What is Internationalization? An Analysis of its Conceptual Dimensions and Analytical Components

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The meanings and uses of the concept of internationalization are not without confusion. Since its early appearance, the term has been used to address a number of phenomena, subject matter, circumstances and levels of analysis, so that comprehensively grasping its conceptual meaning is not always an easy task. This paper concisely discusses the concept of internationalization as considered in the specialized literature with particular emphasis to its conceptual dimensions and components. This exercise is motivated by the fact that despite there is much agreement that internationalization is a complex and multifaceted phenomenon, there has been little appreciation and theoretical articulation of its conceptual domains and components in the specialized literature. This mainly fails young internationalization students entering the field, weakens a comprehensive understanding of the empirical phenomenon, and in many ways is likely to impair scientific advance. Considering this the study articulates process, content and context dimensions of internationalization, and theoretically discusses their chief analytical components, namely: location, subject-domain, mode of operation, direction, and time.

**Marco Teórico:**
By the end of the 1980s, Welch and Luostarinen (1999 [1988]) observed that internationalization was not a clearly conceptualized phenomenon. In reviewing the evolution of the concept, they observed that researchers were conceptualizing internationalization as an “outward movement towards firms’ engagement in international operations” (Welch & Luostarinen, 1999: 84). They contended that internationalization is not just an outward movement, but a process that could assume both directions: inward and outward. Building on this view, they proposed a definition that became one of the most recognized and accepted within the specialized literature. They argued that internationalization is “the process of increasing involvement in international operations” (Welch & Luostarinen, 1999: 84). Further other concomitants to the concept were proposed. Despite specific distinctions, there is substantial agreement with the view that internationalization is a process and, moreover, that it is a process encompassing international involvement or, the establishment of linkages beyond the borders of a particular national context. These cross-border links have been typically expressed in terms of ‘engagement in international operations’, ‘international transactions’, ‘transference of resources across borders’, ‘entry into new country markets’, ‘foreign sales’ and others. That internationalization is a process has been accepted either explicitly or implicitly in most, if not all, understandings of the term. Through the lens of process, theorists suggest that internationalization is not a single event, but rather an ongoing flow of events over time. Nevertheless, to say that internationalization is a process is also to recognize that it is a constant flow of changing states (Melin, 1992). This understanding admits that when firms internationalize, something becomes different. Melin argues that the dichotomy between process and content is misleading and should be avoided in international management research. It must be noted that as a process of changing content internationalization does not exist in a vacuum, but rather develops within a context. What these observations suggest is that although in the specialized literature internationalization is typically conceptualized as a process, it can also be characterized as content and context. When considering that internationalization encompasses both process, content and context, five analytical components emerge out as key related aspects typically recognized in the specialized literature, namely: (1) location, (2) subject-domain, (3) mode of operation, (4)
direction, and (5) time. Location considers the contextual dimension of internationalization and addresses choices regarding where cross-border links are established. Subject-domain refers to the content dimension of internationalization and considers the fact that cross-border links address particular subject-domains within the organizational realm. Mode of operation, direction and time address the process dimension of internationalization. The first considers that cross-border links may take different forms or happen under different methods or modes of operation. The second recognizes that cross-border links may take either outward or inward orientation. The third acknowledges that cross-border links are established within specific points of time.

**Resultados e contribuições do trabalho para a área:**

The exercise of comprehensively revising the concept of internationalization in this paper observed that in the specialized literature, internationalization has been typically regarded as a process characterized by the establishment of cross-border links. Whilst a process the review observed that internationalization also encompasses a content and context dimension. While the lens of process favours a consideration of ‘how’ internationalization is put forward, the focus on content questions ‘what’ changes in this process, and the context lens appreciates the circumstances ‘where’ internationalization takes place. Although the study notes that this conceptual distinction is somewhat artificial and orthodox (in strategy research), it argues that this distinction is particularly useful for studying internationalization. First, it highlights critical dimensions of internationalization phenomena. Second, it favours a more balanced consideration of different dimensions in empirical investigation. Third, it encourages questioning about how process, content and context of internationalization can be theoretically integrated and modelled. Fourth, it facilitates the theoretical consideration of key analytical components implicit in each of these internationalization dimensions. Recognizing internationalization as both process, content and context set the background for acknowledging and discussing five of its chief analytical components, namely location, subject-domain, mode of operation, direction and time. Location was argued to refers to the contextual geographic-territorial, socio-cultural, economic and political circumstance where foreign links are established by firms. Subject-domain considered what is addressed within the organizational realm in the establishment of a cross-border link, namely product/markets, assets, value chain, global production chain, governance, and mindset/culture. It has been argued that internationalization of one particular domain does not mean the internationalization of others to a similar degree; and that managerial choice is likely to play a relevant role on the content or what is internationalized within a firm. Mode of operation considered how cross-border links are established, i.e. by the means of trade and/or investment operations. Direction addressed whether foreign linkages established are inward or outwardly oriented. Finally, time referred to when cross-border links are established. From a chronological perspective internationalization was argued to encompass a beginning, duration, speed, and rhythm. From a social perspective time in internationalization can be considered to encompass a socially-experienced and constructed meaning and therefore to be plural, relative and vary between contexts, individuals, organizations and societies. Three major contributions are envisioned from the efforts put forward in this paper. First, it overtly discusses key dimension and components implicit in the concept of internationalization. Notably, these are not necessarily new but their apprehension is not readily accessible given their scattered dispersion in the specialized literature. In so doing, it offers a concise theoretical and analytical framework for understanding the concept of internationalization. This seems particularly relevant for young students entering the field. Second, the theoretical articulation of different dimensions and components as considered in the paper offers a more comprehensive view of internationalization than the one typically found in the specialized
literature. This seems particular relevant if considered that the relentless misuse of the concept has favoured an unbalanced emphasis towards particular aspects of internationalization while ignoring others. Third, the paper offers a platform for further consideration, discussion and advance in the concept of internationalization and empirical investigation.

Referências bibliográficas: