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Global Mindset and Internationalization of Polish SMEs: Antecedents and Outcomes

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The concept of global mindset has recently received significant attention in the fields of international business and international entrepreneurship. A strong relationship between the global mindset and firms' internationalization behavior has also been found in the context of small and medium-sized enterprises (SMEs); however, in the context of Polish research, the phenomenon has not been examined in depth. Thus, the purpose of this article is to broaden our understanding of antecedents of the global mindset and its significance for internationalization outcomes (performance and behavior) of small and medium-sized Polish firms operating in a low-tech but fairly internationalized sector. The study findings indicate that the global mindset is a key capability relevant for explaining the international performance of SMEs, but its impact on firms' international behavior is somewhat equivocal. Moreover, often employed individual-level predictors of the global mindset are statistically insignificant, as is length of firm international experience. The paper concludes with a discussion of the implications and limitations of the findings.

Keywords: global mindset, antecedents of global mindset, international performance, international behavior.

Mentalność globalna a umiędzynarodowienie małych i średnich polskich firm

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W ostatnich latach wyraźnie wzrasta zainteresowanie badaczy mentalnością globalną (global mindset) zarówno w obszarze międzynarodowego biznesu, jak i przedsiębiorczości międzynarodowej. Związek zachodzący między globalną mentalnością a międzynarodowym zachowaniem przedsiębiorstwa został zauważony także w odniesieniu do małych i średnich przedsiębiorstw (MŚP), jednakże w kontekście polskich firm zjawisko to nie zostało jeszcze szeroko zbadane. Celem niniejszego artykułu jest poszerzenie wiedzy na temat: (1) czynników wspierających mentalność globalną oraz (2) jej znaczenia dla wyników internacjonalizacji MŚP. Badaniami objęto polskie przedsiębiorstwa działające w branży meblarskiej, która należy do grupy branż niskich technologii, będąc jednocześnie wysoce umiędzynarodowioną. Otrzymane wyniki potwierdzają, że mentalność globalna jest kluczową kompetencją wyjaśniającą wyniki osiągane przez MŚP w procesie internacjonalizacji, ale jej wpływ na międzynarodowe zachowanie przedsiębiorstw nie jest jednoznaczny. Ponadto często uwzględniane czynniki indywidualne jako predyktory mentalności globalnej okazały się statystycznie nieistotne, podobnie jak długość międzynarodowego doświadczenia firmy. Artykuł kończy się omówieniem wniosków oraz ograniczeń prezentowanych wyników.

Słowa kluczowe: mentalność globalna, wyniki umiędzynarodowienia, międzynarodowe zachowanie.

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1. Introduction

Over the past decades, research into the field of international entrepreneurship (IE) has grown substantially. In various industry and country contexts, scholars have examined environmental and firm-level variables that determine firms' internationalization strategy and its outcome. Conventional (e.g., the Uppsala model) and emerging (e.g., born global) theories originating from the field of international business (IB), as well as resource-based and institutional explanations, have been employed as major theoretical perspectives. More recently, interest in a cognitive perspective has grown among researchers (Zahra et al., 2005); this perspective focuses on entrepreneurs' mental models to examine how opportunities in international markets are recognized and exploited. One of the emerging concepts originating from the cognitive perspective and employed in internationalization research is the global mindset. Although this research stream is relatively new, it is increasingly important due to its criticality to long-term competitive advantage in the global marketplace (Levy et al., 2007). The global mindset is often seen as a prerequisite for successful internationalization that facilitates the identification and exploitation of emerging international opportunities (Gupta & Govindarajan, 2002; Maznevski & Lane, 2004; Nummela et al., 2004; Levy et al., 2007). According to Gupta and Govindarajan, the global mindset "combines an openness to and awareness of diversity across cultures and markets with a propensity and ability to synthesize across this diversity" (2002, 117). This refers to the cognitive abilities of observation and interpretation of the dynamic and culturally complex world in which companies operate, which in turn influence their behavior. The concept is considered an important cognitive-level capability that influences firms' international behavior.

The major research themes within global mindset studies have concerned either its antecedents or the effects for internationalization outcomes and behavior, with the latter topic still underexplored (Bowen & Inkpen, 2009; Levy et al., 2007). Moreover, the majority of existing research has examined the global mindset and its relevance for internationalization issues focusing primarily on multinational companies (e.g., Bowen & Inkpen, 2009; Javidan et al., 2007; Levy et al., 2007). There is a dearth of research in the context of small and medium-sized enterprises (SMEs), although in this very context "the multidisciplinary role of entrepreneurs and their mindset become determinant [...] in the internationalization behavior" (Felício et al., 2012, 468). In addition, few studies that examined the global mindset of SME managers have been based on developed market samples such as Norway, Portugal, or Finland (Kyvik et al., 2013; Felício et al., 2012; Nummela et al., 2004).

