Antecedents of Accelerated Internationalisation of Polish and Czech Small and Medium-Sized Enterprises

Izabela Kowalik, Lidia Danik, Petr Král, Hana Řezanková

A B S T R A C T

Objective: The study goal was the investigation of relationships between accelerated internationalisation descriptors and antecedent firm- and entrepreneur-related factors in Polish and Czech SMEs.

Research Design & Methods: In order to compare Polish and Czech companies, the data collected in two independent studies were used. The study of 233 Polish companies was conducted with the use of CATI method in 2014; 108 Czech companies were surveyed in 2013/2014 with the use of CAWI method. In both samples half of the surveyed SME-exporters were conforming to the accelerated internationalisation criteria.

Findings: In both samples the “global vision” elements and company internationalisation scale and speed were interrelated. In the Polish companies this relationship was moderated by company size. There was the lack of strong positive relationships between innovativeness and internationalisation speed and scale in both samples.

Implications & Recommendations: The managerial mindset has a decisive role for accelerated internationalisation in both Czech and Polish SMEs. The innovativeness of offering is not indispensable for fast foreign expansion. Larger companies may expand abroad faster if they have internationally oriented managers.

Contribution & Value Added: This work addresses a research gap concerning idiosyncrasies of internationalisation antecedents in Polish and Czech enterprises. As the results show, there is no common internationalisation pattern for Polish and Czech SMEs.

Article type: research paper

Keywords: internationalisation antecedents; born global model; two-country study; The Czech Republic; Poland; SME

JEL codes: F23, M13, M16

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INTRODUCTION

Both in Poland and in the Czech Republic there are reports on large numbers of small and medium enterprises (SMEs) entering foreign markets. Almost one-fourth of Polish small firms and over 40% of medium-sized ones are exporters (PARP, 2015). Czech SMEs seem to be less involved in export activities than their Polish counterparts. In the Czech Republic there are 16% of SMEs which are internationally oriented – i.e. those which have or plan to have at least one-fourth of clients from abroad (PARP, 2015), but the 2015 CzechTrade report stated that from 2011 to 2015 the number of exporters among Czech SMEs grew by 15% (CzechTrade, 2015).

In Poland the activity of SMEs constitutes a considerable proportion of foreign trade and the level of exports generated by them is dynamically increasing (jointly, Polish-based small and middle-sized firms are generating over 39% of the Polish exports – PARP, 2014). Besides the traditional “stage models” of market entry, the accelerated expansion model has been applied by a considerable number of Polish SMEs (PARP, 2014). The Czech SMEs’ share in the total exports of the country reached about 31% in 2015 (MPO, 2016). Although in the Czech Republic the statistical reports suggest a high importance of SMEs for the country’s exports, the companies following accelerated internationalisation path have not been examined thoroughly yet.

The aim of this paper is the investigation of relationships between accelerated internationalisation descriptors and antecedent firm- and entrepreneur-related factors in Polish and Czech SMEs. The analysis will be conducted on the set of data collected using CATI (the Polish sample) and CAWI (the Czech sample) methods. The outcomes of Mann-Whitney test and correlation analysis lead to pointing out some differences in antecedents of early internationalisation between Polish and Czech SME exporters.

The first section of the paper provides an overview of the literature on the accelerated internationalisation antecedents and the conceptual model of the study. The next part comprises the description of the Polish and Czech samples and introduces variables used to test the hypotheses. The results section summarises findings of the correlation and moderation analysis and leads to identifying the characteristics of the accelerated internationalisation path followed by companies originating in Central and Eastern Europe in confrontation with findings of other authors. Finally, the conclusions present general results, together with the study limitations and recommendations for future research.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

The born global internationalisation path has been investigated for a few decades (e.g. Knight & Cavusgil, 1996; Rialp, Rialp, & Knight, 2015). Enterprises following this path have been defined as “International New Ventures” (INV), i.e. firms which from the beginning of existence seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries (Oviatt & McDougall, 1994, p. 49). So far Polish studies on accelerated internationalisation concerned specific traits

