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| Item Type | Article |
| Authors | Yaqub, Muhammad Zafar;Raha, Aved;Jell-Ojobor, Maria;Windsperger, Josef |
| Citation | Yaqub, Muhammad Zafar, Aved Raha, Maria Jell Ojobor, and Josef Windsperger. "Governance, Strategy and Management of International Business Networks in Uncertain Times: An Introduction." <i>European Journal of International Management</i> 24 (3/4): 353–82. 2024. |
| DOI | https://doi.org/10.1504/EJIM.2024.141650 |
| Download date | 2026-05-08 09:04:40 |
| Link to Item | https://hdl.handle.net/20.500.14490/857 |

Governance, strategy and management of international business networks in uncertain times: an introduction

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Abstract: In today's turbulent and complex environments, international business networks (IBNs) in various forms (e.g., strategic alliances, franchise chains, export and licence relationships, cooperatives, global production networks, joint ventures, public-private partnerships, and digital platforms) are becoming increasingly important in helping multinationals to achieve competitive advantage. Owing to increased performance pressures in uncertain environments, firms embedded in networks are increasingly moving from cooperators to collaborators as value co-creators. The aim of this introductory article is to discuss how IBNs may mitigate uncertainty (emanating especially from disruptive digital innovations and global pandemics) through value, configuration and/or knowledge-driven governance, strategy, and management. In addition, we provide an overview of the articles included in the special issue on 'Governance, Strategy and Management of International Business Networks in Uncertain Times' detailing their specific contributions to enrich the contemporary scholarly discourse in this regard.

Keywords: governance; strategy; IBNs; environmental uncertainty; global pandemics; reconfiguration; knowledge governance; digitalisation; economic upgrading; institutional theory.

Reference to this paper should be made as follows: Yaqub, M.Z., Raha, A., Jell-Ojobor, M. and Windsperger, J. (2024) ‘Governance, strategy and management of international business networks in uncertain times: an introduction’, *European J. International Management*, Vol. 24, Nos. 3/4, pp.353–382.

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1 Introduction

As lowered trade barriers and enhanced information and communication technologies have significantly augmented cross-border mobility, MNEs are progressively seeking

cross-border cooperation to enhance their individual as well as collective gains through joint value maximisation (Gaughan and Javalgi, 2018; Pina-Stranger and Lazega, 2010). Sharma et al. (2019) propound that to achieve ambidexterity and success in dynamic international markets, MNEs need to join effectual international business networks (hereafter IBNs) and enhance their networking capabilities. The development of resources (e.g., buildings, technology, knowledge, skills, etc.) is profoundly facilitated by the creation of IBNs as they make it possible for parties with convergent strategic interests to work together for superior gains. IBNs help enterprises internationalise by providing product concepts and market trends (Kallmünzer et al., 2022). They promote enterprises' value creation, resource complementarity, and supplementation, but such benefits are generally mediated by the quality of social capital generated from network linkages and relationships with value chain partners (Su et al., 2020). Global value chains (hereafter GVCs) have been acknowledged as a critical dimension relevant to international trade (De Marchi et al., 2020). Buckley (2021) contends that GVCs' sought-after adaptation to global changes, environmental uncertainty challenges and, as of recently, the COVID pandemic, has proven to exert significant pressure and demand on the creation and/or perpetuation of IBNs. However, the advent of globalisation, technological disruptions, and altering patterns of competitive paradigms have made it imperative for individual as well as collaborative organisations (such as IBNs, and GVCs) to adapt expeditiously and tellingly to such radical challenges even to survive (let alone prosper) in these uncertain times (Scuotto et al., 2020). According to Zhan (2021), the surmounting adaptation pressures have created a dire need for novel approaches towards managing uncertainties and lessening the impact of adversarial effects emanating from environmental disruptions, whether through reconfiguration of governance or strategising against risks and challenges. IBNs resiliency, which corresponds to perpetually adapting to an ever-changing world market, has become an essential precursor to prevail under precarious conditions.

Environmental uncertainty (hereafter EU) is a multifaceted phenomenon that can be based on source (environment, industry, or firm character) or nature (endogenous or exogenous). EU can play a critical role in affecting international business performance by affecting choices for international expansion/retrenchment or even committing to internationalisation in the first place (Sharma et al., 2020; White III and Rajwani, 2022). Therefore identifying, managing, and mitigating uncertainty is a trait that organisations need to mature to overpower adverse situations (Kano et al., 2022). Zhan (2021) has enumerated the following emerging trends in global economies as their industries/firms strive hard to yield a resilient response to the shocks emanating from growing uncertainty attributable especially to the pandemic outbreaks and global conflicts, among others.

- 1 (Economic) governance realignment
- 2 Incorporating automation and digitalisation, especially in GVCs
- 3 Sustainability endeavour
- 4 Corporate accountability: countering corporate fraud and/or corruption through international cooperation
- 5 Resilience-oriented restructuring or reconfiguration.

Governance realignment and resilience-oriented restructuring are considered internal strategic reconfigurations, orchestrated by the MNEs as endogenous changes.

Governance is meant to describe particular actors in the chain with control over others (De Marchi et al., 2020), or having control over GVCs (McWilliam et al., 2020). Technology alignment stems from the need to adapt technological enhancements, solutions, and innovations that improve and benefit GVCs. Sustainability is the response to societal and/or consumer demands whereas corporate accountability represents government pressures via policy. These latter trends are considered to be exogenous changes (Ambos et al., 2021; Buckley, 2021). Managing uncertainty involves reducing the likelihood of adverse events occurring and impacting the organisation along the value chain (Sharma et al., 2020). Risk management in IBNs and GVCs is difficult, primarily due to the transnational barriers that complicate flows of goods, services, investments, and capital – referred to as the global supply chains (Luo, 2022). A global interconnected network of companies influences how decisions are made by taking into account values, objectives, priorities, compulsions, and various other dynamics (Teagarden et al., 2018). Besides Zhan (2021), many of the recent studies (e.g., Pananond et al., 2020; Qin et al., 2020; Verbeke, 2020; Xu et al., 2020; Yang et al., 2022; Zahra, 2021) discussing possible areas for interventions to combat EU in IBNs/GVCs have revealed governance and strategy to be the most desirable areas for such interventions. Therefore, both these areas are going to be the epicentre of our discussion in the subsequent sections.

Humphrey (2018) integrated strategy and GVC using a business-to-business governance structure. Pananond et al. (2020) synthesise global strategy and GVC literature on strategic coevolution, bottom-up upgrading, controlled cross-border activity, and co-evolutionary optimisation with four mechanisms – operation efficiency, value optimisation, upgrading, and collaboration – leading to a deeper understanding of the key processes that define GVCs' management and organisation of cross-border economic activity. Governance, strategy, and management are critical elements in the formation, orchestration, and perpetuation of international business networks. They interact and complement each other in affecting the performance of IBNs. Whereas the literature elaborates significantly upon how collaborative organisations adapt their governance, strategy, and management according to the rising uncertainty, little scholarly discourse is expended on the interaction of these three constituents of organisational functioning in mitigating EU. Making an appeal to the recent scholarly discourse, we would elaborate upon the phenomena of our interest through four important streams of discussion namely (stakeholder)-value based management, configuration-based management, knowledge and digitalisation-driven governance, and the sensitivity of strategy and governance to the outbreak of global pandemics.

