UNIVERSITA' DEGLI STUDI DI PADOVA

DIPARTIMENTO DI SCIENZE ECONOMICHE ED AZIENDALI "M. FANNO"

CORSO DI LAUREA MAGISTRALE / SPECIALISTICA IN BUSINESS ADMINISTRATION

TESI DI LAUREA

"THE INFLUENCE OF CULTURE ON THE INTERNATIONALIZATION PROCESS OF BORN GLOBAL SMALL-MEDIUM ENTERPRISES"

RELATORE:

CH.MO PROF. MARTINA GIANECCHINI

LAUREANDA: ANCA GAVRILITA

MATRICOLA N. 1129087

ANNO ACCADEMICO 2017 – 2018

Il candidato dichiara che il presente lavoro è originale e non è già stato sottoposto, in tutto o in parte, per il conseguimento di un titolo accademico in altre Università italiane o straniere.

Il candidato dichiara altresì che tutti i materiali utilizzati durante la preparazione dell'elaborato sono stati indicati nel testo e nella sezione "Riferimenti bibliografici" e che le eventuali citazioni testuali sono individuabili attraverso l'esplicito richiamo alla pubblicazione originale.

Firma dello studente

Anca Gavrilita

ACKNOWLEDGEMENTS

Anca Gavrilita

Padua, March 2018

TABLE OF CONTENTS

INTRODUCTION

Since the '70s, Globalization has contributed to shape the world we currently live in and create an entity in which the boundaries between different countries, not only from a geographical distance perspective but also, and mainly, from a socio-economic one, have become increasingly subtle and less noticeable. Globalization is the result of those epochal changes that helped making businesses "citizens of the world": economic growth of developing countries from an industrial point of view, dissemination and evolution of technologies, especially those related to transport and communications, slow but constant economic-political integration of the world's institutional and geopolitical structures, liberalization of financial flows and resources, convergence of people's cultural and behavior models and so on (Madsen & Servais 1997; McDougall & Oviatt 2000). This phenomenon, therefore, contributed to the creation, for the first time ever, of a global economy, where everything can be produced and sold at any time and in every part of the planet.

There is not a globally accepted definition of the term, however Held and McGrew (2001) helped the literature through the development of their concept of globalization focalized on three aspects: the idea of "*distance action*", where the actions of subjects in a local context have significant consequences for distant subjects; "*spatial-temporal compression*", with reference to the modalities of electronic communication that erodes the boundaries of distance of space and time in interactions and social organizations; "*the acceleration of interdependences*", and therefore of the interconnection between national economies and societies, with the consequence that events of a given country also resonate elsewhere.

This flourishing global economy tiled the path towards international markets expansion of local firms, starting with multinational enterprises and, more recently, with the development of a new type of firms, the so-called Born Global Small-Medium Enterprises. More specifically, the internationalization process of these particular type of firms overcame the already existent traditional models, such as Uppsala's School stage theory of internationalization. As a matter of fact, many authors (Oviatt & McDougall 1994; Madsen & Servais 1997; Chetty & Campbell-Hunt 2004) sustain that traditional literature became obsolete and unable to explain the rapid internationalization process of these new companies, which start their activities abroad within a few years after inception (Cavusgil & Knight, 2015). In recent years, much attention has been paid to the born global small medium enterprises development, although researchers have not been able to agree on the main peculiar aspects of this phenomenon: first, starting with the definition itself, some call them "International New Ventures" or "Global Start-ups" (Oviatt & McDougall, 1995) while others

use the term "Born Global" (Knight & Cavusgil, 2004) as we did throughout this dissertation; second, it is not clear what "rapid internationalization" means, is it a three-year limit like the one imposed by Knight and Cavusgil (1996) or a six-year limit like the one imposed by McDougall et al. (2003)?; third, is it required to be present in at least the world's triad regions, i.e. North America, Western Europe and South-East Asia, or is it enough to be present in at least three overseas markets, irrespective of their geographic location? As it can be seen, the literature is rather fractured and a lot of confusion exists among scholars, resulting in not being able to provide a clear and comprehensive theoretical framework on this topic.

The purpose of this study is to analyze the existing consolidated literature on traditional internationalization models and the recent developments on the Born Global Small-Medium Enterprises, trying to answer to the following research questions:

- Research Question 1: are Born Globals different from the other small-medium enterprises which remained in the domestic market without beginning activities abroad?

- Research Question 2: does the time limit of 3 years required by some authors to define a firm as being Born Global really matter?

- Research Question 3: is there a difference between internationalized small-medium enterprises and domestic small medium enterprises? Which are the characteristics that allowed the first ones to go abroad while the second ones not?

The structure of this thesis is going to be as follows:

Chapter 1 - The Evolution of Culture in International Management Research, will address the topic of Culture and will present a literature review of the most famous cultural models used in the field of International Business Research, being these an important source of support that researchers used in their studies to understand how different cultural contexts influenced firms' performance and/or their internationalization process.

Chapter 2 - The Evolution of Firms' Internationalization Process: A Literature Review, will try to reconstruct the theoretical framework developed through the years while gradually reporting the most relevant studies, concluding with a special focus on the definition, the characteristics and the main issues related to those companies which start to operate internationally within the first years from inception, a.k.a the born-globals.

Chapter 3 – Empirical Analysis and Results, will try to answer to the main research questions of this dissertation by analyzing a set of variables related to 281 small medium enterprises with the application of the Mann-Whitney U Test, a non-parametric tool which identifies if there are differences between two independent groups.

CHAPTER 1
THE EVOLUTION OF CULTURE IN INTERNATIONAL MANAGEMENT RESEARCH

1. INTRODUCTION

Chapter 1 addresses the topic of *Culture* and presents a literature review of the most famous cultural models used in the field of International Business Research, being these an important source of support that researchers used in their studies to understand how different cultural contexts influenced performance and/or required adjustments to avoid related problems (Meyer & Murphy, 2006).

The chapter will begin with the definition of the term "culture" and the different meanings that have been associated to it, specifying that the focus of the thesis, given its aim, will be on the national culture concept, rather than on organizational culture; to follow, there will be the description of the main cultural models used by the literature which are, respectively, Hofstede (1980), Schwartz (2006) and Globe (1991) and their core characteristics will be reported; finally, the chapter will conclude with the analysis of the cultural distance index proposed by Kogut and Singh (1988) and many times used to measure the distance between two cultures, followed by Shenkar's critics made to the construct regarding, more specifically, the illusions and assumptions associated to it.

1.1. An Overview of Culture's Many Shades

The term *Culture* derives from the Latin word *Cultura,* which stands for *Cultivation* or *Growing*. Until the 16th century it referred to the cultivation of the land but, subsequently, its meaning slowly mutated into the process through which a person becomes educated, focusing on the cultivation of the mind, faculties or manners instead. Initially, the term *culture* has been used by anthropological studies as an equivalent to the word *civilization* and only later it finally attained its modern concept of social science (Tylor 1871 cited in Logan, 2013).

In general, it is a difficult and complex task to define culture in a unique and rigorous way, since the term has been used in different fields and could be similar to several other concepts. As an example, Kroeber and Kluckhohn (1952) demonstrated through their research paper "*Culture: a critical review of concepts and definitions*" that there are at least 164 definitions of culture, which could be divided in: descriptive, historical, normative, psychological, structural and socio-genetic definitions. In the following paragraph, to better see the complex nature of the term, a definition for each group will be reported:

Group A, descriptive. These definitions are quite broad and focus on the enumeration of the content: as an example, Tylor (1871) defines culture as "*that complex whole which includes knowledge, belief, art, law, morals, custom and other capabilities and habits acquired by man as member of society*" (cited in Kroeber & Kluckhohn, 1952, p. 43).

Group B, historical. These definitions have an emphasis on the social heritage and/or traditions: as an example, for Park and Burgess (1921), "*the culture of a group is the sum total and organization of the social heritages which have acquired a social meaning because of racial temperament and of the historical life of the group*" (cited in Kroeber & Kluckhohn, 1952, p. 47).

Group C, normative. This group of definitions has the "rule" at the center of their content: as an example, for Wissler (1929), "*the mode of life followed by the community or the tribe is regarded as a culture ... It includes all standardized social procedures ... a tribal culture is ... the aggregate of standardized beliefs and procedures followed by the tribe*" (cited in Kroeber & Kluckhohn, 1952, p. 50).

Group D, psychological. This group of definitions sees culture as a problem-solving stratagem: as an example, for Small (1905), culture is "*the total equipment of technique, mechanical, mental, and moral, by use of which the people of a given period try to attain their ends . . . "culture" consists of the means by which men promote their individual or social ends*" (cited in Kroeber & Kluckhohn, 1952, p. 55).

Group E, structural. The focus of this group is on the patterning of culture: an example is the definition of Willey (1929), according to which "*a culture is a system of interrelated and interdependent habit patterns of response*" (cited in Kroeber & Kluckhohn, 1952, p. 61).

Group F, socio-genetic. In these definitions, culture is seen as a product or artifact, for example, according to Folsom (1928) "*Culture is the sum total of all that is artificial. It is the complete outfit of tools, and habits of living, which are invented by man and then passed on from one generation to another*" (cited in Kroeber & Kluckhohn, 1952, p. 64).

1.2. National culture versus organizational culture

The focus of this thesis will be on national culture rather than on organizational culture, given the purpose of the present dissertation, nonetheless, a short description of the latter is going to be done, in order to better understand that the task of drawing a clear line on the definition of the analyzed term is a very difficult one, given the many shades that characterize culture. Hofstede et al. (1990, p. 288) define organizational culture as "*the way in which members of an organization relate to each other, their work and the outside world in comparison to other*

organizations" and the model that describes how organizational culture could enable or hinder a firm's strategy, also known as Multi-Focus Model, is formed by six autonomous dimensions whose different combinations help getting insights on the company's results and, therefore, on its strategic fit. These dimensions are:

1. *Means – oriented vs. Goal – oriented culture*: from a focus on "how" work is carried out to a focus on "what" results must be achieved;

2. *Internally driven vs. Externally driven culture*: from a focus on "employees know best what is good for customers" to a focus on "adapting to customers' requirements";

3. *Easygoing work discipline vs. Strict work discipline*: from an internal structure that is fluid, predictable and with little control to one that is strict, cost-conscious and serious;

4. *Local vs. Professional culture:* from employees' identification with the boss and/or unit in which they work to their identification with the profession and/or the content of the job;

5. *Open system vs. Closed system*: from a very accessible organization, i.e. open to both insiders and outsiders, to one which is the reverse;

6. *Employee-oriented vs. Work-oriented culture:* from a focus on the welfare of employees to a focus on their performance.

At this point, one could ask what is the difference between organizational and national culture and why the focus of this dissertation is on the latter. Katz (2005) tried to give an explanation on this matter and, according to him, national culture is different from organizational culture mainly because of the different area of expectations deriving from them: one refers to the values of a nation and on specific variables related to it, the other refers to the values of a much smaller, structured organization and on the variables which make it run. The focus of this thesis is on national culture because its aim is to understand the role that culture has on the internationalization process of born global small-medium enterprises.

2. THE MAIN CULTURAL MODELS

There are six renowned cultural frameworks in the literature (Nardon & Steers, 2009), each created by the following authors: Hofstede (1980), Schwartz (2006), Kluckhohn and Strodbeck (1961), Hall (1990), Trompenaars (1993) and the one known as the Globe model (2004). In fact, according to a bibliometric study of International Business Journals made by Reis, Ferreira and Santos (2011), given the high number of citations, the cultural frameworks created by the abovementioned authors are the most used in International Business Research. In the following paragraphs, the main focus will be on Globe, on Hofstede's cultural

dimensions and on Schwartz's cultural values orientations: this choice is made because Hofstede is the pioneer researcher of culture and his studies influenced subsequent researchers while the Globe study represents the most recent and expanded model of cultural measures (Venaik & Brewer, 2008); Schwartz's seven cultural value orientations instead, are helpful in comparing cultural groups to one another. The remaining three frameworks will be shortly described, with the aim of giving a more complete view of the main models used in the literature.

2.1. Hofstede's Cultural Dimensions

Professor and social psychologist Geert Hofstede, one of the pioneers in cross-cultural research studies, played a key role in developing a framework for the evaluation and differentiation of national cultures and cultural organizations.

The empirical research carried out by Hofstede was based on 116.000 questionnaires given to IBM employees from 1967 to 1973, in 72 different countries (Kreitner & Kinicki, 2004). Preliminary database analysis was confusing: country-level versus individual-level patterns of correlations were outstandingly different and required a completely diverse interpretation. As a matter of fact, one of the weaknesses of cross-cultural studies was not distinguishing between analysis at a societal level and analysis at an individual level (Hofstede, 2011). For this reason, Hofstede defined three levels of culture:

- *Universal level*: regards the entire humanity, it is shared by all humans. Specifically, it relates to the biological functions of the human body, i.e. crying, laughing, smiling etc;
- *Collective level*: it does not regard the entire humanity but only a small portion of it, the one that has the same group membership;
- *Individual level*: represents the personal values of each individual.

To measure the national culture of a country, Hofstede used as unit of analysis the collective level and the questionnaires given to IBM employees were organized in four categories of questions: the degree of job satisfaction, how employees perceived the job and the job tasks, the individual beliefs and values and socio-demographic data.

The answers to the questionnaire highlighted many differences among the analyzed countries; the author divided these differences in four cultural dimensions to which, in different studies, a fifth and a six dimension were going to be added (respectively: Hofstede and Bond, 1988; Hofstede, 2010): power distance (PDI), individualism (IDV), uncertainty avoidance (UAI),

masculinity (MAS) and, the subsequently added ones, long-term orientation (LTO) and indulgence (IND).

1) *Power Distance.* The *power distance index* (PDI) is the measure that expresses the level through which members of an organization accept an unequal distribution of power. This dimension is measured through the perception of power, rather than power itself, that an employee has towards his superior and his mental representation of the authority that the superior possesses is going to determine the subordinate's behavior (Bollinger and Hofstede, 1989). To better understand this concept, the following example is presented (Nguyen-Phuong-Mai, 2014): two subordinates perform the same job and have the same superior; in theory, the gap of power between the two parties is identical. Yet, the way they may look at this gap can be quite unalike: the first subordinate may express greater respect for his superior accepting the fact that he possesses most of the decision-making power (high PDI); the other subordinate instead, may contest this power gap by enquiring his superior's decisions and asking for explanation (low PDI). Summarizing, countries that have a high-power distance index have an accepted hierarchical order in which everyone have their own place without having to justify it. On the contrary, countries with low power distance need to balance the distribution of power and require explanation for inequalities.

2) *Individualism.* The *individualism index* (IDV) relates to the tendency that one has in taking care only of himself and of his closest relatives, the opposite of collectivism, which refers to one's propensity of relying on his/her group/community, giving them whole-hearted loyalty in exchange. People living in collectivistic countries think of themselves in terms of "we", their identity is defined by the group membership that they possess, the group has an influence on their private life and the group reasoning prevails on the individual reasoning; on the contrary, people living in individualistic countries think of themselves in terms of "I" they prefer to keep a certain distance when dealing with other society members, the private and professional life is clearly defined and does not overlap. At an organizational level, in individualistic societies, promotions and job distributions occur on the basis of performance and competencies while, in collectivistic ones, these are based on loyalty and seniority.

3) *Uncertainty Avoidance.* The *uncertainty avoidance index* (UAI) measures how people feel about future or unknown situations, how uncomfortable they are when dealing with uncertainty and ambiguity and if they end up wanting to control the future or just let it happen without interfering in any way. Members of societies characterized by low uncertainty control tend to have a more relaxed attitude, each day is taken as it comes, they are comfortable with ambiguity and chaos, they don't have any problems in changing jobs and they are more tolerant towards deviant persons and ideas, since for them diversity evoke curiosity. On the

contrary, members of societies that have high uncertainty control tend to establish rigid codes of belief and behavior, ambiguity is handled as a continuous menace that must be fought, they maintain the same job positions even if these are disliked and they are intolerant towards deviant persons and ideas, since diversity fort them is perilous.

4)   *Masculinity.* The *masculinity dimension* (MAS), opposed to femininity, relates to the division of values between the genders. In a masculine society, people prefer achievement, heroism, assertiveness and material rewards for success, competition is more frequent and work prevails over family. In a feminine society instead, people prefer cooperation, modesty, caring for the weak, quality of life and there is a balance between family and work. It is important to specify that the masculinity versus femininity dimension does not refer to gender roles, i.e. to how a man or a woman is expected to behave but, instead, it shows how masculine or feminine features are influencing conducts and purposes. Therefore, a man can be associated with feminine gender traits such as tranquil and compliant and a woman can be associated with masculine traits such as resolute and disruptive.

5)   *Long-Term Orientation.* The *long-term orientation dimension* (LTO) focuses on how people perceive life activities across a time spectrum, i.e. it relates to how they perceive the impact of past, present and future on their life: how distant they plan ahead, how rapid they expect outcomes and rewards, how significant is saving and spending, etc. In a society that is characterized by short-term orientation people prefer to maintain traditions, universal guidelines about what is good and what is evil are present and societal change is viewed with suspicion since steadiness and stability are favored. In a society characterized by long-term orientation instead, people hearten efforts in education as a mean to better prepare for the future, what is good and what is evil depends on surroundings, traditions are adjustable to new situations and societal change is not viewed with suspicion since adaptability to a changing environment is favored.

6)   *Indulgence.* The *indulgence dimension* (IND), opposed to restraint, measures the ability of a society to satisfy the personal needs and desires of its members. Indulgence refers to cultures that permit moderately free gratification of basic and natural human desires associated with enjoying life and entertainment. On the contrary, restraint refers to cultures that control this gratification of needs and regulate it by using rigid social norms and regulations.

As an example of how Hofstede's six dimensions model works, the comparison between Italy and China's values on each dimension is reported in figure 1.1. This tool explores the culture

of more than one hundred countries through the lens of the 6-D model and gives an overview of the drivers of one country's culture relative to other world's cultures. [1]

Figure 1.1 - China vs. Italy, with Hofstede's six dimensions tool

Source: https://www.hofstede-insights.com/country-comparison/china,italy/
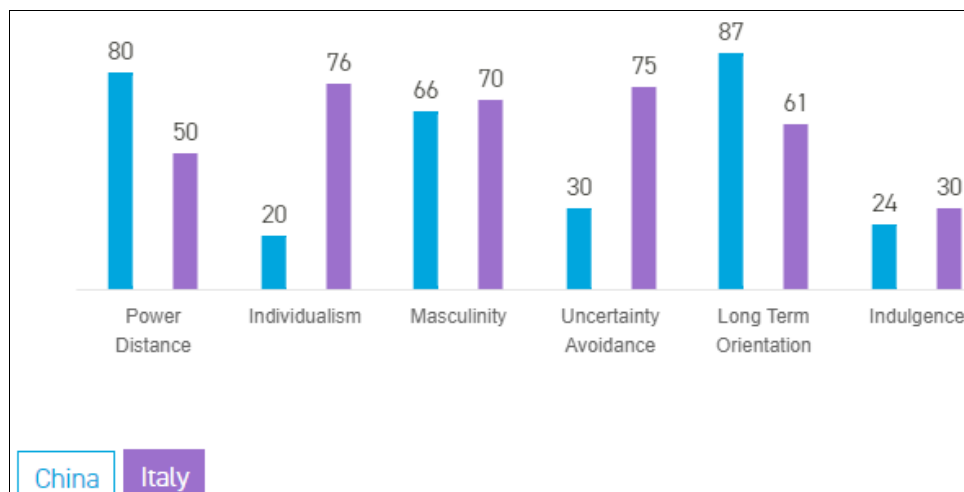
Concluding, Hofstede underlines that the cultural dimensions are just a scheme that helps evaluating one culture and therefore helps undertaking better decision-making processes. Nonetheless, there are other factors that must be taken into consideration, such as: personality, family history, personal richness and so on, since on its own, the six-dimension model does not allow to predict individual behaviors nor does it take into consideration individual personality.

2.2. Schwartz's Cultural Values Orientations

Shalom H. Schwartz (2006, p. 2) defined culture as "*the rich complex of meaning, beliefs, practices, symbols, norms and values prevalent among people in a society*". From his point of view, culture is something exogenous to the human being, it does not rely on the latter's mind nor actions but it depends on the external "pressures" to which individuals are exposed for being members of a complex social system.

His *Theory of Cultural Value Orientations* emerged as a result to his studies on individual changes in value priorities and the effect that these have on attitudes and behaviors. More specifically, Schwartz identifies seven cultural value orientations which, together, constitute three cultural value dimensions and allow a more reliable classification of cultures.

---

[1] For further analysis, Hofstede's comparison tool can be found at https://www.hofstede-insights.com/country-comparison/china,italy/

Values are cognitive representations of human needs, goals or motivations on which people have to communicate in order to coordinate their behavior (Schwartz & Bilsky, 1987). The main features of the value theory are (Schwartz, 1992, 2006): (a) values are seen as concept or beliefs; (b) they are about desirable goals that motivate behaviors; (c) they transcend specific situations; (d) they serve as standards or criteria; (e) they are ranked by importance and (f) the relative importance of multiple values guides action. Schwartz starts his research from three key social problems and from these he theoretically deduces the dimensions of his work, based on the answers of the society (Schwartz, 1994). The key social problems are:

- *How to define the nature of relationships and limits between an individual and a group?*
- *How to ensure that people act in a responsible way that conserves the social system?*
- *How to regulate the management of people's relations with the natural and social world?*

Figure 1.2 - Cultural Dimensions

Subsequently, he uses the way that societies answer to these issues as a mean to identify the dimensions on which cultures may vary from one another, presenting the following resolutions to each of the three problems that challenge all societies: *embeddedness* vs. *autonomy*, *hierarchy* vs. *egalitarianism*, *mastery vs. harmony* (see figure 1.2). In the following paragraphs, each dimension is going to be briefly described.
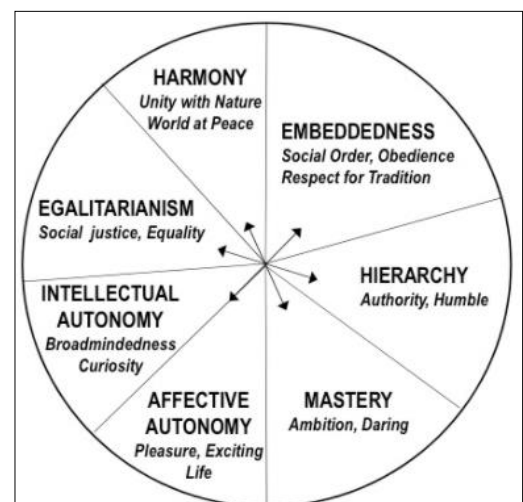
Source: Shalom H. Schwartz, 2006

1)   *Autonomy versus Embeddedness*. This dimension measures the extent to which people are autonomous or embedded in groups. Autonomous cultures are composed by people who are able to express their own predilections, emotional states, thoughts, skills and can find a sense in their own individuality. As figure 1.2 shows, there are two types of autonomy: intellectual and affective. The first one heartens people to follow their own ideas independently; examples of values present in such cultures are curiosity, creativity and broadmindedness. The second one heartens people to chase affectively positive experiences for themselves; examples of values present in such cultures are pleasure, exciting and varied life.

Embedded cultures instead, are composed by people who view themselves as entities embedded in the collectivity. The consequence of this is that social relationships, identification with the group, shared way of life and shared goals are fundamental for individuals. In-group solidarity and traditional order are maintained even if this results in implementing restraining actions. Examples of values present in such cultures are obedience, security, social order and respect for traditions.

