



Research Paper

Internationalization of Emerging Market Multinationals: A Review of the Literature

Hyuk Kim, Ph.D.

Department of Business, Accounting, and Economics, Otterbein University, USA.

Corresponding Author: Hyuk Kim, Ph.D.

ABSTRACT: Although scholars have conducted research on the internationalization of the emerging market multinationals (EMNEs), there is still a gap in the existing literature in terms of fully explaining the process of EMNEs' internationalization. Although some aspects of the conventional theories on the internationalization of firms are universally valid encompassing the internationalization process of EMNEs, scholars need to elaborate a new theory/framework to explain fully the behaviors and strategies peculiar to EMNEs' internationalization. In other words, it is important to elaborate theories/frameworks explaining the behaviors and strategies that have been adopted by EMNEs in the process of internationalization. These theories/frameworks can support and add values to the existing theories on the internationalization of firms. In this regard, this paper aims to review the existing literature on the internationalization of firms. This review of the literature can be the first step to elaborate a new theory/framework on EMNEs' internationalization since it will help scholars figure out the gap in the existing literature. This paper may help scholars examine not only whether the traditional theories are relevant to explaining the internationalization efforts of EMNEs but also whether emerging, new theories already available in the existing literature can fully explain the behaviors and strategies of EMNEs.

KEYWORDS: Multinational Enterprise (MNE), Emerging Market Multinational Enterprise (EMNE), Internationalization of Firms, Entry Modes, Motivations, Country of Origin, Learning Organization, Employee Attention.

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I. INTRODUCTION

An Emerging Market Multinational Enterprise (EMNE) can be defined as a multinational enterprise headquartered in an emerging market and conducts business activities in overseas markets in addition to its own home market (Casanova & Miroux, 2016). Traditionally, managers at EMNEs have been considered as less competent in terms of developing well-known global brands (Fey et al., 2016) than those at multinational enterprises (MNEs) from the advanced economies. However, the traditional global competitive landscape started to change rapidly in recent years. Since 1990s, EMNEs have proliferated in the global economy and they have become significant players in the global trade and investment (Kim, 2017). In other words, although the majority of EMNEs were marginal competitors until recently, today, they are challenging some of the world's most accomplished and established MNEs from the advanced economies in a wide variety of industries and markets (Guillén & García-Canal, 2009).

In terms of the number of companies listed in the Fortune Global 500, China has led the rising number of EMNEs, followed by other emerging markets, such as South Korea, India, Brazil, Russia, Mexico, and Indonesia (Casanova & Miroux, 2018). In 2019, the Fortune Global 500 was composed of companies from 34 countries although almost half of these countries had only one company listed. Together, the U.S. and China made up half of the total list: the U.S. with 121 and China with 119 companies (Casanova & Miroux, 2019; Fortune Global 500, 2019). The Fortune Global 500 (2019) shows that although the advanced economies (e.g. G-7 economies, such as the U.S., the U.K., France, Germany, Canada, Italy, and Japan) continue to lead relative to emerging market economies in terms of the number of MNEs, there are significant exceptions: China (2nd with 119 companies) and South Korea (7th with 16 companies). China is the only emerging market economy that increased the number of MNEs in the Fortune Global 500, from 98 in 2015 to 119 in 2019. Casanova and Miroux (2018) point out that relative to the size of their Gross Domestic Product (GDP), China and South Korea both have more than the average number of companies in the Fortune Global 500 that would correspond to the

size of their economies. Brazil also increased the number of MNEs from 7 in 2018 to 8 in 2019 and India maintained 7 MNEs in the Fortune Global 500 (2019) despite the economic and political turbulences (Casanova & Miroux, 2019). In addition, Mexico maintained 4 MNEs in 2019 in the list (Casanova & Miroux, 2019).

Although EMNEs have become significant global players (Tsai & Eisingerich, 2012) in the contemporary international trade and investment, it is still unclear whether the traditional theories on MNEs are relevant to explaining EMNEs' behaviors and strategies (Kim, 2017) since these theories are based on the MNEs from the advanced economies, such as North American and European multinationals. Scholars (e.g. Fey et al, 2016; Guillén, & García-Canal, 2009; Kim, 2017) have argued that EMNEs have adopted different types of entry modes and global expansion strategies from the MNEs from the advanced economies in the process of internationalization. Thus, it is important to elaborate theories explaining the behaviors and strategies that have been adopted by EMNEs in the process of internationalization. These theories can support and add values to the existing theories on the internationalization of firms. In this regard, this paper aims to review the existing literature on the internationalization of firms. This review of the literature can be the first step to elaborate theories on EMNEs' internationalization since it will help scholars figure out the gap in the existing literature.