In this introductory article, we aim to discuss how IBNs/GVCs may mitigate EU (emanating especially from global pandemics) through value, configuration and/or knowledge-driven governance, strategy, and management. In addition, we provide an overview of the articles included in the special issue on 'Governance, Strategy and Management of International Business Networks in Uncertain Times' detailing their specific contributions to enrich the contemporary scholarly discourse in this regard.

2 Governance and strategy in IBNs/GVCs

International businesses of all stripes are expanding into overseas markets using a range of global strategies to achieve their desired goals (Gaughan and Javalgi, 2018). Pananond et al. (2020) while studying the interaction of the global strategy and governance in

GVCs, have categorised global strategy into two fields by the actor (resulting in lead firm-centric and supply firm-centric strategies) and divided the GVC governance by MNE borders into two sections – intra-MNE (within the MNE's internal bounds) and extra-MNE (beyond the focal MNE's internal boundaries). Therefore, the interaction between lead firm-centric strategy and intra-MNE GVC governance leads to a host of issues emanating from vertical MNE outsourcing, organisational structure of MNE, and the GVC governance structure. However, the issues corresponding to the extra-MNE bounds are generally related to network optimisation (networks, global factories, global production networks, platform economy, etc.). On the other hand, the key strategic issue in supplier firm-centric with intra-MNE GVC governance mostly relates to bottom-up upgrading (technological innovation, upgrading, and subsidiary evolution). Relating it to the extra-MNE, the issues are corresponding more to strategic co-evolution (e.g., multiple GVCs, GVC relocation, regional value chain, and joint venture).

In IBNs' and/or GVCs' context, governance refers to the process by which lead firms exert control over other participants in determining how the value is created, appropriated, or distributed (Bair, 2009; Pla-Barber et al., 2021; Kalhor and Yassine, 2021). It means that, in the long run, executives from lead firms and their strategic partners will determine the network's structure and strategy to achieve the most efficient, cost-effective combination of internal and external contracts (Kano et al., 2022). Strategic governance here involves coordinating the use of resources to ensure the efficient operation of the entire network (Kano, 2018). In the literature concerning GVCs as well as the literature concerning global commodity chain (GCC) governance, the term governance is referred to the power of links between businesses (Gereffi, 1994). However, in the literature concerning global production networks (GPNs), the term governance is referred to the frameworks that determine the production networks' relationship with the external environment (McWilliam et al., 2020). In this setting, the organisation is based on inter-business interactions across the value chain, while control is drawn from enterprise power dynamics, institutions, and markets. Changes to systems for organising and managing global value chains affect network architecture dynamics and corporate and regional outcomes. This holistic approach helps IBNs by highlighting the organisational strategies that leading MNE uses to govern externalised activities (Benito et al., 2019). Kano et al. (2020) while reviewing GVC research, summarises GVC governance issues at three levels – micro, GVC and macro. According to the internalisation theory, economic players choose and retain the most effective governance structures to maximise value co-creation and sharing (Kano et al., 2022; Buckley, 2018).

According to McWilliam et al. (2020), the global strategy takes a 'firm-to-network' view on multinational enterprises (MNEs), whereas GVC exhibits a 'network-to-firm' approach. With the headquarters of an organising business as its hub, the GVC may be seen as an asymmetrical low-density/high-centrality network (Kano, 2018). The GVC is envisioned as a separate, global type of network governance. The GVC model emphasises efficiency, but also 'power' as a co-determinant of how transactions between economic players are managed (Kano et al., 2020). For example, leading firms, such as Nike and Apple, may wield significant influence through market domination (through advertising, branding, and distribution, among others) and technology development (Benito et al., 2019). Dallas et al. (2019) discovered five-tiered governance categories within GVCs: from pure market to hierarchy forms of governance, and differentiated: modular, relational, and captive governance based on different degrees of control and coordination. Kano et al. (2020) summarised the strategic governance of GVCs into three

strategies: learning, the impact of the lead firm, and GVC orchestration. Learning strategies focus on knowledge (creation, acquisition and diffusion), innovation, and upgrading. An instrumental impact of the lead firm is contingent upon the size of the organisation and ownership, location, strategy, and capabilities. While GVC orchestration corresponds to managing GVC, entrepreneurial assistance, social mechanisms, and the distribution of value.

2.1 A value-based management approach to environmental uncertainty

Creating value has remained the key storyline throughout the history of business (Schaltegger et al., 2019). Value management is an integrative function that interacts with all fundamental functions of the various constituents of (collaborative) business architectures while maintaining a profound centrality and focus (Méndez-Leon et al., 2021). In an IBN context, this function is inextricably linked to creating, enhancing, appropriating and/or capturing value through effective exploitation of the mutually contributed resources which in the contemporary marketplace has become quite very essential for sustained competitive advantage and/or performance heterogeneity (Liu et al., 2021). Managing IBN activities with a perspective of value optimisation has been in discussion for decades (Kano et al., 2020). IBNs assist MNEs to create value through product development, performance, and market diversity. Su et al. (2020) emphasise that IBNs provide learning enablers to access new overseas markets and build new partnerships. Furthermore, IBNs promote enterprises' value creation and resource complementarity and supplementation, but such benefits are generally mediated by the quality of social capital generated from network linkages and relationships with value chain partners (Su et al., 2020). Given the social and economic ramifications in present times, collaborative arrangements such as IBNs are paying serious attention to value (co)-creation to meet dynamic market expectations and enable superior value exchange (Méndez-Leon et al., 2021). Value-based management (VBM) is a management control system that coordinates an entire structural arrangement to boost stakeholder value (Firk et al., 2016; Nowotny et al., 2022; Schultze et al., 2018). VBM defines the relationships between various actors in the process of creating value (value drivers), causation in organisational processes (action plans), and incentive systems for carrying out tasks in the expected ways (goal setting and reward system) (Ittner and Larcker, 2001; Nowotny et al., 2022). A (collaborative) organisation could adapt VBM to concentrate on value maximisation through each process, function, and/or strategy.

The dramatic changes powered by globalisation, proliferation of technologies, heightened rivalry, and rising uncertainty strongly implicate firms to keep seeking more opportunities and avenues to thrive and stay competitive. Transfer to the global market has become the need of time to enhance capabilities and value through creating and/or joining IBNs. The essence of value co-creation from this standpoint could best be elaborated through the lens of stakeholder theory and social democracy (Parmar et al., 2010). Stakeholder theory analyses organisation-stakeholder connections (unilateral, bilateral, or multiparty). The stakeholder theory envisages – first, accommodating a large cross-section of stakeholders (Harrison et al., 2010); second, relationship management and moulding to maximise value for all stakeholders (Freeman, 1984, 2010; Raha et al., 2021); finally, evaluation of possible harms and advantages to large populations and people (Phillips, 2003; Post et al., 2002; Sisodia et al., 2007; Attanasio et al., 2022). Stakeholders' roles in galvanising IBN performance have become more important than

before. Munteanu et al. (2012) contend that to a certain extent, materialising stakeholders' benefits increase shareholder value. They could also support meeting environmental, green, and sustainability goals. In recent years, more stakeholder organisations have pressured firms to be more ecologically responsible (Bouguerra et al., 2022; Graham, 2020). In another study, Adomako et al. (2022) found that increased pressure from green stakeholders improves environmental sustainability orientation (ESO), which in turn encourages eco-product innovation. The skills behind ESO allow businesses to shift their perspective from one of the danger to one of the opportunity when it comes to environmental challenges, and to then explore, create, and exploit commercial possibilities afforded by addressing those issues (Antolin-Lopez et al., 2019; Hockerts and Wüstenhagen, 2010; Jell-Ojobor and Raha, 2022).