2)   *Egalitarianism versus Hierarchy.* This dimension is the answer to the aforementioned second problem, i.e. how to ensure that people act in a responsible way that conserves the social system? Individuals should work in a productive way without implementing a competition that is destructive; interdependencies should be managed and other people's welfare should be considered, as well as a coordination system among these. In egalitarian cultures individuals consider each other as equals who share the same basic interests as human beings while cooperation and actions towards others' benefits are encouraged. Examples of values present in such cultures are equality, honesty, responsibility and social justice. In hierarchical cultures instead, individuals have ascribed roles in order to assure a responsible and fruitful conduct; power, roles and resources are distributed unequally and this results as being legitimate. Examples of values present in such cultures are authority, humility, social power and wealth.

3)   *Harmony versus Mastery.* In harmonious cultures, what is important is possessing a "fitness" to the natural and social world, thus individuals are content to understand and appreciate others rather than aiming to change and exploit them. Examples of values present in such cultures are unity, protection of environment and peace. In mastery cultures people are hearten towards an active self-assertion that proactively makes them seek to master, direct and change the natural and social world in order to obtain individual interests or interests of the group to which they belong. Examples of values present in such cultures are success, ambition, competence, independence, fearlessness and hard work. Together, these dimensions form an integrated, non-orthogonal system of cultural orientations which can be compatible (adjacent in the circle) or incompatible (distant in the circle). Using these cultural orientations, Schwartz generated a global empirical mapping of 76 national cultures which recognizes 7 transnational cultural grouping: West European, English-speaking, Latin America, Confucian influenced, African and Middle Eastern.

2.3. The Globe Model

The Global Leadership and Organizational Behavior Effectiveness (GLOBE) research program created in 1991 by Robert J. House is considered one of the least criticized studies on the characterization of national cultures (Shi Wang, 2011). The ambition of this project was to examine and increase the knowledge relevant in cross-cultural interactions, consequently, its main objective was substantiated in the analysis of the relationships existing among societal culture, societal effectiveness and organizational leadership of countries participating in the project, without neglecting their indicators of economic competitiveness nor the psychologic well-being of their citizens (House et al., 2004). According to Globe research, culture is defined as "*shared motives, beliefs, identities and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations*"[2]. The results of the research are presented in the form of quantitative-based data on the answers of approximately 17.000 middle-managers of 951 organizations belonging to 170 countries (Della Piana, Vivacqua, 2012). The study is developed on nine cultural dimensions that include practices and values in different cultural contexts. In the following paragraphs, the nine dimensions (see table 1.1) reported in "*Culture, Leadership and Organizations: The Globe Study of 62 Societies*" (House, Hanges, Dorfman & Gupta, 2004) are briefly described.

Table 1.1 - The nine units

Performance Orientation	Uncertainty Avoidance	Humane Orientation
Institutional Collectivism	In-Group Collectivism	Assertiveness
Gender Egalitarianism	Future Orientation	Power Distance

Source: Cornelius N. Grove, 2005

1) *Performance Orientation.* It measures the level at which a society heartens and rewards innovation, high standards, excellence and performance improvement. Societies have the following characteristics on this dimension (Grove, 2005):

---

[2] This definition can be found at http://globeproject.com/study_2004_2007#data

HIGH PERFORMANCE ORIENTATION societies:	LOW PERFORMANCE ORIENTATION societies:
• Value training and development • Value competitiveness and materialism • Value what one does > than who one is • View formal feedback as necessary for performance improvement • Expect direct, explicit communication	• Value societal and family relationships • Value harmony with the environment • Value who one is > than what one does • View formal feedback as judgmental • Expect indirect, subtle communication

2) *Uncertainty Avoidance.* It measures the degree to which "*a society relies on social norms, rules and procedures to alleviate the unpredictability of future events*" (House et al. 2004, p. 30). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH UNCERTAINTY AVOIDANCE	LOW UNCERTAINTY AVOIDANCE
• Use formality in interactions with others • Are meticulous and keep records • Rely on formalized policies • Take moderate and calculated risks • Show strong resistance to change	• Are informal when interacting with others • Are less ordered and keep fewer records • Rely on informal norms • Are less calculating when taking risks • Show moderate resistance to change

3) *Humane Orientation.* This dimension is defined as "*the degree to which an organization/society heartens and rewards people for being unselfish, gentle and generous to others*" (House et al, 2004). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH HUMANE ORIENTATION	LOW HUMANE ORIENTATON
• Others' interests are important • Motivation derives from the need of belonging and affiliation • People are inclined to be sensitive to all forms of racial discrimination	• Self-interests are important • Motivation derives from the for power and material possessions • People are not sensitive to all forms of racial discrimination

4) *Institutional Collectivism.* This dimension measures the level of encouragement and rewarding that a society adopts in order to incentivize collective distribution of resources and

collective action (House et al, 2004). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH INSTITUTIONAL COLLECTIVISM	LOW INSTITUTIONAL COLLECTIVISM
• Members assume they are interdependent with the organization • Group loyalty is encouraged • Rewards are driven by seniority • Critical decisions are made by groups	• Members assume they are independent with the organization • Pursuit of individual goals is encouraged • Rewards are driven by performance • Critical decisions are made by individuals

5)   *In-Group Collectivism.* This dimension analyzes the "*degree to which individuals express pride, loyalty and cohesiveness in organizations or families*" (House et al, 2004). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH IN-GROUP COLLECTIVISM	LOW IN-GROUP COLLECTIVISM
• Duties are important determinants of social behaviors • Strong distinction between in-groups and out-groups • Pace of life is slower	• Personal needs are important determinants in social behavior • Little distinction between in-groups and out-groups • Pace of life is faster

6)   *Assertiveness.* Assertiveness investigates the behavior of individuals in their relationships with others, i.e. how much assertive, confrontational and aggressive they are (House et al, 2004). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH ASSERTIVENESS	LOW ASSERTIVENESS
• Value competition, success and progress • Communicate directly • Try to control the environment • Expect initiatives	• Value cooperation and relationships • Communicate indirectly • Try to be in harmony with environment • Expect loyalty

7)   *Gender Egalitarianism.* This dimension measures the degree to which a culture tries to minimize gender inequality (House et al, 2004). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH GENDER EGALITARIANISM	LOW GENDER EGALITARIANISM
• More women in authority positions	• Fewer women in authority positions
• Similar levels of educational achievement for male and females	• A lower level of educational achievement for women
• Women have a greater decision-making role	• Women have little of no decision-making role

8)   *Future Orientation.* This dimension refers to how much people in a society are future-oriented, by planning and delaying gratification (House et al, 2004). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH FUTURE ORIENTATION	LOW FUTURE ORIENTATION
• Propensity to save now for the future	• Propensity to spend now rather than save
• Emphasize working for long-term success	• Prefer gratification as soon as possible
• Organizations are flexible and adaptive	• Organizations are inflexible and have many difficulties in being adaptive

9)   *Power Distance.* Power distance measures the degree to which individuals of a collective expect power to be distributed equally (House et al, 2004). Societies have the following characteristics on this dimension (Grove, 2005):

HIGH POWER DISTANCE	LOW POWER DISTANCE
• Society is differentiated into classes	• Society has a large middle class
• Power is seen as social order provider	• Power is linked to corruption & coercion
• Resources are available to few people	• Resources are available to all people
• Information is localized ad hoarded	• Information is widely shared
• Upward social mobility is limited	• Upward social mobility is common

The results of the research exhibited the possibility of grouping the participants to the Globe Project in ten cultural clusters (Chokar et al, 2008) as it is showed in table 1.2.

Table 1.2 – Cultural Clusters

ANGLO CULTURES	ENGLAND, AUSTRALIA, SOUTH AFRICA (WHITE SAMPLE), CANADA, NEW ZEALAND, IRELAND, USA
LATIN EUROPE	ISRAEL, ITALY, PORTUGAL, SPAIN, FRANCE, SWITZERLAND (FRENCH-SPEAKING)
NORDIC EUROPE	FINLAND, SWEDEN, DENMARK
GERMANIC EUROPE	AUSTRIA, SWITZERLAND, NETHERLANDS, GERMANY (FORMER EAST), GERMANY (FORMER WEST)
EASTERN EUROPE	HUNGARY, RUSSIA, KAZAKHSTAN, ALBANIA, POLAND, GREECE, SLOVENIA, GEORGIA
SUB-SAHARAN AFRICA	NAMIBIA, ZAMBIA, ZIMBABWE, SOUTH AFRICA (BLACK SAMPLE), NIGERIA
LATIN AMERICA	COSTA RICA, VENEZUELA, ECUADOR, MEXICO, EL SALVADOR, COLOMBIA, GUATEMALA, BOLIVIA, BRAZIL, ARGENTINA
MIDDLE EAST/ARAB CULTURES	QATAR, MAROCCO, TURKEY, EGYPT, KUWAIT
SOUTHERN ASIA	INDIA, INDONESIA, PHILIPPINES, MALAYSIA, THAILAND, IRAN
CONFUSIAN ASIA	TAIWAN, SINGAPORE, HONG KONG, SOUTH KOREA, CHINA, JAPAN

Source: Chokar et al, 2008

This classification of clustered countries can be considered useful in detecting cultural distances among countries, in fact, it indicates how big is the difference on cultural values between two or more countries and, substantially, it points out the similarities or dissimilarities among cultures (Della Piana & Testa, 2009).

2.4. Other Cultural Models

In the following paragraphs, the remaining three cultural models created by Kluckhohn and Strodbeck, Hall and Trompenaars will be shortly presented.

1) Kluckhohn and Strodbeck's cultural dimensions

Cultural anthropologists Florence Kluckhohn and Fred Strodbeck created a cultural model based on value orientations sustaining that all groups face a limited number of problems, to which, there is a limited number of solutions; moreover, they argued that in each society values are spread in such a way that a dominant value system is formed (Nardon & Steers, 2009).

The cultural dimensions created by the two authors are the followings:

- *Relationship with nature*, refers to the degree of control that individuals exert on nature; the scale anchors are: mastery (people must control nature), harmony (people should work with nature), subjugation (people must submit to nature).

- *Relationship with people*, refers to the structure that a society should adopt; the scale anchors are: individualistic (social structure based on individuals), collateral (social structure based on groups composed by equal individuals), lineal (social structure based on groups composed by hierarchical relationships).

- *Human activities*, refers to what people believe about their own goals; the scale anchors are: being (people should focus on living the moment), becoming (people should focus on developing themselves), doing (people should focus on achieving accomplishments).

- *Relationship with time*, refers to what scale anchors influence decisions, i.e. past, present or future.

- *Human nature*, refers to what people think of the humans; the scale anchors are: good (people are inherently good), neutral (people are inherently neutral), evil (people are inherently evil).

2) *Hall's cultural dimensions*

Cultural anthropologist Edward T. Hall focused his research study on the way that cultures change in interpersonal communication, including also variables as personal space and time (Nardon & Steers, 2009). The cultural dimensions created by Hall are the followings:

- *Context*, refers to the degree to which the context of a message is as significant as the message itself; the scale anchors are: low context (direct communication, the message is enough to transmit its meaning), high context (indirect communication, the message needs a context to transmit its meaning).

- *Space*, refers to the degree to which people are relaxed sharing physical space with others; the scale anchors are: territorial (space must be clearly defined), communal (space is shared comfortably with others).

- *Time*, refers to the ability of being multitasking or not; the scale anchors are: monochronic (sequential attention to individual tasks), polychromic (simultaneous attention to multiple tasks).

3) *Trompenaars' cultural dimensions*

Fons Trompenaars' cultural model focuses on the variations of values and personal relationships across cultures (Nardon & Steers, 2009). The cultural dimensions created by this author are the followings:

- *Universalism – Particularism*, refers to the application of rules and policies across members of society: are rules applied equally to everyone or they depend on situations and/or on the people involved?

- *Individualism – Collectivism*, refers to the derivation of one's identity: do people get their identity from within themselves or from the group they belong to?

- *Specific – Diffuse*, refers to how much people's roles are compartmentalized or integrated: are individuals' roles clearly separated or are they clearly integrated?

- *Neutral – Affective*, refers to the freedom of publicly expressing emotions: are individuals induced to hide feelings or to express them in public?

- *Achievement – Ascription*, refers to the way respect and social status are conferred to people: are they given on the basis of performance or on the basis of inherited status?

- *Time Perspective*, refers to the influence of past and future in daily activities: are people past/present oriented or future-oriented?

- *Relationship with Environment*, refers to people's beliefs of controlling the environment or being controlled by it: are people inner-directed or outer-directed?

2.5. Hofstede, Globe and Schwartz: A Comparison

Comparing the three cultural frameworks analyzed in the previous subsection, one can observe that, from a methodological point of view, there are some elements of similarity between the authors, for example: the number of nations analyzed (for all of them), the number of respondents (for Hofstede and Schwartz) and the type of respondents (for Hofstede and Globe); on the contrary, the elements of dissimilarity for all the authors are: the time period and the industry analyzed, together with the types of organization they considered (see table 1.3 for further details).

Table 1.3 - Hofstede, Globe and Schwartz: a comparison

	HOFSTEDE (1980)	**GLOBE** (2004)	**SCHWARTZ** (2006)
Time period	Late '60s and early '70s	1994-1997	1988-2006
N. of dimensions	5	9	7
Nations	74 nations	62 nations	67 nations
Type of respondents	Non-managerial employees	Managers	Teachers and students
N. of respondents	88.000	17.000	75.000

Researchers involved	Hofstede	House and other 170 researchers around the world	Schwartz
Industries	Information technologies	Food processing, financial and telecommunication technologies	Society and its values
Types of organization	IBM and subsidiaries	Non-multinational	Societal groups
Focus	Thinking and social action	Leadership, organizational effectiveness	Cultural values

Source: Adapted from "Interpreting Hofstede Model and GLOBE Model: Which Way to Go for Cross-Cultural Research?", (Shi & Wang, 2011) and integrated with "Hofstede vs Schwartz vs Globe" (Moalla, 2011)

If the focus moves to the content, id est, on the dimensions derived from their research, one can see that a grouping of the considered dimensions could be made (adapted from Hsu 2013, p. 42). The first category could be named "Authority" and the dimensions that belong to it are:

- *Hofstede's power distance;*
- *Schwartz's egalitarianism vs. hierarchy;*
- *Globe's power distance;*

In this case, Hofstede's dimension is more alike to Schwartz's dimensions than to Globe's power distance; this because for the first two authors power is seen from a perspective of acceptance and expectance of authority, while for Globe, power refers to the control of others (De Mooij, 2016).

The second category could be named "Self and Group" and the dimensions that belong to it are:

- *Hofstede's individualism vs. collectivism;*
- *Schwartz's autonomy vs. embeddedness;*
- *Globe's in-group collectivism;*

In this case, all three dimensions are similar and take into consideration the same variables when measuring their national culture level (De Mooij, 2016).

The third category could be named "Social/Natural Environment" and the dimensions that belong to it are:

- *Hofstede's masculinity vs. femininity;*
- *Schwartz's mastery vs. harmony;*
- *Globe's gender egalitarianism vs. assertiveness.*

All these dimensions consist of values associated with the relationship between males and females, with the level of assertiveness, with the focus on achievement and success; the only exception seems to be made by Schwartz's "mastery", which refers mostly to achievement rather than on other variables (De Mooij, 2016).

The fourth category could be named "Uncertainty" and only two cultural frameworks' dimensions can be found in it:

- *Hofstede's uncertainty avoidance;*
- *Globe's uncertainty avoidance;*
- *No dimension for Schwartz;*

The fifth, and last, category could be named "Time Influence" and, again, only two cultural frameworks' can be found in it:

- *Hofstede's short/long-term orientation;*
- *Globe's future orientation;*
- *No dimension for Schwartz*

As it can be seen, for the last two categories, Schwartz's cultural framework didn't present any dimensions that could be included, given the fact that his model is composed only by three pair sets of dimensions: embeddedness vs. autonomy, mastery vs. harmony and hierarchy vs. egalitarianism, all belonging to the first three categories abovementioned. To these couldn't be added Hofstede's and Globe's remaining dimensions, id est, indulgence, performance orientation and humane orientation, this because they refer to different values and measure different variables (De Mooij, 2016).

3. NATIONAL CULTURE AND DISTANCE

The following paragraphs will present the relationship between national culture and distance. Subsection 3.1 will shortly describe the concept of distance in International Management Studies; this will be followed by subsection 3.2 and 3.3 which will present, respectively, the psychic distance model and the cultural distance index; to conclude, subsection 3.4 will revisit the cultural distance index reporting Shenkar's critics of its basic assumptions.

3.1. The Concept of Distance in International Management Research

The concept of distance has been used in a variety of international business phenomena, mainly applied when analyzing the internationalization process, a.k.a entry modes, of firms and the influence that foreign cultures have on it (Hutzschenreuter, Kleindienst & Lange, 2013). The basic belief of most of research consisted in assuming that an increase in distance comports an increase in the struggle of gathering, examining and understanding information about foreign markets and, as a consequence, about doing business abroad (Hakanson and Ambos, 2010). There is a remarkable body of literature that focused on the concept of distance (geographic, religious, linguistic, economic and/or administrative distance) however, over time, two main theories developed majorly: the psychic distance model emerged in the '70s as a milestone of the Uppsala model of internationalization and the theory of cultural distance created by Kogut and Singh in 1988, as an extension of Hofstede's national culture framework. Thanks to Dow and Karunaratna's research (2006) on the psychic distance construct, a better way of measuring distance has been released, id est, the psychic distance scales. These scales are superior to Koghut and Singh's index because of their robustness in covering a broad range of factors which potentially influence the distance between a firm and a market (Dow and Larimo, 2008). In the following paragraphs both models will be described.

3.2. The Psychic Distance Model

The term "psychic distance", was created by Beckerman in 1956, when doing his empirical research on intra-European trade flow. As the author stated, it is more likely for close countries to trade among themselves than it is for far countries because the first ones are closer from both a psychic point of view, i.e. fewer language, cultural difficulties etc., and an economic point of view, i.e. less transportation costs and time. Over time, the term has been developed and researchers at the University of Uppsala (Johanson and Valhne, 1977) defined it as "the sum of factors preventing the flow of information to and from the market. Examples are differences in language, education, culture and industrial development". More recently, Dow and Karunaratna (2006) developed a more complete conceptualization and measurement of the construct; they stated that the psychic distance among countries is a function of the following five dimensions: education levels, differences in languages, industrial development, political systems and religion.

1)   *Educational level.* This dimension influences the way people communicate and interpret information; countries having big educational differences present a bigger risk and

uncertainty of a manager to correctly communicate and understand information coming from those countries.

2)   *Differences in languages.* Language similarity increases the odds of having an efficient communication (Tushman, 1978), this is why, many firms tend to stay within their language groups, especially during the initial expansion phase (Welch & Marschan-Piekkari, 2001). Therefore, language differences increase both the costs and risks of a transaction.

3)   *Industrial development.* This dimension refers to the influence that it has on the nature of people's employment. In fact, business to business communication and interactions are influenced by the economic development that a country has; for instance, an economy that is highly based on agriculture will be considerably different from one which is based on services instead; thus, these differences will add more costs and uncertainty to foreign transactions.

4)   *Political systems.* Governments policies affect business decisions in many ways, some of these are the enforcement of contracts or anti-competition laws. As a consequence, the risk of foreign firms investing a different political system increases because of the misjudgment that managers may do when forecasting how a government is likely to react in specific situations.

5)   *Religion.* It is important not to forget about this dimension because of the importance that is has on culture, attitudes and norms in general. Often, from an individualistic point of view, religion guides people's behaviors and define what is acceptable and what is not.

Comparing psychic distance from the point of view of the Uppsala model and that adopted by Dow and Karunaratna, one can find some common elements between the two approaches, id est, the concept of a multidimensional psychic distance, the correlation between the latter and the work of the management, the influence exerted by the knowledge of the environment in which a firm decides to enter. As previously mentioned, Johanson and Valhne prefer a step by step internationalization process while Dow and Karunaratna focus more on the influence of objective forces (macroeconomic drivers) on the subjectivity of a decision maker, i.e. the objective stimuli of the environment are evaluated by the conscience of the decision-maker who forecasts the outcomes taking into account his/her past experiences, age and/or level of education.

Empirical evidence on the psychic distance concept can be seen in the following research papers:

- Nebus & Chai (2014), "*Putting the "psychic" Back in Psychic Distance: Awareness, Perceptions and Understanding as Dimensions of Psychic Distance*": the focus of this paper is on the "psychic" aspect of PD; it replaces "distance" with awareness,

perceptions and understanding of managers of the decision-making process, in order to create a multidimensional psychic distance construct.

- Yildiz (2014), *"Not All Differences Are the Same: Dual Roles of Status and Cultural Distance in Sociocultural Integration in Cross-border M&As"*: this paper enhances the conceptual understanding of the distance concept by focusing on status differentials between individuals and organizations, more specifically by analyzing the impact of cultural distance and status effects on socio-cultural integration in cross-border M&As.

- Hutzschenreuter, Kleindienst & Lange (2014), *"Added Psychic Distance Stimuli and MNE Performance: Performance Effects of Added Cultural, Governance, Geographic, and Economic Distance in MNEs' International Expansion"*: this paper uses the psychic distance dimensions (cultural, administrative, geographic and economic) to test whether added distances have a negative performance effect in international expansions.

- Gooris and Peters (2012), *"Home-Host Country Distance and Governance Choices in Service Offshoring"*: this paper analyzes how different home/host country distances generate different types of uncertainties and how these influence offshore governance choices.

3.3. Kogut and Singh's Cultural Distance Index

Cultural Distance between two different countries can be measured by using the index published by Kogut and Singh (1988) in their research paper *"The effect of national culture on the choice of entry mode"*, in which their main hypothesis consisted in stating that the bigger the cultural distance between the country of the investing firm and the country of entry, the more likely a firm will choose a joint venture or wholly owned greenfield over an acquisition. This because culturally distant countries will require a bigger amount of investment for the latter with respect to the formers, given the increased effort of managing a foreign workforce in a distant country. For the authors, the entry mode choice is a function of one country's cultural characteristics, firm variables and industry variables:

$$\text{Entry Choice} = f \text{ (country variables; firm variables; industry variables)}$$

The firm variables refer to the diversification, experience, multinationality and asset size that a company possesses while the industry variables refer to R&D and Advertising expenditures, with two sectoral dummies (manufacturing and services) used to control the exogenous effects not capture by the formers. The country variables instead, refer to two dimensions: cultural distance between the country of the investing firm and the one of entry and the

behavior towards uncertainty avoidance that it is expected to meet. It is at this point of the research paper that the cultural distance index is made explicit: for Kogut and Singh national culture distance refers to the "*degree to which the cultural norms in one country are different from those in another*". Further on, they composed the index by using the deviation of four of Hofstede's national culture dimensions, id est, power distance, individualism, uncertainty avoidance and masculinity. The formula of the index is the following one:

$$CD_{ju} = \sum_{i=1}^{4} \{(I_{ij} - I_{iu})^2 / V_i\} / 4$$

Where CD_j stands for cultural distance of the jth country from the considered state, I_{ij} is the index for the ith cultural dimension and jth country, I_{iu} is the index for the ith cultural dimension for the uth country and V_i is the variance for the ith cultural dimension.

In international management literature on entry mode and national culture, cultural distance has been extensively used as an index of psychic distance given that its easy metric did not require the collection of data, since it used, instead, secondary data (Nebus & Chai, 2013). For this reason, critics did not take long to arrive: first, cultural distance index was imperfect since it was not essentially the dominant component of psychic distance; secondly, its illusions of symmetry, stability and linearity made it often give inconsistent results (Shenkar, 2001). The following subsection will deepen the critic made by Oded Shenkar to the cultural distance construct.

Empirical evidence on the psychic distance concept can be seen in the following research papers:

- Shin, Hasse & Schotter (2015), "*Multinational Enterprises Within Cultural Space and Place: Integrating Cultural Distance and Tightness–Looseness*": this paper focuses on explaining how and why the effects of cultural distance influence expatriate parent-country nationals and integrates the cultural distance concept with the norms-based tightness-looseness concept;
- Chen, Kirkman, Kim & Farh (2010), "*When Does Cross-Cultural Motivation Enhance Expatriate Effectiveness? A Multilevel Investigation of The Moderating Roles of Subsidiary Support and Cultural Distance*": this paper analyzes expatriate' cross-cultural motivation and effectiveness finding a positive relationship for these when expatriates are assigned to foreign subsidiaries characterized by lower cultural distance;
- Malhotra, Sivakumar & Zhu (2011), "*Curvilinear relationship between cultural distance and equity participation: An empirical analysis of cross-border*

acquisitions": this paper examines the relationship between cultural distance and equity participation, finding that the former has a curvilinear (U-shaped) relationship with the latter.

3.4. Cultural Distance Index revisited: Shenkar's illusions

In its "*Cultural Distance Revisited: towards a more rigorous conceptualization and measurement of cultural differences*", Oded Shenkar (2001) made a critical review of the cultural distance concept, reaching the conclusion that the surely convenient quantitative measure risks turning out to be illusory, due to its many problems. According to the author, the three main applications of the CD[3] index may give inconsistent results because of some hidden assumptions on which the construct is based. The following paragraph will briefly focus on these topics.

As previously mentioned, Foreign Direct Investment (hereafter FDI) represents the most famous field of application of Kogut and Singh's index. In FDI literature, the primary thrusts of cultural distance are the sequence of foreign investment, the entry mode and the affiliate performance. According to the first one, firms are less inclined to invest in markets that are distant culturally (Davidson, 1980), however research demonstrated also the opposite (Dunning, 1988); according to the second one, the higher the CD, the higher should be the control on foreign operations (Root, 1987; Davidson & McFeteridge, 1985), yet, research showed that the degree of control also declined with a more unfavorable environment (Buckley & Casson, 1976; Vachani, 1991); the last one, instead, is based on the assumption that CD limits the ability of a multinational enterprise to generate rent when entering new domains (Chang, 1995), nonetheless, on this topic empirical research has been mixed (Barkema, Shenkar, Vermeulen & Bell, 1997).

These inconsistencies of the three main FDI thrusts may derive from the conceptual and/or methodological properties of the CD construct, which is based on some hidden assumptions that are not supported by empirical evidence (Shenkar, 2001). The conceptual properties refer to the following illusions:

- *Illusion of Symmetry*: the distance from A to B is equal to the distance from B to A; however, there is no support for this assumption, on the contrary, home and host country effects are different in nature, the former being entrenched in the firm while the latter being a national environment.

---

[3] CD = Cultural Distance

- *Illusion of stability*: measured at a single point in time, CD is assumed to be constant; however, cultures change over time and the culture measure at time of entry may differ from the measure at time of performance. This is in line with Webber's convergence theory (1969), according to which CD narrows over time because of a more involvement of investors in foreign markets.

- *Illusion of linearity*: assumption of linear impact on investment, entry mode and performance; however, according to the Scandinavian school, differences in learning curves may exists; moreover, CD and experience may also have a non-linear influence on ownership (Erramili, 1991); and, finally, adaptation to a foreign culture may be U-shaped (Black & Mendenhall, 1991).

- *Illusion of causality*: culture is seen as the only determinant of distance with relevance to FDI; however, research focused on a broader concept of "distance", which does not have only one element (culture) but is formed by psychic distance (Johanson & Vahlne, 1977), geo-cultural distance (Goodnow & Hansz, 1972), socio-cultural distance (Richman & Copen, 1972), and other key characteristics of nations such as religion, language, government etc., (Boyacigiller, 1990).

- *Illusion of discordance*: assumption based on the fact that differences in cultures produce lack of fit; however, not every cultural gap is critical to performance since "*different aspects of firm culture may be more or less central, difficult to transmit and/or critical to operations*" (Tallman & Shenkar 1994, p. 108); moreover, cultural differences may be complementary and therefore positive (Shenkar & Zeira, 1992).

The methodological properties, instead, refer to the following assumptions:

- *Assumption of corporate homogeneity*: there is lack of corporate culture variance; however, corporate culture can modify the behavior and beliefs associated with national culture (Weber, Shenkar & Raveh, 1996).

- *Assumption of spatial homogeneity*: there is uniformity within the national unit; however, intra-cultural variation may be able to explain as much, if not more, than inter-cultural variation (Au, 2000).

- *Assumption of equivalence*: the index itself is just an aggregate of Hofstede's national dimensions; therefore, it becomes target of the same criticism made against Hofstede. However, the index amplifies the criticism in two ways: it does not incorporate the 5th dimension (LTO) and it assumes equivalence (the aggregate measure may provide false information, since some dimensions may be more or less disruptive than others).

Therefore, according to Shenkar, given these conceptual and methodological properties, the cultural distance construct is illusory, since "*it masks serious problems in conceptualization and measurement, undermining its validity and challenging its theoretical role and application*" (Shenkar 2012, p. 2).

4. CONCLUSIONS

This chapter focused on culture and on its importance in the International Management Research field. Section 1 presented an introduction of the term culture, describing its complex nature and the different meanings associated to it, as Kroeber and Kluckhohn (1952) demonstrated with their 164 definitions of the abovementioned term. Section 2 instead, focused on the main cultural models existing in the literature, describing Hofstede (1980), Schwartz (2006) Globe's model (2004) and also making a comparison on these, subsequently it briefly presented the remaining authors' cultural models: Kluckhohn and Strodbeck (1961), Trompenaars (1993) and Hall's (1990). Finally, Section 3 analyzed the concept of distance in International Management Research, describing the two main constructs: the psychic distance and the cultural distance model as well as the latter's critic made by Shenkar (2001).

CHAPTER 2
THE EVOLUTION OF FIRMS' INTERNATIONALIZATION PROCESS: A LITERATURE REVIEW

1. INTRODUCTION

The concept of internationalization can be defined as the set of processes aimed at guaranteeing to a firm the possibility of being present or actively participating in markets at an international level (Gubitta, 2013); an important element related to the term is that when talking about internationalization the main aspect to think about are the modes of entry in a foreign country undertaken to grasp the opportunities that the country offers, if the entry in a foreign market is finalized exclusively to the exploitation of a cost advantage, instead, this does not entirely belongs to the definition of internationalization but rather it refers to another field of studies, related to delocalization processes (Gubitta, 2013).

The literature regarding the internationalization process of firms, while investigating the causes and methods of the latter over the years, offered numerous but disparate contributions to the topic, making it complex to address such subject according to a single perspective (Andersen et al., 2014). Therefore, Chapter 2 will try to reconstruct the theoretical framework developed through the years while gradually reporting the most relevant studies. Hence, this chapter is structured as follows: after a brief explanation of what entry modes mean, section 2 will deal with Pre-Hymer theories, followed by section 3 regarding Hymer and post Hymer theories while section 4 will face the topic of born global small-medium enterprises and section 5 will report the conclusions to this chapter.

1.1. The modes of Entry

The modes of entry through which a firm can access a specific foreign market are usually divided in three categories (Root, 1998): exporting, intermediate entry modes and hierarchical entry modes. In the first category, there are two types of exporting methods: *indirect export*, through the use of a local company or *direct export*, if the firm performs the majority of the exporting activities itself. The second category comprehends the *contract manufacturing*, i.e. outsourcing production to a local partner, *licensing*, i.e. a similar arrangement to the latter but involving a longer term and a greater responsibility, *franchising*, i.e. an arrangement where a party grants another one the right to use its product and tradename or the entire business format package, and *strategic alliances/joint ventures*, i.e. an arrangement through which two or more parties agree to invest resources for the purpose of accomplishing common objectives. The third, and last, category includes *domestic-based sales representatives*, i.e. a

representative of the home country of the manufacturer who travels abroad to perform sales functions, *subsidiaries*, i.e. local companies owned and operated by foreign companies observing the laws and taxation of the host country, *acquisitions and greenfield investments*, i.e. buying an already existing company or creating one from the scratch.

2. PRE-HYMER THEORIES

It is universally accepted that the formal birth of the international business theory took place with the publication of Stephen Hymer's PhD dissertation, "*The International Operations of National Firms*" in 1960 (Buckley, 2010). Before this year, theories about international business existed, the only problem was that these were fragmented and did not have the right label through which they could be identified (Dunning & Lundan, 2008). As a matter of fact, until the '50s the prevailing economic theories still referred to neoclassical models, analyzing the phenomenon of internationalization not from a business activity perspective but from an international flow of goods and capital. The traditional, or basic theories of international trade, had as their object the trade of "different" products belonging to different merchandise classes between countries and this import and export of goods that crossed different national borders were mainly explained through two models: the first one was Smith's absolute advantage theory while the second one, was the model of comparative advantage created by Ricardo (Dem'atté et al., 2008).

In the following sections, the foremost known literature up to 1960 on the considered topic will be reported: subsection 2.1 will present the absolute advantage theory of Adam Smith; next, subsection 2.2 will focus on David Ricardo's comparative advantage theory and, finally, the factor endowments theory of Heckscher and Ohlin will conclude the pre-Hymer theories.

2.1. Smith's Absolute Advantage Theory

The theory of absolute advantage was created by Adam Smith in his book "*An Inquiry into the Nature and Causes of the Wealth of Nations*" published in 1776. Smith, essentially, suggested that a nation which possesses an absolute advantage on a particular product could use profits from trade to buy items which other countries can produce more efficiently (Schumacher, 2012). His general argument was that a nation should not hesitate to trade with other countries because it would be foolish to pay more to produce something nationally, if this could be bought at a cheaper price internationally.

More specifically, the theory of absolute advantage is the belief that a nation will get the utmost from the manufacture of products that exploit the most readily available resources. It is believed that the easiest access to particular materials, skill sets and other similar elements

will make a country better suited for a specific type of production. Benefits of this theory may include greater efficiency and cost savings. When a nation has an absolute advantage, it has something that is desirable for other nations and this stimulates commerce (Skousen, 2007). Usually, this theory is presented with an example of two countries and two commodities (2x2 model): each country is able to produce one good with less expenditure of human labor than the other, therefore, at a lower cost; this implies that each country has an absolute advantage in the production of one good. To better understand the concept, the following example is reported (Schumacher, 2012): Nation A possesses an absolute advantage in the production of commodity 1 because it only requires 3 labour days to produce one unit of it while Nation B requires 6 labour days instead (*see table 2.1*); vice versa, Nation B has an absolute advantage in commodity 2.

Table 2.1 – Absolute advantage in the production of one good

Labor days required to produce one unit of	Nation A	Nation B
Commodity 1	3	6
Commodity 2	8	4

Source: Schumacher R. - Adam Smith's theory of absolute advantage

Supposing that the two countries begin trading with each other, this will comport a specialization in the production of the good they have absolute advantage in and obtain the other commodity through international trade. From a general welfare point of view, more units of both commodities will be produced overall thanks to the fact that the available resources are used in a more efficient way. As a consequence, through trade, both countries will have at disposition more consumption units: in the abovementioned example, Nation A will specialize entirely in commodity 1 while Nation B in commodity 2.

To summarize, Smith's absolute advantage theory states that it is more advantageous for a nation to incentivize, and then export, the production of goods in which it is more efficient (lower production costs), importing only those goods that it is not able to produce in an efficient way.

2.2. Ricardo's Comparative Advantage Theory

David Ricardo raised a problematic aspect of the absolute advantage theory in his "*On the Principles of Political Economy and Taxation*" (1817); more specifically, he inquired what would happened if a country had an absolute advantage in both the assets considered? Given these deficiencies that he observed in explaining territorial specialization as a basis for

international trade, Ricardo developed the theory of comparative advantage (Chand, 2015): there is a comparative advantage situation when a country presents a lower opportunity cost in the production of a good, compared to other countries; this implies a relative advantage situation, since the considered country should not only produce goods in which they have an absolute advantage but also those in which they are the best at, compared to other countries. Basically, what happens, ceteris paribus, is that a country tends to specialize in and export those products in which it has a maximum comparative advantage (or minimum comparative disadvantage and import those products in which it has a lower comparative advantage (or a greater comparative disadvantage). As a result, in a market system, countries export goods that have a lower opportunity cost and import those that have a higher one; therefore, each country should specialize in the production of goods which can be achieved at a lower cost, namely those for which its advantage is relatively higher.

Ricardo based his theory of comparative advantage on a series of hypotheses (Kilic, 2002):

- Only two countries and two goods are considered;
- Labor is the only productive factor;
- Free trade and perfect competition are in place;
- There are no technological changes;
- Scale returns are constant;
- There are no transportation costs nor customs duties;
- There is perfect mobility within each country but complete immobility from one country to the other.

The causes of international trade, therefore, rely on the difference between comparable costs and on the exchange rate (i.e. the relationship between the price of an exported good and the price of an imported one) which must be included in the analysis of the convenience of trade. The limits of Ricardo's theory are linked to the hypotheses on which he based his framework: not taking into account technological changes, custom duties or transportation costs, supposing constancy of production costs and all the above mentioned (Colucci 1988, cited in Corazzina, 2015 p. 6).

2.3. Heckscher & Ohlin's Factor Endowments Theory

The comparative advantage theory has been modified by Eli Heckscher and Bertil Ohlin, two Swedish economists, during the first half of the 1930s. The Heckscher-Ohlin model (also known as HO model), helps predicting a country's pattern of trade, i.e. its composition of exports and imports, based on the endowment of factors of production in its possession.

Basically, it assumes that production methods are different between countries, even if their technology is identical: different methods, therefore, translated into different combinations of capital and labor (Clements, 2007). What the HO model states, more specifically, is that a country will export goods that are intensive in its relatively abundant factor and will import goods that are intensive in its relatively scarce factor (Adhia, 2014). The model is based on the following hypotheses:

- Two countries, two productive factors (labor and capital) and two products are considered;
- The producers of the two nations have the same level of information and technology;
- The factors of production are characterized by mobility within the country but not between nations while the products are mobile in both cases;
- Perfect competition is in place;
- Consumers' preferences are equal in both countries;
- There are no transportation costs nor custom duties;
- The return to scales are constant.

The limits of this model are linked to the fact that there is no reference to technological changes and consequently the model does not correspond to the reality of imperfect competition markets (De Benedictis and De Filippis, 1988).

3. HYMER AND POST-HYMER THEORIES

After World War II, these theories became inadequate for a complete treatment of the economic phenomena that were taking place: the trade and direct investments abroad were not due only to macroeconomic variables, to productive factors' endowment or to differentials in interest rates but they were inextricably linked to the process of international expansion of companies (Brouthers & Hennart, 2007). In fact, during this period of time, two major changes intervened: on one hand, many companies took shape for the first time as multinationals by deciding to expand beyond border and, on the other hand, large flows of capital started to circulate among different nations. These innovations led some scholars to recognize the existence of market imperfections, questioning the previously formulated neoclassical theories and rethinking the assumptions underlying the studies on internationalization processes.

In the following paragraphs, the Hymer and post Hymer theories on international expansion and entry modes will be presented, according to four categorization paradigms implemented by Andersen, Ahmad and Chan in their "*Revisiting the theories of internationalization and foreign market entry mode: a critical review*" (2014); these paradigms, i.e. market

imperfection paradigm, behavioral paradigm, market failure paradigm and current approaches, assemble together nine major internationalization theories, which are, respectively, the monopolistic advantage and international life cycle theory for the first one, the internationalization and the networks theory for the second one, the internalization, eclectic and transaction cost theory for the third one and the resource-based together with the contingency theory for the last category (see table 2.2).

Table 2.2 - Theories of Internationalization and Entry Modes

Paradigm	Theory	Choice of entry	Author
Market Imperfection Paradigm	Monopolistic Advantage Theory	FDI or Licensing	Hymer (1960)
	International Product Life Cycle Theory	Exporting and FDI	Vernon (1966)
Behavioral Paradigm	Internationalization Theory	Sequential stages entry modes	Johanson & Wiedersheim (1976)
	Networks Theory	FDI or low control modes	Hakansson (1987)
Market Failure Paradigm	Internalization Theory	FDI or licensing	Buckley & Casson (1976)
	Eclectic Theory (OLI framework)	Exporting and FDI or Licensing	Dunning (1977)
	Transaction Cost (TC) Theory	High or low control modes	Anderson & Gatignon (1986)
Current Approaches	Resource-based View (RBV)	High or low control modes	Wernerfelt (1984)
	Contingency Theory	Franchising or WOS	Okoroafo (1990)

Source – Readapted from Andersen, Ahmad and Chan (2014)

3.1. Market Imperfection Paradigm: The Monopolistic Advantage Theory and The International Life Cycle Theory

According to the market imperfection paradigm, in imperfect markets the certainty of a competitive environment is higher and a firm obtains more market power, controls products and prices and gains higher profits (Sharma & Erramili, 2004). Therefore, there is also an incentive to control foreign markets (Hymer, 1960), however, international operation is more

costly and multinational corporations need to have some advantages in order to bear those costs (Axinn & Matthyssens, 2002).

The Monopolistic Advantage Theory. Stephen Hymer, in his "*A theory of monopolistic advantages and market imperfections*" (1960), establishes the transition from a macro perspective, i.e. referred to the nation, to a micro perspective, i.e. related to the company. In fact, Hymer comes to the conclusion that the phenomenon of internationalization should not be simply traced back to the international flows of goods and capital, since foreign direct investments are "*a complex and organized set of transactions that allow the transfer of capital, technologies and organizational skills from one country to another one and, as such, it should be more appropriately attributable to the business activities' field*" (Dematté 2008, p. 2-3). Based on these considerations, Hymer expects the company to grow at the national level initially, gradually increasing its profits. However, once the saturation level of the domestic market has been reached, the only way available to the company is to use the profits obtained to start a process of expansion. More specifically, when there are structural market imperfections, such as economies of scale, knowledge advantages, diversification and other imperfections in the goods, factors and competition markets, the firm can use its advantages, i.e. valuable firm-specific assets that are not easily replicated by competitors, to obtain a monopolistic power in foreign markets. Firms must also consider the additional costs of doing business abroad in an unknown environment where local competitors possess both tangible and intangible advantages, establishing, therefore, the basis of the concept of liability of foreignness, namely the limitations related to the language, economy, culture, social and political system; all these barriers can be assimilated to fixed costs, in the sense that once they are sustained they do not reappear. Hence, if market imperfection is high and firm-specific advantage is superior w.r.t local competitors, FDI will be preferred; otherwise, licensing is adopted (Andersen, Ahmad & Chan, 2014).

The International Product Life Cycle Theory. Proposed by Vernon (1966), it assumes that the international business expansion follows the same path of the product life cycle process through four phases. More specifically, the author states that the companies established in developed countries have equal chances of accessing scientific knowledge but, unfortunately, this does not apply also to the development of new products. In fact, according to Vernon, companies located in territories characterized by a relatively advanced outlet market, enjoy a sort of innovative advantage that allows them to anticipate and satisfy the demand of other countries. Based on these considerations, Vernon explains the four phases that mark the path of introduction and development of a technologically new product on the market. These phases are (Andersen, Ahmad & Chan, 2014):

1. *Introduction*: during this phase, production is relatively low with no standardization, moreover, costs are not a key factor since the main focus is on communication; for this stage, exporting is suggested.
2. *Growth*: during this phase, standardization increases slightly, firms try to cut costs and gain economies of scale; for this stage, investment in moderate-income developed countries is suggested.
3. *Maturity*: during this phase, competitors in foreign countries produce alternative products in order to gain profits and share the market; the product is standardized and firms may locate their production in developing countries.
4. *Decline*: during this stage, firms from host countries enter the market and compete with local firms by offering cheaper and alternative products while demand in developed countries declines; companies will necessarily have to relocate their production units to developing countries.

Therefore, according to this framework, exporting is preferred during the early stages of a product life cycle while, in later stages, foreign direct investment should be adopted. The most important limitation of Vernon's model regards the fact that he focused entirely on the product and its characteristics, without giving enough space to the company and processes' innovations; as a matter of fact, the multi-product companies are excluded from the model.

3.2. Behavioral Paradigm: The Internationalization Theory and The Networks Theory

From this paradigm's perspective, internationalization is seen as a reactive and progressive learning procedure in which seeking for knowledge motivates firms to expand to foreign markets (Blomstermo, Sharma & Sallis, 2006). According to the first theory of this paradigm, internationalization occurs slowly and gradually in stages, given the high resource commitment required however, with the development of the second theory, the stages foreseen previously can be skipped, thanks to the creation of a network of relationships.

The Internationalization Theory. Johanson and Wiedersheim (1975) developed this theory following the internationalization process of four Swedish firms; the authors argue that in order to expand abroad, firms need an attitude towards internationalization which is given by experiences gained from international activities. More specifically, when going abroad companies face many barriers and risks; in order to reduce them, they need to obtain knowledge of foreign markets, thus this induce internationalization to be a gradual process of four sequential stages that represent higher degrees of international involvement and resource

commitment. In the first stage, the firms operate in the domestic market with no export activities; in the second stage, firms export their products by means of agents in host countries; in the third stage, firms establish an overseas sales subsidiary; and, in the final stage, firms locate their production line overseas (Andersen, Ahmad & Chan, 2014).

Following this logical thread, other models were developed afterwards, for instance, the Uppsala internationalization stages, also known as U-model (Johanson & Vahlne, 1990), and the Innovation-related models of internationalization, also known as I-models (Ruzzier, Hisrich & Antoncic, 2006). According to the first one, when a firm has limited knowledge of foreign markets and/or it has experience and a certain level of maturity, the same firm uses high control modes of entry in a foreign market; according to the second one, before going abroad, a firm must first gain a non-indifferent amount of experience in the domestic market. Therefore, firms initially enter a foreign market using indirect exporting as a low control entry mode and then they switch to direct exporting and wholly owned subsidiaries as high control modes.

The Networks Theory. According to this theory, founded following the changes in business practices and market variations such as greater homogenization, lower transaction costs, developed experience of managers abroad etc., the internationalization process occurs much faster because the market no longer appears as a sum of independent suppliers and customers, instead, they constitute the business network, a network of subjects who exchanges information with each other, creating medium and long-term relationships; the industrial network predicts that a company's relationships can be used as bridges with other networks (Johanson and Vahlne, 2009).

Basically, network relationships empower firms to expand overseas much faster and the traditional models of internationalization are no longer appropriate. By using networks, a firm can transform the complementary assets of its partners into its own resources and gather knowledge, since it gives access to various sources of information. The degree of internationalization depends on both the networks established by the firms and the position that they have on that network. Firms' internationalization is more based on opportunities as a result of the previous contacts than on strategic decisions. As a consequence, there should not be any definite sequence pattern in the internationalization process and the network approach should be interpreted as a search for dynamic complementarities among firms belonging to markets with different growing and economic potentials (Andersen, Ahmad & Chan, 2014).

