly on internationalisation of companies and their management and organization in cross-border settings, and BST a sub-field intersecting management and organization study and comparative capitalism literature. We aim to synthesize BST researches in order to scientifically map and assess the trajectories, stock of contributions and the progress of BST research, so that this lead to a common understanding of how IB studies can benefit from the theoretical underpinnings and strengths of BST. In this respect, we do not seek to duplicate recent reviews of the BST approach (e.g. Wood et al. 2014; Morgan and Kristensen 2014) which examine the origins of this approach and the subsequent debates which have emerged about key aspects such as institutional change. Nor do we attempt to synthesize this stream of research as a whole. Instead our aim is to focus specifically on issues that are relevant to the field of IB and the question of the relationship between institutions and the internationalization of firms. We aim to map and evaluate this emergent sub-field so that scholars in IB in particular know where and how the field is moving, and therefore what knowledge

contribution can be made to the field of IB by engaging in greater dialogue and interaction with BST (Morrison and Inkpen, 1991).

BST presents a logical framework that combines social institutional and economical actors, their interactions, and complex relationships between them, affecting firm structures, strategies and capabilities in national as well as cross border situation (Whitley, 2010b, 2007, 2003b, 2000; Haake, 2002; Redding, 2005; Morgan, 2007; Jackson & Deeg, 2008). It argues that interactions between firms and institutions give rise to a particular business system (if not one always) - a set of systemic logics or rationales- that guide firm behavior in that context (Whitley 1992a, 1992b, 1999; Redding, 2005). BST primarily concentrates on the national level of analysis as it is at this level that institutions tend to be strongest. However, it recognizes that there can be regional differences within a nation under certain circumstances. BST is not inherently methodologically 'nationalist'; the key issue is where are the powerful institutions reproduced and if that is at the regional level, then this should also be studied (Whitley 2005; for recent work combining BST with regional analysis see Almond 2011). It further adds that differences in institutions generate different conditions- constraints and opportunities-, which are constantly reproduced and changed by the effect of internationalisation and the way in which dominant actors (e.g. MNCs, multilateral institutions) learn from that experience and create their own transnational social space (Whitley and Morgan, 2012), shaping different organizational capabilities and innovation strategies which arise from new combinations of knowledge, expertise and innovation developing in their subsidiaries (Kristensen and Zeitlin 2001; Whitley 2007; 2003b; 2000). This theory therefore allows researchers to understand how non-market actors (national institutions, civil society, and multilateral institutions) and market actors (firms) change or co-evolve logics of organizing economic activities in and across particular national contexts. Since MNCs operate in cross-national social settings, BST can help IB researchers to investigate how and why firm characteristics and strategies concerned with ownership & governance, relationships & networks, and internal management vary between different national contexts and business systems and with what impact on strategy and structure as they pursue various forms of internationalization strategy.

We divide our aim of the systematic review in two broad objectives:

a. To map the BST research progress and pattern of its trajectories in relation to issues of interest to IB. Thus, our attempt would help BST researchers see where this sub-field is moving in this respect (i.e. synthesis of findings).

b. To present a framework for IB studies on the basis of BST contributions and theoretical strengths as to how complexities and multiplicities related to MNC management in national and cross-national social spaces can be better understood.

Our study is organized in five sections. First, we start with a presentation on methodology i.e. how we did the systematic review, and then, second, we move on to the concepts and framework of BST. Third,, trend of BST literature since 1992 is presented followed by a pattern recognition and mapping of the BST literature in terms of different board themes or 'junctures'. Fourth,, a summary of contribution of BST literature is then presented by research questions in terms of different junctures in the BST research trajectory. Finally, fifth, a brief discussion on the lessons for international business research is presented.

2. Methodology:

Given that the aim of this review paper is to consolidate the knowledge of a sub-field i.e. BST and present lessons for IB research stream, a systematic literature review methodology was adopted (Petticrew and Roberts, 2006). According to Petticrew and Roberts (2006:2) 'systematic literature reviews are a method of making sense of large bodies of information, and a means of contributing to the answers to questions about what works and what does not.., identifying where little or no relevant research has been done'. The data collection technique employed in this paper was a predefined selection algorithm (Xiao and Nicholson, 2011) in order to derive a search process and critical appraisal of the literature. Thus, we tried to minimize the data collection subjectivity (Ginsberg and Venkataraman, 1985; Transfield et al., 2003). However, heuristic method was applied for searching the book chapters. The analysis of the results was limited to descriptive statistics and leads to a basic mapping, pattern recognition and explanation-building of the contributions from these studies. Yin (1994:110) points out, pattern matching is not a precise procedure; rather researchers should look for gross matches and mismatches in which 'even an ´´eyeballing´´ technique

is sufficiently convincing to draw a conclusion'. Pattern recognition will help us determine the pattern of theoretical lenses used, themes, explanatory rationales, level of analysis, conceptualization of the constructs', and the complexities investigated by the BST researchers, from which IB studies can learn. It will also illustrate the tendencies of contribution by BST that corresponds to various sub-fields of management, which will help determine the extent to which BST researchers contribute to international business in particular. Findings from the studies will illuminate future researchers in BST and IB to advance their fields.

Method of selecting relevant publications:

In order to see the gradual development of BST research, we use papers published between 1992 and 2015 (end of January) – over twenty three years. 1992 is the year in which a complete version of BST was published by Whitley (1992a & 1992b). As a data source, we focus on both peer-reviewed academic journals in English and research based books that use the BST perspective. We employ different methods to find journal papers and books, whilst using the same search criteria for selecting the papers appearing in both journals and books. For the systematic search of journal papers and books we use ABI/Inform Complete (i.e. ProQuest) database, which is the world's most comprehensive and diverse business database. The basic keywords used for search are 'national business system' and 'national business systems' AND/OR 'business system' or 'business systems', while the document type and category included 'article', 'scholarly' and 'peer reviewed'; language 'English', time range from January 01,1992 to April 01, 2015. This yielded 4429 hits in publication. In order to limit the number of papers within business management field, we selected the field 'business' and 'social sciences' and used three different options combining the same key words: 'business system'- 'anywhere in the text'; 'business system and/or national business system'- 'in the title'; 'business system and/or national business system'- 'in the abstract'. The key words used as a selection criteria for title, abstract, and the content resulted in an initial sample of 263 papers. The initial sample was refined further in order to identity papers that use the BST perspective and/or framework in the paper in line with Whitley's BST (Whitley, 1992a, 1992b, 1999), meaning that 'Whitley' as the author of BST is cited. The refinement is done through quick review process, going through the title and the abstract of the paper, resulting in 52 journal papers. However, in the systematic review process we excluded editorials, while keeping in both

empirical and conceptual papers. The search process was repeated several times to ensure reliability of the search result.

Systematic search on 'Proquest' also resulted in some book references, but this was not comprehensive enough. We therefore sought for references of books from senior researchers in the BST field. The book references were corroborated by the publication list available in the CV of Prof. Richard Whitley on Manchester Business School website. This is because Whitley has been a driving author of BST since 1992, and thus we can capture the advanced or generic contributions of the lead authors particularly Richard Whitley and his colleagues. The search resulted in 19 papers from the books.

Figure 1: Percentage of articles appeared in journals and books

This method helps reduce limitation of using journal articles only, since a number of research papers are appearing in the edited volumes. Reading through abstracts of all journal papers (N= 263) and books (N=10) gave a sub-set of 71 papers that includes articles, book chapters, and books (monograph). These papers form the evidence base of this review. We read them in their entirety and extracted the relevant data, which are synthesized and displayed in the analysis (See: Table 3, 4, 5, 6).

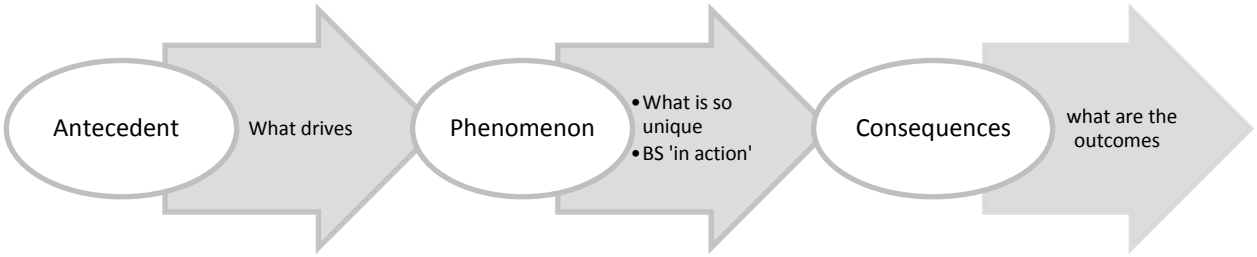
Method of Analysis:

The review was led by a comprehensive protocol, information and codes systematically extracted from the readings were recorded in an Excel spread-sheet following the criteria of the protocol. The database developed in Excel file contains codes and information as per the protocol, which have been analyzed by

descriptive statistics. A summary of the content analysis is presented, dividing it in four junctures in the BST trajectory (Fig. 12; Table 3, 4, 5, 6). For mapping and pattern recognition of BST literature in terms of 'themes' focused and the 'broader thematic perspective', we used *'Gephi'*, a software that systematically draws the relationships between themes and between themes and the 'broader thematic perspectives', here we call them *Junctures.* This provided us with a map, indicating a pattern of relationship between different themes focused in the BST researches and their linkage with four junctures in the BST trajectory since 1992. Thus, it helps us for pattern recognition of the BST literature in systematic way.

