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## Editorial: international management research – quo vadis?

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Markus Pudelko is Professor of International Business at the University of Tübingen, Germany. Before joining his current institution, he worked for eight years for the University of Edinburgh Business School. His current research is on multinational teams, the impact of language on international business, headquarters-subsidiary relationships, international and comparative HRM and cross-cultural management. He has published on these topics in books, book chapters and journals, such as *Journal of International Business Studies*, *Journal of World Business*, *Human Resource Management*, *Leadership Quarterly*, *Long Range Planning*, *Organizational Dynamics* and *International Journal of Human Resource Management*. He has received several research awards, among others from the Academy of Management and the Academy of International Business.

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Over recent years, the discipline of international management research has continued to gain more attention and past reviews attest to the growing pervasiveness of international management research not only in traditional international management journals but also in general management outlets (Pisani, 2009). This trend is also reflected in the

international management division now being the 4th largest division of the Academy of Management, and the continued growth of the division's membership, especially among non-US members (IM Division Review, 2011). The increased attention that international management research has received is not surprising given the globalisation of business and greater prevalence of global, cross-national forms of work (Hinds et al., 2011).

At the same time, scholars have also found that only a minority of published articles in the international management field are purely international (Werner, 2002) or adequately account for the role of context in explaining management phenomena around the world (Tsui, 2007). In other words, it appears as if academic research currently does not fully reflect the many facets that international managers and organisations are encountering and grappling with. We argue that this may be due to four particular shortcomings in international management research. In the following, we discuss fruitful avenues for future international management research, focusing on its main actors, the primary interactions and relationships studied, the type and scope of variables used, and relevant contextual factors.

A first shortcoming refers to the predominant actors that international management scholars examine. The multinational corporation (MNC) continues to serve as the most studied organisational form in international management research and scholars have called for using MNCs as a research context not only to study MNC-specific phenomena but also to test existing theories and develop new theory that might be valid for a broader context (Roth and Kostova, 2003). However, the stand-alone, publicly held MNC, which is often the centre of attention, is not nearly as common as academic research would let us assume, even among large businesses (La Porta et al., 1999). Instead, family-owned firms, state-owned enterprises or cross-holdings feature prominently in many countries but have received relatively less research attention (for an exception see e.g. Cuervo-Cazurra et al., 2014). In addition, many smaller firms are highly internationalised yet have very different internationalisation trajectories than traditional MNCs, as in the case of born globals (Knight and Cavusgil, 2004), and scholars have pointed to our incomplete understanding of how such companies develop and implement their internationalisation strategies (Zander et al., 2015). We would therefore argue that in order to develop new theory it is important to explicitly differentiate among the various types of MNCs and clearly define which type serves as the focal context for a given research project.

This undifferentiated actor focus is also reflected at the individual level of analysis, where research has predominantly concentrated on parent-country expatriates as agents of coordination, control and resource exchange. Recent evidence suggests that other types of international assignees, including inpatriates and third country nationals, are being increasingly deployed by MNCs (Harzing et al., 2015), and scholars have acknowledged the increasing fragmentation of forms of global mobility (Collings et al., 2007). However, while important progress is being made we would argue that these different types continue to be insufficiently covered by academic research. A group of actors that has received growing interest over recent years are self-initiated expatriates, conceptualised as individuals who initiate and typically finance their own expatriation (Doherty, 2013). Although accounting for self-initiated mobility substantially increases the available pool of international staff, organisations also face a set of different issues in managing these employees that deserve further research attention, for example in terms of how to manage their adjustment and retention. Several other groups of actors relevant to international management research come to mind, including global leaders, bi- or

multicultural individuals, and even host country nationals. Whereas research on these groups has been growing it remains plagued by issues related to their definition, conceptualisation, and operationalisation (Fitzsimmons, 2013; Mendenhall et al., 2012) – as is characteristic for nascent fields of research.

