Afterword: connecting the dots: reflections on Reijo Luostarinen's thesis and life time work

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When I received the invitation from the editors to write the concluding words to this edited book, I was puzzled: what could they be? I collected some initial thoughts for a panel related to the book at the EIBA Conference in Lisbon in December 2023, which worked as a skeleton of this commentary. I was pleased to see that they were quite much in line with the thoughts of the authors of the other chapters.

As any other Finnish doctoral student in International Business in the 1990s, my first encounter with the thesis of Reijo Luostarinen was an exam. It was part of the compulsory readings for a doctoral course at Turku School of Economics and, to be honest, I do not have any recollection of that first reading. However, I did return to the thesis when writing my own thesis, and again, even more thoroughly, as a post-doctoral researcher.

I have studied the internationalisation of small and medium-sized firms (SMEs) for more than 30 years. In the early 2000s, I had a conversation with an entrepreneur who was about to make a very important decision. A potential customer, a multinational company with operations in more than 20 countries, had contacted him and was interested in the products of his company. However, managers of the multinational were concerned about whether this small firm would be able to deliver its products to their subsidiaries all around the world, given its very limited experience of international operations. The entrepreneur asked me: Niina, what will change in our company, if we get that deal?

A good question, which I could not immediately answer but which kept intriguing me. I ended up conducting two studies on the topic – one of Finnish SMEs and the other, with my co-authors, of Irish companies – and in both studies (Nummela et al., 2006, Nummela, 2004) we relied on the six-dimensional framework of Welch and Luostarinen (1988). This framework was instrumental in both studies. At that time, we were not the only scholars in the budding field of International Entrepreneurship (IE) who had noticed the work of Reijo Luostarinen. For example, the well-cited studies of Marian V. Jones relied on it (Jones, 2001; Jones & Coviello, 2005), and in our conversations Marian often mentioned that the work of Luostarinen was highly undervalued.

Our key motive for choosing this framework was its holistic nature. It was exceptional as it took into account both the external and internal dimensions of internationalisation, which were the focus of our research. But it also included the role of inward-outward connections in internationalisation (see Niskavaara, this volume) and the temporal aspect of internationalisation, with cycles of de- and reinternationalisation (see Hurmerinta & Paavilainen-Mäntymäki, this volume). I very much agree with Mats Forsgren (this volume) that the Helsinki Model is much more complex than the Uppsala Model because not only does it take a bird's eye view of the process of internationalisation, but it also includes many behavioural factors which explain how and why the process unfolds. Consequently, it is a versatile tool for researchers and practitioners.

However, the thesis is so much more than just the Helsinki Model and the 6D-framework. The chapters of this volume highlight this and the exceptional nature of Reijo Luostarinen's research. They stress that we should not only focus on the thesis but evaluate it as a research programme (Liesch, this volume) or multigenerational research agenda (Kähäri, Arslan and Kontkanen, this volume). What were the drivers behind this unique work?

Reflecting back in time, I would say that the academic world in which Reijo started his research was very different from today. In his chapter, Peter Liesch provides a very interesting contextualised view on that time when the thesis was written. In addition, I would like to stress that the expectations for doctoral studies were different back then. I very much agree with Ciara O'Higgins (this volume) that doctoral students of today are hardly in a position to enjoy the lengthy process of learning and incremental theory building in the same spirit than Luostarinen could. Although good ideas still need time to develop, students are expected to complete their studies within 3-4 years with some teaching and publication experience on the top of this. Doctoral students of today are motivated by intellectual quest and academic calling but at the same time they experience time pressure and lack of time sovereignty, which reduces their commitment to research (van Tienoven et al., 2023). Without a tight time frame, Luostarinen was able to design his research well in advance (for a description of the long-term research plan, see Kähäri, this volume) and follow the plan. I enjoyed also reading the chapters of Luostarinen's contemporaries – Mats Forsgren and Pervez Ghauri – who paint a picture of the collegial research environment and collaboration on the side of healthy competition between Helsinki and Uppsala. In the today's world of academic competition, we would expect only rivalry between the two units working on the same topic, without any signs of camaraderie.

