Entry Mode Degree of Control, Firm Performance and Host Country Institutional Development: A Meta-Analysis

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Abstract

Among studies on performance outcomes of entry mode choices disagreement fueled by ambiguous research findings is apparent as regards whether the best performers are those firms that enter foreign countries with high or low entry mode degree of control. To solve this dilemma and test new hypotheses, the relationship between entry mode degree of control and firm performance is examined by meta-analyzing 133 studies (740,114 observations) covering entry mode choices from 1980 to 2010. We find that (a) overall high-control entry modes lead to higher performance, and (b) adopting high-control entry modes is particularly important for firms entering developing countries.

Keywords: entry mode; degree of control; performance; developing country; meta-analysis; meta-regression

1. Introduction

"Researchers differ substantially in their findings with regard to the control structure–performance link. [...] Future research is encouraged to continue this path to uncover the situational factors that influence [this] relationship" (Ren, Gray, and Kim, 2009: 816-817).

Entry mode choice has been regarded by international management scholars as one of the most critical decisions in international expansion, with strong implications for firm performance. Research has expanded in the past three decades to explore performance outcomes in relation to the chosen entry mode (e.g., Brouthers, 2013; Gao, Pan, Lu, and Tao, 2008; Geringer and Hebert, 1991; Killing, 1982; Ren, Gray, and Kim, 2009; Robson, Leonidou, and Katsikeas, 2002; Zeng, Shenkar, Song, and Lee, 2013). The 'entry mode degree of control'—the extent to which a firm's activities in the country where it entered are owned and directly managed by the firm itself (Anderson and Gatignon, 1986; Isobe, Makino, and Montogmery, 2000)—has been regarded as a key factor for the analysis of the entry mode choice's performance outcome. The export of goods has the lowest degree of control; licenses and franchises provide a higher degree of control; equity-based entries, such as joint ventures and, in particular, wholly owned subsidiaries, afford the highest control (Anderson and Gatignon, 1986; Beamish, 1985; Johnson and Tellis, 2008; Li, 1995; Pan and Chi, 1999). Despite the growing popularity of studies on the relationship between entry mode degree of control and performance, various authors have noted that results derived from decades of research offer no clear consensus regarding the type of entry mode that gives firms the greatest performance advantage (Brouthers, 2013; Ren, Gray, and Kim, 2009). Whereas some studies have indicated a positive relationship between the entry mode degree of control and firm performance (e.g., Chatterjee, 1990; Johnson and Tellis, 2008), others have found either a negative relationship (e.g., Ma and Delios, 2007), or a not significant one (Tihanyi, Griffith, and Russell, 2005). This disagreement is not only fueled by ambiguous research findings, but also by the different theoretical perspectives used to explain the entry

mode degree of control–firm performance relationship, including but not limited to the transaction cost view, the resource-based view and the institution-based view. Moreover, interestingly, mixed arguments and results can be found also among different studies using the same theoretical lens (Zhao, Ma, and Yang, 2017).

In light of these conflicting findings, the purpose of this study is two-fold. First, we aim at shedding new light on this research area with the help of meta-analytic techniques. As highlighted by Eden (2002), meta-analyses are useful in addressing open research questions with data that are closer to definitive than those reported in any single primary study. Our study thus begins with a meta-analytic review to examine the mixed empirical findings in the literature on the performance outcomes of entry mode degree of control decisions.

Second, since both Eden (2002) and Combs, Ketchen, Crook, and Roth (2010) noted that meta-analyses are also a useful tool to extend existing theories, we also employ a set of more advanced meta-analytic techniques to evaluate hypotheses that go beyond the mere main effect of entry mode degree of control on firm performance, and that would be difficult to assess in single-sample primary studies. Our theory-extending hypotheses aims at exploring best performing entry mode decisions in developing countries, by bridging the "transaction cost analysis (Williamson, 1985), [that] is the most widely used theoretical perspective in environmental entry mode research" (Brouthers and Hennart, 2007: p. 400), with the institution-based view of strategies (e.g., Agarwal and Ramaswami, 1992; Brouthers, 2002; Brouthers, Brouthers, and Werner, 2008; Meyer, Estrin, Bhaumik, and Peng, 2009), that centers on how institutions in a firm's host country affect entry mode decisions. Our study starts from Brouthers and colleagues' observation (Brouthers, Brouthers, and Werner, 1999; Brouthers, 2002; Brouthers and Nakos, 2004) that each firm is likely to make a different entry mode choice because its traits are heterogeneous. In this view, we contend that the degree of control per se is not a valid predictor of firm entry mode performance, unless we

impose boundary conditions on the type of transaction costs firms would encounter when entering a certain type of countries. More specifically, our focus here is the uncertainties firms have to cope with when entering developing countries as opposed to developed countries. In fact, as developing countries fall short of effective market-supporting institutions, firms entering these markets face high costs and risks (Khanna and Palepu, 2010). Our hypotheses point to the fact that firms are exposed to two contrasting forces when entering developing countries: the need to mitigate behavioral uncertainty and the need to mitigate environmental uncertainty. However, despite these uncertainties are both present in developing countries, the extant literature offers opposing prescriptions in terms of the entry mode degree of control a firm should use to cope with these uncertainties. Our meta-analytic review examines whether the priority to mitigate one type of uncertainty outweighs the other, and thus whether high- as opposed to low-control entry modes are preferable when firms enter developing countries (as opposed to developed ones).

To tackle the two above-mentioned points, first, by using meta-analysis techniques, we assess the bivariate association of entry mode degree of control with firm performance relying on a relatively large sample of articles (i.e., 133 studies; total sample size of 740,114 observations) published across a wide time period (i.e., from 1994 to 2014), and referring to a set of analyses conducted on a large time frame (i.e., 1980–2010) (see Appendix). This large time frame also allows examining the evolutionary dynamics of the relationship. Second, by means of meta-regression techniques, we test whether the entry mode degree of control– performance relationship changes depending on the level of economic development of the host country, distinguishing between developing and developed countries.

2. Theory Background and Hypotheses

2.1. *Main Effect of Entry Mode Degree of Control on Firm Performance: Competing Arguments and Theoretical Lenses*

Opposing theoretical arguments suggest alternative performance outcomes as entry mode degree of control increases, and interestingly, mixed arguments and results can be found also among different studies using the same theoretical lens (Zhao, Ma, and Yang, 2017). We first start summarizing studies that provide support for a positive relationship between entry mode degree of control and performance, and later we will turn our attention to those offering support for a negative relationship.

According to various resource-based view scholars, all the other things being equal, as the entry mode degree of control increases, the firm's performance increases because it can deploy key resources that are essential to success (Gatignon and Anderson, 1988; Isobe, Makino, and Montgomery, 2000). These resources can be intangible assets, such as brand equity and marketing knowledge, or tangible assets, such as own sales force and retail chain. Control over such assets gives a firm a certain freedom in its deployment and offers the possibility of exploiting them to a greater extent, thus enhancing its chances of success (Johnson and Tellis, 2008). For example, Tang and Yu (1990) found that a wholly owned subsidiary is the optimal strategy because it generates the highest level of economic profit and maximizes control of critical knowledge indefinitely. Woodcock, Beamish, and Makino (1994) found that new venture direct investment and the joint venture mode outperform lower control entry modes because they help the firm to monitor success and failure closely. Likewise, other studies found support for a positive relationship between entry mode degree of control and performance, with the main explanation being that higher foreign ownership level brings in more advanced foreign technology and thus leads to higher productivity (e.g., Anand and Delios, 1997; Delios and Beamish, 2004).

While resource-based view studies on entry mode choices focus on how entry mode decisions can optimize the use of resources in the host country, the transaction cost perspective describes the entry mode choice as a critical decision of governance and

recommends an entry mode that can minimize the costs associated with governing and monitoring transactions (Beamish and Kachra, 2004; Brouthers, 2002; Chung and Beamish, 2012). Among those studies drawing on the transaction cost view, some found a positive relationship between entry mode degree of control and firm performance, with the main explanations being that the need of greater control results in higher investment in intangible and tangible resources, fast decision making, and better control over partners in the host country (e.g., Chang et al., 2013).

Other scholars explained the entry mode-performance relationship using the 'OLI' or 'eclectic' approach to the study of foreign direct investment (FDI), initially developed by John Dunning (Dunning, 1977). 'OLI' stands for Ownership, Location, and Internalization, three potential sources of advantage for a firm that wants to become a multinational. Ownership advantages suggests that a successful MNE has some firm-specific advantages which allow it to overcome the costs of operating in a foreign country. Location advantages refer to the benefits of where an MNE chooses to locate its business functions. Finally, internalization advantages refer to entry modes choices, trading off the savings in transactions, holdup and monitoring costs of high-control entry modes, against the advantages of low-control entry strategies. By drawing on the OLI framework, some authors found support for a positive relationship between entry mode degree of control and firm performance, with the main explanation being that international acquisitions (i.e., high control), as opposed to export, franchising and other forms of entry decisions with lower control, allow firms to obtain three broad types of benefit: operational, strategic and financial benefits (Markides and Ittner, 1994).

Finally, also some studies using the institution-based view of strategy have found a positive relationship between entry mode degree of control and performance. One of the arguments used here is that having high control over partners in the host country helps the

entrant firm shorten the time it takes to establish legitimacy in the local institutional environment, that in turn positively affects the foreign subsidiary growth and survival (e.g., Lu and Xu, 2006).

In light of the above-mentioned studies, we should expect that:

Hypothesis 1a: *There is a positive relationship between a firm's entry mode degree of control and its performance.*

Interestingly, some of the above-mentioned theories used to explain a positive relationship between entry mode degree of control and performance, have been used by other authors to explain a negative relationship. For example, various studies drawing on the resource-based view found support for a negative relationship between entry mode degree of control and performance, with the main explanations being that lower control entry modes are better than high-control modes because low-control modes are relatively easier to access resources like cheaper labor and material (e.g., Luo, 1997).

Also among studies drawing on the transaction cost view, some scholars have suggested that, all the other things being equal, increasing control of entry mode leads to higher costs, and control is inextricably linked to commitment (Luo, 2001). In other words, the higher the resource commitment and desired control of an entry mode, the higher are the costs the entrant has to bear (Johnson and Tellis, 2008). An export strategy is a low-cost entry mode because of the relatively lower level of resource commitment needed to market products in the foreign country. Wholly owned subsidiary is a high-cost entry mode because of the level of resource commitment needed to set up operations (Pan and Chi, 1999). High-cost (and then control) entry modes (1) imply that higher levels of investments are needed to break even and make a profit (Johnson and Tellis, 2008), and, at the same time, (2) offer the firm lower *strategic flexibility*, i.e. the firm's ability to rapidly redeploy assets from the host country or adapt its asserts to the changing environments if situation so dictates (Brouthers

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and Nakos, 2004), two factors that are likely to amplify sunk costs in case the firm terminates investments in the host country (Brouthers, 2002; Sutcliffe and Zaheer, 1998).

