Ntara, Caroline

**Article**

# The international business landscape: A look at paradigms, research gaps and new realities

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# The international business landscape: a look at paradigms, research gaps and new realities

Caroline Ntara
*UGSM-Monarch Business School Switzerland GmbH, Hagendorn-Zug, Switzerland*

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## Abstract

**Purpose** – The purpose of this paper is to analyse international business (IB) scholarship and present current gaps and new realities to enhance scholarly discourse.

**Design/methodology/approach** – The paper divides the scholarship into three distinct sections. First, it interrogates the changing definitions of the field from the 1880s to date. Secondly, IB paradigms are cross-examined while highlighting the understudied emerging interaction paradigm. Lastly, literature gaps, methodological gaps and new realities in IB are presented.

**Findings** – This research shows that IB inquiry has concentrated on firm-level paradigms, leaving the emerging interaction paradigm understudied. As a result, there is a deficit of novel ideas and limited research on critical emerging issues affecting IB. Further, simplistic methodologies are prevalent, making IB scholarship weak. Additionally, a majority of studies concentrate on the Americas, Europe and Asia, leaving Africa understudied.

**Originality/value** – This research augments the need for scholars to cross-examine the best approach to apply in IB discourse and presents gaps calling for new insights and future research directions.

**Keywords** International business, International business paradigms, Research gaps, International trade, Eclectic paradigm, Emerging interaction paradigm, Extension paradigm, Cross-border paradigm

**Paper type** Research paper

## 1. Introduction

International business (IB) as a field of inquiry has evolved over the years, with scholars interrogating phenomena specific to the economic enterprise. The research conducted by scholars over time has shaped the definition and interpretation of phenomena in IB. The earliest definition of IB was coined in the 1880s. The firm through its local activities had drawn the attention of scholars. The firm was domestic in its reach at the beginning, and later grew, reaching the global marketplace (Cyert and March, 1963; Johanson and Wiedersheim-Paul, 1975). At this point, scholarly contributions were keen to show that the firm had strategies focused on remaining within its marketplace and following domestic market trends while exporting to overseas customers. Contingent on the performance in the foreign market, firms would then resolve to have a global branch. This definition of the firm was cross-examined by many scholars such as Barney (1991), Cyert and March (1963), Davidson (1980) and Johanson and Vahlne (1990).

In the 1960s, scholars increasingly looked at the firm as a multinational enterprise or corporation (MNE or MNC), changing the definition of IB into a study that interrogates a centralised entity with local and global operations. The term foreign direct investment (FDI) was coined and became a part of the definition of IB (Cox, 1997; Li and Guisinger, 1992;



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Wright and Ricks, 1970). FDI refers to an investment taking the form of controlling rights in an economic enterprise in one country by an enterprise in another country. It would seem that in the last half of the 1960s, scholars became cognisant that the principal engines of progress in numerous contemporary industries took the form of the MNE (Jones, 2017).

Multinationals were perceived as a source of capital where key stakeholders anticipated high returns. This prompted scholars to interrogate aspects that would affect the performance of an MNE. Consequently, the term FDI added a new dimension to mean that an MNE has overseas investments that generate capital. Scholars in IB shifted their attention to this new phenomenon. FDI then advanced from the modest idea of producing capital to other critical topical areas such as market entry strategies, competition, technology transfer, culture and risk. Scholars went further and proposed theories of the MNE such as the internalisation theory, the eclectic paradigm-OLI (ownership, location and internalisation) framework (Narula and Lee, 2017) and the Uppsala model. All these theories were formulated with suggestions on how the MNE can succeed in global operations. This propelled more research interrogating the firm as the unit of study. Some of the key scholars who delved deeper into the study of the MNE include Agarwal and Ramaswami (1992), Anderson and Gatignon (1986), Au (1999), Dunning (1998), Johnson (1995), Kogut and Singh (1988), Li and Guisinger (1992), Maruca (1994), Meyer and Estrin (2001), O'Grady and Lane (1996), Rugman and Verbeke (2004), Shenkar (2012) and Sullivan (1994).

In the 1960s and 1970s, the advent of globalisation and the need to expand the MNE into a more complex enterprise brought in scholarly discussion on the transnational enterprise (TNE) or transnational corporation (TNC). Globalisation smoothed inter-country trade agreements. As a result, transnational entities became significantly widespread. The TNE presented scholars with a corporation that took advantage of the benefits of globalisation such as international production, multiple foreign investments, acquisition of assets in several countries and access to cheap labour and raw materials. Scholars considered this new phenomenon and equated it to a state's power. A firm in a host country was a representation of its home country, and its activities, whether respectable or depraved, were all associated with their country of origin. This new extensive definition came with more responsibilities and pressure due to difficulties faced while handling operations in a global setting. Scholars such as Kircher (1964), Moxon and Fagafi-nejad (1977) and Nayyar (1978) interrogated this new phenomenon of going global and its implication to the IB scene.

