The internationalization process model revisited: An agenda for future research

Our interest in this paper concerns internationalisation processes. We see it as axiomatic that time is elemental to process. Hence, we labelled our Focused Issue ABOUT TIME: PUTTING PROCESS BACK INTO FIRM INTERNATIONALISATION RESEARCH. At the outset, process research is about events and incidents and their sequencing. It asks questions about who did what, where they did it and how, and why they did do the things they did. This is definitively not to say that the events and incidents will have happened in a neat, discrete and non-overlapping order, at specific points in time where one event begins and ends within a temporal sequencing that is orchestrated by just one person who can be explicit as to why they did what they did, and how they did it. How and why things happen is messy but this does not mean explanation is not possible. It is not chaotic. In this issue, we will take up the challenge of theorizing about these complex processes.

We decided that given the field of international business has a dominant model of the internationalisation process, this model should be our focus. The Uppsala internationalisation process model remains much cited – and much critiqued. It has also been revised by its original authors, remaining current with these revisions. Its importance to the international business field cannot be understated, as the shortcomings that some scholars have alleged of it have spawned the research stream of international entrepreneurship (IE) and incited extended debate in our field. Our arguments in this paper are a constrast to this received view, and provide an alternative interpretation of the model. From a process perspective, it is not the original model (or its more recent formulations) that is problematic. Rather, it is the reception of the model that is open to critique.

The Uppsala model is a theory not of internationalisation but of internationalisation *process*. Yet rarely have those who have written about it paused to consider the implications. That is the objective in this paper. We provide a reading of the model that teases out its process elements and origins, arguing that such a reading opens up new questions and new approaches for future inquiry. Our stance is that our field is yet to fully understand or explore the potential of the model. This means we do not agree with those who seem to assume that the model has been superseded because it can no longer explain today's fast-paced, interconnected world in which time has been compressed and information is only a keystroke away. It also means we disagree with those who

dismiss the model as 'superannuated', to quote the opinion that a journal editor communicated to us only recently. Rather, the model – as a process theory – represents a challenge to current assumptions and research practices in our field. Our field is not well-practised at challenging prevailing assumptions, nor even making them explicit. Yet the challenging of assumptions is ultimately what makes theories interesting (Alvesson and Sandberg 2011). Our aim with this paper is therefore to enable readers to query their current assumptions about the internationalisation process model, allowing a new generation of research to revitalise research into internationalising firms.

Introducing the model

Researchers interested in the internationalization process of a firm typically mention the Uppsala model as a seminal piece of work and refer to the article by Jan Johanson and Jan-Erik Vahlne, which was published in the *Journal of International Business Studies* in 1977. Johanson and Vahlne have also written a number of articles in which they extend the discussion on the key elements and mechanisms of the model (Johanson and Vahlne 1990, 2003, 2006) and an article with a revised version of the model (Johanson and Vahlne 2009). However, given that the key mechanism in the model has remained unchanged, the original model is the centre of our interest.

The 1977 model is deeply rooted in the much broader research program on international business led by Professor Sune Carlson, which was launched following the establishment of the Institute of Business Studies at the University of Uppsala in the late 1950s. The 1977 publication was the culmination of almost 20 years of intensive research, the impressive scope of which is not appreciated today. The establishment chain and the role of psychic distance were identified from a database that the group collected of more than 2000 subsidiaries of Swedish multinationals (Hörnell, Vahlne and Wiersheim-Paul 1973). The model was also informed by Jan Johanson's 1966 licentiate thesis of the special steel industry and his study, co-authored with Wiedersheim-Paul (1975, p. 305), of the subsidiaries of four Swedish multinationals that 'are often used as examples and patterns in discussions of international operations'.

As we will discuss in more detail below, the model is commonly interpreted as postulating an incremental internationalisation pattern, based on two dimensions: (1) a progressive establishment chain of operation modes and (2) market selection based on the psychic distance from the home market. Johanson and Vahlne themselves (1990) consider the internationalization pattern as one

operationalization of the process postulated in their 1977 theoretical model, and also point out that alternative patterns and operationalizations may exist. In fact, in the 1977 article Johanson and Vahlne pose another, much more interesting question:

> *"If internationalization indeed follows the pattern described above, how can we explain it?" (Johanson & Vahlne 1977, 26)*

