Critical Realism and Case Studies in International Business

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Abstract

This paper reviews the emergence of critical realism as a consistent set of ontological, epistemological and methodological positions in the social sciences. In particular, the paper evaluates critical realism as an alternative philosophical stance to positivism in international business research. The methodological implications of critical realism are thus examined in terms of research strategy, data collection, data analysis, and criteria of scientific quality. More specifically, the paper reviews the case study approach as a particular research strategy which allows critical realist interpretations of data. Such interpretations invariably concern the interplay of agency and structure at various levels of analysis. This variety of potential applications renders critical realist case studies especially relevant in international business research given its cultural, linguistic and institutional heterogeneity. The paper thus concludes with a discussion of topics in international business research which may benefit from case studies in general and a critical realist stance in particular.

Keywords: critical realism, case study research, international business studies

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1. Introduction

The field of international business (IB) can be regarded as a research tradition (Laudan 1977), which encompasses several theories. According to Weisfelder (2001) they include: 1) industrial-organization theory, 2) internalization theory, 3) the eclectic theory of international production, 4) transaction-cost theory, and 5) the internationalization model and network theory of Nordic research. Weisfelder's synthesis of theory development in IB emphasises its multidisciplinary nature, similarly to previous reviews of the field (e.g. Toyne 1989, Melin

1992). Melin (1992, p. 99), for instance, states that IB is "a field characterized by considerable intellectual diversity drawing on a wide span of disciplines".

The multidisciplinary nature of IB research may, in turn, explain the increasing adoption of qualitative methods in the field (Marschan-Piekkari & Welch 2004). Such methods allow the description of multidisciplinary but also complex phenomena (Creswell 1998), which are less amenable to meaningful quantification (Bonoma 1985). IB phenomena tend to be characterized by such a complexity due to cultural, linguistic and institutional heterogeneity.

A general feature of qualitative methods is their reliance on a few cases (i.e. sampling units) and many variables in contrast to quantitative methods which usually rely on a few variables and many cases (Ragin 1987). The very notion of "case" (Ragin & Becker 1992) and "qualitative research" (e.g. Creswell 1998) remains, however, far from consensual. In this respect, the present paper adopts Van Maanen's (1983, p. 9) definition of qualitative research i.e. "an umbrella term covering an array of interpretative techniques that seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world". Such an emphasis on interpretative techniques does not mean, however, that qualitative research is necessarily associated with "some form of interpretative and anti-positivist paradigm" (Marschan-Piekkari & Welch 2004, p. 6) since it may be equally based on alternative paradigms. One such paradigm is critical realism, which according to Sharpe (2004, p. 309) "can help inform social research in the field of IB by providing a philosophy of the nature of the social world".

In IB research, qualitative studies are thought to be especially appropriate "to discover new relationships or situations not previously conceived" (Daniels & Cannice 2004, p. 186). Such an emphasis on new relationships may imply, however, different types of research questions depending on the paradigm which is adopted. A positivist paradigm, for instance, implies that qualitative studies should be confined to exploratory research, whereas alternative paradigms may legitimize qualitative studies with explanatory aims as well. In Zalan and Lewis's (2004, p. 522) words: "there has been a tendency within the positivist paradigm to confine idiographic research to the initial stages of scientific inquiry, stemming from a lack of familiarity with the ontological, epistemological and methodological principles of qualitative methods".

Such a lack of familiarity may explain, in turn, why researchers often fail to report the philosophical assumptions behind their methodological choice. Easton (2000) offers concrete explanations for such an ambiguous procedure, which include incipient methodological

training and lack of concrete methodological prescriptions in literature. In addition, researchers may overestimate both the paradigmatic features of their research community and the ability of readers to infer undisclosed methodological criteria. In this respect, Zalan and Lewis (2004, p. 510) argue, nevertheless, that "as qualitative researchers are more driven by the nature of the problem than the method (that is, 'will this approach allow me to understand the phenomenon?'), they tend to be interested in ontological and epistemological issues".

