



# Contrasting knowledge development for internationalization among emerging and advanced economy firms: A review and future research

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## ARTICLE INFO

### Keywords:

Knowledge development  
Internationalization  
Organizational learning  
Literature review  
Emerging markets  
Advanced economies

## ABSTRACT

Knowledge development—an integral part of firms' internationalization—has generated a considerable amount of research on how firms from emerging and advanced countries acquire, integrate, and utilize knowledge. Despite theoretical justifications for the context significance for internationalization, the existing literature is fragmented and overlooks whether and how firms originating in distinct countries differ in their knowledge development processes. Relying on the antecedents, decisions, and outcomes, and the theory, context, characteristics, and methodology frameworks, we bridge this gap by reviewing 81 papers published in leading journals since 2007. Our paper extends the literature by classifying knowledge development during firm internationalization from emerging and advanced countries. We show how environmental and status differences create diverse effects on the type of knowledge firms seek, the ways they acquire and integrate it, and the consequent internationalization decisions. Among notable further directions, we emphasize shifting focus from organization- to individual-level learning in diverse organizational contexts.

## 1. Introduction

Knowledge development is an underlying process of firm internationalization that has attracted considerable research attention (De Clercq, Sapienza, Yavuz, & Zhou, 2012; Kahiya, 2020; Petersen, Pedersen, & Sharma, 2003; Tuomisalo & Leppäaho, 2019). According to Casillas, Moreno, Acedo, Gallego, and Ramos (2009), this process comprises the accumulation of knowledge, the acquisition and integration of new knowledge into organizational routines, and its utilization in further actions. Scholars contend that knowledge development is imperative for entering unfamiliar, distant markets, such as when a firm from an advanced economy (AE) enters an emerging market (EM) or vice versa (He, Lin, & Wei, 2016). In such cases, knowledge about the target country is crucial for success, while, in cases of internationalization to similar markets, it is possible to apply the knowledge developed at home (Johanson & Vahlne, 1977). Although extensive research has been conducted, scholars have rarely acknowledged the importance of the knowledge development process regarding different country contexts, such as contrasting firms originating in EMs and AEs.

EM firms began internationalizing to AEs several decades ago, yet the rapid increase in the scale and pace of internationalization began in the early 2000s (Luo, Xue, & Han, 2010; Ramamurti & Singh, 2009).

This attracted great scholarly attention and has resulted in numerous publications (Pereira, Vrontis, Christofi, & Temouri, 2019; Wright, Filatotchev, Hoskisson, & Peng, 2005). This stream of research began to evolve independently from research on firm internationalization from AEs to EMs, which was established long before. The diversion occurred because of the fundamentally different contexts of EMs and AEs due to the institutional, cultural, economic, political, and other conditions (e.g., Marquis & Raynard, 2015), and the differences in local firms' size, ownership, organizational structure, performance goals, competitive advantage, etc. (e.g., Ramamurti, 2012). Moreover, because theories developed to explain the internationalization decisions of AE firms have limited explanatory power in the context of EMs, scholars developed new theories to explain the special conditions of EMs (Buckley, Cross, Tan, Xin, & Voss, 2008; Ramamurti & Singh, 2009). The different country conditions arguably create divergent effects on antecedents, decisions, and knowledge development outcomes during internationalization. Yet, scholars have overlooked these differences that might occur and influence the process despite empirical evidence (e.g., Banerjee, Prabhu, & Chandy, 2015; Kahiya, 2020) and theoretical justification (North, 1990) of country contexts impacting decisions during internationalization and the knowledge development process. To our knowledge, this paper is the first attempt to directly compare the empirical

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findings of research conducted in AEs and EMs, which will further the understanding of the actual impact of the home country context on knowledge development during internationalization.

Therefore, the aim of this review is to systematize and compare existing research on antecedents, decisions, and knowledge development outcomes during internationalization between two distinct country contexts: AEs and EMs. We conducted a comprehensive review of 81 articles published in leading journals since 2007, resulting in two main outputs. First, we present a taxonomy of knowledge development during internationalization in AEs and EMs, which provides unique insight into the topic and reveals how contextual differences influence the way firms pursue knowledge development during internationalization. Second, we summarize the research inconsistencies and areas of scholarly interest that provide avenues for further development.

We make several contributions to international business (IB) literature and practice: First, we provide a holistic understanding of the relationship between a country and its impact on the process of knowledge development during internationalization. Second, because we develop the first structured comparison of two diverse contexts, thereby addressing numerous calls for greater contextualization in IB research (e.g., Poulis, Poulis, & Plakoyiannaki, 2013; Teagarden, Von Glinow, & Mellahi, 2018) and drawing further attention to the topic. Third, we develop a taxonomy that reveals how knowledge development during internationalization differs depending on the country context. Fourth, we advance literature and management practice in terms of understanding the differences between emerging and advanced economies (Pereira et al., 2019; Ramamurti, 2012), providing guidance for practitioners and a basis for future scholars to continue developing the field. Finally, we propose notable future research directions by summarizing unanswered questions and gaps in the existing literature to help future scholars advance the field further.

In the following sections, we first describe the conceptual boundaries of the review based on the antecedents, decisions, and outcomes framework. We then present the methodology before revealing our findings, using the theory, context, characteristics, and methodology (TCCM) framework (Paul & Rosado-Serrano, 2019). Finally, we discuss the findings and suggest future research directions.

## 2. Conceptual boundaries

To set the review's boundaries on an extensive and expanding research stream (Vrontis & Christofi, 2021) and frame the process of knowledge development during internationalization, we adopt Casillas et al. (2009) model. The authors view internationalization as a dynamic learning process that begins with accumulating prior knowledge and proceeds with acquiring new knowledge, integrating both sets, and utilizing it into organizational routines. Internationalization literature reveals that, although born-global firms develop faster due to their smaller size and more flexible organizational structures (Autio, Sapiezka, & Almeida, 2000), they undergo the same knowledge development steps. To visualize the conceptual boundaries, we adopt the antecedents, decisions, and outcomes framework (Fig. 1).

According to this framework, knowledge development during internationalization occurs as follows: Firms accumulate knowledge during their operations in the home market before expanding their business abroad<sup>1</sup>. This knowledge can be objective (i.e., collected through standardized methods like market research) or experiential (i.e., derived from personal experience) (Eriksson, Johanson, Majkgård, & Sharma, 1997). The main difference between these knowledge types is that the former is transferrable to other countries and easy to replicate, while the latter is tacit, country-specific, and considered the driving

force of internationalization (Johanson & Vahlne, 1977). Experiential knowledge has three components (Eriksson et al., 1997): (1) internationalization knowledge (the firm's capability and resources to engage in international operations); (2) foreign business knowledge (experiential knowledge of clients, the market, and competitors); and (3) foreign institutional knowledge (experiential knowledge of governments, institutional frameworks, norms, values, and rules). These components, as well as the external context, are antecedents of the internationalization that impart a different value to the firm and influences the consequent knowledge development process.

When a firm identifies an opportunity in international markets and decides to internationalize, it seeks new knowledge about the target market from different information sources, the two main sources are: internal or first-hand (acquired by the firm's employees) and external or second-hand (representing pre-developed and coded information from certain intermediaries and the firm's network) (Casillas et al., 2009). Firms may acquire information through different learning mechanisms, such as vicarious learning (Tuschke, Sanders, & Hernandez, 2014) and searching and noticing (Pellegrino & McNaughton, 2015). However, the simple possession of information and/or resources does not create a competitive advantage (Deng, 2009); there are additional processes that transform information into value, such as a firm's ability to assimilate and integrate new knowledge into existing routines, known as absorptive capacity (Cohen & Levinthal, 1990), which is arguably related to the firm's level of prior knowledge. That is why scholars claim that young, small firms, unburdened with heavy organizational routines, learn more quickly than older firms (Autio et al., 2000). Further knowledge utilization influences the firm's different internationalization decisions (e.g., entry modes or choice of target markets) and its profitability/performance.

Thus, we contend that the components of a firm's country context influence the antecedents of the process, arguably causing differences in the way the firm acquires, integrates, and utilizes knowledge and in the consequent outcomes, such as its performance, pace of internationalization, and entry modes. Considering the fundamental differences between EMs and AEs, firms that originate in these countries will have different antecedents, decisions, and outcomes of knowledge development during internationalization. Moreover, the importance of knowledge development in firms' internationalization will depend on the target destination, which pays off most when firms internationalize to distant countries (He et al., 2016). In defining our contextual boundaries, we were initially inspired by Wright et al. (2005), who identified four main categories of context in which contemporary firms operate: AE multinational enterprises (MNEs) entering EMs, domestic firms operating in EMs, MNEs from EMs entering other EMs, and MNEs from EMs entering AEs. However, we narrowed it down to two groups—firms from AEs internationalizing to EMs, and firms from EMs internationalizing to AEs. This decision was based on our observations during the search, which revealed that scholars were more curious about these two contexts, while the context of MNEs from EMs entering other EMs was underrepresented. Because domestic firms operating in EMs do not cross borders, there is no case of internationalization. Moreover, the chosen contexts represent a maximum contrast, which will help highlight the crucial role of a firm's knowledge development during internationalization to distant markets (He et al., 2016). Thus, in this review, we include all relevant studies that discuss the focal phenomenon (knowledge development), its antecedents, or its outcomes in the above-mentioned two research contexts.

## 3. Methodology

To write a systematic literature review paper, we employed the hybrid systematic-narrative review methodology (Dabić et al., 2020; Meglio & Risberg, 2011; Paul & Criado, 2020) due to the following advantages. First, due to the interdisciplinary nature of knowledge development during internationalization, an entirely systematic

<sup>1</sup> While born-globals and international new ventures start internationalization with limited or no domestic experience, all the consequent steps of knowledge development remain for this type of firm.

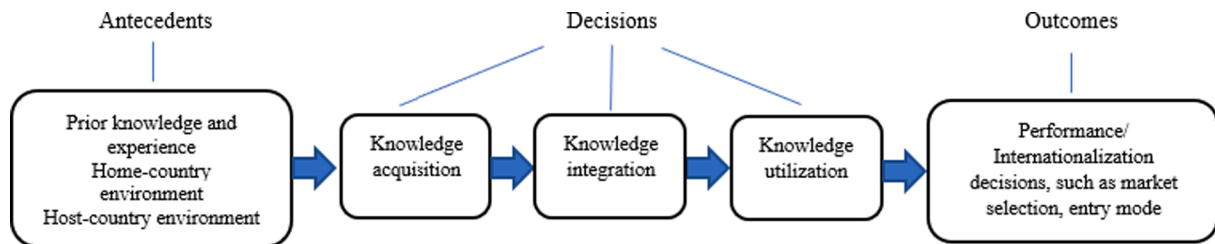


Fig. 1. Conceptual boundaries based on the antecedents, decisions, and outcomes framework.

approach may not have been possible (Snyder, 2019). Second, while the aim of structured systematic reviews, as a meta-analysis, is to identify all empirical evidence and pool statistical research findings from existing research, a narrative review's main advantage is its ability to present qualitative information as cause-effect relationships found in the sample articles (Huff, 2008). Third, narrative reviews are valuable in extracting what is known about a particular phenomenon (Baumeister & Leary, 1997) and providing state-of-the-art understanding of a particular topic (Palmatier, Houston, & Hulland, 2018).

We frame the empirical findings within the TCCM framework (Paul & Rosado-Serrano, 2019) to comprehensively present the most frequently used theoretical perspectives (T), research contexts (C), sample characteristics (C) and methodological profiles (M). This helps synthesize the findings into a taxonomy of knowledge development during internationalization. Further, we narratively present a discussion and suggest future research directions to reveal the qualitative content of the sample. To achieve the research's aim, we formulated the following research question, bearing in mind our conceptual boundaries: *How do the processes of knowledge development during internationalization differ when firms originate from emerging vs. advanced economies?*

### 3.1. Search strategy

The following criteria were used to search for relevant articles. First, because knowledge development during internationalization is a multidimensional construct (Lu, Liu, Wright, & Filatotchev, 2014), we did not limit our search to a specific area but included all related journals from the fields of international business, marketing, management, entrepreneurship, and strategy. However, to ensure the review's quality, we only considered articles published in peer-reviewed journals ranked 3, 4, or 4\* in the ABS 2018 journals list, which remains a frequently employed method for capturing field research trends and scholarly debates (Atewologun, Kutzer, Doldor, Anderson, & Sealy, 2017; Vrontis & Christofi, 2021). Although related articles are published elsewhere, these selected mainstream journals are considered field leaders, publishing work with the greatest impact.

Second, we decided to use a single online bibliographic database—Web of Science, which holds an extensive body of knowledge—to perform the search. Our aim was to provide a detailed picture of knowledge development during internationalization from a sample of illustrative articles, rather than to obtain a larger pool of articles to have a statistically representative sample (Meglio & Risberg, 2011; Paul, Lim, O'Cass, Hao, & Bresciani, 2021).

Third, we identified relevant keywords. Existing scholars define EMs using several terms, often interchangeably, such as “transition” and “developing countries” (e.g., as Hoskisson, Eden, Lau, & Wright, 2000; Meyer & Nguyen, 2005). We included all three terms into the keyword search, as ignoring one could result in overlooking relevant studies. Even though EMs and transition/developing countries differ in economic, institutional, and other conditions (Marquis & Raynard, 2015), they represent a sharp difference from AEs. The remaining keywords—“internationalization,” “knowledge development,” and “learning”—relate to the knowledge development process during internationalization.

