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**Firm Internationalization and Globalization:  
An Organizational Capability Perspective**

**Abstract**

*This conceptual paper distinguishes between firm capabilities required for firm globalization and those by which a firm copes with industry globalization. The paper identifies a gap in the international business and global strategic management literature, and argues that the differences between the internationalization and the globalization of the firm are significant to warrant further distinction than the current literature offers. We put forward and extend the organizational capabilities literature as a theoretical base from which to access the internal and external environments of the firm and address the research gap.*

## INTRODUCTION

The changes associated with globalization have provided the field of international business a rich arena for empirically driven research. The contemporary business environment popularly characterized by rapid change and increasing interrelatedness is a challenge for some of the theories of the internationalization of the firm, a core concept in the international business literature. This conceptual paper revisits the concept of internationalization of the firm in the context of globalization from the firm perspective. The paper argues that the international business literature has not sufficiently distinguished between the ‘original’ models of internationalization and the contemporary globalization processes of the firm as distinct and different concepts. We expand upon this distinction through a review of firm internationalization and globalization and offer a theoretical positioning from which to address these differences. The paper is motivated by three lines of argumentation.

First, the empirical motivation of globalization and the changes it has brought about have been topics that have been vigorously discussed in international business and management literature over the course of the past two decades. This literature has been helpful in deconstructing the complex interdependent phenomenon of globalization and of the competitive, complex and globalized business environment (Bettis and Hitt, 1995; d'Aveni, 1994) that firms face when competing in the global arena. While there has been ample research that identifies and classifies various drivers of globalization (for e.g. Yip, 2003) less attention has been devoted to the firm in the environment of globalization. This paper proposes that the well-established underlying mechanisms of firm internationalization be revisited and subsequently

updated to the globalized business environment.

Secondly, the theoretical approaches that allow both access to intra-firm level research and that incorporate the context of globalization in the international business literature have not generated a holistic understanding of the activities of the firm subject to its environment. Although the most recent works in the resource-based view (RBV) include the notion of a dynamic, constantly changing environment (Teece et al. 1997; Eisenhardt and Martin, 2000), environmental considerations in this stream of literature have been limited mainly to the competitive environment and have not explicitly addressed environmental considerations related to the process of firm internationalization or globalization.

Third, a review of the international business literature on globalization reveals that the processes such as firm internationalization and industry globalization have been approached either separately or without explicit distinction. The literature has characterized firm internationalization as a complex intra-firm learning process or an exercise in overcoming the liability of foreignness. However, the two approaches to firm internationalization have been generalized as rationales explaining firm level behavior for studies researching the macro level phenomenon of globalization. Thus, the result from a firm perspective has been that globalization has been regarded as merely a continuation and aggregation of firm-level internationalization. On the other hand, in studying globalization on, for example, an industry level the literature has treated the firm as merely a subset, or merely part of a sample, of the industry implementing firm internationalization. Not only is the firm level strategy contingent of the stage of industry globalization, but any meaningful analysis of industry dynamics should reflect the heterogeneity within the industry and the implications of

the consequent dynamics. A possible explanation for this (over-) generalization in the literature is that two potentially incongruent levels of analysis have been approached through different research paradigms, roughly categorized as the intra-firm behavioral and industry level industrial organization, and as such extant research linking the two perspectives in a consistent manner has been limited. We argue that, in the era of the globalizing business environment the literature should account for the richness and complexity of both the phenomenon of globalization as well as its firm level implications.

We aim with this conceptual paper to establish a clear research gap to be filled with later empirical research from complementary perspectives. The objective of this paper is to identify an area in the international business literature in the discussion of firm internationalization and firm globalization that would benefit from more specific reflection. The need for further research is established as we look at firm and industry globalization in parallel from the firm perspective. To further the examination of this conceptual distinction the paper draws on contemporary resource-based and dynamic capabilities approaches and extends organizational capabilities as a theoretical base from which to approach the established research gap, while retaining a holistic firm level perspective. By this approach we aim at contributing to the RBV literature by increasing the understanding between capabilities and context variables, by applying the capabilities perspective to the context of globalization. Finally, we put forward two propositions as research questions by which to address the research gap and spur further study that explicitly distinguishes between firm internationalization and globalization.