Lastly, bilateral and multilateral trade became part of the new definition of IB. The interrogation of borderless trade by scholars brought in a new dimension in IB inquiry. Therefore, the latest definition of IB considers the cross-border dealings of services and goods between two or more countries (Czinkota *et al.*, 2002; Kameda, 2005). This new definition enhanced scholarship on aspects such as national competitiveness, host and home country dynamics and regional trade. As the definition evolved, IB became a field that reflects on aspects beyond the firm (Toyne and Nigh, 1998). Since countries were already trading in the form of exports and imports, the MNE and the TNE, regional blocs such as the European Union (EU) and others around the world were in existence. Nevertheless, countries were facing difficulties in the full implementation of these pacts (Melo and Tsikata, 2014). According to scholars, in this period, countries started having serious considerations about regionalisation. The intention was not just to trade with each other but to reinforce relationships to increase economic gains, deal with emerging issues, have global negotiating power and raise the standards of living of citizens (Mwasha, 2011).

However, despite the clear distinction explaining the latest definition, IB scholarship is still concentrating almost entirely on the firm. The analysis in this paper shows that firm-level paradigms dominate IB inquiry and the emerging interaction paradigm is understudied. Further, topical areas such as those interrogating emergent and current issues have been left for other fields such as economics and development studies. According to scholars, the

predictable image of a solitary, characteristically monolithic enterprise across a diverse set of overseas settings has become increasingly obsolete calling for new thinking. The lack of rigour and gaps in literature and methodology dent the impact and contributions of IB as a distinct field of inquiry.

## 2. Research methodology

This research is structured as a literature review that discusses the evolution of IB (Table 1) and IB paradigms (Table 2). A comparison of scholarship on the evolution of IB, firm-level paradigms and the emerging interaction paradigm presents gaps and new realities. Table 2 presents selected scholarly contributions to illustrate the approach. However, the review uses many other notable sources in IB thought in the argumentation and synthesis.

## 3. International business paradigms

### *3.1 Firm-level paradigms*

Firm-level paradigms including the eclectic, extension and cross-border management paradigms have dominated IB scholarship. The extension paradigm describes IB as a broadening of a firm's activities beyond national boundaries. The cross-border paradigm delves into the difficulties faced by firms as they move capital and goods across borders (Peng, 2004). Unlike the extension paradigm, the cross-border paradigm considers IB as separate from country-bound business by taking into consideration the development of effective approaches to handle environmental diversity (Sullivan and Daniels, 2008). The eclectic paradigm or OLI framework studies how firms can make an FDI in line with the attractiveness that such investment brings (Kechagia and Metaxas, 2022). The eclectic paradigm studies the ownership, location and internalisation advantages of an investment (Dunning, 1980). Ownership means having the rights to a key resource that cannot be imitated, making a firm gain a competitive advantage. Location refers to the advantages a firm is exposed to in the host country such as access to critical trading routes. Internalisation refers to the advantages of coordinating activities efficiently within the confines of a firm (Dunning, 1980, 1998, 2000). However, some scholars argue that what seems to be OLI advantages are the results of choices that a firm has made (Devinney *et al.*, 2002). Over the years, the eclectic paradigm has evolved to cater to changes in the global markets (Gray, 1996). However, the evolution has been focused on the firm

**Table 1.** Historical evolution of international business thought

| Evolution of the construct | | |
|---|---|---|
| Period | Stage of evolution | Characteristics |
| 1880s | The firm | Domestic/International reach through export (Cyert and March, 1963; Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Kogut and Singh, 1988; Penrose, 1959 etc.) |
| 1960s | The multinational enterprise – MNE | Centralised headquarters/Localised national or regional operations/ Foreign direct investment – FDI (Agarwal and Ramaswami, 1992; Buckley and Casson, 1976; Dunning, 1980; Dunning, 1998; Ghoshal and Bartlett, 1990; Knickerbocker, 1973; Rugman and Verbeke, 2004; Vernon, 1971 etc.) |
| 1970s | The transnational enterprise – TNE | Centralised headquarters/Assumptions of no borders (Skully, 1976; Stewart, 1972 etc.) |
| 1990s | Globalisation | No borders, international workforce, global supply chains, etc. (Maruca, 1994; Shenkar, 2004 etc.) |
| 2000s | Bilateral and multilateral trade | Trade between states, trade blocs, treaties, customs unions, etc. (Czinkota *et al.*, 2002; Kameda, 2005 etc.) |