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1 After including micro-firms, this share increases to 82% of the Polish exports value (Sources: Polska Agencja Rozwoju Przedsiębiorczości, 2014, Raport końcowy. Ewaluacja potencjału eksportowego przedsiębiorstw w Polsce. Warsaw, p. 66 – a representative study of 659 exporters; Statistical Yearbook of the Foreign Trade, Central Statistical Office of Poland, 2014).
of INVs (Duliniec, 2011; Jarosiński, 2013), their expansion motives (Kowalik & Baranowska-Prokop, 2013), their success factors (Danik & Kowalik, 2015), their performance determinants (Baranowska-Prokop & Sikora, 2015) and their entrepreneurial traits (Wach, 2015). The determinants of early internationalisation have been studied by Zbierowski (2015) who compared the international orientation of Polish SMEs to other SMEs covered by Global Entrepreneurship Monitor. However, the presented study is an attempt to supplement the evident lack of knowledge on firm-specific determinants of accelerated internationalisation of Polish SMEs and to compare their internationalisation path with companies from another Central-European country.

In the Czech Republic the research on the born global internationalisation model has been rather limited so far (Simberova & Rekova 2016). Dasan (2013) identified Czech born-globals, compared them with Russian companies and found that their performance has improved thanks to internationalisation, the main motives of export being the access to markets and long-term business growth. Zapletalova (2013) surveyed 203 internationalising Czech enterprises and found only a few among them conforming to the born global model. An important determinant of accelerated internationalisation was their foreign markets knowledge. Glaister, Liu, Sahadev and Gomes (2014) have analysed HR practices of born globals in emerging markets, including 22 Czech companies. Ferencikova (2016) suggested that the born global internationalisation model could be relevant especially for companies originating in the ICT sector of the CEE countries, while SMEs from other industries tend to follow more traditional expansion paths. The Global Entrepreneurship Monitor presented data on the internationalisation potential of Czech SMEs, showing that their export orientation (start-ups that already have or plan to have at least 25% of their customers from abroad) reached 16.2% (Lukeš, Jakl, & Zouhar, 2014). Summing up, a detailed investigation of antecedents of Czech SME internationalisation is also needed, as there is a potential for choosing the accelerated expansion path by more of them.

**Global Vision as an Accelerated Internationalisation Antecedent**

Internationalisation antecedents include determinants of the chosen internationalisation pathway at the firm, managerial, and environmental level (Kuivalainen, Saarenketo, Sundqvist, & McNaughton, 2012). On this pathway the speed (timing), scale, and scope of internationalisation are the particular distinguishing characteristics, also referred to as degree of internationalisation (DOI) variables. Among the managerial antecedents the mentioned authors listed “mindset, experience, entrepreneurial orientation”; whereas at the firm level “resources, knowledge, strategic orientation, networks, capabilities, liabilities” were included (Kuivalainen et al., 2012, p. 452). In this paper selected antecedents from these two levels will be analysed in detail.

So called “global vision” or “managerial urge” are mentioned by some authors as typical elements of the born global model (Knight & Cavusgil, 1996; Luostarinen & Gabrielsson, 2006). Others consider them as antecedents of accelerated internationalisation (Tabares, Alvarez, & Urbano, 2015; Karra & Philips, 2004; Rasmussan, Madsen, & Evangelista, 2001). Global vision is understood as a managerial “mindset” including the treatment of foreign markets as the primary target for company activity. In our study this trait was included in the term “international openness”. Other authors claim that it is connected with the subject-matter experience, appropriate for the type of activity which the company is undertaking (Luostarinen & Gabrielsson, 2006). Thus, in this study
this second antecedent is included as “experience” pertaining to earlier activities of managers on foreign markets. As for its role in early internationalisation, contrary to “international openness”, the results have been mixed. Some authors claim that international experience is not indispensable to start export quickly (Evers & O’Gorman, 2011), while others confirm that international experience is on a higher level in born globals than in traditional exporters (Zhang, Tansuhaj, & McCullough, 2009) and thus it is interesting to analyse it in the new context of the CEE markets.

Innovativeness as an Accelerated Internationalisation Antecedent

Innovativeness is one of the characteristics which, since Oviatt and McDougall’s (1994) seminal work, have been used to describe rapidly internationalising companies. According to Knight and Cavusgil (2004), innovation culture is one of the antecedents of internationalisation of young firms, as it brings about specific capabilities needed for success on foreign markets. Even more, innovativeness is perceived to be a critical element of the entrepreneurial process needed to support the opening of new markets and to provide unique offers in order to serve those markets (Mort, Weerawardena, & Liesh, 2012). If companies want to compete on international markets, they have to develop new internationally oriented routines and organisational processes and forget the previously applied routines rooted in domestic operations (Grant, 1996). On the other hand, the new entry into foreign markets is already an innovation, therefore internationalising firms can be perceived as more innovative compared to domestic entities (Knight & Cavusgil, 2004; Zijdemans & Tanev, 2014).