Any theory makes assumptions, and in their 1977 paper Johanson and Vahlne are careful to specify many of theirs. The most important of these (in our view) is that lack of knowledge about foreign markets and foreign operations 'is an important obstacle to the development of international operations and that the necessary knowledge can be acquired mainly through operations abroad' (1977, p. 23). The uncertainty represented by decision-makers' lack of knowledge was a theme that had already been highlighted by Sune Carlson (1974, p. 56), who explained why it was such an impediment in international business: 'The world is large and complex, and it is only partially known to the decision maker. His horizon is limited - often very limited, indeed. The world is also changing. Old knowledge may rapidly become obsolete; it must be supplemented by new knowledge.' The importance of experiential knowledge – of 'learning by doing' – was identified as the critical source of knowledge in various studies by Carlson's research group (Carlson 1975; Olson 1975), as well as by Johanson and Vahlne's own empirical research. Interestingly, the 1977 model does not take into account the negative impacts of experiential knowledge: how it may also increase decision-makers' lateral rigidity (cf. Luostarinen 1979).

The second fundamental assumption relates to the objective of the firm, namely that it 'strives to increase its long-term profit, which is assumed to be equivalent to growth' (p. 27). This is very much in line with the thoughts of Edith Penrose (1959), who also equates growth to increase in profits. The influence of Penrose can also be seen in the way how Johanson and Vahlne consider company growth to be a joint result of internal and external conditions: internal conditions determine what firms "see out there" and how they respond to the opportunities recognized.

The third assumption is that the firm 'is also striving to keep risk-taking at a low level', although risk is considered to be relative and what is considered low may vary depending on the decision-maker and the context and sometimes also higher risks are acceptable (Johanson and Vahlne 1977). In fact, their thinking on risk is – to use more current terminology – a balancing act between expected rewards and affordable loss, i.e. the decision-maker's subjective perception of what s/he estimates to be able to put at risk and potentially lose as an outcome of the action (Dew et al. 2009). Not surprisingly, in a later paper Johanson and Vahlne themselves acknowledge the connection between

their understanding of risk and affordable loss (Figueira-de-Lemos et al. 2011). Internationalisation is considered to be a continuous process of risk management through a series of decisions (Johanson and Vahlne 1977).

These assumptions then lead to the core argument, which is that 'the state of internationalization affects perceived opportunities and risks which in turn influence commitment decisions and current activities.' (1977, p. 27) This is, as they say, a 'dynamic model' (p. 26), in that the present state of internationalization – knowledge of opportunities and challenges in foreign markets (market knowledge) and the amount and transferability of resources committed to a particular market (market commitment) – is considered to have an impact on subsequent decisions. Moreover, the present state is a product of the firm's past activities in foreign markets and its prior decisions to commit resources to foreign operations. The model posits a self-reinforcing cycle that connects past, present and future. Accordingly, internationalization is not conceived as an isolated resource allocation problem, but rather as a series of interconnected 'decision situations' representing continual 'adjustments to changing conditions of the firm and its environment' (p. 26) – that is, a process. While the process nature of firm internationalization might appear self-evident to today's readers, it was not at the time (Johanson and Vahlne 2003).

Johanson and Vahlne (1977) also warn that theirs is a 'partial' model, and they are explicit about its scope. They 'do not deal explicitly with the individual decision-maker' (p. 26) or variations in decision-making styles (p. 23), nor do they consider the conditions that prevail in specific 'decision situations' (p. 23). Finally, their model is concerned more with how firms expand their operations within individual markets, rather than expansion to greater numbers of markets (p. 23). It is also important to note that Johanson and Vahlne are careful to add that the interaction between market uncertainty and the scale of commitment will vary. While they do argue that due to uncertainty, additional commitments 'will be made in small steps' (p. 30), they note that this is not always the case. Specifically, the firm may have considerable resources at its disposal; the market may be highly 'stable and homogeneous'; or the firm may have prior experience in similar markets.

The importance of multiple actors both inside and outside the firm had been uncovered early on by the Uppsala group – notably in Johanson's (1966) licentiate thesis and even Carlson's (1951) groundbreaking study of ten managing directors – but their role in the internationalization process was only touched on in the 1977 model. The embeddedness of internationalization was developed further in later works (Johanson & Vahlne 1990, 2003 and in particular 2009). In their revised version of the model, Johanson and Vahlne (2009) point out that experiential knowledge in internationalization is accumulated and shared. The available relevant knowledge base extends

beyond company boundaries: it is nested in relationships and networks. Furthermore, knowledge is not only transferred between network actors, but exchange in the relationships and networks may also result in the creation of completely new knowledge which is privileged and offers the actors a competitive advantage. Johanson and Vahlne (2006, 2009) also stress that internationalization process is about developing opportunities in networks, not overcoming uncertainties due to institutional conditions – again, something which can still be accepted today. Their argument that opportunities are the key elements of the knowledge base which drives the internationalisation process resonates well with recent IE literature, for example.