Finally, also some studies using the institution-based view of strategy have found a negative relationship between entry mode degree of control and performance. One of the arguments used here is that for the entrant firm it is particularly important to meet the demands of the local institutional environment, which can be accomplished best by leaving high discretionary power to the local partner in the host country. In fact, "local partners, though likely to be small and resource poor, still may have advantageous locations and a developed logistics network, which suggests a physical competitive advantage" (Magnusson et al. 2009: 29).

In light of the above-mentioned studies, we should expect that:

Hypothesis 1b: *There is a negative relationship between a firm's entry mode degree of control and its performance.*

2.2. Bridging Transaction Cost View and Institution-based View to Explain Performance of Entry Mode Degree of Control in Developing Countries

Brouthers and colleagues (Brouthers, Brouthers, and Werner, 1999; Brouthers, 2002; Brouthers and Nakos, 2004) have attempted to explain the mixed results in the entry mode-performance literature by suggesting that, since firms self-select strategic choices that they expect will yield the best performance, and this self-selection is not one-size fits all, each firm is likely to make a different choice because its traits are heterogeneous. Therefore, there is a self-selection bias in the sense that firms will select the optimal entry mode choice reflecting a variety of internal and external factors. The authors also propose that "instead of examining performance differences for different entry mode types, researchers should focus on how contingency model–based (for example transaction cost–based) mode of entry choices may differ in performance from non-contingency model–based mode choices."

(Brouthers and Nakos, 2004: p. 235). That is because, if firms make entry mode choices consistent with (e.g., transaction cost) theory (i.e., optimal choices) there should be no systematic difference in performance implications of entry mode choices. At the same time, mode choices that are consistent with theory outperform those that are not (Brouthers, 2002).

In view of Brouthers and colleagues' argument, we contend that the degree of control per se is not a valid predictor of firm entry mode performance, unless we impose boundary conditions on the type of transaction costs firms would encounter when entering a certain type of countries. This is consistent with the institution-based view of entry mode choices, as it suggests that a country's institutional environment affects firm entry mode choices, and in turn also performance outcomes (e.g., Agarwal and Ramaswami, 1992; Brouthers, 2002; Brouthers, Brouthers, and Werner, 2008; Meyer, Estrin, Bhaumik, and Peng, 2009; Pan, 2002; Slangen, 2013; Sutcliffe and Zaheer, 1998). More specifically, our focus here is the uncertainties firms have to cope with when entering developing countries as opposed to developed countries. In fact, although firms operating in foreign markets encounter different institutional environments which present diverse challenges to them than in their home markets, when firms operate in developed countries they rely on well established market-supporting institutions such as specialized market intermediaries, regulatory systems and contract-enforcing mechanisms (Khanna, Palepu, and Sinha, 2005) to function. However, the story is very different when firms decide to enter into developing countries. Unlike in developed countries, developing markets lack some of these market-supporting institutions, thus forcing foreign entrants to cope with institutional voids (Khanna and Palepu, 2010). And although developing countries may have differences in how they challenge entrant firms, because of the lack of reliable market institutions they all force entrant firms to cope with uncertainties. As noted by Khanna and Palepu (1997: p. 41): "Emerging markets are hardly uniform. Nevertheless, they all fall short to varying degrees in providing the institutions

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necessary to support basic business operations." We thus ask: how does the host country level of economic development affect the relationship between a firm's entry mode degree of control and its performance?

Transaction cost scholars have discussed about two main types of uncertainty that generate transaction costs for entrant firms: behavioral and environmental uncertainty. *Behavioral uncertainty* arises from the inability of a firm to predict the behavior of partners in a foreign country (Gatignon and Anderson, 1988; Chiao, Yu, and Peng, 2009). For example, in certain countries it is difficult to write complete contracts to discipline the entrant and host country partner relationship (Brouthers, 2002). *Environmental uncertainty* refers to the inability of a firm to predict future events, often resulting from the volatility of environmental conditions in a host country (Anderson and Gatignon, 1986; Brouthers and Hennart, 2007; Jiang, Beamish, and Makino, 2014). For example, local authorities in the host country may suddenly create barriers to entry that restrict the entrant firm's actions, access to resources, or impose restrictions on the foreign transfer of goods (Delios and Beamish, 1999). Because of the lack of reliable market institutions in developing countries, the institution-based view of entry mode choices (e.g., Meyer, Estrin, Bhaumik, and Peng, 2009) suggests that these two types of uncertainty are particularly evident in developing countries (as opposed to developed countries). Reliable institutions instead, as the ones we find in developed economies, reduce the transaction costs triggered by behavioral and environmental uncertainty and establish a stable structure that facilitates interactions between entrant firms and actors in the host country.

Although firms entering developing countries have to simultaneously cope with these two types of uncertainty, transaction cost theory offers different predictions about the type of control a firm's entry modes should have when these uncertainties are present in the host country. Authors suggest that in the presence of behavioral uncertainty firms should use high-

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control entry modes to avoid foreign partners opportunism (Gatignon and Anderson, 1988), while in the presence of environmental uncertainty firms should use low control entry modes to retain strategic flexibility necessary to rapidly withdraw assets from the host country if situation so dictates (Brouthers and Nakos, 2004). Since both types of uncertainties are present in developing countries, this means entrant firms have to choose entry modes based on opposing theoretical recommendations. For this reason, we expect firms are likely to make mistakes in selecting the best performing entry modes, i.e. mode choices that are consistent with theory (Brouthers, 2002). E.g., those firms attempting to reduce transaction costs due to behavioral uncertainty might ignore transaction costs due to environmental uncertainty, and vice versa. In this vein, our analysis challenges the assumption that firms on average select modes that result in the greatest expected return and shows that firms frequently do not make such optimal choices. In what follows, by bridging transaction cost view and institution-based view, we thus develop competing hypotheses on the performance implications of entry mode degree of control in developing countries as opposed to developed countries.

2.2.1. *The role of behavioral uncertainty*

Various authors from the transaction cost literature suggest that controlling partner organizations increases costs associated with monitoring partner behavior (Alchian and Demsetz, 1972; Stevens and Makarius, 2015). One way to control opportunistic behavior is to write more complete contracts. However, contracts are costly to write and enforce and, because of bounded rationality, writing complete contracts is not possible (Williamson, 1985). Hence increased transaction costs related to behavioral uncertainties lead firms to internalize activities (Alchian and Demsetz, 1972; Williamson, 1991).

Since behavioral uncertainty is likely to be particularly high for firms entering developing countries (as opposed to developed countries), we should expect entry modes with high degree of control to be particularly appropriate to enter these countries. More specifically,

when entering developing countries, high-control entry modes may limit behavioral uncertainty providing two main benefits. First, high control helps the firm to safeguard key resources from leakage, limiting the opportunistic behaviors of partners in the host country (Johnson and Tellis, 2008). In fact, venturing into developing countries exposes firms of all size to additional challenges of know-how protection, since institutional distance may increase the likelihood of exposure to the opportunistic behavior of foreign partners. To minimize opportunistic behavior that might constrain the effectiveness of competitive actions, firms need to establish specific control mechanisms (Gatignon and Anderson, 1988; Klein, Frazier, and Roth, 1990). As suggested by various scholars, since developing countries are often characterized by underdeveloped capital markets, a scarcity of skilled labor, and a lack of reliable market information, business success rests in a firm's ability to acquire and secure scarce resources (Li, Poppo, and Zhou, 2008). Guillen (2000), for example, found that the direct control of resources in China enables foreign entrants to gain a resource advantage including securing technology and know-how.

Second, control allows for internal operational control (e.g., activities aimed to ensure the effectiveness and efficiency of operations, the reliability of financial reporting, the compliance with laws and regulations), which is essential to mitigate differences in cultural values between firms' employees in domestic and foreign operations. It allows the entering firm to closely monitor both its developing country-based operations and consumers' behavior (Luo, 2001), and to change easily marketing actions according to foreign consumer needs, without being constrained by the foreign partner action timing (Johnson and Tellis, 2008). Li (2005), for example, found that high-control entry modes in China enable a firm to obtain a resource advantage, including establishing plants, hiring and training workers, all key assets for enhancing performance, given the underdeveloped education infrastructures and difficulties of finding skilled local employees.

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Following the arguments of Brouthers and colleagues (Brouthers, Brouthers, and Werner, 1999; Brouthers, 2002; Brouthers and Nakos, 2004), we should expect that firms that use high-control modes of entry when transaction cost theory predicts high-control modes of entry should be used, will perform better than firms using low control modes. Since, as discussed above, authors suggest that when behavioral uncertainty is high, high-control entry mode are preferable, given the high behavioral uncertainty in developing countries and the relatively lower behavioral uncertainty in developed countries, we should expect firms will increase their performance by using high-control entry modes when entering in developing countries (as opposed to developed countries). Therefore we posit:

> **Hypothesis 2a:** *The relationship between entry mode degree of control and performance is more positive (or less negative) for firms entering developing countries (as opposed to those entering developed countries).*

2.2.2. The role of environmental uncertainty

One of the key arguments proposed by institutional theorists who study entry mode choices is that in certain environments, like those in developing countries (Khanna and Palepu, 1997), a lack of reliable market information, efficient intermediary institutions, predictable government actions, and an efficient bureaucracy constrain the ability of entrant firms to predict the likely outcome of their strategic actions (Hitt, Ahlstrom, Dacin, Levitas, and Svobodina, 2004; Hoskisson, Eden, Lau, and Wright, 2000). This environmental uncertainty translates in high investment risks for potential entrants that in turn may influence the choice about the entry mode degree of control.