| Literature review approach<br>The international business landscape | | Explanation and notable scholarly contributions |
|---|---|---|
| Evolution of IB | IB has evolved from an area that discusses the firm to one that looks at trading relations between countries | Evolution begins with the firm followed by the MNE, TNE, globalisation, bilateral and multilateral trade (Table 1) (Agarwal and Ramaswami, 1992; Cyert and March, 1963; Czinkota *et al.*, 2002; Dunning, 1980; Johanson and Vahlne, 1990; Penrose, 1959; Shenkar, 2004; Skully, 1976 etc.) |
| Firm-level paradigms | *Extension paradigm* – broadening of a firm's activities across national borders | Buckley and Casson (1976) – The future of the firm<br>Barney (1991) – Firm resources and competitive advantage<br>Cyert and March (1963) – Behaviour of firms<br>Johanson and Wiedersheim-Paul (1975) – Internalisation of the firm<br>Johanson and Vahlne (1977) – Mechanism of internalisation<br>Penrose (1959) – The growth of the firm<br>Sullivan (1994) – Measuring the degree of a firm's internalisation<br>Agarwal and Ramaswami (1992) – Choice of foreign market entry<br>Vernon (1971) – Multinational spread of the firm<br>Kogut and Zander (1993) –Knowledge of the firm/MNE evolution etc |
| | *Cross-border paradigm* – Challenges faced by firms as they cross borders | Bartlett and Ghoshal (1989) – Managing across borders<br>Rugman and Verbeke (2004) – Regional and global MNE strategies<br>Skully (1976) – The TNE and its prospects<br>Kogut and Singh (1988) – National culture and foreign entry mode<br>Maruca (1994) – The right way to go global<br>Nayyar (1978) – Manufacturing exports to poor countries<br>Knickerbocker (1973) – Oligopolistic reaction to the MNE etc |
| | *Eclectic paradigm* – Ownership, location and internalisation advantages | Dunning (2000) – Ownership, location and internalisation framework<br>Dunning (1998) – Location of the multinational enterprise neglected<br>Dunning (1980) – International production<br>Dunning (2006) – Development of the MNE, etc. |
| Emerging paradigm | New thinking in IB research | Buckley and Lessard (2005) – Regain the edge of IB research<br>Buckley *et al.* (2017) – A renaissance in IB research<br>Buckley (2002) – IB running out of steam<br>Buckley and Casson (2021) – The state of IB research<br>Cavusgil *et al.* (2015) – New realities in IB research<br>Cerar *et al.* (2021) – Weaknesses in IB methodology<br>Czinkota and Ronkainen (1997) – The future of IB research<br>Eden and Nielsen (2020) – Methodologies in IB<br>Griffith *et al.* (2008) – Emerging themes in IB research<br>Fruin (2007) – Bring the world back into IB<br>Marcos (2010) – The future of IB<br>Toyne and Nigh (1998) – An expansive view of IB<br>Sullivan and Daniels (2008) – Innovation in IB research<br>Shenkar (2004) – IB in a global economy<br>Peng (2004) – The big question in IB research |
| *Synthesis of the literature and gap analysis* | | |
| Gaps in IB research | In-depth analysis of literature on evolution of IB and paradigms to denote gaps | ✓ Presentation of literature gaps, methodological gaps and new realities based on the evolution and paradigms<br>✓ Identification of key areas for further research |

**Table 2.**
Methodological approach

and how to improve global operations. Despite the variation between the three paradigms, they remain firm-level paradigms, making them needlessly limiting.

An examination of scholarly arguments on firm-level paradigms brings into perspective the reasoning behind the suggestions and criticisms requesting for a progressive paradigm. In their deliberations, Buckley and Lessard (2005) note that IB as an area of study considers the manager, the firm, the business landscape and the industry as critical levels of analysis. They contend that IB scholarship came about in response to phenomena associated with FDI, instead of trade as the major international phenomena, one that has been mainly overlooked by academia and policy-makers. Buckley (2002) agrees that IB has been focused on the firm and FDI in the context of globalisation. However, Buckley submits that the research questions seeking to investigate these areas have already been exhausted. Despite this limitation, scholars are still intent on the firm leaving out emerging facets of IB underexplored.

Sullivan and Daniels (2008) reinforce this argument by noting that this attention on the firm has instigated a shortfall in scholarly contributions, with IB research adopting more concepts from other areas and giving out less. The scholars suggest an extensive view of inquiry that can permit IB to contribute to scholarly discourse in other fields. In agreement with Sullivan and Daniels, Peng (2004) suggests that there is a shortage of ideas in IB. Contrastingly, Peng disagrees with the thinking of scholars such as Buckley (2002), Buckley and Lessard (2005) and Sullivan and Daniels (2008) that the study of IB should consider an extensive view beyond the firm. In their argument, Peng postulates that the research problem in IB is, has been and will always be preoccupied with the firm and its operations. Perhaps, in Peng's thinking, this focus on the firm validates IB scholarship. The adamant position presented by Peng could be an indication why countless scholars look at IB as solely an interrogation of the firm.