II. INTERNATIONALIZATION OF EMNEs

Although EMNEs have become significant players in the global business arena in both developed and developing (including underdeveloped) country markets, there is still a gap in the existing literature in terms of explaining the specific behaviors and efforts of EMNEs in the process of internationalization. Some scholars (e.g. Fey et al., 2016; Guillén & García-Canal, 2009; Kim, 2017; Luo & Tung, 2007) argue that the internationalization efforts of EMNEs have been successful when they adopted different strategies from those pursued by MNEs from the advanced economies. In essence, these scholars argue that EMNEs have pursued distinctive internationalization strategies for the global expansion. Nevertheless, there is not enough research in the existing literature on these distinctive internationalization strategies that have adopted by EMNEs (Kim, 2017).

Thus, it would be beneficial to investigate whether the traditional theories on internationalization of firms are applicable to EMNEs. The traditional theories on internationalization of firms have primarily been developed based upon MNEs from the advanced economies. Tsai and Eisingerich (2010) state that the existing theories on the internationalization of firms mainly base on the large Western MNEs. The authors suggest specifically that, in the traditional theories, MNEs' internationalization motives and behaviors can be largely explained by the eclectic paradigm of Dunning (1981), that is, firms enter foreign markets to exploit their existing competitive advantages. The authors (2010) also argue that much of the early literature on firms' internationalization processes adopts an incremental view. In other words, firms gradually deepen their commitment and investment as they gain more market experience in the process of internationalization (Tsai & Eisingerich, 2010). In a similar perspective, Fey et al. (2016) also contend that the previous dominant theories on the internationalization of firms reflect the experiences of MNEs from the advanced economies, such as the U.S. and Europe, during the past few decades.

In fact, EMNEs possess different advantages and disadvantages in comparison with MNEs from the advanced economies in the internationalization terms, and, accordingly, should deal with their own unique opportunities and threats in the internationalization process. In this regard, it is necessary to examine not only whether the traditional theories are relevant to explaining the internationalization efforts of EMNEs but also whether emerging, new theories available in the existing literature can fully explain the behaviors and strategies of EMNEs.

2.1 Markets pursued by EMNEs

The markets that have been pursued by MNEs from the advanced economies can be explained by Vernon's (1996) international product life cycle theory (Kim, 2017). However, this theory cannot fully explain the markets that have been chosen by EMNEs (Kim, 2017). Fey et al. (2016) explain that EMNEs have expanded into new markets that have smaller cultural, institutional, and geographic distance, considering the factors, such as lower tariff rates, cheaper resources, larger market size, easier acquisition possibilities, and less competition. Nevertheless, sometimes, EMNEs have also expanded into physically or economically distant countries before entering more proximate and similar countries (Ramamurti, 2012). In essence, the traditional theories cannot explain fully the markets that have been pursued by EMNEs.

One of the critical aspects of the emerging markets is the institutional void. It represents underdeveloped weak institutions, resulting in frequent, sometimes unexpected, environmental shift. Therefore, firms doing business in emerging markets should deal with unpredictable, frequent shocks, such as political instability, violence, macroeconomic fluctuations, and even war (Gao et al., 2017). Also, in emerging markets, firms may not be benefited from specialized local intermediaries in terms of the local market information (Kim, 2017). The institutional void in emerging markets is a huge challenge to MNEs from the advanced economies

because most of the business practices MNEs from the advanced economies use based on the existence of well-developed market institutions and a stable target market environment. For instance, MNEs from the advanced economies frequently use market research firms to secure detailed insights into local consumer preferences to help them design products. These MNEs also use a well-functioning banking sector to provide suppliers, distributors, and customers with loans. Having logistics companies for product distribution is also built into many of these MNEs' strategies (Kim, 2017). But, many of the institutions in emerging markets are often poorly developed, causing problems to MNEs from the advanced economies.

In contrast, most EMNEs' home markets are presenting the similar institutional void and, thus, they are already familiar with the underdeveloped weak institutional void and have elaborated strategies to cope with this issue. In other words, EMNEs are considered as having a competitive advantage against MNEs from the advanced economies in terms of dealing with the institutional void in emerging markets. In this regard, Puffer et al. (2013) contend that it is often beneficial for EMNEs to initially expand into other emerging markets, since these markets are less competitive, similar to their home markets, and MNEs from the advanced economies are vulnerable to the institutional void.