In any case, IB research findings may become controversial either because the debate on the nature of reality and knowledge was overlooked or because "it is easy to slide inadvertently from epistemology to ontology" (Ackroyd & Fleetwood 2000, p. 6). Researchers remain, nevertheless, the sole advocates of their contribution to scientific inquiry through rational discussion of both their methodological and substantive assumptions. The present paper contributes to such a discussion by reviewing the core assumptions of critical realism and by assessing its implications for case studies in IB research.

In the following section the notion of philosophical stance is thus introduced and several taxonomies are briefly reviewed. In the two subsequent sections the realist and critical realist stance are reviewed in further detail, respectively. Such a review of literature precedes a discussion of critical realism's implications for case studies in IB, including the topics that such studies are most likely to address. The sixth and final section summarizes the conclusions of the paper.

2. Philosophical stances

It is now twenty-five years since Burrell and Morgan (1979, p. 23), in reaction to the hegemony of functionalist orthodoxy in social science, suggested four paradigms as "meta-theoretical assumptions, which underwrite the frame of reference, mode of theorising and modus operandi of the social theorists who operate within them" (1979, p. 23). The authors claimed that such paradigms are mutually exclusive as they are based on at least one set of opposing meta-theoretical assumptions. Jackson and Carter (1991, p. 110) reiterate the impossibility for a synthesis between such paradigms, implying "that each paradigm must, logically, develop separately, pursuing its own problematic and ignoring those of other paradigms as paradigmatically invalid".

Such an assumption of paradigm incommensurability as a necessary condition for pluralism in organization studies (Jackson & Carter 1993) has been challenged based on the argument that "it locks analysis into a series of parallel narratives that disqualifies them from

engaging with each other" (Willmott 1993, p. 727). In similar fashion, Lincoln and Guba (2000, p. 164) maintain that: "to argue that it is paradigms that are in contention is probably less useful than to probe where and how paradigms exhibit confluence and where and how they exhibit differences, controversies, and contradictions". A key debate in philosophy of science is, therefore, whether a separatist paradigm mentality compromises scientific progress rather than promotes its pluralism (Weick 1999).

A related issue is whether a researcher "can operate in different paradigms sequentially over time" (Burrell & Morgan 1979, p. 25). In this respect Burrell and Morgan (1979, p. 24-25) argue that: "for a theorist to switch paradigms calls for a change in meta-theoretical assumptions, something which, although manifestly possible, is not often achieved in practice". Such a statement contrasts, however, with the distinction between fanatically-, firmly-, and weakly held assumptions (Zaltman et al. 1982), which suggests that only some meta-theoretical assumptions may indeed be inseparable from the researcher. In other words, it may be preferable to consider the philosophical stance of a study rather than that of a researcher.

In the present paper, a philosophical stance is defined as a fixed profile of positions in terms of ontology and epistemology. Such a concise definition implicitly assumes that human nature and methodology as defined by Burrell and Morgan (1979) may be assigned to ontology and epistemology, respectively. In addition, it implies that factors such as axiology, context and constraints (e.g. Easton 1995) although influencing methodological choice may be common to distinct ontological and epistemological positions. The present paper's notion of philosophical stance should thus be regarded as an umbrella term, which covers, among others, the notions of paradigm (Burrell & Morgan 1979, Guba & Lincoln 1998), position (Morgan & Smircich 1980), orientation (Easton 1995), methodological approach (Arbnor & Bjerke 1997), and methodological perspective (Ackroyd & Fleetwood 2000).

Ackroyd & Fleetwood (2000), for instance, attempt to cluster the theoretical diversity of organization and management studies into three general methodological perspectives: positivism, postmodernism, and realism. Easton (1995, p. 421), on the other hand, refers to orientation as a "fixed profile of positions" in terms of axiology, ontology, and epistemology, which determines methodological choice. The author emphasizes the idea of consistency as "the necessary metacriterion required to create an orientation" (Easton 1995, p. 422), and illustrates it with Burrell and Morgan's (1979) subjectivist and objectivist approaches to social science (Table 1).

Table 1 Assumptions about the nature of social science

Objective-subjective dimensions	Subjectivist approach to social science	Objectivist approach to social science
Ontology	Nominalism	Realism
Epistemology	Anti-positivism	Positivism
Human nature	Voluntarism	Determinism
Methodology	Ideographic	Nomothetic

Source: Adapted from Burrell and Morgan 1979.

Burrell and Morgan's (1979) dichotomy between qualitative and quantitative methodologies is further elaborated by Morgan and Smircich (1980), who subdivide the subjectivist-objectivist continuum into six distinct positions. The authors acknowledge, however, that it "is often the case that the advocates of any given position may attempt to incorporate insights from others" (Morgan & Smircich 1980, p. 42).

On the other hand, Arbnor and Bjerke (1997) re-aggregate the six positions of Morgan and Smircich (1980) into three general methodological approaches. In particular, the authors subdivide the subjectivist-objectivist continuum into the actors-, the systems-, and the analytical approach, respectively (Table 2).

Table 2 Methodological approaches in business research

Dimensions	Actors	Systems	Analytical
Ontology	Subjective	Synergetic	Objective
Epistemology	Subject-dependent	System-dependent	Independent
Explanations	Dialectical relations	Finality relations	Causal relations
Prerequisites	Meta-theories	System theory; analogies	Analytical theory; hypotheses
Results	Language types	Simplified systems	Verified hypotheses

Source: Adapted from Arbnor and Bjerke 1997.

More recently, Guba and Lincoln (1998) suggest a taxonomy of social research paradigms which distinguishes between positivism, postpositivism, critical theory et al., and

constructivism, namely in terms of ontology, epistemology, and methodology. In brief, critical theory and constructivism assume the co-existence of multiple social realities, which cannot be dissociated from particular belief systems, whereas positivism assumes a single apprehensible reality. Correspondingly, critical theory and constructivism assume knowledge to be value-dependent, whereas positivism assumes value-free researchers (Guba & Lincoln 1998) and independent non-reflective respondents (Numagami 1998). Realism – postpositivism in Lincoln and Guba's (2000) terminology – constitutes a somewhat intermediate stance by assuming simultaneously that: a) the world exists independently of our knowledge of it (Sayer 1992), but b) knowledge can only be produced in terms of available descriptions or discourses (Sayer 2000). In other words, scientific theories and discourse change over time, but the world they address largely remains the same. It follows that social science goals are neither nomothetic i.e. the postulation of invariant laws, nor idiographic i.e. the documentation of idiosyncrasies (Sayer 2000). Given the focus of the present paper on critical realism, such assumptions of realism as a philosophical stance are reviewed in further detail in the following section.

3. Realism

In their discussion of assumptions on the nature of social science, Burrell and Morgan (1979) label the ontological and epistemological dimensions of an objectivist approach to social science "realism" and "positivism", respectively (Table 1 in the previous section). Such a categorization may explain a common "misconception that positivism and realism are much the same thing" (Ackroyd & Fleetwood 2000, p. 8). Although realist and positivist ontology (e.g. Morgan & Smircich 1980) share the assumption that "the world exists independently of our knowledge of it" (Sayer 1992, p. 5), only realists assume a differentiated and stratified world into a real, an actual and an empirical domain (Bhaskar 1978; Harré & Madden 1975; Harré & Secord 1972; Outhwaite 1987).

In particular, realist ontology assumes the world to consist of generative mechanisms or causal powers located in the real domain, whose activation may generate events in the actual domain. Events are only observable as experiences in the empirical domain, and may be out of phase with the mechanisms that create them. In Sayer's (2000, p. 11) words: "the real is the realm of objects, their structures and powers. Whether they be physical, like minerals, or social, like bureaucracies, they have certain structures and causal powers, that is, capacities to behave in particular ways, and causal liabilities or passive powers, that is,

specific susceptibilities to certain kinds of change". An example of objects are individuals, who are expected to possess an idiosyncratic set of causal powers, that is, "dispositions that are generative of behaviour" (Sayer 2000, p. 85) in virtue of their physical make up, socialization and education.

Objects are characterized by internal or necessary relations as well as by external or contingent relations. When internally or necessarily related, an object has an identity, which cannot be dissociated from that of another object. A manager and a subordinate, for instance, are internally or necessarily related in the sense that one can only be defined in relation to the other. Conversely, when externally or contingently related, either object can exist without the other (Sayer 1992). In realist terminology, "contingent" thus means that a relationship between objects is "neither necessary nor impossible" (Sayer 1992, p. 89).

When two objects are necessarily related and thus have their identity mutually constituted, they form a structure, that is, "a set of internally related objects or practices" (Sayer 1992, p. 92). Such a structure is expected to have emergent powers itself, which are irreducible to those of its constituent parts (Tsoukas 2000). Internal or necessary relations between objects thus determine (why) the nature of social phenomena (what), whereas external or contingent relations determine whether its causal powers will be activated (how, where, when) and with what effects (Danermark et al. 2002).

Whether a causal power is activated or not thus depends on intrinsic conditions, which preserve the nature of the object, and on extrinsic conditions, which are external to the object (Sayer 1992). A regular generation of events is achieved when both intrinsic and extrinsic conditions are met, but such a control of all interfering variables is only possible in closed systems (Bhaskar 1978; Harré & Madden 1975). In the social sciences such conditions of closure are virtually unattainable due to: a) individual capacity for learning and self-change, which violates intrinsic conditions, and b) modification of social systems by human action, which violates extrinsic conditions (Sayer 1992).

It follows that "neither objects nor their relations are given to us transparently" (Sayer 1992, p. 209) once that "it is almost impossible to attain complete knowledge of all these relations, and in addition many of them change rapidly" (Danermark et al. 2002, p. 187). Such a realist stance clearly contrasts with positivist ontology, which assumes reality to consist of determinate relationships between constituent parts whose behaviour is an objective and observable phenomena (Morgan & Smircich 1980). Positivism thus makes no distinction between the actual and the real domains of reality, assuming that objects of knowledge are

atomistic events, whose regular co-occurrence may be equated with the causal laws underlying them.

Realism assumes instead that "a cause is whatever is responsible for producing change" (Sayer 2000, p. 94), which can also include unique and irregular events. Realist goals are thus primarily descriptive and explanatory once that "explanation and prediction are only symmetrical under conditions of closure" (Tsoukas 1989, p. 552). Given the impossibility of constructing closed systems in the social sciences, the positivist concern with deterministic or stochastic association of patterns of events can at best support the identification of events in the empirical domain. A constant conjunction of events is, however, neither a sufficient nor a necessary condition for a causal law. Causal explanation requires instead "finding or imagining plausible generative mechanisms for the patterns amongst events" (Harré 1970, p. 125), leading to "the postulation of a possible mechanism, the attempt to collect evidence for or against its existence, and the elimination of possible alternatives" (Outhwaite 1987, p. 58).

4. Critical realism

The preceding section reviews assumptions, which distinguish realism from alternative philosophical stances, especially positivism. In addition, the paragraphs above allow the distinction between critical realism and other versions of realism. Easton (2002), for instance, considers that what fundamentally distinguishes critical realism from other versions of realism is its assumption of necessary and contingent relations among objects. On the one hand, critical realism challenges naïve or direct realism's assumption that perceptions result in direct and certain knowledge of reality (Hunt 1990) as well as sophisticated realism's emphasis on prediction (Easton 1995). On the other hand, critical realism shares classical realism's assumption that the world exists independently of the external observer, fallibilistic realism's assertion that knowledge is uncertain, and inductive realism's concern with inductive fallacy (Hunt 1990).

A critical realist perspective thus views social phenomena as concept-dependent and production of knowledge as a social practice, which influences its content (Sayer 1992). This is not to say that social phenomena exist primarily as interpretations of researchers nor that knowledge is exclusively linguistic, but rather that such influences must be accounted for in the evaluation of scientific knowledge. A critical realist explanation will thus involve a gradual transition "from actions through reasons to rules and thence to structures" (Sayer 1992, p. 112).

Actions constitute the phenomena under study, presupposing conditions in terms of which reasons are formulated. Reasons, in turn, are inferred from actors' accounts as to why the actions have taken place. In this respect it is assumed that: a) reasons do not need to involve "true" or coherent beliefs to be causes; and b) many causal mechanisms are ordinary and fairly well understood by actors (Sayer 1992). Such reasons are made intelligible in terms of the rules they invoke, through the identification of structures or objects responsible for such rules. A critical realist explanation will be complete with the identification of the set of circumstances in which causal powers of objects and structures are exercised.

In other words, actions such as personal contacts in headquarters-subsidiary relations are social events, which take place in the actual domain of reality. Such actions or events are observable as experiences in the empirical domain of reality by both the ones who experience them and those who study them. Those who experience them are able to suggest conditions in which such actions or events occur, that is, reasons, which researchers may further examine in terms of objects in the real domain of reality. In particular, objects may be characterised in terms of necessary and contingent relations and hence associated with intrinsic and extrinsic conditions for the occurrence of such actions or events. Through necessary relations objects constitute structures with their emergent causal powers, which also need to be taken into account in eventual explanations of the observed actions or events.

Given the near impossibility of closure in the social sciences only causal powers can be considered externally valid. In other words, critical realism conceptualises contextual factors as either internally linked with the phenomena under study or as contingencies whose impact on the phenomena is variable. The former type of contextual factors is generally valid in the real domain whereas the impact of the latter must be empirically established. As a result, "researchers do not postulate ironclad laws, but tendencies, which may or may not manifest themselves in the empirical domain" (Tsoukas 1989, p. 558). For the particular case of qualitative research, such an explanatory effort has been described as follows (Tsoukas 1989, p. 558):

> In conclusion, an idiographic organizational study, conducted within a realist perspective, moves concurrently on two tracks. On the first track it is "up in the clouds", dealing with abstraction and theoretical conceptualization of the issues at hand. By contrast, the second track is "down to earth", looking for the differentia specifico of the cases, namely by investigating the existing contingencies and their interaction with the postulated mechanisms.

The traditional view that explanatory claims based on qualitative research have low external validity may, therefore, be challenged from a critical realist perspective as long as causal powers are identified. Case study research supports such a goal by allowing the simultaneous investigation of parts of a phenomenon and respective fit within wider contexts. The following section discusses the methodological implications of critical realism for case study research.

5. Critical realist case studies in IB

As mentioned in the introductory session, the methodological implications of critical realism may be structured in terms of research strategy, data collection, data analysis, and criteria of scientific quality. In order to discuss such implications for a specific research strategy – case study research – a systematic comparison can be made between critical realism and other methodological approaches to business research (Arbnor & Bjerke 1997). Such systematic comparison is presented in the following paragraphs, based on the assumptions of critical realism which were reviewed in the previous section.

Firstly, it was mentioned that critical realism challenges the assumption of direct realism (Hunt 1990) that perceptions result in direct and certain knowledge of reality. In this respect, Healy and Perry's (2000, p. 5) state that "realism is neither value-laden nor value-free, rather, realism researchers are value-aware". In other words, critical realism constitutes an intermediate position between the actors- and the analytical approach, which imply subject-dependent and independent epistemologies, respectively (Arbnor & Bjerke 1997).

Secondly, it was mentioned that critical realism challenges sophisticated realism's (Hunt 1990) emphasis on prediction by assuming that explanation and prediction are only possible under conditions of closure, themselves unattainable in the social sciences (Tsoukas 1989, Sayer 1992). Such an assumption is shared by the systems approach (Arbnor & Bjerke 1997), which, in contrast to the analytical approach, regards social phenomena as synergetic rather than predictable through invariant causal laws.

Thirdly, critical realism was said to share fallibilistic realism's (Hunt 1990) assumption that knowledge is uncertain, once that generative mechanisms or causal powers are unobservable in the empirical domain of reality (Sayer 2000). Such an assumption contrasts with the analytical approach's (Arbnor & Bjerke 1997) assumption that identifying patterns of events in the empirical domain through verification of hypotheses may be equated with causal laws in the real domain. In this respect, critical realism also comes close to the

systems approach (Arbnor & Bjerke 1997) which develops simplified models of reality through analogies.

Finally, it was mentioned in the previous section that critical realism shares inductive realism's (Hunt 1990) concern with inductive fallacy. Such a reasoning contrasts with the analytical approach's (Arbnor & Bjerke 1997) use of closed questions, which force respondents to fit their accounts into researchers' categories (Patton 1990). By contrast, the systems approach can be said to share critical realism's concern with inductive fallacy by favouring interviews based on open questions.

Taken together, the assumptions just reviewed in the light of other philosophical stances suggest that critical realism may be equated with the systems approach to business research in general (Arbnor & Bjerke 1997) and research strategies in particular. In the remaining paragraphs of this section, a specific type of research strategy is discussed from a critical realist perspective – case study research.

According to McGrath (1982:70) "all research strategies and methods are seriously flawed, often with their very strengths in regard to one desideratum functioning as serious weaknesses in regard to other, equally important, goals. Indeed, it is not possible, in principle, to do "good" (that is, methodologically sound) research". Table 3 attempts to synthesize such dilemmas in terms of two dimensions: sampling units and variables under analysis (c.f. Ragin 1987). In particular, Table 3 suggests that it is difficult for any given study to maximize both statistical- and analytical generalization due to limited numbers of sampling units or variables under analysis. In similar fashion, Yin (1994, pp. 30-48) argues that statistical generalization follows a sampling logic in contrast to analytical generalization which requires a replication logic instead.

A sampling logic assumes that sampling units represent a larger population. In order to make inferences about the latter, researchers choose between available formulas for determining the confidence with which generalizations can be made. Such a statistical confidence, in turn, depends on the size and internal variation within the universe and sample. A large number of sampling units is thus required by statistical generalization.

A replication logic, by contrast, assumes that "if a sampling logic had to be applied to all types of research, many important topics could not be empirically investigated" (Yin 1994, p. 48). Simply, because there might be an absence of sufficiently large numbers of sampling units or the topic of interest is better researched without clear boundaries to its context thus yielding a large number of variables under analysis. A small number of sampling units is thus required by analytical generalization.

In addition, Yin (1994) recalls that case studies can be mistakenly interpreted as sampling units (c.f. Ragin & Becker 1992). In other words, case studies can be wrongly regarded as sampling 'cases' (sampling logic) instead of 'studies' of phenomena embedded in their context (replication logic). In Yin's (1994, p. 31) words:

> A fatal flaw in doing case studies is to conceive of statistical generalization as the method of generalizing the results of the case. This because cases are not "sampling units" and should not be chosen for this reason. Rather, individual case studies are to be selected as a laboratory investigator selects the topic of a new experiment. Multiple cases, in this sense, should be considered like multiple experiments (or multiple surveys). Under these circumstances, the method of generalization is "analytical generalization", in which a previously developed theory is used as a template with which to compare the empirical results of the case study. If two or more cases are shown to support the same theory, replication may be claimed. The empirical results may be considered yet more potent if two or more cases support the same theory but do not support an equally plausible, *rival* theory.

To further clarify such a misconception, Yin (1994) distinguishes between two types of inference. "Level one inference" – the common way of generalizing from surveys and equally implicit in experiments – associates survey and experiment findings with a sample and subjects, respectively. "Level two inference", on the other hand, associates the findings of a study (e.g. survey, experiment, case study) with rival theories and ultimately rival policies. Also implicit in such reasoning is the idea that theories may be confirmed, extended or disconfirmed both statistically and analytically.