Besides the temporal context, another aspect which I would like to highlight is the abductive nature of Luostarinen's research, although the term was not used at the time of his research. Many chapters of this volume highlight the strong connection between him and internationally operating Finnish companies (e.g. Benito and Petersen, Kosonen, O'Higgins, Welch). His experience in business and consulting, as well as the creation of the extensive FIBO database, allowed him to observe anomalies, which triggered new research questions. Saertre and Van de Ven (2021) describe these observations as starting points of the abductive research process. Through the iterative interplay of theory and empirical observations, 'hunches' resulted in the emergence of new concepts, such as organisational capacity (Welch, this volume) and lateral rigidity (Niittymies, this volume). Saetre and Van de Ven (2023) call for disciplined imagination and a prepared mind when conducting abductive research; Reijo Luostarinen's research verifies that he possessed both.

In methodological terms, Reijo Luostarinen's thesis was ahead of time, and it also introduced concepts which are still on the research agenda. International Entrepreneurship scholars (e.g., Jones et al., 2011) typically mention the year 1989 as the start of the field. This was when first empirical journal article differentiating international and domestic new ventures was published by Patricia McDougall (1989). Equivalent concept to 'born globals' was already introduced in Luostarinen's thesis but is a pity that the journal article on 'immediate international business involvers' (Luostarinen & Gabrielsson, 2006) was published only much later.

Although almost 50 years have passed since the publication of Reijo Luostarinen's doctoral thesis in 1979, some of the concepts it introduced still deserve our attention. The internationalisation process of the firm has been studied for decades but, in my opinion, the process and related mechanisms would still benefit from further investigation. In their conceptual article on the internationalisation process of entrepreneurial firms, Marian Jones and Nicole Coviello (2005) made an attempt to explain theoretically the forward and backward loops in the process – based on some thoughts already introduced in Luostarinen's thesis. In their chapter, Leila Hurmerinta and Eriikka Paavilainen-Mäntymäki continue to dig deeper into the dynamics inherent in the internationalization of the firm. Hopefully this work is carried on by future International Business scholars as well.

I would also welcome future International Business studies adopting the holistic view on the internationalization of the firm: how it affects all functions of the firm. In his chapter, Lawrence Welch discusses the concept of organizational capacity, which I interpret – following the thoughts of Welch and Luostarinen (1988) – as the top management's ability to coordinate and manage the change related to the process of internationalization. In my view, it bears a considerable resemblance to a later concept which has also been used in the context of internationalizing firms, namely dynamic capabilities. Dynamic capabilities can be defined as 'the capabilities with which managers build, integrate, and reconfigure organizational resources and competences' (Adner & Helfat, 2003: 1012). Portfolios of these capabilities interest scholars even today, especially related to early internationalisation (see e.g. Vuorio & Torkkeli, 2023).

The chapter on lateral rigidity by Aleksi Niittymies clearly highlights the underutilized potential of that concept in extant research. Search impulses, stimuli and limited span of attention guide us to pay more attention to the cognitive aspects in the internationalization of the firm. This again stresses the importance of 'zooming in' and reorienting the focus from organisations to individuals in International Business. Personally, I was also intrigued by the remark of Lawrence Welch on the link between lateral rigidity and path dependency – we often (mistakenly) think that path dependency is synonymous to linear progression. I would definitely welcome studies on these themes.

Almost 25 years later, what would I respond to the entrepreneur's question now? Well, I probably would use the Welch and Luostarinen 6D framework as the basis of my answer. I would argue that both the 'external' (sales objects, foreign operation modes, markets) and 'internal' dimensions of the framework which are part of organisational capacity (organisational structure, personnel, finance) are still valid today. However, they may be operationalised differently today, as the business environment in which internationalisation takes place has changed.

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