The paper is organized as follows. First, we will identify a research gap arising from

the inconsistencies between the concept of firm internationalization and firm globalization. Empirical research has already challenged the established internationalization theories that generally view globalization as simply an extension of firm internationalization, or a later stage of a linear continuum. However, a review of the literature will argue that due to fundamental qualitative differences between firm internationalization and globalization a deeper understanding of the internationalization and globalization processes is required. Accessing intra-firm processes through the resource-based organizational capabilities literature we link the internationalization literature with a framework explaining the internal and external selection environment of the firm and the subsequent strategic focus of the firm. We probe the extant literature with two propositions, illustrating the need for further research, and demonstrate the significant, albeit narrow, research gap of context rich understanding of firm internationalization as well as firm globalization.

### **Firm Internationalization and Firm Globalization**

The international business literature and global strategic management literature has often viewed the process of firm globalization as a linear progression of increasing foreign operations, that in the presence of the favorable industry conditions, eventually results in a globally configured and coordinated firm (Porter, 1985; Collis, 1991). Generally the internationalization literature implies that the internationalization process is a unilinear sequential process of increasing involvement (Mathews and Zander, 2007). Thus this literature approaches firm internationalization as simply the temporal stage preceding firm globalization. While the internationalization literature is correct in that a firm's internationalization may progress in a linear manner when it is simply measured as a function of foreign sales over time, the current literature fails

to account for the potential non-linear intra-firm processes underlying that development and the effect of the external environment on internal processes.

The traditional internationalization research views the internationalization of the firm as a linear process beginning from an initial overcoming of the “liability of foreignness” (Hymer, 1976; Zaheer, 1995). The literature contends that many multinationals, or internationalized firms, expand horizontally by transferring and replicating these home grown capabilities in foreign locations (Meyer, 2006). The rationale behind this “conventional approach to discussing the impulse to internationalization, firms are seen to be taking with them abroad the competitive advantage built up at home, to a large extent through the internalization of resources, activities and routines” (Mathews and Zander, 2007). Therefore, following a linear strategy of ‘consistent patterns in streams of organizational decisions’ (Mintzberg, 1979, p. 25), further replication will result in the international firm becoming global. However, this linear and, to a degree, superficial perspective, cannot address the intra-firm dynamics or processes at any point during the process of internationalization beyond the initial decision to expand geographically. Instead, this research stream has focused on addressing the constraints and opportunities for the internationalizing firm in terms of its position within the industry, structural and mobility barriers (Porter, 1980) and led to an emphasis on factors now associated with globalization such as economies of scale and scope.

In contrast to the inter-firm external perspective to firm internationalization, the behavioral school of international business research has focused on the internationalization processes from the firm perspective. For example, the Uppsala model, describes firm internationalization as an incremental, albeit linear, process of

increasing learning and commitment (Johanson and Wiedersheim-Paul 1975). Through incremental internationalization, the firm gradually builds international experience that enables it to not only replicate its activities in increasingly psychically distant markets, but to also develop the sophistication of its international operations (Johanson and Vahlne, 1977). Therefore, the Uppsala model can be said to explain firm internationalization not merely as a process exploiting the initial domestic competitive advantage, but as a process of building experience and operational capabilities. The narrow focus of incremental intra-firm learning however limits the ability of the theory to explain the effect of environmental factors on the firm's internal processes. The firm dynamics in terms of the opportunities for and constraints to internationalization contemporary to the Uppsala model can be argued to have changed significantly through the impact of globalization enablers or drivers (Yip, 2003) and the position of the competition (Porter, 1985).

In accessing the intra-firm processes of internationalization the behavioral school has generated findings that challenge its own concept of internationalization and globalization consisting of an incremental linear process. The Born Globals, or international new ventures, research has found that some firms do not follow an incremental process of internationalization but rather are international from inception (Oviatt and McDougall, 1994) leapfrogging the stages presented in the Uppsala model (Welch and Luostarinen, 1988). The more international these firms are the more their strategies differ from the Uppsala model. Chetty and Campbell-Hunt (2003) have found that the regional firm strategies differed considerably from that of the more global Born Global firms. Similarly, Luostarinen and Gabrielsson (2006, p. 798) noticed that the Born Globals that were truly global deviated by "proceeding faster into new markets, jumping over, or even proceeding in reverse order compared with

what the business distance would indicate for conventional companies”. These firms are changing the dynamics of international competition (Coviello and McAuley, 1999) and seem not to be concerned with exploiting home-base advantages, in the form of conventional internalized resources and capabilities, but rather with leveraging and or gaining access to new resources and capabilities (Gabrielsson and Kirpalani, 2004), including the ability to extract sources of competitive advantage from external networks and inter-firm relationships (Matthew and Zander, 2007).