Table 3 Types of generalization

	Generalization	
	Statistical (sampling logic)	**Analytical (replication logic)**
Qualitative studies	'sampling error' due to few sampling units (e.g. Brewer & Hunt 1989, p. 100)	'currency' due to many variables (e.g. Bonoma 1985, pp. 200-201)
Quantitative studies	'data integrity' due to many sampling units (e.g. Bonoma 1985, p. 200)	'measurement error' due to few variables (e.g. Brewer & Hunt 1989, p. 100)

McGrath's (1982) dilemmatic view of research can thus be explained with the inability of any research strategy to simultaneously minimize threats to both (statistical) data integrity i.e. absence of error and bias, and (analytical) currency i.e. generalizability of research results (Campbell and Stanley 1963). In Bonoma's (1985, p. 200) words: "high degree of data integrity requires a precise operationalization of the research variables, a relatively large sample size and quantitative data for statistical power, and the ability to exercise control over persons, settings, and other factors to prevent causal contamination". In the same author's words: "high currency typically demands situationally unconstrained operationalizations of variables to allow cross-setting generalization, and observations within natural, ecologically valid settings – "noisy" settings – where large samples, quantitative measures, and control are more difficult to achieve" (Bonoma 1985, pp. 200-201). In similar, but complementary fashion, Brewer and Hunt (1989, p. 100) state that:

> By studying a few selected units rather than the whole universe, one may put additional resources into sharpening measurement by acquiring more and also more accurate data about fewer units. However, reducing measurement error may increase sampling error. (…) Thus one may spend years getting to know a single case in great detail, as with an individual in psychoanalysis or a community or organization in fieldwork ethnographies. But one may end up with a less convincing argument for generalizing one's findings than other researchers who may ask the same individual only a few questions in a survey or look up a few published census statistics on a neighbourhood.

In other words, Brewer and Hunt (1989) view (analytical) 'measurement error' and (statistical) 'sampling error" as relatively dilemmatic since statistical generalization requires large numbers of sampling units in detriment of the number of variables under analysis, whereas analytical generalization requires large numbers of variables in detriment of the number of sampling units. Their notion of "measurement error" thus seems to match Bonoma's (1985) notion of currency, that is, availability of data on contextual variables associated with the phenomenon under study. On the other hand, their notion of "sampling error" appears to match Bonoma's (1985) notion of "data integrity" since it implies availability of large numbers of sampling units. Such notions justify the focus of Table 3 on sampling units and variables under analysis in order to synthesize research dilemmas (McGrath 1982).

Case studies are, therefore, an example of qualitative research strategies which allow analytical generalization following a replication logic, particularly when the phenomenon under study cannot be studied outside its natural setting or cannot be meaningfully quantified

(Bonoma 1985). In addition, case studies may be subjectivist or objectivist depending on whether they attempt to study values or facts, respectively. Stake (2000), for instance, distinguishes between "intrinsic" and "instrumental" case studies. In "intrinsic" case studies "the purpose is not to come to understand some abstract construct or generic phenomenon", but the particular features of the case (sampling unit), whereas in the "instrumental" case studies the case (sampling unit) is of secondary interest, but it facilitates the understanding of a phenomenon (Stake 2000, p. 437).

Critical realism expands the possibility for using case studies in IB research since they both rely on analytical rather than statistical generalization (e.g. Harré 1970; Outhwaite 1987) and on replication rather than sampling logic (Yin 1992). In Eisenhardt's words (1991, p. 620), case studies "are a powerful means to create theory because they permit replication and extension among individual cases". Replication supports the identification of patterns through independent corroboration of specific propositions across individual cases, whereas extension supports a more complete theoretical picture based on the complementary nature of cases. Such replication logic appears to coincide with critical realist views on causality, especially that constant conjunction of events is neither a sufficient nor a necessary condition for a causal law.

As mentioned in the previous section, the generation of propositions across individual cases may be considered critical realist as long as they involve a gradual transition "from actions through reasons to rules and thence to structures" (Sayer 1992, p. 112). Actions which take place in the actual domain of reality are observable as experiences in the empirical domain of reality and can be further examined in terms of objects and structures in the real domain of reality.