In sum, EMNEs can attain competitive advantages in other emerging markets and, then, can expand into highly competitive markets of developed economies. For instance, Fey et al. (2016) show that many EMNEs (e.g. Huawei, Skyworth) have been successful by following the strategy of initial international expansion into other emerging markets and, then, into the advanced markets. Nevertheless, as mentioned earlier, some EMNEs have expanded into physically or economically distant countries (i.e. advanced markets) before entering other emerging markets.

2.2 Entry Modes of EMNEs

Regarding the entry modes of MNEs, the traditional theories on the internationalization of firms suggest that firms have internationalized gradually and incrementally. Scholars (e.g. Guillén & García-Canal, 2009; Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975) propose that firms expand abroad on a country-by-country basis, starting with those more similar in terms of socio-cultural distance. Then, in each of the foreign countries, firms typically follow a sequence of steps, such as, on-and-off exports, exporting through local agents, sales subsidiary, and production and marketing subsidiary (Guillén & García-Canal, 2009; Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975). That is, the conventional theories on the internationalization of MNEs suggest that "firms normally internationalize incrementally in a step-wise fashion increasing their commitments to foreign markets as they gradually acquire, integrate, and are able to use knowledge about foreign markets" (Fey et al., 2016, p.134). Therefore, based on the traditional theories on the internationalization of firms, a firm tries to expand abroad only when it is allowed by experience and knowledge (Kim, 2017).

But, the entry modes of EMNEs depend not on the internal growth but on the external growth (Guillén & García-Canal, 2009). Specifically, EMNEs use global strategic alliances (such as joint ventures) and acquisitions to overcome not only the liability of foreignness in the foreign markets but also gaining access to their competitive advantages upgrading their own resources and capabilities (Guillén & García-Canal, 2009). Guillén and García-Canal (2009) explain that EMNEs have used global strategic alliances to access to the alliance partners' home markets, facilitating the reciprocal access of the partners to their home markets. In this regard, global strategic alliances (such as joint ventures) have been widely adopted by EMNEs as one of the major entry modes to expand into the global markets (Kim, 2017). These global alliances have helped EMNEs gain access to critical resources and skills to compete against MNEs from the advanced economies.

Scholars (e.g. Buckley et al., 2007; Peng, 2012) have also discussed acquisitions as another preferred mode of entry by EMNEs. In particular, some scholars have focused on the acquisitions by Chinese firms to examine the entry modes of EMNEs. For example, Guillén and García-Canal (2009) contend the following: "capability upgrading processes based on acquisitions have been possible in some cases due to the new MNEs' privileged access to financial resources, because of government subsidies or capital market imperfections, as illustrated by Chinese MNEs" (p.28). Sun et al. (2012) also argue that although an acquisition is not the only mode of entry by Chinese MNEs, it has been a primary mode of entry for Chinese MNEs.

It is worth considering why acquisitions have been the primary mode of entry by Chinese MNEs. Peng (2012) explains the following reasons: (1) the urgency for fast market entry, especially in the areas of natural resources; (2) the need to acquire existing world-class brands to overcome the major weakness in Chinese MNEs, that is, the weak branding prowess, and; (3) managerial hubris and aspiration to build empire. However, it is known that, in general, the success rate of global mergers and acquisitions has not been so significant. Globally, as many as 70% of the mergers and acquisitions (Peng, 2011; Peng, 2012) have not been successful and "the performance of Chinese overseas acquisitions is unlikely to be better than the global average" (Peng, 2012, p.101).

'Integration' is one of the critical challenges in terms of a successful merger or acquisition. Peng (2012) argues that "the lack of internationally savvy managerial talents at Chinese MNEs gives us little confidence that these firms will do a better job integrating acquired targets and generating value" (p.101). In this regard, although Chinese MNEs have aggressively adopted mergers and acquisitions as the preferred mode of entry, an additional research is needed to confirm the success rate of acquisitions by Chinese MNEs in the global markets. In sum, although many EMNEs (especially Chinese MNEs) have adopted mergers and acquisitions as the preferred mode of entry in their internationalization efforts and they could access to valuable assets through this type of entry mode, not all of the mergers and acquisitions have been successful.

In general, both global strategic alliances, and mergers and acquisitions have been critical for EMNEs to build their own competitive advantages to compete against MNEs from the advanced economies. In this perspective, Guillén and García-Canal (2009) point out that the international expansion of EMNEs runs in parallel with the process of upgrading their capabilities.