The two-way causality between the innovation process and the firm performance is also being discussed, as not only innovation leads to exporting, but also the internationalisation process increases innovativeness, being the source of new ideas, know-how and other important knowledge resources (Gkypali, Rafailidis, & Tsekouras, 2015; Zijdemans & Tanev, 2014). The evidence for such “learning by exporting” effects was given for example by Love and Ganotakis (2013).

A lot of recent research has confirmed the correlation between innovation intensity and internationalisation speed. Meliá, Perez and Dobón (2010) showed in their study on Spanish service SMEs that innovative orientation influences the early foreign market entry. Lamotte and Colovic (2013) demonstrated the same for firms from 64 countries and showed that product innovation has a stronger impact on internationalisation than process innovation. However, the relationship between innovation intensity and internationalisation speed is not obvious in all countries. The study of Lamotte and Colovic (2013) shows that innovativeness in low-income countries has less influence on the internationalisation of new ventures than in high-income countries. Moreover, according to their other study, knowledge-based firms are less likely to internationalise from inception than other firms from transition countries (Lamotte & Colovic, 2015).

Based on the literature review, we have proposed the following hypotheses concerning Polish and Czech SMEs:

**H1:** The stronger the managerial global vision, the faster the internationalisation.  
**H2:** The stronger the managerial global vision, the higher the internationalisation scale.  
**H3:** The stronger the managerial global vision, the broader the internationalisation scope.  
**H4:** The higher the company innovativeness, the faster the internationalisation.
H5: The higher the company innovativeness, the higher the internationalisation scale.

H6: The higher the company innovativeness, the broader the internationalisation scope.

There has been little research so far concerning the role of INVs’ age as a factor influencing their performance, and it is considered a topic worth studying (Rialp et al., 2015). Some findings indicate that the development stage of INVs might have a considerable influence on their internationalisation strategies (Gabrielsson & Gabrielsson, 2013). One of the studies showed that only during later development (and at older age), INVs develop the knowledge of the foreign market, which helps them to evaluate opportunities more accurately (Hånell, Nordman, & Sharma, 2014). The Polish authors, Cieslik and Kaciak (2009), found that companies which internationalised at an older age were more likely to survive in foreign markets for a longer time. On the other hand, Almódovar (2012) has shown that age has a negative impact on the performance of internationalising firms. As these results are mixed, in order to explain the discussed relationships, the following hypotheses are analysed with regard to Polish and Czech companies:

H7: Company age strengthens the relationship between global vision and accelerated internationalisation.

H8: Company age strengthens the relationship between innovativeness and accelerated internationalisation.

As the internationalisation process is positively related to the availability of resources (e.g. Zapletalová, 2012; Gubik & Karajz, 2014) smaller companies, by their nature possessing limited tacit resources, can find it difficult to go international, despite the global vision of the entrepreneurs and the firm’s innovativeness. Thus, in their case, the global vision and innovativeness might not be as strongly correlated with accelerated internationalisation, as in the case of larger companies. Therefore, the following hypotheses are proposed:

H9: Company size strengthens the relationship between global vision and accelerated internationalisation.

H10: Company size strengthens the relationship between innovativeness and accelerated internationalisation.

The conceptual model of the study is summarised in Figure 1.
MATERIAL AND METHODS

In order to fulfil the study goal, which was to investigate the relationship between accelerated internationalisation descriptors and antecedent firm- and entrepreneur-related factors in Polish and Czech SMEs, the data concerning companies originating in these countries were collected and the variables described in the section below were analysed.

Sampling

In order to compare Polish and Czech companies, we used data collected in two independent studies. The data about Polish companies were gathered during a research project aimed at studying the processes of early internationalisation of Polish SMEs, carried out in autumn 2014 at the Warsaw School of Economics. The survey was conducted with the use of standardised questionnaire interview method with computer assistance (CATI). The Bisnode database updated at the end of 2013 and containing information about all companies registered in Poland, and being active at the time of the study served as a sampling frame. The firms were drawn out of the population of 19,594 Polish firms hiring 10-249 employees and belonging to the manufacturing section of the Polish Classification of Activity. A randomised algorithm in the software for telephone surveying was used to draw the respondents by a market-research agency. The interviews began with screening questions eliminating companies not fulfilling the criteria described below. Among the companies fulfilling the criteria, the response rate was 82.2%.