Finally, we identified the relevant time span, relying on Paul and Benito (2018) assessment that EM firms rapidly increased the scale and pace of their international business at the beginning of the 2000s, indicating that empirical research exploring EM firms appeared even later. According to our test search, articles on EMs only began appearing in 2007; therefore, the present review ranges from 2007 up to and including 2020. The keyword search in paper abstracts and titles yielded 661 potentially relevant articles.

### 3.2. Inclusion criteria and selection process

We adopted the International Monetary Fund's country rankings—a comprehensive index often used in empirical research—to properly classify papers as belonging to the AE or EM context (e.g., Marquis & Raynard, 2015) based on three criteria: (1) per capita income level, (2) export diversification, and (3) degree of integration into the global financial system (from “World Economic Outlook, Frequently Asked Questions”). Although several countries (e.g., South Korea and Taiwan) appear as EMs in other indices, we classified these countries as AEs to align with the modern economic classification.

The following were our inclusion criteria. First, papers had to clearly represent: (1) a firm originating in an EM internationalizing or already working in an AE or (2) a firm from an AE internationalizing or already having businesses in an EM. Second, papers had to discuss and draw conclusions regarding aspects of knowledge development during internationalization presented in the review's conceptual boundaries (clause 2). Third, articles had to have an empirical perspective, including data analysis and statistical tests.

Following previous review studies (Paul, Parthasarathy, & Gupta, 2017), we separately read full papers to assess their suitability for the review. We then compared our lists of selected papers and used our judgment to reach a unanimous consensus (see steps for exclusion in Fig. 2). Most excluded papers did not meet the first inclusion criterion of a clear presentation of the context because, in most cases, the authors did not specify the target markets or even the sample's country of origin (e.g., Bianchi & Abu Saleh, 2020; Bingham & Davis, 2012; Elia, Munjal, & Scalera, 2020; Zeng, Glaister, & Darwish, 2019). Some excluded papers did not include discussions or develop any conclusions related to aspects of knowledge development during internationalization (e.g., Ahsan, Sinha, & Srinivasan, 2020; Chan, Makino, & Isobe, 2010; Demirbag, Apaydin, & Tatoglu, 2011; Heidenreich, Mohr, & Puck, 2015; Lu & Ma, 2008). In several cases, authors viewed some countries as emerging (e.g., South Korea in Kim, Hoskisson, & Lee, 2015; Park & Choi, 2014), while we considered them to be AEs. These papers were also excluded for not meeting the first inclusion criterion. Eventually, we identified 81 articles (see the full list in Appendix) that were published in 12 different journals (see Table 1), mainly business (80%) but also marketing, management, and strategy (20%) journals.

Lastly, in accordance with the recent studies (Leonidou, Christofi, Vrontis, & Thrassou, 2020; Paul et al., 2021), we created a code book to classify the main elements of the sample papers into the following categories: (1) title, (2) author/year, (3) context, (4) theoretical perspective, (5) steps of knowledge development and what constitutes knowledge for the author(s), (6) research question, (7) method and main

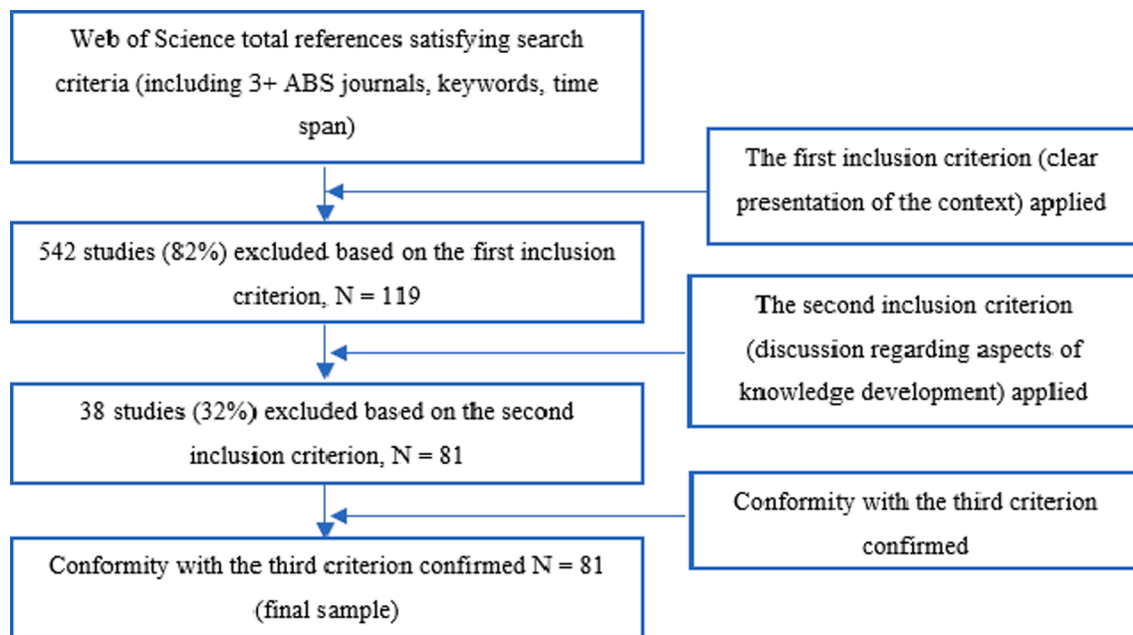


Fig. 2. Steps for exclusion of papers.

Table 1  
Results of the search by journals.

Journal outlet	ABS ranking	No. of papers
International business and area studies		
Journal of International Business Studies	4*	13
Journal of World Business	4	18
Asia Pacific Journal of Management	3	2
International Business Review	3	18
Journal of International Management	3	8
Management International Review	3	6
Marketing		
Journal of Marketing	4*	1
International Marketing Review	3	3
General management		
Academy of Management Journal	4*	1
Administrative Science Quarterly	4*	1
Journal of Business Research	3	5
Strategy		
Strategic Management Journal	4*	5

concepts, (8) contribution/conclusion, (9) challenges raised by the author(s), and (10) future research directions.

#### 4. Analysis of the findings

Here, we present our findings from the sample papers, using the TCCM framework. We first review the most frequently used theoretical perspectives to explain knowledge development during internationalization. Then, we present the contexts, mainly the geographical coverage of the sample. Next, we highlight the knowledge development characteristics described in the sample papers based on how authors define knowledge, the type of knowledge they study, the features of knowledge that are important, and the challenges of knowledge development during internationalization. Finally, we discuss the methodological profiles of the sample papers. Based on this review, we build a taxonomy of knowledge development during internationalization.

##### 4.1. Theoretical approaches to study knowledge development

Table 2 lists the most often used theories to study knowledge development during internationalization. When preparing the table, we

relied on authors' statements and our own judgment to determine the theoretical approaches used in the sample papers. Authors often combine several theories from different fields to study the dynamic, complicated process of knowledge development during internationalization, resulting in a mix of organizational learning (OL) and institutional theory (IT). This is expected, due to the strong links between external institutions and the process of a firm's learning. Other theories such as resource-based view (He & Wei, 2013; Jiménez, Luis-Rico, & Benito-Osorio, 2014; Sandberg, Sui, & Baum, 2019); springboard (Su, Kong, Ciabuschi, & Holm, 2020; Wang, Luo, Lu, Sun, & Maksimov, 2014); transaction cost (Demirbag, Tatoglu, & Glaister, 2010; Sartor & Beamish, 2014); awareness, motivation, and capability (Cui, Meyer, & Hu, 2014; Wooster & Paul, 2016); dynamic capability (Fan, Cui, Li, & Zhu, 2016); network theory, including social and diaspora networks (Li, 2020; Rana & Elo, 2017; Stoyanov, Woodward, & Stoyanova, 2018; Urzelai & Puig, 2019); internationalization (Cuervo-Cazurra, 2011; Lahiri, Elango, & Kundu, 2014; Meyer & Thaijongrak, 2013; Van den waeyenberg & Hens, 2012); and integration responsiveness framework (Meyer & Su, 2015) were occasionally employed to gain an additional perspective.

Although most of the listed theoretical perspectives were equally used in studies from both contexts, there are two clear differences in terms of which theories were applied in AEs and EMs. Knowledge-based and the linkage, leverage, and learning perspectives were used only in studies from EMs, indicating that EM firms lack knowledge and experience to internationalize, as the perspectives study how to address firm-specific weaknesses by acquiring capabilities and external knowledge to internationalize rapidly and acquire and integrate knowledge. However, experiential learning is the focus of research in AEs, indicating that such firms have prior knowledge and experience that they want to utilize during internationalization. This also reveals that AE firms are interested in more informal, tacit knowledge acquisition and prefer to develop first-hand experience.

The above review of theoretical approaches used in the sample reveals a major challenge: the overuse of OL theory results in significantly greater number of papers that study knowledge development at the organizational level. Therefore, important questions related to how individuals acquire, integrate, and utilize knowledge are generally overlooked. Scholars argue that organizational learning is the result of what individuals within an organization learn and a kind of organizational



**Table 2**  
Theories used in the sample.

Theory	Perspective	Definition	Research aim	Examples of citations
OL	KBV (knowledge-based view)	Different types of knowledge and capabilities of a firm, which help to gain, absorb, and integrate external knowledge to create competitive advantage and minimize future risks. <b>Covers the whole process of knowledge development.</b>	The sample papers use KBV to address knowledge <i>acquisition</i> and <i>integration</i> . Often combined with IT to determine how knowledge development is mediated by institutional environment.	Dau (2013); Zhong et al. (2013); Lu et al. (2014)
	LLL (linkage, leverage, and learning)	How firms engage in rapid internationalization by leveraging their resources, especially learning. <b>Covers the whole process of knowledge development</b>	The sample papers use LLL mainly to explore how firms <i>acquire</i> and <i>integrate</i> knowledge to address firm-specific weaknesses.	Thite et al. (2016); Tan and Mathews (2015); Bangara et al. (2012); Jain et al. (2019)
	Experiential learning	The process of accumulation of first-hand experience. Use of experience in future decisions. <b>Covers either acquisition or utilization of knowledge.</b>	The sample papers seek to determine how already acquired and integrated knowledge and experience influence internationalization strategy and competitive advantage and how different institutional environments influence applicability of past experience. The focus is on <i>utilization</i> . Some papers explore ways to <i>acquire</i> first-hand experience.	Tuschke et al. (2014); Hong and Lee (2015); Perkins (2014); Gao et al. (2016); García-Canal and Guillén (2008); Van den waeyenberg and Hens (2012); Zhou et al. (2016); Meyer and Thaijongrak (2013); Li et al. (2015); Wooster et al. (2016); Li and Meyer (2009); Kotabe and Kothari (2016); Putzhammer et al. (2018)
	Catch-up strategies	Studies ways to acquire knowledge to upgrade existing competencies and procedures. <b>Covers knowledge acquisition.</b>	The sample papers focus on knowledge <i>acquisition</i> to catch-up with competitors.	Awate et al. (2015); Lamin and Livanis (2013); Anderson et al. (2015); Cui et al. (2014)
	Absorptive capacity, knowledge transfer	How firms recognize the value of new, external information and assimilate and apply it to realize the organization's goals. <b>Covers knowledge integration.</b>	The sample papers seek to determine how to enhance knowledge <i>integration</i> , what hinders absorptive capacity and knowledge transfer, and what type of knowledge is easier to integrate. Many papers explore issues of knowledge transfer in a partnership.	Gunawan and Rose (2014); Demir and Söderman (2007); He and Wei (2013); Yildiz and Fey (2016); Nair et al. (2015); Corredoira and McDermott (2014); Chen et al. (2016)
IT	Liability of foreignness (LOF)	Unfamiliarity with local culture and other aspects of local markets, lack of information, networks or political influence in the host country, which cause a competitive disadvantage for new entrants. <b>Influences the whole process of knowledge development.</b>	The sample papers seek to determine how prior experience mitigates LOF and how the perception of LOF influences knowledge development. Scholars cover the whole process of knowledge development.	Klossek et al. (2012); Wang et al. (2014); Tan and Meyer (2011)
	Psychic/cultural/institutional distance	Factors in a host environment (e.g., norms and values) that affect perceptions of individuals. <b>Influences the whole process of knowledge development.</b>	The sample papers seek to determine how prior experience and learning help in dealing with distance and how distance influences post-acquisition learning and relationships between the partners. Scholars mainly cover issues of knowledge <i>acquisition</i> and <i>integration</i> .	Abdi and Aulakh (2012); Dikova (2009); Yildiz and Fey (2016); Sartor and Beamish (2014); Zhang et al. (2016); Tsang and Yip (2007); Michailova and Hwee Ang (2008); Karhunen and Ledyeva (2012); Muellner et al. (2017); Pisani and Ricart (2018); Liou et al. (2016)
	Institutional change	Change in the national environment of a country, which creates uncertainty and increases risks. <b>Influences the whole process of knowledge development.</b>	The sample papers seek to determine how institutional change influences the effectiveness of learning and access to knowledge. All three aspects of knowledge development are covered.	Dau (2013); Xia et al. (2009)

memory that is preserved over time in strategies, mental maps, norms, and values (Easterby-Smith, Crossan, & Nicolini, 2000; Hedberg, 1981, p. 6). However, the lack of studies that focus on individual-level knowledge development imposes many consequent gaps. For example, there are no studies that draw on social cognitive theories to determine how personal factors, behaviors, and external environments interact during knowledge development (e.g., Hultman, Iveson, & Oghazi, 2021); there are also no studies that adopt an institutional entrepreneurship perspective, which assumes that individuals may exercise agentic behavior to respond to institutional pressures (DiMaggio, 1988; Oliver, 1991).

4.2. Context

Here, we present findings related to contextual aspects of the sample, including geographical coverage, studied entry modes, and firm sizes.

Table 3 shows the regions and countries covered in the sample. Because some articles studied the relationships between companies from two viewpoints (e.g., Banerjee et al., 2015), there are overlaps in calculations. Table 3 displays firms' origins and their target destinations.

Articles covering the first context deal with how firms from China (19 studies), India (9 studies) and other Southeast Asian countries internationalize into various AEs. These studies constitute 65% of the EM sample, creating bias towards that region. This makes judgements about patterns of learning and knowledge development during

internationalization in other regions of the world—that have received little attention—more difficult, because EMs are highly heterogeneous, with even neighboring countries having institutional, structural, and cultural differences. Articles about EMs usually do not specify target countries or study multiple destinations, possibly indicating scholars' interest in how firms capture general international knowledge that is not country-specific. In the second context, many articles also study China (30%), yet the sample is more evenly distributed, providing evidence from all parts of the world, excluding the Middle East. Moreover, target countries are specified in most cases, indicating scholars' interest in how firms develop market-specific knowledge. Several articles focus on Central and Eastern European countries, which is a very interesting region because of its Soviet past, rapid change to a market-based economy, and current institutional changes. Analysis of the papers' countries of origin also reveals an evenly distributed sample, representing all parts of the advanced world.

In total, the sample contains 39 articles researching the first context group, 35 researching the second, and 7 that develop conclusions for both contexts (e.g., Yildiz and Fey (2016) discuss mergers and acquisitions between Sweden and China, offering conclusions for both). An analysis of publishing trends (Fig. 3) shows stable growth throughout the time span, peaking (n = 14) in 2016 and declining thereafter.

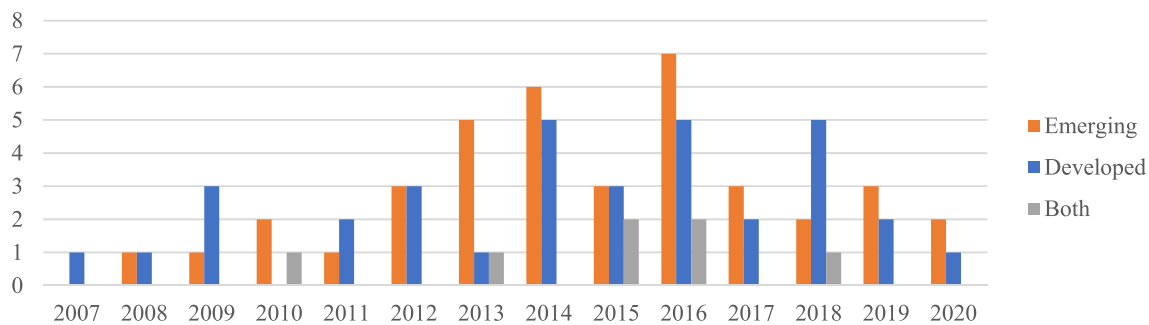
Table 4 shows the most cited papers, with Deng (2009) qualitative study of Chinese firms' mergers and acquisitions (M&As) in AEs being the most frequently cited, followed by Gubbi, Aulakh, Ray, Sarkar, and

**Table 3**  
Regions/countries and contexts of the sample articles.

Initiator country	1st context: An EM firm internationalizing or already working in AEs				
	Targeted Country				
	Scandinavian countries (Sweden, Denmark)	Australia	Germany	UK	Multiple/not specified destinations
China	1	1	3	1	13
India	1				8
Southeast Asia					2
BRIC (as a group)					5
Russia					1
Turkey	1				1
Bulgaria				1	
Latin America					2
Africa					2
Multiple/not specified					3

Initiator country	2nd context: An AE firm internationalizing or already conducting business in EMs									
	Targeted Country									
	China	India	Russia	Africa (Ghana)	BRIC (as a group)	Southeast Asia	Latin America	Central and Eastern Europe	Multiple/not specified	
US	2						1	1	1	
Canada									1	
Germany, Austria	1							3		
Scandinavia	3	1								
Rest of EU (Spain, the Netherlands)	1			1			1		2	
UK	1	1								
Japan	1				1				1	
New Zealand	1									
Advanced Asia (Singapore, Korea, Taiwan)									3	
Multiple/not specified	3	2	1		1	2	1	2	2	



**Fig. 3.** Publishing trends by context and year.

**Table 4**  
The ten most cited articles.

Rank	Total citations	Author(s)	Journal <sup>2</sup>
1	979	Deng (2009)	JWB
2	609	Gubbi et al. (2010)	JIBS
3	336	Lu et al. (2014)	JIBS
4	336	García-Canal and Guillén (2008)	SMJ
5	308	Tsang and Yip (2007)	AMJ
6	231	Awate et al. (2015)	JIBS
7	215	Cui et al. (2014)	JWB
8	213	Dikova (2009)	IBR
9	203	Tan and Meyer (2011)	JIBS
10	175	Abdi and Aulakh (2012)	JIBS

<sup>2</sup> Journals' abbreviations: JWB – Journal of World Business; JIBS – Journal of International Business Studies; SMJ – Strategic Management Journal; AMJ – The Academy of Management Journal; IBR – International Business Review.

Chittoor (2010) article examining cross-border acquisitions from India. Nine out of ten papers are published in 4\* journals, while Dikova (2009) exploration of how prior experience helps in dealing with psychic distance is published in International Business Review, level 3 journal. Although the sample is evenly divided between the two contexts, the three most cited papers originate from EMs.

Of 39 EM studies, 24 specify the type of internationalization entry mode. More than 70% of the papers (n = 19) studied hierarchical entry modes such as foreign direct investments (FDI) and acquisitions. The remainder explored partner-based modes and exporting or did not specify the entry mode. In the AE context, only half of the 35 studies specified the entry mode. Most of these papers explored relational (partnership, JV, n = 7) or hierarchical (FDI, acquisition, n = 8) entry modes. Seven papers presenting views from both contexts studied international mergers (n = 3), FDI (n = 1), or did not specify an entry mode (n = 3).

Regarding firms' size, only three studies explicitly mentioned studying small and medium enterprises (SMEs) (Bangara, Freeman, & Schroder, 2012; Gao, Ren, Zhang, & Sun, 2016; Sandberg et al., 2019),

two papers studied entrepreneurial firms (Li, 2020; Stoyanov et al., 2018), and the remainder studied knowledge development in MNEs or did not mention the type of firm studied.

### 4.3. Characteristics

In this section, we present an analysis of the knowledge development steps taken in the sample and the outcomes of the process. We classified knowledge development steps based on Casillas et al. (2009) model: accumulation of prior knowledge, knowledge acquisition, integration, and utilization (see Fig. 4). It is important to mention that scholars rarely draw a sharp line between knowledge development steps and often interrelate them with the outcomes of the process. Our analysis revealed that the obvious leader is knowledge acquisition (n = 30), which is often studied together with knowledge integration (n = 11). Combined, these studies represent half of the sample. The next most frequently studied characteristic is prior experience (n = 14), often combined with knowledge utilization (n = 6), together representing a quarter of the sample. The rest of the sample studies represent the steps of knowledge integration (n = 11), utilization (n = 4) and remaining combinations.

On analyzing which knowledge development steps are of more interest in particular contexts, we found several patterns. First, in both contexts, studies pay almost equal attention to knowledge acquisition (n = 15 in EMs, n = 12 in AEs, and n = 3 in dual), integration (n = 3 in EMs, n = 5 in AEs, and n = 2 in dual), and utilization (n = 2 in EMs and n = 3 in AEs). However, articles from EMs study knowledge acquisition and integration together (n = 10), possibly indicating greater interest in how to integrate newly acquired knowledge. Second, the importance of prior experience for internationalization and its influence on knowledge utilization is of higher value in studies from AEs (n = 9 and n = 5 respectively) than from EMs (n = 4 and n = 1 respectively).

#### 4.3.1. Prior experience

In this step, scholars study how prior experience influences internationalization decisions in terms of entry mode or location choice. We start by examining articles from AEs, as these represent almost 70% of the sample. Tuschke et al. (2014) show that vicarious learning from direct ties with top managers of other firms that convey their first-hand experience are important in cases of EM entry, as first-hand experience is a substitute for focal firm knowledge. Scholars also report that firms with prior experience in different markets are less sensitive to vicarious learning from others (Li, Qian, & Yao, 2015) and tend to use the same entry strategy for further entries (Xia, Boal, & Delios, 2009). Specifically, Wooster, Blanco, and Sawyer (2016) reveal that, under conditions of environmental uncertainty, firms with greater international experience are more likely to choose a non-equity expansion mode to engage in experiential learning, with diversity—rather than intensity of experience—increasing the pool of learning opportunities and making learning more valuable (Jiménez, Benito-Osorio, Puck, & Klopff, 2018). Putzhammer, Fainshmidt, Puck, and Slangen (2018) report that knowledge

intensity is important for gaining confidence and local expertise. Hong and Lee (2015) find that, for international business, general international experience is more effective and important than is country-specific experience, because it can be applied everywhere and reduces cultural uncertainty. However, Perkins (2014) argues that when firms try to apply irrelevant experiences in a new country (dissimilar to the country in which the experience was gained), the risk of failure increases, because managers overestimate performance outcomes.

Regarding research from EMs, although scholars have scarcely discussed the volume of experience of EM firms before they expand abroad, there is an ongoing debate about the importance of prior experience for internationalization due to greater learning barriers and the liability of foreignness (LOF) (Zhou, Xie, & Wang, 2016). Accumulation of knowledge and experience is especially important in cross-cultural acquisitions (Alimadadi, Bengtson, & Hadjikhani, 2018; Klossek, Linke, & Nippa, 2012). However, Lu et al. (2014) paper reveals that home-government support and well-developed host country institutions may reduce the importance of prior entry experience. Jain, Pangarkar, Yuan, and Kumar (2019) court further controversy with evidence that firms without prior knowledge—that are not overburdened or trapped by it—will learn faster, enjoying accelerated internationalization.

#### 4.3.2. Knowledge acquisition

When studying knowledge acquisition, scholars seek to determine which type of knowledge to acquire and from whom. In this sample, studies made in EMs view knowledge as (1) resources (tangible, such as technology, and intangible, such as managerial know-how, routines, or best practices) that provide new knowledge to the firm (e.g., Cui et al., 2014); (2) market-specific knowledge (e.g., about the target country's institutions; Deng, 2009); and (3) knowledge related to industries or alliances with foreign companies (Cuervo-Cazurra, 2011). The four dual-context papers also state that EM firms are eager to acquire technological capabilities (e.g., Awate, Larsen, & Mudambi, 2015) or gain experience of competitors and network members (Banerjee et al., 2015). EM firms need this knowledge to catch up with the leaders, upgrade capabilities, and build competitive advantage.

The EM studies' debate regarding first- and second-hand knowledge is noteworthy. When scholars discuss knowledge acquisition, they do not use the terms “first-hand” and “second-hand” although they do specify the source, such as knowledge acquired from local trade associations and institutions (Kotabe & Kothari, 2016), social ties (e.g., Levin & Barnard, 2013), the diaspora (Stoyanov et al., 2018), and knowledge spillovers (Lamin & Livanis, 2013). Additionally, scholars do not discuss the types of learning through which firms acquire this knowledge, whether vicariously or by searching and noticing, etc. Just three papers mention knowledge acquisition through experiential learning (Meyer & Thajongrak, 2013)—personal or direct experience—and through indirect (Banerjee et al., 2015) and exploratory learning (Deng, 2009)—from others' experience.

Studies made in AEs define knowledge as (1) tacit market-specific

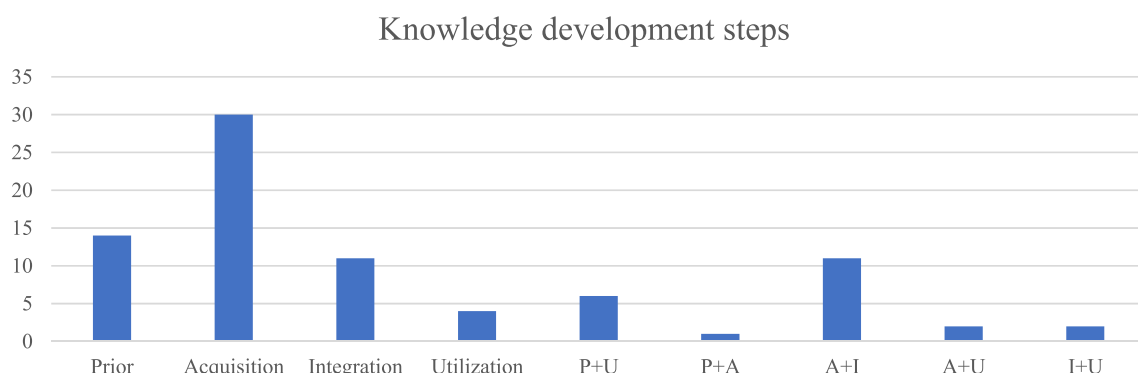


Fig. 4. Frequency of studying of knowledge development steps. (P: prior experience; A: acquisition; I: integration; U: utilization).

knowledge (e.g., about host-country political, regulatory, and social institutions; Owens, Palmer, & Zueva-Owens, 2013); (2) resources and capabilities (e.g., Jiménez et al., 2014); and (3) learning in a partnership (e.g., about product and process innovation; Abdi & Aulakh, 2012). One dual-context paper highlights the importance of tacit knowledge regarding host-country institutions (Knoerich, 2010). AE firms need this to advance their knowledge base and obtain specific information. The sample reveals that these firms mostly acquire the necessary knowledge from partner-based entry modes (e.g., Abdi & Aulakh, 2012; Karhunen & Ledyeva, 2012; Owens et al., 2013; Sartor & Beamish, 2014) or from co-location and knowledge spillovers (Lamin & Livanis, 2013; Tan & Meyer, 2011; Urzelai & Puig, 2019). These scholars also do not refer to first- and second-hand knowledge or discuss the types of learning.

#### 4.3.3. Knowledge integration

Papers addressing knowledge integration investigate how to transfer knowledge in a partnership and how and what type of knowledge to integrate. Two of the three dual-context papers (Knoerich, 2010; Yildiz & Fey, 2016) show the process of knowledge integration in a partnership, revealing that partners from EMs prefer to integrate acquired technological capabilities and organizational practices, while partners from AEs tend to integrate institutionally specific knowledge about the partner's home country. The third paper shows how an EM acquirer's specific strategies and characteristics may contribute to the acquired firm's learning and capability upgrading (He, Khan, & Shenkar, 2018). These papers also highlight the many challenges of knowledge integration in a cross-cultural partnership arising from institutional differences, such as organizational cultures, business practices, and the LOF.

Studies from EMs make the greatest contribution to knowledge integration because they point out the importance of integrating (1) second-hand experience, that is, from buyers and suppliers (Gunawan & Rose, 2014); (2) knowledge from returnees (Chen, Tan, & Jean, 2016); and (3) knowledge from their alliance or partnership with AE firms (e.g., Nair, Demirbag, & Mellahi, 2015). It is important that the knowledge acquired by EM firms in host markets is transferrable to home-country conditions, because they have limited absorptive capacity. Support from home-country government, institutions, and organizations (Corredoira & McDermott, 2014), as well as flexible organizational structures (Chen et al., 2016), may positively influence absorptive capacity.

Scholars from both contexts contend that knowledge transfer and integration may be enhanced by specific internal organizational practices, such as by giving autonomy to the subsidiary (e.g., Wang et al., 2014) and enhancing coordination between business units (Nair et al., 2015), as well as specific hiring strategies, such as hiring returnees or host-country national managers (Chen et al., 2016; Mueller, Klopff, & Nell, 2017).

Only one paper from the AE context specifies that the firm wants to integrate institutionally specific knowledge (Muellner et al., 2017). Other papers discuss knowledge transfer to the subsidiary in an EM and reveal that the most valuable knowledge types are tacit expertise and company culture (Cao, Navare, & Jin, 2018), while the creation of knowledge collectivities helps knowledge transfer (Yakob, 2018).

#### 4.3.4. Knowledge utilization

Few papers discuss knowledge utilization; moreover, it is highly interrelated with either prior experience or knowledge acquisition (see Fig. 4) and often presented as an outcome. Studies from AEs deal with the challenges of knowledge utilization, claiming that institutional heterogeneity of EMs limits transferability and the utilization of knowledge and capabilities built in AEs (Van den waeyenberg & Hens, 2012). They stress that only capabilities independent of an institutional context are transferrable. Few studies from EMs highlight the importance of learning and exposure to new experience in building technological capability and confidence and investing in more developed countries (Meyer & Thaijongrak, 2013; Wu, Ma, & Liu, 2019).

#### 4.3.5. Outcomes of knowledge development

The outcomes of knowledge development during internationalization often relate to the achievement of strategic goals. For EM firms, these goals include investing in a given location (Lamin & Livanis, 2013), deciding on the level of ownership (Liou, Chao, & Yang, 2016) and subsidiary autonomy (Wang et al., 2014), and process upgrading (Corredoira & McDermott, 2014). Several EM papers have determined the direct effects in terms of increased profitability and performance. For example, Gubbi et al. (2010) find that acquisitions in AEs allow access to tangible and intangible resources of higher quality, thereby increasing the acquisition performance. Similarly, Jindra, Hassan, and Cantner (2016) show how effective knowledge absorption increases profitability and innovation rate.

For AE firms, the outcomes of knowledge development manifest in increased performance of a partnership (Abdi & Aulakh, 2012) or an FDI (Meyer & Su, 2015), decisions to agglomerate with other firms (Tan & Meyer, 2011), and decreased psychic distance (Dikova, 2009). For example, the experience of operating in unstable countries gives AE firms the confidence to invest in even more distant markets (Jiménez et al., 2018). Knowledge helps AE firms to select non-equity entry modes (Wooster et al., 2016) or partial ownership instead of full acquisition (Lahiri et al., 2014).

Another issue frequently discussed in studies from both contexts in relation to each step of knowledge development and the outcomes is LOF, which stems from unfamiliarity with the local environment (Zaher, 1995). AE firms prefer relational entry modes to overcome LOF and advance their knowledge of local culture. They build knowledge by co-locating with locals (Tan & Meyer, 2011) and relational governance of a partnership (Abdi & Aulakh, 2012), thereby decreasing LOF and uncertainty about entering EMs. EM firms also choose the co-location strategy to mitigate LOF (Lamin & Livanis, 2013) and engage in due diligence (Klossek et al., 2012) and sharing ownership (Liou et al., 2016) to enhance the success of a partnership. Another issue that influences the success of investments to AEs is the liability of origin (Ramachandran & Pant, 2010), which refers to the disadvantages faced by EM firms in international markets due to negative heritage and the lower status of their home countries in AEs. For example, Wang et al. (2014) suggest that giving autonomy to subsidiaries in AEs is an appropriate strategy to overcome weaknesses that originate at home.

#### 4.4. Methods

A considerable bias towards quantitative methodologies is noticed ( $n = 58$  or 72%). Twenty qualitative and three mixed-methods papers employ case studies. Qualitative methods have been used almost equally in studies from both contexts to explore various issues, such as accelerated internationalization (Bangara et al., 2012; Tan & Mathews, 2015), challenges of knowledge development in joint ventures and acquisitions (e.g., Mihailova, 2015), where to invest (e.g., Deng, 2009), and how to upgrade capabilities (He et al., 2018). Most of these papers are based on interviews, often triangulated with secondary sources, such as archival data (Meyer & Thaijongrak, 2013), public information (Gao et al., 2016), and previous research (Rana & Elo, 2017). Only four employ longitudinal case studies (Alimadadi et al., 2018; Awate et al., 2015; Kotabe & Kothari, 2016; Yakob, 2018).

Quantitative approaches have been used to explore numerous issues such as entry decisions (e.g., Tuschke et al., 2014), location decisions (e.g., Belderbos, Olffen, & Zou, 2011; Jindra et al., 2016), type of entry mode (e.g., Wooster et al., 2016), degree of ownership or subsidiary autonomy (e.g., Lahiri et al., 2014; Wang et al., 2014), and profitability/performance (e.g., Chen et al., 2016; Gubbi et al., 2010). Most articles use various regression models (e.g., Corredoira & McDermott, 2014; Thakur-Wernz, Cantwell, & Samant, 2019) and methodologies such as event study (e.g., Anderson, Sutherland, & Sever, 2015). Data sources include global databases, as World Bank Database (e.g., Elia & Santangelo, 2017), stock exchanges (e.g., Li & Meyer, 2009), questionnaires (e.



g., Putzhammer et al., 2018), field studies, and interviews (e.g., Perkins, 2014).

### 5. Discussion and data synthesis

The analysis of findings from 81 papers reveals how firms from different country contexts develop knowledge during internationalization, mainly by presenting antecedents, decisions, and outcomes of the process. We classify the empirical findings into a taxonomy of knowledge development during internationalization for firms from emerging and advanced countries (see Table 5). Below, we discuss the main differences between the processes and describe why they occur.

#### 5.1. How do the processes of knowledge development differ?

Knowledge development differs between AEs and EMs in several ways: First, scholars discuss the antecedents of knowledge development very differently. While it is mostly overlooked in articles from EMs, prior experience is a major antecedent of knowledge development for AE firms during internationalization. This may be explained by the fact that because the pace and scale of EM firms' internationalization to AEs has increased relatively recently (Paul & Benito, 2018), they do not yet have extensive international experience, while AE firms, with decades of international experience, have a "knowledge advantage."

Different initial experiences influence a firm's subsequent decisions. For example, because EM firms need to rapidly catch-up with industry leaders and build a competitive advantage, they engage in involved entry modes that allow immediate access to technology and resources. AE firms seek market-specific knowledge to advance their existing knowledge base. Because such institutionally specific knowledge is complicated to integrate and utilize, AE firms prefer to enter EMs with partner-based entry modes and learn from their partner. Partnerships and joint ventures help in obtaining information about the host country's regulatory and social frameworks (Owens et al., 2013) and adjusting the internal organizational structure and capabilities to the target country's norms (Abdi & Aulakh, 2012). Transferability is the main knowledge feature that EM firms seek (Dau, 2013), because unpreparedness and lack of support from local institutions and organizations (e.g., local suppliers; Corredoira & McDermott, 2014), as well as the lack of resources, make it complicated to utilize new technologies

and innovation in the home country.

Finally, firms from AEs and EMs have different outcomes of knowledge development during internationalization. The main difference stems from the fact that EM firms prefer involved entry modes that often produce immediate benefits, while AE firms internationalize by partner-based modes, spending time to develop first-hand knowledge that does not result in immediate returns. In the long run, the willingness to develop first-hand knowledge may reap better rewards, resulting in a deeper understanding of the target countries' norms and traditions, developed local network, and secured position in the country. Another major difference stems from the perceived liabilities in the host market. For AE firms, LOF manifests in unfamiliarity with the local market, which is easy to mitigate by finding a partner in the target market and utilizing the partner's market-specific knowledge. For EM firms, it is more complicated to cope with perceived liabilities, as they are also rooted in negative heritage and carry the lower status of their home countries. Thus, EM firms need to spend much more time and invest in more resources to build legitimacy in AEs. Moreover, to mitigate LOF and reap the benefits of knowledge acquisition and integration, EM firms prefer to give autonomy to subsidiaries in AEs. Although this strategy enhances knowledge transfer, in the long term, it may result in subsidiary opportunism and unwillingness to cooperate.

#### 5.2. Why do the differences occur?

From the above discussion, we may conclude that there are several factors influencing firms' knowledge development during internationalization, the most important of which is the home country context—in particular, its institutional environment, status, and competitive environment. AEs provide resources and a stable institutional environment to support the internationalization of local firms and give them confidence to invest in unstable countries. Moreover, the higher status of AEs in international markets influences the behavior of local firms during internationalization, resulting in overconfidence and superior bargaining power (Anderson et al., 2015). The lower status of EMs, on the other hand, forces local firms to invest in AEs to compensate for weak home-country institutions and grant autonomy to its subsidiaries in AEs to escape negative institutional heritage (e.g., Wang et al., 2014). Status differences result in asymmetric psychic distance perceptions and create divergent effects on knowledge transfer and organizational commitment

**Table 5**  
Taxonomy of knowledge development process.

Knowledge development process			Emerging markets	Advanced economies
Antecedents	Prior experience, home country's stage of development, institutional environment, status	What type of knowledge do firms accumulate?	–	First-hand experience from different markets, general international experience
Decisions	Knowledge acquisition	What types of knowledge firms look for?	Resources (as technology or managerial know-how), market-specific knowledge, experience of competitors, and network members	Tacit, market-specific knowledge; resources and capabilities; learning in a partnership
		From whom	Social ties, diaspora, knowledge spillovers, returnees	Partners, co-location with peers, and knowledge spillovers
		Aim	Rapid catch-up with existing leaders, upgrade capabilities, building competitive advantage	Advancing existing knowledge base
Decisions	Knowledge integration	How firms access	Through FDI, acquisition	Through partnerships, JVs, FDI.
		Features of acquired knowledge	Transferability to the firm and local country conditions	Institutionally specific knowledge
Decisions	Knowledge utilization	How to enhance knowledge integration	Support from home-country institutions, practices of governing partnerships, hiring strategies	Practices of governing partnerships, hiring strategies
		Challenges of knowledge utilization	Building technological capability and confidence in investing	Institutional heterogeneity of EMs, uncertainty, psychic distance
Outcomes	Internationalization choices		Location decisions, level of ownership, and subsidiary autonomy	Decision to internationalize to distant countries, decreased psychic distance
	Profitability/performance		Products of better quality, innovation	Performance of a partnership/FDI
	Liabilities of foreignness and origin		Unfamiliarity-based LOF, negative heritage, lower status in AEs, and psychic distance	Unfamiliarity-based LOF, psychic distance

in cross-cultural partnerships. This happens because partners from EMs are more willing to implement the organizational practices of their AE partners than vice versa (Yildiz & Fey, 2016), which, in the long-term, may negatively influence partnership performance. Finally, the highly competitive environment of AEs forces local firms to invest more time and resources to approach knowledge development systematically, because in-depth, tacit knowledge of the target country’s norms and demands may serve as a foundation for a unique competitive advantage (London & Hart, 2004). EM firms may meet and exceed competition demands by acquiring advanced technology and organizational practices in AEs and transferring them to the home-country context.

The empirical findings from 81 papers clearly depict firms from emerging and advanced economies at different stages of development, which influence the available knowledge base and subsequent decisions during knowledge development. For example, when comparing studies that discuss different modes of entry, we observe that EM firms are forced to use involved entry modes to gain access to advanced technology and know-how. In this way, they catch up with the leaders from AEs who secured their positions in international markets decades ago. Years of experience in international trade created knowledgeable environments in AEs, while in EMs local sources of knowledge (e.g., suppliers and customers) do not help to internationalize, because they lack international experience (Gunawan & Rose, 2014).

Another important factor that influences the knowledge development process is the type of knowledge AE and EM firms seek—mainly first- and second-hand knowledge. AE firms are willing to engage in experiential learning and develop first-hand experience, which influences entry mode and location decisions. They learn from partners in EMs and integrate this knowledge into their organization. Consequently, first-hand experience decreases psychic distance and uncertainty about investing in more distant markets. EM firms acquire the needed technology and resources through FDIs and acquisitions. Although scholars do not use the terms first- and second-hand knowledge, such knowledge is known to have external origins (see Casillas et al., 2009 for definition), that is, the competence of others. Despite the acquired company immediately becoming part of the parent company, it takes time to perform a “reverse” knowledge transfer from the subsidiary to the parent company. Thus, conversion of the subsidiary-based second-hand knowledge into first-hand knowledge is not immediate but time consuming (Awate et al., 2015; Nair et al., 2015).

In summary, the initial differences in firms’ countries of origin, stage of development, and available knowledge base give rise to further differences in the types of knowledge they seek during internationalization, their strategies of knowledge development, and the outcomes they reap.

**6. Future directions of the research**

In this section, we maintain our focus on the antecedents, decisions,

and outcomes framework that we introduced at the beginning of the paper, following the approach employed in prior reviews (e.g., Paul & Benito, 2018). We present the main unanswered questions that the scholars emphasized in their research and contradictions that we noticed in the sample. We acknowledge that while existing literature reviews often opt for a more structured presentation of future directions, by employing the TCCM model (e.g., Paul & Rosado-Serrano, 2019; Chen, Mandler, & Meyer-Waarden, 2020), our main contribution lies in revealing the content and qualitative information from the sample. We summarize the proposed topics in Fig. 5.

**6.1. Antecedents**

**6.1.1. Home- and host-country institutions**

There are many possible avenues in this fruitful area of research. First, future research may address the dynamic process of how governments in EMs respond to firms’ concerns, such as creating and strengthening the legal framework; promoting home policies regarding technological upgrading; assisting in developing a contextual understanding regarding key markets/industries/customer groups (Gunawan & Rose, 2014); and learning how government leaders can lobby new types of organizations and institutions to facilitate the recombination of imported frontier knowledge with local experiential knowledge (Corredoira & McDermott, 2014).

Second, for AE firms, the main issue is dealing with the uncertainty of EMs. Future scholars may explore which different home- and host-country organizations can help decrease the uncertainty and risks associated with entering EMs. Topics of interest could include home-country “gatekeepers” that provide information and industry data and establish the standards of host markets (Gao et al., 2016); collaborations with the host-country’s public and non-profit sectors (Van den waeyenberg & Hens, 2012); or the role of home-/host-based trade associations (Zhang, Zhao, & Ge, 2016). Much uncertainty stems from the high corruption rates of many EMs, and there is a considerable research stream discussing how AE firms leverage political strategies and capabilities to deal with corruption. Scholars claim that more diverse experiences in different political environments lead to a more positive perception of political risk, thereby decreasing uncertainty. They emphasize the importance of framing political strategy as an opportunity to learn, rather than a threat. However, institutional and other antecedents, determinants, and measurements of political capabilities and their long-term consequences for MNEs and SMEs remain unclear (Jiménez et al., 2014). On the other hand, there are different types of corruption that firms face; for example, monetary corruption is more prominent for EMs, while nepotism is common in AEs. These differences in the nature and extent of corruption might influence the type of political capabilities that firms need to develop.

Third, future research could investigate how host and home

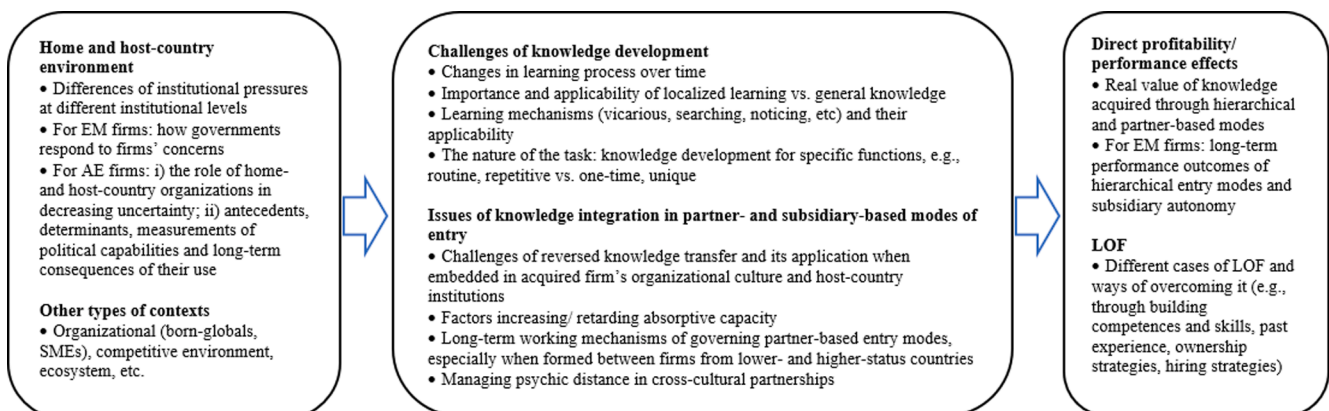


Fig. 5. Proposed topics for future research.

institutions together create triggers that affect the strategic choices of firms from both contexts (Deng, 2009). Moreover, as many scholars argue, firms are embedded in layers of different institutions (e.g., firm-, city-, industry-, region-, and country-level factors), and there could be differences in the strength/potency of institutional pressures at these levels (Zhang et al., 2016). It is especially important to explore these questions through longitudinal studies.

### 6.1.2. Other types of contexts

The reviewed papers reveal that scholars have, in general, ignored the importance of other types of contexts and organizational forms, which constitute a prominent area in IB research (e.g., Kostova & Hult, 2016). For example, future scholars may want to estimate the influence of competitive environments or ecosystems on knowledge development during internationalization in different markets, examine how smaller and younger organizations behave to access knowledge, determine whether it is easier to integrate and utilize it in firms with flexible organizational structures, and identify the influence of state ownership on the knowledge development process. Based on the evidence that political ties increase the organizational distance between headquarters and subsidiaries (Su et al., 2020), it will be especially interesting to explore how state ownership influences knowledge transfer in partner-based modes, when the acquirer is from an EM.

## 6.2. Decisions

### 6.2.1. Challenges of knowledge development

Studies from both contexts express the need to explore the dynamics of knowledge development during internationalization, such as how the learning process evolves over time with changes in institutional or industry conditions, customer preferences, or the firm's networks.

Another call for future research necessitates a shift from a general theory of knowledge management to the importance of local knowledge (Li & Meyer, 2009). As the sample articles show, EM firms require general internationalization knowledge, while AE firms focus on acquiring market-specific knowledge. However, there is evidence that EM firms may also want to develop market-specific knowledge. We believe this is a very prominent area of research, because, despite AEs being more institutionally homogeneous, there remain differences that may have important consequences for firms' investment decisions, behaviors in a partnership, and other processes. Thus, future studies need to explore why EM firms may wish to engage in localized learning in AEs and what benefits it brings (Fan et al., 2016). In addition, we also need to explore, in greater detail, the differences between general and local knowledge, including how they might be combined and determining what types (such as related to internationalization, business, and institutions; Cuervo-Cazurra, 2011) and sources (such as customers, suppliers, competitors, and/or regulators; Yuan, Pangarkar, & Wu, 2016) of knowledge are more beneficial in different contexts. We also need to examine how they influence the success of an entry mode, the issues of transferability of different types of knowledge, and the extent to which general- and market-specific knowledge is institutionally and culturally bounded.

Finally, it is important to note that scholars in general have overlooked the question of different learning mechanisms (e.g., vicarious learning, searching, and noticing). However, the outcomes of the acquired knowledge and the ways it can be applied depend on its origin and the mechanisms through which it was acquired. Future scholars may, thus, want to explore it in greater detail. Future scholars should also consider the nature of the task for which firms require new knowledge, acknowledging that firms may want to develop knowledge for different functions (e.g., repetitive vs. unique).

### 6.2.2. Issues of knowledge integration in partner- and subsidiary-based modes of entry

One challenge of knowledge integration is that, due to institutional

differences—such as in political and economic environments and social values—transferred knowledge may not fit the host's reality. Future studies may dive deeper into questions on how firms from both contexts manage reverse knowledge transfers when acquiring strategic assets overseas, especially when they are embedded in the acquired firm's organizational culture (Meyer & Thaijongrak, 2013); what types of assets and/or knowledge are easier or more complicated to transfer; and what increases or retards absorptive capacity (e.g., firm-based capabilities, such as developing its learning culture and openness towards learning, external triggers, such as home government and institutional support, or the firm's affiliation, such as being state-owned or entrepreneurial).

Most papers that explore the challenges of knowledge transfer and absorption study how it is managed in partnerships, acquisitions, international joint ventures, and MNEs' overseas subsidiaries. This constitutes such a large proportion of the research because partner- and subsidiary-based modes of entry are important when firms want to engage in experiential learning about the host country's rules and norms, adjust their organizational routines to the host culture, and receive legitimacy benefits, among other reasons. However, managing a partnership becomes very complicated when the partners come from different cultures and backgrounds and are embedded in different institutions.

First, sample papers provide some evidence of how to enhance knowledge transfer and integrate knowledge between subsidiaries. Methods include staffing the top management positions, the parent firm contributing to policymaking and planning, the subsidiary's top management interacting with the parent company, integrating and routinizing acquired knowledge, and pursuing different strategic management approaches (e.g., transnational vs. global; Meyer & Su, 2015; Zhong, Peng, & Liu, 2013). Questions that need further exploration include how these mechanisms are governed in a longer-term perspective, how learning develops as relationships between the partners mature, and how cultural/institutional differences influence the effectiveness and outcomes of learning.

Second, sample papers reveal that one of the main issues influencing knowledge integration in cross-cultural partnerships is asymmetry in psychic/cultural distance perceptions. For example, AEs have a higher status in the international arena, which is mostly an advantage but brings important challenges related to knowledge transfer. Studies show that, in such partnerships, the lower-status party is more willing to cooperate, while a higher status causes overconfidence among managers from AEs, hindering their willingness to implement their "knowledge-inferior" partner's practices (Yildiz & Fey, 2016). This may negatively influence the profitability of a partnership, resulting in lack of commitment, lack of interest in the host culture, and arrogant behavior towards the partner (Sánchez Bengoa, Rüdiger Kaufmann, & Orange, 2009). Future studies may address the challenges of overconfidence and governing a partnership between firms from higher- and lower-status countries, especially when the parent company is from an EM. Special attention should also be paid to issues of trust development, especially "the dark side of trust," which has been greatly overlooked. It is likely that, when the parent firm is from an EM, the other party has reasons and chances to engage in opportunistic behavior. Meanwhile, the parent may be blinded by faith and respect for the partner's "higher status," thus reducing monitoring costs and vigilance and accepting less-than-satisfactory outcomes from the partnership (Gargiulo & Ertug, 2006). Further empirical research into the broader issue of the antecedents of psychic distance, possible asymmetries found therein, and ways of overcoming cultural/institutional dissimilarity—such as why and when it is not symmetrical, which moderation factors could affect perceptions (e.g., current and historical relationships between the countries or the physical environment and social situation of individuals within firms; Yıldiz & Fey, 2016), and how cultural/institutional differences influence willingness to learn/share knowledge—is also needed.



### 6.3. Outcomes

#### 6.3.1. Challenges of LOF and direct effects of knowledge development

Although the concepts of LOF and psychic distance are somewhat similar, as discussed above, LOF emerges due to unfamiliarity with the host country's norms and regulations and the feeling of being an outsider. Firms from both contexts perceive LOF, but the challenges differ. For EM firms, LOF mainly appears as lower status in the eyes of the host country's customers and partners who also perceive liability of origin, which manifests in the negative heritage associated with the home country's institutions. Meanwhile, AE firms perceive LOF as unfamiliarity with local procedures and culture and institutional voids. Sample articles mention several possible ways to overcome LOF and liability of origin, such as by giving partners autonomy in AEs (Wang et al., 2014), appointing host-country national managers (Muellner et al., 2017), due diligence, sharing control and work, and building cultural bridges (Klossek et al., 2012). However, these strategies come at the price of decreased commitment and market presence, greater possibility of opportunistic behavior, and challenges of effective transfer of acquired strategic capabilities, among others. Future studies should explore different cases of LOF and their origins and address ways of overcoming LOF in greater detail. For example, some research questions that can be proposed include: What competences and skills are valuable for building legitimacy in a partnership? How can past experience and critical knowledge help to overcome LOF and stimulate OL? To what extent is a shared-ownership strategy (Liou et al., 2016) effective in dealing with LOF?

Firms from both contexts may pursue specific hiring strategies to overcome LOF, such as hiring host-country national managers or returnees. However, returnees need to be willing to share knowledge, and host-country national managers need to be trained for overseas management. Thus, future scholars may want to address these issues in more detail.

It is challenging to estimate the direct outcomes of knowledge development during internationalization, as the concept is quite vague. As the above discussion shows, the primary method for EM firms to acquire knowledge is fast, but expensive (i.e., FDIs and acquisitions), while AE firms develop knowledge over time through direct interactions in partnerships. Scholars have thus far sought to determine the real value of such entry modes and whether the costs pay off in the future. Future longitudinal studies may explore the real value of acquired knowledge and strategic assets and determine whether it actually improves firms' profitability/market presence/commitment (Anderson et al., 2015). In addition, it is important to explore the costs and benefits of subsidiary autonomy in the long term (Wang et al., 2014), as scholars have already expressed criticism toward "light-touch" integration strategies, especially if the parent firm is state-owned, which is often the case in EMs (Su & Kong, 2020).

### 6.4. Recommendations

Apart from the research directions mentioned above, we propose several other recommendations in theory, context, and methodological development.

Combining several theories provides a valuable synthesis for research and helps formulate more plausible hypotheses (Chen, Sousa, & He, 2016). The present literature review's sample shows that most papers use OL theory and its streams, occasionally combining them with IT. Future studies may want to incorporate other perspectives, such as contingency theory, which discusses contextuality of knowledge, or relational exchange theory, which will be particularly useful in cases of governing partnerships. In addition, it is surprising that scholars have overlooked the accelerated internationalization model, which is an important model to study international new ventures. Another challenge for future scholars is to analyze the shift from organization- to individual-level knowledge development, which will help explore how

individuals within an organization learn and identify what type of knowledge is more beneficial for them considering their personal characteristics. In this stream, it is also important to address the issues of agentic behavior (DiMaggio, 1988; Oliver, 1991), such as whether managers engage in agentic behavior during knowledge development and how it may influence the usefulness of knowledge and internationalization performance. Moreover, scholars should be encouraged to pay attention to other levels of analysis such as workplace activities and work practices that may extend our understanding of the processes of organizational learning and help to foster learning processes (Easterby-Smith et al., 2000).

Regarding geographical coverage, we see that articles from AEs are relatively evenly distributed, while the EM context is prominently represented by China and India. It is important for future research to present the position of firms from other emerging countries in Africa, the Middle East, the Post-Soviet region, and South America, as they differ institutionally and culturally from China and India. This may highlight the correlation between country of origin and knowledge development process more elaborately.

The most important methodological shortcomings are as follows: Because most papers use quantitative research methods to achieve generalizability goals, qualitative research is necessary to obtain an in-depth understanding of the discussed phenomena and their antecedents and outcomes. Moreover, while only a few studies use SMEs as a unit of analysis, all the discussed challenges will probably have more complex consequences for their knowledge development processes; thus, the strategies for dealing with these challenges will be different.

## 7. Theoretical contributions and practical implications

### 7.1. Theoretical contributions

To the best of our knowledge, this paper is the first to provide scholars with a holistic overview of the scope and nature of studies focusing on knowledge development during internationalization and to contrast two distinct contexts of research. This review advances previous findings that context matters for knowledge development (e.g., Banerjee et al., 2015) by showing *how* it matters and *why*. The analysis of 81 articles shows that institutional and competitive environments, as well as the status of home countries influence initial antecedents and decisions during knowledge development. EM firms, as latecomers, are forced to acquire knowledge by involved entry modes to reap the immediate rewards in terms of product upgrading. Conversely, AE firms focus on first-hand knowledge development that they acquire in partner-based entry modes and receive outcomes in the form of a deeper understanding of the target country. Yet, as highlighted above, the main contribution to the existing knowledge comes from studying organization-level knowledge development, while scholars argue that individual-based learning contributes as much, if not more, to the overall knowledge development process. Thus, to advance the existing state of research, scholars should consider the lack of evidence from individuals and apply theories that explain the antecedents, decisions, and outcomes of individual-based learning.

### 7.2. Practical implications

It is important for EM firms to develop knowledge-related antecedents before heavy investments in AEs. First, it is important to utilize available institutional support (e.g., from promotion agencies; Lu et al., 2014) and understand the level of government intervention in the industry (Kotabe & Kothari, 2016). In countries where there is lack of government support, firms should focus on the development of networks (Hertenstein, Sutherland, & Anderson, 2017), for example, with MNEs and research institutes in AEs (Corredoira & McDermott, 2014). Second, to decrease post-entry costs, it is important to learn about the target firm before internationalization (e.g., its organizational rules and values) and



perform scenario thinking (MacKay & Chia, 2013) to generate alternative plausible outcomes for the choices made (Alimadadi et al., 2018). For AE firms, it is important to acknowledge that there could be different types of institutional uncertainties in EMs (e.g., technological, behavioral, or demand-oriented) before internationalization (Sartor & Beamish, 2014) and identify which type might pose a more significant concern. Managers are advised to find local partners in EMs, who can help the firms adapt to and manipulate social institutions (Owens et al., 2013). In addition, diversity of experience is much more important than intensity/depth when AE firms internationalize to EMs (Jiménez et al., 2018; Perkins, 2014). Moreover, firms from both contexts can benefit from co-location, which helps to acquire easily observed knowledge (Lamin & Livanis, 2013) and gain access to knowledge on how best to interact with local institutions (Tan & Meyer, 2011).

EM firms are advised to acquire knowledge from the following sources: compatriots now living in AEs (Levin & Barnard, 2013), buyers in AEs (Gunawan & Rose, 2014), and diaspora (Stoyanov et al., 2018). They can also benefit by hiring returnees, which works best for entrepreneurial firms (Chen et al., 2016). The better the EM firms' integration and routinization of the acquired knowledge related to internationalization (e.g., by using documents and formal platforms), the higher the positive effect from cooperation and overall performance will be (Zhong et al., 2013). The following strategies of managing hierarchical and partner-based entry modes are best to enhance reverse knowledge transfer, knowledge sharing, and absorptive capacity and to increase performance. EM firms will benefit by granting autonomy to partners (Anderson et al., 2015), supporting learning culture (Fan et al., 2016), sharing control, building cultural bridges by mixing work teams, holding regular meetings and open discussions (Klossek et al., 2012), and conducting joint business and social activities (Nair et al., 2015; Yakob, 2018).

For AE firms, the best sources of knowledge are personal ties, especially if created by CEOs (Tuschke et al., 2014); host-country-based trade and business associations (Zhang et al., 2016); acquisitions if seeking immediate access to local firms' social networks (Tsang & Yip, 2007); and hiring host-country national managers, which may create additional monitoring costs in countries where corruption is high (Muellner et al., 2017). Moreover, managers from AE firms should not underestimate the ability of EM acquirers to provide valuable, market-specific knowledge (He et al., 2018). It is crucially important for AE firms internationalizing to EMs to acknowledge the diversity of EMs and rely on market-specific knowledge only, because irrelevant knowledge applied from dissimilar experiences increases the risk of failure (Perkins, 2014).

**8. Conclusions**

In this review, we analyzed 81 papers on knowledge development

during the internationalization of firms originating in two fundamentally different contexts—AEs and EMs—to understand how the home country context influences the process. Direct comparison of findings from these two fragmented streams is important to understand the real impact of the home country context on knowledge development during internationalization. To our knowledge, this is the first attempt to directly compare the empirical findings of research conducted in AEs and EMs. The streams have evolved in isolation, rarely acknowledging that knowledge development might be different in each context due to deep-rooted institutional, organizational, and ownership, among other differences. This paper aimed to contrast the antecedents, decisions, and outcomes of the process of knowledge development and to reveal how and why context matters. An important outcome of the paper is a taxonomy of knowledge development, which provides an in-depth understanding of the topic to direct future scholars and guide practitioners. We also highlight unanswered questions in the existing literature and suggest directions for further research, to advance our knowledge of the field.

We may conclude that variations in environmental conditions of a firm's country of origin greatly influence the process of knowledge development during internationalization. AE firms have a "knowledge advantage" accumulated over many decades of doing business abroad. This influences their knowledge acquisition strategies and the type of knowledge they seek. EM firms act as latecomers and are forced to apply more involved and risky internationalization strategies to develop their knowledge base faster and catch up with the leaders. However, fast acquisition of technology and competences provides EM firms crucial immediate benefits, while AE firms receive long-term benefits such as a deeper understanding of the target country. Due to local institutional conditions, it is harder for EM firms to integrate the knowledge acquired in AEs. Moreover, they suffer from various liabilities to a greater extent than do AE firms due to the lower status of their home countries.

**Declaration of Competing Interest**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

**Acknowledgements**

We are indebted to Associate Editor Justin Paul and the anonymous reviewers for their comprehensive comments and thank them sincerely for their input. We would like to give special thanks to Professor Tamer Cavusgil for his invaluable help and support during the revision process.

**Appendix. Summaries from the reviewed papers**

Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
<b>JIBS</b>						
Awate et al. (2015)	N/A	India vs. Denmark	Acquisition	Mixed	Comparison of EM and AE MNEs R&D internationalization	Within AE MNEs, headquarters serve the primary source of knowledge, while within EM MNEs, headquarters accesses knowledge from subsidiaries in AEs for innovation catch-up.
Corredoira and McDermott (2014)	Economic sociology, comparative capitalism	Argentinean suppliers to MNE subsidiaries	Acquisition, integration	Quant	How do MNE subsidiaries and local institutions influence EM supplier's capability upgrading?	Multiple strong ties to resource rich organizations and institutions had a consistently positive impact on supplier process upgrading. Upgrading depends more on the ways local organizational and

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
Lamin and Livanis (2013)	OL (catch-up), LOF	Foreign and local firms in India	Acquisition	Quant	Does the LOF or catch-up dominate location decisions in EMs?	institutional networks help firms to absorb it. Both foreign and domestic firms prefer to agglomerate with same- and cross-industry firms to have access to knowledge spillovers through observation and environmental scanning.
Yildiz and Fey (2016)	OL, PD	M&As between Sweden and China	Integration	Quant	To investigate assumptions of symmetry and discordance of PD in cross-border M&As.	Both, the extent and the effects of PD perceptions are asymmetric: Chinese respondents showed a stronger willingness to implement a Swedish acquirer's organizational practices compared with vice versa.
Wang et al. (2014)	Existing literature, Springboard	Chinese MNEs in developed and EMs	Integration	Quant	EMNEs use subsidiary autonomy delegation to lessen home-originated weaknesses after foreign entry.	Subsidiary autonomy assists EM firms in performing the learning function necessary in overcoming resource and capability voids. It as well distances the subsidiary administratively from the negative heritage associated with home-country institutions.
Levin and Barnard (2013)	Existing literature	South Africa	Acquisition	Mixed: quasi-experiment	When business knowledge obtained from interpersonal ties is more useful than locally sourced knowledge?	Overseas knowledge is preferable when novel and accessible (when new-to-the-industry knowledge is needed, when there is already a strong tie). Connections between individuals in countries at different levels of development represent a valuable source of knowledge.
Tan and Meyer (2011)	Existing literature	Foreign investors in Vietnam	Acquisition	Quant	How foreign investors seek local knowledge through location choices?	COO agglomeration is crucial for gaining sensitive and tacit knowledge. Foreign entrants agglomerate to a greater extent than domestic firms because they suffer from LOF.
Abdi and Aulakh (2012)	IT	International partnerships of U.S. firms	Acquisition	Quant	How the partnership-level arrangements interact with country-level institutional frameworks?	Firms may offset the cultural barriers through learning. For example, informal arrangements developed at the relationship level have the capacity to overcome the difficulties engendered by dissimilarities in the informal institutional environment.
Gubbi et al. (2010)	IP literature, asset-exploitation perspective	Cross border acquisitions from India	Acquisition	Quant	We argue that international acquisitions facilitate internalization of tangible and intangible resources	EM firms use internationalization as a spring-board to acquire strategic assets to overcome their disadvantages and become more competitive. Acquisition gives access to best practices, which gives valuable learning and opportunity to transform their routines.
Zhou et al. (2016)	OL, LOF	Inbound and outbound M&A in BRIC	Prior experience	Quant	Factors, affecting the completion of cross-border M&A.	Acquirers from EM suffer from LOF more than the ones from developed countries. Past successful experience helps both, but acquirers from EMs going to AEs are more dependent on past experience, because they experience higher internal learning barriers.
Lu et al. (2014)	KBV, IT	FDI of Chinese firms to developed countries	Prior experience	Quant	How government support and host country institutional environment interact with prior entry experience?	Home government support and well-developed host country institutions reduce the importance of prior entry experience and significantly increase the likelihood of FDI entry into a host country (home government support to the higher extent).
Dau (2013)	KBV, economic geography, IT	Latin American firms going to AEs	Acquisition, integration	Quant	How pro-market reforms influence the profitability of firms?	Firms that operate in more advanced countries use acquired market knowledge to respond to reforms at home. Importance of accessing transferable knowledge