Consequently, given all the above, if network relations provide strong competitive advantages, FDI is preferred. Otherwise, low control modes such as externalization and collaboration are adopted.

3.3. Market Failure Paradigm: The Internalization Theory, The Eclectic Theory and The Transaction Cost Theory

This paradigm established itself in the late 1970s and has been dominant since (Sharma & Erramili, 2004). It is derived from Coase's (1937, cited in Andersen, Ahmad & Chan, 2014, p. 40) theory on the nature of a firm, according to which the choice between markets and hierarchies depends on their relative efficiency. Basically, the paradigm states that, with perfect competition, low control modes of entry are more efficient, such as exporting or licensing; in the presence of a market failure, however, foreign direct investment and internalization of operation is to be preferred.

The Internalization Theory. This theory has been initiated by Buckley & Casson (1976) with the aim to analyze the growth of American MNCs after World War II, finding that the reason why these companies internalized their resources relied on an easier distribution of these between product categories and/or target markets. In fact, the minimization of costs takes place when the best structure, based on costs' assessment, is applied for each production phase (Chen & Mujtaba, 2007). Basically, if a transaction is considered to be risky and requires a high level of resource commitment, firms will internalize it (Freeman, Cray & Sandwell, 2007). Given the markets' imperfections, internationalization brings to firms five overall advantages (Buckley & Casson, 1976): coordination of a many-stage process, an efficient use of market power, reduction of instability, elimination of buyer uncertainty/ disparity of knowledge, reduction of tax liability on international transactions due to internal transfer pricing. When deciding to internalize or not, companies must compare these benefits with the cost of internalization, such as higher resource allocation costs, increased communication costs, costs of foreignness and costs of managing multicurrency operations.

Summarizing, the internalization theory contemplates "*low entry modes as the default mode of operations in foreign markets; firms prefer FDI and establish their facilities overseas only when the costs related to non-interfering transactions, such as exportin and licensing, in the market are higher than the costs of internal transactions*" (Andersen, Ahmad & Chan, 2014, p. 51). Therefore, if firms face a high market failure, foreign direct investment is preferred; otherwise, licensing is adopted.

The Eclectic Theory (OLI Model). The eclectic approach proposed by Dunning (1977, 1980, 2000) suggests that the strategies used by companies to expand abroad depend greatly on the advantages they hold; it is undoubtedly a theory that describes the processes of internationalization very broadly, but it can still be considered a valid tool to explain why companies decide to expand into foreign markets. In this regard, Dunning identifies three

types of advantages (see figure 2.1) that encourage companies to invest outside the domestic market:

- *Ownership advantage*, generally linked to the possibility for the company to have resources and competences that allow it to obtain a competitive advantage over foreign competitors;

- *Location advantage*, related to the presence of favorable conditions in the territories within which the company intends to expand. These conditions, in fact, allow the company to further enhance the skills and resources available to it. Among the most common localization advantages we can find lower cost of inputs, availability of infrastructures, lower transportation costs and lower barriers to international trade;

- *Internalization advantage*, i.e. the set of motivations that push a company to directly control and coordinate its own advantages of ownership, without transferring it to third parties.

Figure 2.1 – An eclectic model of entry strategy
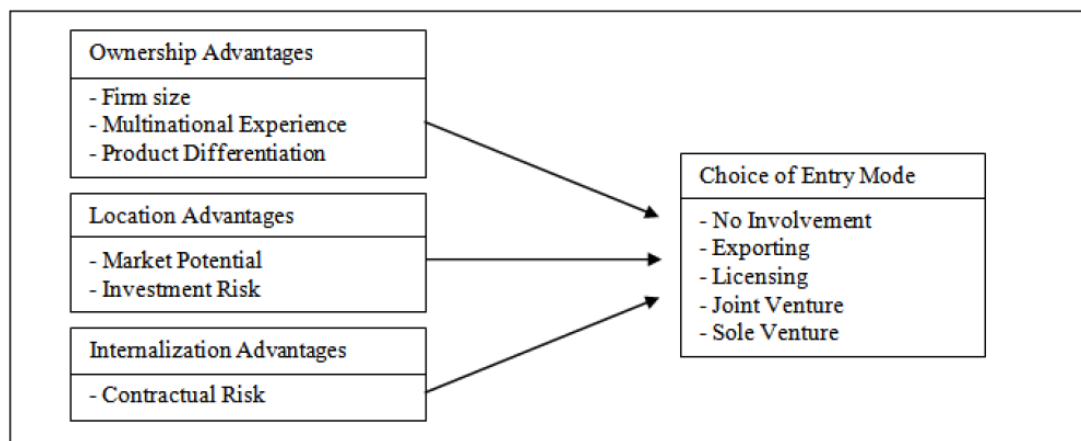
Source: Agarwal & Ramaswami (1992); Choo & Mazzarol (2001

Basically, the first advantage explains who can locate operations overseas, the second one shows where to locate them and the third one indicates why a firm choose foreign direct investment rather than licensing, assuming that FDI occurs only when all three advantages work together (Andersen, Ahmad & Chan, 2014).

Dunning subsequently identifies four types of companies, depending on the objectives they set in relation to the foreign market; these are: *natural resources seeker*, which have the aim of making investments that allow them to obtain inputs at an advantageous price compared with the domestic market; *market seekers*, which have the aim of accessing developing markets and exploit the new potential demand; *efficiency seekers*, i.e., companies which aim to develop new economies of scale and scope or to diversify the business risk; *strategic asset*

seekers, which have the objective of consolidating their position in the market through acquisitions.

Therefore, when referring to entry modes (see fig. 2.1), if the domestic market has a location advantage, exporting is preferred; if the latter resides in the host market instead, a high internalization will result in FDI; otherwise, licensing is adopted (Andersen, Ahmad & Chan, 2014).

The Transaction Cost Theory. Anderson and Gatignon (1986) presented this theory while trying to explain the reason underlying a firm's decision to create a production line in a foreign market rather than licensing its technology or negotiating contracts with local companies. To select an appropriate governance structure, firms need to make a comparison between the costs of internalizing the activities and the costs of making the transaction on the market. Depending on the result of this comparison, there can be a market governance, which will be characterized by open market transactions; a hierarchy governance which, instead, will be characterized by transaction within the firm's boundaries; and, finally, a hybrid form of these two (Seggie, 2012).

Basically, according to the transaction costs approach, the costs of making economic exchanges in a market may overdo the costs of establishing the exchange within a firm. The costs to be considered must be both those incurred ex ante, like negotiation costs, and those incurred ex post, like monitoring costs. In choosing entry modes, firms have to make trade-offs between control (benefit of integration) and cost of resources commitments (cost of integration).

Thus, when adaptation costs, performance costs and safeguarding costs are low, firms favor market governance and low control modes are adopted. If asset specificity, environmental and behavioral uncertainty is high, firms prefer high control modes (Andersen, Ahmad & Chan, 2014).

3.4. Current Approaches: The Resource-based View and The Contingency Theory

These two major approaches appeared during the 1980s; the resource-based view (RBV) explains how firms acquire competitive advantage from resources and capabilities, considering the choice of entry in all types of markets; the contingency theory, instead, focuses on the circumstances in which the choice is made and on the people who make it (Andersen, Ahmad & Chan, 2014).

The Resource-based View. Wernerfelt's RBV (1984), is based on Penrose's (1959) theory on the growth of the firms and on Rubin's (1973) theory on the expansion of the firms. According to Andersen, Ahmad & Chan (2014, p. 61), the resource-based view "*believes that if a firm has abundant resources and can use them successfully, it will be able to compete in*

international markets and attain its long-term goals". Basically, the company is interpreted as a system of resources, both intangible and tangible, that are unique; moreover, firms are heterogeneous due to the nature of the resources and skills they have at disposition and also for the modalities of employment of these; finally, depending on the availability of these resources and on their way of employment, the firms realize, during their activity, various levels of returns on their investments (Freddi, 2000).

Consequently, because firms' resources are heterogeneous and relatively immobile, some of these have a comparative advantage and superior financial performance compared to the others, however, the type of entry mode depends on the type of resource advantage they possess: if the firm-specific advantage is superior knowledge based on tacit information, the firm should pursue a hierarchical governance structure (internalization); if the firm faces capability constraint in an unfamiliar area of activity, collaborations are more useful (Andersen, Ahmad & Chan, 2014). Hence, firms with strong firm-specific resources prefer high control modes while, if the contrary happens, low control modes are adopted.

The Contingency Theory. The previous models of internationalization's literature ignored the significant part of decision-makers, being more content-oriented (Decker & Zhao, 2004). Okoroafo's (1990) contingency theory, also known as business strategy approach, has been influenced by Fiedler's (1967) findings on leadership styles, who suggested that these depended on "*various situational factors, including leader-member relationships, task structure and leader position*" (Andersen 2014, p. 66). Given the existence of organizational and environmental constraints, according to the contingency theory, managers do not look for optimal choices but they are keen to accept also satisfactory ones (Cumberland, 2006): they try to transform decisions into simpler tasks, with only few variables by using hierarchical processes, and to break up the problems and the environment into sub-systems; this way, the entry mode and the market choice become two codependent strategic decisions.

Summarizing, the previous models were content-oriented and ignored the role of decision makers while this theory suggests that expansion strategies depend on trade-offs between market attractiveness, specific-resources and management attitudes. Therefore, the choice of entry mode depends on the internal and external environmental factors.

4. BORN GLOBAL SMALL-MEDIUM ENTERPRISES

As mentioned in the previous section, until the end of the 1980s, economists described internationalization as a gradual phenomenon that considered firms' foreign expansion only after having reached the following milestones: technological maturity, penetration of the geographical market in the country of origin, volumes sales that guaranteed economies of

scale that would have allowed to cover the higher costs related to international markets (Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975). However, since the beginning of the 1990s, other economists have questioned the validity of these theoretical models, deeming them not applicable to a growing number of companies that faced the issue of internationalization since the early years of the company's life, the so-called "Born Globals" (Jones, Coviello, & Tang, 2011; Keupp & Gassmann, 2009; Kiss, Danis, & Cavusgil, 2012).

In the following paragraphs, an introduction of the born global small – medium enterprises will be presented, starting with the definition, the characteristics and the main issues related to these companies which start to operate internationally within the first years from inception; subsequently, the focus will move on the drivers that determine the birth of a born global firm and, finally, a traditional versus a global approach to internationalization will be briefly described.

4.1. Born Global SMEs: definitions, characteristics and issues

The term Born Global appears for the first time in the McKinsey magazine (Rennie, 1993) following the publication of a research conducted on Australian exporters and, in particular, on those belonging to the small-medium enterprises that had an increasing rate of exports in the previous five years – the so-called "emerging exporters". In fact, according to Rennie (1993, p. 47) *"though small, with total average sales of $16 million, these firms are successfully competing – and winning – against larger established players worldwide"*.

Born Global is a term associated to those companies that expand their international activities at or near the founding (Knight & Cavusgil, 1996; Rennie 1993) or, according to Oviatt and McDougall's International New Venture definition, which the literature considers being a synonym of the analyzed term, it is *"a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries"* (1994, p. 49). In particular, in their research paper, the two authors considered two dimensions, i.e. coordination of value chain activities and number of countries involved, to detect four types of international new ventures: export/import start-ups, multinational traders, geographically focused start-ups, global start-ups; each type differs from the others because it possesses a peculiar competitive advantage that distinguishes it.

However, even if most of the literature agrees with the similarity between the terms born global and international new venture, some authors sustain, instead, that there are some differences that set the two terms apart. In particular, related to this argument, some issues appeared: first, it is not clear what "rapid internationalization" means, is it a three-year limit

like the one imposed by Knight and Cavusgil (1996) or a six-year limit like the one imposed by McDougall et al. (2003); second, when does internationalization take place, from the planning or from the business formation phase?; third, what is the geographic diversity and commitment to the markets required for BG and for INV? For some, Born Globals commit resources to triad markets, i.e. North America, Western Europe and South-East Asia (Rugman, 2006), within their first three years of activity, having a turnover of at least 10 per cent in each region; international new ventures, instead, according to Crick (2009, p. 458) "*only need to have outward internationalization within three years of business start-up, representing in total at least 30 per cent of turnover to at least three overseas markets, irrespective of their geographic location, i.e. market commitment to global regions does not feature as part of criteria unlike BGs*".

Therefore, according to these two views, the term "global" suggests firms must be present in at least the world's triad regions while the term "international new venture" suggests a quick internationalization made to catch opportunities but does not necessarily imply a global presence. This thesis rely on the abovementioned definition provided by Knight and Cavusgil (1996), for the purpose of the analysis that is going to be made in Chapter Three.

4.2. Born Global Drivers: the factors that determine the "birth" of a born global

Given the incremental diffusion of the born global companies as an undeniable consequence of the globalization phenomenon (Oviatt & McDougall, 1995), it is important to understand what are the factors that led to the birth and spread of these firms, i.e. which are the drivers that pushed an investor to create a BG rather than other types of companies. For instance, why does an entrepreneur choose to internationalize his business immediately, giving rise to a BG, rather than, as the stage theory would suggest, develop the business in the domestic territory, enlarging and consolidating it, and only eventually take the road of international markets? As a matter of fact, to undertake an international activity is not at an easy task to do, considering the many peculiarities that make entrepreneurial activity even more difficult than it is for a domestic company. Among the many challenges that born globals face when going abroad, the main three disadvantages to overcome are:

1 – Liability of smallness – the disadvantage of being a small company makes it more difficult to compete against large companies already present in the market, given the fewer resources available; for instance, small enterprises may not be able to reach economies of scale nor other advantages related to the size, such as funding and/or contract stipulation with suppliers (Phelan et al., 2006).

2 – Liability of newness – i.e. the additional costs that a new company has to face, compared to an already solid and long-established firm (Knight & Cavusgil, 2004). As a matter of fact, older companies always look at young companies with hostility and are often reluctant of creating relationships with them for competitive reasons (Phelan et al, 2006).

3 – Liability of foreignness – in this case, as previously mentioned, a firm is at disadvantage in a foreign market with respect to the local companies because it is not acquainted with the national culture of the country (Knight & Cavusgil, 2004) in which it wants to start operations and therefore, it must face the so-called psychic distance and/or cultural distance barrier explained in chapter one.

These are three different concepts that can often be expressed together; Other types of companies other than BG are also exposed to the risks described above, however, the challenge is greater for Born Globals because they have to face all three disadvantages jointly: this implies lower profits and a greater probability of failure for BGs (Phelan et al., 2006). This series of negative aspects does not seem to be in line with what empirical analyzes suggest: the BG companies are a phenomenon that is constantly increasing and their diffusion may rise the question related to what pushes a company to become BG if it has to face high disadvantages that make it more difficult to carry out a business activity (Phelan et al., 2006). Among the drivers that induce companies in general to rapidly expand their business abroad, one can find: the globalization of markets and the demolition of trade barriers (Phelan et al., 2006; Knight & Cavusgil, 2004), the improvement of technology, with a faster communication thanks to the advent of internet (Knight & Cavusgil, 2004; Madsen & Servais 1997; Cannone et al., 2012; Kudina et al., 2008), the reduction of transportation costs and the growth of international trade (Knight & Cavusgil, 2004), the greater ease of accessing financial resources (Presutti et al., 2008; McDougall, 1994) and human resources anywhere (Canone et al., 2012). More specifically, when referring to born globals particularly, Madsen & Servais (1997) suggest that the factors that determine the birth of a born global can be separated into three groups: the first one related to the founder, the second one related to the organization and the third one related to the environment. In a further analysis, Baronchelli and Cassia (2008), identified seven determinant factors and classified them as external, the first three, and internal, the remaining four (*See Fig. 2.2*)

Figure 2.2 - Drivers of Born Global firms
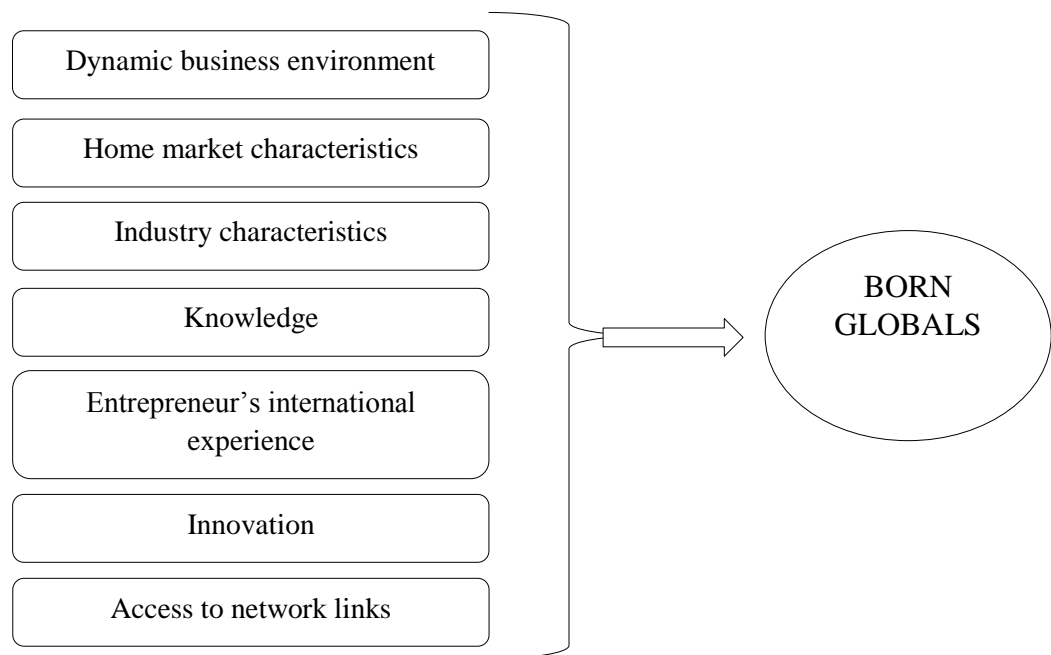
Source: Adapted from Baronchelli & Cassia (2008)

The first driver, i.e. the *dynamic business environment* relates to the technology development, the degree of external change, elimination of trade barriers, deregulations and privatizations, etc. (Laanti, 2007); the *home market characteristics* refers to how these firms perceive the domestic market, i.e. too small and/or too mature (Gabrielsson et al., 2008); The *industry characteristics* instead, relates to the fact that most of born globals are present in high-tech industries or in niche markets (Freeman & Cavusgil, 2007); The *knowledge* factor resides in two sources: the prior experience of founders and managers and the collaboration with international networks (Laanti et al, 2007); *Entrepreneur's international experience* relates to the latter's prior involvement with foreign markets, be it because of education or work (Oviatt & McDougall, 1995); *Innovation* instead, refers to the capabilities of a firm to implement a successful product innovation and keep in line, or even surpass other firms' innovativeness (Knight & Cavusgil, 2004); finally, *access to network links* relates to the benefits that firms achieve thanks to the belonging and collaboration to these networks (McDougall et al., 1994).

4.3. A "Traditional" vs. a "Born Global" approach to internationalization

According to Chetty and Campbell-Hunt's research paper (2003), the core differences between a traditional, i.e. a stage process, and a born-global approach to internationalization rely in ten main attributes which the two views adopt differently (*See Table 2.3*).

Table 2.3 - Differences between a traditional and a global approach to internationalization

Internationalization attributes	Traditional view (stage model)	Born-global view
Home market	Domestic market first	Domestic market irrelevant
Prior internationalization experience	None expected	Solid experience of founder or managers
Internationalization extent	International markets developed serially	Many international markets developed at the same time
Internationalization pace	Gradual	Rapid
Psychic / cultural distance	Relevant	Irrelevant
Learning to internationalize	Slowly, according to accumulated experience	Rapidly, because of pre-existing knowledge
Firm strategy	Not central to internationalization	Important to internationalize rapidly and gain competitive advantage
Use of information & communication technology	Not central to internationalization	Key role as enabler of global market reach and learning
Business partners' networks	Used in early stages, but then replaced with firms' resources	Crucial to reach a rapid development globally
Internationalization time	Slow, not crucial to success	Within a few years from inception, crucial to success

Source: Adapted from "A Strategic Approach to Internationalization" (Chetty & Campbell-Hunt, 2003)

First of all, when referring to the home market and to the prior internationalization experience of founders/managers, the traditional view develops the domestic market first and does not expect any international experience while, the global view sees the domestic market irrelevant and an extensive international experience is deemed to be very important; second, when referring to internationalization extent and pace, the traditional view develop international markets serially and in a gradual way while the global view do the same rapidly with many markets at the same time; third, learning and psychic/cultural distance, for the traditional view learning occurs slowly, according to the accumulated experience in the country the firm operates and the concept of distance is relevant while for the global view, on the contrary, learning occurs rapidly and distance becomes irrelevant; fourth, when referring to strategy and technology, for the traditional view none of these are important to internationalization

decisions while for the global one, not only they are important, but they may play a key role as enablers of global reach and development; last, but not least, networks and time are, for the traditional view, respectively, used in the early stages but not crucial to success while, for the global view, they are crucial to success and internationalization takes place within a few years from inception (Chetty & Campbell-Hunt, 2003).

5. CONCLUSIONS

This chapter analyzed the process of internationalization adopted by firms by presenting the relevant determinants which are to be considered from the perspective of many theories. The literature review, in particular, shows that the existing frameworks related to the analyzed topic are numerous and dispersed, risking to end up in a rather high level of confusion. Moreover, recent developments brought to existence a new type of companies, the born globals, which seem to defy what traditional literature gave for consolidated and broadly accepted. More specifically, Chapter 2 addressed the following topics: definition of entry modes, literature review of pre-Hymer and post Hymer theories as well as the description of the born global small-medium enterprises, together with their main characteristics, issues and behaviors.

CHAPTER 3: EMPIRICAL ANALYSIS AND RESULTS

1. INTRODUCTION

Before proceeding with the analysis required to answer the research questions asked in the "Introduction" section of this dissertation, it is important to deal first with the topic of cultural distance and the importance that this has on the internationalization process of born global small-medium enterprises, the very same title of the present thesis. Differently from the traditional approach to internationalization, the born global approach decreases the relevance of the psychic/cultural distance construct to the minimum. As a matter of fact, the first one assumes that companies enter a new country's market depending on the degree of psychic/cultural distance between the home country of the firm and the foreign market considered; the second approach instead, treats psychic/cultural distance as an irrelevant element during a firm's internationalization process (Chetty & Campbell-Hunt, 2003). Considering the firms in our database, we can observe which foreign countries' markets they chose to enter (see table 3.1) and on the basis of this information, by using the world's cultural clusters created by Ronen and Shenkar (2013), we can observe the diversity of the markets chosen, not only from a geographical distance point of view but from a psychic/cultural perspective too.

Table 3.1 – Foreign markets of destination

	Cultural Distance Mean	Born Global	Non-Born Global
African	2,8	2	
Anglo	1,4	1	
Arab	2,2	1	
Confucian	2,5	4	
East Europe	1,5	12	7
Far East	2,8	1	1
Germanic	0,5		1
Latin America	2,1	1	
Latin Europe	1,1	1	
Near East	1,7	6	3
Nordic	2,9		2

In particular, table 3.1 shows the eleven cultural clusters in which born global and non-born global firms carry on their business activities and the mean of Kogut and Singh's cultural distance index for each one of these clusters, considering Italy as the home country.