Stakeholder theory, nonetheless, acknowledges that value creation is built on corporate connections. Consequently, robust relationships with internal and external stakeholders are necessary for the sustained performance of IBNs (Attanasio et al., 2022). Schaltegger et al. (2019) concluded that recognising the difficulties in trying to measure value creation for stakeholders eventually restores businesses to their historical roots, i.e., creating an exchange that generates value for all contributing stakeholders. Cuyper et al. (2020) also highlight the significance of network and relationship-based strategies for approximating transposed interests and expectations of stakeholders due to the rising EU. Stakeholders differ depending on the company's features, value chain location, size, market, ownership structure, and consumers (Bager and Lambin, 2020). Operating within a vast and complicated network of stakeholder constituents, MNEs might encounter conflict between the demands of different stakeholder groups (Graham, 2020). IBNs/GVCs must be governed and managed such that activities align well with the interests of all stakeholders (Aguilera et al., 2019; Raha and Hajdini, 2022; Schrage and Gilbert, 2021; Del Baldo, 2013). Such a holistic approach helps IBNs by highlighting the organisational strategies that may help MNEs to effectively govern externalised activities (Benito et al., 2019).

Stakeholder democracy namely allowing stakeholders to organise, decide, and control organisations has become increasingly popular recently (Edinger-Schons et al., 2020). According to Matten and Crane (2005), stakeholder democracy is linked with the stakeholder theory where the stakeholders participate in the processes of organising, decision making, and governance is an appealing prospect. It is in line with the contemporary calls for increased corporate accountability and provides a persuasive evaluative framework for the MNEs, especially those seeking to exercise higher corporate social responsibility (Moriarty, 2016; Wang, 2021). Stakeholder democracy and governance share an exceptional relationship where the governance is under the influence of stakeholders who govern the policies and procedures of the firm. Value enhancement and governance share a symbiotic relationship wherein each complements the other. Hossain et al. (2018) and Yaqub (2013) stated that improved governance and regulated capacity building fostered by sustained value-enhancing relational investments may lead to significant value gains through pie expansion. Henceforth, value enhancement is promoted by good governance anchored by sustained relational investments that endeavour to enhance value and growth through collaborative initiatives. According to Liu et al. (2021), effective stakeholders-resource linkages and governance structures play a crucial role in value enhancement in a multi-actor arrangement like IBNs. Kano et al. (2022) aver that broad-based stakeholder management and diplomacy is another GVC governance whose understanding has been

enhanced by the emergence of the COVID-19 pandemic. GVCs face intense pressure from external stakeholders, including NGOs and consumers to improve GVC performance through social, diversity, and governance avenues.

2.1.1 Economic upgrading: an intra-network dynamic approach to the value-based management

The relative performance of firms being part of IBNs and/or GVCs depends on (value-driven) repositioning by the other players (Sharma et al., 2021). Even though value enhancement through pie expansion is always considered to be a better approach (Yaqub, 2013), however, it requires a relational space with sufficient mutual orientation. However, the same does not preclude firms from maximising their value gains through what is referred to as economic upgrading. Economic up-grading, in an inter-organisational context, corresponds to the process(es) through which firms shift from comparatively low-value activities to high-value actions in inter-organisational structural arrangements like GVCs and clusters (Kano et al., 2020; Schrage and Gilbert, 2021). Four such strategies to boost comparative performance in GVCs include process upgrading, product up-grading, activity/functional up-grading, and intersectoral (or chain) upgrading. Recent studies have shown that firms must continuously assess and alter their activities/contributions in the global value chain (Boschma, 2022; Gereffi et al., 2021). This (upgrading) strategy maximises individual firms' benefits since moving up the global value chain allows firms to allocate and/or appropriate a significant portion of the value added (Gereffi et al., 2021). The concept of upgrading in the context of global value chain and strategy was introduced within the dynamics of organisational learning and improving the position of firms in international trade networks. The critical concept of upgrading has been integrated into GVC studies to explain how firms generally transition to more beneficial positions within the value chain.

2.2 A configuration-based management approach to environmental uncertainty

Environmental uncertainty can significantly affect the strategic decisions and/or decision makers' objectives implicating a need to continuously re-examine, revisit and/or reconfigure all their goals, plans, and decisions (Efrat and Shoham, 2011). Rengarajan et al. (2022) assert that for strategic decisions to have a matching strategic fit, these must be continually reviewed (reconfigured) in response to the rising environmental uncertainty. Reconfiguring corresponds to continuously updating objects to ensure consistency with environmental changes (Mousavi et al., 2018). Besides resources, structures, and/or cultures (values), governance (models, mechanisms and/or structures) and strategy could also be subjected to reconfigurations to seek strategic alignments in all sorts of structural arrangements, including IBNs. Kano et al. (2020) contend that effective reactions to unforeseen supply and demand shocks necessitate the lead firm(s) to reconfigure their network (structure, governance, strategies) in response to the altered conditions. Petraite et al. (2022) and Sharma et al. (2019) consider *dynamic* network structures to be crucial for firms' international business performance, regardless of their positions in any collaborative structural arrangements like IBNs, and/or GVCs. Vătămănescu et al. (2022) and Buchnea and Elsahn (2022) established that diverse network designs and/or structures are necessary for firms in diverse industries to be successful on a worldwide scale. In Sharma et al.'s (2019) and Yaqub et al.'s (2020) opinions, it is crucial for

international businesses to proactively orchestrate rapid configurations or recombinations of international business networks to fit diversity and dynamism in international markets requirements. According to Rodriguez et al. (2022), organisational reactions to dynamic and frequently uncertain environments lay the foundation for key strategic concepts like flexibility, integration, resilience, and reconfiguration.

Zhan (2021), while enumerating key trends in global economics to combat environmental shocks, has designated governance realignment and (resilience-based) restructuring to be the key internal strategic reconfigurations. Resilience reconfiguration has emerged as a leading approach followed by IBNs/GVCs to deal with environmental shocks and disruptions. Particularly post-COVID, where continuity in national supplies is being increasingly emphasised as a solution for global disruption putting reshoring back in the limelight, due to which firms are facing increased pressure to reconfigure their operations and supply chain management (OSCM) networks to enable more domestic sourcing (Ali et al., 2022; Pla-Barber et al., 2021; Strange, 2020). Modernisation in digital technologies and the decrease in overall costs have inevitably contributed to policies encouraging backshoring strategies, domestic relocation, more cost reduction, and better quality controls (McWilliam et al., 2020). A shock-absorbing resilience strategy could generally best be applied by eliciting dynamic capabilities such as readiness, response, and recovery.

