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Editorial

AIB 2024 Annual Meeting: The Dynamics of International Business

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In this editorial, the 2024 AIB Conference Program Chair, Catherine Welch, examines the conference theme of Dynamics of International Business. Welch first examines the progress of AIB since the organization's prior conference in Seoul in 1995. She then overviews some of the major themes of the conference, including the dualities of change, multiple levels of changes, the importance of history, the shift from statics to processes, and planning for uncertainty. These may be helpful in framing discussions about how to manage volatility and change taking place in policy circles and among the leadership of organizations with cross-border activities.

The AIB annual meeting took place this year in Seoul, South Korea. This was the AIB's second annual meeting to have taken place in Seoul, the first having taken place in 1995. One of the benefits of the conference was the chance to reflect on the transformational journeys that the host country, global economy and indeed AIB as an association have undertaken in the past 30 years.

To commence with the host country: in a review of the event that took place in South Korea, Koh (1996: 60) concluded that

> 1995 was an extraordinary year for South Korea. The events ran the gamut-from manmade catastrophes to monumental scandals, from stunning defeats of the ruling party in local elections to stellar diplomatic gains. It was a watershed year in South Korea's transition to democracy.... and [p]er capita GDP was expected to surpass $10,000 by the end of the year.

Of course, Koh's summary was written just before an upheaval that was not predicted by most commentators at the time, in the form of the Asian financial crisis of 1997, which hit South Korea particularly hard. Nonetheless, his outline of South Korea's trajectory has been borne out by subsequent events. There has been continuity as well as change in the intervening 30-year period: the prosperity that South Korea of today is experiencing was, after all, 70 years in the making. South Korea was able to rebuild following the intervention of the IMF and was well placed to benefit from the growth of the world economy during the high point of what we are now looking back upon as a liberalising period of globalization.

As an organization, the Academy of International Business was also very different in 1995 to what it is today. The AIB conference program from 1995 listed 380 participants. In 2024, there were 1475 attendees at the conference. The 2024 conference attracted 1641 submissions, the highest number ever for any AIB conference. The program comprised 920 competitive and interactive papers and panel sessions. Sustainability in International Business was the third largest track in 2024 – a symbol of the larger global shifts that the international community is currently experiencing.

But having said this, the future of the AIB as it is today can be glimpsed from a closer look at the conference program from 1995. The program chair that year, the late John Stopford (London Business School) pointed out that the conference represented an important milestone: 'This is the first time that the majority of papers have come from outside the USA and nearly a fifth represent cross-national collaboration'. He also noted another first: the topic of the Fellows panel that year was 'Environmental concerns'.

Reflecting on this 30-year period brings into relief some of the complexities of changes, processes and dynamics that formed the conference theme at this year's annual meeting. South Korea and AIB as an international organization are illustrative of the broader conceptual puzzle that was at the centre of this year's AIB meeting. Below, I tease out some overarching, high-level themes related to the dynamics of international business that were under discussion at the conference. These may also be helpful in framing discussions about how to manage volatility and change that are also taking place in policy circles and among the leadership of organizations with cross-border activities.

THE DUALITIES OF CHANGE

The dynamics of change are filled with tensions and contradictions. Organizations and countries alike experience both continuity and uncertainty, long-run trends and sudden shocks, path dependence and break points. Institutions are both stubborn to change and easy to undermine. The international economy is highly interdependent at the same time as it is fragmenting. Due to the advances of digitalization, it is easier than ever to communicate and transfer value across borders – at the same time that geopolitical barriers to such transfers are proliferating.

The dualities of change were a prominent topic at this year's conference, reflecting a world system of both globalization and deglobalization, historical continuity and accelerating transformations, growth and sustainability, great prosperity as well as great inequalities, cooperation and conflict. At any one time, one of these poles may seem to dominate, obscuring the existence of the other; but both need to be kept in view when organizations are steering a course into the future.

MULTIPLE LEVELS OF CHANGE

Conference submissions examined the nature of change at many levels, from individuals who are confronting uncertainty to the shifting tectonic plates of geopolitics. Understanding why change is happening at one level requires a consideration of what is happening at other levels. Given that what we are currently witnessing is a systemic change – the collapse of the world order that we had taken for granted – it is important to take this broader picture into account. Amongst all the complexities of change, three related to international business in particular stand out.

First of all is the 'shape shifting' nature of the multinational corporation. As the world changes around it, the multinational adapts its internal structure and the relationships and roles of its subunits. Although from the outside its branding and image may not have changed, its internal organisation has been transformed, so as to take full advantage of the reordering of the world system. The adaptability of the organizational form that is the MNE means that it has endured, even though its decline is regularly predicted (for example, in 2017 *the Economist* claimed that 'the global firm is in retreat', see Westney, 2019). But while this means the MNE itself can remain resilient, the shifting organizational forms that it takes has profound effects on the individuals who work in it and the economies that depend on it.