The current study examines the global mindset of SME managers, focusing on its antecedents and outcomes in terms of international performance and

behavior. The study addresses two research questions: (i) *How do individual- vs. firm-level antecedents contribute to the formation of the global mindset?* and (ii) *How can differences in entrepreneurs/managers' global mindset explain differences in internationalization behavior and SME performance?* The study was conducted on a sample of 88 Polish firms operating in the furniture manufacturing sector. The study contributes to our understanding of the role of the global mindset in the successful internationalization of SMEs in two ways. The first is by providing a new context of an advanced emerging economy and a low-tech, highly internationalized sector, which responds to the recent calls for research into this area (Felício et al., 2012). The second is by verifying the significance of previously examined individual-level and also more novel firm-level antecedents of the global mindset in this new context, as well as by examining its influence on international performance and behavior with the use of disaggregated measures, which allows for deeper understanding of the hypothesized impact.

The rest of this article is structured as follows. The first section discusses the theoretical background to develop the research hypotheses. In the following section, details on the data selection procedure and analytical methods are provided, followed by a presentation of results and analysis. The paper concludes with a discussion of implications and limitations of the findings.

2. Theoretical Background and Hypotheses

2.1. Global Mindset

In recent decades, we have observed a growing emphasis on cognition-based explanations (e.g., cognitive orientations of managers, global mindsets) in the field of international business and particularly their relevance for the effectiveness of multinational enterprises (MNEs) management (Levy et al., 2007; Kedia & Mukherji, 1999). Zahra et al. (2005) encouraged researchers to turn to entrepreneurs' international orientation to better understand firms' internationalization strategies and how they are crafted, paying more attention to the question of how entrepreneurial cognition influences the firm's internationalization choices regarding content, process, and resulting outcomes.

The academic research on the global mindset and the significance of managerial cognition in the IB field can be traced back to Perlmutter's (1969) typology of multinational corporations (MNCs), where conceptualization of different mindsets (e.g., ethnocentric, polycentric, geocentric) of senior executives was directly incorporated, arguing that these mindsets shape the choice of strategy, structure, and resource allocation. Also, Maisonrouge (1983) argued that international orientation of managers affects firms' strategic choices. Since then, several definitions of global mindset have been

offered. Rhinesmith (1993, 24) defined the global mindset as “a way of being rather than a set of skills. It is an orientation of the world that allows one to see certain things that others do not. A global mindset means the ability to scan the world from a broad perspective. Always looking for unexpected trends and opportunities that may constitute a threat or an opportunity to achieve personal, professional or organizational objectives.” Kedia and Mukherji (1999) proposed that a global mindset, together with supporting appropriate skills and knowledge, forms a global perspective. In Gupta and Govindarajan’s definition, the global mindset “combines an openness to and awareness of diversity across cultures and markets with a propensity and ability to synthesize across this diversity” (2002, 117). Nummela et al. (2004) analyzed a number of related concepts and operationalized the global mindset as a multidimensional concept at the individual level, including attitudinal and behavioral elements (e.g., proactiveness on international markets, commitment to internationalization, international vision).

Summarizing recent developments, Levy et al. (2007) identified three perspectives in global mindset research: cultural, strategic, and multidimensional. The cultural perspective on the global mindset is centered on aspects of cultural diversity and cultural distance related to worldwide operations and markets, which creates the need for a global mindset. In this approach, as Levy et al. (2007) suggested, cosmopolitanism is the underlying construct. The strategic perspective focuses on environmental complexity and strategic variety stemming from globalization. The studies using this approach focus on management complexity and challenges resulting from international operations, as well as integration of geographically distant but strategically diverse businesses with the need to be locally responsive. Here, the underlying theme in global mindset research is cognitive complexity (Levy et al., 2007). Finally, the multidimensional perspective represents the integrative stream of work, where the global mindset is conceptualized with the simultaneous use of cultural and strategic terms and other outside influences (Levy et al., 2007). The authors’ own definition depicts the global mindset as “a highly complex cognitive structure characterized by an openness to and articulation of multiple cultural and strategic realities on both global and local levels, and the cognitive ability to mediate and integrate across this multiplicity” (Levy et al., 2007, 244). In their information-processing model of the global mindset, cognitive complexity and cosmopolitanism are two important dimensions. According to Levy et al. (2007), the global mindset can be seen as a key source of long-term competitive advantage in the global marketplace. The global mindset, as a cognitive individual-level structure, affects information processing and decision-making patterns underlying individual actions. The authors argued that managers who developed a global mindset can better understand the global marketplace and act on it, being aware of complex international

environments and cultural differences, so that their firms' global strategies are more effective (Levy et al., 2007).

Examining the role of the global mindset in leading change in international contexts, Bowen and Inkpen (2009) adapted the individual-level definition of global mindset to explore the effectiveness of change agents in situations of cross-cultural complexity. The global mindset framework employed in their research was adapted from earlier studies (Beechler & Javidan, 2007). They argued that the global mindset is composed of intellectual, psychological, and social capital, and these individual characteristics enable the three behavioral competences concerning decision making and action. Thus, according to their framework, individuals who possess a global mindset (1) are capable of perceiving, analyzing, and decoding the global operating environment, (2) can accurately identify effective managerial actions in the global operating environment, and (3) possess the behavioral flexibility and discipline to act appropriately (Bowen & Inkpen, 2009, 241). The global mindset and the related behavioral repertoire enhance managers' ability to influence others in situations of cross-cultural complexity (Bowen & Inkpen, 2009).