In the particular case of IB research the scope for critical realist case studies appears to be promising given the claims that case studies are the most used qualitative research strategy in IB studies (Andersen and Skaates 2004). Hurmerinta-Peltomäki and Nummela (2004, p. 163), for instance, argue that "the methodological background of IB research lies in other sciences, particularly in the social sciences". As a result, issues of methodology in general and philosophy of science in particular raise pertinent debate given the heterogeneity of the field. To complicate things further, the different sources of psychic distance towards research subjects (Hurmerinta-Peltomäki and Nummela 2004) further encourage IB researchers to insist in less risky methodological choices. On the other hand, the rate of publication of qualitative research in IB journals (e.g. Pauwels and Matthyssens 2004) may constitute an

additional dissuading factor to the adoption of case studies in general and of a critical realist stance in particular.

Possible topics for critical realist case studies in IB research may be assessed along Weisfelder's (2001) review of research traditions: 1) industrial-organization theory, 2) internalization theory, 3) the eclectic theory of international production, 4) transaction-cost theory, and 5) the internationalization model and network theory of Nordic research. From these research traditions, the internationalization model and network theory of Nordic research seem to have the highest potential for the application of critical realist cases studies. The internationalization model, on the one hand, invokes dynamics that are inherent in critical realism's causal powers. The network model, on the other hand, implies the absence of boundaries which are akin to critical realism's emphasis on open systems. In similar fashion, Ghauri (2004) gives examples of topics for case study research which seem to fit these two models. In particular, because "IB negotiations, international joint ventures, market entry processes and headquarters-subsidiary relationships" (Ghauri 2004) can be researched both in terms of process and network relationships.

6. Conclusion

IB can be regarded as a research tradition (Laudan 1977), which encompasses competing theories (e.g. Weisfelder 2001) and alternative methods (e.g. Creswell 1998). In terms of methods, qualitative research has gained increasing recognition since it enables the study of multidisciplinary and complex phenomena. Although the term "qualitative research" lacks a consensual definition, several qualitative research strategies can be identified. Alternative qualitative strategies may share the collection of data and still differ in terms of philosophical assumptions. IB researchers should thus carefully consider and disclose the philosophical stance underlying their choice of qualitative strategies and respective use of data.

The present paper attempts to support such a practice by reviewing alternative philosophical stances i.e. fixed profiles of positions in terms of ontology and epistemology, which supposedly determine methodological choice. Special emphasis is given to realism as an intermediate stance between positivism and more recent philosophical stances such as constructivism. In this respect, critical realism is examined in detail as a promising set of philosophical assumptions which may allow future IB research to use case studies not only in descriptive but also in explanatory research.

The novelty of a critical realist stance comes from the assumption that knowledge is uncertain mainly because causality is not necessarily observable or regular. Realist goals are, therefore, primarily descriptive and explanatory rather than predictive. A critical realist explanation is typically inferred from the accounts of individuals under the assumption that many causes are ordinary and fairly well understood by actors. In particular, human agency is conceived as both enabled and constrained by social structures, which, in turn, are maintained and transformed by such human action. The focus of critical realism is, therefore, on the interplay between micro-practices and macro-structures (e.g. Sharpe 2004).

On the other hand, given the near impossibility of closure in the social sciences, contextual factors necessarily related with the phenomenon may be generalized whereas contextual factors contingently related with it must be empirically established. In other words, the generalization of insights from qualitative research in general and from case studies in particular is possible, but it will depend on the postulation of plausible causal mechanisms, the collection of evidence for or against their existence, and the elimination of possible alternatives.

In sum, critical realism offers a structured view of reality, knowledge, and research which reconsiders the role of causality and generalization in the social sciences. In particular, critical realism may add insights into phenomena which are not amenable to meaningful quantification due to, among others, scarcity of sampling units, blurred boundaries, and terminological ambiguity. As a result, case study research may provide exploratory, but also descriptive and explanatory insights, especially when phenomena are contextually embedded and/or dynamic. IB research concerned with international networks and internationalization processes are thus especially prone to critical realist interpretations of case study research.

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