Analysis is presented in three steps: first, descriptive statistics of the data are presented; second, pattern recognition and mapping of the 'themes' is illustrated in terms of four junctures in BST trajectory; third, content analysis based on antecedent-phenomenon-consequences is presented that forms a discussion on contribution of the papers. Articles grouped under four junctures based on pattern matching and pattern recognition show contributions on the phenomena that determine the antecedents covered and the diffusion of the business system knowledge. This analysis is done following a technique adopted from Schmeisser (2013) (see: Figure 2). This provides a systematic way of presenting major findings of both qualitative and quantitative papers in three dimensions: (a) Antecedent- priori factors that influence the outcome, (b) Phenomenon- something that is impressive or unique in the paper, (c) Consequences- what are the effects or outcomes of the antecedents i.e. results of the paper.

Figure 2: Protocol for Content Analysis



The baseline notion of these articles, as derived from the analysis, is that MNC management, structure and strategy cannot be explained by a single theoretical view; rather we need a comprehensive framework combining internal and external phenomena and contexts (spaces), and that allows other theoretical dimensions to be used in the framework in order to understand complexity and multiplicity at the intersection

between society and management. At this point, the BS framework helps explain how and why firms develop different capabilities and strategies in varied contexts of BSs (Whitley, 2007, 2003b; Morgan 2001a; Geppert, 2003; Edward et al. 2005; Tipton, 2009; Lim et al., 2010; Bachmann and Inkpen, 2011; Iaonnau and Serafeim, 2012).

3. Business Systems Theory- Definition, Framework, Institutions

Definition: Whitley (1992b) coined the term 'national business systems' to describe how economic activities in a society are organised through hierarchy-market relations in a particular institutional setting. "Business systems are particular arrangements of hierarchy-market relations which become institutionalised and relatively successful in particular contexts (institutional). They combine differences in the kinds of economic activities and skills which are authoritatively coordinated in firms, as opposed to being coordinated through market contracting, with variations in market organisation and differences in how activities are authoritatively directed (Whitley, 1992b:6).' BST presumes that interactions between firms and institutions constitute, change and reproduce systemic logics – business systems- of doing business in certain institutional contexts, meaning that it is not institutions only that affect BS, firms also influence the institutions leading to change in BS. The concept was developed on the assumption of divergence (variety) of capitalism and the initial motive for the development of BST was to examine the dominant pattern of organising economic activities in a society (1992b:37), compare it with those of other societies, and find answers to the questions of how and why firms develop different strategies and competitiveness (with variations in structure) in different institutional contexts.

The major focus of BST analysis is concentrated in understanding forms of organization and management within the firm as the outcome of institutional pressures to conform with certain ways of doing business; this relates to how coordination and control of economic activities is managed by the authoritative hierarchy of the firm or by market forces or by some sort of network processes linking firms in markets in ways which establish ongoing cooperation. How and why these dimensions are shaped by the conditions in institutions (Fig. 3), in particular what the role is of:

- Nature of ownership and governance pattern of the firms
- Nature of network and relationships among the actors (both within the firm i.e. MNC, between firms, and between firms and the external actors)
- Nature of internal dynamics of management systems within the firm.

Framework: BST uses a Weberian ideal-type approach to show how certain patterns of institutions can co-exist and reinforce each other, thereby creating a relatively stable 'national business system' environment for firms which also reinforce the institutions by acting in ways which conform to them (Fig.3), while its strength lies in its conception of defining institution and its clear-cut framework (see: Fig. 4) (Jackson and Deeg, 2008).

Figure 3: BST Framework and Institutions

1. Nature of the Firm (*nature of ownership and governance*)
   - The degree to which private managerial hierarchies coordinate economic activities
   - The degree of managerial discretion from owners
   - Specialisation of managerial capabilities and activities within authority hierarchies
   - The degree to which growth is discontinuous and involves radical changes in skills and activities
   - The extent to which risks are managed through mutual dependence with business partners and employees
2. Market Organisation (*nature of networks and the relationships between the actors*)
   - The extent of long-term co-operative relations between firms, within the firm, and between firms and sectors/industries
   - The significance of intermediaries in the coordination of market transactions
   - Stability, integration and scope of business groups
   - Dependence of co-operative relations on personal ties and trust
3. Authoritative Coordination and Control System Within the Firm (*internal dynamics of management*)
   - Integration and interdependence of economic activities within the firm
   - Impersonality of authority and subordination relationships
   - Task, skill and role specialisation and individualisation
   - Differentiation of authority roles and expertise
   - Decentralisation of operational control and level of work group autonomy
   - Distance and superiority of managers
   - Extent of employer-employee commitment and organisation-based employment system

Characteristics of Business System

Background Institutions (Informal)	**Proximate Institutions** (formal)
1. Degree and basis of trust between non-kin	1. Business dependence on strong, cohesive state
2. Commitment and loyalty to collectivities beyond the family	2. State commitment to industrial development and risk sharing (government policy: trade and industry; technology)
3. Importance of individual identities, rights and commitments	3. Capital market or credit-based financial system

4. Depersonalisation and formalisation of authority relations	4. Education and training systems (human capital development)
5. Differentiation of authority roles	5 Strength of skill-based trade unions (labour systems)
6. Reciprocity, distance and scope of authority relations	6. Significance of publicly certified skills and professional expertise

Developed based on Whitley (1992b)

It is assumed that the three components of BS are shaped by the two relevant types of institutions: 'social background institutions' and 'proximate institutions' (Fig. 3). The former refers to more cultural-cognitive institutions (e.g. trust, authority relation, reciprocity, distance etc.), defining social 'rationales' of organising and managing economic activities, while the latter indicates state and state-organised institutions (e.g. role of the state, financial system, labour system etc.) that set the formal structures and logics of doing business in a particular national context.

Since BST focuses on cross-border comparative analysis, differences in the kinds of economic activities and the skills (managerial and labour skills) in a society are seen in three fundamental dimensions, because firms differently respond to different institutional conditions in different market economies: first, how are economic activities and resources to be coordinated and controlled? This relates to different forms of ownership and governance in firms. Second, how are market connections between authoritatively coordinated economic activities in firms to be organised? Third, how are activities and skills within firms to be organised and directed through authority relations? The ways in which each of these issues is dealt with in different institutional contexts are, of course, interdependent and together constitute distinctive configurations of hierarchy-market relations in those contexts (Whitley 1992b). If a firm (MNCs) is embedded in more than one institutional space (depending on the degree of its embeddedness) it will have to learn how to cope with different institutional pressures; in doing so it therefore generates different kinds of organisational capabilities and competences (Whitley, 2007). Furthermore, the MNC is not just a 'rule-taking' actor; it may be 'rule affecting' and 'rule changing' so that institutional contexts outside the home context may be partially reshaped as powerful MNCs enter, and because they are not so strongly embedded, are willing to take action that is different from what has previously been taken for granted (Whitley and Morgan, 2012).

Institutions: Unlike neo-institutionalism (North, 1990) and new-institutionalism (Powell & DiMaggio1991; Meyer, 1994; Scott, 2008) which argue that the mechanisms of coercion, imitation and normative pressure lead to the assimilation of organisation (isomorphism) that experience an increase in legitimacy, but not efficiency, by adopting institutionalised structures and practices, BST emphasises that different patterns of economic coordination and control developed and are continually reproduced because of the tight links between business systems and institutional arrangements. BST identifies 'path dependency' and asset specificity as essential to this; so long as the model works, i.e. by generating the economic returns which are necessary to keep the firms and institutions working in the same way, then reproduction will occur. But in an international environment, where new national spaces have opened up with institutions that are built on different premises (e.g. cheap labour and the rise of China), then a national business system will have to adapt; whether it is capable of doing so and what gives it that capability is an empirical question for research. Adaptation to the characteristics' of the institutional environment in a business system is efficient within the limits of that BS at that particular conjuncture of the global economy (Tempel and Walgenbach, 2007).

Table 1: Institutional Frameworks Used in (Neo & New) Institutionalism and BST

(Neo & New) Institutionalism			**Business Systems Theory**		
Degree of Formality (North, 1990)	Examples	Supportive Institutional Pillars (Scott,2001, 2008)	Key Social Institutions (Whitley, 1992a&b)	Key Institutional Features Affecting BS (Whitley, 2010b)	Key Inst. Features Affecting BS (Redding, 2002, 2005)
○ Formal Inst.	Laws	• Regulative Inst.	○ Proximate Inst.	• State structures, policies (incl. regulations)	○ *Role of the State:*
	Regulations			• Financial systems	• Capital Inst.
	Rules			• Labour systems (Education & Training)	• Human Capital Inst.
○ Informal Inst.	Norms	• Normative Inst.	○ Background Inst.	• Norms governing trust and authority relationships-	○ *Role of Civil Society:*
					• Social Capital Inst. (e.g. trust, network, moral base)
	Practices			e.g. Trust in formal institutions and non-kin relationships	○ *Role of Culture (Material Vs Ideational Logics)*
	Values/ Ethics	• Cognitive Inst.		e.g. Paternalist /Contractarian/ Communitarian justification of authority	• Rationale
					• Authority

- Identity

○ = Underpinning institutions ● = Institutions that affect BS

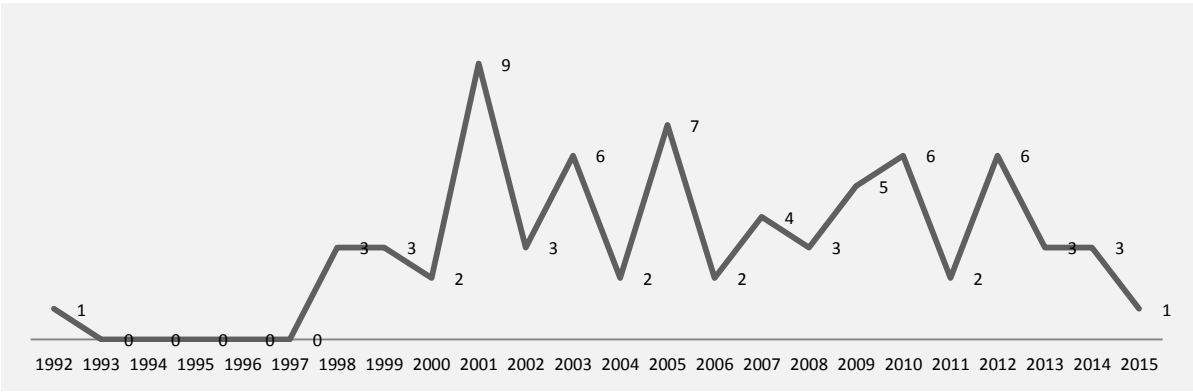
Source: Developed by authors

BST research focuses on ‘interactions between firms and institutions’, ‘complementarity’, ‘path dependency’ and ‘agency of dominant actors’ in institutions leading to ‘change’, ‘evolve’, and ‘coevolve’ new logics in business system (Morgan, 2007; Deeg, 2005; Whitely 2005; Whitley, 2010a&b), BST framework has also been evolved since its inception, most particularly related to its analytical framework of institutions (Fig. 1). Whitley (2010b) simplified the BST framework further in 2010, while Redding (2002; 2005) improvised it by presenting an analytical framework combining various forms of rationales of culture with the institutions, known as ‘thick description’, which shape BS characteristics’ in a certain institutional context. The latter was presented with a view to help researchers ‘handling context’ in international business studies. Table 3 presents a comparative picture of using institution by neo & new institutionalism and BST stream.