Most recently, Gaffney et al. (2014) presented a theoretical framework explaining the influences of home country institutions (developing country context) and global mindsets (intra-organizational context) on the accelerated internationalization of emerging market firms. They adopted a multilevel perspective of the global mindset (individual and organization level) to explain its influence on firm internationalization decision making. They also saw formal and informal institutions as macro-level antecedents of a global mindset.

In short, the literature offers many frameworks for the global mindset; however, no clear consensus has emerged (Story & Barbutto, 2011), and the concept has a number of different operationalizations (Levy et al., 2007). However, empirical research on the global mindset has only recently begun to grow (Boyacigiller et al., 2004). Within the existing empirical studies on the global mindset, two major research themes can be identified; their key findings are presented in the following sections.

2.2. Antecedents of The Global Mindset

In the empirical studies on the global mindset, the most popular topic has been the antecedents (sometimes called drivers or determining/explaining factors) of the global mindset. For example, Arora et al. (2004) examined a number of the demographic and biographic factors contributing to the development of a global mindset, including managers' age, level of education, job tenure, position, training in international management, nationality (US vs. non-US origin), international life and work experience, and family member of foreign origin. They found that training in international management, prior foreign experience (living and/or working abroad), and the level of

education were particularly relevant for development of a global mindset (Arora et al., 2004). Clapp-Smith and Hughes (2007) examined curiosity, language skills, and personal history. In the two-phase model explaining development of a global mindset, Story et al. (2014) examined a number of individual characteristics – education, level of management, number of languages spoken, and number of business trips abroad – and reported the significance of multilanguage proficiency in the complex global role. Nummela et al. (2004) argued that managerial experience (international work experience and international education) and market characteristics (globalness and turbulence of the market) are important drivers of the global mindset; however, only globalness and work experience were significant. Prior international experience, education, and language skills have also been considered as antecedents of the global mindset of SMEs managers (Kyvik et al., 2013; Felício et al., 2012). Thus, the following hypothesis concerning individual-level antecedents of a manager's global mindset was formulated:

- **Hypothesis 1:** The individual-level factors: (a) prior international experience and (b) language skills contribute positively to formation of a global mindset.

In addition to individual-level characteristics, some scholars have also included firm-level and environment-level factors as drivers of the global mindset. For example, Nummela et al. (2004) examined market characteristics, Kyvik et al. (2013) investigated domestic firm performance, and Felício et al. (2012) looked at firm characteristics and firm activities in the global market. More recently, Gaffney et al. (2014) suggested inclusion of the dynamics of informal institutions in emerging markets as antecedents of the individual-level global mindset. These authors proposed that acceptance of global integration, freeing of entrepreneurial spirit, and increased focus on individuality suggest important changes in informal institutions and “serve to directly cultivate key characteristics of global mindset within individuals” (Gaffney et al., 2014, 386). The inclusion of other than individual-level characteristics responds to Zahra and George's (2002) observation that most prior research in IE has not paid sufficient attention to internal and external contexts in which firms' internationalization strategies are formed, while both internal politics and external competitive forces can make a significant difference.

It is also important to recognize that the formation of the managers' global mindset can be supported not only through previous international work exposure, international education or language skills, but also through experience and learning that results from the firm's international experience (Kyvik et al., 2013). This is consistent with the argument that SME managers involved in international transactions learn from ongoing experience (Johanson & Vahlne, 2003; Gupta & Govindarajan, 2002) and this helps to further develop the managers' global mindset. Additionally, in the context of a transition economy, the ownership structure (domestic capital vs. full

or partial ownership by foreign capital) may have important consequences for firms' performance and internationalization. As Cieřlik (2010) indicated, among the exporters operating in Poland, firms controlled by foreign capital accounted for the majority of Polish exports. Additionally, firms with a share of foreign capital are more effective, more internationalized, and have a higher level of sales and exports per employee than firms with only domestic/Polish capital (Cieřlik, 2010). Analyzing internationalization and performance of firms operating in Poland, Hagemeyer and Kolasa (2011) found that companies fully or partially owned by foreign capital are larger, more internationalized, more productive, and offer better pay. Thus, foreign ownership (minority or majority foreign share in the firm capital) may support development of the managers' global mindset by intensification of their international orientation. In line with the above, firm-level factors (firm international experience and ownership structure) are expected to support development of a manager's global mindset. Thus:

- **Hypothesis 2:** The firm-level factors: (a) firm international experience and (b) foreign ownership contribute positively to formation of a global mindset.