In reinforcing Peng's argument, Ferreira *et al.* (2013) interrogated top IB journals, namely, *International Business Review (IBR), Management International Review (MIR)* and *the Journal of International Business Studies (JIBS*) from 1966–2010, and shows the dominance of the firm. Comparing the citation analysis of the three journals brings out the top-cited research in IB over the years. Top cited authors such as Agarwal and Ramaswami (1992), Barney (1991), Bartlett and Ghoshal (1989), Berkema and Vermeulen (1998), Buckley and Casson (1976), Cyert and March (1963), Davidson (1980), Dunning (1980), Hofstede (1980), Johanson and Vahlne (1977, 1990), Johanson and Wiedersheim-Paul (1975), Knickerbocker (1973), Kogut and Zander (1993), Porter (1980), Rugman and D'Cruz (1993), Shenkar (2004) and Vernon (1971) concentrate on the firm, its movement across national borders, challenges faced in host country environments or ownership, location and internalisation advantages.

Nonetheless, Peng's assertions are disapproved by scholars such as Buckley *et al.* (2017), Inkpen (2001) and Toyne and Nigh (1998) as being narrow in focus because they ignore the gist of IB. It appears that Peng is seemingly challenging the legitimacy of interrogating topics like the competitiveness of nations. Peng's thinking could mean that IB scholars are unlikely to contribute to what they consider the core domain for historians, institutional economists and political scientists. According to Collinson *et al.* (2013), their position deviates from the importance of IB as a domain and curtails the impact of the field. In line with this argument, Inkpen contends that IB has not made any impact outside its domain.

In emphasising the need for topics beyond the firm, Valbuena and Montenegro (2017) add that there is a bigger appetite among IB scholars for issues outside the firm like the emergent economy and international trade. This rising appetite could be because of the singular attention on firm-level paradigms. Buckley and Casson (2021) argue that a look at IB research draws attention to emerging or new phenomena which were not foreseen when mainstream theory related to the firm was advanced. Further, Buckley and Casson note that even as scholars concentrate on the firm, generalisation of research findings is impossible,

mainstream theories are largely ignored and unnecessary theories keep coming up. The result of not interrogating emerging phenomena is a missed opportunity that has resulted in small issues escalating into big issues. For instance, had IB scholars interrogated aspects such as climate change, economic systems, pandemics and international institutions, small interventions could have sufficed in dealing with such global phenomena.

Perhaps the question IB scholars need to answer is why the firm is seemingly the pinnacle of the study area. Buckley (2019), Forsgren (2017), Kano and Verbeke (2018) and Meyer (2004) note that the MNE has been key in the growth and development of many emerging economies. This is probably why IB scholars chose to concentrate more on the economic enterprise as the major unit of study. This has possibly led to their indifference in further interrogation to look beyond the MNE, key stakeholders supporting the firm and the general environment. This undermines the contribution that IB inquiry can make to scholarly discourse and public policy.

