



Contents lists available at ScienceDirect

Journal of Business Research

Global mindset, cultural context, and the internationalization of SMEs[☆]J. Augusto Felício^{a,*}, Ieva Meidutė^b, Øyvind Kyvik^c^a University of Lisbon, Rua Miguel Lúpi, n.º 20, 1249-078 Lisboa, Portugal^b Vilnius Gediminas Technical University, Saulėtekio al. 11, Vilnius 10223, Lithuania^c Stord/Haugesund University College, Klingsbergvegen 8, 5414 Stord, Norway

ARTICLE INFO

Article history:

Received 1 February 2016

Received in revised form 1 March 2016

Accepted 1 April 2016

Available online xxxx

Keywords:

Individual global mindset

Corporate global mindset

Internationalization factors

ABSTRACT

This research analyzes the effect of individual and corporate global mindset (GM) on the internationalization of Portuguese, Norwegian, and Lithuanian firms. The sample consists of 526 small- and medium-sized firms and the data analysis uses the structural equation modeling (SEM) methodology. The results reveal the importance of the relationship between individual global mindset and corporate global mindset and the influence on the SMEs' internationalization factors. This research confirms the factors that identify corporate GM and recognizes the cultural context influence on the research model, thus presenting a relevant contribution to literature.

© 2016 Elsevier Inc. All rights reserved.

1. Introduction

The emergence of the Global Mindset (GM) results from the competition between companies in a global context, which is an important source of long-term competitive advantage. In a truly global company, managers must have a GM (Bowen & Inkpen, 2009; Crowne, 2008; Levy, Beechler, Taylor, & Boyacigiller, 2007). In general, GM studies focus on managers (Arora, Jaju, Kefalas, & Perenich, 2004; Gupta & Govindarajan, 2002) and address the international experience, professional training abroad, and foreign language skills for the development of a GM. In addition to the individual global mindset (IGM), understanding the corporate global mindset (CGM) factors is very important, because a company has routines, produces products and services, and develops multiple activities that interact with very different cultural realities that require adaptation and suitable decisions for success (Felício, Caldeirinha, & Rodrigues, 2012).

Several authors (e.g., Ananthram, Pearson, & Chatterjee, 2010; Cohen, 2010) highlight the role of CGM in the organizations' performance.

Felício, Caldeirinha, Rodrigues, and Kyvik (2013) note the need to understand better the factors that integrate CGM, CGM's relationship with IGM, and the companies' internationalization approach. Other authors recognize the need to understand better the influence of the context (Felício, Caldeirinha, & Ribeiro-Navarrete, 2015). The literature lacks studies on the importance of the GM in small and medium-sized firms (Paul, 2000).

This research builds on the resource-based view (Barney, 1991; Teece, Pisano, & Shuen, 1997), the mindset theory (Gollwitzer, 1990, 1999), the information-processing theory (Giaglis & Fouskas, 2011), and the internalization theory (Rugman, 2005). This study applies structural equation modeling (SEM) to analyze a sample of 526 small and medium-sized Portuguese, Norwegian, and Lithuanian firms.

The purpose of this research is to understand the concepts of individual and corporate global mindsets and their relationship with firms' internationalization approaches in different contexts. The objectives are studying the concepts of IGM and CGM, evaluating autonomously the effects of IGM and CGM on firms' internationalization, and evaluating the effect of the context on the relationship between individual and corporate GM and their influence on firms' internationalization.

The influence of the companies' geographical context is relevant because the context differentiates the importance of IGM and CGM factors and the SMEs' internationalization approach. The first relevant contribution to the literature consists of the factors that constitute the CGM and CGM's strong relationship with the IGM.

The article's structure is as follows: after the introduction, the theoretical background examines the existing literature. Section 3 explains the research method and Section 4 focuses on the empirical results and analysis. Section 5 includes the discussion of the results and

[☆] The authors thank Ricardo Rodrigues, Centre for Management Studies, ISEG, António Samagaio, ISEG, School of Economics and Management, University of Lisbon, and two anonymous reviewers from GIKA conference for their careful reading and suggestions. The authors acknowledge financial support from FCT—Fundação para a Ciência e Tecnologia (Portugal), national funding through research grant (UID/SOC/04521/2013).

* Corresponding author.

E-mail addresses: jaufeli@netcabo.pt, jaufeli@iseg.ulisboa.pt (J.A. Felício), ieva.meidute@gmail.com (I. Meidutė), oyvin.kyvik@hsh.no (Ø. Kyvik).

Section 6 presents the conclusions and contributions of the study. Finally, Section 7 concludes with the limitations and future research questions.

2. Theoretical background

Managers and researchers recognize the need to obtain a GM (Ang & Inkpen, 2008; Shapiro, Ozanne, & Saatcioglu, 2008). GM is a multidimensional factor of the individual and the organization, and incorporates the strategic and cultural dimensions, including the individual characteristics of global leadership (Kedia & Mukherji, 1999; Paul, 2000).

IGM and CGM build on the resource-based view, mindset theory, information-processing theory, and internalization theory. The resource-based view focuses on the resources and refers to all assets, capabilities, organizational processes, information, and knowledge attributes that allow the company to design and implement strategies that improve efficiency and effectiveness (Barney, 1991; Grant, 1996; Teece et al., 1997). The mindset theory consists of the distinction between the motivation to choose a target and the willingness to make the decision to achieve such objective (Gollwitzer, 1999). The information-processing theory considers that the individuals' ability to process information has limitations and that the data-collection context influences the interpretation process. Thus, the influence on the cognitive structures, including the global mindset, limits data processing (Giaglis & Fouskas, 2011; Leonard, Scholl, & Kowalski, 1999). Finally, the internalization theory aims to understand the type of internal organization, the company's boundaries, and the company's relationship with the external environment. The internalization theory also aims to explain the existence, operation, and behavior of companies active in the international market (Rugman, 2005; Rugman & Verbeke, 2004). This theory also intends to assess the conditions of efficiency and effectiveness in international markets.

2.1. Individual global mindset

IGM is a complex cognitive structure that consists in the predisposition, understanding, and articulation of multiple cultural and strategic realities at the global and local levels (Levy et al., 2007). IGM refers to the aptitude to accept the diversity of cultures and markets and observe common patterns that enable the identification of opportunities (Evans, Pucik, & Barsoux, 2002; Rogers & Blonski, 2010). IGM allows the manager to assess different contexts, cultures, or markets and understand commonalities among the differences (Jeannot, 2000).

2.2. Corporate global mindset

CGM encompasses the degree to which the company, in an integrated manner and within a global perspective, learns to think, to act, and to operate according to the company's structure and organization. This process builds on routines, operating practices, processes, and behaviors that result from the experience, relationships, and social conventions (Beechler, Levy, Taylor, & Boyacigiller, 2004; Begley & Boyd, 2003; Jeannot, 2000).

The organization's standards and shared values determine attitudes, behaviors, and commitments of the members, affecting the way they feel and act and reflecting the organizational culture (Lok & Crawford, 2001; O'Reilly & Chatman, 1996). Among the factors affecting the formation of commitments, the personal characteristics (e.g., education, experience, and gender) and the organizational characteristics (e.g., organizational structure and group attitudes) deserve special attention (Gould-Williams, 2003). In the multidimensional perspective of the organization, the GM consists of global aptitude (integrates cognition), global knowledge, and global orientation (integrates behavior) (Felício et al., 2013; Kedia & Mukherji, 1999; Yin, Johnson, & Bao, 2008). Global orientation relates to the commitment and effort to understand foreign markets, international networks and the importance

of partnerships with other companies (Gupta & Govindarajan, 2002; Nummela, Saarenketo, & Puumalainen, 2004).