Recently, reconfiguration has taken centre stage in networks of international businesses, particularly when it comes to the analysis of global value chains (Rodriguez et al., 2022). Porter (1986) defines GVCs as a global division of labour supervised by MNEs. Strategic governance in the context of GVCs involves coordinating the use of resources to ensure the efficient operation of the entire network (Kano, 2018). The GVCs reconfiguration may take different forms of resources, capabilities, strategies, activities, governance structures, knowledge, decisions, and/or location. Regarding resources and capabilities' reconfigurations in the GVCs, Nambisan et al. (2019) noted that the very nature of digital platforms and ecosystems allows for flexible adaptation, integration, and reconfiguration of participating companies' capabilities and resources to meet the volatile demands in uncertain environments. Strategy reconfigurations in the GVCs have been elaborated by Rodriguez et al. (2022) who asserted that managers are inclined to reassess and reconfigure strategies in the face of poor performance gaps. They have also highlighted how MNEs may reconfigure the activities carried out in a particular region, for instance by eliminating or reducing the concentration of some activities. Ahi et al. (2021) also argued that MNEs may alter (reconfigure) their governance structures and move some operations to locations with better environmental conditions. Concerning knowledge reconfiguration in the GVCs, Nambisan et al. (2019) contend that companies may adapt to underperformance by reconfiguring their knowledge in the areas where they manage outsourced GVC activities across numerous locales. Further, specific to location reconfigurations, in order to maximise the value creation in GVCs, MNEs generally seek the most beneficial geographic permutations of the value chain by reconfiguring in terms of where activities should be situated and/or how they should be divided (Kano et al., 2020). A case study conducted by Alvstam et al. (2020) concludes that GVCs led by MNEs may be configured based on considerations of political and socio-economic factors. Their case study from the automotive industry of a global Chinese company that mostly acquired western firms showed that (location) reconfiguration of GVCs is influenced by the changing global institutional landscape, especially with the lowering of international trade and investment barriers.

GVCs have experienced a major shock as a result of the COVID-19 pandemic, making reconfigurations in the post-pandemic era essential (Kano and Oh, 2020). Although there were visible changes in GVCs, even before the COVID-19 pandemic occurred, attributable to various other sources of EU (Kano et al., 2020), the disruptions caused by the pandemic have made it even more crucial to assess and reconfigure GVCs by revising their structure and governance (Kano and Oh, 2020). A recent case study by Rengarajan et al. (2022) involving a firm providing data analytics support to strategic decision makers in agri-food GVCs noted that in the post-COVID-19 era, senior executives must decide strategically how to reconfigure GVCs, with digital technology as an important factor in allowing decision-making on both the reconfigurations and their implementation. Technology adaptation is considered to be an essential driver in reconfiguration (Rengarajan et al., 2022; Yaqub et al., 2020). Integrating digital technologies such as artificial intelligence, autonomous systems, and production robotics is suggested to increase flexibility and resilience. Technological advances influence how businesses configure their geographically scattered key players, niche suppliers, and clientele into intricate structures, which sometimes are referred to as GVCs (Kano et al., 2020). According to Nambisan et al. (2019), digital platforms and ecosystems change the way MNEs' networks function thanks to their wide range of international partners and knowledge (re)configuration, which has a positive impact on the speed at which MNEs can learn about foreign markets and pursue ongoing innovation, as well as improve productivity, flexibility, and firm performance (Ahi et al., 2021).

2.3 Knowledge and digitalisation driven governance, and environmental uncertainty

Rengarajan et al. (2022) argue that in stable contexts, strategic decisions may have a favourable impact on organisational performance; however, because of information processing and sharing capacity constraints in uncertain environments, this relationship may change from positive to negative. Haarhaus and Leining (2020) contend that expert-based knowledge enables strategic foresight and execution. Fu (2020) suggests that organisations should be eager to enable greater intra- as well as inter-organisational knowledge flows in collaborative structural arrangements like IBNs and GVCs. Luo (2022) concludes that difficulty in cross-border communication creates issues in the governance of IBNs, thereby impacting their growth. Meltzer (2019) contends that governance issues are generally related to restricting data flows, regulations, and cooperation.

Kano et al. (2020) reveal learning and orchestration to be the key ingredients of strategic governance of GVCs. Learning strategies involve knowledge (creation, acquisition, and diffusion), innovation, and upgrading. Su et al. (2020) emphasise that IBNs provide learning enablers to access new overseas markets and build new partnerships. Fu (2020), Lee and Gereffi (2021), and Mergel et al. (2019) maintain that organisations should be eager to enable and exploit contributory knowledge flows as means to govern inter-organisational efforts for value-creation and/or capture, at all levels. Knowledge-based governance is an important concept in institutional economics. Following Lawson et al. (2009), we may operationalise knowledge governance as formal and informal activities that encourage teamwork and exchange of knowledge among various actors, including collaborative organisations. Mergel et al. (2019) and Yaqub et

al. (2020) note that (digitally enabled) knowledge governance, by facilitating effective reconfigurations of organisational procedures, routines, structures, and/or cultures, leads to superior organisational performance through enhanced value (co)creation.

Knowledge governance involves designing organisational activities in such a way that influences the processes to generate knowledge and making this knowledge available to everyone to improve the products, processes and/or structures in the organisation (Foss et al., 2010). Organisations institute proficient knowledge governance mechanisms to encourage and facilitate their partners to co-create and/or share knowledge resources (Bock et al., 2005; Husted et al., 2012). However, partners' willingness to share their knowledge is cardinal to the well-founded development and deployment of knowledge governance mechanism (Huang, 2009; Tsai, 2002). Prior research shows that the interaction of all players in a (network-based) innovation system is a critical source of knowledge and learning and forms a vital element of the innovation process (Gereffi et al., 2021). The issues in external collaboration capabilities of the IBN partners negatively affect the implementation of knowledge governance because of poor transparency, distrust among the partners, and uncertainty associated with digital transformation (Pittaway and Montazemi, 2020). Gölgeci et al. (2021) also highlighted coordination and governance issues attributable to sharing increasingly sensitive information with local suppliers, which at times may lead to 'knowledge leakages'. GVCs are especially vulnerable to unethical supplier behaviour as interactions expand. Malesky and Mosley (2018) also highlighted some strategic challenges that organisations may face offshore in the pursuit of efficiency, especially when weak local institutions fail to avoid unintended knowledge losses.

The explosive development and integration of information and communication technologies into business systems and processes that constitute the essence of the 4th industrial revolution (I 4.0) (Dalenogare et al., 2018; Frank et al., 2019) has profoundly impacted knowledge-based governance mechanisms as well. Hamalainen and Salmi (2022) contend that top management must have a comprehensive vision to adopt and invest resources in (digitally transformed) knowledge-based governance mechanisms. Manita et al. (2020) explored that effective (IT-enabled) knowledge governance mechanisms help to promote innovation. Butollo et al. (2022) also maintain that knowledge sharing through digital platforms affects innovation processes by facilitating the matching and mixing of modularised inputs coming from diverse sources. Consequently, an adequate adoption and implementation of digitally transformed knowledge governance mechanisms could galvanise organisational performance, contingent upon clearing impediments, emanating from environmental uncertainties to the widespread knowledge sharing using such systems (Spremic, 2017).

2.3.1 The impact of digital transformation

Schwertner (2021) defines digital transformation as the use of technology to create novel business models, processes, software, and systems that boost efficiency, profitability, and competitive advantage. Jafari-Sadeghi et al. (2021) reveal that digital transformation fosters an expansion of technology by embracing prominent digital innovations such as Industry 4.0 technologies. According to Mergel et al. (2019), digital transformation plays a prominent role in attaining immense competitive advantage and facilitating growth at the global level as it helps in customisation, personalisation, and effective automation for customers. Hansen et al. (2011) and Jafari-Sadeghi et al. (2021) contend that IT and

digital transformation are the fabric of international business that contributes to IBNs performance through enhanced value creation and attaining significant global customer outreach. Hennart (2019) concludes that technology and digital transformation have a prominent role in promoting international business networks by improving reputation and acquiring loyal customers. Lozic (2019) contends that effective (knowledge) governance through digital transformation may profoundly lead to higher revenue, productivity, and profitability in IBNs.