2.3. Global Mindset and Internationalization Outcomes

The second stream of empirical research has focused on the impact of the global mindset on organizational outcomes. The underlying assumption is that a deeply embedded global mindset is a prerequisite for successful internationalization as it enables a company to exploit emerging opportunities and to combine speed with an accurate response (Gupta & Govindarajan, 2002). Thus, it allows managers to make decisions in a way that increases their firm's ability to compete internationally (Maznevski & Lane, 2004). Considering the scarcity of empirical studies, Story and Barbuto (2011, 378) postulated that "testing the impact of global mindset is a necessary step that must precede antecedent examinations. Once the impact that global mindset has on organizational behavior and performance has been tested, then its antecedents will have more relevance." Previous studies have found a significant positive relationship between global mindset and internationalization behavior and international performance of a firm (Nummela et al., 2004; Felício et al., 2012) and between positive managerial attitude toward internationalization and a firm's degree of internationalization (Axinn, 1988; Javalgi et al., 2003). For example, Felício et al. (2012) found that a global mindset influences internationalization behavior (captured by international know-how activities and international networking activities) and international performance of Portuguese SMEs (financial results, know-how development, and image). In a cross-sectional and cross-country sample of Norwegian and Portuguese SMEs, Kyvik et al. (2013) also observed a strong causal relationship between global mindset and firm internationalization behavior (which included inward/outward international connections,

international networking, and international firm performance). In the field of international new ventures, Oviatt and McDougall (1995) observed that ventures led by managers characterized by global vision and with foreign work experience are able to internationalize more quickly and successfully than other ventures. Also, Harveston et al. (2000) found that managers of born global firms (i.e., those that engage in foreign activities accounting for 25% of all sales within three years of founding) were characterized by a relatively strong global mindset, being much more positive toward internationalization than managers of gradually internationalizing firms. Kobrin (1994) found that the global mindset of a leader was associated with the percentage of foreign sales, employees abroad, and number of foreign markets with manufacturing operations. Nummela et al. (2004) argued that a global mindset is a key parameter of international performance. These authors examined the relationship between a manager's global mindset and firm internationalization performance. Based on earlier discussions concerning measurement problems of firms' international performance, Nummela et al. (2004) measured firms' international performance applying subjective and objective measures. Their results indicated a relationship between global mindset and objective performance (aggregated measure capturing the intensity and scale of the firm's international operations, including share of foreign turnover, customers, partners, and number of countries), but not subjective performance (operationalized by six items reflecting managers' perceptions of international performance that were further divided into two variables).

In line with the presented studies, a global mindset of SME managers is expected to influence SMEs' international performance and behavior. However, performance and behavior were often operationalized either as one construct or as separate constructs, but still aggregated, consisting of internationalization intensity (share of foreign sales in total sales), perceived financial performance, number of markets, and share of foreign customers (Kyvik et al., 2013; Felício et al., 2012; Nummela et al., 2004). Therefore, this study aims to examine the impact of global mindset on international performance (measured by both objective and subjective indicators) and on firm behavior (time span, scope, share of foreign customers), thus allowing for a deeper understanding of the global mindset impact. Summarizing the discussion, it is hypothesized that in the case of Polish SME managers:

- **Hypothesis 3:** There is a positive relationship between a global mindset and firm international performance operationalized by (a) subjective and (b) objective measures.
- **Hypothesis 4:** There is a positive relationship between a global mindset and internationalization behavior of the firm in terms of (a) international time span, (b) internationalization scope, and (c) share of foreign customers.

All hypothesized relationships are presented in Figure 1.

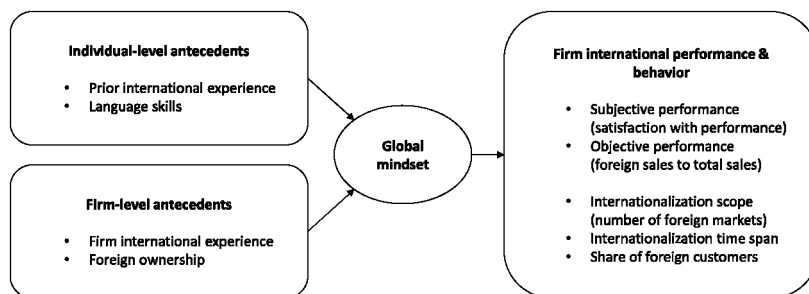


Figure 1. Conceptual design.

3. Research Methodology

3.1. Data Collection

The population selected for this study was defined as small and medium-sized Polish firms operating in the furniture manufacturing sector. The rationale for selecting the furniture sector is based on two reasons. First, the sector is important to Poland's exports (accounting for approximately 6% of Polish exports, which is one of the highest shares in exports). Second, Poland is the fourth largest worldwide exporter of furniture (in 2011 following China, Germany, and Italy), which makes furniture manufacturing the most globally visible manufacturing sector in Poland. The growth in Polish furniture exports between 1989 and 2006 is impressive: It grew by thirty times. Thus, the sector was chosen due to its importance to the Polish economy and its global visibility. According to the industry association, OIGPM, among 6,500 firms operating in the sector, there are 5,000 micro firms (with 9 or fewer employees), approximately 1,000 small firms (10–49 employees), 400 medium-sized firms (50–250 employees), and 100 large firms (more than 250 employees). Thus, the Polish furniture manufacturing sector provides an interesting context to examine the global mindset and internationalization of SMEs.

