Part 1

# INTRODUCTION

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At the dawn of the twenty-first century, the internationalization of the business world is taken for granted. Both trade and foreign investment continue to increase at a rapid pace, and with them management is becoming increasingly international. In the past we used to ask how managerial systems compared with each other, a field of inquiry called "comparative management." Today we are mostly interested in how diverse managerial systems intersect and in how to operate in a business environment spanning national boundaries, a field titled "international management." We often forget, however, that comparative management offers a critical base on which international management rests. Unfortunately, the relationship between comparative and international management has greatly weakened over the years, to the detriment of both. The *Handbook for International Management Research* is a partial response to the emerging gap between these two inseparable realms. While the handbook is aimed at increasing rigor in international management research, it is equally concerned with its comparative management roots as well as the theoretical and practical relevance of international management research in a global economy.

This new edition of the *Handbook for International Management Research* is intended to do the following:

- provide readers with a thorough understanding of past, current, and future research in international management
- retain the vital comparative perspective on which international management rests while showing its applicability in the current global environment

- highlight select international management issues and the research strategies and methodologies their study necessitates
- consider where research in the field is and should be heading
- guide those undertaking research in the field, offering methodological paths anchored in theory and relevant in practice

We prepared this introduction for the handbook in January 2002, some four months after the terrorist attacks of September 11, 2001. The events underscored the importance of understanding global issues and the interconnectedness of people from different parts of the world—in terms of economics, politics, culture, technology, trade, investment, and security. Consider some aspects of the organization that carried out the terrorist attacks, which

- drew members from many countries of the world
- was headquartered in Afghanistan, but whose leaders were Egyptian, Pakistani, and Saudi Arabian
- consisted of a loose network of cells located in countries and regions throughout the world, including the United States
- was financed by global activities, both legal and illegal, in many countries
- forged strategic alliances with other terrorist groups around the world—in Europe, North America, Asia, Latin America, and Africa
- moved people and money around the world, using modern technology
- was known to have committed terrorist acts in Afghanistan, Africa, Europe, the former Soviet Union, and the United States

This organization was clearly global in strategy, structure, and operations. If it had not been engaged in activities that most people of the world consider repugnant, this organization would have been acknowledged as a successful international organization. To be successful in business today, it is especially important to understand the nature of globalization and its impact on managers. Many academics have turned their attention to international management phenomena over the past ten years, and research in the field has increased dramatically (as illustrated in the chapters in this

handbook). Internationalization brings new challenges to the research process. International research, by its very nature, is expensive in terms of time and money and is considerably more complex than domestic research. International research involves travel to and time in foreign countries, as well as interaction with scholars, respondents, and government officials from different backgrounds and with different attitudes toward such research. Doing international research right the first time is vital—there are few opportunities to do a research project a second time. The planning of international projects is critical, and researchers undertaking such projects need to understand the opportunities and pitfalls of various methodologies in an international context, as well as to possess a thorough grounding in the literature in their particular field, not only that published in their own language.

A number of authors have addressed the essentials of good international research and specific issues such as sampling, equivalence, and biases from an international perspective. Reviews of streams of international management literature, such as culture, leadership, and joint ventures, are also available. However, there is no definitive source that can serve as a reference point to which researchers can turn when they plan to undertake an international management research project. The *Handbook for International Management Research* is intended to provide such a source. The handbook is aimed at a global audience of university and college researchers, doctoral- and master-level students, as well as business professionals involved in research, whether in business firms or consulting companies. The book is particularly directed at those with an interest in international and comparative management; however, those undertaking international research in a variety of fields (for example, anthropology, sociology, or gender studies) will find the book useful as well. A globalization of research is one outcome of the broader process of globalization, making the understanding of the international aspects a must for all researchers.

## CONTENTS

The field of international and comparative management, the primary focus of the handbook, is a broad one. A major challenge, therefore, for us as the book's editors was to decide what to include in the handbook (and thus what to exclude). We would have liked to include "everything," but space did not allow this luxury. We asked ourselves, "What would *we* find most

helpful in doing international management research?" Our answers are reflected in the contents of the handbook. From our perspective, there were two broad areas that needed to be included in the handbook:

- the development of effective, rigorous, and theory-based research design for international management research
- the state of the art in international management research as illustrated through select but key topics in such research

We were fortunate that colleagues who are experts in their respective fields agreed to prepare the chapters that constitute this handbook. It is the work of these colleagues that makes the handbook valuable. Our role as editors was to initiate, guide, coordinate, and cajole. Their role was to provide the valuable knowledge and intriguing insights of which this book is made. We hope that, as in any cooperative venture, the individual inputs have created synergies that go beyond the sum of the individual parts. Thus, the handbook should provide both a comprehensive survey of current international management research and a zoomed focus onto specific realms that might be of particular interest to the reader contemplating or doing research in that area.