Some transaction cost scholars propose that when environmental uncertainty is high, as in developing economies, low-control entry modes might be preferable. The reason is that, since when environmental uncertainty in the host country is high there is a higher risk the investment project will not be successful, low or shared commitment will reduce risk

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exposure (Anderson and Gatignon, 1986). Thus, "[...] uncertainty encourages firms to maintain flexibility and, hence, to choose market rather than hierarchical governance" (Brouthers and Hennart, 2007: p. 403). That is, if the environment in the developing country worsens and the firm decides to exit the market, the sunk costs incurred from terminating an export strategy or a contractual agreement will be less substantial than those from ceasing a wholly owned subsidiary (Hennart, 1988; Robson, Leonidou, and Katsikeas, 2002). For example, Giachetti (2016), in his study of Italian firms competing in the Chinese market during the 2000s, has shown that, given the high environmental uncertainty that Italian firms experienced when entering China, those firms with an aggressive strategic posture were better off when selecting non-equity, low-investment entry modes. In this way, they could relatively easily switch partner organizations or exit the market entirely if necessary, as well as rapidly adapt resources required to pursue competitive attacks to rivals if the situation so dictated.

Following Brouthers and colleagues' argument (Brouthers, Brouthers, and Werner, 1999; Brouthers, 2002; Brouthers and Nakos, 2004), we should expect that firms that use low control modes of entry when transaction cost theory predicts low control modes of entry should be used, will perform better than firms using high-control modes. Since authors suggest that when environmental uncertainty is high, low control entry mode are preferable (e.g., Brouthers and Nakos, 2004), given the high environmental uncertainty in developing countries as opposed to developed countries, we should expect firms will increase their performance by using low control entry modes when entering in developing countries (as opposed to developed countries). Therefore we posit:

>**Hypothesis 2b:** *The relationship between entry mode degree of control and performance is more negative (or less positive) for firms entering developing countries (as opposed to those entering developed countries).*

3. Meta-analytical Methods

3.1. Procedure

This study employs meta-analytical methods to synthesize quantitatively existing empirical studies on the relationship between entry mode degree of control and firm performance. In general, meta-analysis is aimed at aggregating 'effect sizes' collected from a sample of studies. An example of effect size is the magnitude and sign of a correlation coefficient concerning a relationship of interest (Hunter and Schmidt, 2014). As noted by various scholars (Dalton and Dalton, 2005; Geyskens, Krishnan, Steenkamp, and Cunha, 2009), it has become increasingly popular in management research to quantitatively integrate research findings across a large number of studies to examine whether there are prevailing relationships among a set of variables.

Even though most studies assessing the entry mode degree of control–performance relationship have used multiple linear models, regression slopes and intercepts often cannot be meaningfully accumulated in a meta-analysis, as they could not be comparable across studies. In fact, even if significant steps have been taken in the last years to produce reliable techniques to synthesize slopes from complex models like structural equations and hierarchical models and to transform them in a common scale, there is a lack of shared knowledge among researchers in such cases. Moreover, differences in model specification may affect the reliability of the combining methods, and, even though meta-regression is one of the possible remedies to mitigate those variables which contribute most to this misspecification or alter an underlying relationship, problems related to the heterogeneity of the models used in the studies or their misspecification can alter the results (Becker and Wu, 2007). For these reasons, we used the r-statistic, namely, the Pearson's product-moment correlation, representing a standardized measure of association between continuous variables

(Becker and Wu, 2007; Glass, McGaw, and Smith, 1981; Hunter, Schmidt, and Jackson, 1982).

More specifically, in order to test our Hypotheses 1a and 1b, the pooling exercise to meta-analyze the correlation coefficients of the entry mode degree of control–performance relationship was performed through a random-effects (as opposed to a fixed-effects) analysis since our sampled studies were performed in multiple contexts with different settings, and therefore studies were not to be considered functionally equivalent (Borenstein et al., 2007). We proceeded as follows. First, each r_i was converted into a Fisher-transformed z score:

(1) $z_i = \frac{1}{2} ln \left[\frac{1+r_i}{1-r_i} \right]$,

which has an approximate normal distribution with standard error $SE(z_i) = \sqrt{\frac{1}{n_i-3}}$, being n_i the sample size in study i. Second, each computed z_i was averaged across studies with weight w_i equal to:

(2) $w_i = \frac{1}{SE(z_i) + \hat{v}}$

where $\hat{v}$ is the estimated random-effect variance (Field, 2001; Hedges and Olkin, 1985). The final average $\bar{z}$ was obtained as follows:

(3) $\bar{z} = \frac{\sum w_i z_i}{\sum w_i}$

After this pooling exercise, $\bar{z}$ was finally transformed back to a pooled $\bar{r}$.

As for the analysis of the test of our competing hypotheses related to the moderating effect of the host country degree of development on the relationship between entry mode degree of control and firm performance (i.e., Hypotheses 2a and 2b), we used a standard meta-regression model as follows (Stanley and Jarrell, 1989):

(4) $b_i = \beta_0 + \sum_{k=1}^{K} \beta_k D_{ik} + \varepsilon_i$

where b_i is the effects size in study i ($i = 1,…, n$), D_{ik} are K variables for study characteristics, and ε_i is an error term. In our case, b_i is the zero-order correlation coefficient

found in study *i*.

3.2. Sampling

The authors independently performed the searching exercise. In order to obtain the final set of studies to be included in the meta-analysis, multiple and complementary search strategies were used. First, six electronic databases were examined – (1) Business Source Complete, (2) EconLit, (3) Google Scholar, (4) JSTOR, (5) Science Direct, and (6) SSRN—using the following search terms: 'entry mode', 'control', 'developing country/economy/market', 'emerging country/economy/market',[1] 'ownership', 'performance'. Second, the most relevant journals in the fields of accounting, economics, entrepreneurship, finance, and management were manually searched. Third, after collecting an initial set of studies, a two-way 'snowballing' technique involving backward tracing all references reported in the selected articles and forward tracing all the articles that cited the selected articles was used. Google Scholar and ISI Web of Knowledge were the bibliometric databases used (Van Hessen, Van Oosterhout, and Carneyet, 2012).

Several decision rules to determine whether a study could be included in the meta-analysis were used. First, since usable studies needed to report correlation coefficients, qualitative research, such as case studies, was not considered, as well as those empirical studies not presenting the correlation matrix (e.g., Woodcock, Beamish and Makino, 1994). Second, if one quantitative study used multiple yet separate sets of samples, each individual correlation coefficient was included as a separate unit of analysis (e.g., Zeng, Shenkar, Song, and Lee, 2013). This is because each correlation coefficient obtained from an independent estimation model represents a unique relationship with that dependent variable. Thus, each pairwise relationship was treated as an observed coefficient used in the meta-analysis. Third,

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[1] As we will explain later when describing the variables used in our model, the meta-regression analysis was initially performed using the terms 'developing' and 'emerging' as synonyms. Subsequently, as a robustness check, we created a sub-sample including only studies considering entries in 'emerging countries', defined as those developing countries that have some characteristics of developed countries but do not meet standards to be developed.

since the hypotheses and empirical analysis in our study assume causality between entry mode degree of control (the driver) and firm performance (the outcome), the former variable needs to be measured at a time unit (e.g., year) preceding the latter variable, or they need to be computed at least in the same time unit. Therefore, (the two) studies with performance variables computed prior to the firm entry in the host country were excluded (e.g., Claver and Quer, 2005). Fourth, if we found the same authors used the same database and variables measurement in multiple articles, information on only one of these articles was considered (e.g., Barkema and Vermeulen, 1997, 1998).

This process yielded 133 studies with a total of 136 observed coefficients (i.e., effect sizes) to be included in the meta-analysis. The total sample size consisted of 740,114 entry mode choices. The Appendix provides the list of studies included in the analysis.

3.3.   Variables

In order to test our hypotheses, the sampled studies had to provide information on two key elements to be used in our analysis: (1) the correlation between entry mode degree of control and firm performance (*entry control performance*), and (2) the degree of development of the host country, i.e. developing vs. developed (*developing country*). The correlation between the entry mode degree of control and firm performance, i.e. the *r*-statistic, will be our dependent variable when running the meta-regression. The degree of development of the host country was instead used as a moderating factor of the entry mode degree of control–performance relationship, and thus to test Hypotheses 2a and 2b.

From our sampled studies, we identified four types of measurements of entry mode performance, synthesized in Table 1.

Insert Table 1 about here

As regards the variable entry mode degree of control, sampled studies have used two measures: (1) percent of equity ownership of the foreign partner (*EM perc equity*) and, (2)

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type of entry mode, in the form of dummy (1 = entry mode with the higher degree of control) or ordinal (from lower to higher control) variable (*EM type*). Table 2 shows the number of studies per measure type. In our analysis of the relationship between entry mode degree of control and performance, we relied both on a 'full sample' including studies using both measures of entry mode degree of control, and two separate sub-samples each including observations related to only one of the two measures of entry mode degree of control.

Insert Table 2 about here

As regards the degree of development of the host country (*developing country*), we distinguished between developed and developing countries with a dummy variable that takes value 1 when the entry mode–performance relationship refers to firms entering a developing country or a set of developing countries (but not one or more developed countries) and 0 otherwise. In order to define whether a country was a developing or a developed one, when available we referred to the definition provided by the authors of the sampled papers. In the few cases where the authors did not explicitly distinguished between developing and developed countries, we referred to the country classifications proposed by the *World Bank* and the *International Monetary Fund*, by considering the status of the country at the time the study was accomplished. Moreover, although the traditional developed/developing country dichotomy has been for decades the most common way to classify countries, over the last decades, given the level of heterogeneity within developing countries, other taxonomies have emerged. More specifically, various international organizations and financial institutions have agreed in classifying as 'emerging countries/economies/markets' those developing countries that have some characteristics of developed countries but do not meet standards to be developed. 'Newly industrialized countries' has also been used as synonym of emerging countries. For example, in 2014, the end of our data collection period, a list of emerging countries is the following: China, India, Brazil, Indonesia, Malaysia, Philippines, Thailand,

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South Africa, Mexico and Turkey.[2] As a robustness test we thus created also a variable *emerging country* to use as a substitute of *developing country*.[3]

Information about various control variables was collected for mainly two purposes. First, we wanted to check whether the results of our meta-analysis were confirmed also in sub-samples of our studies. Second, we wanted to take into account the role of other regressors potentially explaining the entry mode-performance relationship when testing meta-regression models. We used the following control variables (whose use and effect will be examined in the next sections): (*i*) a dummy variable that takes value 1 if the study attempted to test and correct for endogeneity problems (*Endogeneity*); (*ii*) a set of dummy variables that take value 1 if a specific theoretical lens (e.g., *TCV* or *RBV*), or a set of theories (*Multiple theories*), was used in the paper to explain the relationship between entry mode degree of control and firm performance;[4] (*iii*) a set of variables indicating the quality of the journal where the sampled study was published, like the impact factor (at the year 2013) – using the threshold '2' for distinguishing higher vs lower impact factor (*IF*) – and the International Scientific Indexing (ISI); (*iv*) a set of dummy variables indicating whether study *i* used as firm performance variable the duration (survival analysis) of the venture in the host country (*Survival*), financial outcomes (*Financial*), market outcomes (*Market*) or some sort of satisfaction indicator obtained through responses in a satisfaction questionnaire (*Satisfaction*). It is worth noting that the four types of performance are not mutually exclusive, since some authors used more measures of performance within the same study.[5] Finally, we included a set of controls at the firm-level, each of them measured by the average value of firm-level characteristics we

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[2] Interestingly, 39 out of 133 of our sampled studies considered only China as the host country of entry initiatives. This is a relevant number, and suggests a particular interest in modes that better perform to enter this country.