### *3.2 Emerging interaction paradigm*

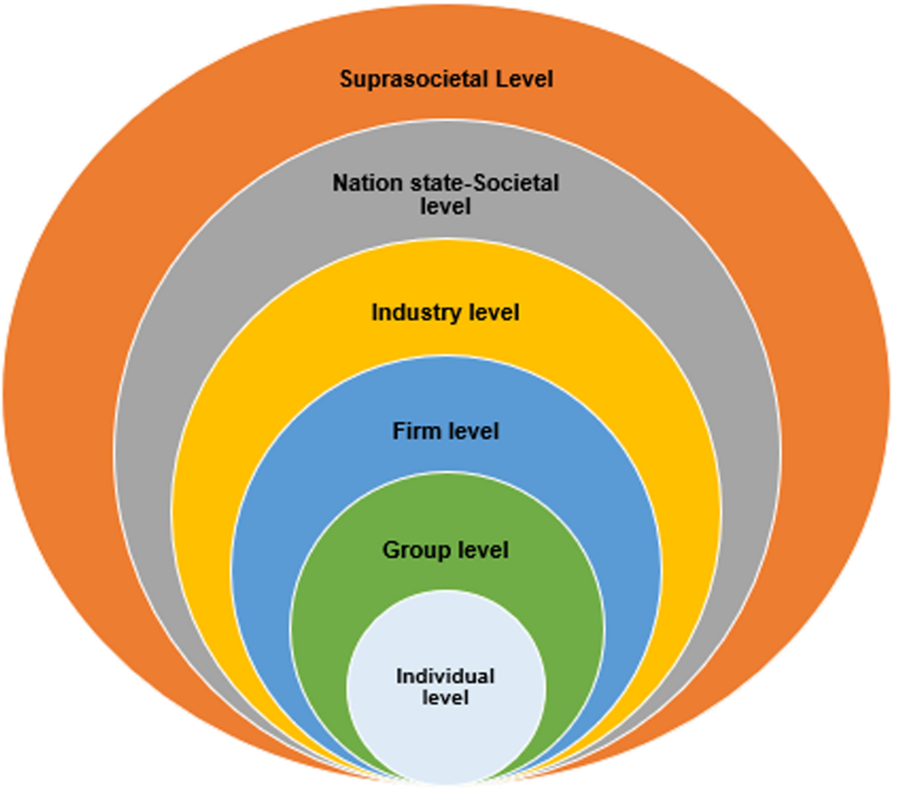
It would seem from the argument above that there is a strong need among scholars for a progressive paradigm that is inclusive and expansive. Therefore, the emerging/evolving interaction paradigm is suggested to cater for the deficits in the firm-level paradigms. This progressive paradigm is anticipated to make IB inquiry a broad field that works together with other areas such as economics, sociology and development studies (Roberts and Dorrenbacher, 2012; Roth *et al.*, 2009). The emerging paradigm looks at IB as a tiered, hierarchical process that develops as a result of relations between multilevel business processes. The need for the emerging paradigm as a relevant paradigm has brought out different perspectives from scholars. According to Macharzina and Engelhard (1991), IB inquiry calls for a paradigm shift because, despite the scholarly contributions, research in the area appears to be stymied to a considerable extent. The authors cite glitches in the conceptual integration and methodology of IB research. In addition, Welch *et al.* (2022) note that only a few scholars have made an effort to improve their research techniques to contribute to IB theory. Likewise, Sullivan and Daniels (2008) posit that the IB scholarship community seems to be losing as a result of its simplistic studies. Roth *et al.* (2009) note that IB can deal with this shortcoming by having linkages to other fields that develop both IB's objective generation, knowledge creation and a more prevalent comprehension of humans and their social constructions. The suggestion seems welcome but limiting. Buckley (2002) notes that IB inquiry borrows heavily from other fields but is unable to share ideas. This assertions are reinforced by the findings of Buckley and Lessard (2005) who contend that IB research requires issue-driven contributions that enhance the theoretical progression in the area. In their opinion, this can make IB gain the ability to share ideas with other areas of inquiry. Buckley shows that this research gap makes IB scholarship weak.

In addition, Toyne (1997) notes that IB scholarship has deficiencies in its paradigmatic orientation. Toyne advocates for multiplicity in paradigms, noting that the blend of diverse theoretical conventions central to each paradigm can offer scholars with a broad appreciation of phenomena. In their thinking, this can help in investigating issues from diverse perspectives, foster the appraisal of diverse literature and grow the inferences questioned. In agreement with Toyne, Lewin (2004) postulates that the change in the IB environment is altering the limits shaped by scholars of what forms the domain. This points to the growing need to expand the IB research agenda. In support of Lewin's argument, Eden and Lenway (2001) note that there is an unalterable shift in paradigms concerning economic, political and social relations in IB inquiry. Further, Sullivan and Daniels (2008) add that there appears to be confusion in the IB inquiry, referring to this situation as the chaos paradigm. In their elucidation, the scholars note that there are emergent phenomena that are hard to explain,

and this calls for an update in the threshold of novelty in IB inquiry. This could mean that to gain understanding and fill gaps caused by the singular concentration on firm-level paradigms, IB researchers must interrogate these phenomena that comprise multiple stakeholder perspectives. In line with the participation of many stakeholders, Lundan (2018) explains that IB scholars should concentrate on producing research that contributes to public policy.

According to Toyne and Nigh (1998), scholars can consider the emerging interaction paradigm. However, even in the emerging interaction paradigm, it is possible to concentrate on levels of IB inquiry that have dominated firm-level paradigms (Figure 1).

According to Toyne and Nigh (1998), the first level is the individual level which comprises aspects such as skills, motivation, talents, work-life balance and expertise. The second level is the group level which is entrenched in firms and concentrates on issues like working conditions, talents and expertise, managerial capabilities, change and impact on employment. The third level is the firm level which looks at conditions that firms create and concentrates on aspects like geographic scope, policies, strategic direction and employment. Fourth is the industry level which encompasses the conditions created by industries such as technology, specialisation, efficiency, lobbying, competition and political pressure. The fifth level is the nation-state or societal level, which comprises boundary conditions such as economic situation, politics, national policies and laws in a country. The sixth and final level is the




**Source(s):** Toyne and Nigh, 1998

**Figure 1.**
Levels of international business

supra-societal level which considers boundary conditions concerning neighbouring countries, such as multilateral trade agreements, global organisations such as the World Trade Organization, human rights, environmental concerns and emerging issues. These levels present the hierarchical, multilevel, all-encompassing outlook of the emerging interaction paradigm. Thus, it is disconcerting that scholars would ignore higher levels of IB and base the inquiry on the firm as the only unit of study.