### CHAPTER CONTENT

The chapters on *effective research design* focus on international and comparative/cross-national issues. We chose to focus on three aspects of research that we believe are fundamental, given the state of the art in the field. The first aspect, survey research, was chosen because it is widely used yet remains a challenge to international management researchers and the subject of much debate in the literature. The second aspect, qualitative research, was chosen because, while often touted as vital, it is underutilized at a time when many researchers opt for large-scale quantitative studies for which data is more readily available and whose analysis is more codified. The third aspect, experimental research, is also underutilized in international management research despite its demonstrated promise in other areas. Following are summaries of the three design-oriented chapters.

"The Essence of Performing Meaningful Comparative International Survey Research," by Harpaz, provides a thorough exploration of the "do's" and "don'ts" in doing survey research internationally. Since most international management research contains a survey component, this chapter is

relevant even for those whose research uses alternative methods. The chapter carefully explains how to make sure that the survey results are reliable and valid and how to interpret them meaningfully.

"The Need for International Qualitative Research," by Wright, documents why qualitative research is necessary to move international management research forward. Wright stresses the need for multiple methods and convincingly argues for the role of qualitative methods as one of these. The chapter also identifies the challenges associated with qualitative approaches in a cross-cultural context and provides suggestions for dealing with these challenges.

"Experimental Methods for Research on Culture and Management," by Leung and Su, looks at the strengths and weaknesses of experimentation, relative to other methodologies, available to the international researcher. Experimentation provides important insights—in particular, it allows the researcher to demonstrate causality—and this chapter does an excellent job of outlining and discussing the reasons for international experimentation. The chapter also identifies the drawbacks of experimental methods.

Chapters on the *state of the art in the field* focus on selected topics identified for their importance, currency, and research priority. We selected the topic of *culture* for its ongoing centrality in international management research and for the superficiality with which this subject is handled in other disciplines. The focus on culture is seen in the inclusion of three chapters that deal with the topic in a separate part.

"Conceptualizing Culture: Elucidating the Streams of Research in International Cross-Cultural Management," by Boyacigiller, Kleinberg, Phillips, and Sackmann, is a comprehensive elucidation of the many facets of culture, particularly as they relate to management. This chapter helps us understand the term "culture," the many faces of culture, and the impact of culture on people doing business around the world. It provides valuable insights for those whose research focuses directly on cultural issues, as well as for all who recognize the important role of culture in all aspects of business and management.

"Cultural Distance Revisited: Toward a More Rigorous Conceptualization and Measurement of Cultural Differences," by Shenkar, explores the widely used construct of cultural distance, which has been applied to issues such as foreign investment expansion, entry mode choice, selection and training of international assignees, and the performance of foreign-invested affiliates. This chapter constitutes a critical review of the cultural distance

construct, outlining the hidden assumptions that underlie the construct and challenging its theoretical and methodological properties. A comprehensive framework for the treatment of the construct is developed, and concrete steps aimed at enhancing rigor are outlined.

"The Role of Subjective Culture in Organizations: Progress and Pitfalls Twenty Years Later," by Bhagat, Kedia, Perez, and Moustafa, reviews research in the field of cross-cultural and intercultural studies of organizational processes from the perspective presented in Bhagat and McQuaid's "Role of Subjective Culture in Organizations: A Review and Directions for Future Research" (*Journal of Applied Psychology Monograph* 67, no. 5 [1982]: 653–85). The essence of this chapter is to reexamine and revitalize theoretical rigor and methodological robustness to help the field of cross-cultural management achieve the goals to which scholars around the world aspire. The tables and figures specifically developed for this chapter provide evidence of the progress and pitfalls in the field twenty years after the original article was published. The authors suggest avenues for future research and hope that an accelerated rate of research will advance transcultural understanding of human beings in dissimilar cultures.

Part 4 includes a number of key topics. We selected international *human resource management* as a functional business area that very much relies on and benefits from international management research. We selected *leadership* as a key, visible behavioral construct with major implications for both the theory and practice of management. We chose *negotiations* because they underlie all business transactions. Finally, we selected the topics of *alliances* and *mergers/acquisitions* because of their prominence in management research and practice and the growing importance of international transactions in this realm. Following are brief highlights of each of the topical chapters.