4. Trends of BST Researches- From 1992 To 2015

Trends of Publications:

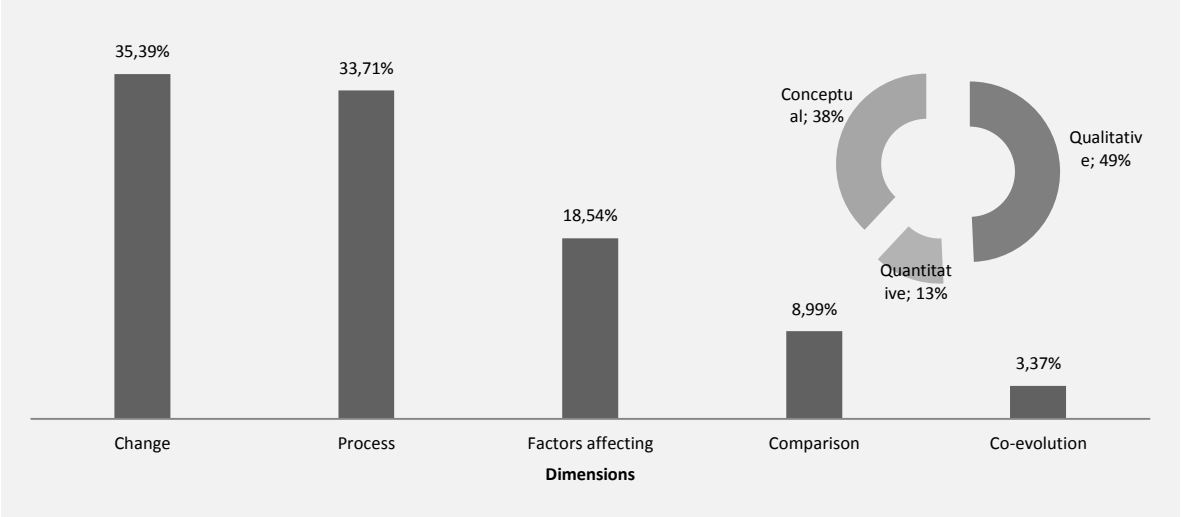
Figure 4: Trend of publications by Year



Since Whitley’s first use of the term in 1992, academic interest in BST started to grow after six years in 1998. Academic interest in publishing papers using BST has grown approximately 73% in the second decade (2002 to 2013) than the first decade (1992-2001), an average of three papers per year. This is obvious

because a new theory takes time to get familiar to the academic community, so articles with new theoretical perspective are published lately.

Figure 5: Methodology and Dimensions Used in the Researches by Percentage



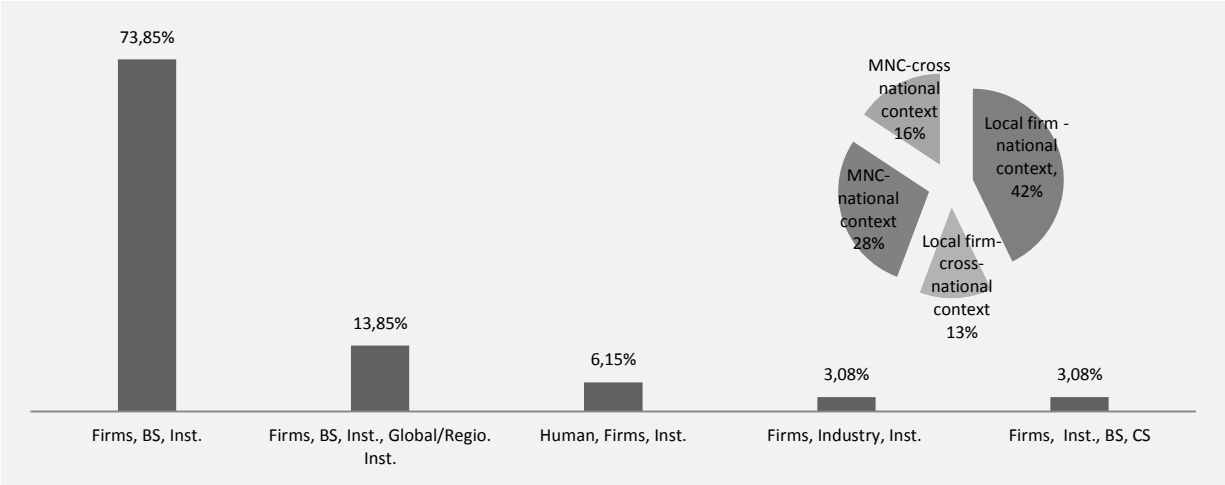
Conceptual papers represent about 38% of the total; while empirical papers constitute the largest share 62%, of this 49% papers have used qualitative methods with a high focus on case studies, and only 13% papers have used quantitative methods (Fig. 5). Interest in quantitative methods has grown in the second decade (8 papers) compared to the first decade (1 paper). The field, however, is currently dominated by qualitative methods because researchers using BST tend to focus on complexity and multiplicity of the phenomena associated with firms and social institutions at national and global level over time. Static comparisons of 'factors' do not fit well this interest though recently authors such as Ioannou and Serafeim (2012), Judge et al (2014) and Walker et al (2014) have begun to use quantitative surveys.

As far as research dimension is concerned (Fig. 5), two third of the papers (over 68%) looked at 'change' and 'process' of the phenomena associated with firms and contexts, while 19% papers looked at different 'factors'- both organizational and institutional; this tendency is high particularly in quantitative papers that looked at cause and effect relationships. As a legacy of BST, around 9% papers looked at comparative understanding of organizational and institutional phenomena between two or more countries. Around 3% papers looked at co-evolutionary dimension. This pattern of BST researches indicates that the studies deal

with evolution and co-evolutionary perspectives, leading to the understanding of change in organizational behavior, business system characteristics (i.e. ownership, governance, relationships, and internal management dynamics) and institutions.

Level of Analysis:

Figure 6: Level of Analysis by Variations in 'Interactions', 'Types of Firms', and 'Types of Contexts' Used



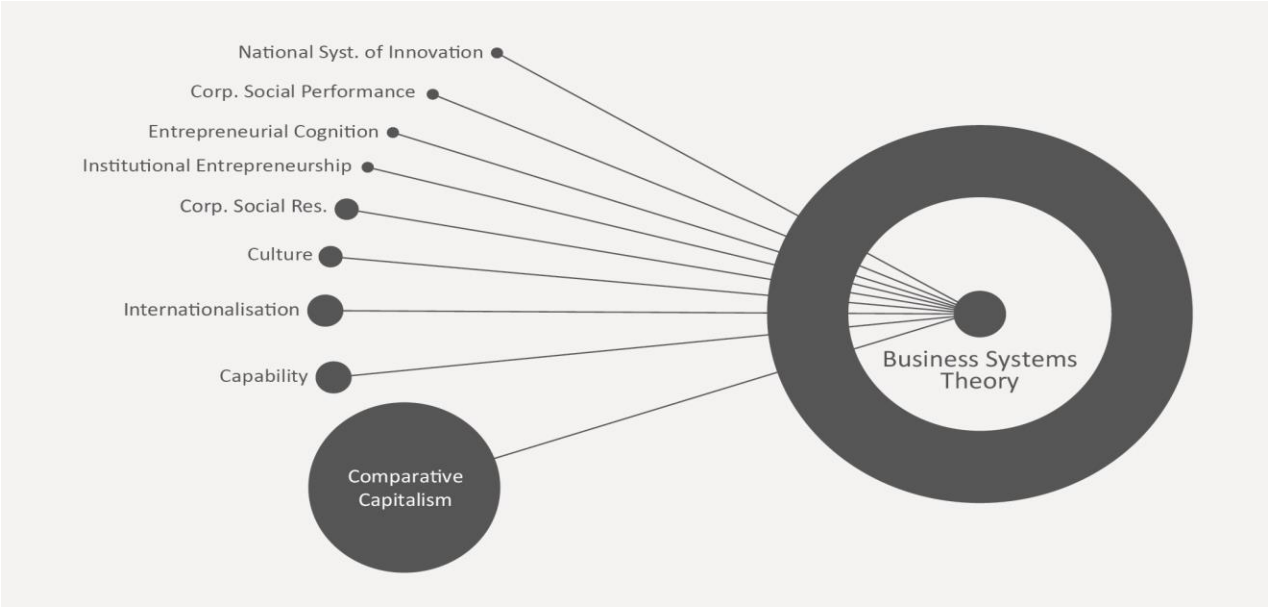
'Interaction' has been common in all types of analysis mentioned above

Level of analysis of the BST research illustrates an interesting picture, revealing that the central tendency of the papers is to focus on the *'interactions'* between different levels (firms, BS, institutions, civil society, global institutions etc.), instead of a single level of analysis. Figure-6 illustrates the percentage of interactions between various levels of analysis. Approximately 74% of papers focus on interaction between firms, BS, and Institutions, while 14% papers focus on interaction between firms, BS, national institutions, and global/regional institutions. 6% of papers focus on interaction between human, firm factors, and institution, while approximately 3% of papers focus on interactions between firms- industry- institutions and firm- BS-institution-civil society respectively. Thus, the level of analysis of BST research brings together phenomena at several levels, focusing on different social actors into the analysis to understand complexity and multiplicities that affect business and management of organization. Around 17% of papers focus on strategic issues of management and organization in such complex situations.