In total 233 Polish firms were selected for the study, of which 105 fulfilled the requirements formulated by Knight, Madsen and Servais (2004), concerning early internationalisation. Namely, they were Polish-based and owned SMEs, founded in 1990 or later, which had reached at least 25% share of export sales in the total turnover, internationalised within three years from founding and obtained a 25% share of exports in the total sales volume during three years (they are referred to in this text as international new ventures – INVs). The other 128 companies were gradually internationalised SMEs which did not fulfil the criterion of rapid internationalisation within three years, but they had reached at least 25% share of export within total sales. Following the selection of respondents, CATI interviews with export managers/sales directors of the companies were conducted.

The Czech survey was conducted in November 2013 – January 2014 with the use of on-line interview method (CAWI). A special commercial database MERK was used, providing contacts of 17,000 companies registered in the Czech Republic. They were sent emails requesting them to fill in the on-line survey. Altogether 590 valid responses to the questionnaire were received. The majority of the sample (429 firms) conducted international activities. In compliance with the research objectives just the internationally active firms were involved in further analysis.

In order to receive a sample comparable to the Polish one, micro and large companies, those with foreign equity stake, and export share in revenues under 20%, were eliminated. The final sample comprised 108 Czech companies founded after 1989, including

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2 In the Czech Republic there are 16% of SMEs which are internationally oriented, whereas in Poland this figure equals 24% (according to the Polish Agency for Enterprise Development, “internationally oriented” SMEs are those which have at least one-fourth of clients from abroad, see: PARP, 2015, p. 68). Due to this lower number
54 INV companies which had reached at least 25% share of export sales in the total turnover and internationalised within three years from inception, which gave a similar structure of the sample as in the case of the Polish companies.

Both the CATI and CAWI methods allowed the collection of data without any geographical constraints. The possibility to ask “sensitive” questions, high technical reliability, and short data collection time and low cost are the other advantages of these methods. The most important weakness of the data collection process was the application of different data gathering methods and different questionnaires for the Polish and Czech sample, as the interviews were conducted by research teams working independently on two different projects. Fortunately, the aims of both studies were similar, and therefore there were corresponding questions in both questionnaires, so it was possible to compare the answers.

There were similar numbers of small (56%) and medium – sized (44%) companies in the Polish sample, whereas in the Czech sample small companies constituted over 71%. In the Polish sample there were significantly more low-tech, whereas in the Czech sample there were significantly more high-tech companies. The Polish companies (mean age 14.6yrs, standard deviation 6.7 yrs) were younger than the Czech companies (mean age 18yrs, standard deviation 5.9yrs).

**Variables**

From both the Polish and Czech surveys the following variables were chosen for analysis.

1. **Experience of the managers in dealing with foreign markets.**
   The experience of the Polish companies’ managers was measured on a 5-point semantic scale, with 1 meaning “our managers have considerable experience in doing business on foreign markets” and 5 – “our managers have no experience in doing business on foreign markets”. The Czech respondents were asked to evaluate the experience of the companies’ managers in dealing with international markets on a 5-point Likert type scale ranging from “extremely low” to “extremely high”. For the sake of the clarity of further analysis, the variable was then recoded into a 5-point scale, with 1 indicating low international experience and 5 indicating high international experience in both samples.

2. **Openness of the managers to foreign markets.**
   In order to measure the openness of the Polish companies’ managers we applied a semantic scale with 1 meaning “foreign markets are definitely our priority” and 5 meaning “local market is definitely our priority”. The Czech managers were asked about their attitudes to internationalisation. “Cosmopolitanism and international openness”, measured on Likert type scale ranged from “extremely low” to “extremely high”. The variable was then recoded into the 5-point scale, with 1 indicating low international experience and 5 indicating high international openness in both samples.

3. **Intensity of innovations.**
   We included three questions about innovativeness in the Polish questionnaire. First we asked the respondents, if they had introduced any product, production process or technological innovations, and then to give examples of these innovations. Next, the respondents were asked similar questions about the innovations in distribution and promotion (classified later as marketing innovations). The Czech respondents were asked to mark

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in the Czech Rep., we accepted in the Czech sample also “gradually internationalised” exporters with at least 20% of revenues coming from export, as the level indicating their export focus.
the types of introduced innovations (product/process/organisational/marketing innovations)\(^3\). On the basis of these questions, we introduced a variable “intensity of innovations” related to the number of introduced innovation types, ranging from 0 meaning “no innovations introduced” to 3 meaning “three types of innovations introduced”.