2.3 Motivations of EMNEs' Internationalization

Scholars have documented the motivations of firms' internationalization in the literature. The most classic theory of motivation might be Dunning's (1981) eclectic (OLI) paradigm. Dunning (1981) introduces a particular evaluation framework that firms can follow to determine whether it is beneficial to pursue the foreign direct investment (FDI). Dunning's (1981) framework has three different tiers: ownership, location, and internationalization. Other motives of internationalization have also been examined by scholars. Both Dunning (1988) and Rugman (2009) introduce the motivation of 'knowledge seeking', considering the issues, such as learning best practices, efforts to gain market knowledge, actions to develop social and business networks, and the applicability of unique home country capabilities (Fey et al., 2016). Vernon (1966), and Park and Lee (2003) introduce the motivation of 'new market seeking', analyzing the issues, such as market size, following clients, and entering adjacent markets (Fey et al., 2016). In addition, both Vernon (1966) and Walkenhorst (2004) introduce the motivation of 'efficiency seeking', covering the issues, such as cheaper resources (e.g. labor and raw materials), lower tariffs, tax incentives from the home government, and worldwide production synergies (Fey et al., 2016).

Although there is still a gap in the existing literature in explaining the motivations of EMNEs' internationalization, some scholars have tried to explain them. Guillén and García-Canal (2009) summarize the primary motivations of EMNEs' internationalization, focusing on the 'backward linkage into raw materials' and the 'forward linkage into foreign markets'. Guillén and García-Canal (2009) describe these motivations as follows: "the desire of some of the new MNEs to create backward linkages into sources of raw materials or forward linkages into foreign markets in order to reduce uncertainty and opportunism in the relationship between the firm and the supplier of the raw material, or between the firm and the distributor or agent in the foreign market" (pp.28-29). The World Investment Report of the UNCTAD (2006) also points out that many emerging market firms became MNEs, particularly in the extractive and manufacturing sectors, when they internalized backward or forward linkages.

Scholars have also found that the home country government restraints, such as the growth restrictions in their domestic markets, motivate emerging market firms to internationalize (Lall, 1983; UNCTAD, 2006; Wells, 1983). Guillén and García-Canal (2009) also point out that "in many developing and newly industrialized countries, limitations such as licensing systems, quota allocations, and export restrictions kept firms from having enough growth opportunities at their disposal, hence the desire to expand abroad" (p.29). In essence, this type of motivation is related to both emerging market firms' desire to expand into global markets and political instability found in home markets.

In sum, the existing literature provides five key motivations of emerging market firms' internationalization. First, obtaining technology, and, second, obtaining brands are important motivations for emerging market firms' internationalization efforts (Fey et al., 2016; Kim, 2017). Third, many EMNEs decide to internationalize to diversify risks (Fey et al., 2016). Emerging markets are rather risky places for businesses because of their rapidly changing environments (Dau, 2012) due to the institutional void. Thus, diversifying risks via internationalization has motivated emerging market firms to go abroad. Fourth, as discussed above, emerging market firms are motivated to grow further through internationalization. But, Fey et al. (2016) contend that "not all industries are the same, and thus firms need to consider how important economies of scale and other benefits of internationalization are for a particular industry" (p.133). Lastly, emerging market firms pursue international expansion to obtain raw materials (Fey et al., 2016). For example, Luo and Tung (2007) point out that state-owned enterprises from China and India often pursue international expansion to obtain raw materials for their own operational needs and, also, for the growing demand for the same materials at home.

III. INTERNATIONALIZATION STRATEGIES OF EMNES

It is very challenging for firms to expand into foreign markets and, thus, the success rate has been low (Fey et al., 2016). In this regard, formulating and implementing the right strategies are critical for firms to internationalize, particularly for firms from emerging markets. It is worth investigating the specific, effective internationalization strategies that have been pursued by EMNEs through the existing literature. This review of the literature will help scholars figure out the gap in the existing literature.

3.1 Acquiring Foreign Brands and Technology

Many EMNEs have strategically focused on acquiring foreign brands and technology as a means to expand into foreign markets (Fey et al., 2016). In other words, obtaining foreign brands and technology has been an important motivation for EMNEs' internationalization efforts. Many EMNEs have benefited from using foreign firms' brand names (particularly the brand names of the firms from the advanced economies) through either co-branding products in collaboration with foreign firms or purchasing foreign firms (Luo & Tung, 2007). The acquisition of foreign brands could improve the images of EMNEs' products in the global markets.