"International Alliances," by Parkhe, provides a picture of the growth in international alliances and the accompanying growth in research in this area. The chapter includes a summary of alliance studies published between 1995 and 2000, as well as an integrative framework of core concepts, focusing on "soft" aspects of collaboration; knowledge and organizational learning; network embeddedness; and the intersection of theories, methods, and levels in the field. This chapter is an invaluable resource for those doing research in the international alliance field, and it allows those whose work is peripheral to alliances to realize how they can also contribute to the understanding of alliances.

"Cross-Border Mergers and Acquisitions: What Have We Learned?" by A. Arikan, provides a description and analysis of one of the fastest growing, yet little known, research areas in international management. While the volume of cross-border mergers has now surpassed that of domestic mergers, much of the literature in the area remains focused on domestic issues. Yet there is considerable evidence emerging suggesting that cross-border mergers may be fundamentally different from domestic mergers in terms of both strategy and implementation. This chapter reviews this evidence and provides guidelines for researchers on how to approach this increasingly important topic.

"International and Cross-Cultural Leadership Research," by Dorfman, illustrates the burgeoning interest in leadership in a cross-cultural context. Although leadership research and an interest in leadership in different cultures go back a long way, this chapter identifies and discusses the substantial progress that has been made in the past decade. The chapter provides a detailed description of both published leadership studies and those currently under way. It examines diverse methodological issues in leadership research and suggests areas for future research. Related issues, such as motivation and communications, are also discussed.

"International Human Resource Management," by Schuler, Budhwar, and Florkowski, is a wide-ranging discussion of the many aspects of international human resource management (IHRM). The chapter begins with an integrative framework, including exogenous and endogenous factors; strategic components; IHRM issues, functions, policies, and practices; and multinational enterprise (MNE) effectiveness. This framework serves to guide the discussion of what we know, and need to know, about IHRM. This chapter provides valuable guidance for all those interested in doing research in this field.

"International Business Negotiations Research: Revisiting 'Bricks, Mortar, and Prospects,'" by Weiss, begins by illustrating the ubiquitous nature of negotiations for international managers. This serves to underscore the need to understand how negotiations take place in different locations and the characteristics of effective negotiations. The chapter incorporates a variety of models of negotiations and an analysis of articles on international business negotiations that appeared in the *Journal of International Business Studies* between 1976 and 2001, concluding with an extensive consideration of future directions for research on international business negotiations.

The final chapter in the handbook, "International Management Research at the Dawn of the Twenty-first Century," by Punnett and Shenkar, seeks to highlight the realities of the business world today. It focuses on the increased interaction and interdependence in the global marketplace—how international managers must familiarize themselves with the expectations and desires of colleagues, superiors, and subordinates from multiple and varied locations while concomitantly supporting the coordination and control of dispersed activities that are crucial for success in a globally competitive marketplace. The authors contend that now, more than ever, managers need to understand the intersection of the forces of globalization and localization, as well as their ramifications for the managerial role, contradictory as these may be. This chapter examines those ramifications and considers the role of international management research in this environment.

In addition to the challenges discussed in the two broad areas identified for coverage in this handbook, many researchers face a substantial challenge in terms of finding relevant information for developing and carrying out an international management research project. For this reason we include an appendix—"Retrieving Information for International Management Research: Electronic and Print Sources," by I. Arikan and Meredith—that provides the details of library and Internet sources that are of particular relevance to international management researchers. The appendix discusses the pluses and minuses of Internet research and gives practical advice on topics such as information retrieval, evaluation of resources, and documentation. An important resource for researchers is the listing and description of libraries, databases, and indices, as well as print resources appropriate for international management research.

The chapters in the handbook deal with different topics, but, not surprisingly, there are overlaps in the material they cover. Culture, for example, is a consideration in leadership, joint ventures, mergers, negotiations, and human resource management; leadership is a consideration in joint ventures, mergers, negotiations, and human resource management. Similarly, emic and etic trade-offs are necessary in surveys, qualitative research, and experimental research, and these trade-offs need to be considered in all of the various research topic areas. We have not attempted to eliminate these overlaps because we believe the discussion, within the context of each chapter, is appropriate. We think that many readers will focus on particular chapters of interest and will read the entire book at a later point; there-

fore, we decided it was appropriate to retain material relative to each chapter, even where it might be essentially repeated in another.

Two important topics—electronic media and ethics—are addressed as part of the discussion in several chapters and in the appendix. Nevertheless, we felt these two topics deserved special attention here. The following sections briefly outline some of our thoughts on these two issues.