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
Sartor and Beamish (2014)	TCT, IT (ID)	Japanese MNEs' subsidiaries in EMs	Acquisition	Quant	How institutional differences influence MNEs' strategy regarding subsidiaries established to offshore innovation?	to respond to reforms at home and get competitive advantage over other local firms. Firms from AEs establish subsidiaries in EMs to get access to new product and process innovation, global talent pools, and avoid institutional differences. An increase in technological and demand uncertainties causes an MNE's preference for reduced organizational control to minimize costs by learning from the partners.
<b>SMJ</b> Li et al. (2015)	OL	U.S. firms investing in China	Prior experience	Quant	How learning from target firms varies with the learning firm's experience?	A firm's location decisions are influenced by learning from a reference group, however, for firms with experience in the host country vicarious learning from others becomes less important.
Belderbos et al. (2011)	Social learning, IT, Agglomeration theory	Japanese firms' entries into Chinese provinces	Acquisition	Quant	Why do firms cluster in specific locations abroad?	If firms need to assess economic feasibility of entry, they locate with agglomeration and apply assessment learning. If they need to reduce firm-level uncertainty and increase legitimacy, they follow specific prior investors, thus apply bandwagon learning.
García-Canal and Guillén (2008)	Existing literature, OL (experiential learning)	Spanish firms in Latin America	Prior experience	Quant	How firms operating in regulated industries respond to the presence of risks in foreign locations?	Accumulated experience from being in a regulated industry helps firms to leverage their experience to negotiate favourable conditions of entry. However, as firms accumulate experience, they become more reluctant to enter countries that are politically unstable.
Xia et al. (2009)	Institutional change	U.S. firms to CEE	Prior experience	Quant	How accumulated experience influences entry mode choice during institutional change?	Shifts in national institutional environment lead to an increase in foreign hierarchical entry attempts, however, relational entry experience provides a basis for how to select a partner, acquire knowledge, and resolve coordination problems. This knowledge is transferrable in the same or similar context.
Tuschke et al. (2014)	OL (experiential learning)	German FDIs in Eastern Europe	Prior experience, acquisition	Quant	Which ties matter most?	Vicarious learning from direct ties with top managers of other firms that bring their first-hand experience is important in cases of EM entry, as it substitutes for lack of focal firm knowledge. Once focal firm gains experience, external knowledge becomes less influential.
<b>IBR</b> Gunawan and Rose (2014)	OL (AC), IT	Indonesian manufacturing-sector exporters	Acquisition, integration	Quant	How firms operating in a challenging institutional setting learn about entering international markets by using internal and external learning?	Firms in uncertain institutional environments are attributing greater importance to second-hand sources of learning. Second-hand experience contributes the exporters' learning in both positive (e.g., if came from buyers in international markets) and negative (e.g., if came from suppliers and foreign multinationals in Indonesia) ways.
Anderson et al. (2015)	OL (catch-up)	Chinese FDI to U.S., Japan, and EU	Acquisition	Event study	We investigate the impact of international SAS related acquisitions on intangible asset creation	EM MNEs try to move quickly to the technological frontier, using non-incremental learning processes by directly acquiring cutting-edge capabilities from their AE counterparts to 'catch-up'. Strategic asset rich subsidiaries

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
Wooster et al. (2016)	OL (experiential learning), IP	U.S. to Latin America and the Caribbean	Prior experience	Quant	Entry mode choices under environmental uncertainty	enjoy superior bargaining power over their “knowledge-inferior” parents and enjoy greater autonomy. Firms with higher international experience are more likely to choose non-equity expansion mode in the form of representative offices to engage in experiential learning prior to making heavier investments.
Chen et al. (2016)	OL (AC), existing literature	Chinese firms with firms from more developed countries	Acquisition, integration	Quant	The impact of the two mechanisms of knowledge acquisition, i.e., inter-firm collaboration and returnee recruitment, on performance	Entrepreneurial firms’ flexible organizational structures may foster a cooperative and learning culture, which makes acquiring returnees’ knowledge effective. In contrast, privatized state-owned firms are less likely to change due to organizational inertia, which, in turn, inhibits their capability of absorbing knowledge from hiring returnees.
Owens et al. (2013)	IT	British MNEs in South-East Asia	Acquisition	Qual	Factors that influence the decision to adopt IJV	Learning through IJVs gives access to tacit knowledge, market knowledge, host country regulatory and social frameworks. The knowledge is used to build legitimacy, overcome LOF.
Thite, Wilkinson, Budhwar, and Mathews (2016)	OL (LLL)	Indian MNEs investing to AEs	Acquisition, integration	Qual	How the case study firms became credible global players by leveraging on their learning	Indian firms make acquisitions in AEs for intangible asset seeking and market opportunity seeking. They want to gain access to customers in new markets, advanced technologies, and management talent.
Wooster and Paul (2016)	OL (AMC)	U.S. firms investing in China	Prior experience, utilization	Quant	How AMC characteristics influence international investment decisions?	Willingness to be first movers in a new geographic market likely stems from confidence that the learning from existing multinational operations transfers to a new geographic region.
Fan et al. (2016)	Dynamic capability, existing literature	Chinese FDI to Australia	Acquisition	Qual	What motivates EM MNEs to engage in localized learning in developed host countries?	The efforts of establishing local networks are more desirable and advantageous if Chinese MNEs are willing to overcome local trade barriers, host country regulatory uncertainty, and achieve managerial efficiency.
Dikova (2009)	IT (PD)	FDIs of West-European MNEs to CEE	Utilization	Quant	How prior experience helps to deal with PD?	A possession of market-specific information means that the investing firm understands the specific characteristics of the market. It stimulates organizational learning about the new market and eliminates the effect of PD.
Demir and Söderman (2007)	OL (AC)	Swedish JV to China	Integration	Qual	Experience of Swedish managers in Chinese-Swedish IJVs in China	The learning ability of the firm is based on (a) the specific institutional properties of the home country, (b) the firm’s ability through internal practices and communication systems to overcome knowledge transfer inertia, and (c) the accumulated knowledge of host country characteristics.
Elia and Santangelo (2017)	Existing literature	BRIC acquisitions in the U.S., EU, Japan	Acquisition	Quant	The relationship between SAS acquisitions in AEs and the strength of home- and host country national innovation system (NIS).	EM MNEs used SAS acquisitions as a compensation strategy for their relatively weak home-country NIS in the early phase of their internationalization, and that more recent SAS acquisitions by EM MNEs are supported by relatively stronger home-country NIS.
Jindra et al. (2016)	Existing literature	FDI from EMs to EU	Acquisition	Quant	To what extent EM MNEs’ location choices are related to	Foreign entry by firms from EMs is more likely, when a given region is

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
					agglomeration economies and knowledge externalities?	characterized by a possibility of knowledge spillovers. Investors from EMs use FDI to engage in knowledge seeking type of strategies in order to increase/enhance their ownership specific assets.
Alimadadi et al. (2018)	N/A	Turkish acquisition in Sweden	Prior experience	Qual	How do MNEs from EMs manage opportunity discovery and exploitation in their IP?	The larger the gap between a firm's commitment decision and its existing stock of knowledge, 1) the less the firm can initially foresee and plan the outcome, and 2) the more likely it is that the IP will be driven by unintended consequences of decisions taken.
Cao et al. (2018)	OL, IP	Firms from AEs in China	Integration	Qual	Which different patterns of business model innovation enable firms to rebuild their core business logic	Knowledge transfer from the headquarters gave advantage over the local peers. The most valuable knowledge types are experiences and best practices (tacit expertise, company culture).
Jain et al. (2019)	OL (LLL)	FDIs of Indian firms	Prior experience	Quant	We examine drivers of internationalization speed of EM MNEs.	EM MNEs without pre-existing knowledge base are enabled to acknowledge, understand and absorb any novel knowledge, thereby setting themselves on a path to fast learning from diverse sources.
Jiménez et al. (2018)	OL, prospect theory	Spanish MNEs in EMs	Prior experience	Quant	We argue that firms learn from both, intensity and diversity of experience.	The positive impact of diversity of experiences is more important than intensity, because it increases the pool of learning opportunities and makes learning more valuable.
Thakur-Wernz et al. (2019)	Existing literature, OL	Internationalization of Indian firms	Acquisition	Quant	We argue that how and where an EM MNE expands internationally will impact the nature of its innovation.	OL varies by entry mode and location choices of the firm. This variation leads to the development of different types of technologies and innovations. Greenfield ventures foster innovation in core technologies, while cross-border M&As in non-core technologies.
Urzelai and Puig (2019)	Network theory, IP	Subsidiaries of Spanish FDIs in China	Acquisition	Qual	How communities of practices of expatriate managers develop and use its international social capital?	The international social capital generated in the communities of practices of expatriates gives the members access to resources, information and opportunities. International social capital is crucially important for expatriates with less experience in the host country.
JWB Tan and Mathews (2015)	Existing literature, OL (LLL), AI	Chinese firms' internationalization to AEs	Acquisition, integration	Qual	How firms from EMs globalize at an accelerated pace?	EM MNEs form partnerships with companies from AEs to tap into sources of technological knowledge (linkage); they build their capabilities and exploit advantages of the partners (leverage); they learn from technological leaders which lead to innovation (learning).
Klossek et al. (2012)	IT (LOF), IP	Chinese FDIs to Germany	Prior experience	Qual	How Chinese MNEs cope with institutional hurdles of targeted AEs to reduce LOF?	Chinese firms entering an AE by acquisition can mitigate LOF by using due diligence, reputation building and reliability enhancement, by sharing control with the local management and sharing work with local forces.
Li and Meyer (2009)	OL (experiential learning)	Taiwanese subsidiaries in EMs and AEs	Prior experience	Quant	Examining the effects of international experience on MNEs' ownership strategy	If firms have general international experience, they can transfer it between AEs and opt for full ownership. Country-specific experience is important for EMs and comes from partner-based entry modes.
	IP, IT (ID)			Quant		

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
Lahiri et al. (2014)		Cross-border acquisitions in India from AEs and EMs	Prior experience, utilization		How service MNEs from advanced and EMs differ in their acquisition behaviour?	Due to prior experience and greater international competitiveness MNEs from AEs begin their foreign expansion by sharing ownership and control. The likelihood of full over partial acquisition becomes stronger when transactions involve high institutional distance.
Liou et al. (2016)	IP, IT (ID)	Cross-border M&As from BRICS	Acquisition	Quant	To study differential effects of formal and informal institutions on EMNEs' ownership strategies.	EM MNEs tend to secure higher ownership control to enjoy the governance efficiency in countries with better developed formal institutions and lower their equity and rely on the acquired firms to alleviate the legitimacy threat when they acquire a target in a country with large informal institutional distance.
Kotabe and Kothari (2016)	OL (experiential learning)	Internationalization of firms from China, India	Utilization, acquisition	Qual	How the EMNEs build their competitive advantage from home markets to AEs over time?	The knowledge and experience gained by EM MNEs through their relationships with trade associations, institutions of higher education and MNEs in the home nations, enables them to acquire resources from AEs and absorb them to build their own advantage.
Zhang et al. (2016)	IT (ID)	Investors from AEs in China	Acquisition	Quant	How the complex institutional environment affects foreign-invested firms' corporate political strategies in China?	Foreign-invested firms from AEs can learn about local political arrangements (guanxi) and adopt firm-based political tactics to engage the host government through collaboration with domestic or foreign business associations.
Meyer and Su (2015)	OL, integration-responsiveness framework	FDIs from AEs to EMs	Integration	Quant	Which strategy helps best to integrate knowledge from multiple subsidiaries?	The competitive advantage of the transnational MNE is to a large extent created by organizational learning that connect, integrates and exploits this geographically dispersed knowledge. Transnational strategy helps to integrate and use knowledge from all subsidiaries.
Bangara et al. (2012)	OL (LLL), AI, IT	FDIs of Indian SMEs to AEs	Acquisition, integration	Qual	How do EM SMEs build their legitimacy in AEs to accelerate their internationalisation?	By using committed modes of entry early in their internationalisation, SMEs from EMs build legitimacy and access financial resources in AEs to overcome their liabilities. LLL strategy facilitates accelerated internationalization of SMEs.
Mihailova (2015)	Existing literature	Russian JVs	Utilization	Qual	Benefits of learning for JV parent firms in EMs.	Local companies in EMs are more in need for technological, than for market-based managerial capabilities. Knowledge and capabilities about how to operate in market conditions are no longer in high demand for EM firms as it was argued earlier.
Hong and Lee (2015)	OL (experiential learning)	Korean MNEs	Prior experience	Quant	Is transfer of experiential knowledge bound within the firm's home country?	Transferrable knowledge (both direct and indirect) reduces cultural uncertainty. General knowledge is more effective and important for international business, because can be applied everywhere.
Cuervo-Cazurra (2011)	IP	Moroccan firms	Utilization, integration	Quant	This paper analyses the selection of the country in which a firm will start internationalization.	In the home country a firm can develop dimensions of knowledge that are useful to overcome the difficulties of internationalization, e.g., through operations in a B2B industry and having an alliance with a foreign company in the home country.
Jiménez et al. (2014)	RBV, IP	Spanish MNEs in EMs	Acquisition	Quant	Whether political risk has a diverse impact on	A greater diversity of political environments has a positive impact on the scope of