A process reading of the internationalisation process model

Mats Forsgren has commented that 'like a novel or a poem, the [internationalisation process] model has taken on a life of its own, with each scholar having his own interpretation' (Forsgren in Forsgren and Johnson 2010, p. 283). Indeed, theories are the product of a double-hermeneutic process: they are interpretations of the social world that are themselves subjected to the (re-)interpretations of the scholarly community. In this section, we contribute our own interpretation, providing a process reading of the original model. Viewed from this lens, we will argue that the model stands up to scrutiny rather better than the standard critiques of it, and that a deeper understanding of the process elements of the model suggests avenues for further research that international business (and, more recently, IE) is yet to explore.

Given that one of our arguments is that temporal context needs to be taken into account in order to understand a phenomenon, we commence our process reading with the context in which the original internationalization process model was developed. As the sociology of science suggests, theories are the product of the time in which they are developed. The model was developed to explain the findings from the in-depth field studies that Sune Carlson initiated, in response to the fact that even though Sweden was highly dependent on trade and facing a competitive international environment, little was known about the international expansion of Swedish companies (Johanson and Vahlne 2003). The search for a novel theoretical explanation was triggered in the course of fieldwork, when existing theoretical frameworks did not match the accounts that interviewees were supplying. The microeconomic theories that were dominant at the time did not explain the patterns that the researchers were seeing (Johanson 2004), so they searched for other theoretical lenses and resources to inform the development of their own model. Crucially, one of the key reasons as to why existing microeconomic theories were insufficient in explaining the empirical results from their fieldwork is that '[d]evelopment over time was not a problem that could be discussed by means of a

theory assuming efficiency in equilibrium' (Jan Johanson in Forsgren and Johanson 2010, pp. 284-285). At that time, alternative perspectives on firm behavior were available, notably (but not limited to) Cyert and March's (1963) behavioral theory of the firm, a key work from the Carnegie School of organization theory which was a decisive intellectual influence on the Uppsala group (Johanson and Vahlne 2003).

While Johanson and Vahlne's original model, as well as its updates, are widely cited, our assertion is that it is frequently misunderstood. The first misunderstanding – failure to distinguish between the theoretical model and the empirical observations on which it is based – has been noted by Johanson and Vahlne themselves in subsequent writings (e.g., 1990; 2006), but has seemingly not been heeded by the research community. The second misunderstanding flows from the first one: given that the empirical observations are mistaken for the theoretical model, the latter is typically misclassified as a stage model. This misclassification is even less often recognized than the first (see Welch and Paavilainen-Mäntymäki 2014 for an exception), but is fundamental to any discussion of process.

Misunderstanding no. 1

Turning to the first misunderstanding, critics and followers of the internationalisation process model alike often reduce it to the empirical observations that inspired it: namely, the findings that Swedish firms took an incremental approach to internationalization both in terms of the sequencing of geographical expansion – i.e. progressing from psychically close to psychically distant markets – and of operational modes – i.e. the 'establishment chain' involving lesser to greater levels of resource commitment. But as Johanson and Vahlne have repeatedly observed (1990; 2006; see also Hadjikhani 1997; Meyer and Gelbuda 2006; Petersen and Pedersen 1997), these empirical patterns do not constitute the internationalisation process model; rather, they are the empirical phenomena (i.e. internationalization patterns) that the model seeks to explain. Johanson and Vahlne observed in 2006 that the result of this mistaken identity has been that the core mechanism in the model – the interplay between learning and commitment processes – has actually not been empirically tested, 'as the empirical tests of the model have actually been of one or more aspects of the empirical patterns' (p. 167).

Underlying this misunderstanding also seems to be some variations in what theory and theory testing actually mean. As Johanson and Vahlne (2009) have pointed out, any theory is necessarily a simplification and exceptions will always be found; theories are always partial so they have limited predictive power. We would add that theorizing is not about discovering a universally applicable set of causal relationships, as universalities are unlikely to be uncovered in the social world. Theories

cannot be proclaimed to be dead because they do not hold in all situations. Rather than being about universals and accurate predictions, theories are, as the prominent sociologist and methodologist Michael Burawoy has put it, 'cognitive maps through which we apprehend the world' (p. 20). The more we understand what these maps reveal and what they distort, how they can be extended, challenged and revised, and the assumptions that they both harbor and break, the more useful these maps can be for practical action in the world.