At the team level, scholars have increasingly recognised the role and inherent challenges of geographically dispersed teams as a context for conducting cross-boundary work (e.g., Hinds and Mortensen, 2005). At the same time, relatively less work has examined the implications for how leadership is distributed *within* these teams. For example, it is likely that various actors take on and share leadership responsibilities (Bell and Kozlowski, 2002). We would therefore welcome further work on some of the aforementioned understudied groups of actors, but we would also encourage specific attention to research at the intersection between organisational, team and individual actors (see e.g., Hajro and Pudelko, 2010). These studies could examine, for example, types of global mobility across different organisational forms, or the use of geographically dispersed teams in different types of MNCs.

A second shortcoming refers to the types of interactions and relationships that are typically considered by international management researchers. At a macro level, this for example concerns the scope of global connectedness between countries. Empirical evidence seems to indicate a still fairly limited scale of globalisation (Ghemawat and Altman, 2014). From a policy perspective, this begs the question how further cross-border integration can best be fostered, which requires a better understanding of the drivers and barriers to global connectedness. The limited scale of global connectedness has also been demonstrated at the organisational level, with most MNCs operating at a regional rather than truly global level (Ghemawat, 2007; Rugman and Verbeke, 2004). Concerning the type of relationships studied, it has been common to focus on interactions between organisational units, mainly between the corporate headquarters (HQ) and its subsidiaries whereas at the individual level expatriates again serve as the primary conduits of relationships. However, many other connections are indispensable for advancing our knowledge about international management phenomena. For example, scholars have pointed to organisations' need to manage multiple embeddedness, not only to exploit the differences and similarities of their multiple host locations, but also to balance their internal embeddedness in the organisational network with their external embeddedness in the host environment (Meyer et al., 2011). To achieve this, an organisation must manage a range of relevant stakeholder interactions, including other organisational units, the local workforce, government agencies, regulators, competitors, alliance partners, customers, suppliers, industry consortia, non-governmental organisations and the media.

Similarly, the international assignment literature has been largely limited to the assignee and his or her links with different organisational units more generally without accounting for other relevant stakeholders that can facilitate the experience of the employee (Takeuchi, 2010). The limited available research for example has highlighted the role of host country nationals (Toh and DeNisi, 2007) and family members (Lazarova et al., 2010) as important providers of support for international assignees. Considering the role of different stakeholders will require scholars to design studies that carefully match international assignees with different constituents. Further, given the increase in virtual forms of collaboration in globally dispersed work (Hinds et al., 2011) we would also encourage more research understanding the nature and depth of interactions that are developed and maintained across distance. Recent research at the team level for example

points to the role of distributing leadership to virtual team members by way of empowering leadership as a means for facilitating virtual collaboration (Hill and Bartol, 2015).

A third shortcoming inherent in current international management research is a focus on a perhaps too restricted set and scope of the substantive variables used. For example, a recent call for papers of the *Journal of International Business Studies* (Stahl et al., 2014) has highlighted the common view among international management researchers of diversity as an obstacle that needs to be overcome rather than an asset that can be leveraged, which is reflected in construct terms with negative connotations such as 'distance', 'friction', 'foreignness' or 'unfamiliarity'. Research that has highlighted the positive implications of experiencing differences, for example by leading decision-makers to more extensively prepare and plan for foreign activities and capitalise on unique opportunities for differentiation (Evans and Mavondo, 2002), or increase individuals' creativity for effective problem solving (Maddux et al., 2010) is much scarcer.

Further, whereas performance measures ideally form an integral part of any empirical management study, there is scope for examining more intermediate outcome variables too. For example, given the potential benefits of increased diversity in top management teams, which however remains at a fairly paltry level for most Fortune Global 500 companies (Ghemawat and Vantrappen, forthcoming), one could consider using such diversity as an additional outcome variable. Similarly, our understanding of several important outcome variables also continues to be somewhat superficial. Take the burgeoning literature on knowledge transfer in MNCs as an example. We already know a lot about the drivers of MNC knowledge flows and yet many questions remain unanswered. One reason for this shortcoming is the multi-level nature of knowledge transfer that occurs at the individual, dyadic, team and organisational levels. Currently, this is however insufficiently captured in empirical studies (Michailova and Mustaffa, 2012; Song, 2014), thereby limiting the depth and process orientation of our understanding of knowledge transfer. We would therefore encourage research to consider a broader set of relevant variables, and explicitly define them at their respective focal level of analysis and in terms of the interrelations across different levels of analysis.