2.3. Internationalization

Product development benefits from the internationalization of companies and from a better knowledge of the international market to meet customer needs, avoid competition, and improve performance (Cumming, Sapienza, Siegel, & Wright, 2009; Keupp & Gassmann, 2009; Ott, 2016; Weerawardena, Mort, Liesch, & Knight, 2007). Proximity to markets and contact with customers allow a rapid internationalization influential in the company's profitability and growth opportunities (Altuntas, Berry-Stölzle, & Hoyt, 2011).

According to Gabrielsson, Sasi, and Darling (2004) and Weerawardena et al. (2007), global companies benefit from access to international business partners and experts (e.g., universities, other companies, and industry associations), and require managers with international experience and GM. Companies need to have skills and access to resources to compete in the international market (Sapienza et al., 2006) and seek partners to complement their own skills in the target markets (Oviatt & McDougall, 2005). The established networks facilitate the acquisition of knowledge and the development of resources (e.g., Nerkar & Paruchuri, 2005; Selnes & Sallis, 2003).

2.4. Cultural context

The behavior and the culturally normalized socialization patterns often result from a mixture of religious beliefs, economic requirements, and policies, among others (Sekaran, 1983). The culture of a company reflects the members' attitudes and values, management style, and the decision-making style (Bjerke, 1999).

Hofstede's cross-cultural model presents six dimensions of national cultures: Power Distance (PDI), Individualism/Collectivism (IDV), Masculinity/Femininity (MAS), Uncertainty Avoidance (UAI), Long/Short Term Orientation (LTO), and Indulgence/Restraint (IND) (Hofstede, Hofstede, & Minkov, 2010). The measure of Hofstede's (2010) dimensions consists in a 1 to 120 scale. Portugal, Norway, and Lithuania have the following scores: PDI (63; 31; 45), IDV (27; 69; 50), MAS (31; 8; 65), UAI (104; 50; 67), and LTO (–; 20; –).

The World Bank presents Norway, with a little more than 5 million inhabitants, as one of the countries in the world with the highest income per capita (2012 GNI per capita, PPP, current international USD = 67,450). Portugal, that has around 10.5 million inhabitants, presents an income per capita inferior to the 40% of Norway's income per capita (2012 GNI per capita, PPP, current international USD = 25,330). Lithuania, with less than 3 million inhabitants, has an income per capita similar to the one in Portugal (2012 GNI per capita, PPP, current international USD = 23,540). Portugal and Lithuania are members of the European Union and the Eurozone since 1986 and 2004 respectively, while Norway is not a member. In the Global Competitiveness Index (WEF, 2013) Norway is in the 11th position, Portugal in the 51st, and Lithuania in the 48th.

3. Research methods

3.1. Research model and hypotheses

The research model explores the relationship of IGM and CGM with the internationalization effect, international networking activities, and international know-how activities (Fig. 1). The control variable refers to the specific cultural context of the Portuguese, Norwegian, and Lithuanian firms.

Drawing from the literature review, the resulting hypotheses are:

H1. IGM positively influences the internationalization effect.

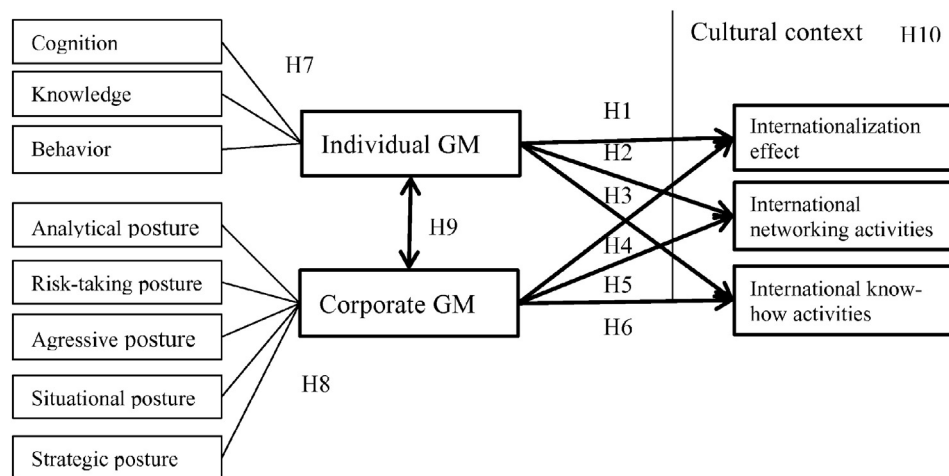


Fig. 1. Research model.

H2. IGM positively influences international networking activities.

H3. IGM positively influences international know-how activities.

H4. CGM positively influences the internationalization effect.

H5. CGM positively influences international networking activities.

H6. CGM positively influences international know-how activities.

H7. Cognition, knowledge, and behavior identify the IGM.

H8. Analytical posture, risk-taking posture, aggressive posture, situational posture, and strategic posture identify the CGM.

H9. IGM and CGM present a strong relationship.

H10. The cultural context influences differently the research model.

3.2. Factors and variables

The research model has two second-order latent variables and eleven first-order latent variables. The latent variables build on 38 observed variables.

3.2.1. Individual GM

COGNITION reflects on four observed variables: CrossColl (the senior manager encourages cross-disciplinary collaboration), ListChang (the senior manager is able to listen to others and change his/her opinion), InfHappen (the senior manager believes that he/she can influence what happens around him/her), and ActivTeam (the senior manager is an active member when working in a team).

KNOWLEDGE reflects on three observed variables: ContIntAg (the senior manager is in contact on a daily basis with international clients, suppliers, and employees), IntTravel (the senior manager gained experience from international travel), and OtherExper (the senior manager has other relevant experience).

BEHAVIOR reflects on five observed variables: IntGrow (internationalization is the only way to achieve the growth objectives), WillIntMkt (the manager/owner is willing to lead the enterprise into the international market), PlanIntOpe (the enterprise managers spend considerable amounts of time planning international operations), WorldMkt (the enterprise managers see the world as a single, vast market), and WorldIdeas (the enterprise managers see the world not as a playground, but also as a school).

3.2.2. Corporate GM

ANALY_POST (Analytical Posture) reflects on five observed variables: LongMarket (the market-planning activities explicitly take into consideration long-run future developments), RDSust (research and development is the preferred way of guaranteeing sustainable competitive advantage), NewTecPot (continuous analysis of the potential of new technologies), InnovTrends (systematical prediction of trends in innovation), and LongTech (the innovation and development strategy has a strong long-term focus).

RISK_POST (Risk-Taking Posture) reflects on three observed variables: BoldAttit (very progressive, bold attitude to making important decisions), SupPromProj (tendency to support promising projects, even if their expected success is uncertain), and TakeRisks (tendency to take risks when making important decisions related to the market).

AGGRE_POST (Aggressive Posture) reflects on four observed variables: IncLeader (sacrifice profitability to increase leadership in innovative products or services), AggressAct (in general, organizations regard the activities in the market as aggressive), NewProd (the priority is to introduce new products before competitors), and AggInnov (product development strategy aims at aggressive innovation).