[3] The variable *emerging countries* takes value 1 if the host country is an emerging country or set of emerging countries but not one or more developing or developed countries, and 0 otherwise.

[4] It is worth noting that in various studies *entry mode* and/or firm *performance* were used as control variables, and thus no hypothesis was posited on their relationship.

[5] The dummy *Survival* was dropped in all meta-regression models because of multicollinearity.

collected from the descriptive statistics tables of our sampled studies. More specifically, we

controlled for: (*v*) *firm age*, always measured with number of years since a firm's founding;[6]

(*vi*) *firm size*, measured in many different ways, like revenue, total assets, number of

employees, and market capitalization. As for firm size, we used the European Commission's

(2015) criterion to classify firms based on their size, and then created four dummy variables,

one per each size range, distinguishing between micro, small, medium and large enterprises.

Tables 3 and 4 contain descriptive statistics and correlations of the variables used in our

analysis. For example, Table 3 shows that the magnitude of the average correlation

coefficient between entry mode degree of control and performance (*entry control

performance*) in the full sample is 0.048 with a range from -0.16 to 0.386, whereas the

variable *developing country* has a mean value of 0.434, meaning that in nearly half of our

studies data referred to firms entering developing countries (as opposed to developed ones).

Insert Tables 3 and 4 about here
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4. Results

4.1.   Entry Mode Degree of Control and Firm Performance

In order to test Hypotheses 1a and 1b, we need to meta-analyze the correlation between the

two variables. Moreover, the obtained output will be the dependent variable in our meta-

regression. Since the sampled studies in our analysis are often heterogeneous in terms of

various factors, like the measure of entry mode degree of control and performance, the

observation period and the journal where the analysis was published, as a first step we

examined the entry mode degree of control–performance relationship from different

perspectives.

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[6] In those papers where *firm age* was measured with the natural logarithm of the number of years, we
transformed it into years.

First, Table 5 shows the results of the pooled correlation for the whole sample (136 correlation coefficients) and for sub-samples based on type of performance measurement, entry mode measurement, journal characteristics, such as the ISI index and Impact Factor index (De Battisti and Salini, 2013), the prevailing theoretical lens used to explain the entry mode-performance relationship, as well as the year of survey. The pooled correlation for the whole sample is positive and significant ($r = 0.045$, $p<001$), with I^2 heterogeneity statistics equal to 93.8 percent for the full sample and ranging from 79.5 percent to 95.2 percent for sub-samples. Heterogeneity is, therefore, well present among the studies. This can be related to the high number of studies included in the meta-analysis, but it might not be necessarily a problem *per se*, since diversity is the norm and inevitable in meta-analyses conducted in the field of social science (Higgins et al., 2003). Interestingly, results are consistent also in all the various sub-samples, thereby supporting Hypothesis 1a and not Hypothesis 1b. For example, regardless the measure of performance used in the study (i.e., sub-samples 1-5), the measure of entry mode degree of control (i.e., sub-samples 6-7), and the theory used to explain the relationship (i.e., sub-samples 11-15), the relationship between entry mode degree of control and performance was always positive and significant. Moreover, the relationship was more positive and significant in studies published in journals with high impact factor (i.e., IF > 2), while only marginally significant in studies published in journals with lower impact factor (i.e., IF < 2).

Insert Table 5 about here

4.2. *Entry Model Degree of Control and Firm Performance in Developing Countries*

As explained before, to test Hypotheses 2a and 2b, we run a meta-regression that has as dependent variable *entry control performance* and as independent variables *developing country* plus various controls. Table 6 shows the regression results. Model 1 includes only controls, and in particular a selection of those control variables that were available in all 136

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sampled studies (i.e., *Endogeneity* and the various dummies related to firm performance). In Model 2 *developing country* was added. In Model 3 the variable *emerging country* is used instead of the variable *developing country*. Each of the three regression models (Model 1-3) was estimated in three different samples, based on how the entry mode degree of control variable was measured in the sampled studies: (1) a full sample including studies using one or the other measure of entry mode degree of control, and the two sub-samples (2) one including studies using only *EM perc equity*, (3) and one including studies using only *EM type*. In Table 7 (Models 4-7) we repeat the analysis in Table 6 but adding one-by-one also those control variables that were available in only a subset of our sampled studies, like firm age and firm size.[7]

Before we turn to a discussion of the coefficients of our key independent variables related to the presented hypotheses, we briefly examine the coefficients of the control variables. First, as shown in Models 2 and 3 (Table 6), the variable *Endogeneity* turns out to be positive and significant in two out of three samples (i.e., *Full sample*, *EM perc equity*), suggesting that those studies that tackled the endogeneity problem found that entry mode degree of control has a stronger and more significant effect on firm performance. Interestingly, if one would assume these studies to be more reliable, this finding would offer further support for Hypothesis 1a. Second, in Models 2 and 3 performance dummies are often not significance (in 16 out of 18 cases), suggesting there is not a particular performance dimension affecting the significance of the entry mode-performance relationship. As for the inclusion of the additional controls presented in Table 7, we found none of them to be significant in the various models presented (with few exceptions), suggesting that firm age and size do not significantly affect the way firms are able to obtain higher or lower performance when increasing their entry mode degree of control in the host countries.

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[7] These controls were added one-by-one in order to not reduce too much the number of observations in the meta-regression models.

We now turn our attention to the hypotheses tests. With Hypothesis 2a we posited that when firms enter developing countries (as opposed to developed countries), they obtain higher performance if adopting entry modes with high degree of control, while with Hypothesis 2b we posited that firms obtain higher performance when they enter developing countries with low entry mode degree of control. As can be observed in Model 2 (Table 6), the coefficient of *developing country* is positive and significant when considering (a) the full sample ($\beta = 0.039$, $p < 0.01$) and (b) studies using only *EM perc equity* as a measure of entry mode degree of control ($\beta = 0.066$, $p < 0.05$). However, it is not significant when considering studies using only *EM type* ($\beta = 0.039$, $p > 0.1$). These results overall support Hypothesis 2a and not Hypothesis 2b. Interestingly, the positive effect of the host country level of economic development is supported also in Model 3 when we consider the subsample of emerging countries. These findings were supported also in Table 7: as can be observed, coefficients of the variables *developing country* and *emerging country* are positive and significant in at least two out of three samples (i.e., *Full sample*, *EM perc equity*, *EM type*).

Insert Table 6 and 7 about here

4.3. *Meta-analysis Validity Checks*

We analyzed the validity of our meta-analysis looking at corrections for study artifacts, which might affect our findings. We were primarily concerned with those artifacts which are considered the most important in the literature, namely (1) the sampling error variance, (2) the reliability of the measurements used in the studies and (3) the range variation across studies (Borenstein, Hedges, Higgins, and Rothstein, 2009; Hunter and Schmidt, 2014).

Sampling error is a non-systematic error, which almost always affects the study validity. Since 'study validity will vary randomly from the population value because of sampling error' (Hunter and Schmidt, 2014: p. 76), the sampling error variance is an important factor

which adds to the overall variance of the effect sizes (in our case 'correlations') across studies. For correlations, the sampling error variance estimate can be expressed as follows (Hunter and Schmidt, 2014):

(5) $\sigma_e^2 = \frac{\left(1 - \bar{r}^2\right)^2}{\bar{n} - 1}$

where $\bar{r}$ is the pooled (untransformed) correlation coefficient, and $\bar{n} = \frac{\sum_{i=1}^{p} n_i}{p}$ is the average study size. In our meta-analysis the proportion of variance due to sampling error compared to the total observed variance was relatively small (i.e., 6.6%), suggesting that the presented model is appropriate.

As for the reliability of measurements and range restriction, which are also considered important in the literature, we were unable to collect sufficient information from the sampled studies to obtain the evaluation of these artifacts. Only one in twenty studies reported some sort of measurement of reliability, making impossible the estimates of missing values, whereas for range restriction the nature of the dependent variable (in most cases categorical or even dichotomous) and the absence of any restriction in study samples does not allow for any evaluation.

Finally, since, as discussed in the introduction section, in existing studies on performance outcomes of entry mode choices there might be a 'self-selection' bias in the sense that firms select the optimal entry mode choice reflecting a variety of transaction cost factors, endogeneity problems might affect the results of our meta-analyses. More specifically, when assessing the relationship between entry mode and performance, endogeneity could be an issue for bias in the estimates if the entry mode choice is selected according to firms' attributes and industry conditions (Shaver, 1998). We tried to account for endogeneity by searching for variables expressing 'self-selection' in the choice of the type of entry mode (e.g., industry growth, concentration in firm's economic sector, number of other subsidiaries

in host country, R&D intensity, etc.), but very few of the selected papers included these variables in their empirical analysis or checked for the presence of endogeneity, thus constraining our goal of addressing this issue in our meta-analyses.

5. Additional Analyses: Testing How the Entry Mode Degree of Control–Firm Performance Relationship Changes Over Time

Although not directly predicted by our hypotheses, given the longitudinal nature of our sample, we wanted to check whether our predicted relationships changed over time, and try to give some explanation as to why they might significantly change. As noted by Zhao et al. (2017: 678) "future research should consider the temporal dimension of entry mode–performance relationships. […] Although time is an important consideration in nearly every aspect of IB research, it is absolutely essential to entry–performance. The static approach relying heavily on cross-sectional data in the current literature can only offer a partial picture of a dynamic entry mode–performance relationship". For example, we could reasonably assume that the macro-economic environment has changed a lot throughout our observation period, moving from a period of relative stability in the 1980s to an increasing environmental turbulence in the 2000s. Studies on 'environmental dynamism', also called 'environmental turbulence', i.e. the degree and the instability of changes in a firm's external environment (Buganza, Dell'Era, and Verganti, 2009; Luo and Peng, 1999; Simerly and Li, 2000), have increasingly suggested that the rapidly macro-environmental changes we have observed over the last three decades have made firms sustainable competitive advantage rare and declining in duration (D'Aveni, Dagnino, and Smith, 2010; Giachetti, Lampel, and Li Pira, 2017). There is growing empirical evidence that the volatility of financial returns is increasing, indicating that the volatile component of competitive advantage is higher than the long run component of sustainable competitive advantage firms had in the 1970s and 1980s (Thomas and D'Aveni, 2009). As noted by D'Aveni, Dagnino, and Smith (2010: 1372) in a review of

studies on temporary advantage, "the increasing temporary nature of advantages has been attributed to numerous causes, including technological change, globalization, […] deregulation, the privatization movement stimulated by governments […], the rise of China, India, and other emerging countries, […] terrorism, global political instability, […] etc." It is thus interesting to examine how firms in our sample tackled this turbulence in their external environment when entering foreign countries (i.e., which entry mode is more effective when the macro environment changes radically and rapidly).