Confusing the empirical and theoretical elements of the Uppsala research has been the main source for criticisms of the model which either do not relate to the model itself, or which oversimplify it. As Welch (2004, p.140) points out, treating the Uppsala Model as being no more than the establishment chain and psychic distance postulate 'has all the hallmarks of a convenient "straw man". Perhaps more relevant questions are ones that Vahlne and Johanson (2002) considered in a piece written during the hype of the dotcom boom: Given that both companies, as well as their business environment, have changed considerably since that time, is the model is still valid today? How have the empirical patterns changed as a result of changes in international business conditions? And to what extent have these changes affected the knowledge-commitment interplay in the model? Does uncertainty due to the lack of market knowledge play the same role today? How have new forms of commitment affected the learning process and the need for market knowledge?

Perhaps the part of the 1977 model which is usually considered the most outdated is the element of market knowledge. Johanson and Vahlne assumed that the incremental nature of the internationalization pattern was mainly due to the lack and difficulty of obtaining market knowledge. In today's digitalised world it is difficult to think that cost or access to information would be as great a challenge or constraint on internationalization as in the 1970s. In fact, access to knowledge may be one factor explaining the shortened time lag between company inception and first international operations (e.g. Christensen 1991). However, there is empirical evidence that easy access to market information does not guarantee smooth and successful entry to international markets. On the contrary, it may create the illusion of understanding the customer and/or the market and lead to failure in internationalisation (Nummela et al, forthcoming). Just as scholars have observed a "paradox of psychic distance" (O'Grady and Lane 1996), a "paradox of information availability" might be at work. That is, the very richness and ease of access of information in today's digital world may lead to the need for quality, specialised information being overlooked. Moreover, information is not knowledge: while there is a wealth of information at decision-makers' fingertips, it needs to be processed, learnt, absorbed and acted upon.

Misunderstanding no. 2

The second misunderstanding is linked to the first but we will treat it separately and in more detail: it has been little remarked upon and it relates to the process nature of the model. Johanson and Vahlne's theoretical model is typically grouped into the same category as the other 'stage models' of internationalisation that were proposed in the 1970s (i.e. the so-called 'I-Models'). Classifying the internationalisation process model as a stage model occurred early on and has persisted: for example, it is the basis for the influential, but erroneous, critique of the model by McDougall, Shane and Oviatt (1994, p. 475), who allege that, along with other stage theories, it posits that 'firms progress in a relatively orderly manner from local firms with ad hoc exporting to full-fledged MNEs'. However, as Vahlne and Johanson (2002, p. 212) have themselves pointed out, they have 'always resisted' their model being characterised as a stage model. They have solid grounds for doing so. They do not provide a model describing or predicting the temporal sequence of modes that a firm will progress through. Rather, they offer a dynamic mechanism – that of experiential learning – to explain changes in a firm's international commitment.

Given its centrality to our argument, we will delve more deeply into the difference between a stage and a process model. To illustrate a stage model, we can turn to Bilkey and Tesar (1977), which is among the 20 most cited papers in *JIBS*. Their starting point is that export development occurs in stages. They specify six stages, although they are also careful to point out that there may in fact be more than six. These stages are fixed *a priori*, not inductively derived, with firms categorised as being in one stage or another on the basis of respondents' survey responses. The researchers then ran an analysis to establish whether export behavior varies from one stage to another, and what the determinants of the stages are. In the 1977 study, they tested three stages only, running a multiple regression analysis for each where the stage was used as the dependent variable. On the basis of this analysis, they were able to isolate the variables that were associated with each of these stages. Thus, planning for export was highly correlated with Stage 3 (exploring the feasibility of exporting) and receipt of an unsolicited order high correlated with Stage 4 (experimental exporting). The result of this study is a descriptive understanding of each stage. At the time, capturing different profiles of exporters was an important theoretical contribution, however it does not (nor was it intended to) constitute a theory about the internationalization *process*.

The criticism of stage models has escalated in recent years, and not just in international business. Stubbart and Smalley (1999) critique the use of stage models to account for organizational and strategic processes; while entrepreneurship scholars have scrutinized the stages of growth models that share many of the same features as stage models of internationalization (Levie and Lichtenstein 2010; Neergaard 2003; Phelps, Adams and Bessant 2007). They raise a common set of concerns

about the potential limitations of stage models – at least, in their more simplistic form. First, the models can be deterministic in the sense that the stages (as well as the starting and end points) are pre-specified and assumed to apply uniformly, which does not allow for heterogeneous development paths and the role for individual managerial agency in changing course. Second, there is an underlying linear logic: one stage succeeds another, in a prescribed temporal order. This does not allow for discontinuities, backward movements and the recurrence of earlier stages. Third, the stages often consist of descriptions of different states, with common and static characteristics associated with each stage, typically without capturing the underlying reasons for the transition from one stage to another. Fourth, stage models downplay the role of history, chance and environmental contingencies. Critics of such models therefore conclude that theories should move beyond predetermined categories, allow for greater heterogeneity, explore non-linearity and move from descriptive to causal theorising (see in particular Stubbart and Smalley 1999; Weick 1995).