It is clear that, starting from the clusters with lower cultural distance - such as Germanic with a 0,5 value, Latin Europe with 1,1 and Anglo with 1,4 - and moving forward to those clusters represented by higher cultural distance - such as Confucian with a 2,5 value, Far East with 2,8 and Nordic with 2,9 - the influence that culture had on the internationalization process of these firms was of little importance. More specifically, it is interesting to point out the peculiar case of the born global companies, which, within three years from inception, were able to reach the markets of countries belonging to almost all world's cultural clusters.

Therefore, given the cultural diversity of the countries in which the born global and the non-born global small and medium-sized enterprises have brought their activities abroad and the amount of time spent to do that, i.e. maximum three years for the first ones and maximum seven years for the second ones, we can confirm the statement made by Chetty and Campbell-Hunt in their research paper "*A Strategic Approach to Internationalization*" (2003): for the born global and non-born global firms, the psychic/cultural distance becomes irrelevant and, therefore, it does not have any influence (or if it does, it is of non-significant importance), on their internationalization process.

Going on, in the first part of this chapter the empirical material collected, the sampling method used and the tools applied for the analysis are described and explained. In the second part of the chapter, instead, the empirical findings and the conclusions will be reported, according to the results derived from the application of the Mann-Whitney U Test using IBM's SPSS Statistics software.

2. RESEARCH METHODOLOGY

The empirical material consists only of primary data, without taking into account any kind of secondary data. Generally speaking, the difference between primary and secondary data, rely on the fact that the former is collected exclusively for a particular research project while the latter refers to data that has been collected specifically for another project. The primary data used in this thesis has been collected in 2014 by MPS Evolving Marketing research, an institute of statistic and scientific research, while carrying out a survey funded by the Ministry of Education, University and Research (Ministero dell'Istruzione, dell'Università e della Ricerca, MIUR) as a project of significant national interest, in collaboration with eleven Italian universities; the survey's questions and answers have been supplied and collected through telephone interviews. In particular, the research focused on the growth of start-ups

and their related issues, on the reasons that prevent growth and on the factors that favor it. The questions of interest to us were taken from the survey and were divided into three categories: questions related to the founders, questions related to the organization and questions related to networks.

From a sampling method's perspective, when data is collected, either a probability sampling method or a non-probability sampling method can be used (Saunders et al., 2009). The former is commonly used in survey-based research where the aim is to generalize about the entire population from a chosen sample set. For the data to give a valid result, the sample size cannot be less than 50 cases. The latter method, on the contrary, refers to sampling based on subjective decisions and is a shared approach when dealing with case studies and market surveys. When using this method, researchers infer from the sample to theory rather than population, as the sample cannot be said to represent the entire population (Collis & Hussey, 2014; Bryman & Bell, 2011; Saunders et al., 2009). This analysis uses a probability sampling method as a large number of cases were studied, i.e. a total of 281 innovative start-ups, which have been divided in four types of companies, along two dimensions, i.e. internationalization and time; these are: born globals, non-born globals, domestic with less than three years from inception and domestic with more than three years from inception (figure 3.1)

Figure 3.1 - Type of firms analyzed
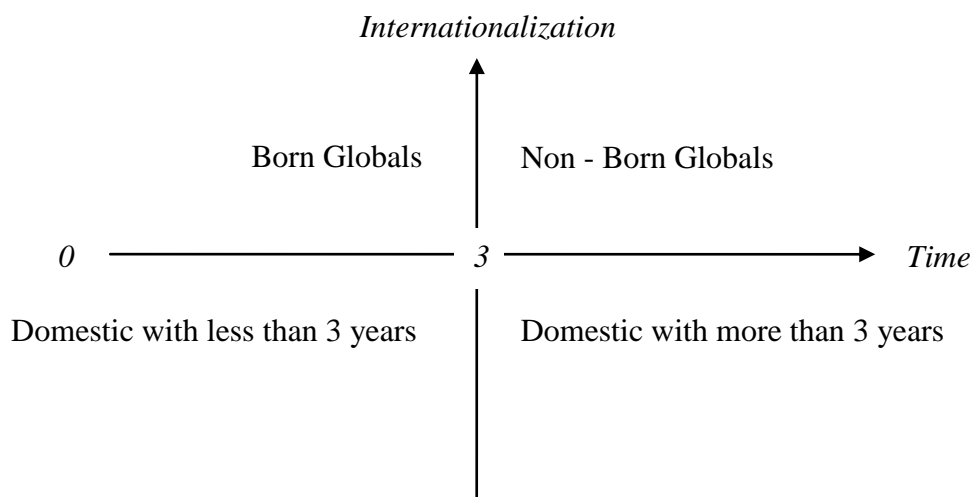
To analyze the data and give an answer to the research questions of this dissertation, the Mann-Whitney U Test has been applied. Also known as the Wilcoxon-Mann-Whitney Test, it is a non-parametric tool that analysts use to find out if there are differences between two groups on a continuous or ordinal dependent variable (Laerd Statistics, 2015). It is usually used as the non-parametric alternative to the Independent-Samples T-test, when the data violates the assumptions required by the latter to give a valid result. More specifically, this dissertation applied a T-test first, in order to examine if the means of two independent groups

on a continuous dependent variable presented any differences among them and whether these were statistically significant or not; however, when controlling if the data did not violate the six assumptions required by the test, i.e. (1) the dependent variable should be measured on a continuous scale, (2) the independent variable should consist of two categorical and independent groups, (3) there must be independence of observations, (4) there should be no substantial outliers, (5) the dependent variable should be almost normally distributed for each group of the independent variable, (6) there must be homogeneity of variances, the result was that assumption (4) regarding the outliers and assumption (5) regarding the normality were violated, with the consequence of changing the tool and using the Mann-Whitney U test instead.

The Mann-Whitney U Test requires the data to meet the following four assumptions:

Assumption (1): the dependent variables are measured at a continuous or ordinal level;

Assumption (2): the independent variable is composed by two categorical and independent groups, that is, by a dichotomous variable;

Assumption (3): there is independence of observations, i.e. there is no relationship between observations in each group of the independent variable or between the group themselves;

Assumption (4): the distribution of scores for both groups of the independent variable must be checked in order to determine if they have the same shape or a different one.

The data in our possession do not violate any of these assumptions: the dependent variables are continuous since most of the questions of the survey are Likert items, the independent variables are dichotomous since they consist of two groups (born global vs. non-born global, international vs domestic, born global vs. domestic with less than three years, non-born global vs. domestic with more than three years etc), the observations are independent, and the distribution of scores have been checked to determine the shape as it can be seen in the example reported in figure 3.2 for the dependent variable M1b and the independent variable born global vs. domestic with maximum three years old. Given that the size of the two groups is different (N=81 for born globals and N=43 for domestic with maximum three years old) we are only interested in the shapes of the distributions and not if one of the distributions appears to have higher or lower scores than the other. The same procedure has been followed for the remaining variables and we concluded that the distributions have a similar shape.

Figure 3.2 – Similar shape of the distributions
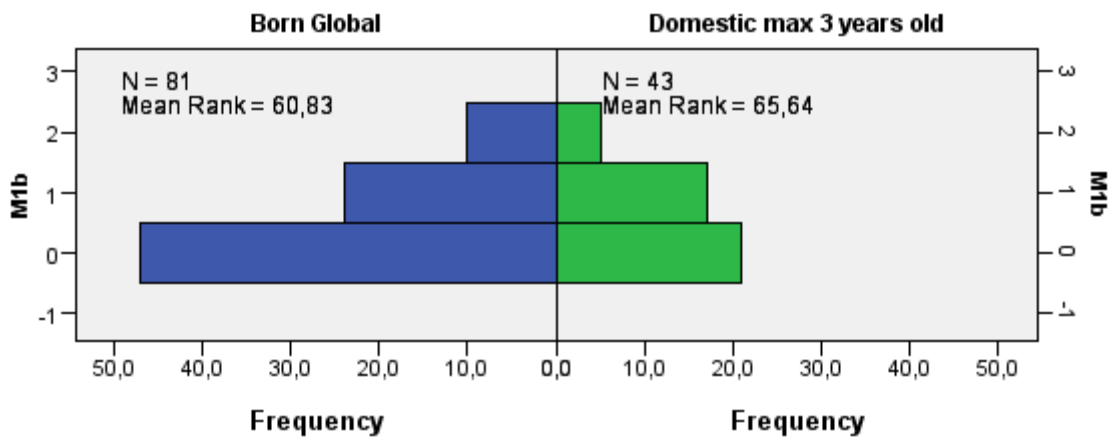
We use the Mann-Whitney U Test to determine if the group's medians are statistically significantly and to answer to a specific null and alternative hypothesis, which are, respectively:

H_0: the distribution/medians of the two groups are equal,

or alternatively,

H_A: the medians of the two groups are not equal

The significance level (*p-value*) reported by the test, i.e. the probability, under the null hypothesis H_0, of the sample group medians being at least as diverse as found in the study, if sufficiently small, generally $p < .05$, it implies that it is unlikely that the two group medians are equal in the population, rejecting the null and accepting the alternative hypothesis; if, instead the significance level is larger, generally $p > .05$, then the null hypothesis is accepted and the alternative is rejected.

The dependent variables used to measure if there are differences in the medians between the categories of the independent variables have been divided in three categories: variables related to the founder, variables related to the organization and variables related to the networks (see table 3.2). The entire survey with all questions can be found in the Appendix at the end of this thesis.

Table 3.2 – The dependent variables used in the Mann-Whitney U Test

Topic	Denomination	Content
	M1	Which is the number of the founders of the firm?
	M1b	Among the founders, how many women were there?
Founder	M1c	How many founders had less than 30 years old?
	M1d	How many founders have a degree in economic subjects?

	M1e	How many founders have a degree in other subjects?
	M2	Are there any family ties among the founders?
	M4	Are there any founders who left the company over time?
Organization	G2d	How many employees were there when the firm was established?
	IN6	Has the business model undergone changes in terms of externalization of activities?
	TA_S2	The initial business model allows for quick transaction execution, i.e. commercial exchanges.
	TA_S4	The initial business model allows commercial exchanges in a clear and transparent way, with easily traceable information flows.
	TA_S6	The initial business model allows to reduce the costs that participants in the commercial exchange must face, such as warehouse costs, administrative costs, etc.
	TA_S8	Overall, the initial business model is highly efficient.
	TB_S2	The initial business model provides the participants in the exchange (company, customers, suppliers, retailers) with new or different functionalities compared to what the competitors do.
	TB_S4	The initial business model connects the participants to the commercial exchanges in a new way.
	TB_S6	The initial business model involves new types of participants to the commercial exchanges compared to competitors.
	TB_S8	In general, it can be said that the initial business model is "new".
	TC_S2	Overall, the initial business model helps retain customers in the long run.
	TC_S4	Overall, the initial business model synergically values products and / or services as a set and not individually.
	PV10	Entering a market without making detailed forecasts and analyzes in advance helps seize new business opportunities.
	M6	Did you participate in local, national and/or international

		competitions dedicated to innovative start-ups?
	M10	Which of the following was the most important event for the growth of your company?
	PVGEN2_S1	The company prefers to be cautious in developing new business opportunities, avoiding too risky initiatives and leaving competitors with facing most of costs for industry innovation.
	PVGEN2_S2	The company prefers to adopt an entrepreneurial philosophy that is inclined to assume risks and costs, based on continuous innovation.
	PVGEN3_S1	Change over time of the propensity to take risks, for example to enter in new countries.
	PVGEN3_S2	Change over time of the propensity to undertake initiatives.
	PVGEN3_S3	Change over time of the propensity to experiment new opportunities.
	PD1	At the time of founding, how many intermediate positions did the company have?
	PD3	At the time of founding, how many key decision-makers did the company have?
Network and Strategy	NA_S1	In the sector in which it operates, the company is highly innovative.
	NA_S2	In the sector in which it operates, the company is the leader or one of the main leaders.
	NA_S3	In the sector in which it operates, the company adopts a niche strategy, focused on narrow and particular segments of the market.
	NA_S4	Since the founding, the company has experienced slow, gradual and constant growth.
	NA_S6	The company operates in a geographical area that promotes business growth (e.g. with available services and facilities).
	NA2_S1	To identify growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.
	NA2_S2	To identify growth opportunities, the company's

		collaboration agreements with customers, suppliers or distributors were important.
	NA2_S3	To identify growth opportunities, the company's collaboration agreements with universities and public research centers were important.
	NA2_S4	To identify growth opportunities, the company's collaboration agreements with investors and financers were important.
	NA3_S1	To exploit and realize growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.
	NA3_S2	To exploit and realize growth opportunities, the company's collaboration agreements with customers, suppliers or distributors were important.
	NA3_S3	To exploit and realize growth opportunities, the company's collaboration agreements with universities and public research centers were important.
	NA3_S4	To exploit and realize growth opportunities, the company's collaboration agreements with investors and financers were important.
	NA4_S1	For the company's growth over time, long-standing relationships and agreements based on trust and mutual understanding have been important.
	NA4_S2	For the company's growth over time, formal relationships and formal occasional agreements have been important.

For the first category, variables such as the number of founders, the number of women, the number of founders having less than 30 years old and the number of founders with an economical or other type of degree, have been used.

For the second category, variables related to the efficiency (rapidity of transactions' executions, clarity and transparency of commercial exchanges, reduction of costs of transactions among the involved parties, generally high efficiency of the initial business model), innovation (provision of new or different features compared to competitors, new ways of connecting the involved parties in the exchange, new types of participants in the

exchange, initial business model innovative in general, capacity of maintaining clients in the long-run), risks (the level of information gathering details before entering a new country, the level of caution adopted when developing a new idea, the propensity to bear costs and risks for continuous innovation, the change or time of the propensity to take risks, initiatives and experiment new ideas) and hierarchical levels (the number of intermediate positions and of people taking the key decisions in the company) of the organizations have been used.

For the third category, variables related to contingent factors (the company is highly innovative in the industry to which it belongs, it is the leader or one of the main leaders of the market, it adopts a niche strategy with a slow, gradual and constant level of growth, as well as explicit growth objectives) and to collaboration strategies and networks (the degree of importance of personal relationships, collaboration and long-run oriented deals) have been used.

3. EMPIRICAL FINDINGS

This study collects the empirical findings from a sample of 281 innovative small and medium-sized enterprises, which have been divided in four types of companies, along two dimensions, i.e. internationalization and time, as previously mentioned in the description of the sample; these are: born globals, non-born globals, domestic with less than three years from inception and domestic with more than three years from inception. To answer the research questions asked in the Introduction, i.e.: "are Born Globals different from the other small medium enterprises firms which remained in the domestic market without beginning activities abroad?"; "does the time limit of 3 years required by some authors to define a firm as being Born Global really matter?"; "is there a difference between internationalized small medium enterprises and domestic small medium enterprises? Which are the characteristics that allowed the first ones to go abroad while the second ones no?", the results were taken from the following comparisons:

- Born global firms which internationalized within maximum three years from inception versus domestic firms with maximum three years of age and no international activities;
- Born global firms which internationalized within maximum three years from inception versus non-born global firms which internationalized after minimum three years from inception;
- International versus domestic firms;

From a general perspective, after having compared these groups on 44 characteristics (our dependent variables), as a main consideration we can say that, on the basis of companies with

up to seven years of age which belong to the same sector, there are no major structural differences among firms which are more or less the same age. Therefore, being international or not at the limit age analyzed, does not reflect many differences between the two categories. The changing characteristics are presented below with the report of the results derived from the Mann-Whitney U Test, starting with the first comparison between born global and domestic firms with less than three years old.

Table 3.3 – BG vs Dom < 3 years old - Founder

Born Global vs Domestic < 3yo			Born Global (1) Mean (2) Median (3) Variance	Domestic < 3yo (1) Mean (2) Median (3) Variance	MANN WHITNEY TEST P-Value
FOUNDER	G2d	How many employees were there when the firm was established?	4,56 3,00 56,090	3,79 3,00 13,503	0,845
	M1	Which is the number of the founders of the firm?	2,76 3,00 1,773	2,49 2,00 1,208	0,384
	M1b	Among the founders, how many women were there?	,56 0,00 ,590	,63 1,00 ,477	0,562
	M1c	How many founders had less than 30 years old?	,44 0,00 ,507	,30 0,00 ,359	0,361
	M1d	How many founders have a degree in economic subjects?	,32 0,00 ,727	,37 0,00 ,430	0,337
	M1e	How many founders have a degree in other subjects?	1,12 1,00 1,110	,93 1,00 1,638	0,240
	M2	Are there any family ties among the founders?	2,56 3,00 ,507	2,51 3,00 ,732	0,859
	M4	Are there any founders who left the company over time?	1,80 2,00 ,167	1,81 2,00 ,155	0,889

The variables related to the founders of the firm shown in table 3.3 do not present differences between the two categories analyzed, i.e. born global and domestic firms with less than three years old. As a matter of fact, since the p-value derived from the Mann-Whitney Test, for each variable of the category "Founder", is greater than 0.05 there is no statistically

significant difference in medians between the two groups, therefore, the null hypothesis H0 must not be rejected while the alternative hypothesis HA yes.

Table 3.4 – BG vs Domestic < 3 years old - Organization

Born Global vs Domestic < 3yo			Born Global (1) Mean (2) Median (3) Variance	Domestic < 3yo (1) Mean (2) Median (3) Variance	MANN WHITNEY TEST P-Value
ORGANIZATION	TA_S2	The initial business model allows for quick transaction execution, i.e. commercial exchanges.	4,44 4,00 3,007	3,91 4,00 3,182	0,294
	TA_S4	The initial business model allows commercial exchanges in a clear and transparent way, with easily traceable information flows.	5,52 6,00 2,510	5,07 5,00 3,400	0,399
	TA_S6	The initial business model allows to reduce the costs that participants in the commercial exchange must face, such as warehouse costs, administrative costs, etc.	4,76 5,00 2,523	4,37 4,00 1,953	0,320
	TA_S8	Overall, the initial business model is highly efficient.	4,28 4,00 2,877	4,40 4,00 3,102	0,831
	TB_S2	The initial business model provides the participants in the exchange with new or different functionalities compared to what the competitors do.	4,40 5,00 2,833	4,40 4,00 2,578	0,726
	TB_S4	The initial business model connects the participants to the commercial exchanges in a new way.	3,88 4,00 2,943	4,47 4,00 2,398	0,271
	TB_S6	The initial business model involves new types of participants to the commercial exchanges compared to competitors.	4,48 4,00 2,177	4,33 4,00 2,749	0,546
	TB_S8	In general, it can be said that the initial business model is "new".	4,60 5,00 2,250	4,23 4,00 2,897	0,303
	TC_S2	Overall, the initial business model helps retain customers in the long run.	4,96 5,00 2,623	4,98 5,00 2,642	0,979

TC_S4	Overall, the initial business model synergically values products and / or services as a set and not individually.	4,76 5,00 2,690	5,19 5,00 2,298	0,322
IN6	Has the business model undergone changes in terms of externalization of activities?	1,60 2,00 ,250	1,81 2,00 ,155	0,056
PV10	Entering a market without making detailed forecasts and analyzes in advance helps seize new business opportunities.	4,76 5,00 3,940	4,67 4,00 3,225	0,724
PVGEN2_S1	The company prefers to be cautious in developing new business opportunities, avoiding too risky initiatives and leaving competitors with facing most of costs for industry innovation.	4,24 4,00 4,107	4,84 5,00 4,425	0,212
PVGEN2_S2	The company prefers to adopt an entrepreneurial philosophy that is inclined to assume risks and costs, based on continuous innovation.	5,44 6,00 2,673	5,00 6,00 4,048	0,502
PVGEN3_S1	Change over time of the propensity to take risks, for example to enter in new countries.	3,84 4,00 1,140	3,49 3,00 ,780	0,155
PVGEN3_S2	Change over time of the propensity to undertake initiatives.	3,96 4,00 ,790	3,70 4,00 ,883	0,262
PVGEN3_S3	Change over time of the propensity to experiment new opportunities.	4,24 5,00 ,857	3,79 4,00 ,836	0,047
PD1	At the time of founding, how many intermediate positions did the company have?	,80 0,00 1,417	,30 0,00 ,359	0,083
PD3	At the time of founding, how many key decision-makers did the company have?	2,48 2,00 2,010	2,19 2,00 ,822	0,593
M6	Did you participate in local, national and/or international competitions dedicated to innovative start-ups?	1,72 2,00 ,210	1,86 2,00 ,123	0,159
M10	Which of the following was the most important event for the growth of your company?	3,72 4,00 1,127	3,95 4,00 ,998	0,626

The variables related to the organization shown in table 3.4, except for one, do not present differences between the two groups. The one which instead is different, *PVGEN3_S3,* regards the change over time of the propensity to experiment new opportunities, having a higher value for born globals than for domestic. For this variable the p-value of the test, p=0,047 drives us to reject H0 and accept HA. This is in line with the theory of the drivers of born globals (Baronchelli & Cassia, 2008) and, more specifically, with the "dynamic business environment" driver, which indicates that for this type of firms, being apt for a changing environment and being able to adapt to it are a prerogative that determines the capability of catching new opportunities. A capability that, apparently, domestic firms do not possess as well as born globals. With regards to the other variables, there are no statistically significant differences between the two categories, therefore, H0 must not be rejected while the alternative HA yes.

Table 3.5 – BG vs Domestic < 3 years old – Networks and Strategy

Born Global vs Domestic < 3yo			**Born Global** (1) Mean (2) Median (3) Variance	**Domestic <3yo** (1) Mean (2) Median (3) Variance	**MANN WHITNEY TEST** *P-Value*
NETWORKS and STRATEGY	NA_S1	In the sector in which it operates, the company is highly innovative.	5,84 6,00 1,557	5,33 6,00 3,082	0,286
	NA_S2	In the sector in which it operates, the company is the leader or one of the main leaders.	5,00 5,00 2,167	4,12 4,00 4,105	0,103
	NA_S3	In the sector in which it operates, the company adopts a niche strategy, focused on narrow and particular segments of the market.	6,16 7,00 1,557	5,00 6,00 4,476	0,018
	NA_S4	Since the founding, the company has experienced slow, gradual and constant growth.	5,76 6,00 1,273	5,58 6,00 2,583	0,995
	NA_S6	The company operates in a geographical area that promotes business growth (e.g. with available services and facilities).	3,40 3,00 3,833	4,47 5,00 4,874	0,053
	NA2_S1	To identify growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.	5,44 6,00 2,840	5,35 6,00 2,375	0,647
	NA2_S2	To identify growth opportunities, the agreements with customers, suppliers or distributors were important.	5,84 6,00 1,140	5,47 6,00 2,731	0,543

	NA2_S3	To identify growth opportunities, the company's collaboration agreements with universities and public research centers were important.	2,08 1,00 2,410	2,51 1,00 4,732	0,793
	NA2_S4	To identify growth opportunities, the company's collaboration agreements with investors and financers were important.	2,48 1,00 3,760	2,67 1,00 4,415	0,704
	NA3_S1	To exploit and realize growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.	5,32 6,00 3,060	5,23 6,00 2,802	0,769
	NA3_S2	To exploit and realize growth opportunities, the company's collaboration agreements with customers, suppliers or distributors were important.	5,40 5,00 1,917	5,42 6,00 2,725	0,748
	NA3_S3	To exploit and realize growth opportunities, the company's collaboration agreements with universities and public research centers were important.	2,16 1,00 2,723	2,30 1,00 3,978	0,874
	NA3_S4	To exploit and realize growth opportunities, the company's collaboration agreements with investors and financers were important.	2,28 1,00 3,293	2,63 1,00 4,287	0,539
	NA4_S1	For the company's growth over time, long-standing relationships and agreements based on trust and mutual understanding have been important.	6,00 7,00 2,000	4,92 5,00 2,827	0,004
	NA4_S2	For the company's growth over time, formal relationships and formal occasional agreements have been important.	4,84 5,00 2,807	5,16 5,00 3,140	0,311

The variables related to the network and strategy shown in table 3.5, except for two, do not present differences between the compared groups. The ones which instead are different, *NA_S3* and *NA4_S1*, regard, respectively, the sector in which the company operates together with the fact that it adopts a niche strategy and the company's growth over time, as a result of long-standing relationships and agreements based on trust and mutual understanding. For these variables the p-value of the test, p=0,018 and p=0,004, drives us to reject H0 and accept HA. This is in line with the theory of the drivers of born globals (Baronchelli & Cassia, 2008) and, more specifically, with the "industry characteristics" driver regarding the fact that most of born globals are present in high-tech industries or in niche markets (Freeman & Cavusgil, 2007) and with the "access to network links" driver regarding the benefits that firms achieve

thanks to the belonging and to the collaboration to these networks (McDougall et al., 1994). With regards to the other variables, there are no statistically significant differences between the two categories, therefore, H0 must not be rejected while the alternative HA yes.