## ELECTRONIC COMMUNICATION AND THE INTERNET

A major change for researchers in today's environment is access to electronic media. While academics have used email for more than two decades, it is only in the last decade that the use of email has become common and that the Internet has developed as a widespread means to access information. The spread of electronic communication and use of the Internet have affected the way research is carried out. Increasingly, researchers in international management are involved in virtual, cross-cultural teams that, for the most part, communicate electronically. This has greatly increased the ability of researchers to carry out multicountry studies without incurring the costs associated with international travel. Working with virtual, cross-cultural teams provides new challenges for researchers (some of which are discussed in Harpaz's chapter on survey research and in Dorfman's chapter on leadership). We encourage international management researchers to seek ways to broaden research horizons through electronic communication and the Internet, but we also caution that such research is not easy and needs to be planned and executed with care.

The Internet and electronic communication, now that they have become relatively commonplace, also provide new avenues for accessing information (some of which are discussed in the appendix). Gone are the days when a researcher spent many weeks in the library, laboriously looking up material and tracking references. No longer are researchers limited to material available locally, which has helped researchers immeasurably. Researchers may look for investment in Canada and end up taking a tour of native communities. Learning to access information efficiently and effectively on the Internet is critical to researchers. Evaluating the information that is received through the Internet is also critical. Libraries provide a safeguard not available with the Internet—a librarian evaluates material before deciding to purchase it for the library.

The possibility for accessing potential subjects has also changed because

of electronic communication and the Internet. It is not yet well understood how widespread or effective electronic surveys or interviews are. These media do provide the opportunity to reach a large number of potential respondents in countries around the world at relatively low cost. The concerns raised in the chapters regarding surveys and interviews apply to electronic ones as well. In addition, researchers should be conscious that, in many parts of the developing world, access to electronic communication is still minimal. In many parts of the world, those who do regularly use electronic media represent a very select sample. It is also likely that response rates to electronic surveys differ significantly for different groups. Researchers using these media need to identify these differences and to interpret responses meaningfully. In essence, the use of electronic media for research has its biases and drawbacks as well as its advantages.

## ETHICS IN INTERNATIONAL MANAGEMENT RESEARCH

A special issue that international management researchers face is that of dealing internationally with ethics. Many North American and European organizations and universities, as well as ethical oversight committees, have clearly defined research codes of ethics. The same is not true in the rest of the world. A researcher working in such locations does not have experts who can advise on the ethics of a particular research situation. Equally important for researchers is the fact that what is considered ethical in their country (say, North America) may actually be unethical in a foreign location. Consider the situation in the People's Republic of China, for example.

Despite substantial reforms, for the Chinese, contact with foreigners can be considered a liability, and information considered ordinary in the West may be classified or considered as potentially harmful to national interests. Chinese respondents who are fully debriefed regarding the purpose of a research project may thus be put at risk if they are later deemed to have knowingly worked with a foreigner on a research project questioned by the authorities. For similar reasons, Chinese colleagues who would normally be listed as co-authors may prefer not to be so publicly associated with a particular research project. At one point in the early 1990s, *any* social survey research by foreigners in the People's Republic of China was prohibited. Under these circumstances, it seemed unethical to us, in our research in China, to ask respondents to a survey for any demographic information that could potentially identify them as research participants.

As researchers, we have to deal with at least two sets of values. We have to consider the requirements of our home country and ensure that our research activities meet these requirements. We also have to consider the requirements of the host country and ensure that our activities satisfy them. In North America and Europe, the operationalization of ethical requirements is largely standardized—for example, signed consent forms. But these may be meaningless elsewhere, for example, where subjects cannot read and write. The challenge is to achieve the underlying ethical requirement—in this case, that subjects participate voluntarily—in a way that is appropriate in the particular research setting.

Ethical concerns are valid no matter where research is carried out, but they may be even more important in the international context because the environment is unfamiliar. Paying attention to ethical issues is vital in international settings, even where the foreign community may not have defined ethical guidelines for research. We believe that discussions with such groups as potential participants, local academics, and researchers can help the foreign researcher understand the local implications of a project. Such discussions can clarify what is ethical, considering local conditions, and will help ensure that researchers meet all ethical standards.

## CONCLUSION

In today's global business environment, it is especially important that international management research be rigorous and provide reliable and valid results that can offer practical guidance for managers. We hope that this book will go some way in assisting researchers to undertake such research effectively. We particularly appreciate the efforts of all of the contributors to this handbook. We recognize the substantial work that has gone into preparing these chapters and thank our colleagues, who have so generously given of their time and expertise. We also appreciate the enthusiasm of the editorial staff at the University of Michigan Press and, in particular, Ellen McCarthy for this project. We enjoyed working with them to ensure that the handbook achieved its objectives.