Another phenomenon taking exception to the internationalization models are Globalizing Internationals that first internationalize their business and only then enter the globalization stage (Gabrielsson and Gabrielsson, 2004). The challenges of operating in global markets seems to differ considerably from that of those firms that are in their initial entry phase (Craig and Douglas, 1996). While the internationalization stage consists of international market entries, the globalization stage involves the configuration of the global market. At the global stage “the company starts to see the target markets as global instead of separate country markets, which leads to alignment of activities across countries” (Gabrielsson et al., 2006, p. 652).

Thus, both Born Globals and Globalizing Internationals distinguish between firm internationalization and firm globalization as two distinct processes requiring different strategies. In terms of Mintzberg’s (1979) definition of strategy, the firm requires different patterns in the streams of organizational decisions through which the firm internationalizes and by which the firm globalizes. As such, the strategy and processes required by a firm to transform from a local into an international firm and



again into a global firm cannot be explained by the same single incremental linear model.

International business research in its attempt to operationalize internationalization strategies has turned to the underlying firm resources and capabilities. For instance, Hitt, Hoskisson and Kim (1997) suggest that as the as the firm expands internationally it needs to reallocate and upgrade its resource configurations to support the cross-border activity, Solberg (1997) discusses the resources and capabilities required for the preparedness for internationalization while Welch and Luostarinen (1988) explore the interaction between different configurations of resources, activities and routines in the international context. However, it follows that the implementation of distinctly different strategies requires different underlying resources and capabilities. Therefore, depending on the firm's environment internationalization is to be defined as "the process of adapting firms' operations (strategy, structure, resource, etc.) to international environments (Calof and Beamish, 1995, p. 116). The firm management capabilities required for the initial thrust of geographical expansion conceivably vary from those required to carry out the operations described in 'integrating worldwide activities into a single world strategy by managing a network of differentiated but integrated subsidiaries, affiliates, alliances and associations', the definition of globalization offered by Tallman and Fladmoe-Lindquist (2002:124).

As such the treatment of globalization as merely an extension of firm internationalization overlooks the different distinctive capabilities related to firm globalization. The existing frameworks in IB "are bounded in their scope, and give limited traction in many of the cases that are of significant interest in the global economy in the early years of the 21<sup>st</sup> century" (Mathews and Zander, 2007). In order

to research the distinct strategies of the firm at any point in its internationalization or globalization one must access the underlying intra-firm processes and study the resources and capabilities that enable them.

### **Capabilities and Firm Internationalization and Globalization**

As we propose that an examination of firm resources and capabilities enables us to identify the underlying intra-firm processes related to firm internationalization and globalization we put forward a review of the resource-based literature focusing on organizational capabilities. Although the traditional theories on firm internationalization have implicitly included reference to firm resources and capabilities, in the form of market knowledge and learning (Johanson and Vahlne, 1977), organizational capacity (Welch and Luostarinen, 1988), preparedness for internationalization (Solberg, 1997); or ownership advantages (Dunning, 1980), we suggest that these approaches have been both static and incomplete, and need to be complemented with a dynamic view from the resource-based literature. On the other hand, we acknowledge a shortcoming of the resource-based view, which is also common to the internationalization theories, namely the inability to integrate environmental elements external to the firm, and aim at addressing this shortcoming in this paper.

Moreover, we suggest, in line with other scholars (e.g. Collis, 1991; Amit and Schoemaker, 1993) that the resource-based perspective complements the analysis of

the industry structure and the position of the firm within the industry, and that analysis should move away from treating industry as a single driver of globalization (Tallman and Fladmoe-Lindquist, 2002) in order to identify the internal processes related to firm globalization.

### **Organizational Capabilities**

To access these internal processes, we suggest focusing on the most recent streams within the resource-based literature, namely organizational capabilities, including dynamic capabilities. Organizational capabilities have been put forward as an important element in the updated VRIO resource-based view (Barney, 1997) and are consistent with dynamic capabilities (Teece et al., 1997) and are useful for explaining firm strategy and differences in performance in the context of globalization. This literature stream focuses on capabilities and resources as key factors that determine performance levels and drive firm into international and global strategies (Tallman and Fladmoe-Lindquist, 2002).