Wang et al. (2014) also found that it is normally the best for an EMNE to loosely control foreign subsidiaries or acquired firms in the developed country markets to attain the maximum learning from the subsidiaries' (or acquired firms') diverse and effective practices and knowledge, facilitating the interaction between the subsidiaries (or acquired firms) and the EMNE.

3.2 Investing in the Research and Development

Many EMNEs have also strategically invested in the research and development (R&D) since managers at EMNEs have realized that they should improve the R&D capabilities to compete effectively with the firms from the advanced economies (Fey et al., 2016). Concerning the R&D-related strategies of EMNEs, it is important to understand that how EMNEs have been able to invest in the R&D to catch up MNEs from the advanced economies. EMNEs have found that their R&D investment cost is not so expensive in comparison with that incurred by MNEs from the advanced economies (Kim, 2017). In specific, Fey et al. (2016) describe that EMNEs "have found that they can hire key technical personnel much cheaper than in West, sometimes for as little as 20% of the cost, and that these employees are normally prepared to work more than their Western counterparts" (p. 137).

Fey et al. (2016) further describe that "while in some cases it is hard to find enough experienced management, there is an abundance of highly skilled technical personnel in Russia, China, and India who are eager to find an organizational culture that will allow them to fully unleash their creativity and potential" (p. 137). Thus, EMNEs have been able to invest in the R&D to catch up firms from the advanced economies. Fey et al. (2016) illustrate that some EMNEs, such as Ranbaxy (from India), ZTE (from China), and Huawei (from China), have done most of their R&D investments at home to save the cost, but, they have still benefited from the latest technologies by having small R&D labs in the developed country markets around the world.

3.3 Attracting Employee Attention

Scholars (e.g. Fey et al., 2016; Xing et al., 2014; Zhou & Guillén, 2015) indicate that, in most cases, the first steps of EMNEs' internationalization process are the most difficult and, after acquiring some international experience, the process becomes much easier. Fey et al. (2016) argue that the difficulty experienced by EMNEs during the first steps of internationalization process is associated with the 'employee attention'. In other words, employee attention is one of the items that is in shortest supply during the first steps of EMNEs' internationalization process, and keeping attention is difficult since employees like to see quick results or they may lose interest (Fey et al., 2016). Fey et al. (2016) provide an example conceding the employee attention: for instance, when the international sales of a firm account for only 2% of sales and much effort is needed to grow them, it is hard to attract employee attention (Fey et al., 2016). This example resonates the importance of growing quickly in the global markets to get employee attention. Fey et al. (2016) provide the following real world example: "a senior manager at Huawei recalled how when the firm started its international activity, many employees doubted if it could be successful abroad... Once those sales got to be about 15%, most employees were convinced that international sales were important and worth focusing energy on since they served to fuel company growth" (p.137).

3.4 Learning Organization

It is critical for an EMNE to develop formal and/or informal systems and processes that can ensure the maximum learning, for the entire organization, from its internationalization experience (Fey et al., 2016). Fey et al. (2016) point out that although trying to avoid mistakes is important, even more important is making sure that the entire firm (not only the individuals involved in the mistakes) learns from the mistakes that are made not to

repeat them. Fey et al. (2016) further point out that much learning is useful not only in the country of operation but also in other countries.

3.5 Dealing with the Negative Perception on the Country of Origin

Scholars (e.g. Chang et al., 2009; Chang & Taylor, 1999; Ferner et al., 2005; Fey et al., 2016; Smith & Meiksins, 1995) have argued that EMNEs usually face a double-challenge, the liability of foreignness and the liability of country of origin, because of the perceived poor home country image. In fact, one of the major challenges faced by EMNEs when they start to expand into overseas markets might be overcoming the negative perceived image associated with their country of origin. Although the country of origin label can become the sign of quality product/service at a later stage of the internationalization process (e.g. the change in American consumers' perception on 'made in Japan' from the 60s and 70s to today) and, also, although many EMNEs deserve a better perception of the quality of product/service (Kim, 2017), EMNEs have found that it is extremely difficult to build a significantly better perception of their products or services from foreign consumers (Fey et al., 2016).