In order to test whether our results changed over time, first, we had to find a proxy for environmental dynamism. We measured macro-environmental dynamism by assuming that highly turbulent macro environments were those in the 1990s and 2000s as opposed to the 1980s (our sampled studies cover entry mode choices from 1980 to 2010). In fact, based on what we observed in the extant literature, starting from the 1990s three macro-environmental factors have shocked firms' business environment in most of industries and countries: (1) globalization and the related boost to foreign competition (e.g., Buckley et al., 2007; Demirbag et al, 2010), (2) deregulations in both developed and developing countries in the form of pro-market reforms and liberalizations (e.g., Elango, Dhandapani, and Giachetti, 2018; Meyer, 2001; Park, Li, and Tse, 2006; Pettus et al., 2009), (3) radical changes in the technological environment with the diffusion of digital technologies and the Internet (e.g., Bhanji and Oxley, 2013; Oxley and Yeung, 2001). As most of our sampled studies carried out longitudinal analysis, for each study we reported the median value of the time window analyzed. For example, if the analysis uses data from 1996 to 2000, the 'median year of the study observation period' for that paper was coded as 1998. If the 'median year of the study observation period' for a paper was higher than 1990, we assumed the analysis was conducted with firms operating in turbulent macro environment. This methodological choice

is consistent with other empirical studies examining strategies in turbulent environments (Demirbag et al., 2010; Park et al., 2006).

Next, we tested the effect of environmental dynamism in three ways. First, as shown in Table 5, when running the sub-sample analysis, we created five sub-samples based on the 'median year of the study observation period': one sub-sample with observations before 1990, one sub-sample with observations after 1990, one sub-sample with observations after 2000, and one sub-sample with observations between 1990 and 2000. As can be observed, although all coefficients are positive and significant, the ones related to the post-1990 and post-2000 periods are of a lower magnitude, suggesting that high-control entry modes are less effective in turbulent macro environments.

Second, we run meta-analyses for each five-year period from 1980 to 2010, as shown in Figure 1. It can be noted a clear negative trend from 1980 to 1995, an increase in the 1995-2000 period and again a clear negative trend from 1995 to 2010, with a slightly negative value (r=-0.002) for the pooled estimate of the period 2005-2010. Also these findings suggested that high-control entry modes are less effective in turbulent macro environments.

Third, we run a cumulative meta-analysis (Borenstein, Hedges, Higgins, and Rothstein, 2009), as shown in Figure 2, taking into account the correlation coefficients between entry mode degree of control and firm performance (y-axis of Figure 2) in a cumulative way over time, starting from studies that used empirical data about entry modes and performance in the 1980s, to studies using empirical data about more recent entry modes and their performance. Essentially, a cumulative meta-analysis served us to depict how the cumulative correlation coefficients between entry mode degree of control and firm performance have changed over the observation periods used by the sampled studies. We reported the 'median year of the study observation period' on the x-axis of Figure 2. In cumulative meta-analysis the experiments (in our study: test of the entry mode degree of control-performance relationship)

are accumulated from the earliest to the latest, where each successive experiment includes a synthesis of all previous experiments. This chronological combining of the experiments shows if there is a consistency in the results of consecutive experiments and indicate the point at which no further experiments are necessary because the results continually lead to a similar outcome.[8] An extension of cumulative meta-analysis, *recursive meta-analysis* (Ioannidis et al., 1999; Ioannidis & Lau, 2001), allows for detecting turning points in the sequence of the cumulative estimates by using the relative change in the magnitude of the effect sizes as each piece of evidence is obtained. In our case, if $r_{pooled;t}$ is the pooled Pearson correlation coefficient obtained at time *t*, and $r_{pooled;(t-1)}$ is the pooled Pearson correlation coefficient obtained at time (*t*-1), the recursive effect size at time *t* is given by $RCMA_t = \frac{r_{pooled;t}}{r_{pooled;(t-1)}} \times 100$. Most of the times such turning points are detected in correspondence with the most important studies in terms of size. Figure 2 highlights how the cumulative pooled correlation coefficient decreases from 1980, when it was around 0.18, to 1994, when it reached the value of 0.00. After 1994, the pooled estimate was at an almost constant level of around 0.02. Interestingly, after 1991, correlation coefficients collapsed close to zero. Overall, the cumulative meta-analysis suggests a positive relationship between entry mode degree of control and performance with larger effect sizes for those studies conducted before the early 1990s. In the cumulative meta-analysis, the pooled correlation coefficients are always significant, except for three studies in correspondence to the bottom of the sequence where the pooled correlation coefficient value is exactly zero. Also, these findings seem to suggest that overall entry modes with higher control lead to higher performance, even if they show

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[8] Each step of the cumulative meta-analysis considers one more study, and the pooled effect size is recomputed in the same way as in the traditional meta-analysis; the only difference is that the effect size is not calculated for the whole group of studies at once but is instead recalculated each time a new study is added to the analysis. This allows for estimating the contribution of individual studies and the evolution of the magnitude and direction of research findings. In our cumulative meta-analysis, articles with the same 'median year of the study observation period' were entered into the analysis in random order (Gurevitch et al. 2001; Rosenberg et al., 2000).

that the magnitude of the r-statistic is lower for studies using data referring to more recent entry mode choices, in particular those conducted with firm-year observations during the 1990s and 2000s.

It is worth noting that, after having observed the output of the cumulative meta-analysis, we created a sub-sample considering only studies with observation periods after the year 1991, namely when the correlation coefficients effectively collapsed close to zero. As can be observed in the sub-sample 18 of Table 5, after that year we found the magnitude of the correlation coefficient to decrease further relative to the sub-sample 17. Furthermore, we noticed three turning points (see Figure 2), the first one in mid-1992 (Delios and Beamish, 2004: $RCMA_t = 29.55\%, n = 27974$), the second one in mid-1993 (Gaur and Lu, 2007: $RCMA_t = 27.78\%, n = 9633$), and the last one in mid-2001 (Chang and Xu, 2008: $RCMA_t = 65.63\%, n = 241069$).

Insert Figure 1 and 2 about here
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6. Discussion

6.1. Implications for Research

Although a growing literature indicates that the entry mode degree of control is an important determinant of firm performance, empirical studies have relied on different theoretical perspectives and have provided mixed empirical evidence regarding the performance implications of the entry mode degree of control. As recently noted by Brouthers (2013): "In general, there appear to be a growing number of studies that explore the performance consequences of theoretical mode choice decisions. […] Yet further research is required, adding to our knowledge by using better measures of performance, providing theoretical links between mode choice and non-financial performance, and using longitudinal data to explore how performance effects may change over time" (Brouthers, 2013: pp. 16-17). Likewise, Ren, Gray, and Kim (2009) have remarked that results about performance outcomes of entry

mode choices are decidedly mixed, and thus further research is needed to understand prevailing relationships and contingencies. The purpose of our study was two-fold: first we wanted to respond to these specific calls, and in particular shed light on the disagreement fueled by ambiguous research findings as regards the general question of whether the best performers overall have been those firms using high- or low-control entry modes; second we wanted to extend the extant literature by examining contingences of the entry mode-performance relationship, in particular factors related to the degree of institutional development of the host country in which firms operate.

Our study started from the observation that, in general, scholars assume that firms make decisions with the greatest expected return. In the context of our study, this implies that firms will select low control entry modes when the expected value of choosing such a mode is greater than the expected value of entering a foreign market using a high-control entry mode and vice versa. Heterogeneity in entry mode choices – or the level of control – is thus merely a result of a mix of firm- and environmental-level factors that enable these firms to better exploit the opportunity abroad by using a specific entry mode. With this observation in mind, we noted that while some authors have shown entry modes with high degree of control to be the most effective strategic choice when firms enter developing countries because allows the firm to better solve behavioral uncertainty (Luo, 2001), others have argued that entry modes with low degree of control offer the entrant more flexibility and higher performance in the context of developing countries because they allow the firm to better cope with environmental uncertainty (Gatignon and Anderson, 1988). This means that, since both types of uncertainty are present in developing countries, firms take entry decisions in the presence of opposing theoretical prescriptions. We thus asked which theoretical prescription helps firms to reach higher performance in developing countries.

Overall, meta-analytic results indicate that the entry mode degree of control–performance relationship is positive and significant (Table 5), but the overall Pearson's product-moment correlation coefficient is rather small revealing a weak relationship. However it can be considered robust since it resulted almost always significant (and positive) in all the sub-samples we have considered. Moreover, according to Doucouliagos (2011), meta-analyses in economics produce lower overall (partial) correlation coefficients compared to other research fields. With respect to the thresholds for 'small', 'medium' and 'large' correlation coefficients for meta-analyses highlighted by Cohen (1988), for a correlation coefficients to be considered 'large', it has to reach at least 0.50, whereas Doucouliagos (2011) in his analysis on a set of meta-analyses on partial correlation coefficients found that this threshold is 0.30; as for small correlation coefficients, Cohen (1988) considered values lower than 0.10, whereas for Doucouliagos (2011) a small correlation coefficient is under 0.07.

In our analysis, the sign of the relationship does not change when different types of performance are used by the sampled studies (Table 5, sub-samples 1-5), as well as regardless of the type of indicator used to measure entry mode degree of control (sub-samples 6-7). This means that, regardless of the firm's expected value of choosing an entry mode instead of another, best performers are those firms that select high-control entry modes.