Fourth and finally, whereas international management research has convincingly shown that culture, and national culture in particular, matters, many other potentially relevant contextual factors continue to receive rather scant attention in the literature (Harzing and Pudelko, forthcoming). In this regard, Tsui et al. (2007) have called for an explicit polycontextual approach by incorporating multiple contexts for a more holistic and valid understanding of a particular phenomenon. This of course requires accounting for the cultural context but it also entails the broader physical, historical, political, social and economic contexts. For many regions that should be of relevance to international management researchers, this will first require us to conduct more indigenous research in order to be able to adequately contrast and assess established concepts and relationships in these environments (Tsui, 2007). While a polycontextual perspective promises a richer understanding of international management phenomena it also raises the bar for conducting rigorous international research, for example by introducing additional markers of measurement invariance (e.g., Harzing et al., 2013) that include not only national or cultural categories, but also linguistic, ethnic, religious, and other societal factors.

A polycontextual approach also has implications for the design and operationalisation of research studies. For example, recent research has highlighted the role of subnational locations such as regions or cities (e.g., Goerzen et al., 2013; Mehlsen and Wernicke, this issue; Peterson and van Iterson, 2015) for MNCs' spatial investment and market entry decisions. The availability of and easy access to country-level distance scores has further tempted researchers to use existing data post hoc as substantive variables in their research studies, without adequately theorising about their proposed impact or considering whether the scores apply at lower levels of analysis that are usually of interest to international management research. Scholars have therefore called for and begun to develop alternative measures, not only for cultural and institutional factors but also for other dimensions such as linguistic differences (Reiche et al., 2015). Even regarding the cultural context itself, there is increasing criticism of the categorical and static assumptions underlying traditional cultural frameworks. For example, psychologists have pointed out that individuals' relationships to cultures are likely partial and plural, and that individuals take influences from multiple cultures, thereby becoming conduits through which cultures can influence each other (Morris et al., 2015). We would encourage such a dynamic, polycultural paradigm to also receive more prominent attention in international management research.

This Special Issue is based on contributions to the EIASM (European Institute for Advanced Studies in Management) workshop on International Management, which has provided a platform to exchange scholarly ideas in and advance the field of international management since its foundation twelve years ago. The workshop is particularly interested in papers that are interdisciplinary or multidisciplinary in nature, and which bridge theory and practice, with the aim of stimulating dialogue, cross-fertilisation and integration across disciplines. The papers in this Special Issue were drawn from the 11th and 12th editions of the workshop, which were held in Berlin (2013) and Copenhagen (2014), respectively. Taken together, the two workshops consisted of over 60 regular submissions and five keynote presentations, from which five papers were selected and further developed for the theme of this Special Issue. To that end, the papers in the issue all address one of the suggested avenues for international management research.

The first contribution, by Doz, combines elements of a perspective and an overview paper, as it provides the author's own interpretation of the evolution of international management research since its emergence. As such it offers an excellent starting point of this special issue on new avenues in international management research. The paper commences by providing reasons why international management has received less attention within international business research as it might have deserved. Subsequently, Doz traces the evolution of international management research, describing the following phases: an initial focus on macro-organisational structural choices; a subsequent emphasis on internationalisation and management decision processes; attention moving from operations towards innovation; a focus on people in project teams; and finally a shifting of attention to multicultural managers embodying the diversity of their corporate environment in themselves. Overall, Doz observes a paradigm shift that moves away from structures and formal processes towards people. The author further describes a change of interest away from diversity between people towards diversity within people and illustrates in some depth various facets of the multicultural manager. In doing so this article provides valuable contributions to the first three out of the four shortcomings we identified above: it highlights the importance of actors, including multicultural leaders

and teams; it demonstrates the importance of interactions on the micro level instead of structures and processes on the macro level; and it indicates the interrelations of core variables such as collaboration, innovation, creativity and knowledge.