The internationalisation of business and GVCs is reliant on digital transformation because it helps in tapping a variety of new opportunities (Pereira et al., 2022). Digital transformation and digital governance could be instrumental in modifying organisational procedures and culture, which positively affects value creation at a global level (Mergel et al., 2019). Manita et al. (2020) explored that audit and governance mechanisms help to promote innovation, improve the quality of digitalisation, and enhance the discretionary power of governance. In addition, adhering to laws and regulations at the international level and maintaining cordial relationships with stakeholders helps in the effectual implementation of digital transformation for high global value creation. The execution of digital transformation for business networks is not merely restricted to enhancing internal activities but also to widening the customer reach and integrating relevant techniques and external partners as well. Due to this, there has been a significant increase in IT governance in IBNs. McWilliam et al. (2020) conclude that the changes in global interconnection patterns have led to GVCs' prominence where the GVCs are progressively seeking to integrate economic activities from several geographically separated areas while supported by continuous technological developments.

Nambisan et al. (2019) contend that digital platforms and ecosystems could profoundly enable flexible adaptation, integration, and reconfiguration of participating companies' capabilities and resources to meet the demands of an uncertain environment. Effective platform strategies have the potential to shift businesses away from the traditional paradigm into networking ecosystems, where co-opetition is the major competitive strategy (Loonam and O'Regan, 2022). In addition, platforms affect transactions and innovation processes by facilitating the matching and mixing of modularised inputs coming from decentralised networks (Butollo et al., 2022). Also, the collection and blending of small vs. big data analytics collected throughout the chain could increase visibility and resilience when making decisions and is used in monitoring and policing through corporate accountability (Rengarajan et al., 2022). Rengarajan et al. (2022) claim that GVCs need hybrid data techniques integrating big and small data to yield decision-making agility in dynamic situations. For instance, 5G surveillance and blockchain-based contracts, artificial intelligence (AI)-based demand forecasting, and relationship-based alliances minimise uncertainties, risks, and transaction costs by increasing certainty, reducing information asymmetry, and making real-time information available (Kano and Oh, 2020; Contractor, 2022). Moreover, digital platforms and their associated networks offer new avenues for dynamic innovation and value creation, as well as for fostering collaboration and transmitting value internationally with increased efficiency and adaptability (Kano et al., 2020). Digitisation also enables multinational enterprises to rapidly modify their business models by adding or removing network units, modifying multidimensional platforms, and/or modifying existing links and relationships (Kano et al., 2020; Nambisan et al., 2019).

Sturgeon (2019) identified three key business strategies related to technologies that affect GVC governance: namely modularity, open innovation, and platforms. While these

strategies could be instrumental in tapping opportunities for commerce and enhancing competitiveness, these may sometimes invoke intense and unusual rivalry among partners by displacing older sectorial demarcations (Sturgeon, 2019). Butollo et al. (2022) also contested that digital transformation may generate disruptions and misalignments by altering value creation methods of international business networks. Yu et al. (2022) and Verhoef et al. (2021) found that strategic (digital) transformation needs extensive changes in processes and systems, collaboration methods, business strategies, and/or company cultures. However, these changes may be limited because of technical limitations, insufficient digital resources, high uncertainty, excessive data and information overload, and the associated mental and emotional expenses, all acting as stumbling blocks to (digitalisation-driven) internationalisation (Yu et al., 2022). Data security concerns, legal concerns, lack of interoperability with existing IT systems, and lack of control are the primary threats to its widespread adoption, all of which can, at least temporarily, stall the digital transformation of the business and, in turn, slow down the internationalisation of the business (Charalabidis et al., 2022; Pereira et al., 2022). Due to this, there is a considerable need to develop robust data protection and security systems, as the same might significantly affect the efficacy of GVCs (Gopal et al., 2019). Misaligned digital readiness among partners could be another issue hampering cooperation. Lack of digital readiness among IBNs' partners may sometimes be attributed dispositional to their lack of skills, capabilities, and investments in technology but at times it may be due to external factors such as weak digital infrastructure in that country, a problem more severe with the low-income countries (Fu, 2020). Top management must have a comprehensive vision to adopt and invest resources in digital transformation (Hamalainen and Salmi, 2022). Furthermore, a strategic level focus could profoundly help organisations to assess, manage, and control their digital transformation processes with greater precision (Chanas and Hess, 2016; Hamalainen and Salmi, 2022).

Distanont and Khongmalai (2020) hold that every country has different technological growth and resource accessibility. Due to this, implementing digital governance in international business might become complex. It is so because every country's rules, regulations, and digital expectations are unique, and aligning business objectives with the requirements of different countries might result in huge costs and could be time-consuming at times (Pittaway and Montazemi, 2020). For example, Wu and Gereffi (2018) while comparing the digital and asset-building strategies of Amazon and Ali Baba, pinpoint that China has different governance issues relating to infrastructure (telecommunications, internet resources, technical standards), cybersecurity (spam, network security, and cyber-crime), content regulation (Interim Regulations on the Administration of Internet Culture), internet resources, intellectual property rights, and developmental issues (capacity-building). In the past couple of decades, regulatory efforts have aimed to tighten government control over the internet which poses serious issues to digitally transformed governance, strategy and management.

2.4 Governance and strategy issues emanating from environmental uncertainty attributable to the global pandemics

Being an acute manifestation of environmental uncertainty in recent times, the COVID-SARS-2 pandemic, causing severe economic setbacks across industries around the globe (IMF, 2020), has shaken the core of global supply chains (Verbeke, 2020). The social and informational uncertainties have brought severe economic consequences during the

COVID-19 crisis (Donthu and Gustafsson, 2020). Unemployment rates have risen considerably (Hall, 2020; Rushe and Aratani, 2020), market demand has crumbled, and supplies are getting frequently interrupted due to the sudden, indiscriminate lockdowns and border closures (Buchholz, 2020; Salcedo et al., 2020). The pandemic is affecting a broader geographical area, and a wider range of industries and is likely to last longer than expected (Kano and Oh, 2020; Kol et al., 2023). The global economy is expected to contract due to the sudden halt in economic activity, the lockdown of several pandemic-affected areas, and the loss of income in the manufacturing and service sectors in many developed and developing countries (Qin et al., 2020). In addition, these conditions have adversely affected global financial markets, production chains, investor confidence, international trade, and commodity prices (Qin et al., 2020). The world economy is on the verge of a grievous recession, likely to be as consequential as the Great Depression of the 1930s (Gopinath, 2020). Empty supermarket shelves depicting shortages of toilet papers, sanitisers, personal protection equipment, and other essentials have turned out to be the strongest advocates of the importance of (the resilience, agility, and flexibility of) supply chains for society at large and industry in particular (Inman and Green, 2021; Tang and Tomlin, 2008). It has brought effective OSCM to the forefront of national consciousness and competitiveness. The shocks stemming from the pandemic have not just caused market, health, and social uncertainty, but have also presented unique opportunities and challenges alike for the theory as well as the practice (Verbeke, 2020) in all organisational contexts including the challenge of evolving governance and strategy during the crisis (Delios et al., 2021). For example, Caligiuri et al. (2020) argue that the pandemic has increased the number of cross-border distance issues, which has compelled many multinational corporations to require their employees to work from home and collaborate virtually leading to the culmination of more innovative business models and practices. Also, in Kano et al.'s (2022) opinion, the pandemic may rather serve as a catalyst for improving working conditions throughout the GVC.