The internationalisation process model has, we would suggest, endured because it avoids these pitfalls of a stage model. In comparison to a simplified version of a stage model, Johanson and Vahlne propose a model of successive and interlinked commitment decisions, with the decisions about resource allocation and market activities from one time period affecting the decisions made in the next, through the accumulation of knowledge, the reduction of uncertainty and the recognition of new market opportunities. This knowledge-commitment cycle provides the 'engine' for change in the model. While there is temporal dependence in the model, with the past imprinting itself on the future, and prior commitment decisions providing a degree of lock-in (Johanson and Vahlne 2003, p. 12), the outcome is not pre-determined. The model does not predict what the sequencing of operation modes or market entries will be, even though this is often alleged by critics (e.g. Forsgren 2010; 2013). Thus, although it argues that 'history matters' in internationalization, it is not path dependent in the strictest sense (Sydow et al. 2009); rather a 'corridor effect' (Ronstadt 1988) seems to exist: accumulating experiential knowledge leads to increasing recognition of international opportunities, but also ignorance of opportunities in markets in which no or little knowledge exists (Hurmerinta et al., forthcoming). While the 1977 paper is titled a model of '*increasing* foreign market commitments [our emphasis]', this does not imply that there will not be setbacks, discontinuities and reversals (Johanson and Vahlne 2003) – rather, that 'in the long run, it is likely that the increased knowledge will lead to further commitments' (Johanson in Forsgren and Johanson 2010, p. 301).

Process underpinnings of the 1977 model

The 'causal cycle' (Johanson and Vahlne 1990) posited in the model can be traced to a variety of influences and inspirations from organization theories of the firm. While Cyert and March (1963) are the most prominent reference in the 1977 paper – in the opening section of the paper, Johanson and Vahlne (1977, p. 23) state that they are 'seeking theoretical explanation through the behavioral theory of the firm' – the internationalisation process model is not a straightforward application of Cyert and March's (1963) theory of the organizational decision-making process. Nonetheless, some key concepts and assumptions are used, some more explicitly than others: bounded rationality, uncertainty avoidance, problemistic search and organisational learning. These concepts emphasise that organisations base their decisions on imperfect knowledge under conditions of uncertainty. As well as Cyert and March, Penrose's *Theory of the Growth of the Firm* is also cited in the 1977 paper as the source of the distinction between objective and experiential knowledge. But we would argue that the debt to Penrose is more fundamental than this. Rather, her theory allows a more refined understanding of internationalisation as a form of firm growth. As Johanson and Vahlne (2003, p. 8) have explained, they were also influenced by her argument that 'a firm's growth is a result of its ability to use, combine and develop resources' (p. 8).

An influence that came towards the end of the model's development, but that was not directly referred to in the paper (although it is cited in Johanson and Vahlne 1990), is Weick's organizing model (1969). In this seminal work (with a second edition in 1979), Weick shifts the theoretical focus from nouns ('the organisation', i.e. objects) to verbs ('organising', i.e. flows and processes), from unidirectional causality to complex interdependence, and from singular events to causal loops of processes. As Jan Johanson explained in a personal communication (19 March 2013),

> we talked about the paper as 'internationalization of the firm' until just before we submitted it to *JIBS*. There were two different reasons. One was that we wanted to stress the importance of what we called 'current activities', which evidently is some kind of process. We thought that we had to add 'commitment decisions' in order to capture something about the foreign direct investments that all other researchers were interested in but we wanted to emphasize the knowledge development processes. A related reason is that we happened to get in contact with Weick's writings about organizing processes. They were described as causal circles which were very like our view.

Cyert and March, Penrose and a last-minute dash of Weick: this is seemingly a disparate, even potentially haphazard, assembly of theoretical material. However, when probed further, all these theories have important commonalities which mean that they are not based on incommensurable assumptions (see also the discussion of synergies between Cyert and March and Penrose by Pitelis 2007). First, they all question key assumptions of the neo-classical view of the firm. Instead of the

neo-classical assumption of decisions being based on rational calculations, organisational members make decisions on the basis of limited and often erroneous information. Second, they all emphasise the importance of behavior that deals with uncertainty and equivocality – notably learning and the use of rules or 'recipes' (Weick 1979). Third, they all eschew simplistic linear models and simplified notions of causality as easily reducible to linear, co-variational relationships between dependent and independent variables. Fourth – and highly relevant to our current discussion – they all take seriously the role of process and of the importance of history.