The current focus on 'dynamic' organizational capabilities has emerged from the traditional resource-based literature, considering a firm as a unit of *resources* (Penrose 1959, Wernerfelt, 1984; Barney 1991). Compared to the more static view of the earlier resource-based literature, the recent works have taken a dynamic and temporal approach to firm capabilities (Teece et al., 1997; Helfat et al., 2007; Helfat and Peteraf 2003) and have included the notion of a changing and competitive

environment (Teece et al., 1997; Eisenhardt and Martin, 2000). Moreover, the recent works within the resource-based literature seem to suggest 'the possession of valuable, rare, inimitable and non-substitutable resources is a necessary but insufficient condition for explaining the firm's competitive position' (Newbert, 2007, p. 140), and that the value of resources is realized only when combined with the firm's idiosyncratic dynamic capabilities (Eisenhardt and Martin, 2000) or organizing principles (Barney, 1997; Kogut and Zander, 1992). This view is also supported by empirical tests that seem to suggest that 'while capabilities and core competencies do indeed contribute significantly to a firm's competitive advantage and/or performance, resources do not ' (Newbert, 2007, p. 136).

As the problematization of the paper deals with intra-firm processes subject to the external environment, we focus on the literature that adopts an evolutionary approach to organizational capabilities and enables us to integrate external considerations to the discussion. We define, in line with Helfat and Peteraf (2003), organizational capabilities as the "ability of an organization to perform a coordinated task, utilizing organizational resources for the purpose of achieving a particular end result" (Helfat and Peteraf, 2003, p. 999). These organizational capabilities can be operational or "dynamic", and might include both routine-based (Nelson and Winter, 1982) and knowledge-based capabilities (Grant, 1996; Kogut and Zander, 1993). In line with Helfat and Peteraf (2003) we consider that all organizational capabilities are capable of accommodating change when influenced by factors internal and external to the organization, while *dynamic capabilities* are those specific capabilities that modify other resources and capabilities within the firm's capability base (Helfat et al., 2007; Teece et al., 1997).

Although environmental considerations have been limited in the resource-based literature, the recent works on firm capabilities include the notion of a changing and competitive environment. This stream mainly deals with dynamic capabilities that can be defined as "the capacity of an organization to purposefully create, extend or modify its resource base" (Helfat et al., 2007, p.4), enabling a firm to 'integrate, build, reconfigure internal and external competences to address rapidly changing environments' (Teece et al., 1997, p.516). A similar idea is included in the concept of 'combinative capabilities' (Kogut and Zander, 1992), referring to the firm's ability to exploit its existing knowledge to new opportunities and to deal with change by transforming existing capabilities into new ones. Eisenhardt and Martin (2000) have developed this idea further by arguing that a firm, with the means of its dynamic capabilities, is not only able to respond to exogenous change but can even create market change.

However, we suggest that success in a globalized environment is not only a question of dealing with change, and in order to examine the 'firm's ability to carry off the balancing act between continuity and change' (Dosi et al., 2002, p.6) effectively and competitively during the processes of internationalization and globalization, we need to understand the environment in which the firm is acting. Helfat and Peteraf (2003) suggest that the emergence and development of capabilities are dependent both of internal and external factors, that in the form of 'internal and external selection environments' determine the development paths of capabilities. The factors in the 'internal selection environment' include managerial decisions, while the factors in the 'external selection environment' include changes in demand, science and technology, availability of raw materials and government policy. Moreover, as suggested by Helfat et al. (2007), firm capabilities are context dependent, and the 'fit' is determined

by how well the capabilities perform in the internal and external environment of the firm.