It is apparent that the supra-societal and nation-state levels are understudied, directly affecting the contributions of IB inquiry in policy-making. It would seem that due to the limited contributions to policy-making, IB scholarship is unable to recognise critical enablers that can facilitate change in the emerging interaction paradigm. Shenkar (2004) supports this argument by noting that the dissection of IB research into disconnected occurrences restrains knowledge creation and exposes IB to dangers that result from changes in relevance. Notably, the mentality of IB scholars, in this case, echoes prior arguments that scholars are highly concentrated on the firm. Furthermore, Hyman *et al.* (2008) reinforce the gap in research, noting that scholars in IB face the challenge of shaping novel viewpoints and originating new or improved methodologies. In consensus with Buckley (2002) and Sullivan and Daniels (2008), the scholars augment the need to enhance rigour in IB research, observing that the development in IB methodology falls behind its theory development. Moreover, Fruin (2007) contends that IB is a field constrained in time, conceptual direction and economic modelling. As relates economic modelling, the limitations have a direct implication on the developmental, institutional and country levels. Fruin argues that there is a need for change in IB inquiry that involves the synthesis and consolidation of developmental data globally. In a current study, Buckley and Casson (2021) acknowledge Fruin's (2007) assertions indicating that they anticipate a broadening of IB issues beyond strategy and management to research, motivated to reflect wider changes in political, economic and social concerns.

Buckley and Lessard (2005) postulate that the initiators of IB as a field of inquiry were persuaded that the area needed an open approach to theory. Nevertheless, a look at IB scholarship shows that scholars have narrowed their credible reference frame. For example, in countless research approaches, places such as institutions and countries are ignored. When countries or institutions are used, they are skewed to some parts of the world, leaving other locations understudied. An interrogation of sampling gaps can shed light on this argument. According to various scholars, a closer look at IB research indicates growth in the area. Still, the number of publications is uneven, with some countries showing higher activity than others. Samples are focused almost entirely on Asia, Europe and North America, leaving Africa as the least studied region (Baena *et al.*, 2020; Buckley and Lessard, 2005; Buckley and Casson, 2021; Griffith *et al.*, 2008; Hyman *et al.*, 2008; Ratten *et al.*, 2020).

The need to advance rigour through acceptable methodologies and proper sampling resonates with the emerging interaction paradigm. It would appear from the above argument that IB inquiry lacks a sense of direction and purpose, which challenges the significance, standing and, ultimately, the appropriateness of its studies. The need for advanced research that can fill the identified gaps is vital.

## 4. Research gaps

Based on the arguments and opinions of scholars concerning evolution and IB paradigms, this research presents the literature and methodological gaps that can guide upcoming IB research.

### *4.1 Literature gap in international business*

According to the scholarship on firm-level paradigms, it would seem that the answers to the risks, challenges, threats and opportunities that firms face have been tackled

extensively. Specifically, the weaknesses identified under firm-level paradigms in this research call for a shift in thinking among IB scholars (Figure 2). First, it appears that the only unit of study in IB inquiry is the firm. This limits the scope of research and causes other fields to perceive IB as an area that only interrogates the firm. Furthermore, this one-sided interrogation of the firm stunts and limits the ability of IB scholarship to be of use to other areas of inquiry. At present, it seems that IB is a field that is stuck on borrowing ideas but has no contribution considered worthy of exporting to others. Perhaps, this could explain why IB inquiry is limited in its ability to contribute to policy-making. Even when IB research can contribute to policy, there appears to be limited focus on enablers that can facilitate change at the societal and supra-societal levels, such as decision-making models sanction mechanisms and laws. Arguably, the calls for novel insights could mean that all the research questions articulated to tackle topical issues affecting the firm have already been answered. Therefore, new questions that look at new phenomena and emergent issues are opportune.

The study of the firm as a unit of study has caused levels of IB such as societal and supra-societal levels to remain understudied. These levels have been left for other areas such as economics and development studies. As a result, the standpoint of IB on issues at the two levels is not clear. In addition, theory building in IB inquiry has been centred on the firm and its operations locally and globally. It would seem that scholars have already exhausted the theory building at the firm level. However, there are no theories to explain emerging phenomena from an IB standpoint. Even with the importation of theories from other fields, it is critical that IB scholars conduct their own empirical studies and come up with theories that explain phenomena beyond the firm.