Our analysis further reveals that BST researches covered dual contexts - both national and cross-national and both types of firms- local and MNCs (Figure 6). 42% of papers focused on the local firm in the national context and 13% of papers used local firms and the cross-national context. However, 28% of papers focused on MNCs and national context, while 16% of papers used MNC and cross-national context. These statistics clearly indicate that BST researches have higher tendency to investigate MNCs in both national and cross-national contexts in addition to local firms and the national contexts.

Focal Theories Used:

Figure 7: Focal Theories Used in the Papers



- = The size of the circle indicates frequency of the use of theory in conjunction with BST

Use of BST has been common in all the papers, either in the form of analytical framework, or investigation of the BS characteristics/ BS perspective. Other theoretical angles have also been used in conjunction with BST perspectives, and of them comparative capitalism has the highest frequency. As Morgan (2007) has argued, there is increasing interaction between different theories drawing on the same idea of differences between forms of capitalism – varieties of capitalism (Hall and Soskice 2001), regulation theory (Boyer and Saillard, 2002)), societal foundations (Maurice et al. 1980) as well as approaches to comparative political economy all cover some of the same area. The difference with BST is that key is *explanandum* the strategy,

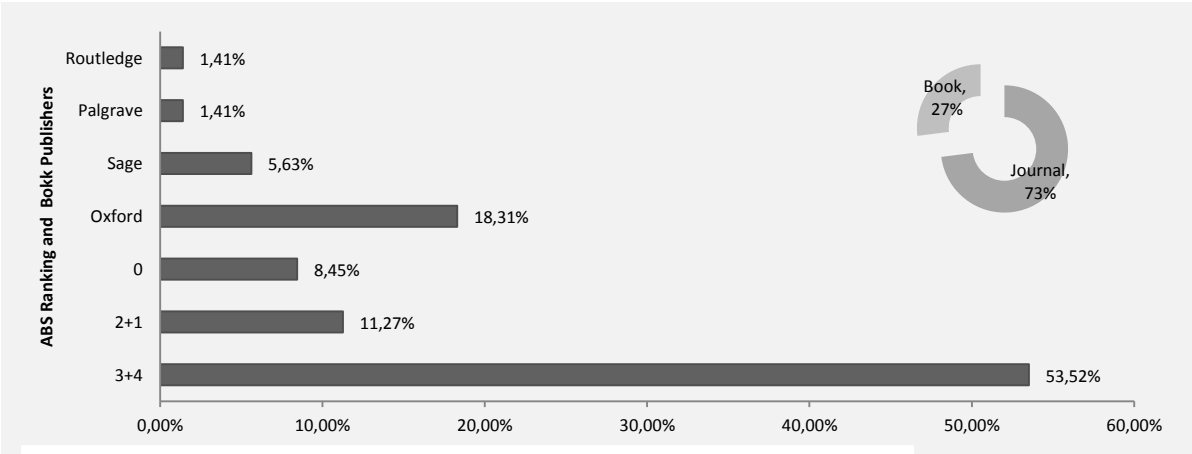
structure and management of the firm, whereas most of these other approaches are chiefly interested in institutions per se and the firm is an empty box, acted upon by institutions but without agency.

In terms of the papers traced in this survey which explicitly use BST, a range of other theories used in organization and management are drawn on to supplement and complement BST, e.g. capability theory, internationalisation perspective, culture perspective, and corporate social responsibility theory. Recently, a few papers have used institutional entrepreneurship and entrepreneurial cognition perspectives, and corporate social performance perspective. Only one paper looked at the comparison between BST and national innovation system theory from a conceptual perspective. Thus, a proposition can be drawn that researchers using BST have not only been focusing on BS and comparative capitalism issues, but rather BST as a perspective is being used with other theoretical perspectives for investigating various issues of management and entrepreneurship. BST can provide us with a framework combining institutions and organizational relationships with external actors in multiple contexts.

Impact of BST Literature in Management Studies:

This section presents a descriptive statistics of BST researchers by journal publications as per ABS-2010 (The Association of Business Schools in the UK, 4th version) ranking of academic journals. The idea is to illustrate an overall picture of knowledge contribution by BST sub-field; we call here 'impact', in the domain of business and management, instead of looking it through the conventional citation analysis method.

Figure 8: Percentage of Publication by ABS Ranking and Book Publishers

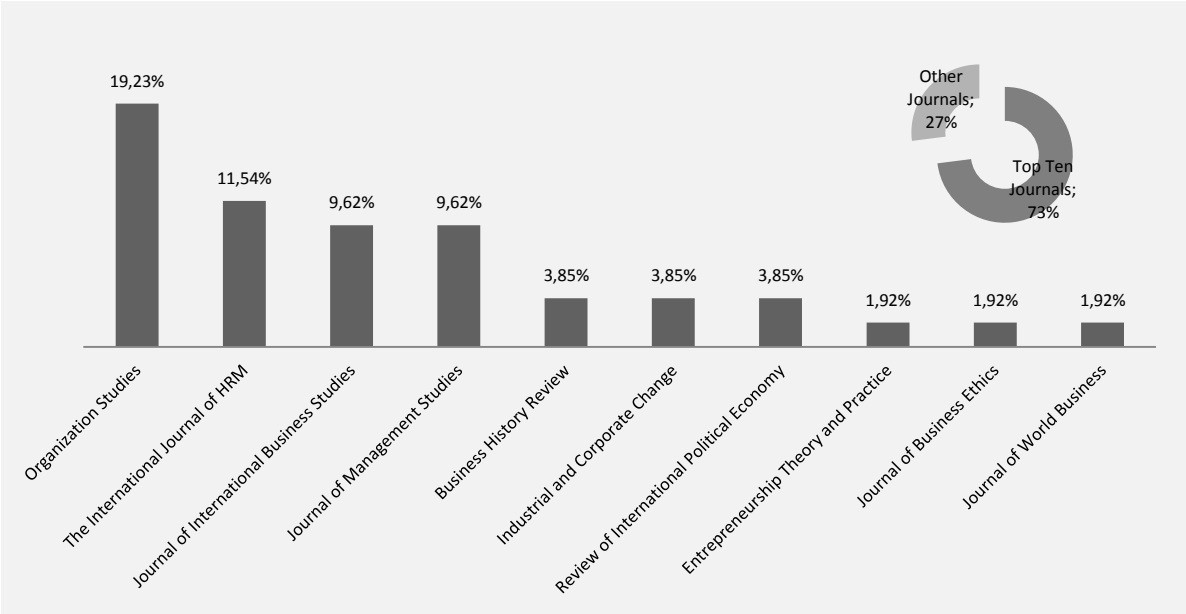


% illustrated is based on total publications i.e. 71 that combine both journals and books

ABS presents ranking of the journals from 4 to 1; of them 4 & 3 rank indicates 'highly regarded', producing high level of scientific knowledge in the field. 2&1 are treated as fairly good. Since books do not have any ranking, we illustrate publisher's names, so that an impression can be built from the statistics.

53% papers have been published in 3 & 4 ranking journals, while 11% papers are published in 2&1 ranking journals (Fig. 8). This indicates that papers using BST perspective makes high level contribution in the field of business and management. However, 8% papers published in the journals not ranked by ABS-2010 are ignorable, because most of them are ranked by Danish BFI ranking. Of books, Oxford University Publisher has the highest percentage i.e. 18%.

Figure 9: Percentage of Top Ten Journals with High Frequency of Publication



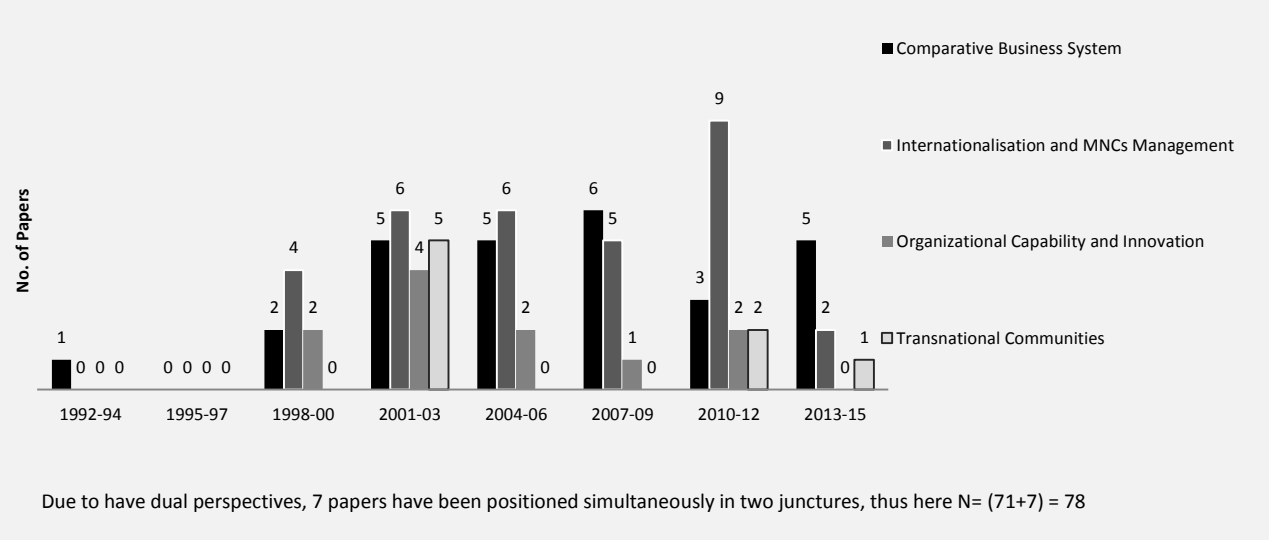
As far as the top journals are concerned, 73% of the total journal papers are published in top 4 & 3 ranked journals, while 27% papers are published in 2 & 1 ranked journals and the journals that are not ranked on ABS list. (Figure: 9). Statistics indicates that BST is making a high level of knowledge contribution. Very interestingly, Journal of International Business Studies, a flagship journal of IB, has published around 10% of the journal papers, and this indicates that BST theory is increasingly being used in IB field and becoming fairly visible in IB community.