From today's vantage point, it could be said that the process elements of the model should have been drawn out more extensively. However, in the context of the period in which the model was first formulated, the need for theories to account for process was not something that would have required elaboration. Not only were the behavioral and growth theories process-oriented, but so too were other influences on the Uppsala group. Information economics, with its focus on how information is transmitted and circulated, was an important grounding for the group given its central interest in knowledge under conditions of uncertainty (see e.g., Carlson 1974). This enabled the group to shift away from information – a static notion – to its dissemination and diffusion, the accumulation of knowledge and learning processes. Experience and knowledge, unlike information, are temporally laden concepts. Process and temporality were embedded in the theoretical lenses and key concepts of the group.

The origins of the 1977 internationalisation process are therefore more processual than its reception has been. In the next section, we will show how rediscovering these process elements can form the basis for a renewal of research into the internationalisation process model. However, such a renewal requires not just new questions to be posed, but also new approaches to inquiry to be adopted. Fortunately, as we will argue, recent trends in process research and in research methodology provide the field of international business with a rich foundation for a revitalized research agenda into internationalising firms.

A future research agenda

New questions

Johanson and Vahlne have since returned to their model to draw out elements – notably opportunity development in their 2006 paper, and relationships and networks, already flagged in their 1990 paper – that were alluded to in the model but not developed fully, nor have been explored by others. We would suggest that another such element is that of process. We have argued that the original model is process-oriented, but that its reception as a stage model has meant that

this aspect of the original has been overlooked and even denied. At this point, it is perhaps tempting to pose some counterfactuals: What if the process nature of the model had been emphasized more in the original 1977 paper, for example by explaining the logic behind causal cycles more fully? What if the model rather than the empirical patterns been the focus of subsequent research? What if other scholars had enriched the model by returning to its process origins, such as Penrose, rather than their more static inheritors, such as the resource-based view? As Buckley (forthcoming) points out, counterfactuals are not mere idle speculation but are useful explanatory tools. In this case, they can allow us to identify possible explanations as to why this alternative, more process-oriented path was not taken by the IB field. We would argue that again, it goes back to the intellectual context in which scholars are operating. The international business field, which by the early 1970s had demarcated itself institutionally through a journal as well as separate association, very soon adopted a preference for rigid hypothesis-testing and for cumulative research programs with a strong legacy from micro-economics. Given these prevailing assumptions and institutional constraints, the pursuit of process-oriented research literally became unthinkable. As a result, calls for longitudinal research kept being made, in an almost ritualistic fashion, without being heeded (for a discussion, see Welch and Paavilainen-Mäntymäki 2015).

More recently, the group of researchers who has staked out what they term a new 'field' of international entrepreneurship (IE) has provided their own critique of the internationalisation process model. Despite all the criticism, the majority of these studies have concentrated on comparing different venture types (i.e. so-called born global/international new ventures versus so-called traditional firms) rather than actually studying the internationalisation process of the firm (Jones et al. 2011). As a result, serious attempts to create an alternative theory-based process model are rare. One of the welcome exceptions is the model by Jones and Coviello (2005) which conceptualises internationalisation as a time-based process of entrepreneurial behavior. Unfortunately neither that model, nor the 1977 Uppsala model, has been used as the basis for further theory development concerning the internationalisation processes of born globals/international new ventures. Nor, judging from Nummela's review (2015), has this stream of research been any different to the earlier period of internationalization research in its neglect of longitudinal research designs.

We would also argue that as a result of this history, considerable research potential remains in exploring the implications of the internationalization *process* model. Some of these suggestions have been already made by Johanson and Vahlne, when they have been commenting on what was left out of their model or what has not been adequately studied empirically, namely:

1. How do the conditions of particular decision situations, and the styles of individual decision-makers, affect the knowledge-commitment cycle?
2. How does the knowledge-commitment cycle evolve over time?
3. Under which circumstances does greater market knowledge not lead to greater commitment to foreign operations and markets?
4. The two empirical patterns covered in the 1975 paper – the establishment chain and the role of psychic distance – are 'possible [empirical] indicators' of the model, but [o]ther indicators may also be possible.' (1990, p. 13) In other words, can other internationalisation patterns be detected and can they be explained using the knowledge-commitment cycle?
5. How are firm internationalisation processes 'related to surrounding processes, i.e. market or network internationalisation, industry internationalisation, technical development, concentration as well as deconcentration processes?' (p. 22)
6. The 1977 model does not contain arrows within the state and change boxes, nor does the revised 2009 model (Johanson in Forsgren and Johanson 2010). So what are the processes linking market knowledge and market commitment, and commitment decisions and current activities?