SITUA_POST (Situational Posture) reflects three observed variables: TechAdvanc (the products/services are technologically advanced), OwnRD (the enterprise performs its own research and development), and ResGrowth (the enterprise has access to resources that allow its future growth).

STRAT_POST (Strategic Posture) reflects on three observed variables: ObtainGlob (the enterprise focuses its actions on obtaining global resources), EntNewMkt (the enterprise, under the influence of global competition, has entered new markets), and PerceptOrg (the perception of the enterprise's policies and organizational practices is relevant to resolving the challenges that globalization brings forth).

3.2.3. Internationalization

EFFECT (Internationalization Effect) reflects three observed variables: Special (internationalization has a positive effect on the enterprise's specialization), KnowHow (internationalization has a positive effect on the enterprise's know-how), and Image (internationalization has a positive effect on the enterprise's image).

NETWORK (International Networking) has three observed variables: AcqInfo (the enterprise participates in international networks, especially to acquire more information), MktResourc (the enterprise participates in international networks, especially to explore market resources), and ContacSupp (the enterprise participates in international networks, especially to create or maintain contacts with suppliers).

KNOWHOW (International Know-How Activities) reflects on two observed variables: NewKnow (the enterprise frequently attends to congresses, conferences, and fairs, with the aim of acquiring new knowledge and establishing contacts with new suppliers) and PresSkill (the enterprise frequently attends to congresses, conferences, and fairs, with the aim of presenting skills, technologies, and products to international markets).

3.3. Measures and data collection

The questionnaire follows Paul (2000) and collects the answers in an electronic survey that takes place from January to May 2014. The questionnaire consists on self-response of the top managers of Portuguese, Norwegian, and Lithuanian SMEs. The variables present a seven-point Likert scale, ranging from *totally disagree* (1) to *totally agree* (7) (Felício et al., 2013; Kobrin, 1994; Murtha et al., 1998; Talke & Hultink, 2010). Assuming the European Union's criteria for defining small- and medium-sized firms, the global sample contains 526 answers, including 226 Portuguese firms, 200 Norwegian firms, and 100 Lithuanian firms from different sectors of activity. The optimization of the model included the test of different variables.

In the case of Norway, the Amadeus database listed a total of 4321 small- and medium-sized firms, considering the number of employees, turnover, and availability of email contact. After a random selection, the final sample had 2.750 Norwegian firms. Similarly, Amadeus and Informa D&B databases rendered 11,462 Portuguese firms, thus compensating the expected high number of deactivated e-mail contacts. A similar approach, using Rekvizitai.lt, returned 2100 Lithuanian firms. The response rate in each country stood in the 5 to 10% of valid contacts.

3.4. Statistical instruments

The structural equation modeling (SEM) allows to test simultaneously the complex relations between the dependent and independent variables. The confirmatory factor analysis (CFA) estimates the full research model (e.g., Baumgartner & Homburg, 1996; Hu & Bentler, 1999) to evaluate the model (Kline, 2011). The assessment of the validity, internal consistency, reliability, and unidimensionality of the models follows Hair, Black, Babin, and Anderson (2010) and Tabachnick and Fidell (2001).

4. Empirical results and analysis

4.1. Descriptive analysis

The establishment of the Norwegian and Portuguese firms in the sample, on average occurs in comparable years (1979 and 1980, respectively), whereas the establishment of the Lithuanian firms in the sample happens, on average, in 2002, because of the country's recent economic

evolution. Considering firm size, the firms from the 3 countries have, on average, between 51 and 54 workers. In Norway 15% of the workers are foreigners, while in Portugal only 3% are; in Lithuania, 5% are foreigners. In Norway and Portugal, the top manager answering to the questionnaire is around 48 to 50 years old, whereas in Lithuania the average age is 39. In the three countries, more than 60% of the respondent top managers have at least a university degree.

4.2. Exploratory and confirmatory analysis

The first analysis focuses on the global model, after adjusting the variables of the constructs (Table 1), determining the model's latent exogenous variables with internal consistency, reliability, and unidimensional validity (Hair, Anderson, Tatham, & Black, 1998; Tabachnick & Fidell, 2001).

4.2.1. Global sample

The study applies a model to the global sample (Portuguese, Norwegian, and Lithuanian firms) (Fig. 2) that returns the following goodness of fit results of the SEM model: $\chi^2 = 1713.788$ ($p = 0.000$), $\chi^2/df = 2.649$, CFI = 0.913, TLI = 0.906, RMSEA = 0.056 ($p = 0.001$).

IGM contributes to explain the three dependent latent variables, internationalization effect ($\beta = 0.83$), international networking activities ($\beta = 0.39$), and international know-how activities ($\beta = 0.58$), whereas CGM only contributes to explain the international networking activities ($\beta = 0.35$) and international know-how activities ($\beta = 0.30$).

Three first-order latent variables reflect IGM: COGNITION ($\beta = 0.47$; $R^2 = 0.22$), KNOWLEDGE ($\beta = 0.76$; $R^2 = 0.57$), and BEHAVIOR ($\beta = 0.84$; $R^2 = 0.71$). Five first-order latent variables reflect CGM: ANALY_POST ($\beta = 0.73$; $R^2 = 0.53$), RISK_POST ($\beta = 0.55$; $R^2 = 0.30$), AGGRE_POST ($\beta = 0.62$; $R^2 = 0.38$), SITUA_POST ($\beta = 0.91$; $R^2 = 0.83$), and STRAT_POST ($\beta = 0.80$; $R^2 = 0.74$).

IGM strongly influences the SMEs' internationalization, especially in EFFECT ($\beta = 0.83$; $R^2 = 0.69$) through focusing on specialization (Special) ($\beta = 0.89$; $R^2 = 0.80$), know-how (KnowHow) ($\beta = 0.94$; $R^2 = 0.89$), and firm image (Image) ($\beta = 0.91$; $R^2 = 0.82$). IGM also observes international activities (KNOWHOW) ($\beta = 0.58$), partially, because these involve CGM ($\beta = 0.30$) through the participation in international events to obtain contacts and new knowledge (NewKnow) ($\beta = 0.73$; $R^2 = 0.53$) and to present skills, technologies, or products (PresSkill) ($\beta = 0.87$; $R^2 = 0.76$). IGM also influences the firms' internationalization through NETWORK ($\beta = 0.39$), partially (involves CGM ($\beta = 0.35$)), to gather more information (AcqInf) ($\beta = 0.86$; $R^2 = 0.74$), explore market resources (MktResource) ($\beta = 0.88$; $R^2 = 0.77$), and create or maintain contact with suppliers (ContacSupp) ($\beta = 0.85$; $R^2 = 0.71$). IGM highly relates to KNOWLEDGE ($\beta = 0.76$; $R^2 = 0.57$) and BEHAVIOR ($\beta = 0.84$; $R^2 = 0.71$), and moderately to COGNITION ($\beta = 0.47$; $R^2 = 0.22$).

