Interdependence across the Firm’s International Trajectories

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Scholarly field of internationalization, especially those represented by theoretical and empirical works grounded on more history-, context- and process-oriented approaches (Benito, Petersen & Welch, 2009) such as Innovation-Related Internationalization Models (Cavusgil, 1980) and the Uppsala Internationalization Model (Johanson & Vahlne, 1977, 1990, 2003, 2009, 2011, 2013), has traditionally regarded the internationalization of the firm as a pool of processes, herein international trajectories, that independently unfold in different host countries (Fortanier & Van Tulder, 2009). These works are, however, underpinned by a simplifying, yet implicit assumption (Clark & Mallory, 1997; Clark, Pugh & Mallory, 1997): that the firm’s international trajectories are independent of each other. This means that a firm’s trajectory in, for instance, foreign market A has negligible effects on its trajectory in, for example, foreign market B; or, if it does have any effect at all, it is supposed that it is rapidly washed away. The internationalization of the firm is therefore viewed as the sum of discrete international trajectories (Maitland, Rose & Nicholás, 2005), in a way corresponding to processes that evolve unconnectedly to each other in geographical contexts separated by national borders (Beugelsdijk & Mudambi, 2013). In line with Clark and Mallory (1997), we posit that this conception represents a partial understanding of the internationalization of the firm. In order to help correct this, Johanson and Mattsson (1988) and Johanson and Vahlne (1990) have paid attention to the other side of the coin: that the internationalization of the firm can be the result of interdependent international trajectories.

Marco Teórico
Models of the internationalization of the firm that are more history-, context- and process-oriented (Andersen, 1993) aim to shed light on a firm’s international trajectory (Fortanier & Van Tulder, 2009), that is, a sequence of causally connected events that is triggered as the firm ventures in a foreign market (Gao & Pan, 2010). Of special interest is the idea advanced by Casson (1994) that these models, in particular the earlier Uppsala studies (Johanson & Vahlne, 1977), subscribe to the idea that the firm enters one or very few psychically closer foreign markets in a given time span (Hadjikhani, Hadjikhani, & Thilenius, 2014) and then sequentially commits more tangible and intangible resources to this market (Rocha, Melo, Pacheco & Farias, 2012). As Forsgren (2002) points out, the firm is suggested to avoid simultaneous entries in different host countries. By resuming Johanson and Mattsson’s (1988) and Johanson and Vahlne’s (1990) contention, we take a different, yet complementary view as we propose relaxing the assumption of independence across the firm’s international trajectories as an avenue to build a finer-grained understanding of the internationalization of the firm. In doing so, we take into account that a firm’s particular international trajectory is liable to affect and be affected by the firm’s other international trajectories (Nachum & Sangyoung, 2011). As Kutschker, Baurle and Schmidt (1997) forcefully suggest, an important dimension of the internationalization of the firm is the interlinked value-added activities performed in different foreign markets. If this holds, the firm’s international trajectories must be analyzed accordingly. Our analytical framework aims to take into account the interdependence across the firm’s international trajectories. Its starting point is that the firm’s international trajectories co-evolve in distinct, yet overlapping networks that cover at least one foreign market (Mattsson, 1998; Wang & Suh, 2009). This means that the evolution of a given trajectory is contingent on the evolution of the other trajectories of the firm. In more detail, our analytical framework comprises two building blocks. The first corresponds to the international trajectory itself, whereas the second refers to the interdependence across distinct...
international trajectories. In relation to the former, we follow extant models of the internationalization of the firm to the extent that they depict an international trajectory as composed of two connected processes, the earliest considered as compulsory: (i) how the firm chooses a foreign market entry mode (Benito, Petersen & Welch, 2009) and (ii) how this initial choice shifts over time (Benito, Pedersen & Petersen, 2005; Gao & Pan, 2010). In relation to the latter, interdependence is defined as a “series of interconnected moves” (Nachum & Sangyoung, 2011, p.382) between at least two international trajectories of the firm. We posit that these moves reflect the evolving nature of intra or inter-organizational relationships developed by actors who are, at the end of the day, the agents of the international trajectories (Johanson & Vahlne, 2009). As a driving force, the interdependence across the firm’s international trajectories has the causal power to reinforce a particular trajectory (Nachum & Sangyoung, 2011). Alternatively, it can either change the trajectory direction or speed it up through mode leapfrogging. More radically, this type of interdependence can even entail divestment by making a particular trajectory redundant (Benito & Welch, 1997).