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
					internationalization strategy depending on the industry?	internationalization. It will be stronger in companies that belong to regulated industries, because such previous experience helps firms to create and develop political capabilities.
Yuan et al. (2016)	IP, OL	Chinese MNEs in different markets	Acquisition	Quant	Performance implications of location choices of Chinese MNEs.	Expansion into AEs results in a negative performance impact in the immediate term, but because of learning effects, MNEs' performance improves over time. To leverage the learning opportunities that AEs provide, it is important to proactively acquire knowledge from all potential sources, including customers, competitors, and regulators.
Cui et al. (2014)	OL (catch-up, AMC)	Chinese FDI	Acquisition	Quant	What drives firms to engage in competitive catch-up with world leaders?	Catch-up FDI involves the acquisition of knowledge-based resources that exist outside the firm's boundaries such as technology, brands, and managerial know-how. It is intended to renew a firm's core-competences by enabling radical improvements.
Deng (2009)	IT	Chinese M&As in AEs	Acquisition, integration	Qual	Why more and more Chinese firms are investing especially in AEs to acquire strategic assets typically by aggressive M&A?	By operating in an institutionally more efficient environment, firms can concentrate on building their knowledge and developing their competitive advantages. M&A could help Chinese firms to engage in exploratory learning through establishment of partnerships with foreign sellers in AEs, thus acquiring country-specific knowledge.
He et al. (2018)	Existing literature	Chinese FDI in the UK	Integration	Qual	How and why can subsidiary firms in developed countries upgrade their capabilities under emergent acquirers?	Despite its lack of superior knowledge, the EM MNE acquirer had a positive impact on its acquired firm's learning and capability upgrading. It is important for subsidiaries to develop symbiotic relationships with the parent firms as it would help to establish a mutual learning environment and facilitate the sharing of knowledge.
Putzhammer et al. (2018)	OL (experiential learning)	Austrian MNEs in CEE	Prior experience	Quant	How MNEs expand further into host countries via mode change?	Experience depth increases confidence and local expertise, while experience breadth increases knowledge recombination possibilities, both of which lead to a higher likelihood of an MNE implementing a mode elevation.
ASQ Perkins (2014)	OL (experiential learning)	Investments from AEs in Brazil	Prior experience, utilization	Quant	Under which conditions prior internationalization experience leads to performance?	Prior experience pays most consistently when the institutional environment is similar, as when firms try to apply irrelevant experience in a new country, the risk of failure increases, because managers overestimate performance outcomes.
JM Banerjee et al. (2015)	OL	India vs. UK	Acquisition	Quant	We argue that indirect learning plays crucial role in explaining phenomenon of performance of firms from EMs.	EM firms lack knowledge of how to compete in AEs and do not have the luxury of learning over time from their own direct experience in AEs, as internationalization occurs much later and in a more compressed time period. In contrast to AE firms, which learn from their own experience, EM

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
<b>AMJ</b> Tsang and Yip (2007)	OL, IT (ID)	FDIs from Singapore	Acquisition	Quant	Does the economic distance between a home country and a host country have any effect on the hazard rates of FDIs?	firms learn indirectly about how to compete in AEs by acquiring this knowledge from leaders, competitors, and network members. Acquisitions represent a more efficient way than Greenfields to get access to intangible strategic assets (knowledge-based and firm-specific). Acquiring a local firm confers immediate access to its social networks
<b>JBR</b> Zhong et al. (2013)	OL (KBV)	Chinese firms going to AEs	Acquisition, integration	Quant	How can EM MNEs achieve better performance through learning in both the home and host country?	EM MNEs accumulate internationalization experience through cooperation with partners from the AEs, which contributes to the EM MNEs' internationalization performance. Knowledge integration and routinization helps to magnify benefits from the cooperation.
Van den waeyenberg and Hens (2012)	OL (experiential learning), IP, IT (ID)	Case study of Philips (the Netherlands) to Ghana	Utilization	Qual	To explore the process of international expansion of AE multinationals towards the base of the pyramid markets.	Capabilities built in AEs cannot be easily transferred to EMs due to institutional voids; heterogeneity of EMs limits transferability across EMs. Only capabilities independent of an institutional context are transferable (e.g., procedural).
Sandberg et al. (2019)	RBV, IP	Canadian SMEs to EMs	Prior experience	Quant	How can SMEs from AEs prevent export exit from EMs?	SMEs can compensate for less accumulated experience through being more productive and innovative. Thereby SMEs that lack prior market experience can be resilient in dissimilar export markets.
Su et al. (2020)	Existing literature	Subsidiaries of Chinese MNEs in AEs	Integration	Quant	To investigate knowledge transfer from foreign subsidiaries to headquarters in China as a core of the springboard strategy.	Political ties of Chinese headquarters increase the organizational distance between headquarters and subsidiaries, which has a positive impact on headquarters' demand for subsidiary knowledge transfer, but a negative effect on the subsidiaries' willingness to transfer it.
Wu et al. (2019)	OL	Chinese MNEs in different markets	Acquisition, utilization	Quant	This study proposes a model to explain the relationships among EMNEs international diversification, technological capability, market orientation and innovation performance.	Exposure to new customer needs and new competitors in the global market will trigger organizational learning of new technical skills and thus enhance the firm's technological capability. The learning process helps firms to better recognize the value of new technologies in foreign markets and further assimilate and apply the technology in new product developments in their international expansion.
<b>APJM</b> Hertenstein et al. (2017)	IP	FDI from China to Germany	Integration	Qual	Do business networks established with inward investing AE MNEs shape EM MNE outward investment strategies?	Networks with AE MNEs enable accelerated learning and internationalization. Knowledge acquired from MNEs helps to upgrade products, technological capabilities and position the firm
Meyer and Thaijongrak (2013)	OL (experiential learning), IP	Thai acquisitions in different markets	Acquisition, utilization	Qual	We assess the usefulness of Uppsala model to explain strategies of EM MNEs.	It is the underlying process of experiential learning with the steps of increased commitment, that explains the evolution of MNEs from EMs. Local knowledge is important even in culturally close countries because culture in each place is different.

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
<b>MIR</b>						
Li and Xie (2016)	Existing literature	JVs from AEs to China	Utilization	Quant	How may the nature of the local partner influence the choice between the equity and non-equity governance structures?	The choice between equity and non-equity JVs depends on overseas knowledge protection system. The risk of knowledge misappropriation is reduced when MNEs limit the scope of R&D activities to research-oriented ones or choose academic institutions as local partners.
Michailova and Hwee Ang (2008)	IT (ID)	BRIC alliances to different markets	Acquisition	Quant	The effect of host countries' institutional factors on the adoption of equity alliance mode.	If the strategy of an EM firm is to expand through alliances in AEs, they can invest in gaining knowledge about the predominant values, norms, belief systems and acceptable and desirable behaviour in those countries. In such cases the adoption of non-equity mode is likely.
Nair et al. (2015)	Existing literature	Subsidiaries of Indian MNEs in AEs	Integration, acquisition	Quant	We argue that subsidiary level competencies and capabilities play a vital role in persuading the parent EM MNEs to initiate the reverse knowledge transfer.	Coordination between the units is highly important for reverse knowledge transfer, especially with the units from AEs. Because the differences in organisational cultures and business practices requires them to have shared sense of purpose and understanding. Acquisitions in AEs provide the Indian MNEs with infrastructure, innovative technologies and skills and better managerial capabilities.
Rabbiosi, Elia, and Bertoni (2012)	OL	BRIC acquisitions in AEs	Prior experience, utilization	Quant	How EM firms' international experience and home-country characteristics (the core sources of learning) influence acquisition behaviour?	International acquisition experience positively affects the likelihood of exploitative (related) acquisitions by EM MNEs, while higher levels of home-country resources and market factors are positively correlated with the likelihood of unrelated acquisitions.
Pisani and Ricart (2018)	IT (ID)	AE MNEs' offshoring innovation to EMs	Prior experience, utilization	Quant	How host institutions influence the decision to exploit vs. augment home-base-knowledge?	AE MNE offshores innovation activities aimed at augmenting home-base-knowledge (increasing the pool of knowledge and creating new one), when emerging host country has strong IP protection, and when informal institutional distance is great.
Stoyanov et al. (2018)	IT (LOF), OL	Bulgarian entrepreneurs in the UK	Acquisition	Qual	How foreign actors use their ethnic identity to gain skills and capabilities to operate in a new environment?	The entrepreneurs gain access to a diaspora network, which enables them to develop essential business capabilities and integrate knowledge from both home and host country environments.
<b>IMR</b>						
Demirbag et al. (2010)	TCT, IT	Subsidiaries of Turkish MNEs in different markets	Acquisition	Quant	Factors affecting location choice of Turkish MNEs.	Knowledge infrastructure is a significant determinant of location choice. That is why even though EMs such as India and China offer attractive markets (with strong income and entrepreneurial activity), AEs still remain the location for R&D intensive operations.
Gao et al. (2016)	OL (experiential learning)	New Zealand exporters to China	Acquisition	Qual	How a network gatekeeper facilitates a foreign SME exporter's entry into local business networks in China?	Gatekeepers filter and reframe business knowledge before they pass it on, thus reduce the costs of experiential learning. They also bridge the gap in trust between outsider networks and insider networks.
He and Wei (2013)	RBV, OL (AC)	Chinese exporters to AEs	Integration	Quant	To investigate the role of external networks and AC in export market location decision of EM firms.	Firms with extensive external networks select distant markets to exploit financial and strategic opportunities. This effect is

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
<b>JIM</b> Karhunen and Ledyeva (2012)	IT (ID), TCT, RBV	Investments from AEs to Russia	Acquisition	Quant	How foreign ownership strategies in Russia are influenced by the corruption distance between the home country and Russia?	moderated by AC, as it determines the extent to which firms can effectively recognize and evaluate resources and capabilities acquired through networks, transform and apply them for their own use. Corruption distance causes foreign investors to choose JV to receive knowledge benefits from local partner. The benefits include tacit knowledge about informal institutions, including corrupt practices. The greater the difference in corruption between the home and the host countries, the greater the need for local knowledge a partner.
Knoerich (2010)	N/A	Chinese acquirers in Germany	Acquisition, integration	Qual	Why firms from industrialised countries are sold to companies from EMs?	By acquiring enterprises from AEs, Chinese firms can gain quick access to technological capabilities, management know-how, and boost reputation in the home market. German firms in turn, get support from the partner (in-depth understanding of local culture and business mentality, knowledge for solving legal difficulties).
Yoo and Reimann (2017)	IP, IT (ID)	FDIs from EMs to AEs	Acquisition	Quant	What is the role of host country knowledge-based assets and IPR protection in the location choice?	Availability of knowledge-based assets is one of potentially several factors that EM firms consider in their FDI location decisions. Another aim is the possibility of learning without the original asset owner's consent (through spillovers).
Rana and Elo (2017)	Existing literature	JV between Norway, U. S., Japan and Bangladesh	Acquisition	Qual	How did diaspora and local civil society influence the creation of an IJV and thus affect the parent MNE's internationalisation in Bangladesh?	Diaspora's' social networks are important sources of social capital, resources, knowledge, competences, and funding. MNEs engage with civil society actors to get access to resources and expertise, and the legitimacy and credibility, to reduce transaction costs and LOF.
Muellner et al. (2017)	Existing literature, IT (ID)	Subsidiaries of MNEs' from AEs in EMs	Integration	Quant	How host institutions affect the trade-off between positive effects and potential costs associated with host-country-national (HCN) managers?	HCN managers are commonly associated with specialized knowledge, superior responsiveness, and higher legitimacy. To capitalize on HCNs' knowledge benefits, MNEs should anticipate loopholes for opportunistic behaviour, and assess options to monitor managers.
Li (2020)	Existing literature, IP, OL	Chinese returnees in OECD countries	Acquisition	Quant	How the overseas ethnic and non-ethnic ties of the returnee entrepreneurs affected their firms' internationalization in the returnees' former host countries?	Both types of ties contribute to internationalization. Overseas ethnic ties facilitated returnee entrepreneurs' access to resources that help their firms exploit international business opportunities, but they may lack access to novel information. Returnee entrepreneurs could gain access to novel information from their overseas non-ethnic ties (ties from AEs).
Putzhammer, Slangen, Puck, and Lindner (2020)	Existing literature, OL	Austrian firms in CEE	Prior experience, utilization	Quant	We explore factors that determine how quickly ownership increases occur in times of pro-market reforms.	Accumulated experience with ownership increases positively influences the pace of ownership increase in a given host market. However, the process of knowledge recombination will be more complicated if the rate of pro-market reforms is high.
Yakob (2018)	N/A	Volvo subsidiary in China	Integration	Qual		A model of managerial capacity development through knowledge

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Authors	Theory	Context	Characteristics	Methods	Research question/aim	Major finding/contribution
					Investigation of socialization as a conduit of knowledge transfer and development.	collectivities, that that facilitates receivers' acquisition and utilization of potentially useful knowledge.

Codes for journals: JIBS, Journal of International Business Studies; SMJ, Strategic Management Journal; IBR, International Business Review; JWB, Journal of World Business; ASQ, Administrative Science Quarterly; JM, Journal of Marketing; AMJ, Academy of Management Journal; JBR, Journal of Business Research; APMJ, Asia Pacific Journal of Management; MIR, Management International Review; IMR, International Marketing Review; JIM, Journal of International Management.

Codes for theory: AC, absorptive capacity; AI, accelerated internationalization; AMC, awareness, motivation, capability; ID, institutional distance; IP, internationalization process; IT, institutional theory; KBV, knowledge-based view; LLL, linkage, leverage, learning; LOF, liability of foreignness; N/A, not assessed; OL, organizational learning; PD, psychic distance; RBV, resource-based view; TCT, transaction cost theory.

Codes for context: AE, advanced economy; BRIC, Brazil, Russia, India, China; BRICS, Brazil, Russia, India, China, South Africa; CEE, Central and Eastern Europe; EM, emerging market; EU, European Union; FDI, foreign direct investment; IJV, international joint venture; JV, joint venture; M&A, merger and acquisition; MNE, multinational enterprise; OECD, The Organisation for Economic Co-operation and Development; SME, small and medium enterprise; UL, United Kingdom; U.S., United States.

Codes for methods: Qual, qualitative; Quant, quantitative.

Remaining codes: COO, country of origin; B2B, business to business; HCN, host-country nationals; IPR, intellectual property rights; NIS, national innovation system; R&D, research and development; SAS, strategic-asset-seeking.

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