The second article, by Schmid and Wurster, focuses on one particular group of actors in MNCs, international top managers, i.e. executives who possess international experience or are foreign nationals. Based on the frequently voiced assumption that international top managers are better able to respond to the challenges of internationalisation, the authors investigate whether they also obtain, as a result, a higher compensation than their national counterparts. To provide empirical insights, the article presents data on fixed and variable pay components of members of management boards of German MNCs. Supporting human capital theory, which suggests that specific skills and experience of top executives should be reflected in the level of their compensation, the authors show that international top executives indeed achieve higher market value in terms of their variable compensation than purely domestic top executives. In doing so, the paper also indicates the importance to distinguish between various forms of pay in top management compensation research. In terms of the four shortcomings we identified in International Management research, this contribution addresses the first. It demonstrates that the definition of *international* actors should not be based in an overly narrow and simplistic way according to function (e.g., a current parent-country expatriate) but can also lie in the individual biography of managers (i.e., past experience, nationality).

The third contribution, by Ren, Harrison, Shaffer and Bhaskar-Shrinivas, examines two important understudied variables in expatriate research – expatriates' personality traits and physical health. In particular, given that the relationship between expatriate adjustment and performance has rather been modest in previous research additional variables likely influence how effectively expatriates perform. To that end, Ren et al. first show that social desirability personality, a higher-order trait that reflects an individual's stability in motivational, emotional and social domains, is negatively related to health-related strains and positively related to task performance, whereas superiority striving personality, a higher-order trait that reflects an individual's flexibility in both behavioural and cognitive domains, positively relates to cultural adjustment. Based on a longitudinal sample of Indian software engineers posted abroad, the authors were also able to specify the temporal sequence of expatriates' health-related strains relative to adjustment and performance, demonstrating that health-related strains are antecedents to both adjustment and performance. Taken together, the study provides a compelling call for broadening the set of variables commonly studied in the expatriate adjustment and performance literature.

The fourth article expands the contextual focus of international management research to the subnational level. In their contribution, Mehlsen and Wernicke argue that global cities can help MNCs overcome the liability of foreignness in their cross-border expansion because global cities tend to be more cosmopolitan environments, provide easy access to advanced producer services, and have relatively higher levels of global and local interconnectedness. Drawing on a large sample of subsidiaries from Nordic and Japanese MNCs, the authors operationalise the liability of foreignness as institutional distance and analyse its impact on MNCs' worldwide location of their subsidiaries. The findings suggest that MNCs not only are more likely to locate in global cities compared to metropolitan or peripheral areas, but that their locational choices are also affected by

the level of institutional distance and by industry characteristics. By extension, these results suggest that institutional distance serves not only as a barrier but also as a potential competitive advantage that can be exploited through micro-locational strategies.

The fifth contribution, by Minbaeva, similarly relates to the role of context in international management research. Specifically, Minbaeva argues that as researchers we are only able to understand the factors driving individual behavioural variation if the individual as a focal unit of analysis is further contextualised, both by explicitly introducing individual heterogeneity into our research models, and using context heterogeneity as a source for theorising. While the argument may be intuitive, Minbaeva shows that most international management research tends to have focused on examining average individuals in average contexts. For example, she points to the important difference between intended, implemented and perceived HR practices in MNCs, highlighting that explicit theorising about these differences and their antecedents may provide a more fine-grained understanding of how macro-level organisational practices induce individual behavioural responses. Minbaeva's second argument, that the heterogeneity of the immediate context in which the individual is embedded tends to be underutilised, is related to the earlier call for taking a polycontextual perspective to international management research. Adequately contextualising individuals in international management research not only requires an explicit theoretical and methodological effort but also should ultimately result in theoretical and methodological advancements to the field.

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