The findings presented in this paper are based on a larger project that examined internationalization strategies and capabilities of firms operating in the furniture manufacturing sector. A total of 1,100 firms with international sales were identified (with the cooperation of Eniro Polska, which owns the largest and, supposedly, the most up-to-date database of Polish firms) and contacted by telephone in February/March 2014. The interviewer asked for permission to conduct a telephone interview with the manager/owner responsible for decisions concerning the firm's internationalization. After rejecting non-existing firms and firms with 100% foreign ownership, and after receiving permission to conduct a telephone interview, the final sample

consisted of 121 firms of different size. For the purpose of this study, we focused on 88 SMEs that each employed 10–250 employees. To increase the reliability of the results, the questionnaire was pretested on several firms. Then, interviewers from the research agency were trained in the questions. The questionnaire was targeted to chief executive officers (CEOs), owners, and managers directly responsible for making key internationalization decisions because they are the most knowledgeable informants regarding internationalization issues in SMEs (Nummela et al., 2004). As the survey was conducted over a phone with a single informant, and predictor and criterion measures were obtained from the same source, common method variance (CMV) may be a concern (Podsakoff et al., 2003; Chang et al., 2010). To ensure the reliability of the study, several procedural remedies were used *ex-ante* (e.g., the questionnaire was pretested to eliminate any ambiguity, vagueness, or unfamiliarity; operationalization of the predictor and criterion measures employed different scales and formats), response anonymity and confidentiality were guaranteed, and single-common-method-factor approach was taken *ex-post* to detect CMV. Harman's single-factor test revealed that CMV should not be a problem in the present study as loading all items into exploratory factor analysis revealed neither the single factor nor the general factor, that would account for a majority of covariance between the measures (Podsakoff et al., 2003). The unrotated principal component factor analysis revealed the presence of five distinct factors with eigenvalue greater than 1.0 (thus no single factor emerged). The five factors together accounted for 61.00% of the total variance; and the first factor did not account for a majority of the variance (24.25%).

3.2. Operationalization

There is ongoing discussion of how best to operationalize the global mindset. Some scholars have suggested a multilevel operationalization, proposing the individual and organizational levels (e.g., Gupta & Govindarajan, 2002; Gaffney et al., 2014). Although such an approach is promising, it seems to be better suited to large firms. For example, Gaffney et al. (2014) proposed using a multilevel approach to the global mindset while hypothesizing about its impact on the use of more advanced entry modes (outward foreign direct investment (FDI)) of emerging market firms. Since the sample of this study consisted of SMEs, and outward FDI is not a common entry mode among these firms, and considering that in the SME context owners/managers have a significant impact on the internationalization behavior of their firms, in the present study global mindset is operationalized at the individual level.

In the light of numerous approaches to operationalization of the concept (Levy et al., 2007; Bowen & Inkpen, 2009; Story et al., 2014), the study adopted operationalization based on Nummela et al.'s (2004) approach, which is the approach most frequently used in the context of SMEs

(Nummela et al., 2004; Kyvik et al., 2013; Hsu et al., 2008); this approach has also been verified as a key dimension or forming element in other studies (Story et al., 2014; Felício et al., 2012). Following adaptations of Nummela et al.'s (2004) measurement of global mindset (Kyvik et al., 2013; Felício et al., 2012), which includes proactiveness, commitment to internationalization, and international vision, one additional item reflecting individual openness was added. Therefore, global mindset was operationalized by six items measured on a 5-point scale (1 = disagree totally, 5 = agree totally), including the following: (1) internationalization is the only way to achieve desired growth/success in the future, (2) it is important for our company to internationalize rapidly, (3) the company's management devotes a lot of time to planning international operations, (4) the founder/owner/management of the company is willing to take the company into international markets, (5) the company's management sees the whole world as one big marketplace, and (6) the company's management is characterized by openness to international ideas/cultures. The factor analysis indicated that the items' loadings were between 0.583 and 0.829. The construct has a Cronbach's alpha of 0.797, which indicates satisfactory internal reliability (Nunnally & Bernstein, 1994). As employing multiple measures of reliability (Cronbach's alpha has often been criticized), the composite/construct reliability (CR) and average variance extracted (AVE) were calculated. With CR equal to 0.859 and AVE = 0.509, the recommended thresholds are met (CR > 0.6 and AVE > 0.5); thus, construct internal consistency is evidenced (Fornell & Larcker, 1981).