Therefore, new thinking is necessary in the current economic and global times to handle emergent and critical issues. This way, a more holistic view of IB as a field of inquiry will be realised. The growth of global challenges requires the direct input of IB scholars (Baena *et al.*, 2020; Cuervo-Cazurra *et al.*, 2016; Hurmerinta-Peltomäki and Nummela, 2006).

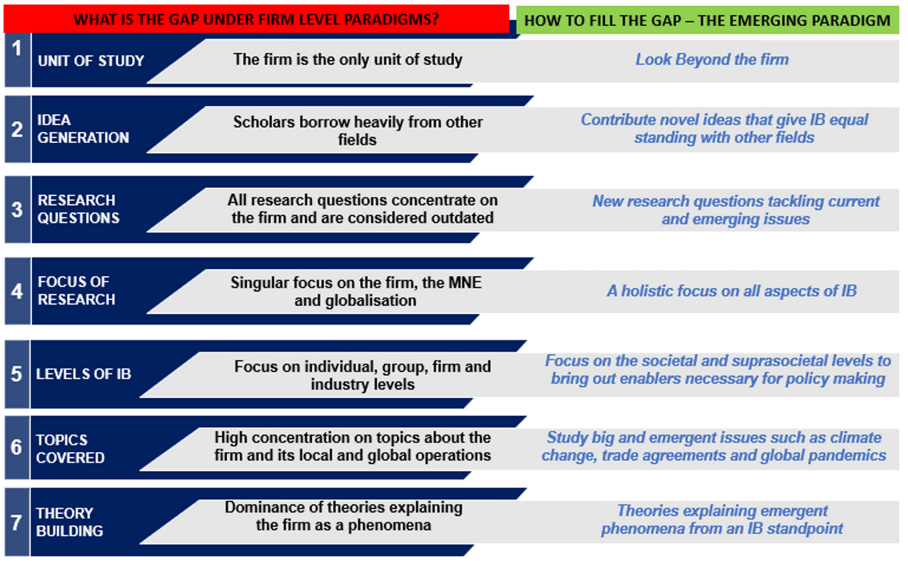



**Figure 2.**
Literature gaps in international business

*4.2 Methodological gaps in international business*

IB scholars have maintained that the field is multidisciplinary and borrows heavily from other fields (Buckley and Lessard, 2005; Buckley, 2002; Toyne and Nigh, 1998). As a result, the scholarship in IB has deteriorated for years, with single aspects of inquiry taking centre stage. They have been accused of having no controls, utilising simplistic approaches and seem to be restricted in their findings (Buckley and Casson, 2021; Eden *et al.*, 2020; Richter and Hauff, 2022). It appears that there is no specific approach to IB inquiry to date, but scholars place prominence on carrying out rigorous research that can have equivalent standing with other areas of inquiry (Buckley and Casson, 2021; Eden *et al.*, 2020; Ferreira *et al.*, 2013; Franke and Richey, 2010; Hyman *et al.*, 2008; Yang *et al.*, 2006).

The present research identifies several gaps in IB scholarship (Figure 3). First, the majority of studies use limited samples and generalise their findings. One country sample is predominant in IB research and may lead to unreliable findings. To progress the rigour of IB research, the scope needs to be widened (Buckley, 2002; Buckley and Casson, 2021; Ferreira *et al.*, 2013; Hyman *et al.*, 2008; Marcos, 2010; Yang *et al.*, 2006). Franke and Richey (2010) posit that a key tactic for refining IB generalisations is to utilise larger samples of countries, because research based on a common sample may cause generalisations that the findings are unable to justify. Eden and Nielsen (2020) add that one country sampling can be dubbed as an inadequate data source.

Furthermore, scholarship in IB largely focuses on a singular method of data collection. Methods like content analysis are limited and are seen in few studies. However, content analysis has promising potential in IB discourse despite it being time-consuming and tedious. In addition, samples have largely ignored African countries, causing them to be underrepresented in IB inquiry (Kolk and Rivera-Santos, 2018; Ratten *et al.*, 2020). IB scholarship indicates that scholarly contributions over the years have been from Europe, Asia and America, with the least studies emanating from Africa. Studies from an African context and perspective are necessary to bridge this gap. Ferreira *et al.* (2013) add that IB scholars use similar methodologies in their submissions because they cite esteemed authors in their study areas. This confines IB discourse to the use of secondary data based upon the revered authors. Cerar *et al.* (2021) find that there is a decline in the use of primary data among IB scholars. Nielsen *et al.* (2020) propose triangulation as a strong methodological choice.