Table 1
Correlation between latent variables and internal consistency.

| | FC | AVE | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---------------------------------|----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Individual GM (2nd level) | 1 | 0.88 | 0.45 | 0.67 | | | | | | | | | | | |
| Corporate GM (2nd level) | 2 | 0.83 | 0.41 | 0.85 | 0.64 | | | | | | | | | | |
| Strategic posture | 3 | 0.93 | 0.70 | 0.68 | 0.80 | 0.84 | | | | | | | | | |
| Risk-taking posture | 4 | 0.89 | 0.60 | 0.47 | 0.55 | 0.44 | 0.77 | | | | | | | | |
| Internationalization effect | 5 | 0.97 | 0.84 | 0.83 | 0.71 | 0.57 | 0.39 | 0.91 | | | | | | | |
| Internat. know-how activities | 6 | 0.87 | 0.50 | 0.83 | 0.79 | 0.63 | 0.43 | 0.69 | 0.71 | | | | | | |
| Internat. networking activities | 7 | 0.94 | 0.74 | 0.69 | 0.68 | 0.54 | 0.37 | 0.57 | 0.60 | 0.86 | | | | | |
| Knowledge | 8 | 0.82 | 0.48 | 0.76 | 0.65 | 0.52 | 0.35 | 0.63 | 0.63 | 0.52 | 0.70 | | | | |
| Behavior | 9 | 0.95 | 0.70 | 0.84 | 0.72 | 0.57 | 0.39 | 0.70 | 0.70 | 0.58 | 0.64 | 0.83 | | | |
| Situational posture | 10 | 0.71 | 0.34 | 0.78 | 0.91 | 0.73 | 0.50 | 0.65 | 0.72 | 0.62 | 0.59 | 0.66 | 0.58 | | |
| Aggressive posture | 11 | 0.89 | 0.55 | 0.53 | 0.62 | 0.49 | 0.34 | 0.44 | 0.49 | 0.42 | 0.40 | 0.44 | 0.56 | 0.74 | |
| Analytical posture | 12 | 0.92 | 0.58 | 0.62 | 0.73 | 0.58 | 0.40 | 0.52 | 0.58 | 0.50 | 0.47 | 0.52 | 0.66 | 0.45 | 0.76 |
| Cognition | 13 | 0.83 | 0.42 | 0.47 | 0.41 | 0.32 | 0.22 | 0.39 | 0.39 | 0.33 | 0.36 | 0.40 | 0.37 | 0.25 | 0.30 |

Note: SQRT of AVE on diagonal.

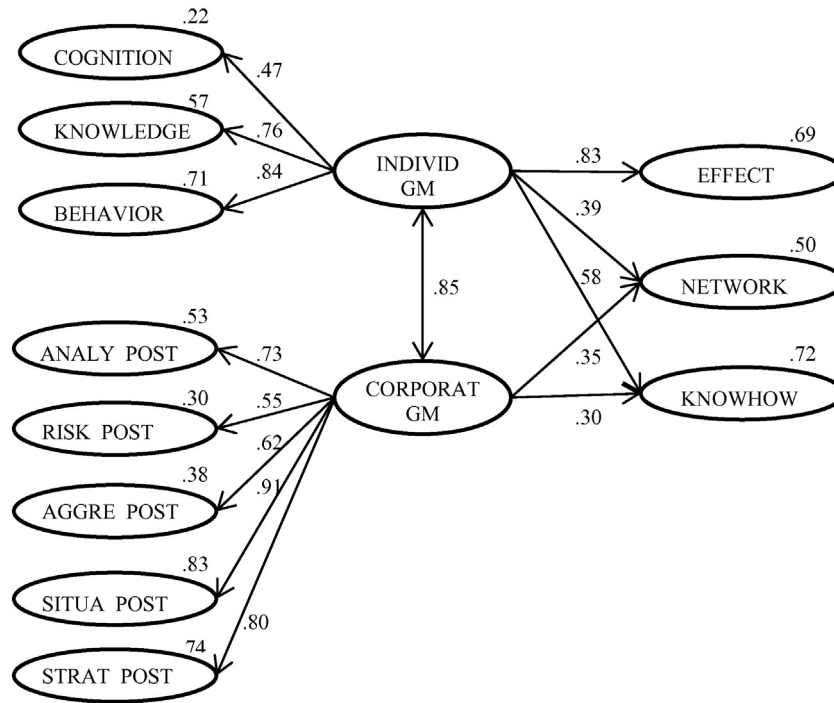


Fig. 2. Structural SEM model (global sample).

CGM also influences the firms' internationalization through NETWORK ($\beta = 0.35$), and KNOWHOW ($\beta = 0.30$). Five constructs reflect CGM: the innovation tendency (ANALY_POST, $\beta = 0.73$; $R^2 = 0.53$), developing new technologies to support long term competitive advantages and focusing on potentially successful projects with higher risks (RISK_POST, $\beta = 0.55$; $R^2 = 0.30$), leadership in the introduction of innovations in the market (AGGRE_POST, $\beta = 0.62$; $R^2 = 0.38$), new products and services ahead of competitors through aggressive innovations to hamper the competitors' success, the firm's environment (SITUA_POST, $\beta = 0.91$; $R^2 = 0.83$), focusing in advanced technologies

and access to resources to guarantee the future growth, and accepting the influence on the global competition, (STRAT_POST, $\beta = 0.80$; $R^2 = 0.74$) urging the firm to center the strategy in the capabilities and organizational conditions to obtain resources and enter in new markets. Finally, a strong relationship exists between IGM and CGM ($\beta = 0.85$).

4.2.2. Portuguese SMEs

Regarding the Portuguese SMEs, the research model (Fig. 3) has the following goodness of fit results: $\chi^2 = 1270.86$ ($p = 0.000$), $\chi^2/df = 1.964$, CFI = 0.879, TLI = 0.869, RMSEA = 0.065 ($p = 0.000$).

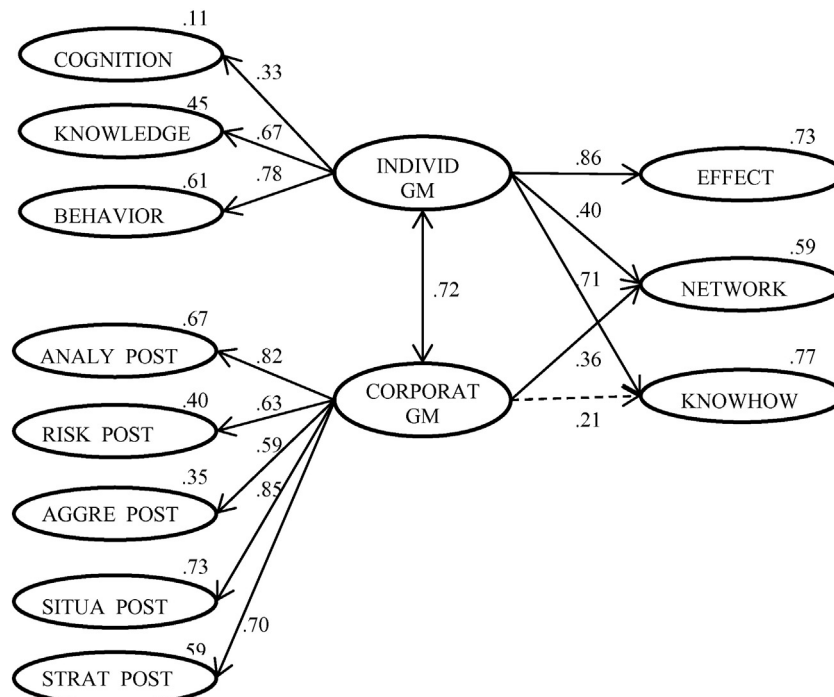


Fig. 3. Structural SEM model (Portugal).