All other variables were operationalized with a single indicator. Among individual- and firm-level antecedents of global mindset formation, prior international experience was measured by the amount of time (years) respondents had spent abroad either working or studying. Language skills were operationalized by the number of foreign languages that respondents spoke. Firm international experience was captured by the number of years a firm has sales in foreign markets, and ownership (firms with 100% foreign ownership were not included in the study). was treated as a dichotomous variable indicating whether the firm is domestic (0) or has a minority or majority share of foreign capital (1). Considering the international performance and internationalization behavior, single indicators were used instead of aggregated measures (with specific indicators being derived from earlier studies, e.g., Nummela et al., 2004; Kyvik et al., 2013). This allows for a greater insight into the examined relationships between global mindset and international performance/behavior of SMEs. International performance was measured both subjectively (on a 5-point scale; respondents were asked to indicate their satisfaction with the firm's international performance) and objectively (by internationalization intensity, i.e., the foreign sales-to-total sales ratio). Among international behavior variables, internationalization scope was operationalized by the number of foreign markets, internationalization time span as years that passed from

	1	2	3	4	5	6	7	8	9	10	11	12
1 Int. performance (subjective)	1											
2 Int. performance (objective)	0.592**	1										
3 Int. scope	0.069	-0.049	1									
4 Int. time span	0.024	0.061	-0.059	1								
5 Share of foreign customers	0.322**	0.544**	0.039	-0.119	1							
6 Global mindset	0.466**	0.422**	0.087	0.005	0.380**	1						
7 Manager int. experience	0.067	0.051	-0.067	-0.037	0.133	-0.177	1					
8 Language skills	-0.029	-0.134	0.155	-0.076	-0.092	-0.056	0.152	1				
9 Firm int. experience	0.069	0.028	0.074	0.030	0.027	-0.032	0.201	0.039	1			
10 Ownership	0.261*	0.173	0.042	-0.184	0.251*	0.214*	-0.002	-0.015	-0.093	1		
11 Firm size	0.320**	0.336**	0.088	0.012	0.066	0.273*	-0.005	0.297**	0.210*	0.103	1	
12 Firm age	0.017	0.010	0.026	0.640**	-0.129	-0.067	0.064	0.020	0.689**	-0.242*	0.217*	1
Mean	3.75	52.83	6.73	9.33	0.40	4.25	4.37	1.69	15.31	0.14	1.76	1.32
Std. Deviation	1.02	33.12	5.71	13.02	0.31	0.62	6.91	0.68	11.76	0.35	0.40	0.24
Minimum	2	1	1.0	0	.02	2.5	0	0	0.00	0.00	.95	.78
Maximum	5	100	35.0	97	1.00	5	35	3	64.00	1.00	2.41	2.06

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Table 1. Correlations and descriptive statistics of the key concepts (N = 88).

the firm's founding until the first foreign market sales, and share of foreign customers as a percentage of foreign customers. Additionally, in this study, two contextual, firm-level variables often adopted in IE research (Zahra et al., 2005) were also controlled: firm age and firm size (controlled with the log of total number of years and employees). Correlations and descriptive statistics for all variables are shown in Table 1.

4. Results

Antecedents of the global mindset and the global mindset's impact on firm international performance and behavior were examined according to the model in Figure 1. Linear regression models have been used to test the research hypotheses. The results are presented in Table 2. Control variables (firm age, size, and ownership structure – in Model 1, ownership structure was an independent (not a control) variable) were used in all regression models. As in previous studies (see Nummela et al., 2004), all models (Models 1–6) testing specific hypotheses have two versions: A, examining only the effects of control variables, and B, after inclusion of independent variables. This approach allows us to see whether the explanatory power of the model increased after adding the proposed independent variables.

Model 1 tests hypotheses 1 and 2, suggesting a positive relationship between individual (H1a and 1b) or firm-specific factors (H2a and 2b) and global mindset. Model 1 is significant ($p < 0.05$). However, none of the individual factors, and only one firm-level factor (i.e., ownership), is significant ($p < 0.1$) with a positive coefficient, as expected. Therefore, H1a, H1b, and H2a are rejected, and H2b is confirmed.

Hypotheses 3a and 3b stated that there is a positive relationship between global mindset and international performance measured both subjectively (Model 2) and objectively (Model 3). Both Model 2 and Model 3 are significant and their explanatory power increased significantly when global mindset was added as an independent variable. According to the results, global mindset ($p < 0.001$) positively affects firms' international performance (Models 2 and 3); thus, H3a and 3b are confirmed.

Hypotheses 4a, 4b, and 4c suggested that a global mindset positively influences a firm's international behavior in terms of international time span (H4a, Model 4), number of foreign markets (H4b, Model 5), and share of foreign customers (H4c, Model 6). The results provided support only for hypothesis H4c; Model 6 is significant, as is the global mindset coefficient ($p < 0.001$), indicating a positive impact of a global mindset on a firm's internationalization behavior in relation to its share of foreign customers. Hypotheses 4a and 4b must be rejected as in Model 4 global mindset was insignificant, and in Model 5 it was statistically insignificant.