In exploring internationalization *processes*, we have an advantage that was not available to the original Uppsala group: namely, that over the past 30 years, there have been considerable advances in understanding how to theorise about process. Ann Langley, Andrew Pettigrew and Andrew Van de Ven, as well as many other management researchers and entrepreneurship scholars, have over this period developed insights into process theorizing. This new wave of process research in management can be seen to have commenced with Pettigrew's (1985) formulation of a 'contextualist' approach to research, in which the variability of processes are studied within the variability of their contexts (defined as encompassing both the 'inner' context of the firm and the 'outer' context of the broad socio-political, historical and economic conditions in which it operates). The most recent collection of this process stream of research can be found in a special research forum of the *Academy of Management Journal* (Langley, Smallman, Tsoukas and Van de Ven, 2013). The issue provides many suggestions as to how we can, as Weick (1979) put it, go about 'think -ing'. Based on this stream of research, we can add some additional questions to stimulate future research into internationalising:

1. How do internationalization processes intersect – and collide – with other processes occurring with the firm and the network? How do firms deal with the tensions and contradictions that these interdependent but possibly conflicting forces produce?

2. Rather than focusing on the key concepts in the Model (the state and change aspects), what can we learn by studying the dynamic mechanisms involved? Are there other mechanisms beyond the commitment-learning cycle?
3. How can we account for causal complexity in our understanding of the internationalization process?
4. How can we account for both stability and change when explaining how internationalization evolves over time?
5. What can we learn from different vantage points on the evolution of processes, such as studies of micro-processes of internationalization as opposed to studies of internationalization that relate firm processes to broader industry and societal networks and structures?
6. How can we go beyond studying changes in modes and new market entries, to other events and sequences? What happens in between these mode shifts and new entries (see e.g. Benito, Petersen and Welch 2009)?
7. How can we capture the interpreted and subjective nature of processes and temporality (see Middleton, Liesch and Steen 2011)?

However, in order to pursue the full potential of a process agenda, Langley et al. (2013) emphasise the need to go beyond the bounds of traditional research, which is variance rather than process based. This requires shifting from questions about co-variational relationships to questions about how and why sequences and events occur the way they do; from linear to complex causality that incorporates feedback loops, interdependence and causal configurations; from temporality being assumed away to temporality being part of the explanation. It also requires a more sophisticated understanding of time than treating it as a unit to be measured. There is no single approach to studying process: different traditions have emerged, linked to different philosophical assumptions (for a review, see Staeyaert 2007). However, whichever lens is used, it will require a shift in methodological approaches, the topic of the next section.

New approaches to inquiry

Bringing the process aspect of the internationalization process model to the fore does not just allow for new questions to be placed on the agenda: it also provides us the opportunity to reflect on our own practices as a scholarly community. Johanson and Vahlne offer not just a model but a mode of inquiry (see Dubois and Araujo 2004 for a similar argument in relation to Jan Johanson's licentiate findings on business relationships). Their model also demonstrates the insights that can be gained through extended, in-depth fieldwork. But doing in-depth field studies is not enough. In order to develop a plausible and durable theory, as researchers we also need a certain approach to inquiry,

to avoid being trapped by our theoretical assumptions. We need to be armed with existing theories, but not blinded by them. We need to listen to the surprises we encounter in the field, rather than imposing existing theoretical categories on the fragments of data we are assembling. Then, when our existing theoretical assumptions break down, we need to read widely and beyond the immediacy of our own field, to provide theoretical ballast for an alternative explanation. In 1992, Johanson, together with Forsgren, give credit to Sune Carlson for having instilled in his students this practice of constantly confronting theory with evidence from the field:

> When he started the international business research program, Carlson told us that, first and foremost, we had to empirically investigate international business ….Through a painful process we slowly learnt that business facts are not always consistent with business theory. He taught us to believe in facts rather than theoretical assumptions, so we were forced to organize the facts on the basis of new concepts and theories. (p. xvii)

While Forsgren and Johanson (1992) call this an inductive approach, from the perspective of more recent methodological scholarship it would be denoted as abductive: the scholar enters the field with a theoretical starting point, but one that is successively modified and even replaced altogether as a result of empirical insights that challenge it (Dubois and Gadde 2002, 2014). In current methodological discussions, abduction is increasingly being seen as the source of novel theoretical insights. Since Carlson's time, new philosophical trends have undermined confidence in our ability as scholars to discover, unproblematically, 'facts' and 'truths' about the world we study. Facts are social artifacts, constructed by those we study and also by ourselves. However, the abductive process is crucial in enabling us to question the theoretical lenses through which we view the world and to overcome the limitations of our own assumptions.