5. Junctures and Pattern of BS Research Trajectory:

Pattern of Publication in Different Junctures:

This section synthesizes the contributions of the papers based on the protocol 'antecedents-phenomena-consequences'. Based on the nature and the pattern of contributions, the systematic analysis has resulted in four major '*Junctures*' (broader thematic typology) in the trajectory of the BST (Fig. 10). Authors who drive each juncture have been mentioned in the parenthesis with the year of publication (Fig. 12). However, it is noteworthy to mention that these four junctures are not separated from each other; rather they overlap with each other. It means one paper often falls into two junctures, and although four junctures have started at different times, they still continue to move simultaneously but with different pace in terms of number of paper publication (See: Figure 10).

Figure 10: Number of Papers by Different Junctures



Since 1998 BST researches have begun to grow in internationalisation and MNC management (Juncture-II), although its initial focus was to understand how different institutional configurations shape variety of business systems (Juncture-I). Since 2000 BST has begun to investigate how and why organisations develop capabilities and innovative competences (J-III). Finally in 2001, BST researches have begun to focus on transnational phenomena that affect BS and MNC management, particularly related to multilateral

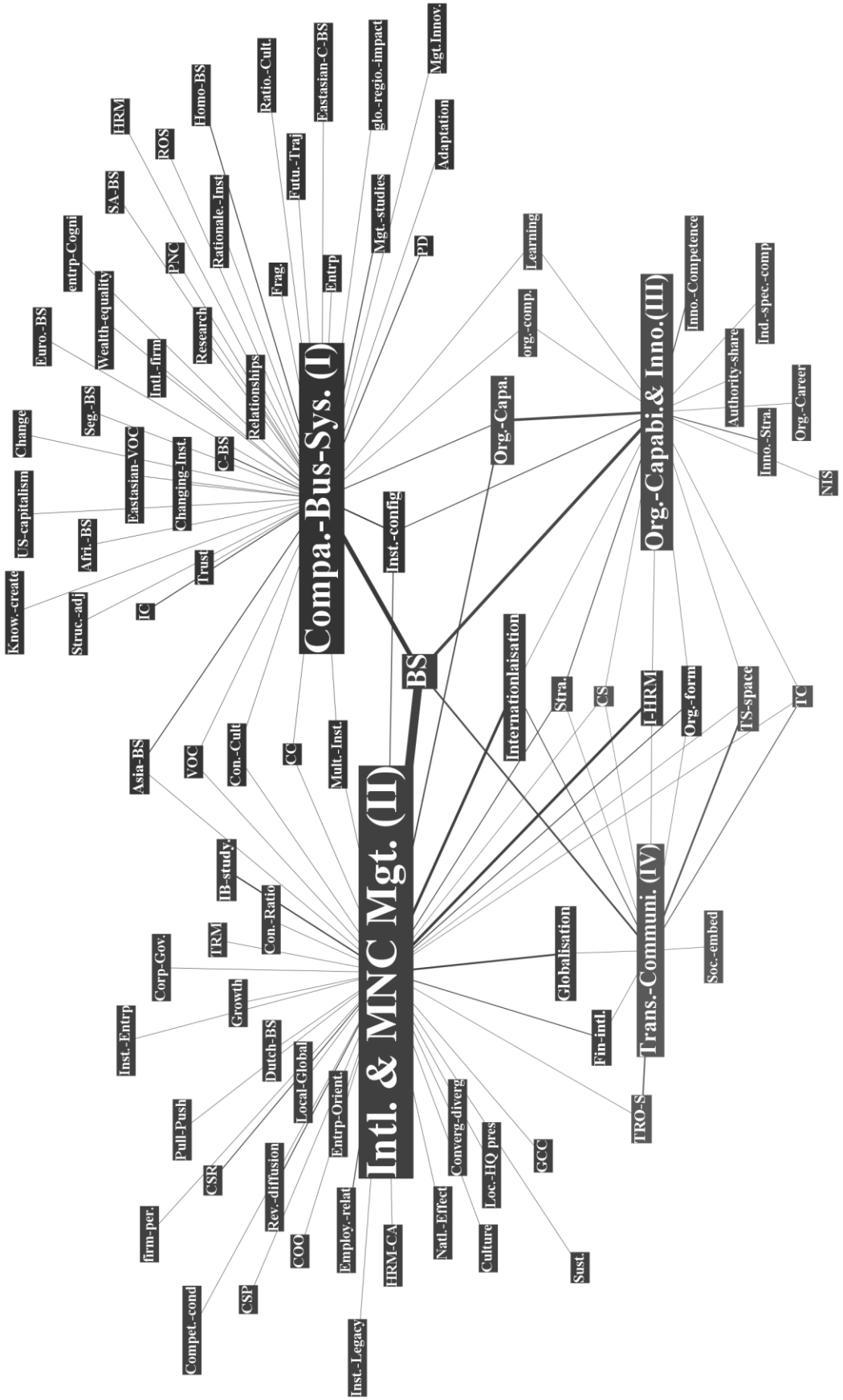
institutions, global civil societies, global standards and regulatory frameworks' etc. (J-IV). Despite different junctures, it continued to focus on understanding comparative business systems (Fig.10; Fig. 12). Mapping of the 'themes' focused in different papers will illustrate the central tendency of different junctures in BST research trajectory (see Fig.11).

Mapping and Pattern Recognition of BST Researches:

Figure 11 illustrates the clustering tendency of the 'themes' focused in BST literature around the four junctures (i.e. I, II, II. IV). 'Junctures' indicate broader categorization of themes of research, while 'themes' indicate focal research themes in different research papers. The Figure 11 illustrates the frequency of the 'themes' and linear relationships with the junctures and other themes. Sizes of the junctures indicate frequency of publication, while thickness of connection line between themes and junctures and between themes indicates the frequency of the themes. This can be seen as the strength of relationship. Mapping of themes (Fig.11) shows variations in themes focused in BST researches in terms of four junctures. Thus, we can assess the nature of studies i.e. what they investigated that used BST. While clustering tendency of the themes in relation to four junctures reports that 'internationalisation and MNC management' (J-II) has received the highest focus followed by 'comparative business systems' (J-I). 'Organisational capability and Innovation' (J-III) and 'transnational communities' (J-IV) have received less research attention by BST researchers. Three themes e.g. internationalisation, organisational capability, and international HRM in conjunction with BST have received the highest attention in BST sub-field. The mapping shows an interesting proposition that BST researchers focus on themes that are commonly studied in IB research domain. This tendency, therefore, shows a signal for IB researchers to know and understand BST and the literatures that used BST. IB researches can enrich their theoretical frameworks for the investigation of MNC and internationalisation phenomena.

***Figure 11: Abbreviations used*:** Path dependency = PD; Institutional entrepreneurship= Inst.-Entrp.; International-HRM= I-HRM; localisation-globalisation= Local-global; Reverse diffusion= Rev.-diffusion; Business systems= BS; Management-Innovations = Mgt.-Innov.; Nationality effect= Natl.-effect; Comparative business systems= Compa.-BS; Contextual Rationalities= Con.-Ratio.; global-regional impact= glo.-regio.-impact; localisation-HQ pressure= Loc.-HQ-pres.; Financial-internationalisation= Fin-intl.; industry-specific-competitiveness= Ind.-spec.-comp.; institutional -configuration/structure= Inst.-Config.; Corporate-social-performance= CSP; Comparative capitalism= CC; International-business-studies= IB Studies; corporate governance = Corp-Gov.; National innovation system = NIS; Competitive conditions= compet.-cond.; Organisational forms =org.-form; Country-of-origin =COO; Entrepreneurial Cognitions=Entrp.-Cogni.; Transnational communities= TC; Transnational social space= TS-space; Internationalisation= Intl.; Transnational regulatory organisations/standard= TRO-S; Institutional complementarity= IC; Organisational competences= org.-comp.; Organisational capabilities= Org.-capa.; Sustainibility= Sust.; Strategies= Stra.; Social embeddedness= Soc.-embed.; Institutional legacies= Inst.-Legacy; Entrepreneurial orientations= Entrp-Orient.; African business systems= Afri.-BS; Structural adjustment= Struc.-Adj.; Fragmentation= Frag.; Multilataral institutions= Mult.Inst.; Civil society= CS; Chinese business system= Chi.-BS; Prior nature of culture= PNC; Rationale of culture= Ratio.-Cult., International firm= Intl.-firm

Figure 11: Mapping and Pattern Recognition of the Themes Focused in BST Literature

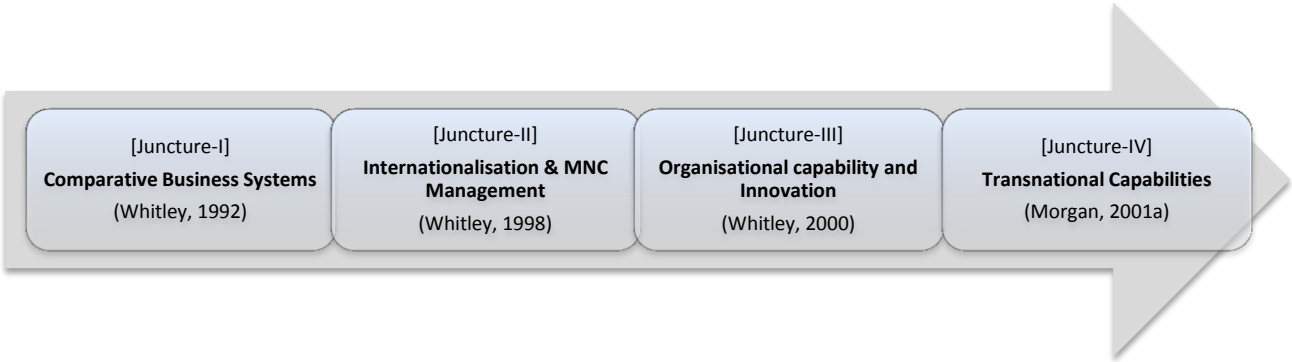


Note: *'Sizes of four junctures'* indicate their frequency in terms of paper publication; *'Thickness of connection lines'* between themes and themes and junctures indicate the frequency of the themes focused in several papers. 'Connection lines' indicate how one theme or juncture has been commonly used with other themes as well as juncture topics.