Moreover, when we introduced a moderator capturing whether the entry mode degree of control–performance relationship changes depending on the degree of development of the host countries, results show that high degree of control entry modes are particularly effective when firms enter developing countries (as opposed to firms entering developed countries). The prevalence of findings supporting the superior performance advantages offered by entry modes with high degree of control suggests that, when firms enter developing countries, although they are subject to both behavioral and environmental uncertainty, the benefits derived from behavioral uncertainty reduction (obtained by means of higher entry mode

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degree of control) outweigh the benefits derived from environmental uncertainty reduction (obtained by means of lower entry mode degree of control). These findings extend the existing literature that takes a transaction cost and institution-based perspective to study entry mode choices and their performance outcomes (Brouthers, 2002, and 2013; Meyer, Estrin, Bhaumik, and Peng, 2009; Slangen, 2013), by showing that when firms enter environments where both the need for foreign partner monitoring and strategic flexibility are needed to increase performance, a strategic posture favoring greater foreign partner monitoring (i.e., higher control) at the expenses of greater strategic flexibility is more likely to offer greater benefits than a strategic posture aimed at the opposite.

However, in our set of additional analyses we also found that high-control entry modes becomes less effective when firms operate in periods characterized by environmental turbulence, as in the 1990s and 2000s. In fact, in those periods the global competition triggered by globalization, the massive wave of deregulations and the numerous radical technological changes running through most of industries made firms competitive advantage short in duration, and enhanced the need for firms to continuously reconfigure their resources to adapt to the rapidly changing environment, calling for bigger and bigger strategic flexibility (Figure 1). These findings, on the one hand, highlight how too high control in entry mode strategies may constraint the firm's ability to react effectively to discontinuities typical of turbulent environments. On the other hand, our findings corroborate results of IB studies on the institution-based view of strategy that have examined how changes in the institutional environment in which MNEs operate represent an important component of environmental dynamism (Cui and Jiang, 2009; Rasheed, 2005). In fact, the increasingly turbulent environment observed from the early 1990s (triggered by greater foreign competition, numerus deregulations and radical technological changes) forced many countries to change their institutional environment to adapt to these changes. And this changes in the institutional

environments probably created uncertainty in many business sectors, forcing firms to reconsider the way they designed their entry strategies (Tseng and Lee, 2010).

In light of our findings, we expect the theoretical frameworks used to understand the performance implications of entry mode choices will likewise have to evolve and become more nuanced. To date, most studies on the entry mode–performance relationship have employed mono-theoretical lenses such as transaction cost theory, resource-based view, or institution-based view. As shown in Table 5, 34 out of 133 studies focused only on TCV, 19 studies focused only on RBV, 14 provided correlation coefficients between entry mode degree of control and performance but did not draw on any theory to explain these correlations, while only 16 studies drew on more than one theory. In addition, the decidedly mixed findings we observed from our sampled studies remark the importance of examining contingencies of the entry mode-performance relationship, possibly by bridging various theoretical perspectives. Our recommendation is echoed also by previous studies in the entry mode literature. For example, some authors have suggested to bridge transaction cost theory with resource-based view: "despite the large number of transaction cost–based studies, there is much room for improving our knowledge and application of transaction cost analysis to the entry mode choice decision. […] the assumption of the transaction cost view that local firms should inherently be treated as potentially opportunistic has been overstated, and the resource-based view may help to overcome this limitation" (Brouthers and Hennart, 2007: pp. 404–405). Likewise, other authors have suggested that, given the rapidly changing environment in which nowadays' MNEs have to compete, entry mode studies should build frameworks by bridging the institution-based view of strategy with the environmental dynamism literature: "one needs to understand how institutional factors and the environmental dynamics in emerging economies impact on strategic choices […] it seems highly unlikely that a single theoretical perspective may be able to explain strategic decisions

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that are made in these 'high velocity' environments, and an integrated approach that brings together various theories may be more fruitful" (Wright, Filatotchev, Hoskisson, and Peng, 2005: 11). In fact, whereas each theoretical lens offers a useful perspective, none of them in isolation suffices to explain the complex link between entry modes and performance (Brouthers, 2002). To shed more light on this issue, our study started from the observation that entry mode studies have come out with different empirical findings about the effect of entry mode degree of control and firm performance, even those studies drawing on the same theoretical lens (as noted in our Hypotheses 1a and 1b). Next, with our Hypotheses 2a and 2b we bridged transaction cost view with institution-based view to explain why the entry mode degree of control-performance relationship might take different forms (i.e., positive or negative) depending on the entrant firm perceived type of uncertainty in developing countries. Finally, in light of results we obtained from our set of additional analyses testing whether the entry mode degree of control-performance relationships in our sample changed over time, we see a further need for future studies offering concurrent tests of multiple theories, especially those theories that look at how firm strategy and performance are affected by the pace of evolution of environmental conditions over time (e.g., Buganza, Dell'Era, and Verganti, 2009; Luo and Peng, 1999; Simerly and Li, 2000).

6.2.   *Limitations and Suggestions for Future Research*

Our study is not without limitations that suggest opportunities for future research. First, our empirical analyses do not take into account the motives for a firm to entry a host country. For example, firms may invest in markets for efficiency reasons, as in locating production in optimal locations, or for market-seeking reasons (Dunning, 1998; Powell and Lim, 2017), and different motives might lead to different entry modes as well as impact on performance. Unfortunately, our research design did not allow us to obtain information (and variables) on

motives for entry to use in the meta-analysis and meta-regression. We hope future studies could fill this gap with alternative research designs.

Second, our study considers uncertainty as either present or not present in a country or in a certain period, measured with dummy variables, depending whether the country is developed or developing. But clearly uncertainty is present in host countries at varying degrees (likewise, environmental turbulence manifests at different levels over time). However, since most of studies in our sample used multi-country data, we were able to include in our meta-regressions only country-level variables related to groups of countries (e.g., developed vs. developing), while it was not possible to include single-country-level variables like GDP growth, GDP per capita growth, FDI growth, and population growth, often used to assess the pace of change in a country macro-economic environment. We thus hope future studies could replicate our analyses developing measures of behavioral and environmental uncertainty that vary among countries.

6.3. *Managerial Implications*

Our paper also offers some important implications for managers. Our analysis started from the observation that when entering developing countries firms have to cope simultaneously with the uncertainty related to the risk of opportunistic behaviors by foreign partners (i.e., behavioral uncertainty) and with the uncertainty related to the volatility of environmental conditions mainly caused by the lack of market-supporting institutions (i.e., environmental uncertainty). Scholars have long argued that the risk of opportunistic behaviors can be reduced by choosing high-control entry modes, while the uncertainty related to the volatile environment can be reduced by low control entry modes. Since both types of uncertainty are present in developing countries, should managers expect that the performance benefits derived from behavioral uncertainty reduction outweigh those derived from environmental uncertainty reduction, or vice versa? Our results suggest that managers

entering these countries should have as their primary concern the choice of an entry mode type capable of reducing the risk of opportunistic behaviors by foreign partners. This does not mean that lower-control entry modes aimed at reducing environmental uncertainty should not be taken into account. In fact, in our additional analyses we also found that environmental uncertainty is certainly an issue that managers should consider, especially in increasingly turbulent environments, like the ones observed in the 1990s and 2000s at the worldwide level, scenarios where the strategic flexibility offered by lower-control entry modes becomes particularly important for firms in order to timely adapt to the changing environmental conditions. In fact, continuing global proliferation of technology and managerial know-how, the reorganization of international economic boundaries, and the ongoing emergence of new players have resulted in particularly turbulent and complex competitive environment. Such environments call for internationalization strategies demanding strategic flexibility in entry mode choices, since windows of opportunity are narrower and more transitory, and the necessity to redeploy resources invested abroad is likely to emerge. In a scenario like this, through strategic flexibility in entry mode choices firms can better cope with the uncertainty of competing in an environment where the rules are tacit, frequently changing and typically unpredictable.

Acknowledgements

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Table 1. Type and measure of entry modes performance in the sample studies for the meta-analysis.

Performance type	Variable measurement	Number of studies[a]
Survival	Longevity; termination	26
Financial outcome	Return of assets; return on sales, return on equity, cumulative abnormal returns	59
Market outcome	Market share; revenue growth	26
Overall satisfaction	Managerial evaluation of the success of the entry mode strategy	48

[a] Some studies used more than one performance measure.

Table 2. Type and measure of entry mode degree of control in the sample studies.

Entry mode degree of control	Variable measurement	Number of studies
Percentage of equity (*EM perc equity*)	% of ownership (equity) of the venture in the host country: higher % of ownership corresponds to higher degree of control	71
Entry mode type (*EM type*)	Dummy variable coded 1 for entry mode with higher degree of control and 0 for entry mode with lower degree of control; ordinal variable from low control to high control	65

Table 3. Summary statistics.

Variable	Obs.	Mean	Std. Dev.	Min	Max
Entry control–performance (*r*-statistic) (*full sample*)	136	0.048	0.112	-0.160	0.386
Entry control–performance (*r*-statistic) (*EM perc equity*)	71	0.064	0.119	-0.110	0.386
Entry control–performance (*r*-statistic) (*EM type*)	65	0.030	0.102	-0.160	0.280
Developing country	136	0.434	0.497	0	1
Emerging country	128	0.391	0.490	0	1
Endogeneity	136	0.243	0.430	0	1
Theory focus on TCV	136	0.250	0.434	0	1
Theory focus on RBV	136	0.140	0.348	0	1
IF	136	2.693	1.534	0	6.704
Survival	136	0.191	0.395	0	1
Financial	136	0.434	0.497	0	1
Market	136	0.191	0.395	0	1
Satisfaction	136	0.360	0.482	0	1
Firm age	66	9.308	5.267	1.99	25.860
Firm size: Micro	79	0.063	0.245	0	1
Firm size: Small	79	0.228	0.422	0	1
Firm size: Medium	79	0.291	0.457	0	1
Firm size: Large	79	0.418	0.496	0	1

Table 4. Correlation matrix.