The answer to Research Question 1 - i.e. are born globals different from the other small medium enterprises firms which remained in the domestic market without beginning activities abroad? - is no, besides the differences reported by three variables, there are no significant differences between the two categories on the remaining 41 variables analyzed.

Following, the second comparison between born global and non-born global firms is reported.

Table 3.6 – BG vs NBG - Founder

Born Global vs Non- Born Global			Born Global *(1) Mean (2) Median (3) Variance*	Non Born Global *(1) Mean (2) Median (3) Variance*	MANN WHITNEY TEST *P-Value*
FOUNDER	G2d	How many employees were there when the firm was established?	5,04 3,00 61,561	4,88 3,50 17,016	0,729
	M1	Which is the number of the founders of the firm?	2,53 2,00 2,702	3,09 3,00 2,862	0,079
	M1b	Among the founders, how many women were there?	,54 0,00 ,501	,44 0,00 ,319	0,634
	M1c	How many founders had less than 30 years old?	,51 0,00 ,653	,56 0,00 1,480	0,642
	M1d	How many founders have a degree in economic subjects?	,22 0,00 ,350	,19 0,00 ,222	0,940
	M1e	How many founders have a degree in other subjects?	,86 1,00 1,044	1,47 1,00 2,644	0,114
	M2	Are there any family ties among the founders?	2,49 3,00 ,628	2,63 3,00 ,500	0,430
	M4	Are there any founders who left the company over time?	1,83 2,00 ,145	1,63 2,00 ,242	0,022

Differently from the first comparison, the variables related to the founders of the firm shown in table 3.6 present a difference between the two categories analyzed, i.e. born global and non-born global firms. As a matter of fact, the p-value derived from the Mann-Whitney Test, is greater than 0.05 for all variables, with the exception of the last one, *M4*, related to the founders who left the company over time, which have a higher value for born globals w.r.t non—born globals, indicating that the former has a higher number of founders leaving the company. Therefore, only for this variable H0 must be rejected and HA accepted; for the remaining variables, since there is no statistically significant difference in medians between the two groups, the null hypothesis H0 must not be rejected while the alternative hypothesis HA yes.

Table 3.7 – BG vs NBG - Organization

Born Global vs Non - Born Global			**Born Global** (1) Mean (2) Median (3) Variance	**Non Born Global** (1) Mean (2) Median (3) Variance	**MANN WHITNEY TEST** P-Value
ORGANIZATION	TA_S2	The initial business model allows for quick transaction execution, i.e. commercial exchanges.	4,44 4,00 2,550	3,44 3,00 3,157	0,002
	TA_S4	The initial business model allows commercial exchanges in a clear and transparent way, with easily traceable information flows.	5,59 6,00 2,644	4,97 5,00 4,483	0,235
	TA_S6	The initial business model allows to reduce the costs that participants in the commercial exchange must face, such as warehouse costs, administrative costs, etc.	4,58 5,00 2,322	3,69 4,00 3,383	0,011
	TA_S8	Overall, the initial business model is highly efficient.	4,46 4,00 2,676	4,28 4,00 2,660	0,502
	TB_S2	The initial business model provides the participants in the exchange with new or different functionalities compared to what the competitors do.	4,30 4,00 2,086	4,16 4,00 2,975	0,719

TB_S4	The initial business model connects the participants to the commercial exchanges in a new way.	3,73 4,00 2,500	3,59 3,50 3,668		0,576
TB_S6	The initial business model involves new types of participants to the commercial exchanges compared to competitors.	4,14 4,00 2,544	3,69 4,00 3,964		0,237
TB_S8	In general, it can be said that the initial business model is "new".	4,17 4,00 3,095	4,03 4,00 2,676		0,550
TC_S2	Overall, the initial business model helps retain customers in the long run.	4,72 5,00 2,756	4,84 5,00 3,749		0,582
TC_S4	Overall, the initial business model synergically values products and / or services as a set and not individually.	4,88 5,00 3,235	4,81 5,00 3,706		0,909
IN6	Has the business model undergone changes in terms of externalization of activities?	1,62 2,00 ,239	1,66 2,00 ,233		0,701
PV10	Entering a market without making detailed forecasts and analyzes in advance helps seize new business opportunities.	4,80 5,00 4,135	4,75 5,00 3,806		0,838
PVGEN2_S1	The company prefers to be cautious in developing new business opportunities, avoiding too risky initiatives and leaving competitors with facing most of costs for industry innovation.	4,94 5,00 3,834	4,38 5,00 5,081		0,232
PVGEN2_S2	The company prefers to adopt an entrepreneurial philosophy that is inclined to assume risks and costs, based on continuous innovation.	4,94 5,00 3,834	5,03 6,00 4,547		0,940
PVGEN3_S1	Change over time of the propensity to take risks, for example to enter in new countries.	3,75 4,00 1,013	3,47 3,00 1,160		0,286

	PVGEN3_S2	Change over time of the propensity to undertake initiatives.	3,81 4,00 ,853	3,88 4,00 ,887	0,824
	PVGEN3_S3	Change over time of the propensity to experiment new opportunities.	4,01 4,00 ,912	3,66 3,50 1,007	0,086
	PD1	At the time of founding, how many intermediate positions did the company have?	,54 0,00 1,101	,97 0,00 2,418	0,176
	PD3	At the time of founding, how many key decision-makers did the company have?	2,26 2,00 1,344	2,53 2,00 1,741	0,293
	M6	Did you participate in local, national and/or international competitions dedicated to innovative start-ups?	1,84 2,00 ,136	1,72 2,00 ,209	0,146
	M10	Which of the following was the most important event for the growth of your company?	3,79 4,00 ,618	4,00 4,00 ,452	0,256

The variables related to the organization shown in table 3.7, except for two, do not present differences between the compared groups. The ones which instead are different, *TA_S2* and *TA_S6,* regard, respectively, the rapidity and the reduction of costs of transactions' execution allowed by the initial business model, having higher values for born globals than for domestic firms. For these variables the p-value of the test, p=0,002 and p=0,011 drives us to reject H0 and accept HA. This is in line with the theory of the drivers of born globals (Baronchelli & Cassia, 2008) and, more specifically, with the "Innovation" driver, related to the capabilities of a firm to implement a successful innovation and keep in line, or even surpass other firms' innovativeness in terms of business model and efficiency (Knight & Cavusgil, 2004). For the remaining variables, since there is no statistically significant difference in medians between the two groups, the null hypothesis H0 must not be rejected while the alternative hypothesis HA yes.

For the following variables, related to the networks and strategy, there are no statistically significant differences between the two categories, as it shown by the value reported in the column of the Mann-Whitney test in table 3.8, therefore, the null hypothesis H0 must not be rejected while the alternative hypothesis HA yes.

Table 3.8 BG vs NBG – Networks and Strategy

<table>
<tr><th colspan="3" rowspan="2">Born Global vs Non-Born Global</th><th>Born Global
(1) Mean
(2) Median
(3) Variance</th><th>Non Born Global
(1) Mean
(2) Median
(3) Variance</th><th>MANN
WHITNEY
TEST
P-Value</th></tr>
<tr></tr>
<tr><td rowspan="8" style="writing-mode: vertical-rl;">NETWORKS and STRATEGY</td><td>NA_S1</td><td>In the sector in which it operates, the company is highly innovative.</td><td>5,49
6,00
1,903</td><td>5,78
6,50
2,757</td><td>0,116</td></tr>
<tr><td>NA_S2</td><td>In the sector in which it operates, the company is the leader or one of the main leaders.</td><td>4,60
5,00
2,842</td><td>4,72
5,00
2,402</td><td>0,574</td></tr>
<tr><td>NA_S3</td><td>In the sector in which it operates, the company adopts a niche strategy, focused on narrow and particular segments of the market.</td><td>5,57
6,00
3,798</td><td>5,88
7,00
2,500</td><td>0,473</td></tr>
<tr><td>NA_S4</td><td>Since the founding, the company has experienced slow, gradual and constant growth.</td><td>5,85
6,00
1,803</td><td>5,56
6,00
2,835</td><td>0,539</td></tr>
<tr><td>NA_S6</td><td>The company operates in a geographical area that promotes business growth (e.g. with available services and facilities).</td><td>3,33
3,00
3,600</td><td>3,69
4,00
4,351</td><td>0,442</td></tr>
<tr><td>NA2_S1</td><td>To identify growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.</td><td>5,35
6,00
3,229</td><td>4,84
6,00
5,684</td><td>0,628</td></tr>
<tr><td>NA2_S2</td><td>To identify growth opportunities, the company's collaboration agreements with customers, suppliers or distributors were important.</td><td>5,64
6,00
1,883</td><td>5,72
6,00
2,338</td><td>0,551</td></tr>
<tr><td>NA2_S3</td><td>To identify growth opportunities, the company's collaboration agreements with universities and public research centers were important.</td><td>1,90
1,00
2,140</td><td>2,41
1,50
3,475</td><td>0,150</td></tr>
</table>

NA2_S4	To identify growth opportunities, the company's collaboration agreements with investors and financers were important.	2,65 2,00 3,804	2,06 1,00 2,641	0,105
NA3_S1	To exploit and realize growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.	5,05 6,00 3,598	5,09 6,00 4,475	0,622
NA3_S2	To exploit and realize growth opportunities, the company's collaboration agreements with customers, suppliers or distributors were important.	5,12 5,00 3,285	5,38 6,00 2,629	0,548
NA3_S3	To exploit and realize growth opportunities, the company's collaboration agreements with universities and public research centers were important.	1,88 1,00 2,085	2,25 1,00 3,548	0,425
NA3_S4	To exploit and realize growth opportunities, the company's collaboration agreements with investors and financers were important.	2,59 1,00 4,094	2,00 1,00 2,774	0,143
NA4_S1	For the company's growth over time, long-standing relationships and agreements based on trust and mutual understanding have been important.	5,41 6,00 2,694	5,38 6,00 2,823	0,950
NA4_S2	For the company's growth over time, formal relationships and formal occasional agreements have been important.	4,73 5,00 3,075	4,84 5,00 2,588	0,864

The answer to Research Question 2 – i.e. does the time limit of three years required by some authors to define a firm as being Born Global really matter? – is no, besides the differences reported by three variables, there are no significant differences between the two categories on the remaining 41 variables analyzed, therefore born globals and non-born globals are relatively similar.

Following, the third, and last, comparison between international and domestic firms is reported.

Table 3.9 – International vs. Domestic - Founder

		International vs Domestic	**International** *(1) Mean (2) Median (3) Variance*	**Domestic** *(1) Mean (2) Median (3) Variance*	**MANN WHITNEY TEST** *P-Value*
FOUNDER	G2d	How many employees were there when the firm was established?	4,99 3,00 48,687	4,49 3,00 53,239	0,255
	M1	Which is the number of the founders of the firm?	2,69 2,00 2,787	2,69 2,00 2,842	0,899
	M1b	Among the founders, how many women were there?	0,51 0,00 0,448	0,62 0,00 1,489	0,780
	M1c	How many founders had less than 30 years old?	0,52 0,00 0,877	0,51 0,00 1,131	0,721
	M1d	How many founders have a degree in economic subjects?	0,21 0,00 0,312	0,29 0,00 0,401	0,232
	M1e	How many founders have a degree in other subjects?	1,04 1,00 1,552	0,94 0,00 1,683	0,336
	M2	Are there any family ties among the founders?	2,53 3,00 0,591	2,57 3,00 0,620	0,455
	M4	Are there any founders who left the company over time?	1,77 2,00 0,179	1,75 2,00 0,189	0,682

The variables related to the founders of the firm shown in table 3.9 do not present differences between the two categories analyzed, i.e. international and domestic firms. As a matter of fact, since the p-value derived from the Mann-Whitney Test, for each variable of the category "Founder", is greater than 0.05 there is no statistically significant difference in medians between the two groups, therefore, the null hypothesis H0 must not be rejected while the alternative hypothesis HA yes.

Table 3.10 – International vs Domestic - Organization

International vs Domestic			International (1) Mean (2) Median (3) Variance	Domestic (1) Mean (2) Median (3) Variance	MANN WHITNEY TEST P-Value
ORGANIZATION	TA_S2	The initial business model allows for quick transaction execution, i.e. commercial exchanges.	4,16 4,00 2,903	4,12 4,00 2,974	0,974
	TA_S4	The initial business model allows commercial exchanges in a clear and transparent way, with easily traceable information flows.	5,42 6,00 3,209	5,13 5,00 3,477	0,177
	TA_S6	The initial business model allows to reduce the costs that participants in the commercial exchange must face, such as warehouse costs, administrative costs, etc.	4,33 4,00 2,758	4,20 4,00 3,043	0,736
	TA_S8	Overall, the initial business model is highly efficient.	4,41 4,00 2,654	4,46 4,00 2,611	0,758
	TB_S2	The initial business model provides the participants in the exchange (company, customers, suppliers, retailers) with new or different functionalities compared to what the competitors do.	4,26 4,00 2,317	4,40 4,00 2,651	0,509
	TB_S4	The initial business model connects the participants to the commercial exchanges in a new way.	3,69 4,00 2,805	4,19 4,00 2,553	0,015
	TB_S6	The initial business model involves new types of participants to the commercial exchanges compared to competitors.	4,01 4,00 2,955	4,13 4,00 2,797	0,548
	TB_S8	In general, it can be said that the initial business model is "new".	4,13 4,00 2,955	4,16 4,00 2,976	0,71
	TC_S2	Overall, the initial business model helps retain customers in the long run.	4,75 5,00 3,009	4,80 5,00 3,256	0,773

TC_S4	Overall, the initial business model synergically values products and / or services as a set and not individually.	4,86 5,00 3,337	4,99 5,00 3,102	0,555
IN6	Has the business model undergone changes in terms of externalization of activities?	1,63 2,00 0,236	1,72 2,00 0,203	0,112
PV10	Entering a market without making detailed forecasts and analyzes in advance helps seize new business opportunities.	4,79 5,00 4,008	4,24 4,00 3,497	0,009
PVGEN2_S1	The company prefers to be cautious in developing new business opportunities, avoiding too risky initiatives and leaving competitors with facing most of costs for industry innovation.	4,78 5,00 4,210	4,80 5,00 3,834	0,956
PVGEN2_S2	The company prefers to adopt an entrepreneurial philosophy that is inclined to assume risks and costs, based on continuous innovation.	5,22 6,00 2,995	4,98 5,00 3,644	0,393
PVGEN3_S1	Change over time of the propensity to take risks, for example to enter in new countries.	3,67 4,00 1,061	3,36 3,00 0,942	0,014
PVGEN3_S2	Change over time of the propensity to undertake initiatives.	3,83 4,00 0,855	3,65 3,00 0,843	0,103
PVGEN3_S3	Change over time of the propensity to experiment new opportunities.	3,91 4,00 0,956	3,79 4,00 0,793	0,218
PD1	At the time of founding, how many intermediate positions did the company have?	0,664 0,00 1,493	0,479 0,00 0,805	0,465
PD3	At the time of founding, how many key decision-makers did the company have?	2,34 2,00 1,457	2,38 2,00 1,670	0,903
M6	Did you participate in local, national and/or international competitions dedicated to innovative start-ups?	1,81 2,00 0,158	1,88 2,00 0,106	0,085
M10	Which of the following was the most important event for the growth of your company?	3,85 4,00 0,575	3,91 4,00 0,853	0,94

The variables related to the organization shown in table 3.10, except for three, do not present differences between the compared groups. The ones which instead are different, *TB_S4, PV10* and *PVGEN3_S1,* regard, respectively, the innovative connection among the participants to the transaction, the degree of information gathering when seizing new business opportunities and the propensity to take risks. For these variables the p-value of the test - p=0,015, p=0,009 and p=0,014 - drives us to reject H0 and accept HA. For the remaining variables, since there is no statistically significant difference in medians between the two groups, the null hypothesis H0 must not be rejected while the alternative hypothesis HA yes.

Table 3.11 – International vs Domestic – Networks and Strategy

International vs Domestic			**International** (1) Mean (2) Median (3) Variance	**Domestic** (1) Mean (2) Median (3) Variance	**MANN WHITNEY TEST** P-Value
NETWORKS and STRATEGY	NA_S1	In the sector in which it operates, the company is highly innovative.	5,58 6,00 2,139	5,19 6,00 2,983	0,087
	NA_S2	In the sector in which it operates, the company is the leader or one of the main leaders.	4,64 5,00 2,698	4,31 5,00 3,927	0,25
	NA_S3	In the sector in which it operates, the company adopts a niche strategy, focused on narrow and particular segments of the market.	5,65 6,00 3,424	5,18 6,00 3,823	0,016
	NA_S4	Since the founding, the company has experienced slow, gradual and constant growth.	5,77 6,00 2,089	5,57 6,00 2,548	0,404
	NA_S6	The company operates in a geographical area that promotes business growth (e.g. with available services and facilities).	3,43 3,00 3,801	3,93 4,00 4,441	0,054
	NA2_S1	To identify growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.	5,20 6,00 3,931	5,31 6,00 3,071	0,988
	NA2_S2	To identify growth opportunities, the company's collaboration agreements with customers, suppliers or distributors were important.	5,66 6,00 1,993	5,44 6,00 2,682	0,415
	NA2_S3	To identify growth opportunities, the collaboration agreements with universities and public research centers were important.	2,04 1,00 2,543	2,14 1,00 3,449	0,786

NA2_S4	To identify growth opportunities, the company's collaboration agreements with investors and financers were important.	2,49 1,00 3,520	2,62 1,00 4,260	0,63
NA3_S1	To exploit and realize growth opportunities, the personal relationships of the founders with former colleagues, classmates, acquaintances, friends or family members were important.	5,06 6,00 3,809	5,22 6,00 3,077	0,727
NA3_S2	To exploit and realize growth opportunities, the company's collaboration agreements with customers, suppliers or distributors were important.	5,19 6,00 3,087	5,36 6,00 2,581	0,547
NA3_S3	To exploit and realize growth opportunities, the company's collaboration agreements with universities and public research centers were important.	1,98 1,00 2,500	2,13 1,00 3,332	0,906
NA3_S4	To exploit and realize growth opportunities, the company's collaboration agreements with investors and financers were important.	2,42 1,00 3,764	2,45 1,00 3,478	0,646
NA4_S1	For the company's growth over time, long-standing relationships and agreements based on trust and mutual understanding have been important.	5,94 6,00 1,647	5,40 6,00 2,706	0,006
NA4_S2	For the company's growth over time, formal relationships and formal occasional agreements have been important.	4,76 5,00 2,916	4,87 5,00 2,874	0,563

The variables related to the network and strategy shown in table 3.11, except for two, do not present differences between the compared groups. The ones which instead are different, *NA_S3* and *NA4_S1*, regard, respectively, the sector in which the company operates together with the fact that it adopts a niche strategy and the company's growth over time, as a result of long-standing relationships and agreements based on trust and mutual understanding. For these variables the p-value of the test, p=0,016 and p=0,006, drives us to reject H0 and accept HA. It is interesting to point out that these results are identical to the comparison between the group born global and domestic firms with less than three years old, which shows, once again, that the time limit in which a firm starts its activities abroad does not really matter that much. For the remaining variables, since there is no statistically significant difference in medians

between the two groups, the null hypothesis H0 must not be rejected while the alternative hypothesis HA yes.

The answer to Research Question 3 – i.e. is there a difference between internationalized small medium enterprises and domestic small medium enterprises? Which are the characteristics that allowed the first ones to go abroad while the second ones no? – is no, with the exception of the five variables presented above, there are no particular differences between these two types of firms. According to the results, the characteristics that allowed to international firms to go abroad, while to domestic firms not, are the innovation of the initial business model, the degree of detail in gathering information when seizing new business opportunities (lower for international firms), the greater propensity to take risks, the niche strategy and the long-term relationships and agreements.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The purpose of this study was to answer to three research questions after analyzing the influence of cultural distance on the internationalization process of born global small-medium enterprises. To do so, the present dissertation, after a brief introduction of the markets' recent situation, was structured as reported in the following paragraphs:

Chapter 1 - The Evolution of Culture in International Management Research, addressed the topic of Culture and presented a literature review of the most famous cultural models used in the field of International Business Research, being these an important source of support that researchers used in their studies to understand how different cultural contexts influenced firms' performance and/or their internationalization process.

Chapter 2 - The Evolution of Firms' Internationalization Process: A Literature Review, tried to reconstruct the theoretical framework developed through the years while gradually reporting the most relevant studies, concluding with a special focus on the definition, the characteristics and the main issues related to the born-globals.

Chapter 3 – Empirical Analysis and Results, tried to answer to the main research questions by analyzing a set of variables related to 281 small-medium enterprises with the application of the Mann-Whitney U Test, a non-parametric tool which identifies if there are differences between two independent groups.

The results derived from the analysis carried out in Chapter 3 allowed us to answer to the asked research questions:

1. "Are born globals different from the other small medium enterprises firms which remained in the domestic market without beginning activities abroad?" No, besides the differences reported by three variables – the change over time of the propensity to experiment new opportunities, the niche strategy and the long-term relationships and agreements based on trust and mutual understanding-, there are no significant differences between the two categories;

2. "Does the time limit of three years required by some authors to define a firm as being born global really matter?" No, besides the differences reported by three variables – the founders who left the company over time, the rapidity and the reduction of costs of transactions' execution allowed by the initial business model-, there are no significant differences between the two categories, therefore born globals and non-born globals are relatively similar;

3. "Is there a difference between internationalized small medium enterprises and domestic small medium enterprises? Which are the characteristics that allowed the

first ones to go abroad while the second ones no?" No, except for a few variables, there are no particular differences between these two types of firms. According to the results, the characteristics that allowed international firms to go abroad, while to domestic firms not, are the innovation of the initial business model, the degree of detail in gathering information when seizing new business opportunities (lower for international firms), the greater propensity to take risks, the niche strategy and the long-term relationships and agreements.

Regarding the managerial implications of these results, we can state that, given the fact that there are no substantial differences among the categories of firms we analyzed, if a small firm wants to start a process of internationalization in the early years from the inception of its activities, it can do so, as long as it maintains – or even improves – the characteristics that allowed it to go abroad in the first place. For those companies which would like to start a process of internationalization later, instead, they should focus more on innovating the business model in order to surpass competitors, on starting to face greater risks, decreasing the level of exaggerated caution, as showed by a very detailed gathering of information for each decision to take, and by starting to invest in long-term relationships and agreements.