Método de investigação se pertinente
Epistemologically aligned with process-oriented models of internationalization of the firm (Benito, Petersen & Welch, 1999) we selected a backward-looking longitudinal case study as a research method (Burgelman, 2011; Langley, Smallman, Tsoukas & Van de Ven, 2013). Due to previous inter-personal relationships, we got the consent from the first firm invited to participate in the research. By the time we finished the data collection, TEC (fictitious name), our empirical case, operated in four foreign markets (U.S., Japan, China and Argentina). We were fortunate to build its four international trajectories from the outset based on an extensive data collection. All secondary data resulted in nearly 900 pages of double-spaced text. Our primary data came from 19 semi-structured, face-to-face interviews made in two rounds. Even though we started analyzing data inasmuch as we collected them (Eisenhardt, 1989; Sinkovics & Afoldi, 2012), a more systematic data analysis was carried out after we finished the interviews. Initially, it involved merging secondary and primary texts based on the excerpts that were more closely related to our research objective. Subsequently, we advanced the data analysis by following the guidelines proposed by Langley (1999) and George and Bennett (2005) to carry out a process-oriented analysis (Langley, Smallman, Tsoukas & Van de Ven, 2013). Therefore, for each international trajectory we pinpointed the foreign market entry mode and the subsequent modal shifts provided either dimension had changed. We then proceeded with data analysis by writing a first draft of each trajectory. We opted to chronologically order them (Halinen, Medlin & Tornroos, 2012), i.e, by highlighting the month and the year they took place. At the end of this stage, we were able to build TEC’s four international trajectories and comprehend how, why and when each event took place in each one of them. We then summarized these findings by drawing four diagrams, each one corresponding to an international trajectory, so as to have a visual map of TEC’s overall extent of internationalization (Langley, 1999). Our last step was to identify the interdependence across TEC’s four international trajectories, that is to say, the existence of interconnected moves between at least two trajectories (Nachum & Sangyoung, 2011).

Resultados e contribuições do trabalho para a área
Our first and foremost result points out that the internationalization of TEC is explained with reference to the interdependence across its four international trajectories (Nachum & Sangyoung, 2011). Whilst analyzing a particular international trajectory of TEC, we realized that we could only understand it in its entirety on the condition that we took into account some of TEC’s other international trajectories. That is, the driving force of either the entry
mode or the modal shift of a given trajectory was traced back to another international trajectory of the firm. In addition, we showed that the entry into the Chinese market was related to both TEC’s American and Japanese trajectories (INTER-2). By the same token, TEC’s trajectory in the U.S. was called for in order to comprehend the entry mode (INTER-3) as well as the first modal shift (INTER-4) in Argentina. In bringing the interdependence across the firm’s international trajectories to the forefront we highlight a driving force in the internationalization of the firm that has been neglected in the literature (Fortanier & Van Tulder, 2009). In doing so, we put forward an alternative, yet complementary (and more nuanced) view of the internationalization of the firm. Rather than an aggregation of discrete international trajectories (Maitland, Rose & Nicholas, 2005; Fortanier & Van Tulder, 2009), we suggest that the internationalization of the firm is better conceptualized as a pool of interdependent international trajectories. In this sense, this first result can be viewed as a response to Johanson and Vahlne’s (1990) plea. Our second result suggests that the interdependence across the firm’s international trajectories is susceptible to temporality (Nachum & Sangyoung, 2011). As illustrated by TEC’s four international trajectories, the interdependence across them took place in different phases. Our case study is particularly elucidative of the interconnectedness between the modal shift in trajectory N and the entry mode in trajectory N-1 (INTER-1, INTER-2, INTER-3) and the modal shift N in trajectory N and the modal shift N in trajectory N-1 (INTER-4). Therefore, our second result makes the time dimension of the interdependence across the firm’s international trajectories explicit. In doing so, it helps fill a gap brought about by Casillas, Moreno and Acedo (2012, p.465). According to them, “although previous literature assumes the dynamic nature of internationalization process, the great majority of investigations carried out over recent decades have taken a cross-section approach which relegates the role of time to a secondary level in research into the internationalization process”. Our third result indicates that one of the driving forces of the interdependence across the firm’s international trajectories is its relationships with local or foreign customers. Given that, our third result highlights a specific type of relationship (Shipilov & Li, 2012) as a driving force of the interdependence across the firm’s international trajectories. Although this type of relationship has been acknowledged in the literature as pivotal to the internationalization of the firm (Himmersson & Jansson, 2012; Freeman, Hutchings & Chetty, 2012; Chandra, Styles & Wilkinson, 2012), to the best of our knowledge, its role in the interdependence across the firm’s international trajectories has yet scarcely been reported (Chetty & Eriksson, 2002). Finally, our last result suggests that the internationalization of the firm involves simultaneously interdependent trajectories (Wang & Suh, 2009). This can be viewed in TEC’s internationalization from 2005 onwards. At that year, the international trajectory in the U.S. went through the second modal shift while the international trajectory in Japan was initiated. This result is particularly interesting as it shows that the path to a firm to become a multinational involves triggering, at a certain point, simultaneously international trajectories in psychically distant countries. We suggest that the interdependence across them is the driving force behind it.

Referências bibliográficas