IGM contributes to explain EFFECT ($\beta = 0.86$), and partially NETWORK ($\beta = 0.40$) and KNOWHOW ($\beta = 0.71$), while CGM contributes partially to explain NETWORK ($\beta = 0.36$) and KNOWHOW ($\beta = 0.21$).

IGM shows in the first-order latent variables COGNITION ($\beta = 0.33$; $R^2 = 0.11$), KNOWLEDGE ($\beta = 0.67$; $R^2 = 0.45$), and BEHAVIOR ($\beta = 0.78$; $R^2 = 0.61$). CGM's influence shows in the first-order latent variables ANALY_POST ($\beta = 0.82$; $R^2 = 0.67$), RISK_POST ($\beta = 0.63$; $R^2 = 0.40$), AGGRE_POST ($\beta = 0.59$; $R^2 = 0.35$), SITUA_POST ($\beta = 0.85$; $R^2 = 0.73$), and STRAT_POST ($\beta = 0.70$; $R^2 = 0.59$).

The results are very similar to those of the global sample, with a reinforcement of the influence of IGM in the internationalization factors and a redirection of the influence of CGM towards the acquisition of more information, the use of existing resources in the market, and the contact with suppliers (NETWORK) ($\beta = 0.36$).

4.2.3. Norwegian SMEs

Considering the sample of Norwegian SMEs (Fig. 4), the goodness of fit results of the SEM model are: $\chi^2 = 1058.188$ ($p = 0.000$), $\chi^2/df = 1.633$, CFI = 0.914, TLI = 0.907, RMSEA = 0.056 ($p = 0.045$).

IGM contributes to explain the latent variables EFFECT ($\beta = 0.87$), and NETWORK ($\beta = 0.81$), and partially KNOWHOW ($\beta = 0.72$), while CGM partially explains KNOWHOW ($\beta = 0.19$). Three first-order latent variables reflect IGM: COGNITION ($\beta = 0.30$; $R^2 = 0.09$), KNOWLEDGE ($\beta = 0.42$; $R^2 = 0.51$), and BEHAVIOR ($\beta = 0.86$; $R^2 = 0.74$). Five first-order latent variables reflect CGM: ANALY_POST ($\beta = 0.61$; $R^2 = 0.37$), RISK_POST ($\beta = 0.40$; $R^2 = 0.16$), AGGRE_POST ($\beta = 0.53$; $R^2 = 0.28$), SITUA_POST ($\beta = 0.87$; $R^2 = 0.75$), and STRAT_POST ($\beta = 0.92$; $R^2 = 0.74$).

The results confirm that IGM is very influential in the internationalization of SMEs, through EFFECT ($\beta = 0.87$), focusing on specialization (Special) ($\beta = 0.94$), know how (KnowHow) ($\beta = 0.94$), and firms' image (Image) ($\beta = 0.89$). IGM is also influential regarding NETWORK ($\beta = 0.81$), which implies the acquisition of more information (AcqInf) ($\beta = 0.71$), exploring market resources (MaktResource) ($\beta = 0.82$), and participation in events to keep in touch with suppliers (ContactSupp) ($\beta = 0.79$). Regarding KNOWHOW ($\beta = 0.72$), a partial influence relates to new knowledge acquisition (NewKnow) ($\beta = 0.76$) and presents the

firms' skills, technologies, and products (PresSkill) ($\beta = 0.87$). IGM explains COGNITION ($\beta = 0.30$) and KNOWLEDGE ($\beta = 0.42$) and especially BEHAVIOR ($\beta = 0.86$), which refers to the focus on achieving objectives (IntGrow) ($\beta = 0.84$) and planning operations (PlanIntOpe) ($\beta = 0.91$) to reach the wide market (WorldMkt) ($\beta = 0.74$), where firms collect new ideas (WorldIdeas) ($\beta = 0.60$).

Although the evidence does not clearly support the CGM influence on the firms' internationalization, an almost perfect relationship exists between CGM and IGM ($\beta = 0.93$). IGM, in turn, strongly influences firms' internationalization. CGM strongly identifies with AGGRE_POST ($\beta = 0.87$), either through new products/services or actions to prevent the success of competitors. Similarly, CGM identifies with STRAT_POST ($\beta = 0.92$), thus assuming the critical role of the firms' policies and organizational practices to enter in new markets.

4.2.4. Lithuanian SMEs

Finally, applying the model to the Lithuanian SMEs (Fig. 5) produces the following goodness of fit results: $\chi^2 = 1219.434$ ($p = 0.000$), $\chi^2/df = 1.888$, CFI = 0.785, TLI = 0.766, RMSEA = 0.095 ($p = 0.000$).

IGM contributes to explain partially the latent variables EFFECT ($\beta = 0.48$), through the focus on Special ($\beta = 0.92$), KnowHow ($\beta = 0.98$), and Image ($\beta = 0.90$), and partially NETWORK ($\beta = 0.42$), through AcqInfo ($\beta = 0.93$), MktResource ($\beta = 0.93$), and ContacSupp ($\beta = 0.99$). CGM contributes to explain KNOWHOW ($\beta = 0.63$), through NewKnow ($\beta = 0.76$) and PressSkill ($\beta = 0.99$), and partially NETWORK ($\beta = 0.37$) and EFFECT ($\beta = 0.25$). IGM identifies with the first-order latent variables COGNITION ($\beta = 0.60$; $R^2 = 0.36$), to stimulate CrossColl ($\beta = 0.59$), ListChang ($\beta = 0.69$), InfHappen ($\beta = 0.74$), and ActivTeam ($\beta = 0.80$). IGM also shows KNOWLEDGE ($\beta = 0.88$; $R^2 = 0.77$), through ContintAg ($\beta = 0.77$), IntTravel ($\beta = 0.55$), and OtherExper ($\beta = 0.47$), and BEHAVIOR ($\beta = 0.85$; $R^2 = 0.71$), through IntGrow ($\beta = 0.78$), WillIntMkt ($\beta = 0.74$), PlanIntOpe ($\beta = 0.84$), WorldMkt ($\beta = 0.63$), and WorldIdeas ($\beta = 0.62$). CGM identifies with the first-order latent variables ANALY_POST ($\beta = 0.70$; $R^2 = 0.49$), RISK_POST ($\beta = 0.58$; $R^2 = 0.33$), AGGRE_POST ($\beta = 0.66$; $R^2 = 0.43$), SITUA_POST ($\beta = 0.88$; $R^2 = 0.78$), and STRAT_POST ($\beta = 0.74$; $R^2 = 0.65$).