INTRODUZIONE

SEZIONE DI CONTATTO E LETTURA PRIVACY

*SCREEN - Buongiorno sono .... di MPS Evolving Marketing Research, Istituto di ricerca scientifica e statistica. Stiamo svolgendo un'indagine **finanziata dal Ministero dell'Istruzione, dell'Università e della Ricerca (MIUR) come Progetto di Rilevante Interesse Nazionale (PRIN) in collaborazione con 11 atenei universitari italiani. La nostra ricerca si focalizza sulla crescita delle Start Up e sulle problematiche connesse, sui motivi che impediscono la crescita, e sui fattori che la favoriscono.***

Le chiederei la cortesia di poter parlare con una delle seguenti figure della sua azienda: il titolare, l'amministratore delegato e/o il direttore generale

(SE NON DISPONIBILE FISSARE APPUNTAMENTO SE NECESSARIO - ENTRO IL GIORNO XXXXX)

(UNA VOLTA ENTRATI IN CONTATTO CON LA PERSONA IN TARGET INIZIARE L'INTERVISTA)

*Buongiorno sono .... di MPS Evolving Marketing Research, Istituto di ricerca scientifica e statistica. Stiamo svolgendo un'indagine **finanziata dal Ministero dell'Istruzione, dell'Università e della Ricerca (MIUR) come Progetto di Rilevante Interesse Nazionale (PRIN) in collaborazione con 11 atenei universitari italiani. La nostra ricerca si focalizza sulla crescita delle aziende SPIN OFF e sulle problematiche connesse, sui motivi che impediscono la crescita, e sui fattori che la favoriscono.** L'intervista durerà circa 12 minuti, mi concede la possibilità di rivolgerle alcune domande oppure se per Lei è più comodo possiamo fissare un appuntamento telefonico nei prossimi giorni.*

- ACCETTA SUBITO L'INTERVISTA   →   CONTINUARE

- RIFIUTA DI ESSERE INTERVISTATO   →   CHIUDERE E RINGRAZIARE

- FISSA APPUNTAMENTO   →   PRENDERE APPUNTAMENTO ENTRO IL XXXXX

 (SE NECESSARIO PORRE NELLE NOTE IL NUMERO DI CELLULARE SUL QUALE RICONTATTARE)

Grazie per aver accettato di partecipare a questa rilevazione.

Le preciso che e' libero/a di accettare l'intervista o di interromperla nel momento in cui lo ritenga opportuno. La informo anche che in base al decreto legislativo sulla riservatezza dei dati 196/03 ed al Codice di deontologia e di buona condotta per i trattamenti di dati personali per scopi statistici e scientifici, tutte le informazioni che ci darà saranno utilizzate a scopi statistici, garantendo il più completo anonimato. MPS e' titolare della ricerca ed e' responsabile della raccolta delle informazioni.

(LEGGERE SE NECESSARIO)Ai sensi dell'articolo 13 del d.lgs. 30 Giugno 2003, n. 196 (Codice della Privacy) La informiamo che i questionari sono assolutamente anonimi e che i dati saranno trattati nell'ambito di questa rilevazione statistica: 1) saranno utilizzati unicamente per un trattamento di tipo statistico ed aggregato e per finalità connesse alla ricerca statistica che stiamo svolgendo; 2) le risposte date saranno trattate in maniera anonima e aggregata; 3) il trattamento delle informazioni avverrà nel pieno rispetto del Codice della privacy e del codice deontologico sui trattamenti a fini statistici svolti nel settore privato. La informiamo altresì di quanto segue: 1. Il trattamento a cui saranno sottoposti tutti i dati personali richiesti o acquisiti nel corso dell'intervista è diretto allo svolgimento di una ricerca di mercato e solo a questo fine. 2. il trattamento può essere effettuato sia con mezzi elettronici che manuali 3. Rispondere da parte sua è facoltativo e l'eventuale

rifiuto non ha conseguenze. 4. Ella, nella sua qualità di intervistato, gode dei diritti di cui all'articolo 7 del Codice della Privacy , tra cui a) ottenere dal responsabile la conferma dell'esistenza o meno in istituto dei dati personali che la riguardano ed averne comunicazione in forma intelligibile; b) avere conoscenza della loro origine, della logica e delle finalità su cui si basa il trattamento; c) ottenere la cancellazione, la trasformazione in forma anonima o il blocco dei dati trattati in violazione di legge, nonché l'aggiornamento, la rettificazione o - se vi è interesse- l'integrazione dei dati; d) opporsi al trattamento dei dati personali che La riguardano per motivi legittimi.

SCREENING

PRE_1 Innanzitutto vorremmo chiederle in che anno è stata costituita la vostra azienda?

_____ (anno di costituzione)

FILTRO DA SISTEMA: SE AZIENDA PRECEDENTE AL 2007 → CHIUDERE E RINGRAZIARE **"Grazie per la sua disponibilità, la ringraziamo per il tempo che ci avete concesso"**

PRE_2 Si tratta di un'azienda costituita ex-novo o si tratta di una nuova ragione sociale attribuita ad una impresa già precedentemente costituita (es.: ramo d'azienda che si rende indipendente, ragioni fiscali, partecipazione a particolari bandi, etc....)?

- Impresa costituita ex-novo   1

- Impresa nata da una impresa precedente   2

FILTRO DA SISTEMA: SE AZIENDA NATA DA UNA IMPRESA PRECEDENTE (CODICE 2) → CHIUDERE E RINGRAZIARE **"Grazie per la sua disponibilità, la ringraziamo per il tempo che ci avete concesso"**

INFORMAZIONI GENERALI

ISTRUZIONE PER GLI INTERVISTATORI: Nella presente sezione è chiesto di fornire alcune informazioni di carattere generale sull'azienda.

DATI DA SISTEMA (DA NON CHIEDERE)

Denominazione   completa   dell'impresa:

_____

Localizzazione   (città   e   provincia):

_____

G_1 - La sua azienda è o è stata iscritta alla sezione speciale dell'albo della CCIAA (Camera di Commercio, Industria, Artigianato e Agricoltura.) per l'imprese innovative?

- no, non è mai stata iscritta   1
- no, ma lo è stata   2
- si, è iscritta   3

G_2 - Quanti addetti sono presenti in azienda **oggi**? Con ADDETTI intendiamo le persone impiegate e i soci direttamente operanti nell'impresa a tempo pieno (full time). Nel caso ci siano persone impiegate part time le conti come metà, pertanto per esempio 2 addetti operanti a Part Time contano come 1 a tempo pieno.

Ad oggi: _____

PORRE DOMANDA G_2B ALLE AZIENDE LA CUI FONDAZIONE E' PRECEDENTE AL 2013
G_2B - Quanti addetti erano presenti due anni fa e cioè a fine 2013?

Al termine del 2013 (2 anni fa): _____

PORRE DOMANDA G_2C ALLE AZIENDE LA CUI FONDAZIONE E' PRECEDENTE AL 2011
G_2C - Ed ancora quanti addetti erano presenti 4 anni fa e cioè a fine 2011?

Al termine del 2011 (4 anni fa): _____

A TUTTI
G_2D - In termini generali al momento della COSTITUZIONE dell'impresa (anno .... - SISTEMA RICHIAMA ANNO INDICATO A PRE_1) quanti addetti erano presenti??

Al momento della COSTITUZIONE dell'impresa: _____

IL TEAM IMPRENDITORIALE E L'INNOVAZIONE

M1 - Mi potrebbe dire il numero dei soci fondatori della sua azienda?   N°_____

M1b - Quante di questi sono donne?   N°_____

M1c - E Quanti invece avevano meno di 30 anni?   N°_____

M1d - Ed ancora, mi potrebbe dire quanti soci fondatori sono
laureati in materie economiche?   N°_____ (non sa=99)

M1e - E quanti sono laureati in altre materie?   N°_____ (non sa=99)

M2 - Vi sono soci fondatori legati tra loro da vincoli di parentela? (LEGGERE - RISPOSTA SINGOLA)

SI, tra tutti i soci fondatori	1
SI, ma solo tra alcuni soci fondatori	2
NO, tra nessun socio	3

M4 - Uno o più soci fondatori hanno abbandonato l'impresa nel corso di questi anni?

SI	1
NO	2

M3 - Quali tra i soggetti che le elencherò, fanno parte della proprietà? (LEGGERE - POSSIBILI RISPOSTE MULTIPLE)

Business angels	1

Venture capitalist	2
Imprese private	3
Istituzione finanziaria	4
Impresa non finanziaria	5
Università o ente di ricerca	6

Altro e cioè_____

PORRE DOMANDA M9A A COLORO CHE A DOM. M3 HA TRA I SOCI UNA VENTURE CAPITALIST (CODICE 2)

M9A - Quale tipo di contributo ha ricevuto dalla Venture capital che partecipa o ha partecipato alla sua azienda? (SPONTANEA - POSSIBILE RISPOSTA MULTIPLA)

Consulenza su brevetti

Networking

Altro tipi di contributo (INDICARE NELLA SCHERMATA SUCCESSIVA) _____

M5 - La sua azienda nel corso del tempo è stata incubata? Ovvero ha mai usufruito del supporto di un'organizzazione per accelerare il suo sviluppo attraverso servizi ad alto valore aggiunto come ad esempio la concessione e l'affitto di immobili per ufficio, la consulenza per la formazione imprenditoriale, il supporto al business plan, il monitoraggio dei finanziamenti, il networking, il mkt o la comunicazione?

SI   1

NO   2

M6 - Avete partecipato a competizioni locali, nazionali e/o internazionali dedicate alle start-up innovative?

SI   1

NO   2

M7 - Ora le leggerò degli elementi di contesto, Mi dica per ognuno di essi se hanno influito molto, abbastanza, poco o per niente positivamente sull'evoluzione della sua azienda.

Legislazione

Finanziamenti pubblici

Accesso al credito

Parchi scientifici / tecnologici

Consulenti specializzati

Università o centri di ricerca

presenza di imprese gia' attive nello stesso ambito o in ambiti che si ritengono "potenziali clienti"

Incubatori d'impresa

PORRE DOMANDA M9B A COLORO CHE A DOM. M7 SONO STATI INFLUITI (MOLTO O ABBASTANZA) DA INCUBATORI D'IMPRESA O PARCHI SCIENTIFICI / TECNOLOGICI

M9B - Quale tipo di contributo ha ricevuto dagli **incubatori d'impresa o parchi scientifici / tecnologici** che hanno influenzato la sua azienda? (SPONTANEA - POSSIBILE RISPOSTA MULTIPLA)

Consulenza su brevetti

Networking

Altro tipi di contributo (INDICARE NELLA SCHERMATA SUCCESSIVA) _____

M8 - La sua azienda ha usufruito dei seguenti finanziamenti esterni per la costituzione? (LEGGERE - POSSIBILE RISPOSTA MULTIPLA)

Finanziamento pubblico	1
Finanziamento bancario di medio/lungo periodo	2

Altro tipi di finanziamento (INDICARE NELLA SCHERMATA SUCCESSIVA) _____

M10 Quale ritiene sia stato l'evento più importante per la crescita della sua impresa tra quelli che ora le leggerò? (LEGGERE - RISPOSTA SINGOLA)

Ingresso di Venture capitalist o di un altro socio	1
Il periodo passato in un incubatore/parco scientifico	2
L'Accordo/alleanza/collaborazione con altre imprese	3
Acquisizione di un cliente importante per il fatturato aziendale	4

Altro tipi di evento (INDICARE NELLA SCHERMATA SUCCESSIVA)

M10BIS E poi? Tra quelli rimasti quale ritiene sia stato l'evento più importante per la crescita della sua impresa? (LEGGERE - RISPOSTA SINGOLA)

Ingresso di Venture capitalist o di un altro socio	1
Il periodo passato in un incubatore/parco scientifico	2
L'Accordo/alleanza/collaborazione con altre imprese	3

Altro tipi di evento (INDICARE NELLA SCHERMATA SUCCESSIVA) ___

EVOLUZIONE DEL BUSINESS MODEL

INTERVISTATORE DIRE: "Le chiederò ora di comparare il business model ATTUALE con quello INIZIALE (al momento della fondazione dell'impresa). Lo scopo della domanda è individuare le direzioni e misurare l'ampiezza dell'evoluzione del modello di business nel corso dei primi anni di attività".

Per ogni frase che le leggerò le chiedo di indicare il suo grado di accordo dando un voto da 1 a 7, dove 1 significa "per nulla d'accordo", 4 "né disaccordo, né accordo" e 7 "completamente d'accordo".

Iniziamo con gli aspetti collegati all'EFFICIENZA del business model	1 in forte disaccordo	2	3	4 né accordo né disaccordo	5	6	7 in forte accordo
T1a Il nostro ATTUALE modello di business consente una rapida esecuzione delle transazioni e cioè gli scambi commerciali	1	2	3	4	5	6	7

T1b E quello INIZIALE?	1	2	3	4	5	6	7
T2a Nel nostro modello di business ATTUALE gli scambi avvengono in modo chiaro e trasparente. I flussi informativi relativi agli scambi sono facilmente tracciabili.	1	2	3	4	5	6	7
T2b E in quello INIZIALE?	1	2	3	4	5	6	7
T3a L'ATTUALE modello di business riduce i costi che i partecipanti allo scambio commerciale (la nostra impresa, i clienti, i distributori, i fornitori) devono sostenere, come ad esempio i costi di magazzino, i costi amministrativi di gestione delle transazioni (scambi), ecc.	1	2	3	4	5	6	7
T3b E quello INIZIALE?	1	2	3	4	5	6	7
T4a Il nostro modello di business ATTUALE, nel complesso, ci garantisce un'elevata efficienza	1	2	3	4	5	6	7
T4b E quello INIZIALE?	1	2	3	4	5	6	7
Passiamo a giudicare gli aspetti collegati alla NOVITA' del business model							
T5a Il nostro ATTUALE modello di business fornisce, ai diversi soggetti partecipanti allo scambio , e cioè l'impresa stessa, i clienti, i distributori, i fornitori, delle funzionalità nuove o diverse rispetto a quanto fanno i nostri concorrenti	1	2	3	4	5	6	7
T5b E quello INIZIALE?	1	2	3	4	5	6	7
T6a Il nostro ATTUALE modello di business connette i vari partecipanti agli scambi in modo nuovo.	1	2	3	4	5	6	7
T6b E quello INIZIALE?	1	2	3	4	5	6	7
T7a Il nostro ATTUALE modello di business permette di coinvolgere nuove tipologie di partecipanti agli scambi, rispetto a quanto fatto dai nostri concorrenti	1	2	3	4	5	6	7
T7b E quello INIZIALE?	1	2	3	4	5	6	7
T8a In generale, possiamo affermare che il nostro ATTUALE modello di business è "nuovo"	1	2	3	4	5	6	7
T8b E quello INIZIALE?	1	2	3	4	5	6	7
Pensiamo ad altri aspetti del business model...							
T9a Nel complesso, il nostro modello di business ATTUALE ci consente di trattenere i nostri clienti nel lungo periodo ad esempio, attraverso accordi contrattuali o vincoli tecnologici connessi alla nostra offerta.	1	2	3	4	5	6	7
T9b E quello INIZIALE?	1	2	3	4	5	6	7
T10a Nel complesso, il nostro modello di business ATTUALE è pensato per valorizzare in modo sinergico un insieme di prodotti e/o servizi tra loro complementari e non un singolo prodotto o servizio	1	2	3	4	5	6	7
T10b E quello INIZIALE?	1	2	3	4	5	6	7

IL BUSINESS MODEL AZIENDALE

INTERVISTATORE DIRE: "Pensi ancora al business model attuale e più specificatamente a "come" la sua azienda rende concreta e operativa la sua strategia, ossia: quali attività aziendali vengono portate avanti per offrire i prodotti/servizi, come

vengono svolte tali attività (direttamente/internamente oppure indirettamente/esternamente) e dove sono localizzate nel mondo".

IN1 - Nel corso della vita della sua azienda, il business model ha subito cambiamenti in termini di attività svolte dall'impresa?

        SI   1

        NO   2

IN2 - Nel corso della vita della sua azienda, il business model ha subito cambiamenti in termini di localizzazione (sedi) delle attività? Non consideri l'apertura di filiali con esclusive funzioni commerciali, ma pensi al cambio o all'introduzione di nuove sedi in relazione alle diverse aree funzionali aziendali

        SI   1 → IN2B - Quanti cambi o introduzioni di nuove sedi ha avuto? N° _____

        NO   2

PORRE DOMANDE IN3, IN3B, IN3C E IN4 SE HANNO RISPOSTO "SI" A DOMANDA IN2

IN3 - Pensi al cambio o all'introduzione di una nuova sede più importante che avete operato. Dove è localizzata questa nuova attività? Mi dica di che attività si tratta, lo stato e la città

        ATTIVITÀ

        STATO (LISTA ISTAT)

        CITTA' _____(RISPOSTA APERTA)

IN3b -Si tratta di un cambio di sede o dell'introduzione di una sede nuova?

        CAMBIO DI SEDE   1

        INTRODUZIONE NUOVA SEDE   2

PORRE DOMANDE IN3C SE HANNO RISPOSTO "CAMBIO DI SEDE" A DOMANDA IN3B

IN3C - La sede originaria prima che avvenisse il cambio dove era localizzata? Mi dica lo stato e la città

        STATO (LISTA ISTAT)

        CITTA' _____(RISPOSTA APERTA)

IN4 - Quale è il motivo principale per cui avete operato un cambiamento in termini di localizzazione dell'attività (SPONTANEA - RISPOSTA SINGOLA)

Possibilità di avere accesso a nuovi capitali	1
Possibilità di avere incentivi pubblici	2
Vicinanza a università/centri di ricerca	3
Accesso a particolari competenze	4
Accesso a risorse materiali a basso costo	5
Accesso a manodopera a basso costo	6
Vicinanza ai mercati	7

Vicinanza ai fornitori	8	
Partnership strategiche	9	
Quadro normativo favorevole	10	
Tassazione favorevole	11	
Rete di contatti	12	
Motivi personali del/i socio/i	13	

Altro e cioè_____

IN6 - Nel corso della vita dell'impresa, il business model ha subito cambiamenti in termini di Scelte di esternalizzazione delle attività (interno/esterno o in partnership)?

SI   1

NO   2

IN7 - L'ingresso di investitori istituzionali o di nuovi soci ha contribuito a modificare il business model dell'impresa?

SI   1

NO   2

Non è entrato alcun investitore istituzionale e/o nuovo socio   3

INTERVISTATORE DIRE: "Vorrei parlare ora con Lei del processo e del livello d'internazionalizzazione della sua azienda".

PV1 - Fatto 100 il numero di vendite totali fatte dalla sua azienda nel 2014, che percentuale è data dalle vendite ESTERE?

_____ % → SE "0" ANDARE A DOMANDA PV6

PV2 - Quali sono i 3 maggiori Paesi Esteri (in termini di peso del fatturato estero sul fatturato totale) verso i quali l'impresa è internazionalizzata?

- Paese 1 (codice istat)
- Paese 2 (codice istat)
- Paese 3 (codice istat)

PORRE DOMANDE 3A E 3B PER I 3 PAESI INDICATI

PV3a - Parliamo di ......(Paese 1). In che hanno la sua azienda ha iniziato a vendere in questo paese? ANNO_____

PV3b - Tra le seguenti, quale è la principale modalità con cui la sua azienda è entrata in questo paese?

- Esportazioni   1
- Accordi esclusivi con distributori/rivenditori   2
- Partnership o con aziende locali   3
- Accordi di licenza e/o franchising con aziende locali   4
- Progetti governativi   5

- Partnership con Università o enti di ricerca locali   6
- Filiale proprietaria   7

PVtot - Ora le leggerò delle frasi, mi dica quanto è d'accordo con ciascuna di esse pensando alle operazioni internazionali condotte dalla sua azienda. Mi indichi il suo grado di accordo dando un voto da 1 a 7, dove 1 significa "forte disaccordo", 4 "né disaccordo, né accordo" e 7 "forte accordo".

Nel corso delle operazioni internazionali, la nostra impresa ha avuto opportunità di apprendimento e sviluppo di nuova conoscenza:

PV6 Sperimentando (tramite esperienze dirette e imparando dai propri errori)	1 per nulla d'accordo	2	3	4 né accordo né disaccordo	5	6	7 completamente accordo
PV7 Collaborando con altri soggetti (università, partnership con altre aziende, ecc.)	1 per nulla d'accordo	2	3	4 né accordo né disaccordo	5	6	7 completamente accordo
PV8 Grazie a delle buone intuizioni dei vertici aziendali	1 per nulla d'accordo	2	3	4 né accordo né disaccordo	5	6	7 completamente accordo
PV9 Osservando e imitando altre aziende (concorrenti o leader di settore)	1 per nulla d'accordo	2	3	4 né accordo né disaccordo	5	6	7 completamente accordo

PV10 - Secondo lei, entrare in un mercato estero "senza fare previsioni e analisi troppo dettagliate in anticipo" aiuta a cogliere nuove opportunità di business?
Me lo dica con un voto da 1 a 7 dove 1 significa "non aiuta per nulla", 4 "aiuta così così" e 7 "aiuta moltissimo"

1 non aiuta per nulla	2	3	4 aiuta così così	5	6	7 aiuta moltissimo

ORIENTAMENTO IMPRENDITORIALE

INTERVISTATORE DIRE: "Parliamo dell'orientamento imprenditoriale "diffuso" nell'impresa".

PVGEN2 - Quanto è d'accordo con queste frasi?

In generale, la mia impresa preferisce (Mi dia un voto da 1 a 7):

PV11 essere cauta nello sviluppare nuove opportunità imprenditoriali, evitando iniziative eccessivamente rischiose e lasciando che siano i concorrenti a	1 in forte disaccordo	2	3	4 né accordo né disaccordo	5	6	7 in forte accordo

sopportare i maggiori costi e rischi per le innovazioni di settore							
PV12 adottare una filosofia imprenditoriale propensa ad assumersi costi e rischi "in prima persona", basata su un'innovazione continua	1 in forte disaccordo	2	3	4 né accordo né disaccordo	5	6	7 in forte accordo

Rispetto alla fase iniziale e alle esperienze precedenti dell'impresa (mi dia un voto da 1 a 5 in questo caso):

PV13 com'è cambiata nel tempo la propensione ad assumere rischi (ad es., per entrare in nuovi business o nuovi Paesi)?	1 diminuita molto	2 diminuita poco	3 rimasta uguale	4 aumentata poco	5 aumentata molto
PV14 com'è cambiata nel tempo la propensione a prendere iniziative (ad es., verso i concorrenti, nelle collaborazioni con altri soggetti, ecc.)?	1 diminuita molto	2 diminuita poco	3 rimasta uguale	4 aumentata poco	5 aumentata molto
PV15 com'è cambiata nel tempo la propensione alla continua sperimentazione di nuove opportunità (ad es., con nuovi prodotti/servizi/processi, nuovi Paesi serviti, nuove collaborazioni, ecc.)?	1 diminuita molto	2 diminuita poco	3 rimasta uguale	4 aumentata poco	5 aumentata molto

ORGANIZZAZIONE

INTERVISTATORE DIRE: "Parliamo *delllo stato attuale e dello sviluppo della struttura organizzativa dell'impresa. In alcuni casi Le chiederò di fare riferimento al momento della fondazione ufficiale dell'azienda"*.