Globally, COVID-19's arrival has caused harm to international institutions, altering perspectives, and changing business operations have negatively impacted international business networks, which are crucial to innovation, learning, access to resources, international expansion, and opportunity recognition (Pedersen et al., 2019). Developing resilience through responsiveness and visibility is a fundamental factor that enables businesses to respond quickly and affordably to disruptions during a crisis (Xu et al., 2020). In long-term planning, supplier diversification, cooperation with providers from various geographical regions (Yang et al., 2022), and redundant capacity are preferred strategies during the crisis (Xu et al., 2020). According to Verbeke (2020), the COVID-19 pandemic might lead to the resilience of (GVCs) through (1) a commitment to protecting sensitive information and contracting activities; (2) a reduction in the level of irreversible foreign investments; (3) establishing relational contracts with key partners and establishing ex-post governance arrangements; and (4) various levels of diversification (product and industry diversification). In terms of the global supply chains, Zahra (2021) argued that the call for in-shoring has become quite prevalent as several nations failed to obtain the much-needed medical supplies and pharmaceuticals required to treat their sick citizens. Additionally, several Chinese firms that manufactured these goods have been closed because of the organisational crisis fostered by the global pandemic. In some cases, producers have put domestic needs ahead of their global clients (Zahra, 2021). As a result, several multinational corporations are preparing to return production and operations to their home nations or to transfer plants from China to

Southeast Asia (Qin et al., 2020). Furthermore, Pananond et al. (2020) claimed that establishing regional production networks, developing, and holding safety stockpiles, multiple sourcing, and reshoring production to domestic markets could be the most effective strategy for boosting the resilience of supply chains in the face of a pandemic.

It is apparent that the COVID-19 pandemic stood out from the rest of the previous pandemics in the context of international business activities as travel and mobility restrictions rattled individuals, firms, and industries alike (Ratten, 2020). The main challenge faced by MNEs, especially with stretched supply chain networks has been dealing with the disruptions in most of the supply chain agreements, strategies, and communications with their external partners (Singh and Gaur, 2021). In addition, MNEs remained under pressure to contemplate strengthening their connections with relevant stakeholders outside of the firms' existing value networks (Kano and Oh, 2020). While managing IB activities in MNEs has been facilitated through value optimisation within GVCs for decades (Kano et al., 2020), they needed to rethink their business models or competitive strategies to recover from the crisis (Puhr and Müllner, 2022) or diversify regionally at the risk of establishing incompatible governance approaches across markets (George and Schillebeeckx, 2022). In sum, GVCs have been misallocated between lead firms and other MNE participants due to the pandemic, creating relationships that are unorganised both internally and externally (Pananond et al., 2020).

According to Kano et al. (2022), MNEs can safeguard themselves against environmental disruptions caused by global pandemics by minimising their dependence on dominant suppliers. However, doing so, such MNEs become more fragmented, and previous studies have shown that fragmented MNEs are more fragile during crises and face more cooperation challenges. Effective and agile response to a pandemic necessitates stronger collaboration on several levels between a variety of stakeholders (Lauer and Wilkesmann, 2017; Sharma et al., 2021). According to Aoki (1986) and Sharma et al. (2021), in a rapidly changing environment, centralised governance contributes to efficient resource allocation and coordination among stakeholders. Moreover, Sharma et al. (2021) noted that increased centralisation generally enabled a better reactive response to COVID-19. Kano et al. (2022) argued that an essential aspect of ensuring the sustainability of the (GVCs) in the post-pandemic environment and the continuity of the lead firm within the network is to develop management routines that facilitate knowledge sharing, collaboration, coordination of entrepreneurial resources, and flexibility. Indeed, governance and coordination mechanisms must be adapted not through rational analysis but rather by learning continuously, embracing innovation, and fostering trust (Vahlne and Johanson, 2021; Pla-Barber et al., 2021).

The pandemic has added governance difficulties that can be categorised along these dimensions: information problems, commitment problems, and associated value creation problems (Kano et al., 2022). The response to the social disturbance attributable to lockdowns must have to be carefully calibrated to avoid an overambitious supply in the face of an unusual rise in demand (Donthu and Gustafsson, 2020; Sharma et al., 2020). This may cause a 'bull-whip' effect, crippling global supply systems due to great demand and supply changes (Lee et al., 1997; Sharma et al., 2020). In this regard, Rengarajan et al. (2022) claimed that (GVCs) will need hybrid data techniques integrating big and small data to give decision-making agility in dynamic situations. For instance, 5G surveillance and blockchain-based contracts, artificial intelligence (AI)-based demand forecasting, and relationship-based alliances minimise uncertainties, risks, and transaction costs by increasing certainty, reducing information asymmetry, and making

real-time information available (Kano and Oh, 2020; Contractor, 2022). Moreover, digital platforms and their associated networks offer new avenues for dynamic innovation and value creation, as well as for fostering collaboration and transmitting value internationally with increased efficiency and adaptability (Kano et al., 2020). Digitisation also enables multinational enterprises to rapidly modify their business models by adding or removing network units, modifying multidimensional platforms, or modifying existing links and relationships (Nambisan et al., 2019; Kano et al., 2020).

GVCs have experienced a major shock because of the COVID-19 pandemic, making some reconfigurations in the post-pandemic era crucial (Kano and Oh, 2020). To date, both popular and academic press has predicted significant changes in (GVCs) configurations due to COVID-19 (Kano and Oh, 2020; Qin et al., 2020). According to Kano et al. (2020), effective reactions to unforeseen supply and demand shocks necessitate the lead international business to reconfigure their governance, strategy, and business practices in response to the altered conditions. They also indicated that for international business networks, governance for reliability involves renewed routines designed to boost their capability for cost-cutting and value generation to confront environmental uncertainty. A recent case study of a firm providing data analytics support to strategic decision makers in agri-food GVCs by Rengarajan et al. (2022) noted that in the post-COVID-19 era, senior executives must decide strategically how to reconfigure GVCs, with digital technology being an important factor in allowing decision-making on both the reconfigurations and their implementation. Although there were changes visible to GVCs before the COVID-19 pandemic occurs due to different aspects, environmental uncertainty is one of them (Kano et al., 2020), the pandemic's disruptions have made it even more important to assess and reconfigure GVCs by revising their structure and governance (Kano and Oh, 2020). Bonadio et al. (2021) noted that pandemics, such as COVID-19 have led to significant global demand pattern shifts, but GVC-level challenges to structural reconfiguration as a response strategy have remained relatively unattended. Future research endeavours need to focus on bridging the research gaps in these areas.

3 The special issue articles and their research implications

This special issue comprises eight papers addressing the following topics (a) governance of international business networks (by Ménard and Damergy, Vélez et al., Lanchimba et al., and Gurcaylilar-Yenidogan and Ergus), and (b) strategy and management of international business networks (Lanchimba et al., Lo et al., Gorovaia and Pfahnl, and Qammar et al.). The theoretical frameworks applied in these studies are derived from a diverse range of perspectives (see Table 1), such as transaction cost theory, resource-based theory, dynamic capabilities theory, agency theory, relational exchange theory, and institutional theory.