6. Stock of Contribution of BST Literature by Junctures:

In this section, we present the broad research questions derived from the synthesis of the literature in terms of the four junctures in BST research trajectory. We can understand what has been researched in each juncture, as a summative form. The coded information of the papers is presented in appendix section in terms of four junctures (See, Table, 3, 4, 5, and 6).

Figure 12: Trajectory of BST Literature by Junctures



Juncture-I: Comparative Business Systems:

RQ: *How and Why BS characteristics at organization, sectors and national level are developed, reproduced, and changed, and also vary within itself and between countries? (See, Table: 3; Appendix)*

Juncture- II: Internationalisation and MNC Management:

RQ: *How and why institutions shape, and are also shaped by the firm strategies and globalization effect, the ways firms (MNCs) internationalise and manage their economic activities in international settings? (See, Table: 4; Appendix)*

Juncture III: Organisational Capabilities and Innovation:

RQ: How and why firm capabilities/ competences are shaped by the institutional structures and business systems, leading firms to develop different types of innovation styles and strategies? (See, Table: 5; Appendix)

Juncture- IV: Transnational Communities:

RQ: How and why transnational communities, creating a transnational social space, affect the regulatory standards, MNC strategies, and BS characteristics? (See, Table: 6; Appendix)

7. Lessons for International Business Research

Our synthesis and analysis illustrate that BST literature deals with both MNC management, strategy and the multiple contexts and actors that shape their behavior. Since investigation of MNC as a global player has multiple facets and researchers need to consider multiple contexts, multiple actors and variations in their dynamics and agencies that affect international management, BST literature in this regard has much to offer to IB research in relation to its theoretical framework, perspective of institutions it uses, and the analytical framework for investigating MNC management from a different perspective.

Our argument here on how IB can learn from BST is summarized in two points. First, we would like to illustrate how BST and IB perspectives are different (See, Table 2), and based on that we shall argue how and to what extent IB stays away from BST perspective. Second, we shall discuss how IB can benefit from BST framework in case of handling context and the actors inside it that shape MNC behavior in international business operation.

BS and IB theory- differences and similarities:

Table 2: How BST and IB Theory Differ

Dimensions	**Business Systems Theory**	**International Business Theory (e.g. OLI)**
Epistemology	Social Constructionism	Positivism
Theoretical underpinning	Socially Embedded (changing and reconstructing the reality)	Rational Choice Theory (static single model)
Presumption	Institutional conditions and arrangements underpin	Transaction cost mechanism underpins
Major focus	How and Why particular pattern of economic organisaton become established and reproduced	Relative efficiency of market and hierarchies in highly abstract and simplified circumstances
Unit of analysis	Interaction between MNC and institutions	MNC as the basic unit of analysis
Consideration of institution	Considered as both constraining and enabling condition	Considered as 'variable' that constrain/ impact on the cost of IB activities

Developed based on the comments of Foss (1997); Whitley (1999); Tempel and Walgenbach (2007); Jackson and Deeg (2008).

Table 2 presents that BST and IB theory/perspective differ from many respects, but the commonality in them is that both attempt to understand how firms/MNCs behave in cross-border setting or alternatively how are

MNC strategies and management shaped in cross-border setting. This common objective can bring them in the same platform for reciprocal learning and dialogue between them.

As far as MNCs internationalization theory is concerned, it can be traced back to Vernon's product life cycle theory that explained how and why firms move across borders and the relationship between nation states and the multinationals (Vernon, 1966). During the 80's, OLI theory (Dunning, 1988) based on transaction cost economics drove the international business field. Dunning's latter works added institutional ownership (Oi) dimension based on North's (1990, 2005) definition of institution with asset ownership (Oa), transaction ownership (Ot), location and internalization dimension (Dunning and Lundan (2008a, 2008b, 2010). Their works emphasize on the institutional ownership advantages (Oi) that provide formal and informal incentive structures and enforcement mechanism (constraints) that affect MNC's choices and performances. Moroecer, their further work emphasizes on the co-evolutionary perspective in the OLI paradigm (Cantwell, Dunning, Lundan, 2010). The central argument of their papers point to the coordination of a global system of value added activities that are controlled and managed in which the institutional factors influence both the determinants and outcomes of the MNC activities, thus affect all the three OLI components. As a result, an argument can be made that although IB borrowing from neo-institutionalism has broadened its perspective, still it encompasses a narrow view of institution. The same is observed in the tri-pod view that presents an institution based strategy framework for IB studies (Peng et al. 2008). IB Studies therefore can benefit from BST that present's a broader view of institution and includes multiple social actors from national and global level that play role in shaping MNC strategies and structures. Another point is that BST comprises ownership, governance, relationship, and management dimensions (See: Fig. 1), which are similar to the OLI dimensions, but not the same, MNC studies using BST can bring different understanding and knowledge on these dimensions, which can complement the IB field. This will add value to the IB studies in order to broaden the horizon of its theoretical views and societal understanding.

Actors and Spaces:

As already discussed, BST presents a rich framework of institution that IB can benefit from. Apart from conceptual view of institution, BST offers actor based view of institution (Jackson, 2010) and space based

view of institution (See: Morgan, 2001a; 2001b; 2001c; Morgan and Kristensen, 2009). The actor based approach can help IB studies to consider institutional actors that hold agency to affect MNC strategies and its legitimation (See: Fig 13). This may include government at both national and regional level. Civil society (CS) as an emergent actor has become part of this actor based view, depending on the nature of dominant institutions, which affect MNC strategies. CS, however, has sectoral, national, and global form, and thus IB studies can benefit from the BST in examining the role and influence of CS on MNC behavior (See the framework by Redding, 2002, 2005).

Fig. 13 : Actors and spaces used in IM studies

actors	sector	national	transnational / global
Civil Society	BS, IB?	BS, IB	BS, IB?
Institutions	BS, IB	BS, IM	BS
Firms	BS, IB	BS	BS, IB

spaces

Civil society (CS) appears as constrainers and resource providers for MNCs (Rana, et al. 2014), a similar phenomenon like institution. Recently, studies at the intersection of NGOs, business, and government are increasingly becoming popular (Teegen, et al. 2004; Doh & Guay, 2006; Dahan, et al. 2010; Lambell et al., 2008; Vachani, et al. 2009; Kourula & Laasonen, 2010) in IB. However, they tend to rely on neo-institutionalism that possesses a narrow view of institution. These studies on CS interestingly combine both transaction cost mechanism and social embeddedness of MNCs in their research focus. This indicate that IB needs to use BST in IM studies where actor's expectations, agency and interest may lead to a form of tension for MNCs or their resources may provide relational advantage or endorsement for MNCs, which may lead to an organisational capability in a foreign context (Rana et al. 2014).

Transnational communities, the fourth juncture of BST, offer a rich framework for IB studies in a way that how transnational actors (e.g. Diaspora, multinational companies, global civil society actors, multilateral institutions and standards) develop a global network, rules, norms, and values that affect globalisation and business systems (Morgan, 2001a; Djelic and Quack, 2005). These actors have influence on the way business activities across national borders are coordinated and controlled. IB studies can also benefit from this perspective that BS encompasses.

Our literature review and arguments, hopefully, will stimulate IB researchers to involve in a dialogue to borrow from the BST literature with an aim to understand MNC operation and management from a different perspective.

