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Institutional distance and institutional complexity in international business

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Propositions

Belonging to the thesis

Institutional distance and institutional complexity in international business

by

Vincent E. Kunst

1. The different institutional theories should be considered as being complementary rather than nonconcurrent.
2. The different institutional theories have the potential to influence and interact with each other, as a result, studying institutional theories in their own silo can result in diverging and contradictory findings due to omission of concurrent institutional theories.
3. Due to sample structure issues, distinguishing between institutional theories and considering multiple institutional theories simultaneously is especially vital for fields of study that discuss international business issues which occur in populations that have a specific institutional direction—such as the emerging market literature, the state-owned enterprises literature, the business group literature, and the institutional voids literature.
4. Both within and between institutional theories, institutions should be viewed as complex rather than parsimonious, where a parsimonious approach will lead to a theoretical ‘narrow’ view on the effects of institutions in international business.
5. Current methodological practices regarding both cultural distance and institutional distance fail to capture the complexity inherent to these constructs, resulting in mismatches between theory and the empirical findings.
6. Cultural distance affects each stage of the internationalization process uniquely.
7. Despite increased globalization over time, cultural (and institutional) distance continues to be a serious consideration for firms as they expand internationally.
8. Agency theory should be considered as a regiocentric theory instead of a universally applicable one—consequently, the applicability and efficiency of practices coming forth out of agency theory reasoning, outside of the Anglo-Saxon context, should be questioned.