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Entry control–performance (*r*-statistic)[a]	1.000															
2	Developing country	0.130	1.000														
3	Emerging country	0.132	0.984***	1.000													
4	Endogeneity	0.139	0.058	0.056	1.000												
5	Theory focus on TCV	0.014	-0.060	-0.069	0.030	1.000											
6	Theory focus on RBV	0.050	0.075	0.091	-0.030	-0.233**	1.000										
7	IF	0.174*	0.039	0.042	0.095	-0.041	0.075	1.000									
8	Survival	0.022	-0.048	-0.083	-0.101	-0.151+	0.020	0.080	1.000								
9	Financial	-0.025	-0.108	-0.105	-0.080	-0.094	0.118	-0.134	-0.199*	1.000							
10	Market	-0.054	0.103	0.113	0.205*	-0.022	0.128	-0.013	-0.141	0.103	1.000						
11	Satisfaction	-0.049	0.116	0.115	-0.032	0.097	-0.170*	0.040	-0.365***	-0.595***	-0.326***	1.000					
12	Firm age	-0.065	-0.239+	-0.323*	0.209+	-0.003	0.025	0.064	0.143	-0.071	0.099	-0.098	1.000				
13	Firm size: Micro	-0.016	-0.153	-0.140	0.071	0.079	-0.126	0.086	-0.002	0.103	-0.126	-0.078	0.020	1.000			
14	Firm size: Small	-0.192+	-0.054	-0.052	-0.001	0.015	0.122	-0.109	-0.199+	-0.018	0.199+	-0.010	-0.136	-0.141	1.000		
15	Firm size: Medium	-0.047	0.147	0.111	-0.150	-0.007	-0.026	0.045	0.370***	-0.302***	-0.097	0.067	0.130	-0.167	-0.348**	1.000	
16	Firm size: Large	0.214+	-0.015	0.016	0.104	-0.045	-0.017	0.008	-0.171	0.242*	-0.017	-0.015	-0.033	-0.220	-0.460***	-0.543***	1.000

[a] Full sample.
Significance: $^+ p < 0.10$, $^* p < 0.05$, $^{**} p < 0.01$, $^{***} p < 0.001$; $N = 136$ for all correlations except for correlations involving *Emerging country, Firm age,* and *Firm size* .

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Table 5. Meta-analysis results: relationship between entry mode degree of control and firm performance.[a]

Sample	Condition	No. of obs.	Pooled estimate (r-statistic)	I^2
Full	-	136	0.045[***]	93.8%
Sub-sample 1	Full without survival[b]	110	0.046[*]	93.3%
Sub-sample 2	Only survival	18	0.060[+]	95%
Sub-sample 3	Only financial	38	0.058[+]	97.2%
Sub-sample 4	Only market	10	0.064[+]	87.6%
Sub-sample 5	Only satisfaction	47	0.035[*]	73.6%
Sub-sample 6	EM % equity	71	0.058[***]	95.0%
Sub-sample 7	EM type	65	0.032[***]	88.5%
Sub-sample 8	ISI indexed	128	0.044[***]	94.0%
Sub-sample 9	Impact Factor >2	90	0.057[***]	95.2%
Sub-sample 10	Impact Factor < 2	46	0.020[+]	84.3%
Sub-sample 11	Theory focus on TCV	34	0.044[***]	87.2%
Sub-sample 12	Theory focus on RBV	19	0.046[***]	88.9%
Sub-sample 13	No theory at all[c]	14	0.042[***]	86.5%
Sub-sample 14	At least one theory	122	0.045[***]	94.2%
Sub-sample 15	More than one theory	16	0.126[***]	98.6%
Sub-sample 16	Median year of the study observation period[d] <=1990	16	0.058[**]	55.2%
Sub-sample 17	Median year of the study observation period[d] >1990	120	0.043[***]	94.4%
Sub-sample 18	Median year of the study observation period[d] >1991	100	0.038[***]	95.0%
Sub-sample 19	Median year of the study observation period[d] >2000	32	0.023[***]	87.1%
Sub-sample 20	Median year of the study observation period[d] >1990 & <=2000	88	0.050[***]	95.3%

[a] Some studies used more than one performance measure.

[b] The analysis was also repeated deleting observations referring to those studies using *survival* as a measure of performance since some authors have recently suggested a firm survival is not necessarily the result of good performance (Ren, Gray, and Kim, 2009).

[c] These are for example those studies in which *entry mode* and/or firm *performance* were used as control variables, and thus no hypothesis was posited on their relationship.

[d] Ten of the 136 studies considered in this meta-analysis did not clearly report the observation period when data were collected.

Significance: [+] $p < 0.10$, [*] $p < 0.05$, [**] $p < 0.01$, [***] $p < 0.001$

Table 6. Meta-regression results: entry mode degree of control and performance depending on the host country.

	Sample based on entry mode measure	Model 1		Model 2		Model 3	
		Coeff.	SE	Coeff	SE	Coeff.	SE
Intercept	*Full sample*	0.060**	0.020	0.047**	0.020	0.041[+]	0.021
	EM perc equity	0.041	0.031	0.014	0.032	-0.001	0.034
	EM type	0.070**	0.026	0.058*	0.026	0.056*	0.026
Developing country	*Full sample*	-	-	0.039**	0.018	-	-
	EM perc equity	-	-	0.066*	0.029	-	-
	EM type	-	-	0.039	0.025	-	-
Emerging country	*Full sample*	-	-	-	-	0.042*	0.019
	EM perc equity	-	-	-	-	0.056[+]	0.031
	EM type	-	-	-	-	0.047[+]	0.026
Endogeneity	*Full sample*	0.037[+]	0.021	0.035[+]	0.021	0.041[+]	0.021
	EM perc equity	0.051[+]	0.030	0.051[+]	0.028	0.068*	0.030
	EM type	0.011	0.032	0.002	0.032	0.003	0.031
Financial	*Full sample*	-0.019	0.022	-0.017	0.021	-0.010	0.022
	EM perc equity	0.018	0.033	0.033	0.032	0.044	0.034
	EM type	-0.064*	0.030	-0.071*	0.030	-0.065*	0.030
Market	*Full sample*	-0.023	0.025	-0.030	0.025	-0.029	0.025
	EM perc equity	-0.029	0.042	-0.045	0.041	-0.039	0.042
	EM type	-0.000	0.032	-0.002	0.031	-0.005	0.032
Satisfaction	*Full sample*	-0.033	0.024	-0.039	0.024	-0.039	0.025
	EM perc equity	-0.007	0.038	-0.029	0.038	-0.019	0.042
	EM type	-0.043	0.032	-0.041	0.032	-0.042	0.032
No. of obs.	*Full sample*	136		136		128	
	EM perc equity	71		71		65	
	EM type	65		65		63	
Adj. R^2	*Full sample*	1.19%		5.23%		6.25%	
	EM perc equity	0.21%		7.35%		10.61%	
	EM type	1.94%		8.00%		8.84%	
F-test	*Full sample*	1.25		1.93[+]		2.14[+]	
	EM perc equity	0.88		1.79		2.00[+]	
	EM type	1.28		1.56		1.63	

Significance: [+] $p < 0.10$, [*] $p < 0.05$, [**] $p < 0.01$, [***] $p < 0.001$.
SE = standard error.

Table 7. Meta-regression results: entry mode degree of control and performance depending on the host country (addition of controls firm age and size).

	Sample based on entry mode measure	Model 4 Coeff.	SE	Model 5 Coeff	SE	Model 6 Coeff	SE	Model 7 Coeff	SE
Intercept	*Full sample*	0.024	0.038	0.011	0.055	0.005	0.045	0.008	0.056
	EM perc equity	-0.002	0.052	-0.040	0.062	-0.037	0.065	-0.040	0.063
	EM type	0.060	0.073	0.194	0.168	0.060	0.073	0.196	0.171
Developing country	*Full sample*	0.079**	0.026	0.045[+]	0.026	-	-	-	-
	EM perc equity	0.103**	0.037	0.075[+]	0.039	-	-	-	-
	EM type	0.082[+]	0.046	0.040	0.043	-	-	-	-
Emerging country	*Full sample*	-	-	-	-	0.078**	0.029	0.045[+]	0.27
	EM perc equity	-	-	-	-	0.107*	0.043	0.070[+]	0.041
	EM type	-	-	-	-	0.082[+]	0.046	0.043	0.045
Endogeneity	*Full sample*	0.008	0.030	0.043	0.029	0.020	0.032	0.044	0.029
	EM perc equity	-0.016	0.042	0.047	0.036	0.007	0.048	0.052	0.036
	EM type	0.048	0.058	0.019	0.054	0.048	0.058	0.018	0.056
Financial	*Full sample*	-0.020	0.030	-0.015	0.035	-0.014	0.032	-0.010	0.036
	EM perc equity	-0.005	0.043	0.019	0.041	0.016	0.049	0.018	0.042
	EM type	-0.100	0.059	-0.106	0.065	-0.100	0.059	-0.102	0.073
Market	*Full sample*	-0.033	0.037	-0.033	0.037	-0.035	0.038	-0.034	0.038
	EM perc equity	-0.031	0.065	-0.038	0.050	-0.052	0.071	-0.035	0.051
	EM type	0.017	0.056	-0.034	0.063	0.017	0.056	-0.039	0.065
Satisfaction	*Full sample*	-0.035	0.030	-0.037	0.037	-0.028	0.033	-0.048	0.039
	EM perc equity	-0.059	0.044	-0.033	0.054	-0.053	0.053	-0.056	0.060
	EM type	-0.027	0.048	-0.063	0.063	-0.027	0.048	-0.065	0.066
Firm age	*Full sample*	0.000	0.002	-	-	0.002	0.003	-	-
	EM perc equity	0.002	0.003	-	-	0.004	0.004	-	-
	EM type	-0.003	0.073	-	-	-0.003	0.005	-	-
Firm size: Small	*Full sample*	-	-	0.000	0.056	-	-	-0.004	0.056
	EM perc equity	-	-	0.019	0.067	-	-	-0.005	0.068
	EM type	-	-	-0.114	0.164	-	-	-0.117	0.167
Firm size: Medium	*Full sample*	-	-	0.018	0.054	-	-	0.024	0.055
	EM perc equity	-	-	0.038	0.060	-	-	0.039	0.061
	EM type	-	-	-0.141	0.162	-	-	-0.142	0.165
Firm size: Large	*Full sample*	-	-	0.053	0.050	-	-	0.059	0.051
	EM perc equity	-	-	0.106[+]	0.054	-	-	0.111*	0.054
	EM type	-	-	-0.135	0.161	-	-	-0.134	0.164
No. of obs.	*Full sample*	66		79		61		74	
	EM perc equity	37		47		32		44	
	EM type	29		32		29		30	
Adj. R^2	*Full sample*	18.09%		3.96%		15.70%		5.37%	
	EM perc equity	10.41%		6.52%		4.88%		8.48%	
	EM type	12.76%		-9.00%		12.76%		-12.10%	
F-test	*Full sample*	1.95[+]		1.24		1.63		1.44	
	EM perc equity	1.53		1.64		1.35		1.83	
	EM type	1.14		0.63		1.14		0.55	

Significance: [+] $p < 0.10$, [*] $p < 0.05$, [**] $p < 0.01$, [***] $p < 0.001$.