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Appendix:

Table 3: 'Antecedents-phenomenon-consequences' revealed in the articles focusing on understanding and comparing the variations in business system characteristics: *Juncture-I*

Year	Author	Antecedens'	Phenomenon	Consequences
1992b	Whitley	background and proximate institutions, different types of firms, groups of firms, and associations	business systems in Europe-national and sectorial	shape firm structures and strategies-ownership & governance, relationships & networks, internal dynamics of management
1999	Whitley	Institutional structures and rationales: both sectorial and national	Coordination and control system: national business system	ownership coordination of economic activities, alliance integration/non-ownership coordination, governance structure, and organisational capability
1999	Pedersen & McCormic	lack of coherence between institutions, foreign donors' activities and the firms	Fragmentation of the African Business Systems	led structural adjustment programmes by IMF that failed
2001a	Whitley	Institutional features- mostly the role of the government and the degree of trust in a society	business systems of developing countries in Asia and Africa	distinguish the types of business systems in developing countries, and leads to the nature of fragmentation
2001b	Whitley	characteristics of environment: (particularistic, collaborative, arm's length) and domestic business systems	Varying organisational complexity of MNCs	leads to organisational change and the pattern of internationalisation
2002	Redding	culture- as prior nature and rationales, mediating role of government that flows between culture and the formation of institution	rationale of the culture and the business systems	leads to varying nature of business systems
2003a	Whitley	Institutional structures: formal and informal/ national and international political-economic institutions	economic organisation of firms and change	evolve different patterns of business systems: organisations are the key mediating collectivities
2003	Whitley et al.	labour market practices, increasing international operations, continuing domestic recession, libaralization of economy	Japanese foreign subsidiaries as a source of innovation and learning	lead to specific skills of MNCs, competitiveness, coordination and control system of subsidiaries
2004	Casper & Whitley	Institutional frameworks, particularly those governing skill formation systems and labour markets influence	Comparative analysis of managing competences in entrepreneurial technology firms in Germany, Sweden, & UK	the relative success of firms in fields with different appropriability and competence destruction risks; they are likely to vary between the three countries with contrasting patterns of labour market organisation & skill formation systems
2005	Whitley	The more states organise and homogenise economic actors, the rules of governing their interaction and the örganisation,	states and complementary institutions reshape national business system	the more we would expect them to develop nationally distinctive business systems.
2005	Deeg	Path dependency, institutional complementarity	nature of institutional features	lead firms to adopt new strategies to adapt to institutional complementarity and gain organisational competency, which eventually change the national business system
2005	Redding	History, culture, and societal emergence of institutions	Advocate for BS theory for the study of MNC management in IB	shape MNCs structures and strategies-ownership & governance, relationships & networks', and management
2006b	Whitley	social processes construct and reproduce variety in science and economic organisation	Understanding Differences: Social Processes that Construct and Reproduce Variety in Science and Economic Organization	The way institutions shape business system, the same approach can be used to understand how changing environment of research and management studies in many countries influence research goals and styles.
2007	Grainger & Chattarjee	Understanding institutions and BS characteristics' help future investors	Comparison between Indian and Chinese Business systems	Help future investors to formulate strategies

2008	Whitley	Institutional arrangement that underpin the nature of authority relation and coordination at the firms shape the way knowledge is created	Varieties of Knowledge and Their Use in Business and Management Studies	Three conditions in institutions- contextual independence, stability of internal causal process, and similarity of circumstances, underpin eight different types of knowledge creation in firms.
2009	Whitley	Collapse of the U.S. financial system and the current recession	U.S. Capitalism: A Tarnished Model?	Influence of market fundamentalism e.g. US model in many countries will diminish, while state steering of economic development, regulation of markets, and support for particular firms will be widely viewed as legitimate and desirable.
2009	Redding & Witt	Differences in Chinese institutions and business systems	evolution of Chinese business system in future and the changes	lead to the future form of capitalism of China, which could be closest equivalent to the present South Korean BS after 10-20 years
2009	Tipton	Historically rooted culture of the south-east Asian nations, state capacity and state direction	South-east Asia lacks entrepreneurial skills and values	affect the degree to which firms develop dynamic capacity and control of subsidiaries of internationalising firms
2009	Witt & Redding	Linkage between national cultures and institutional structures of national business systems	'thinking', or ‘‘rationale’’, of senior executives of leading German and Japanese firms about the ideal institutions that influence MNCs	There is considerable variation in rationale across the two countries and in comparison with the shape of the business system of the USA. It has implications for the understanding of the meaning of economic activity in different countries and of the evolutionary trajectories of BS.
2010	Lim et al.	Institutional elements: legal and financial systems	venture creation decision, and entrepreneurial experts act as mediator	affect venture arrangements (VA) and willingness features; while VA in turn impacts on individual venture creation decision
2011	Bachmann & Inkpen	Trust plays different roles because of the variations in institutions	development of relationships: face-to-face, institutional-based, and interaction-based relationships	Development of relationships affects trust building process and the cognitive aspects of the trustors (perception, decision making and faith).
2011	Wood et al.	Institutions and business systems	Distinctive Vs homogenization of HRM practices- path dependence	Results indicate diversity of HRM practices between companies, suggesting a segmented business systems.
2013	Witt & Redding	Informality and multiplicity in institutions, social capital and the role of civil society	comparison among 13 major Asian business systems: China, Hong Kong, India, Indonesia, Japan, Laos, Malaysia, the Philippines, Singapore, Korea, Taiwan, Thailand, Vietnam	affect Asian BS. With the exception of Japan, Asian forms of capitalism are fundamentally distinct from Western types of capitalism. So, VOC dichotomy does not apply to understand Asian business systems
2013	Whitley	Strong ‘developmental state’, although varied in terms of relationships between political elites, senior civil servants, and major economic interest groups between Asian countries, has	Change and continuity in east Asian BSs	coordinated and often directed investments and strategic choices in different technologies, industries, and markets. This brought changes in institutions in South Korea, Taiwan and Japan reshaped business systems
2013	Zhang and Whitley	Dominant institutions of economic governance vary considerably between countries in both Northeast and Southeast Asia	Changing macro-structural varieties of East Asian capitalism	generating four nationally distinct varieties of political–economic organization in terms of varying state direction of the economy and degree of business co- ordination of economic activities: co-governed, state-led, networked and personalized.
2014	Ercek	Adoption of globally circulating management innovations in Turkish firms	adoption of three different management innovations: TQM, six sigma and lean production.	depends on the characteristics of national business systems, particular inter- organizational ties developed with transnational or local carriers, and the potential absorptive capacity of the local organizations.

2014	Judge et al.	Model of capitalism/ economic system that best delivers both wealth and equality	determining and comparing the models of capitalism by using BS framework	there is no one optimal model of capitalism. Models of capitalism are constantly evolving, but their evolution is generally slow. The implication for IB study is that it should consider a more holistic context for exploring how multinational enterprises interact with their institutional environment(s).

Table 4: 'Antecedents-Phenomenon-Consequences' revealed from the articles focusing on internationalisation phenomenon and MNC management: *Juncture-II*

Year	Author	Antecedens'	Phenomenon	Consequences
1998	Whitley	Historical legacies and current institutional linkage	Internationalisation; divergence of capitalism	Change in BS characteristics- ownership relation, non-ownership coordination and employment- is as a result of internationalisation, which is path-dependent
1998	Ferner & Quintanilla	Pressure from national institutions, business systems, and transnational network of TNCs	effect of nationality on TNCs management, isomorphism and heterogeneity	Two isomorphic pulls appear in MNC management: one is cross-national isomorphism exerted by the national institutions, and two is the 'global inter-corporate isomorphism' exerted by the Anglo-Saxon practices.
1998	Whitley and Czaban	Legacy of the socialist state period,	Institutional transition	Foreign owned firms in Hungary had more authority, responsibility, and less discrimination in skill levels than those in the financially more stable state enterprises.
2000	Yeung	impact of globalisation: link of local institutions, firms, media, NGOs with the global actors networks and global value chain	Dialectical tendencies of globalisation towards homogenization and differentiation	Impact of globalisation on configurations and dynamics of Asian business systems will bring changes, containing both homogenization and differentiation
2001	Schaumburg-Muller	Privatisation, liberalisation, protectionism and link with the global commodity chain and internationalisation	globalisation	Infuse changes in management & organisation of economic activities by firms, which in turn will affect the institutions
2001	Sørensen and Kuada	FDI, deregulation of market and export activities lead to a cross-border interaction of people	Cross-border interaction of people and internationalisation of firms	Affect the way business is traditionally done in Ghana and the perception of the business people.
2001	Tainio et al	Short term-orientation of foreign owners, financial internationalisation	Financial internationalisation of Finish firms	Led to change in board members, key characteristics of management: work systems, incentive structure, employment practices.
2003	Geppert	Rationality of the home country context and the parent company strategies and the host country rationality and subsidiary strategies	Subsidiary trade-off between local context and global pressure	Ability of managers at subsidiary is subject to rationality of the host-home contexts and organisational strategies
2003	Morgan et al.	Internationalisation impacted on the careers and expectations of both Japanese and non-Japanese managers	internationalization and management in Japanese financial institutions	organizations have been fundamentally changed by managers experiences and have become in varying ways 'transnational social spaces' (TSS). The idea of MNCs as TSS is developed as a way of linking flows of people, practices and ideas inside the firm to broader processes in the development of globalisation.
2003	Hassel et al.	Internationalisation of production activities of firms and internationalisation of finance/ corporate governance of firms	Dimensions of internationalisation	The two dimensions of internationalisation- production activities and finance- do not co-vary, and thus cannot be combined into one index.
2004	Edward & Ferner	internal structure of organisation i.e. standardisation of production or service provision across borders	Reverse diffusion of HRM from subsidiary to HQ	Internal structures raise the scope for diffusion of management practices across sites.
2005	Edward & Kuruvilla	Influence of internal organisational politics, internal division of labour at MNC	Balance between local and global pressures in MNCs management	Absence of focus on internal division of labour weakens the understanding of international HRM from a business system perspective

