



available at [www.sciencedirect.com](http://www.sciencedirect.com)



journal homepage: <http://www.elsevier.com/locate/scaman>



# From a distance and detached to up close and personal: Bridging strategic and cross-cultural perspectives in international management research and practice

Mary Yoko Brannen<sup>a,b,\*</sup>, Yves L. Doz<sup>c,d</sup>

<sup>a</sup> Professor of Strategy and Management, INSEAD, France

<sup>b</sup> The Spansion Chair of Multicultural Integration, Lucas Graduate School of Business, San José State University, United States

<sup>c</sup> The Timkin Chair of Global Technology and Innovation, Business Policy, INSEAD, France

<sup>d</sup> Professor of International Management, Helsinki School of Economics, Aalto University, Finland

## KEYWORDS

International business;  
International strategy;  
Cross-cultural  
management;  
Research paradigms

**Abstract** Despite its remarkable achievements, the field of international business (IB) is under attack; its legitimacy and importance are challenged. Structural weaknesses, in particular the existence of two subfields — one drawing on economics and strategy, the other on cross-cultural studies — have contributed to IB, but have failed to build the micro-process bridges that would have united and distinguished the field. The sociology of the field with its dominant positivist research paradigm also has not helped. We propose a multi-method, paradigmatic interplay approach to IB research for building intellectual bridges that would draw on the unique demographics of IB researchers and allow the field to be more united and hopefully produce stronger, more relevant research.

© 2010 Published by Elsevier Ltd.

“There isn’t really any need for IB as a separate field, I already develop and teach cases done with companies from all around the world and my students themselves come from so many countries.”

The authors recently heard this statement from a renowned strategy scholar. The statement is pretty unremarkable—it merely echoes what we have heard oftentimes before. The Dean at a top five Business School in the U.S., the

Associate Dean for Executive Education at a leading international business school, and many others share this sentiment. Put concisely, the refrain seems to be, “We don’t need IB”. And, indeed, over at least the past decade business schools have been closing down their IB groups and assimilating whatever faculty are left into other disciplinary departments. Even once renowned IB departments such as those at Indiana University, The University of Michigan, New York University and the Stockholm School of Economics have met this same fate. Despite the success of the US Government’s sponsorship of the Center for International Business and Economics Research (CIBER) program over the past few years, for one IB group that becomes a flagship of its school, like the Sonoco International Business Department at the

\* Corresponding author at: Strategy and Management, INSEAD, France.

E-mail address: [mary-yoko.brannen@insead.edu](mailto:mary-yoko.brannen@insead.edu) (M.Y. Brannen).

University of South Carolina, how many die a quiet death, unnoticed?

As “international divisions” once played a key role in fostering the global reach of US multinational companies (MNCs) only to be disbanded once companies had internationalized, a parallel argument can be made about IB research: other fields, such as strategy, finance or organization theory now incorporate into their mainstream research and publications growing international dimensions. Discipline rather than phenomena based fields follow a similar trend. This affects not only the awareness of international dimensions in what is published but also a lesser US domination of authors and contributors. Does that mean that IB is a victim of its own success? Or, put more bluntly, has IB outlasted its usefulness?

The current financial crisis and severe economic recession add to IB’s short-term woes in several ways. First, the globalization phenomenon has been on hold and under more suspicion and criticism than ever—something we have not seen since World War II and the Great Depression. Consequently the tide of globalization has ebbed at least temporarily. World trade has contracted. Many companies are retreating from foreign markets to focus on domestic bases. Resource constraints and market volatility scuttle planned cross-border mergers and acquisitions, although clearly the fall in stock market valuation has a strong mitigating effect there. The very phenomena on which IB thrived are becoming less vibrant. Second, with melting endowments, impoverished donors, and much tighter public budgets, many universities and especially business schools have had to pare down their activities. IB departments make easier targets as compared to traditional discipline-based academic departments whose existence are generally left unquestioned. The relatively high cost of some IB teaching activities such as study-abroad or global MBA programs makes them even more vulnerable to funding restrictions. How did we become such an easy target?

## A critical summary of the IB field from the strategy and culture perspectives

The richness and variety as well as the scope of IB as a domain for research makes any attempt at a full summary of each perspective within the limits of a single article at best a schematic caricature, and at worst a Quixotic attempt. Let’s however, knowing full well the difficulty of such an exercise, attempt to highlight a few historical points that made the dialogue between perspectives difficult and the emergence of an integrated IB paradigm fairly impossible. A core starting weakness of the IB field is that its very title defines it as a geographical domain – the world, or at least its non-domestic part – and, except for this vast scope, in principle little else unites the field. Beyond an amalgam of techniques and tools for managers to navigate or even take advantage of the world as playing field, like foreign exchange hedging, international tax-optimization, strategic trade theories, comparative data on international HR practices, static national cultural characteristics and the like, IB has no particularly unifying content.

In essence, IB lacks both a core paradigm and a central justifying research question. Given this, how could IB ever have become a distinct field or even mobilized disparate disciplines to shed light on a focused research agenda? Economists for instance almost all accept the neoclassical

equilibrium paradigm within which to situate their work. Even strategy scholars, who differ widely in their methods and underlying disciplines (and whose work consequently ends up reminding us of the parable of the 10 blind men touching the elephant) and lack a unifying research paradigm, at least can generally agree that they are in their diverse ways addressing the same central question—namely, “How do we explain the persistence of different returns between competing firms?”<sup>1</sup>

This original lack of a central question that might have unified the IB research agenda and provided the building blocks for an IB research paradigm left room for multiple unrelated entry points into IB, many of which can be broadly clustered around the two initiating perspectives that provide the theme for this special forum—strategy and cross-cultural studies. Although seemingly quite disparate, in similar ways as we will show, both perspectives fell short in defining our field. The strategy perspective, that evolved out of an economics driven view, took a dynamic approach and moved from one emergent international competition issue to another—from foreign direct investment, to multinationals, to globalization. Cross-cultural studies looked for meaningful and important differences between countries and strove for enduring national cultural classifications of management behavior, values and basic assumptions. Both approaches were useful and complementary, but neither developed a central research question, let alone a shared IB paradigm, around which researchers could rally.

In this article, we first review the contributions of these two IB perspectives and their limits starting with the early economics perspective that eventually evolved into the strategy perspective. We then argue that, albeit from very different starting points, each suffers from a common limitation in providing a justification, or “raison d’être”, for the field of IB. We propose that both approaches remain too distant from the phenomena they purport to explain to provide us with integrated relevant insights that could serve as the building blocks for an IB research paradigm. We explore how this distant and detached view came about relating it in particular to the sociology of the IB field itself and its particular epistemological entrenchment over time. We suggest that IB scholars may have sadly missed an important opportunity to leverage their multinational sensibilities and concomitant unique research competencies to gain a leading edge position defining a field, while unwittingly relegating themselves to the trailing edge of underlying disciplines. Finally, we conclude on a hopeful note by offering a framework for conceptualizing and reclaiming the IB research paradigm and making it our own.

## The early economics perspective: surfing the crests

The IB field, created by economists in response to the resurgence of international trade and foreign direct investment

<sup>1</sup> A parallel question has been proposed by Cheng, Henisz, Roth, and Swaminathan (2009) as a central question for the IB field, i.e., how to explain differences in internationalization success among otherwise comparable firms.

Download English Version:

<https://daneshyari.com/en/article/895894>

Download Persian Version:

<https://daneshyari.com/article/895894>

[Daneshyari.com](https://daneshyari.com)