Dependent variable (hypothesis)	Model summary	Independent variables	Model A Standardized Beta coefficients	Model B Standardized Beta coefficients
MODEL 1 Global mindset <i>Hypotheses 1 and 2</i>	<u>Model A</u> • adjusted R2 = 0.079 • F = 4.745, Sig. = 0.011	Manager international experience	n.a.	-0.155
		Language skills	n.a.	-0.121
	<u>Model B</u> • adjusted R2 = 0.105 • F = 2.692, Sig. = 0.020	Firm international experience	n.a.	0.020
		Ownership	n.a.	0.179†
		Firm age	-0.155	-0.97
		Firm size	0.312**	0.308**
MODEL 2 Internationalization performance subjective – satisfaction) <i>Hypothesis 3a</i>	<u>Model A</u> • adjusted R2 = 0.125 • F = 5.147, Sig. = 0.003	Global mindset	n.a.	0.380***
		Ownership	0.233*	0.170†
	<u>Model B</u> • adjusted R2 = 0.249 • F = 8.195, Sig. = 0.000	Firm age	0.010	0.043
		Firm size	0.294**	0.190†
MODEL 3 Internationalization intensity (objective – FSTS) <i>Hypothesis 3b</i>	<u>Model A</u> • adjusted R2 = 0.102 • F = 4.286, Sig. = 0.007	Global mindset	n.a.	0.342***
		Ownership	0.132	0.076
	<u>Model B</u> • adjusted R2 = 0.199 • F = 6.413, Sig. = 0.000	Firm age	-0.029	0.001
		Firm size	0.328**	0.234*

MODEL 4 Internationalization time span (age at internationalization) <i>Hypothesis 4a</i>	Model A • adjusted R2 = 0.407 • F = 20.894, Sig. = 0.000	Global mindset	n.a.	0.099
	Model B • adjusted R2 = 0.409 • F = 16.046, Sig. = 0.000	Ownership	-0.009	-0.026
		Firm age	0.667***	0.675***
		Firm size	-0.132	-0.159†
MODEL 5 Internationalization scope (no. of foreign markets) <i>Hypothesis 4b</i>	Model A • adjusted R2 = -0.026 • F = 0.260, Sig. = 0.854	Global mindset	n.a.	0.066
	Model B • adjusted R2 = -0.034 • F = 0.275, Sig. = 0.893	Ownership	0.038	0.027
		Firm age	0.018	0.024
		Firm size	0.081	0.062
MODEL 6 Share of foreign customers <i>Hypothesis 4c</i>	Model A • adjusted R2 = 0.038 • F = 2.155, Sig. = 0.099	Global mindset	n.a.	0.350***
	Model B • adjusted R2 = 0.140 • F = 4.552, Sig. = 0.002	Ownership	0.233*	0.165
		Firm age	-0.088	-0.058
		Firm size	0.062	-0.034

† p < 0.10; * p < 0.05; ** p < 0.01; *** p < 0.001.

Table 2. Linear regression models.

4.1. Control Variable Effects

Firm size was significant in Model 1, indicating that managers of larger firms (among SMEs) are characterized by a greater global mindset; in Models 2 and 3, revealing that larger firms achieve higher levels of international performance (measured by both subjective and objective indicators); and in Model 4, indicating that firm size is negatively related to internationalization time span (i.e., firms that are larger today more often started their internationalization soon after their inception). Firm age was a significant predictor only in Model 4, indicating that older firms decided on later internationalization; in other words, early internationalization more probably characterizes younger firms.

5. Conclusions

The present study answered the call to empirically test the importance of managerial cognitive capabilities – the global mindset – in international performance and behavior (Story & Barbuto, 2011; Felício et al., 2012), while also examining antecedents of the global mindset at the individual and firm levels.

Examining the drivers of a global mindset indicated that, contrary to expectations, individual-level characteristics (prior international experience and language skills) have no association with the global mindset of SME managers. In the research sample, 40 of the 88 respondents had no international experience from working or studying abroad; however, 87 of the 88 respondents claimed to speak at least one foreign language. The lack of a postulated relationship may be attributed to the industry setting; all respondents represented firms that operate in the same highly internationalized industry. This may indicate that the significance of the specific context (environment/industry-level factors) plays a more important role in the development of global mindset than the examined individual-level characteristics. For example, in Nummela et al.'s (2004) study, the mean for global mindset on a scale 1 to 5 was 3.24 (standard deviation 1.19), and in this study, the mean was 4.25 (standard deviation 0.62) (although Kyvik et al. (2013) used a very similar operationalization of global mindset, descriptive statistics (mean, standard deviation) for the construct were not provided; thus, they cannot be compared). Given that in both studies global mindset had a similar operationalization, the proposition that formation of a global mindset depends on the industry context seems justified. Another possible explanation for the unexpected results of this study could also be that in a globalized world, and especially in Europe, English serves as a lingua franca; thus, for casual or business communication in work or study and for broadening one's knowledge and understanding of other cultures and markets, it may be sufficient to speak one foreign language – English. This notion seems to be supported by studies on the global spread

of English within applied linguistics and sociolinguistics, where “English as a lingua franca” is abbreviated to ELF. Moreover, other studies on SMEs’ internationalization have yielded mixed results concerning the role of international education, background, and language skills. For example, Kyvik et al. (2013) found that education (operationalized by the level of formal education and language skills) was a significant predictor of global mindset (in a Portuguese subsample of SMEs); however, contrary to expectations, the relationship was *negative*, while in the case of Norwegian SMEs education had an insignificant but still negative effect on global mindset. Also, Felício et al. (2012) decided to examine a similar factor contributing to global mindset, international background, which was composed of three indicators: study abroad, membership in international professional or social associations, and language skills. However, the variable was dropped from the study because it lacked internal consistency; when the influence of individual indicators was examined, only language skills were significant. Nummela et al. (2004) also found that international education of managers did not contribute to the global mindset, but their international work experience did. Similarly, in a related study that examined a number of individual characteristics predicting managerial intention to actively participate in the race for new markets (Sommer, 2010), the level of education, age, language skills, and other trait-oriented items were irrelevant.