2005	Edward et al.	Dominant institutions, and established organisational structures and practices in the home country	Reverse diffusion of HRM practices from foreign subsidiaries to HQ	Antecedents affect the extent to which reverse-diffusion occur and impact the employment practices.
2005	Lamberg and Laurila	Pressure from globalisation, patterns of industry, and institutional embeddedness	Co-evolution of distinctive organisational forms in Finland and US	Co-evolve distinctive organisational form, and in the long term, affect the competitive condition and dominant forms and firms in business systems
2005	Morgan and Quack	Entrepreneurial orientation of law firms, ambition for internationalisation of law firms	Institutional entrepreneurship by corporate law firms in the UK and Germany	Dominating role of law firms led changes in legal and professional systems, redefined their organisational and institutional contexts with an aim to positioning in emerging international markets.
2005	Redding	Influence of history, culture, and the emergence of societal emergence of institutions, vis-à-vis business systems	how BS theory helps avoid the weakness of handling 'context' and overcome the myopia of 'culture' in the IB studies	Use of BS theory and the meaning of culture as social institutions can help overcome the shortcomings related to use of 'context' in IB studies
2007	Morgan	Interaction between firms, national contexts, international flows of capital, labour, technology, knowledge, and the international rule systems for coordinating these flows	How to use business systems approach in IB studies	shape the behaviour (structure and strategies) of MNCs and the nature of changes in diverse institutional settings. Thus, BS framework and typologies can help study the strategies and the changes in them.
2007	Tempel & Walgenbach	Global Standardization of Organizational Forms and Management Practices	What new institutionalism and the BS Approach can learn from each other	Both approaches emphasize the adaptation of organizations to their institutional environments but come to very different conclusions as to the global standardization of organizational forms and management practices. They cannot learn from each other on the issue of agency and point to structuration theory.
2008	Ali & Batra	MNC activities, strategies, and the socio-economic progress of the host country	How CSR helps MNCs sustain in India	affect the development of social problem for MNCs in the host context, and thus MNCs are advised to develop CSR strategies in view to ensuring sustainability, taking the damages their operations have created and social progress that the country has made
2008	Jackson & Deeg	Different facets of institutional analysis	Role of institutional analysis in IB and the use of BS theory	IB studies take the narrow view of institution as unidimensional – institutions as constraint on rational actions. Instead, CC and BS approach considers institutions that influence identities and interests of actors, affecting dynamic capacity, strategies and the structures of the firm.
2009	Tengblad & Ohlsson	Globalisation of national business systems has influenced the framing of CSR	To what extent CSR is related to local or international contextual understanding	Understanding CSR has changed from a communitarian view (negotiated view) to an individualistic view (self-regulatory view) of social responsibility. Thus, MNCs should take into account the social expectations and develop capabilities to act more independently as moral agent.
2010	Jong et al.	Institutional legacies- Dutch shareholders rights, financing structures, and networks of directors, and internationalisation of Dutch economy	Co-evolution of corporate governance and financial system of Dutch BS.	Transition from a coordinated market economy to a more liberal system was inspired by the internationalisation motive, reflecting an expansion of Dutch firms beyond the national borders and in the growing number of foreign investors
2010	Stavrou et al.	Business system characteristics and institutions	Whether MNCs should follow the standardisation of HRM policies and practices	The results raise question about the universal applicability of HRM-performance research and put finger on the implication of the standardisation of HRM policies and practices within internationally operating organisations
2010	Sayim	Push strategy and domination of MNC-HQ	Policy transfer by MNC HQ to subsidiaries	Push strategy of US MNC for transferring reward policy to Turkish subsidiaries did not create tension in the local context, and this falsifies the hypothesis that translation or hybridization of management policy either is institutionally established or culturally constraining at the host BS. It is possible where employees are eager to embrace superior policy.
2010	Sluyterman and Wubs	Pressure from globalisation effect	Institutional entrepreneurship by MNCs, and evolution of	globalisation effect pressed MNCs to change their organisational structures, simultaneously built international institutions, together that are eventually

			organisational structure	changing the elements of BS
2012	Dekocker et al.	institutions at national level, sub-national level, and regional level as well as local actors' strategies are important antecedents	Institutional entrepreneurship by MNCs	The use of "institutional entrepreneurship" concept helps understand how coordination mechanisms of MNCs with different levels of institutions facilitate the transfer of employment practice beyond the national borders.
2012	Iaonnau & Serafeim	political system, followed by the labour and education system, and the cultural system	Impact of nation-level institutions on firms' corporate social performance (CSP).	nation-level institutions impact the firms' corporate social performance (CSP).
2012	Whitley	Internationlaisation phenomena change the firm types, organisational capabilities and the homogenety of BS	Internationalisation and the institutional structuring of economic organisation	Changing institutions, authority relations and forms of international coordination and control. These affect: -cross-border authoritative integration of economic activities, -interdependence of MNCs with domestic institutions, interest groups & collective competition goods, -their interdependence with dominant institutions and groups in host economies.
2012	Morgan & Whitley	Dominant national institutions, multilateral institutions, and the effect of internationalisation	Changing capitalism in twenty-first century	Affect the way capitalism is developed, and change particular patterns of economic coordination, control, competition, innovation, and collective capabilities of firms in BS. Studies need to take into account variety of ways in which rule following involves 'rule affecting' and 'rule changing' affect strategies and competences of different kinds of firms.
2012	Allen and Whitley	Impact of internationalization on firms' strategies and competences	Internationalization & sectoral diversity	Companies based in particular countries i.e. BS will differ in how they deal with internationalization. As internationalization proceeds, the possibilities for increased BS diversity within any single country are likely to be enhanced.
2014	Allen	What affects firm capabilities in internationalisation	Business systems theory and employment relations	Nature of employment relations in different types of business systems e.g. fragmented, specialised network, compermentalised, centrally hierarchy, collaboratively hierarchy affect firm capabilities and competitiveness in internmationalisation.
2015	Rana	What affect MNC strategy formulation in international management	Tri-space framework, and international management	Factors and actors from tri-space i.e. - institutions & business systems, civil society, and transnational communities- shape the MNC strategies in emerging markets.

Table 5: Antecedents-phenomenon-consequences revealed from the papers on organisational capabilities and innovation – *Juncture: III*

Year	Author	Antecedens'	Phenomenon	Consequences
1999	Lundvall	national institutions and interactions between firms	comparison between national business systems and national innovation system	interactions affect the actors' learning process and help accumulate knowledge to develop capability to outperform through innovation
2000	Whitley	Differences in coordination of economic activities vis-à-vis business systems and institutions	Variety of BSs, capabilities, and innovation performances	differences in BS give rise to a different types of governance structures and organisational capabilities, affecting innovation strategies of firms and patterns of innovation performances
2002	Haake	industry environment and the nature of business systems	competitive advantage in communitarian vs individualistic type of environment	in communitarian environment firms tend to have org. specificity of knowledge in the industry because of tightly knitted relationships, while it is low in individualistic environment
2002	Whitley	Institutional frameworks: public science system, involvement with industry collaboration, reliance on specialist skills, and the ability to change collective competences radically.	Developing Innovative Competences	Affect the styles of innovative competences development in organisation and industry
2003a	Whitley	Has been mentioned in I		----------
2003b	Whitley	nature of authority sharing, training systems and incentive structure in organisation are shaped by the business system and institutional condition	development of competitive competence and organisational capability	shape the competitive competency/ capability of organisation or sector in a business system

2004	Casper & Whitley	Has been mentioned in I		----------
2006a	Whitley	Characteristics' that constitute a project based firm	Project-based firms: new organizational form	PBFs differ considerably in a number of respects, notably the singularity of their goals and outputs and the distinctiveness and stability of work roles and task organization. At least four distinct ideal types of PBFs can be distinguished.
2007	Whitley	different types of business systems and institutional structuring, cross-national authority sharing i.e. internationalisation	dynamic capabilities and innovation of MNCs	types of BS, institutional configurations shape the organisational capabilities and innovation systems of MNCs, and this tends to vary in terms of variations in cross-national authority sharing, organisational careers, dynamic capabilities, and the absorptive capacities of the firm.
2010b	Whitley	institutional features and arrangement, and key characteristics of firms	Competitive advantage and organisational capabilities	key institutional features: norms governing trust and authority relations, state structure and policies, financial systems, labour systems shape firm characteristics to develop capabilities and competitive advantage
2012	Allen and Whitley	Impact of internationalization on firms' strategies and competences	Internationalization and sectoral diversity, the role of organisational capabilities and dominant institutions	Responses to internationalization vary significantly between firms in sectors in terms of different kinds of capabilities to compete effectively, which are developed by different institutional regimes and BS.

Table 6: 'Antecedents-phenomenon-consequences' revealed from the papers on Transnational Communities – Juncture-IV

Year	Author	Antecedens'	Phenomenon	Consequences
2001	Djelic & Bensedrine	Important national actors at the global level i.e. US, Canada, EU and the local actors i.e. civil society, NGOs, media	Transnational regulatory standards affect the business systems and institutions	Important global and local actors co-evolve a global regulatory standard, which in turn affect the evolution of a local regulatory standard.
2001a	Morgan	Global regulatory institutions; development of global cognitive and normative frameworks i.e. global civil society members, global education models, consulting firms; TNCs multiple networks	Transnational communities affect the BS and national institutions	Antecedents affect the nature of cooperation and coordination of the transnational corporations in national business systems
2001b	Morgan	National institutions, web of international institutional context and the international regulations, multiple sites within an MNC i.e. multiple subsidiaries, suppliers, HQ and the managers in these organisations	MNCs as organisations with complex internal processes of contradiction and conflict	MNCs are social constructions, MNCs become a part of national institutions context, simultaneously they are the part of international institutional context and the MNC sites, and thus these all spaces affect MNC strategies.
2001c	Morgan	Powerful global actors e.g. states or group of states, powerful firms, multilateral institutions and civil society groups or social movements	Development of transnational standards and their impact on firms	International institutions that tend to provide standards for economic activities are complex areas because different groups or actors play different roles, reconcile diverse interests, leading to develop transnational communities in which shared standards are developed that TNCs follow.
2003	Morgan et al.	Managers experiences in Japanese MNEs in banking sector have evolved organisations	Global managers and 'transnational social spaces'	The idea of multinationals as 'transnational social spaces' is developed as a general way of linking flows (of people, practices and ideas) inside the firm to broader processes in the development of global political economy.
2012	Boussebaa et al.	managerial efforts to construct 'global' organizations		Multi-dimensional institutional approach is necessary: institutional, transnational institutional and neo-colonial influences, in order to understand how global organisations are constructed.
2012	Whitley & Morgan	Internationalisation shapes the new forms of capitalism	Capitalism	internationalisation of markets, firms, and regulatory institutions change, reproduce, and establish variety of capitalism. Thus the transnational communities have been predominant in changing BSs.
2015	Rana	BS, CS, and Transnational communities	Strategic framework for MNCs	Affect the strategies of MNCs in emerging markets