Eden *et al.* (2020) maintain that the rigour of IB research needs to be such that other fields will have confidence in the findings of scholars. They note that simplistic methodologies are prevalent in IB research. Simplistic methodologies mean the use of methods that look easy

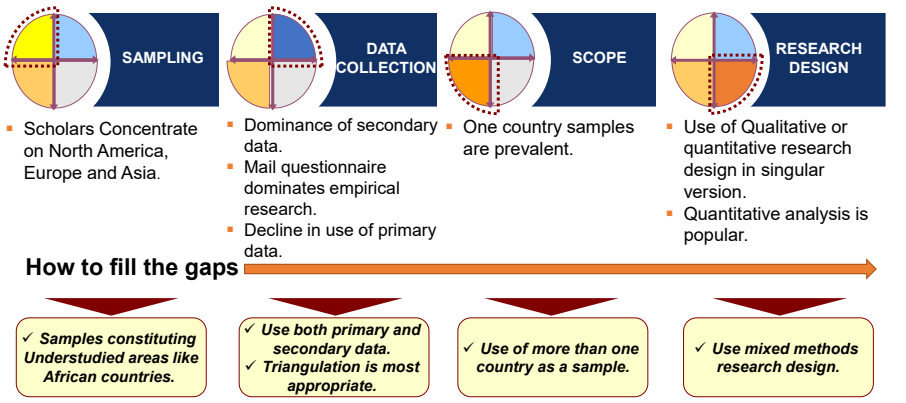



**Figure 3.**
Methodological gaps in IB research

and do not require much participation from the researcher. Cuervo-Cazurra *et al.* (2016) provide a solution to this problem, noting that the rigour of IB can be enhanced by using mixed methods research. Seemingly, mixed methods research would be most suitable for handling expansive topical areas in IB (Buckley *et al.*, 2017; Tenzer *et al.*, 2017; Yang *et al.*, 2006).

## 5. New realities

IB discourse can profit from novel approaches and bold ideas. The emerging interaction paradigm offers IB with prospects to progress into an intellectual field with a well-defined viewpoint and body of knowledge. Based on the thoughts and arguments from scholars, IB faces new realities such as insights on emerging issues, originality, theory building, methodology advancement and contribution to public policy that need attention (Figure 4). There is a growing need for scholarly contributions that fill all the literature and methodological gaps (Figure 2, Figure 3). Scholars need to be cognisant of the changing times, and this is a call to actively produce empirical findings that can help shape the future narrative of IB research. Ghauri *et al.* (2021) add that there are new realities such as changing power relationships, economic nationalism, sustainable development, growth of populism and new digital technologies among other emerging issues that call for the attention of IB scholars.

## 6. Conclusions and future research

This research reviewed extant literature in IB and interrogated the thinking of scholars through their contributions over the years. This study primarily contributes to scholarship by identifying gaps and new realities to guide future IB research. The findings indicate that IB has been focused almost entirely on the firm, underrating its potential as a field of inquiry. However, this research does not suggest the substitution of firm-level paradigms. Rather, a review of scholarly work shows that despite their shortfalls, these paradigms are valuable in providing insights on the economic enterprise. Nevertheless, the review notes that the new thinking in IB advises that scholars should give more prominence to the term "business" than to the term "firm". Considering the insufficiency brought about by firm-level paradigms, the research notes that the emerging interaction paradigm could help in giving novel insights to scholars since it places value on exploration, integration and execution.

From the findings, future research in IB can concentrate on new realities and issues that have practical significance in today's global marketplace. Emerging issues such as regionalism, climate change and global pandemics from an IB perspective are relevant in the current times. Further, researchers should seek to fill identified gaps related to key aspects of IB such as the unit of study, idea generation, research questions, the levels of IB, topics

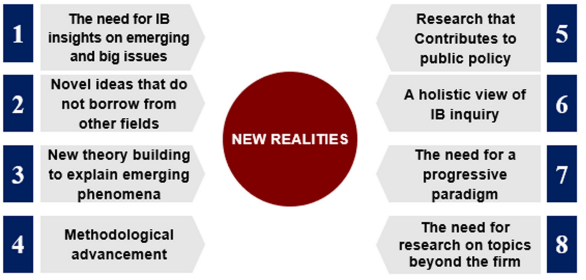



**Figure 4.**
New realities in IB inquiry

covered and theory building. Additionally, scholars in IB should endeavour to improve rigour in their methodological approaches by broadening their sampling frame, employing mixed methods research, exploring understudied regions and using triangulation. It is expected that the findings of this research will motivate scholars to employ a holistic approach to IB inquiry to grow the field, contribute to scholarly discourse and participate in private and public policy-making.

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**Corresponding author**
Caroline Ntara can be contacted at: dr.ntara@umonarch-email.ch