SE = standard error.

Note: the dummy *Firm size: Micro* was removed and therefore representing the reference value for the other size dummies.
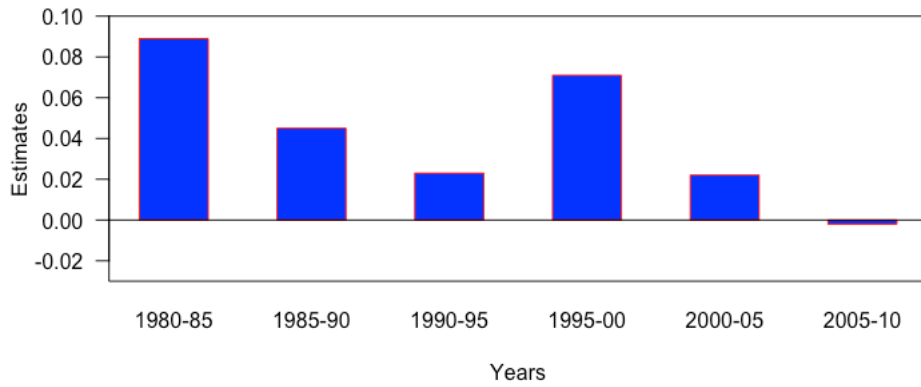
Fig. 1. Meta analyses of five-year (observation) periods from 1980 to 2010 on the entry mode degree of control–firm performance relationship.
Note: Each histogram represents the pooled estimate for a give five-year period; studies were chronologically ordered on the base of 'median year of the study observation period'.
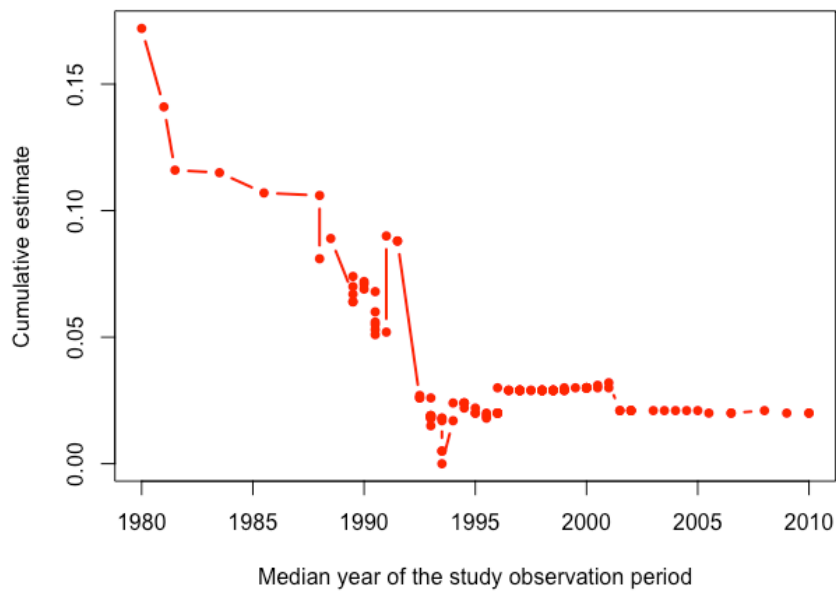

Fig. 2. Cumulative meta-analysis on the entry mode degree of control–firm performance relationship (median year of the study observation period from 1980 to 2010).
Note: Ten of the 136 studies considered in this meta-analysis did not clearly report the observation period when data were collected. Therefore, the resulting number of observations for this cumulative meta-analysis is 126.

APPENDIX. Studies included in the meta-analysis

Author(s)	Year	Journal
Anand and Delios	1997	Journal of International Business Studies
Anh *et al.*	2006	International Business Review
Barden *et al.*	2005	Journal of International Business Studies
Barkema and Vermeulen	1997	Journal of International Business Studies
Beamish and Kachra	2004	Journal of World Business
Belderbos and Zou	2009	Journal of International Business Studies
Belderbos *et al.*	2014	Strategic Management Journal
Bradshaw *et al.*	2004	Journal of Accounting Research
Brouthers and Xu	2002	Journal of International Business Studies
Brouthers *et al.*	2000	British Journal of Management
Brouthers *et al.*	2003	Strategic Management Journal
Brouthers *et al.*	2008	Journal of Management
Brouthers *et al.*	2008	Journal of Management Studies
Chang and Xu	2008	Strategic Management Journal
Chang *et al.*	2013	Strategic Management Journal
Chen	1999	Journal of World Business
Chiao *et al.*	2009	Journal of World Business
Child	2002	Organization Studies
Child *et al.*	2003	Journal of International Business Studies
Choi *et al.*	2011	Research Policy
Chung and Beamish	2010	Organization Science
Chung and Beamish	2012	Journal of World Business
Chung *et al.*	2013	Management International Review
Colpan and Yoshikawa	2012	Corporate Governance: An International Review
Cullen *et al.*	1995	Journal of International Business Studies
Dai *et al.*	2013	Journal of International Business Studies
Delios and Beamish	2001	Academy of Management Journal
Delios and Beamish	2004	Management International Review
Delios and Makino	2003	Journal of International Marketing
Demirbag *et al.*	2007	International Business Review
Demirbag *et al.*	2011	Journal of World Business
Dikova	2009	International Business Review
Fey and Beamish	2001	Organization Science
Fisch and Zschoche	2012	International Business Review
Gao *et al.*	2008	Management International Review
Gaur and Lu	2007	Journal of Management
Ghahroudi and Hoshino	2007	Journal of Developmental Entrepreneurship
Glaister and Buckley	1999	Management International Review
Gomez and Werner	2004	Journal of Business Research
Gong	2003	Academy of Management Journal
Gong *et al.*	2007	Strategic Management Journal
Hebert *et al.*	2005	Organization Science
Herrmann and Datta	2002	Journal of International Business Studies
Hsieh *et al.*	2010	Journal of International Management
Hutzschenreuter and Voll	2008	Journal of International Business Studies
Isobe *et al.*	2000	Academy of Management Journal
Jiang *et al.*	2014	Journal of World Business
Jung *et al.*	2008	Management International Review
Kallunki *et al.*	2001	Management International Review
Kim and Gray	2008	Management International Review

Author(s)	Year	Journal
Kim and Park	2002	Management International Review
Kim et al.	2012	Journal of International Business Studies
Konopaske *et al.*	2002	Journal of Business Research
Kumarasinghe and Hoshino	2009	Asian Journal of Finance & Accounting
Lee and Beamish	1995	Journal of International Business Studies
Lee and MacMillan	2008	International Business Review
Lee and Song	2012	Strategic Management Journal
Lee *et al.*	2013	Journal of International Management
Lee *et al.*	2014	The International Journal of Human Resource Management
Li *et al.*	2009	Strategic Management Journal
Lu	2002	Journal of International Business Studies
Lu and Beamish	2006	Journal of Business Venturing
Lu and Hebert	2005	Journal of Business Research
Lu and Xu	2006	Journal of Management
Luo	1997	Organization Science
Luo	1997	Management International Review
Luo	1999	Journal of Business Research
Luo	1999	Journal of Management Studies
Luo	1999	Asia Pacific Journal of Management
Luo	2001	Administrative Science Quarterly
Luo	2001	Journal of International Business Studies
Luo	2002	Journal of Management
Luo	2002	Organization Science
Luo	2002	Strategic Management Journal
Luo	2002	Strategic Management Journal
Luo	2003	Journal of International Business Studies
Luo	2006	Human Relations
Luo and Park	2004	Journal of International Business Studies
Luo and Park	2001	Strategic Management Journal
Luo and Peng	1999	Journal of International Business Studies
Luo and Shenkar	2002	Journal of International Management
Luo and Zhao	2013	Business Society
Luo and Zhao	2004	Journal of International Management
Luo and Han	2009	Journal of World Business
Ma and Delios	2007	International Business Review
Magnusson *et al.*	2009	Journal of International Marketing
Makino *et al.*	2007	Strategic Management Journal
Markides and Ittner	1994	Journal of International Business Studies
Merchant	2002	Management International Review
Merchant	2005	Canadian Journal of Administrative Sciences
Merchant and Schendel	2000	Strategic Management Journal
Meschi and Riccio	2008	International Business Review
Murray *et al.*	2012	Journal of International Marketing
O'Brien *et al.*	2013	Strategic Management Journal
Ogasavara and Hoshino	2009	Review of Quantitative Finance and Accounting
Pak *et al.*	2009	International Business Review
Pan *et al.*	1999	Journal of International Business Studies
Pangarkar and Klein	2004	Journal of International Marketing
Pangarkar and Lim	2003	International Business Review
Park and Kim	1997	Journal of Business Venturing

Author(s)	Year	Journal
Peng and Beamish	2013	Asia Pacific Journal of Management
Peng	2012	Journal of International Management
Pothukuchi *et al.*	2002	Journal of International Business Studies
Ramaswamy *et al.*	1998	International Business Review
Rasheed	2005	Journal of Small Business Management
Reddy and Naik	2011	VIKALPA: The Journal for Decision Makers
Reuer and Miller	1997	Strategic Management Journal
Reuer	2001	Strategic Management Journal
Rhee	2008	Asian Business & Management
Riaz *et al.*	2014	Journal of World Business
Sakakibara and Yamawaki	2008	Managerial and Decision Economics
Schotter and Beamish	2011	International Studies of Management and Organization
Shaver	1998	Management Science
Slangen and Hennart	2008	Journal of Management Studies
Song	2013	Asia Pacific Journal of Management
Steensma and Lyles	2000	Strategic Management Journal
Steensma *et al.*	2005	Academy of Management Journal
Sytse *et al.*	2006	Strategic Management Journal
Tang and Rowe	2012	Journal of World Business
Tong and Reuer	2007	Journal of International Business Studies
Xu and Lu	2007	Journal of Business Research
Yoshikawa and Gedajlovic	2002	Asia Pacific Journal of Management
Yoshikawa *et al.*	2010	Journal of Business Research
Yu *et al.*	2009	Academy of Management Journal
Zahra *et al.*	2000	Academy of Management Journal
Zeng *et al.*	2013	Management International Review
Zeng *et al.*	2013	Journal of International Business Studies
Zhan and Luo	2008	Management International Review
Zhan *et al.*	2009	Asia Pacific Journal of Management
Zhang *et al.*	2006	Journal of Management
Zhang *et al.*	2007	Journal of International Business Studies
Zhao and Luo	2002	Management International Review