Sune Carlson's group used a mixed-method approach to research. Carlson's (1975) review of the international business group's research activities refers to studies based on a wide array of methods, including multiple regression analysis and other statistical methods, and even experiments. Insights from field interviews clearly played a vital role in developing the theoretical model. It was during interviews that Carlson's students began to realise that the received theories they had been taught had limited explanatory value:

> My interviews could be called lightly structured open-ended interviews which perhaps most resembled discussions. My questions stemmed from microeconomic theory. The interviewees' knowledge was almost entirely based on their practical experiences of selling special steel internationally. The interviews revealed an enormous gap between our worldviews. The managers obviously thought I was completely ignorant of reality. And I never got answers to my questions.

> During the interviews, there was tension in the air that the experienced interviewees broke up towards the end by proposing that I should stick to my theories, which probably were fine, but they would continue working as before. Their industry was probably so special that the theories didn't fit.

Although in-depth, open-ended interviews clearly were a transformational (if somewhat traumatic) point in the development of the internationalisation process model, quantitative research was also useful in establishing the empirical patterns that needed explaining, and to test emerging hypotheses. This judicious combination of qualitative and quantitative research would, again, seem to be of considerable relevance today. However, the experience of the Uppsala program also suggests that the selection of the qualitative and quantitative methods being deployed also need to be carefully thought through. In terms of quantitative research, the Uppsala experience suggests the need to go beyond comparative statics. As Johanson (2010) has subsequently explained, the Uppsala researchers did consider going down the path of comparative statics, but realized that this would not produce an explanation that would factor in process: 'Time does not exist in that world, and obviously, therefore, development over time lay outside the theory' (Johanson in Forsgren and Johanson 2010, p. 285). However, quantitative research can (and we are suggesting should) go beyond comparative statics and the use of proxy variables (such as firm age) rather than the study of processes. We would argue that a renewal of quantitative approaches is possible in today's context, given the widespread availability and expanding range of longitudinal techniques.

While it would seem that qualitative research would be able to incorporate process more readily, we would caution against assuming that a qualitative study is necessarily process oriented. Much depends on how the qualitative study is conducted. As Paavilainen-Mäntymäki and Welch (2013) have discussed, there are many ways to 'kill' the process in the course of a case study: posing a research question that does not ask about 'how and why', assembling a cross-sectional dataset; reducing data analysis to the identification of themes and categories, rather than tracing processes; and not using the process findings when elaborating the theoretical contribution of the study. We would add that the current preference for multiple rather single case studies also makes it more likely that when deciding on the tradeoff between depth and breadth, researchers are more likely to sacrifice the rich detail required for process data and analysis. However, before making this tradeoff (or, as a reviewer, rushing to advise such a tradeoff be made) it is worth recalling that, as Langley et al. (2013: p. 7) emphasise: 'the sample size for a process study is *not* the number of cases, but the number of *temporal observations'*. Undertaking a process study therefore requires us to reevaluate some of our established practices and assumptions regarding qualitative research design, as well as turning to methods that have been under-utilised, such as historical methods.

Conclusion

International business scholars are well-practised with the location tenet: namely, that where activities are undertaken is fundamental to the field – location matters. Our intent with this Focused Issue is to reinforce this tenet, but to broaden it from its geographical heritage to assert its also being time-based. We are reinforcing the proposition that much of our international business research needs to be located temporally – international business is spatially and temporally located. In particular, internationalisation research is both spatially and temporally located. Internationalising is a complex flow of processes.

The reception and history of the internationalisation process model says just as much (or more) about us as a field as it does about the model itself. Our process reading has exposed weaknesses and misunderstandings in the way in which the model has been interpreted. While ours is yet another interpretation, we argue that its advantage is that it provides both internationalisation and IE research (or at least, those IE scholars interested in internationalisation processes) with a promising and revitalised research agenda. This interpretation will require the field to examine and overturn some existing assumptions and practices, but questioning what we take for granted is ultimately how novel theorising can be generated. That is the challenge – and the opportunity - that we are offering for future research.

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