A second feature of the global economy is cross-border interdependence, and firms across the world are interlinked in value chains that span the globe. Existing structures of global value chains (GVCs) have been under pressure in recent years due to successive crises. As the linkages in these chains are placed under pressure, there are wide-ranging implications for firms, local communities and societies. However, global value chains are notoriously opaque and difficult to investigate. At the conference, GVCs were examined from many different perspectives, zooming in to specific actors, geographies and inter-organizational relationships, as well as seeking to trace the impact of volatility on the operations of entire chains. Given the scale of GVCs, the use of these different perspectives is crucial in understanding how and with what effects they are being reconfigured.

Third is the nuanced treatment of culture and diversity. In a period of growing populism and intolerance, the importance of cross-cultural research cannot be overstated. In international business, cross-cultural researchers have long since moved beyond reducing the study of culture to the measurement of the differences between monolithic national cultures. Instead, they recognize the fluidity and dynamism of national cultures, and the importance of recognizing the multiple identities that matter to individuals. At the conference, cross-cultural researchers discussed concrete ways to achieve inclusive organizations, value diversity and encourage mutual understanding in cross-cultural interactions.

THE IMPORTANCE OF HISTORY

At this year's conference, the value of history was a recurring theme. History appeared on the conference program in many guises. History was being used to understand the long-run trends and processes that a short-term perspective overlooks. History was being used not just to trace the origins of present crises but to inform our understanding of possible futures. History was used to challenge current assumptions, and provide a reminder that much of what we take as given is just a set of provisional arrangements that will not endure. The study of history has always had a place in international business, but in this period of volatility it has taken centre stage in contemporary debates (for an example, see Lagarde, 2018). As conference participants reminded us, understanding international business is not just about geographical location or the cultural aspects of place, but it is also about the heritage of the organizations and sites that we study.

FROM STATICS TO PROCESSES

The traditional language of international business has encouraged us to think in terms of statics rather than dynamics. But as this year's conference amply demonstrated, the field of international business has been moving away from an exclusive focus on modelling an artificial world of stable entities with invariant relationships between them. Researchers now study the internationalization process, not just as a single step, but as a series of events and activities over time, including de-internationalisation and re-internationalisation. They examine how the role and nature of a subsidiary evolves over time, rather than just capturing what a subsidiary's responsibilities are at a single point in time. They have gone beyond the traditional economic assumptions of market equilibrium to trace industry dynamics and oscillations. They supplement a study of the effects of institutions with an investigation of how these institutions come into being and are maintained or weakened over time. In sum, this allows for a better understanding of not just what changes take place, but how and why they do so.

PLANNING FOR UNCERTAINTY

As in other areas of the social sciences, including economics, our modelling traditionally does not account for uncertainty and indeterminacy. As scholars we have aimed to produce predictive models of the world, and in our teaching, we advocate planning and control. In contrast, uncertainty was a recurring keyword in the conference program this year. Incorporating uncertainty into research and practice, and acknowledging the limits of forecasts and planning, are well underway, amounting to nothing less than a paradigm shift.

Returning to the host location of South Korea, conference attendees were given insight into how Korean multinationals have been able to survive and thrive despite the turbulence of the world economy. A personal highlight of the conference was the opportunity to learn more about Hansae, the Korean OEM garment manufacturer which has been able to establish a dominant position in the fashion industry. Founded in 1982, the company began its international expansion in the early 1990s, and it is estimated that today it produces one third of the clothes that Americans wear (Yang, 2023). Company executives were open about the challenges they had faced along the path of expansion. They reflected on the multiples shocks to the industry that the company had weathered during its 40-year history, including the fashion industry's shift to low-cost offshoring and more recently to nearshoring, successive changes to the WTO tariff regime, global recessions, and the succession of disruptions to supply chains from the pandemic onwards.

In reflecting on their history, Hansae executives were willing to share mistakes that they had made – but also, crucially, they articulated what they had learned from these mistakes and disrupted plans. Their learning culture had been inculcated by the founder, who had been through a company failure before he founded Hansae. Over time, they had developed what amounts to a set of guiding principles for internationalization – the company's accumulated wisdom of what they need to prioritise in order to survive over the long term. They had learned the need to embed themselves in the communities in which they operate production facilities, develop close relationships with partners and prioritise communication with clients, maintain a focus on technological and process innovations despite the cost pressures in the industry, be ready to reposition themselves in the global value chain when it changes, and emphasize local autonomy and not just control as the company continued to grow. In being adaptive to change, they had also been able to identify what was important to retain and nurture.

The history of Hansae's growth, as well as of South Korea's rise, is a reminder that although the global economy is facing daunting challenges, the successive crises of recent decades have provided both firms and countries with hard-earned experience that can inform both research and practice going forward. The Seoul conference may have come to an end, but the discussions and insights it encouraged will continue.

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