3.1 Governance of international business networks

The article entitled 'Hybrid-within-hybrid: governance issues within international airline alliances' by Ménard and Damergy analyses the specific governance form in the airline industry in which a subset of firms implements a specific alliance within the broader alliance, creating a hybrid within the hybrid. Examining the case of *Air France-KLM* and

Delta Air Lines (recently extended to *Virgin*), the authors explore the institutional conditions for entering into such agreements and the governance modalities that ensure their resilience. The study shows how this hybrid-within-hybrid relies on the adaptation of the rules of the game by intermediary (meso) institutions and a relational contract that offers flexible managerial governance to the partners.

The article entitled 'Governance mechanisms drive SME export performance via competitive advantage' by Vélez et al. develops a holistic model of the relationship between governance mechanisms, competitive advantage, and export performance of SMEs. Based on transaction cost theory, relational exchange theory, and resource-based theory, the authors explain the complementary role of formal control and trust as intangible resources in international business relationships to improve the competitive advantage and thus the performance of 193 Spanish export companies. The study's results emphasise trust as a driving force for creating competitive advantage and the complementary but indirect effect of formal control in this relationship. In particular, output control is a prerequisite for trust, which contributes to financial and strategic performance through its impact on service advantage. In addition, trust directly improves SME satisfaction with exporters.

The article entitled 'The economic impact of location on multi-unit franchising' by Lanchimba et al. adopts agency theory to explain the use of multi-unit franchising, a form of governance within franchising networks in which the franchisor grants the franchisee the right to own and operate more than one branch. Using a cross-sectional dataset of 201 Brazilian franchise systems, the authors find support for the positive impact of the geographical dispersion of the franchised units to headquarters, agglomeration of franchise stores, incentive mechanisms, and monitoring of the proportion of multi-unit franchising in the chain.

The article entitled 'Automotive global production networks in peripheral locations: convergent divergence patterns of institutionalisation' by Gurcaylilar-Yenidogan and Erkus examines the role of formal and informal institutions in the governance of global production networks. Based on qualitative interviews with six car manufacturers and questionnaire-based surveys with 104 first-tier suppliers, the authors analyse a comprehensive dataset on the local sourcing strategies in the Turkish automotive industry. The results highlight the roles of institutions and their complementarities, as well as national business systems in the different modes of governance emerging in automaker-supplier relations, and show a pattern of convergent divergence of institutionalism within the Turkish auto sector.

3.2 Strategy and management of international business networks

The article entitled 'Analysis of firm-specific, country-specific and sectoral determinants of international franchise survival' by Lanchimba et al. compares data from Latin American and European countries between 2009 and 2017 to explore characteristics that impact franchisor survival in developing and developed countries within several economic sectors. Applying survival analysis, the results show that hazard rates are higher for franchisors who enter the host country many years after the first franchisor entry. This finding is based on the notion that, compared to late entrants, franchisors joining the market sooner are more likely to earn brand loyalty and benefit from early

brand registration, allowing them to survive longer. As the host country's economic, institutional, infrastructure, and technological variables improve, franchise survival rates rise.

The article entitled 'Tacitness on multinational corporations' location choice: multi-level moderating of knowledge transfer and absorptive capability' by Lo et al. addresses the different resources' attributes impacting FDI location choices. Specifically, this study investigates how the tacitness of different resources that MNEs possess can influence their FDI location choices and how parent companies are capable to transfer such resources to subsidiaries that would absorb them. Using original data from the Taiwan Economic Journal database, 855 Taiwanese MNEs, and their 12,637 subsidiaries across the world, findings support the notion that both explicit and implicit resources impact FDI site decisions.

In the next article entitled 'Familiness and Internationalisation of family firms: a resource-based view', Gorovaia and Pfahnl explain the internationalisation of family businesses by highlighting their variability and distinctive resource bundles. Drawing upon the resource-based view of the firm, authors discuss that family firms possess unique firm-specific resources due to their familiness by which they take advantage to enter foreign markets. Using three Austrian family business cases in the food industry, Gorovaia and Pfahnl summarise their findings as follows: 1) the reputation of the family firm is a very important factor in attracting foreign partners when internationalising, 2) family firms usually take the advantage of fast, centralised and informal decision making when entering foreign markets, 3) family firms possess a great extent of international contacts through which they can extend their business into the respective foreign markets, and 4) strong family ties and avoiding interpersonal conflict among family members are crucial for successful internationalisation efforts.

The article entitled 'Improving dynamic capabilities through knowledge acquisition in international strategic alliances: moderating role of knowledge integration' by Qammar et al. examines the determinants of knowledge acquisition when building alliances with foreign partners. Specifically, the authors test the impact of cultural intelligence, language barriers, disagreements, and workplace friendship on knowledge acquisition and the consequences for organisational learning, i.e., dynamic capabilities. The model further shows the role that knowledge integration can play as a moderator in the relationship between knowledge acquisition and the dynamic capability of international strategic alliances. A survey of 370 engineers from six top engineering consultancy and construction businesses cultivating active international collaborations for large infrastructure projects (e.g., dam construction and raising, hydropower plants, and power generation units) in Pakistan was used to obtain data. The results support most of the hypotheses.

4 Future of research on governance and strategy of IBN

While the papers presented in this special issue will help readers better understand different aspects of governance, strategy, and management of IBNs, there are yet potential research questions that may further advance our current knowledge of international networks in uncertain times. Lastly, we discuss some ideas, but not limited to, that future research may adopt for pushing forward the theoretical and methodological boundaries of studying IBNs.

Table 1 Articles in the special issue: new directions and research implications

| <i>Authors</i> | <i>Theoretical/literature base</i> | <i>Aim of the study</i> | <i>Research implications/future research questions</i> |
|----------------------------------|--|--|--|
| Ménard and Damergy | Transaction cost theory | Hybrid-within-hybrid: Governance issues within international airlines alliances. The study analyses the institutional mechanisms underpinning decisions by global strategic alliances to build sub-alliances or other forms of 'hybrids-within-hybrids', and the internal governance mechanisms that ensure their resilience in a highly turbulent environment. | The relational governance of 'hybrid-within-hybrid' arrangements helps mitigate risk in an industry facing significant uncertainty. Adopting a real options perspective could provide insights into an organisation's capabilities and assets as a set of options that shape its organisational strategies. |
| Vélez, Sánchez and Flórez | Transaction cost theory, relational exchange theory, resource-based theory | Governance mechanisms drive SME export performance via competitive advantage. The study explains the direct and indirect effects of governance mechanisms, i.e., output control and trust, on the competitive advantage and financial performance of small and medium-sized export firms. | SMEs can increase competitive advantages and financial performance by recognising the importance of intangible governance mechanisms in business relationships. Trust can increase satisfaction performance and indirectly financial and strategic performance through its impact on service advantage. Output control only indirectly influences export performance through the impact on trust and service advantages. |
| Lanchimba, Silva Bitti and Welsh | Agency theory | The economic impact of location on multi-unit franchising. The study investigates the influence of agency theoretic variables on the franchisor's choice of multi-unit franchising. | The analysis of the agglomeration of franchise units contributes new agency-theoretical explanations to the literature on franchise governance structure, especially in emerging countries. |
| Gurcayilar-Yenidogan and Erkus | Institutional theory | Automotive global production networks in peripheral locations: Convergent divergence patterns of institutionalisation. The study shows the interaction of formal and informal institutions that determine transnational behaviour in the automotive industry. | Global production networks in the automotive industry are characterised by formal political convergence in internationalisation and informal national divergence in strategic governance. Future research could focus on the influence of digital platforms on the spatial structure of global automotive value chains. |