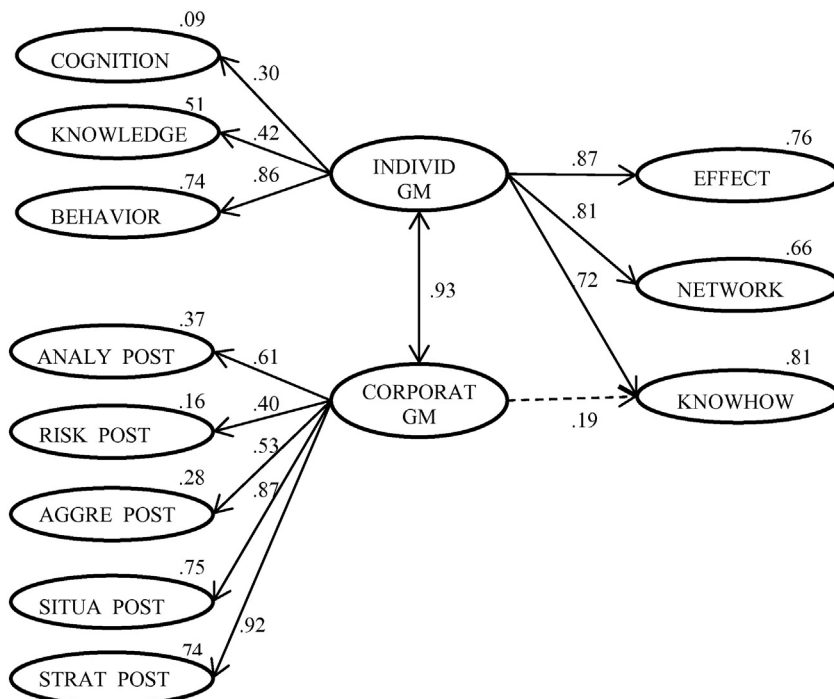


Fig. 4. Structural SEM model (Norway).

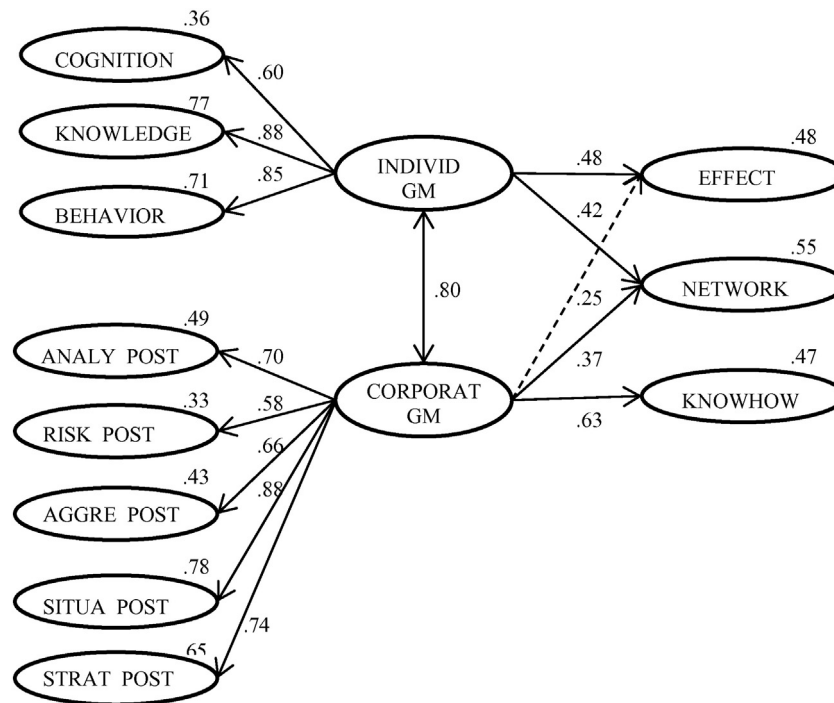


Fig. 5. Structural SEM model (Lithuania).

CGM presents similarities with the results from the global sample, and includes strong propensity towards innovation, the focus on projects with high success potential but with additional risks, the leading position in the introduction of innovations in the market, new products and services, and the firm environment encouraging the focus in advanced technologies. A strong relationship between IGM and CGM exists ($\beta = 0.80$).

In conclusion, the Portuguese SMEs show the IGM's strong influence on EFFECT ($\beta = 0.86$) and KNOWHOW ($\beta = 0.71$). The Norwegian SMEs, also show the IGM's strong influence on NETWORK ($\beta = 0.81$), contrary to the Lithuanian SMEs where, besides the lack of influence on KNOWHOW, the influences on EFFECT and NETWORK are modest.

In the case of the Portuguese SMEs, CGM moderately influences NETWORK ($\beta = 0.36$) and weakly influences KNOWHOW ($\beta = 0.21$), while the Norwegian SMEs present no relationship. The Lithuanian SMEs show a strong influence of CGM on KNOWHOW ($\beta = 0.63$), but moderate on NETWORK ($\beta = 0.37$) and weak on EFFECT ($\beta = 0.25$). The Norwegian SMEs, differing from their Portuguese and Lithuanian counterparts, show a very strong relationship between IGM and CGM ($\beta = 0.93$).

5. Discussion

The very strong relationship between IGM and CGM is present in the different contexts of Portuguese ($\beta = 0.72$), Norwegian ($\beta = 0.93$), and Lithuanian ($\beta = 0.80$) SMEs and in the global sample ($\beta = 0.85$). The prominent importance of this relationship derives from the intricate relationship between the environment or organizational atmosphere and the structure and how companies organize, develop, and enhance the resources; in addition, managers' attitude or cognition, work experience, and behavior to meet the challenges are also very influential. Managers are relevant as individuals in the firms for their attributes and qualities but are also a relevant part of the firms' structure and the organization (routines, rules, values, and principles) to achieve sustainable objectives in high competition. Thus, the results confirm hypothesis H9. The intensity of the relationship between IGM and CGM characterizes the quality of the organizations and reflects, at the same time, the context in

which they operate with implications, in this case, in the internationalization of SMEs through EFFECT, NETWORK, and KNOWHOW.

IGM strongly influences the SMEs internationalization in terms of specialization, knowledge, and image (EFFECT) ($\beta = 0.83$) and the international activities on information acquisition and skills, technologies, and products presentation (KNOWHOW) ($\beta = 0.58$). IGM moderately influences the participation in the international networks (NETWORK) ($\beta = 0.39$). Thus, the results confirm hypotheses H1, H2, and H3.

The Portuguese and Norwegian firms have the same relationships of influence. In the Lithuanian firms, the IGM influence on KNOWHOW is absent. Authors such as Evans et al. (2002); Jeannet (2000), and Rogers and Blonski (2010) highlight the importance of context on GM with effects on values and managers' cognitive orientation, which aligns with the results.

CGM moderately influences the internationalization of SMEs in terms of KNOWHOW ($\beta = 0.30$) and participation at NETWORK ($\beta = 0.35$), but does not influence EFFECT ($\beta = 0.00$). Thus, these results confirm hypotheses H5 and H6, but not hypothesis H4. These results coincide with Beechler et al. (2004); Felício et al. (2013); Nummela et al. (2004), and Yin et al.'s (2008) studies of the implications of corporate GM factors in firms' orientation in the international market. Gould-Williams (2003) and Fey and Denison (2003) consider that culture and organizational characteristics are very relevant and constrain the firms' actions in the global market.

Portuguese firms present the same relationships of influence, although the influence of CGM on KNOWHOW ($\beta = 0.21$) is very weak. The results show no evidence supporting these influences in the Norwegian firms. The Lithuanian firms present a very strong influence on KNOWHOW ($\beta = 0.63$), a moderate influence on NETWORK ($\beta = 0.37$), and a weak influence on EFFECT ($\beta = 0.25$). The observations of Altuntas et al. (2011) support these results, reporting that the proximity and market intervention ensures growth opportunities.