Among firm-level antecedents of global mindset, ownership structure (partial share of foreign capital) was positively associated with global mindset, indicating that foreign owners contribute to the development of a global mindset. Contrary to expectations, the impact of firm international experience (measured as years of conducting international operations) was irrelevant for enhancing global mindset. Far from stating that firm international experience does not count when we talk about global mindset, the study findings clearly indicated the need for other operationalizations. Thus, it seems justified to assume that firm international experience (and resulting accumulated knowledge and understanding of foreign markets) cannot be operationalized as a time-based linear process, but such operationalization should rather reflect the complexity of international operations and be content-specific (e.g., referring to diversity of assignments, challenges related to projects, or ongoing international operations). Moreover, it seems that the foreign sales-to-total sales ratio (FSTS) can also serve as a proxy of firm international behavior. Running an additional regression model, in which FSTS served as a proxy of firms’ international experience, the results were quite promising. The model was significant ($p < 0.01$), as was the standardized coefficient (FSTS) = 0.345 ($p < 0.001$), and adjusted R^2 (0.169) was higher than in Model 1. However, if we compare these results with Model 3 (where global mindset explains FSTS), the adjusted R^2 of Model 3 is higher (0.199), and the standardized coefficient (global mindset) is comparable, equal to

0.342 ($p < 0.001$). The weakness of such approach results from the fact that explanum and expandum would be the same.

Prior studies have generally confirmed that the global mindset influences organizational level outcomes; however, aggregated constructs of international performance and behavior were often used, which “masked” the impact of the global mindset on firm internationalization behavior. In contrast, this paper provided insights into specific outcomes: performance and behavior. The findings of this study are generally in line with previous research (e.g., Nummela et al., 2004; Kyvik et al., 2013; Felício et al., 2012), clearly supporting the significance of the global mindset for SMEs’ international performance, measured by both subjective (managers’ satisfaction with performance) and objective (foreign sales to total sales) indicators. Global mindset was also found to be a significant predictor for one of the examined internationalization behaviors (share of foreign customers). However, as a predictor of internationalization scope or timing, it was irrelevant. Taken together, the results indicated that global mindset facilitates operations in international markets (as it was related to foreign sales ratio and share of foreign customers) and it is likely to influence the decision to internationalize. However, the sample of the study consisted only of internationalized SMEs; therefore, this could not be tested. Even so, managerial decisions concerning the number of markets served by the firm and the time of internationalization are determined by individual- and firm-level factors other than the ones examined in the present study. Finally, it should be noted that the study finding that global mindset has no impact on internationalization time span does not interfere with the assumptions that global mindset differentiates born globals from gradually internationalizing firms, as born global firms not only are involved in early internationalization, but also achieve significant foreign sales within the first years of operation.

To sum up, the present study based on Polish SMEs operating in a highly internationalized industry contributes to our understanding of the global mindset, particularly by providing a new context and clearly examining its impact on firm international performance and behavior.

6. Limitations and Future Research Directions

Although the empirical findings presented in this paper can form an important step for broadening our understanding of antecedents and the significance of the global mindset for internationalization of Polish SMEs, the current study has several limitations. First, the sample comprised only firms operating within one highly internationalized sector. Therefore, one could argue that results of this study are context-specific and their application to other industry contexts is limited. Second, the operationalization of the key construct, global mindset, is grounded in prior research; however,

other operationalizations (developed or used in the context of larger firms) postulate greater inclusion of indicators of cultural intelligence (Story et al., 2014), individual attitudes and preferences (Arora et al., 2004; Gupta & Govindarajan, 2002), or social, psychological, and intellectual capital (Beechler & Javidan, 2007; Bowen & Inkpen, 2009). Thus, future studies should include more diversified, cross-industrial samples (e.g., low-, medium-, and high-tech industries) and a broader operationalization of the phenomenon. Moreover, to thoroughly understand the formation and development of the global mindset, longitudinal research is needed. Finally, a promising research stream could examine the relationship between global mindset and psychic distance. Managers with a global mindset can be expected to be characterized by lower psychic distance toward foreign markets and such mindset can be an important distance-reducing mechanism (Child et al., 2009; Puthusserry et al., 2013). Contributing to the discussion on antecedents of global mindset, it would make sense to include firm-level and environment-level factors. According to the findings, some cues suggest that the formation of a global mindset may be related/determined by the characteristics of a particular industry. Therefore, research into the level of industry internationalization in comparison to others in the particular national economy, and also inclusion of institutional factors at the macro level (as suggested by Gaffney et al., 2014), seems promising.

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