Based on the existing literature, EMNEs have adopted several strategies to overcome the negative country of origin perception in foreign markets. Fey et al. (2016) argue that the most effective strategy has been "to show that a firm was very quality focused and obtained international quality certificates like ISO 9000. (p.136). In other words, obtaining an international quality certificate, such as ISO, ACI, CMM, and Six Sigma, could help EMNEs reduce effectively foreign consumers' negative country of origin perception (Fey et al., 2016). Some EMNEs (e.g. Huawei) have also employed consulting firms to improve the negative country of origin perception in foreign markets (Fey et al., 2016).

Several EMNEs, like Ranbaxy from India, have also "come to appreciate that seeing is believing and as a result have gone to great effort and considerable cost to bring potential and existing customers to see their factories in order to combat the negative country image problem" (Fey et al., 2016, p.136).

In addition, Eden and Miler (2004) argue that the entry mode can determine the success of internationalization process of an EMNE in connection with the country of origin issue. For example, as discussed earlier, forming strategic alliances (such as joint ventures) with firms from the advanced economies can be an effective way for EMNEs to deal with the negative country of origin effect in foreign markets.

IV. CONCLUSION

Scholars have discussed whether the traditional theories on MNEs are relevant to explaining EMNEs' behaviors and strategies (Kim, 2017) since these theories are based the MNEs from the advanced economies. Guillén and García-Canal (2009) contend that the conventional MNEs originated from the advanced economies share some core features of competitive advantages, such as advanced technology and managerial strengths, which enabled them to overcome the liability of foreignness in foreign markets investing in wholly owned subsidiaries, transferring technology, products, and knowledge from headquarters to foreign markets, and relying on elaborate bureaucratic and financial controls.

The conventional global competitive landscape started to change since the 1990s with the emergence of EMNEs. It is noted that some EMNEs are large as the MNEs from the advanced economies, pursuing corporate diversification strategies across multiple industries. As Guillén and García-Canal (2009) comment, "while they may not possess the most sophisticated technological or marketing skills in their respective industries, they have expanded around the world in innovative ways (p.24)". Therefore, an increasing number of scholars have focused on EMNEs as they are becoming the key players in the global markets today in terms of FDI, global strategic alliances (including joint ventures), and cross-border M&A.

As discussed above, some of EMNEs' internationalization efforts can be explained through the existing theories on internationalization of firms. Therefore, although we need to develop new theories to fully explain internationalization efforts specifically appropriate to EMNEs, we also need to identify which aspects of the extant theories on internationalization of firms are universally valid (Kim, 2017).

Simultaneously, studies on EMNEs reveal that they have internationalized in different ways from the MNEs from the advanced economies. The conventional theories on the internationalization of firms cannot fully explain some of the EMNEs' behaviors and efforts in the process of internationalization. For example, some scholars have argued that EMNEs have internationalized at a much faster pace than the conventional theory describes (Mathews, 2002; Guillén and García-Canal, 2009). Williamson and Zeng (2009) contend that the rapid internationalization of EMNEs is the result of the changes in the global business environment in which the world has become flatter, making it easier for firms to obtain resources they need to internationalize.

EMNEs, in some cases, have also expanded into physically or economically distant countries before entering more close and similar countries (Ramamurti, 2012). Even, some EMNEs have invested more in the advanced markets than in other emerging markets (Ramamurti, 2012). This phenomenon contradicts to the

conventional theory (e.g. the product life cycle theory) because these EMNEs' behavior shows that FDI can flow from the less developed countries (e.g. emerging markets) to the advanced economies.

These are just some examples of the internationalization process of EMNEs deviated from the conventional theories on the internationalization of firms. Although scholars have conducted research on the EMNEs' Internationalization efforts, there is still a gap in the existing literature in terms of fully explaining the process of EMNEs' internationalization. That is, the conventional theories on internationalization of firms have limited validity for EMNEs. Guillén and García-Canal (2009) contend that: "In effect, globalization, technological change, and the coming of emerging countries have facilitated the rise of a new type of MNE in which foreign direct investment is driven not only by the exploitation of firm-specific competencies but also by the exploitation of new patterns of innovation and ways of accessing markets. In addition, the new MNEs have expanded rapidly, without following the gradual staged model of internationalization" (pp.33-34).

Although some aspects of the conventional theories on the internationalization of firms are universally valid encompassing the internationalization process of EMNEs, we need to elaborate a new framework to explain fully the behaviors and strategies peculiar to EMNEs' internationalization. In this regard, this conceptual paper is incomplete. A further research will be forthcoming to address EMNEs' internationalization process in a more detailed manner, analyzing individual efforts/behaviors/strategies (e.g. overcoming the negative perception on the country of origin) of EMNEs in the process of internationalization.

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