IGM reflects moderately in COGNITION, and strongly in KNOWLEDGE and BEHAVIOR. RISK_POST and AGGRE_POST strongly reflect CGM, and ANALY_POST, SITUA_POST, and STRAT_POST reflect very strongly in CGM. These results confirm hypotheses H7 and H8. Felício et al. (2013, 2015) support the factors corroborated in this study, especially CGM.

The Portuguese SMEs show the IGM's strong influence on EFFECT ($\beta = 0.86$) and KNOWHOW ($\beta = 0.71$) and a moderate influence on NETWORK ($\beta = 0.40$), as well as the CGM's moderate influence on NETWORK ($\beta = 0.36$) and a weak influence on KNOWHOW ($\beta = 0.21$). In the Norwegian firms, the study finds IGM's very strong influence on EFFECT ($\beta = 0.87$), NETWORK ($\beta = 0.81$), and KNOWHOW ($\beta = 0.72$) and no significant relationships between CGM and internationalization factors. Considering the Lithuanian firms, the relationship between IGM and EFFECT ($\beta = 0.48$) and NETWORK ($\beta = 0.42$) is moderate and inexistent with KNOWHOW. Focusing on CGM, the results show a very strong influence on KNOWHOW ($\beta = 0.63$), a moderate influence on NETWORK ($\beta = 0.37$), and a weak influence on EFFECT ($\beta = 0.25$), which totally differs from Norwegian firms and partially from Portuguese firms. Thus, the results confirm hypothesis H10. Several authors (Felício et al., 2015; Gupta & Govindarajan, 2002; Paul, 2000) highlight the role of context shaping IGM and CGM with implications for firms' actions to gain access to the global market, which the results from this study corroborate. For example, Norway is more individualistic and the factors of internationalization crucially depend on IGM.

The overall assessment of the relationships of influence between IGM and CGM and the internationalization factors highlights differences of the Portuguese, Norwegian, and Lithuanian SMEs contexts. The Portuguese managers, similarly to the Norwegian managers, address the internationalization with a lower commitment to the participation in international networks. This behavior is unlike the global mentality of Lithuanians managers, who do not personally value the international activities related to the search for new knowledge and presentation of skills, technologies, and products, which depend on the firm.

6. Conclusions and contributions

The close relationship between individual GM and corporate GM occurs because firms have an organizational environment and internal structure and organization that enables them to take advantage, develop, and enhance the available resources. This process also depends on managers' cognition and behavior while facing challenges, intrinsically affecting the firms and making firms take advantage of managers' practical experience. Managers' own attributes and qualities are a relevant part of firms' structure and organization, while the firm's routines, rules, values, and principles are essential to achieve sustainable objectives in highly competitive environments.

The cultural context influences the factors of individual GM and corporate GM. Individual GM in Norwegian SMEs evidences the preponderance in the adoption of strongly rational behaviors oriented to achieve growth objectives in a planned manner and likely to assume the international market as an opportunity and a source of new ideas. The managers of Lithuanian SMEs additionally reveal the importance of the relationships among people and firms' need for listening to them, encouraging cross-disciplinary collaboration and teamwork, a situation that also occurs among Portuguese managers, who include professional experience with international daily work and contacts.

Managers' individual GM strongly influences the internationalization of Norwegian SMEs through its internationalization effects, participation in international networks, or participation in international events. In addition, corporate GM establishes a strong relationship with individual GM but has no direct effect on internationalization activities. The individual GM partially and moderately influences the internationalization of the Lithuanian SMEs. The corporate GM has an effect on firms' specialization, image, and participation in international networks and strongly influences international activities that focus on acquiring more knowledge and enable the presentation of skills, technologies, and products. In the case of Portuguese SMEs, individual GM and corporate GM influence internationalization, strongly and moderately, respectively, especially through the participation in international networks to acquire more information, explore market resources, and develop contacts with suppliers.

This article contributes to the literature by examining the evidential influence of context on the relationship of IGM and CGM with the internationalization factors. These particularities allow to understand better the factors that differentiate the firms in their approach to international markets. Additionally, this article highlights the importance of CGM and the strength of its intrinsic relationship with IGM, confirming the factors that reflect CGM. Finally, the article also shows that the factors that reflect IGM differ depending on the context in which firms operate, as the study of Norwegian managers and Lithuanian managers' objectives proves.

7. Limitations and future research

The main limitations of this study relate to the fact that the sample from the different countries consists of firms operating in different sectors. In future works, researchers should analyze the effect of the sector in the formation of IGM and CGM to provide a better understanding of the relevance and type of factors. Another area to develop within this research model is the international business performance. Finally, in comparable contexts, the firms' age could contribute to further research, because older companies probably have a more stable organizational culture, while younger companies probably have a higher dependence on the individuals' culture.

References

- Altuntas, M., Berry-Stölzle, T. R., & Hoyt, R. E. (2011). Implementation of enterprise risk management: Evidence from the German property-liability insurance industry. *Geneva Papers on Risk & Insurance—Issues and Practice*, 36(3), 414–439.
- Ananthram, S., Pearson, C. L., & Chatterjee, S. R. (2010). Do organizational reform measures impact on global mindset intensity of managers? Empirical evidence from Indian and Chinese service industry managers. *Journal of Chinese Economic and Foreign Trade Studies*, 3(2), 146–168.
- Ang, S., & Inkpen, A. C. (2008). Cultural intelligence and offshore outsourcing success: A framework of firm-level intercultural capability. *Decision Sciences*, 39(1), 337–358.
- Arora, A., Jaju, A., Kefalas, A. G., & Perenich, T. (2004). An exploratory analysis of global managerial mindsets: A case of U.S. textile and apparel industry. *Journal of International Management*, 10(3), 393–411.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Baumgartner, H., & Homburg, C. (1996). Applications of structural equation modeling in marketing and consumer research: A review. *International Journal of Research in Marketing*, 13(2), 139–161.
- Beechler, S., Levy, O., Taylor, S., & Boyacigiller, N. (2004). Does it really matter if Japanese MNCs think globally? In A. Bird, & T. Roehl (Eds.), *Japanese firms in transition: Responding to the globalization challenge* (pp. 261–288). Greenwich, CT: JAI Press.
- Begley, T. M., & Boyd, D. P. (2003). The need for a corporate global mind-set. *MIT Sloan Management Review*, 44(2), 25–32.
- Bjerke, B. (1999). *Business leadership and culture; National management styles in the global economy*. MA, USA: Edward Elgar Publishing, Inc.
- Bowen, D. E., & Inkpen, A. C. (2009). Exploring the idea of "Global Mindset" in leading change in international contexts. *Journal of Applied Behavioural Science*, 45(2), 239–260.
- Cohen, S. L. (2010). Effective global leadership requires a global mindset. *Industrial & Commercial Training*, 42(1), 3–10.
- Crowne, K. (2008). What leads to cultural intelligence? *Business Horizons*, 51(5), 391–399.
- Cumming, D., Sapienza, H. J., Siegel, D. S., & Wright, M. (2009). International entrepreneurship: Managerial and policy implications. *Strategic Entrepreneurship Journal*, 3(4), 283–296.
- Evans, P., Pucik, V., & Barsoux, J. (2002). *The global challenge: Frameworks for international human resource management*. New York: McGraw-Hill/Irwin.
- Felício, J. A., Caldeirinha, V. R., & Rodrigues, R. (2012). Global mindset and the internationalization of small firms: The importance of the characteristics of entrepreneurs. *International Entrepreneurship and Management Journal*, 8(4), 467–485.
- Felício, J. A., Caldeirinha, V. R., Rodrigues, R., & Kyvik, O. (2013). Cross-cultural analysis of the global mindset and the internationalization behavior of small firms. *International Entrepreneurship and Management Journal*, 9(4), 641–654.
- Felício, J. A., Caldeirinha, V. R., & Ribeiro-Navarrete, B. (2015). Corporate and individual global mind-set and internationalization of European SMEs. *Journal of Business Research*, 68(4), 797–802.
- Fey, C., & Denison, D. R. (2003). Organizational culture and effectiveness: Can an American theory be applied in Russia? *Organization Science*, 14(6), 686–706.
- Gabrielsson, M., Sasi, V., & Darling, J. (2004). Finance strategies of rapidly-growing Finnish SMEs: Born Internationals and Born Globals. *European Business Review*, 16(6), 590–604.
- Giagliis, G. M., & Fouskas, K. G. (2011). The impact of managerial perceptions on competitive response variety. *Management Decision*, 49(8), 1257–1275.