PD1. Al momento della fondazione, oltre all'Amministratore Delegato/Direttore Generale, quante altre posizioni intermedie erano presenti nella vostra azienda (es-: responsabile laboratorio, responsabile commerciale ecc.)? N°_____

PD2. Attualmente, oltre all'Amministratore Delegato/Direttore Generale, quante altre posizioni intermedie sono presenti nella vostra azienda (es-: responsabile laboratorio, responsabile commerciale ecc.)? N°_____

PD3. Al momento della nascita dell'azienda, in quanti eravate a prendere le decisioni chiave? N°_____

PD4. Oggi, in quanti siete a prendere le decisioni chiave in azienda? N°_____

PD5. Quale delle seguenti modalità di organizzazione del lavoro era adottata in modo prevalente nella sua azienda al momento della fondazione? (LEGGERE - RISPOSTA SINGOLA)
- Eravamo organizzati per aree, in base alle specializzazioni   1
- Eravamo organizzati per aree, in base al prodotto, servizio o cliente   2

PD6. Quale delle seguenti modalità di organizzazione del lavoro è attualmente adottata in modo prevalente nella sua azienda? (LEGGERE - RISPOSTA SINGOLA)

- Siamo organizzati per aree, in base alle specializzazioni   1

- Siamo organizzati per aree, in base al prodotto, servizio o cliente   2

PD7. Qual è l'attività prevalente svolta dall'imprenditore/gruppo imprenditoriale?

- Attività di coordinamento, controllo e orientamento strategico dell'impresa   1

- Attività quotidiane di supporto all'operatività dell'impresa   2

- L'imprenditore/gruppo imprenditoriale svolge entrambe le attività precedenti in maniera indistinguibile   3

PD8. Quali delle seguenti funzioni/aree sono formalmente costituite in azienda? (LEGGERE - POSSIBILE RISPOSTA MULTIPLA)

- Amministrazione, Finanza e Controllo   1

- Sistemi Informativi   2

- Organizzazione e Gestione Risorse Umane   3

- Ricerca e Sviluppo   4

- Produzione   5

- Marketing, Vendite e Servizi post-vendita   6

- Acquisti   7

- Controllo Qualità   8

- ALTRE FUNZIONI O AREE (SPECIFICARE NELLA SCHERMATA SUCCESSIVA) _____

PD9. Esprima il suo grado di accordo (in una scala da 1 in forte disaccordo a 7 in forte accordo), rispetto alle seguenti affermazioni. Rispetto al momento della fondazione…

- oggi, i ruoli organizzativi sono progressivamente stati formalizzati (ad esempio sono state redatte delle job description oppure è stato creato un mansionario)

- oggi, ciascun lavoratore è stato assegnato in modo esclusivo a un unico ruolo, cioè occupa il suo tempo per svolgere attività relative a un'unica area aziendale

- oggi, le persone utilizzano nello svolgimento del lavoro procedure formalizzate a cui si devono attenere strettamente

- oggi, all'interno dell'azienda sono formalizzati uno o più comitati stabili (es. comitato strategico, comitato prodotto)

- oggi, per risolvere problemi temporanei, creiamo team ad hoc che durano per il tempo necessario a rivolvere il problema

- oggi, all'interno dell'azienda sono previsti uno o più ruoli di coordinamento trasversali rispetto a diverse aree di competenza aziendali (es. product manager)

- oggi, l'attività quotidiana dei collaboratori è svolta prevalentemente in team

- oggi il potere decisionale è accentrato nelle mani dell'imprenditore/Amministratore Delegato/Direttore Generale

- oggi, i collaboratori dell'impresa sono coinvolti in misura attiva nella presa delle decisioni aziendali più importanti (es. allargamento della gamma prodotti, ingresso in un nuovo mercato, collaborazioni con altre imprese)

- oggi, è aumentato il ricorso a sistemi di comunicazione e programmazione formalizzati (es. software gestionali, ERP)

PD10. Esprima il suo grado di accordo (in una scala da 1 in forte disaccordo a 7 in forte accordo), rispetto alla seguente affermazione.

- L'impresa verifica periodicamente l'adeguatezza delle procedure di lavoro e ne favorisce l'adattamento in funzione di cambiamenti tecnologici o di mercato

STRATEGIE DI COLLABORAZIONE, RETI E FATTORI CONTINGENTI

INTERVISTATORE DIRE: "Siamo alle ultime domande e la ringrazio per la sua disponibilità. Parliamo delle strategie di collaborazione e delle reti di relazioni in cui è immersa la sua impresa. **Lo scopo è individuare il ruolo che hanno avuto nella crescita e i fattori che ne hanno influenzato l'efficacia"**.

NA - Per ogni frase che le leggerò le chiedo di indicare ancora il suo grado di accordo/disaccordo (1 = forte disaccordo, 4 = né disaccordo, né accordo, 7 = forte accordo).

Iniziamo con i Fattori contingenti

		1	2	3	4	5	6	7
NA1	nel settore in cui operiamo, la mia impresa è altamente innovativa (lancia prodotti/servizi radicalmente nuovi, brevetta)							
NA2	la mia impresa è il leader o tra i principali leader del mercato (intero o segmento) in cui opera							
NA3	nel settore in cui operiamo, la mia impresa adotta una strategia di nicchia, focalizzata su segmenti ristretti e particolari del mercato							
NA4	dalla fondazione, la mia impresa ha sperimentato una crescita lenta, graduale e costante							
NA5	in questo momento la mia impresa sta perseguendo espliciti obiettivi di crescita							
NA6	l'impresa opera in un'area geografica che promuove, per servizi e strutture disponibili, la crescita delle nuove imprese							

Pensi alle Strategie di collaborazione e alle reti

Indichi il grado di accordo-disaccordo per le seguenti affermazioni:

Per individuare possibili opportunità di crescita per la sua impresa (aumento dimensionale, ingresso in nuovi mercati, lancio di nuovi prodotti), sono state importanti:

		1	2	3	4	5	6	7
NA7	le relazioni personali del (dei) fondatore(i) o dei dipendenti con ex-colleghi, compagni di studi, conoscenti, amici o familiari							
NA8	gli accordi di collaborazione dell'impresa con clienti, fornitori o distributori							
NA9	gli accordi di collaborazione dell'impresa con Università e centri di ricerca pubblici							
NA10	gli accordi di collaborazione dell'impresa con investitori e finanziatori							
Per sfruttare e concretizzare le occasioni di crescita per la sua impresa, sono state importanti le risorse materiali o di conoscenza apportate da:								
NA11	le relazioni personali del (dei) fondatore(i) o dei dipendenti con ex-colleghi, compagni di studi, conoscenti, amici o familiari							
NA12	gli accordi di collaborazione dell'impresa con clienti, fornitori o distributori							

NA13	gli accordi di collaborazione dell'impresa con Università e centri di ricerca pubblici							
NA14	gli accordi di collaborazione dell'impresa con investitori e finanziatori							
Nel tempo si sono rivelate importanti ed utili per la crescita dell'impresa:								
NA15	le relazioni e gli accordi di lunga data, basati su fiducia e intensa conoscenza reciproca							
NA16	le relazioni e gli accordi occasionali, circoscritti nel tempo e gestiti formalmente							

REFERENCES

Bascelli Emanuele. *Il modello hofstede*. Retrieved from http://www.academycasemanagement.org/il-modello-hofstede/

Beckerman, W. (1956). Distance and the pattern of intra-european trade. *The Review of Economics and Statistics,* , 31-40.

Bilsky, W., & Schwartz, S. (1994). *Value and personality*., 2.

Bruce Kogut, & Harbir Singh. (1988). The effect of national culture on the choice of entry mode. *Journal of International Business Studies, 19*(3), 411-432. doi:10.1057/palgrave.jibs.8490394

Della Piana, B., & Vivacqua, E. (2012). *Capacità di innovazione, clima organizzativo e distanza culturale: Un'analisi esplorativa*.(Esperienze di Impresa)

Dow, D., & Karunaratna, A. (2006). Developing a multidimensional instrument to measure psychic distance stimuli. *Journal of International Business Studies, 37*(5), 578-602. doi:10.1057/palgrave.jibs.8400221

Dow, D., & Larimo, J. (2008). *Psychic distance, international experience and establishment mode*.

Duncan, J. (1989). Organizational culture: "Getting a fix" on an elusive concept. *The Academy of Management Executive, Vol. 3*, 229.

Gagliardi, P. (1986). The creation and change of organizational cultures: A conceptual framework. *Sage Journals, Vol. 7*, 117.

Gert Jan Hofstede.Hofstede insights. Retrieved from https://geert-hofstede.com/

Grove, C. (2005). *Worldwide differences in business values and practices: Overview of GLOBE research findings*.

Hofstede, G.Organizational culture - A multi focus model. Retrieved from https://www.hofstede-insights.com/models/organisational-culture/

Hofstede, G., & Hofstede, G. (2011). Dimensionalizing cultures: The hofstede model in context. *Online Readings in Psychology and Culture, 2*(1), 6. doi:10.9707/2307-0919.1014

Hutzschenreuter, T., Kleindienst, I., & Lange, S. (2014). Added psychic distance stimuli and MNE performance.*Journal of International Management, 20*(1), 38-54. Retrieved from http://www.econis.eu/PPNSET?PPN=78129147X

Johanson, J., & Vahlne, J. (1977). The internationalization process of the firm-A model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies, ,* 23-32.

Jorge Eduardo Jose.Los valores humanos en el nivel de las culturas. Retrieved from https://cambiocultural.org/cultura-politica/valores-culturales-de-schwartz/

Kreitner Robert, & Kinicki Angelo. (2004). *Comportamento organizzativo*. Milano:

Kroeber, A. L., & Kluckhohn, C. (1952). *Culture: A critical review of concepts and definitions*. New York: Random House.

Nardon, L., & Steers, R. (2009). *Navigating the culture theory jungle: Divergence and convergence in models of national culture.* ().

Nebus, J., & Chai, K. H. (2014). Putting the "psychic" back in psychic distance: Awareness, perceptions, and understanding as dimensions of psychic distance. *Journal of International Management, 20*(1), 8. doi:10.1016/j.intman.2013.01.001

Nguyen-Phuong-Mai. (2014). Hofstede's five value dimensions., 3.

Oded Shenkar. (2001). Cultural distance revisited: Towards a more rigorous conceptualization and measurement of cultural differences. *Journal of International Business Studies, 32*(3), 519-535. doi:10.1057/palgrave.jibs.8490982

Robert J. House.Global leadership and organizational behavior effectiveness. Retrieved from http://globeproject.com/studies

Schein, E. (1996). Culture: The missing concept in organization studies. *Administrative Science Quarterly, Vol. 41*, 229.

Schwartz, S. (2012). An overview of the schwartz theory of basic values., 3.

Schwartz, S. (2006). A theory of cultural value orientations: Explication and applications. *Comparative Sociology, 5*(2-3), 137-182. doi:10.1163/156913306778667357

Sirje Virkus. (2009). *Leadership dimensions: Culture and leadership*. Retrieved from http://www.tlu.ee/~sirvir/IKM/Leadership%20Dimensions/globe_project.html

Smircich, L. (1983). Concepts of culture and organizational analysis. *Administrative Science Quarterly, Vol. 28*, 339.

Talcott Parsons. (1951). In Routledge (Ed.), *The social system*

Welch, D. E., Welch, L. S., & Marschan-Piekkari, R. (2001). *The persistent impact of language on global operations. Prometheus, 19*(3), 193-209. doi:10.1080/08109020110072180

Meyer, B., & Murphy, J. (2006). *The influence of culture in international business*; National Association of Post Graduate Studies, 1-13. Retrieved from http://www.anpad.org.br/enanpad/2006/dwn/enanpad2006-esob-0700.pdf

Logan, P (2013). "*On Culture: Edward B. Tylor's Primitive Culture*, 1871." BRANCH: Britain, Representation and Nineteenth-Century History. Ed. Dino Franco Felluga.

Hofstede, G., Neuijen, B., Ohayv, D. D., & Sanders, G. (1990). *Measuring Organizational Cultures - A Qualitative and Quantitative Study Across 20 Cases*. Administrative Science Quarterly, 35(2), 286-316.

Nardon, L., & Steers, R. (2009). *The culture theory jungle: Divergence and convergence in models of national culture*., 3-22. Retrieved from https://www.cambridge.org/core/books/cambridge-handbook-of-culture-organizations-and-work/the-culture-theory-jungle-divergence-and-convergence-in-models-of-national-culture/BB8E3E633457D991019A4A54093AB9FF

Reis, N. R., Santos, J. C., & Ferreira, M. P. (2011). *The cultural models in international business research: A bibliometric study of IB journals*., 2-31. Retrieved from: http://globadvantage.ipleiria.pt/files/2011/06/working_paper-76_globadvantage.pdf

Venaik S. and Brewer P. A. (2008) *Contradictions in national culture: Hofstede vs GLOBE*, in J. Cantwell & T. Kiyak (eds.), Proceedings of the 50th Annual Meeting of the Academy of International Business, Italy, pp. 274-274.

Emna Moalla. (2016). *Quelle mesure pour la culture nationale ? Hofstede vs Schwartz vs Globe/What Measure for National Culture? Hofstede vs Schwartz vs Globe/¿Qué medida utilizar para la cultura nacional? Hofstede vs Schwartz vs Globe. Management International, 20*, 26. Retrieved from https://search.proquest.com/docview/1853865786

Shi, X., & Wang, J. (2011). Interpreting hofstede model and GLOBE model: Which way to go for cross-cultural research? *International Journal of Business and Management, 6*(5) doi:10.5539/ijbm.v6n5p93

Mooij, M. K. (2016). Comparing dimensions of national culture for secondary analysis of consumer behavior data of different countries. *International Marketing Review, 34*(2), 444-456. Retrieved from http://www.econis.eu/PPNSET?PPN=896473392

Hsu, S., Woodside, A. G., & Marshall, R. (2013). Critical tests of multiple theories of cultures' consequences. *Journal of Travel Research, 52*(6), 679-704. doi:10.1177/0047287512475218

Gooris, J., & Peeters, C. (2012). Home-host country distance and governance choices in service offshoring , 11-22. Retrieved from http://econpapers.repec.org/paper/ecawpaper/2013_2f109414.htm

Hutzschenreuter, T., Kleindienst, I., & Lange, S. (2014). Added psychic distance stimuli and MNE performance. *Journal of International Management, 20*(1), 38-54. Retrieved from http://www.econis.eu/PPNSET?PPN=78129147X

Nebus, J., & Chai, K. H. (2014). Putting the "psychic" back in psychic distance: Awareness, perceptions, and understanding as dimensions of psychic distance. *Journal of International Management, 20*(1), 8. doi:10.1016/j.intman.2013.01.001

Yildiz, H. E. (2014). Not all differences are the same: Dual roles of status and cultural distance in sociocultural integration in cross-border M&As. *Journal of International Management, 20*(1), 25-37. doi:10.1016/j.intman.2013.03.014

Chen, Kirkman, Kim, Farh, & Tangirala. (2010). When does cross-cultural motivation enhance expatriate effectiveness? A multilevel investigation of the moderating roles of subsidiary support and cultural distance. *The Academy of Management Journal, 53*(5), 1110-1130. doi:10.5465/AMJ.2010.54533217

Malhotra, S., Sivakumar, K., & Zhu, P. (2011). Curvilinear relationship between cultural distance and equity participation: An empirical analysis of cross-border acquisitions. *Journal of International Management, 17*(4), 316-332. doi:10.1016/j.intman.2011.06.001

Shin, D., Hasse, V. C., & Schotter, A. P. J. (2017). Multinational enterprises within cultural space and place: Integrating cultural distance and tightness-looseness. *Academy of*

Management Journal, 60(3), 904. Retrieved from https://search.proquest.com/docview/1972267590

Shenkar, O. (2012). Cultural distance revisited. *Journal of International Business Studies, 43*(1), 1-11. Retrieved from http://www.econis.eu/PPNSET?PPN=687568137

Axinn, C. N., & Matthyssens, P. (2002). Limits of internationalization theories in an unlimited world. *International Marketing Review, 19*(5), 436-449. doi:10.1108/02651330210445275

Blomstermo, A., Deo Sharma, D., & Sallis, J. (2006). Choice of foreign market entry mode in service firms. *International Marketing Review, 23*(2), 211-229. doi:10.1108/02651330610660092

Brouthers, K. D., & Hennart, J. -. (2007). Boundaries of the firm: Insights from international entry mode research.*Journal of Management, 33*(3), 395-425. doi:10.1177/0149206307300817

Buckley, P. J. (2010). The theory of international business pre-hymer. *Journal of World Business, 46*(1), 61-73. doi:10.1016/j.jwb.2010.05.018

Crick, D. (2009). The internationalisation of born global and international new venture SMEs. *International Marketing Review, 26*(4/5), 453-476. doi:10.1108/02651330910971986

De Benedictis, M., & De Filippis, F. (1988). *Struttura degli scambi agroalimentari e politica agraria*. Milano: Angeli.

Dunning, J. H., & Lundan, S. M. (2008). Institutions and the OLI paradigm of the multinational enterprise. *Asia Pacific Journal of Management, 25*(4), 573-593. doi:10.1007/s10490-007-9074-z

Freeman, S., Cray, D., & Sandwell, M. (2007). Networks and australian professional services in newly emerging markets of asia. *International Journal of Service Industry Management, 18*(2), 152-166. doi:10.1108/09564230710737808

Gabrielsson, M., Kirpalani, V. H. M., Dimitratos, P., Solberg, C. A., & Zucchella, A. (2008). Born globals: Propositions to help advance the theory. *International Business Review, 17*(4), 385-401. doi:10.1016/j.ibusrev.2008.02.015

Gary A. Knight, & S. Tamar Cavusgil. (2004a). Innovation, organizational capabilities, and the born-global firm.*Journal of International Business Studies, 35*(2), 124-141. doi:10.1057/palgrave.jibs.8400071

Gary A. Knight, & S. Tamar Cavusgil. (2004b). Innovation, organizational capabilities, and the born-global firm.*Journal of International Business Studies, 35*(2), 124-141. doi:10.1057/palgrave.jibs.8400071

Hymer, S. H. (1960). *The international operations of national firms, a study of direct foreign investment* (Massachusetts Institute of Technology ed.). Cambridge, Mass:

Jan Johanson, & Jan-Erik Vahlne. (2009). The uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies, 40*(9), 1411-1431. doi:10.1057/jibs.2009.24

Johanson, J., & Vahlne, J. (1990). The mechanism of internationalisation. *International Marketing Review, 7*(4), 11-24. doi:10.1108/02651339010137414

Laanti, R., Gabrielsson, P., & Gabrielsson, M. (2007). The globalization strategies of business-to-business born global firms in the wireless technology industry. *Industrial Marketing Management, 36*(8), 1104-1117. doi:10.1016/j.indmarman.2006.10.003

Mark Clements. (2007). The extended heckscher-ohlin model: Patterns of trade between the U.S. and china. *Undergraduate Economic Review, 3*(1), 1-21.

Peter Andersen, Syed Ahmad, & Wai Meng Chan. (2014). Revisiting the theories of internationalization and foreign market entry mode: A critical review. *International Journal of Business and Commerce, 4*(1), 37-86.

Rehim Kilic. (2002). Absolute and comparative advantage: Ricardian model. *Department of Economics, Michigan State University, Lecture Three*

Rennie, M.Born global. *McKinsey Quarterly, 4*(1), 45-52.

Ruzzier, M., Hisrich, R. D., & Antoncic, B. (2006). SME internationalization research: Past, present, and future.*Journal of Small Business and Enterprise Development, 13*(4), 476-497. doi:10.1108/14626000610705705

Schumacher, R. (2012a). Adam smith's theory of absolute advantage and the use of doxography in the history of economics. *Erasmus Journal for Philosophy and Economics, 5*(2), 54-80.

Schumacher, R. (2012b). Adam smith's theory of absolute advantage and the use of doxography in the history of economics. *Erasmus Journal for Philosophy and Economics, 5*(2), 54-80.

Seggie, S. H. (2012). Transaction cost economics in international marketing: A review and suggestions for the future. *Journal of International Marketing, 20*(2), 49-71. doi:10.1509/jim.11.0119

Shaker A. Zahra. (2005). A theory of international new ventures: A decade of research. *Journal of International Business Studies, 36*(1), 20-28. doi:10.1057/palgrave.jibs.8400118

Smriti Chand. (2015). Theory of comparative advantage of international trade: By david ricardo. Retrieved from http://www.yourarticlelibrary.com/international-trade/theory-of-comparative-advantage-of-international-trade-by-david-ricardo/26013

Susan Freeman, & S. Tamer Cavusgil. (2007). Toward a typology of commitment states among managers of born-global firms: A study of accelerated internationalization. *Journal of International Marketing, 15*(4), 1-40. doi:10.1509/jimk.15.4.1

Varinder M. Sharma, & M. Krishna Erramilli. (2004). Resource-based explanation of entry mode choice. *Journal of Marketing Theory and Practice, 12*(1), 1-18. doi:10.1080/10696679.2004.11658509

Virna Freddi. (2000). *L'approccio resource based alla teoria dell'impresa*

Chen, L. Y., & Mujtaba, B. (2007). The choice of entry mode strategies and decisions for international market expansion. *Journal of American Academy of Business*, 10 (2), 322-337.

Phelan S.E., Dalgic T., Li D. e Sethi D., 2006. The development of entrepreneurial networks: a necessary condition for international new ventures? *Strategic Management Review*, 0 (1), pp. 1–21.

Madsen T.K. e Servais P., 1997. The internationalization of Born Globals: an evolutionary process? *International Business Review*, 6 (6), pp. 561–583.

Cannone G., Costantino G., Pisoni A., Onetti A., 2012. Drivers of international development for born global companies founded by Italian entrepreneurs. *Università dell'Insubria, Facoltà di Economia.*

Kudina A., Yip G. e Barkema H., 2008. Born Global. Business Strategy Review, *London Business School*, pp. 38 – 44.

Presutti M., Onetti A., Odorici V., 2008. Serial entrepreneurship and born-global new ventures. A case study. *International Journal of Entrepreneurship Education*, vol. 6 , pp. 1 –20.

Baronchelli G., Cassia F., (2008), "Internationalization of the firm: stage approach vs. born global approach", *8th Global Conference on Business & Economics* (October 18-19, 2008), University of Florence, Florence, Italy .

Gubitta, P., 2013. *Lepri che vincono la crisi – Storie di aziende (quasi medie) vincenti nei mercati globali*. 1° Ed. Venezia: Marsilio Editore.

Root, F.R. (1998) *Entry Strategies for International Markets*: Revised and Expanded Edition, The New Lexington Press, Lexington, MA.

Skousen, M., (2007), *The Big Three in Economics*. Adam Smith, Karl Marx and John Maynard Keynes, Armonk, NY: M.E. Sharpe

Laerd Statistics (2015). *Independent-samples t-test using SPSS Statistics*. *Statistical tutorials and software guides*. Retrieved from https://statistics.laerd.com/

Kang, Y., & Harring, J. R. (2012). *Investigating the Impact of Non-Normality, Effect Size, and Sample Size on Two-Group Comparison Procedures: An Empirical Study*. Presented at the annual meeting of the American Educational Research Association (AERA), SIG: Educational Statisticians, Vancouver, BC.

Lofstrom N. (2013). A *Model Explaining European Cultural Differences*. Retrieved from https://futurelabeurope.eu