Consequently, we suggest that firm internationalization is mainly driven by managerial processes related to linear progression of increasing foreign operations, which accentuate the role of the internal selection environment in capability development. In contrast, firm globalization is simultaneously driven by processes internal and external to the firm, and compared to the process of internationalization; the impact of the external selection environment on capability development is amplified. The external factors include, for example, evolving industry globalization drivers (Yip, 1989) that act as impetus to capability development. Therefore, we draw on the distinction between the importance of the internal and external environment of the firm with respect to the internationalization or globalization of the firm and argue that:

*P1: Firm internationalization is primarily influenced by the internal selection environment, while firm globalization is primarily influenced by the role of the external selection environment.*

As suggested by internationalization theories, international markets represent opportunities for a firm to leverage its assets and capabilities that have exhausted the potential of the home market (Tallman and Fladmoe-Lindquist, 2002) and the success of an internationalizing firm is dependent on the degree to which it can exploit the home-base competitive advantage internal to the firm. Firm globalization, on the other hand, refers to a process that results in a globally configured and coordinated firm as it responds to increasing connectedness and interdependencies of markets and

competitive positions on global basis (Collis, 1991; Porter, 1985). In this type of a complex environment characterized by spatial and temporal interrelatednesses, the role of organizational capabilities is emphasized as they provide complementarities to deal with the interrelatednesses within the environment (Levinthal, 2002). Due to the interrelatedness in the globalized environment, firms need to coordinate resource deployments to exploit interdependencies and complementarities across their businesses and globally dispersed value chain activities (Luo, 2002; Roth, 1992). As proposed by Luo (2002) the global integration/local responsiveness balance is increasingly dependent on resource deployment instead of control, and therefore the fundamental challenge in the global context is to identify environmental and organizational contingencies underlying capability deployment. Moreover, the operation of a global network requires an 'ability to create new value through the accumulation, transfer and integration of different kinds of knowledge, resources and capabilities across [the] dispersed organizational units' (Nohria and Ghoshal, ).

Therefore, in the context of the firm, the capabilities required for internationalization and globalization differ as identified in the literature by the traditionally internationalizing firm and rapidly and late globalizing firms. The capability development of the internationalizing firms is largely explained by the managerial decision-making under country specific market uncertainty. Johanson and Vahlne (1977, p. 12) explain that “experiential market knowledge generates business opportunities and is consequently a driving force in the internationalization process. This market experience is to a large extent country-specific, i.e. it can be generalized to other country markets only with difficulty.” Other researchers have argued that the internationalizing firms can use their skills, experience and knowledge that have been

gathered in one country also when internationalizing into other countries (Welch and Luostarinen, 1988). Nevertheless, the capabilities are developed in the internal selection environment, i.e. to lessen the uncertainty of the decision makers.

In contrast, the Born Global capability development is derived from a home-base with scarce resources resulting in path dependencies but with high levels of tacitness and causal ambiguity in its accumulation process. Within this process the external conditions of the firms (type of sector, geographic setting, and interconnected home and international networks) may also play a critical role in moderating the way in which intangible resources and international capabilities are developed (Rialp et al., 2005). In the global industries in which the Born Globals operate the capabilities must be able to manage this increasingly complex global business environment. Similarly for Globalizing Internationals what becomes important is that resources are available for developing global capabilities, especially in technology, marketing and management (Gabrielsson et al., 2006). Craig and Douglas (2000) emphasize the need for a range of global capabilities, including for instance, broader scanning capabilities and the capability to transfer information, experiences and ideas from one market to another. They emphasize that “as markets become more integrated, development of such capabilities becomes increasingly critical to leverage effectively the spatial configuration of the firm’s assets and resources in global markets” (p., 24).

As discussed above, during *firm internationalization* capabilities are primarily influenced by the internal selection environment and deal with the replication, or incremental development, of firm capabilities as the firm expands geographically. Consequently, we argue that firm globalization cannot rely simply on the same *exploitation* or *replication* of the firm's home-base internal capabilities. Instead we



contend that globalization requires that a firm is able to engage in the *integration* and *reconfiguration* of its resource and capability base to match the globalizing environment, including the accumulation of new capabilities. As the globalized firm's source of competitive advantage is no longer tied to the specific home-base advantage, the firm's capabilities are no longer internal to the firm, but are drawn from the external environment. On the contrary, as proposed above, in the process of globalization the impact of the external selection environment is amplified due to the increasing interdependencies of markets and competitive positions (Porter, 1985). As a result, the firm's capability trajectories are subject to change more frequently, forcing the firm to constantly develop its resource and capability base to achieve congruence with the globalizing environment.