- Gollwitzer, P. M. (1990). Action phases and mindsets. In E. T. Higgins, & R. M. Sorrentino (Eds.), *Handbook of motivation and cognition: Foundations of social behavior* (pp. 53–92). New York: Guilford Press.
- Gollwitzer, P. M. (1999). Implementation intentions: Strong effects of simple plans. *American Psychologist*, *54*(7), 493–503.
- Gould-Williams, J. (2003). The importance of HR practices and workplace trust in achieving superior performance: A study of public-sector organizations. *International Journal of Human Resource Management*, *14*(1), 28–54.
- Grant, R. M. (1996). Toward a knowledge-based theory of the firm. *Strategic Management Journal*, *17*(S2), 109–122.
- Gupta, A. K., & Govindarajan, V. (2002). Cultivating a global mindset. *The Academy of Management Executive*, *16*(1), 116–126.
- Hair, J. F., Jr., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). *Multivariate data analysis* (5th ed.). Upper Saddle River, New York: Prentice Hall.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis*. New Jersey: Pearson Education Inc.
- Hofstede, G. (2010). Geert Hofstede cultural dimensions. Retrieved February 3rd, 2015, from <http://www.clearlycultural.com/geert-hofstede-cultural-dimensions/long-term-orientation/>
- Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: Software of the mind* (3rd ed.). New York: McGraw-Hill.
- Hu, L. -T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling*, *6*(1), 1–55.
- Jeannot, J. P. (2000). *Managing with a global mindset*. London: Financial Times/Prentice Hall.
- Kedia, B. L., & Mukherji, A. (1999). Global managers: Developing a mindset for global competitiveness. *Journal of World Business*, *34*(3), 230–251.
- Keupp, M. M., & Gassmann, O. (2009). The past and the future of international entrepreneurship: A review and suggestions for developing the field. *Journal of Management*, *35*(3), 600–633.
- Kline, P. (2011). Oaxaca-blinder as a reweighting estimator. *American Economic Review*, *101*(3), 532–537.
- Kobrin, S. J. (1994). Is there a relationship between a geocentric mind-set and multinational strategy? *Journal of International Business Studies*, *25*(3), 493–551.
- Leonard, N. H., Scholl, R. W., & Kowalski, K. B. (1999). Information processing style and decision making. *Journal of Organizational Behavior*, *20*(3), 407–420.
- Levy, O., Beechler, S., Taylor, S., & Boyacigiller, N. A. (2007). What we talk about when we talk about global mindset: Managerial cognition in multinational corporations. *Journal of International Business Studies*, *38*(2), 231–258.
- Lok, P., & Crawford, J. (2001). Antecedents of organizational commitment and the mediating role of job satisfaction. *Journal of Management Psychology*, *16*(8), 594–613.
- Murtha, T. P., & Lenway, S. A. (1998). Global mind-sets and cognitive shift in a complex multinational corporation. *Strategic Management Journal*, *19*(2), 97–114.
- Nerkar, A., & Paruchuri, S. (2005). Evolution of R&D capabilities: The role of knowledge networks within a firm. *Management Science*, *51*(5), 771–786.
- Nummela, N., Saarenketo, S., & Puumalainen, K. (2004). A global mindset: A prerequisite for successful internationalization? *Canadian Journal of Administrative Sciences*, *21*(1), 51–64.
- O'Reilly, C. A., & Chatman, J. A. (1996). Culture as social control: Corporations, cults and commitment. In L. L. Cummings, & B. M. Staw (Eds.), *Research in organizational behavior*. Vol. 18. (pp. 287–365). Stamford, CT: JAI Press.
- Ott, U. (2016). The art and economics of international negotiations: Hagglng meets hurrying and hanging on in buyer–seller negotiations. *Journal of Innovation and Knowledge*, *01*, 51–61.
- Oviatt, B. M., & McDougall, P. P. (2005). Defining international entrepreneurship and modeling the speed of internationalization. *Entrepreneurship Theory & Practice*, *29*(5), 537–553.
- Paul, H. (2000). Creating a mindset. *Thunderbird International Business Review*, *42*(2), 187–200.
- Rogers, E. M., & Blonski, D. (2010). *The global leadership mindset*. Chief Learning Officer (June, 18–21).
- Rugman, A. M. (2005). *The regional multinationals*. Cambridge, UK: Cambridge University Press.
- Rugman, A. M., & Verbeke, A. (2004). A perspective on regional and global strategies of multinational enterprises. *Journal of International Business Studies*, *35*(1), 3–18.
- Sapienza, H. J., Autio, E., George, G., & Zahra, S. (2006). A capabilities perspective on the effects of early internationalization on firm survival and growth. *Academy of Management Review*, *31*(4), 914–933.
- Sekaran, U. (1983). Methodological and theoretical issues and advancements in cross-cultural research. *Journal of International Business Studies*, *14*(2), 61–73.
- Selnes, F., & Sallis, S. (2003). Promoting relationship learning. *Journal of Marketing*, *67*(3), 80–89.
- Shapiro, J. M., Ozanne, J. L., & Saatcioglu, B. (2008). An interpretive examination of the development of cultural sensitivity in international business. *Journal of International Business Studies*, *39*(1), 71–87.
- Tabachnick, B. G., & Fidell, L. S. (2001). *Using multivariate statistics* (4th ed.). New York: Harper Collins.
- Talke, K., & Hultink, E. J. (2010). The impact of the corporate mind-set on new product launch strategy and market performance. *Journal of Product Innovation Management*, *27*, 220–237.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, *18*(7), 509–633.
- Weerawardena, J., Mort, G. S., Liesch, P. W., & Knight, G. (2007). Conceptualizing accelerated internationalization in the born global firm: A dynamic capabilities perspective. *Journal of World Business*, *42*(3), 294–306.
- World Economic Forum (2013). *The global competitiveness report, 2013–2014*.
- Yin, E., Johnson, J., & Bao, Y. (2008). Global mindedness and the performance of Chinese multinationals. *Proceedings of the China Goes Global Conference*. Boston, USA: Harvard University (October 8–10).