Table 1 Articles in the special issue: new directions and research implications (continued)

| <i>Authors</i> | <i>Theoretical/literature base</i> | <i>Aim of the study</i> | <i>Research implications/future research questions</i> |
|--|--|--|--|
| Lanchimba, Encalada, Salazar and Welsh | Survival analysis framework | Analysis of firm-specific, country-specific, and sectoral determinants of international franchise survival. This study provides a more encompassing view of the factors that affect franchisors' survival in emerging and developed countries at the same time. | Franchisees may face serious challenges to their firm and may fail or relocate their investment to more stable countries. Future research on franchising survival might encompass longer periods in a multi-country setting, both firm- and country-level factors, additional environmental elements, and include a broader variety of firm characteristics. |
| Lo, Huang and Chiang | Resource-based theory and Knowledge-based view | Tacitness on multi-national corporations' location choice: Multi-level moderating of knowledge transfer and absorptive capability. This study contributes to the extant literature by filling a research gap in the literature by analysing subsidiaries' and parent companies' knowledge transfer relationship and demonstrating that foreign direct investment is a multi-level phenomenon that cannot be studied using a one-level analytic method. | A subsidiary can help to improve the flexibility of the parent's location strategy due to its absorptive power of taking resources and relative organisational learning capabilities. Future studies might look into two-way knowledge transmission between subsidiaries as well. |
| Gorovaia and Pfahnl | The resource-based view of firm internationalisation | Familiness and internationalisation of family firms: A resource-based view. Drawing upon the resource-based view, this study contributes to the market entry literature exploring how familiness factors impact the tendency to internationalise in both positive and negative ways and frame this discussion in terms of paradoxes that must be controlled to maximise strategic advantage. | One of the important implications for future research is to consider how family firms' life cycle stages can impact the learning patterns to distinguish between explicit and tacit knowledge transfer when internationalising. |
| Qammar, Aslam, Yaqub, Ahmed, Ali and Ali | Dynamic capabilities of organisational learning | Improving dynamic capabilities through knowledge acquisition in international strategic alliances: Moderating role of knowledge integration. The study empirically examines various knowledge acquisition aspects that have either been overlooked or under-addressed in the previous literature. | Studying the market performance consequences of dynamic capabilities in international strategic alliances and two-way knowledge acquisitions might be important for future research. |

The emergence of new business models, processes and organisational forms attributable to the widespread integration of digitalisation has attracted significant academic attention in recent times (Koch and Windsperger, 2017; Stallkamp and Schotter, 2019; Monaghan et al., 2020; Yaqub et al., 2020). However, equally important are the less visible benefits of strategic network governance through the use of complementary, ‘enabling’ digital tools (Jell-Ojobor and Kramer, 2023; Srećković and Windsperger, 2019). For instance, smart contracts enabled by blockchain technology improve the standardisation of operational practices within the IBN and thus the achievement of strategic goals, such as cost leadership by optimising network transactions and differentiation by creating network resources (Jell-Ojobor and Kramer, 2023). Specifically, future studies can explore research questions like: How does digitally-enabled IBN governance affect competitive advantage? Which (non-digital) business models and practices could benefit the most from digitally-enabled IBN governance? How does digitally enabled IBN governance affect the IBN structure (e.g., the exercise of more centralised, direct control over network partners in distant environments)?

An important dimension of an efficient governance structure of IBN is the alignment between knowledge attributes (tacit vs. explicit knowledge), knowledge transfer strategy, and allocation of decision rights in IBN (Robinson and Stocken, 2013; Rotsios et al., 2021). For instance, decentralisation of decision rights in international joint ventures and franchise networks requires high information-rich knowledge transfer mechanisms that enable the transfer of tacit knowledge from the headquarters to the foreign partners (Windsperger and Gorovaia, 2011), to efficiently use this knowledge in local decision making. Therefore, future research should explore the relationship between the knowledge transfer strategy and centralisation/decentralisation of decision-making in IBN.

Despite ever-mounting attention being paid to the ethical, social, and environmental dimensions in various business contexts, corporate social responsibility (CSR) has been less explored in the international business literature (Kolk, 2016). Though firms in the global marketplace would network often for increased market competitiveness (Wettstein et al., 2019), however, such IBN could also prove to be quite instrumental in effectively pursuing ‘non-market’ strategies to tackle ‘grand challenges’ such as poverty, climate change, inequality, fairness, human rights, etc. (Devinney, 2013; Kolk and van Tulder, 2010). In this vein, MNEs and other stakeholders such as local suppliers, governments, NGOs, and civic society may collaborate to facilitate the joint value creation by which everyone wins (Boddewyn and Doh, 2011; Gray and Purdy, 2018). Future research can address issues like: How can IBN synergise its resources and capabilities to adopt CSR as a non-market strategy in solving complex socio-environmental problems? How can IBN, by extending business transactions to stakeholder-centred relationships, facilitate joint value creation with engaged stakeholders? Specifically, scholars can explore the need, means, and instrumentality of fostering higher accountability, fairness (to the smaller stakeholders), transparency, and independence behaviours among various stakeholders in the multi-actor IBN.

Prior researchers introduced upgrading as an activity characterised by improvement in the quality of products, production efficiency, and application of high value-addition activities, such as research and development (Gereffi et al., 2021; Kano et al., 2020). However, recent studies have expanded the scope of the concept of upgrading to incorporate multiple ways through which firms within the GVCs can attain better deals through the achievement of the delicate balance between rewards and risks (Hansen et

al., 2022; Petraite et al., 2022). Many scholars criticise this understanding of the concept of upgrading due to its lack of theoretical and empirical focus on the agency of the GVC firm (Petraite et al., 2022). There are calls for future researchers to cover this research gap by examining the deliberate and intense investments by local firms toward their upgrading. The strategic implications and agency of local firms should be acknowledged more significantly in GVC research (Sharma et al., 2019). Besides, there is a need for improved research understanding of upgrading within the local firm level, especially in developing countries.

Cuypers et al. (2020) highlight the significance of network and relationship-based strategies for dealing with stakeholders in challenging business environments. MNEs are supposed to engage in deliberate interactions with key stakeholders and self-regulate in their offering of goods and services (Schrage and Gilbert, 2021). Prior research acknowledges the complexity of GVCs, arguing that fixing governance gaps requires the collaborative efforts of relevant stakeholders (Bonadio et al., 2021). However, there exist unclear guidelines regarding the process of applying governance and self-regulation in dealing with governance gaps (Schrage and Gilbert, 2021). Future research needs to address such existing gaps.

Some scholars argue that crises such as the COVID-19 pandemic led to a more fragmented configuration that can address some weaknesses of globalisation by combining resilience with efficiency (Kano et al., 2022). In this vein, the regionalisation of the GVCs holds significant effects on governance systems in GVCs. However, this regionalisation is challenging since it means that firms and other GVC players must accept the costs associated with introducing new technological and structural infrastructure (Pla-Barber et al., 2021). Future research may focus on determining how firms can create greater resilience through GVC reshoring while retaining high efficiency.

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