Moreover, firm globalization has an impact on the internal selection environment as the firm has to deal with increasing complexity and dynamics of the environment, including managerial processes related to the configuration and coordination of the firm's operations on global scale (Makhija et al, 1997). Consequently, we suggest that in the process of firm globalization, factors in the internal and in the external selection environment that impact capability trajectories, are amplified compared to the process of internationalization. On one hand, the firm needs to integrate and reconfigure its existing capability base to match the requirements of the globalizing environment, and on the other hand, the firm has to be able to accumulate new capabilities to enhance its performance and competitive advantage on global scale (Luo, 2002).

*P2 A: Firm internationalization deals primarily with the exploitation, replication and incremental development of the firm's internal capabilities,*

*B: Firm globalization deals primarily with the integration and reconfiguration of the firm's capability base, including building of new capabilities.*

Moreover, in the type of environment of rapid change characterized by globalization, the increasing complexity and uncertainty emphasize the role of *dynamic capabilities*, both in renewing the firm core competences, and in a form of 'strategic response capabilities' referring to an ability to sense environmental change, conceptualize a response to that change, and to reconfigure resources to execute the response (Bettis and Hitt, 1995). Eisenhardt and Martin (2000) argue that firms need dynamic capabilities to both respond to exogenous change as well as to create market change. Thus the firm must have the capability to not only adjust to but also drive changes in its operating environment. When taken to the context of firm globalization, firms must both adapt to industry globalization forces, and when possible and desirable, attempt to shape these forces to the firm's benefit (Bartlett and Ghoshal, 1989).

This conceptual paper opens up the much visited concept of firm internationalization and globalization and emphasizes the differences in terms of organizational capabilities as summarized in Table 1.

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## **Discussion**

The review of the international business literature reveals that as concepts the internationalization and globalization of the firm occur in different environments and require distinct strategies. The internationalization literature, however, only explains part of the behavior and decision making processes within the firm. This literature stream that was developed in the 1970's, before the era of globalization, explained a then current phenomenon of internationalization. However, this phenomenon is markedly different from that of globalization, a fact that the international business literature must address explicitly. Having recognized the distinction between internationalization and globalization allows past and future research to be contextualized. Prescriptive research claiming managerial implications cannot but benefit from the fact that the focal firm can be placed in a relevant context.

This conceptual paper contributes to the international business literature by revisiting the concepts of internationalization and globalization that are becoming increasingly different from each other and require explicit distinction. Furthermore, the paper argues that the resource-based view, in terms of the concept of organizational capabilities, can be extended to bridge the intra-firm behavioral internationalization literature and the environment external to the firm. Utilizing this theoretical approach can allow subsequent research to study the relationships between specific capabilities and context variables.

Recognizing the differences between internationalization and globalization allows for, for example, future firm-level research that can address the geographic expansion of

the firm as a two stage model. Furthermore, incorporating this distinction into industry-level studies will allow for a richer understanding of the internationalization and globalization of not only the firm but the industry. This perspective would allow for a deeper understanding of the competitive strategy and dynamics as the rationale for firms not only expanding but the timing by which they do so. Rather than push for a general theory of internationalization this conceptual paper calls for further contextualization of international business research. The simplistic distinction between internationalization and globalization of the firm reveals that there are significant differences in the organizational capabilities that the management literature offers and calls upon practitioners to develop.

The paper in and of itself has numerous limitations. As a theoretical or conceptual paper the authors can only point to the direction requiring further attention as found to be wanting in the international business literature without the weight of empiria. The operationalization of the constructs and propositions requires that the further research narrow the scope of the study in order to generate testable hypotheses resulting in empirically rigorous findings. Furthermore, while the paper, as is the case with much of the dynamic capabilities literature, discusses organizational capabilities and the context in which they are relevant the paper fails to identify specific capabilities relevant to the specific context of internationalization or globalization.

As stated in the objectives of this conceptual paper, the identification of a research gap calls for further research. Utilizing the concepts drawn from the resource-based view the organizational capabilities literature, as discussed herein, is offered as a conceptual tool by which an empirical study of firm internationalization and

globalization may arrive at a rich, holistic account reflective of the changing complex contemporary business environment.

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	<b>Internationalization</b>	<b>Globalization</b>
<b>Selection Environment</b> Proposition 1	<i>Internal</i>	<i>External</i>
<b>Firm Organizational Capabilities</b> Proposition 2	<i>Exploitation, replication,</i>	<i>Configuration, integration</i>

**Table 1.** Internationalization and Globalization of the Firm: Environment and Capabilities