4. **Level of export sales (“Internationalisation scale”).**
   Both the Polish and Czech companies were asked to indicate the share of export in the revenues of the company. The revenues were then coded as 1: 20-24%, 2: 25-50%, 3: 51-75%, 4: 76-100%.

5. **Speed of foreign market entry (“Internationalisation speed”).**
   The Polish respondents were asked to indicate when they had started exporting. Numbers of years from inception were coded respectively as “1” to “4”. The Czech respondents were asked about the year of founding and the year of foreign market expansion. The variable was then coded in the same way for both samples, using a 4-point scale, with 1 indicating low foreign market entry speed and 4 indicating high foreign market entry speed.

6. **“Territorial scope of activity” (“Internationalisation scope”).**
   The Polish companies were asked about their most important foreign target markets and the share of sales to these markets in their total export (they could indicate several countries). The Czech respondents were asked about the territorial scope of their activity. Local, regional and national scope was coded as “1”, “only neighbouring countries/cross border countries” were coded as “2”, the EU markets were coded as “3”, the EU markets plus outside EU were coded as “4” and exports to markets “outside EU only” were coded as “5”. The answers of the Polish companies were recoded respectively.

   Moreover, the moderating variables included in the study were: the size of the companies measured by the number of employees and the company age.

**RESULTS AND DISCUSSION**

The Kolmogorov-Smirnov test for one sample was used to investigate the data distribution. None of the variables was normally distributed, therefore, nonparametric tests were applied for further analysis.

As the Czech sample included both the manufacturing and service companies, the Mann-Whitney test was applied to investigate if there were any differences between them, regarding the studied variables’ distribution. No differences except for the variable “territorial scope of activity” were identified, so the service companies were included in the sample. As for the “scope of activity”, separate analyses were conducted regarding a) the whole sample, b) the manufacturing companies and c) the service companies.

The next step was to compare the studied variables’ distribution in the Polish and Czech samples with the use of the Mann-Whitney tests (in this test the hypothesis that the distribution of a certain variable is the same across the countries is tested). No significant differences were observed only for the variables “country market category”, “openness of the companies’ managers” and “intensity of innovations”. Therefore, we decided to test the hypotheses separately for the Polish and Czech samples. We applied the Spearman’s rank

\(^3\) Data on organisational innovations were not included in the subsequent analysis, as the Polish respondents were not asked about them.
correlation coefficient (Spearman’s rho), which is a nonparametric measure of the dependence between two variables. In this case the hypothesis that rho is zero is tested (the monotonic relationship between paired data is analysed). The results are presented below.

**Correlation Analysis**

The correlation indicators of firm-related factors and accelerated internationalisation indicators are presented in Table 1 (the Polish sample) and Błąd! Nie można odnaleźć źródła odwołania.2 (the Czech sample).

**Table 1. Correlation matrix of firm- and entrepreneur-related factors, moderating variables and accelerated internationalisation characteristics (Spearman correlation) – Polish companies**

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Experience of the managers in dealing with foreign markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Openness of the managers to foreign markets</td>
<td>0.158**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Intensity of innovations</td>
<td>0.009</td>
<td>-0.097</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Internationalisation scale</td>
<td>0.010</td>
<td>0.511***</td>
<td>-0.153**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Internationalisation speed</td>
<td>0.105</td>
<td>0.311***</td>
<td>0.026</td>
<td>0.235***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Internationalisation scope</td>
<td>0.006</td>
<td>-0.085</td>
<td>0.125</td>
<td>-0.094</td>
<td>-0.029</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Company size</td>
<td>0.004</td>
<td>-0.177***</td>
<td>0.084</td>
<td>-0.136**</td>
<td>-0.156**</td>
<td>0.101</td>
<td></td>
</tr>
<tr>
<td>8. Company age</td>
<td>0.091</td>
<td>-0.147**</td>
<td>-0.034</td>
<td>-0.143**</td>
<td>-0.544***</td>
<td>0.060</td>
<td>0.243**</td>
</tr>
</tbody>
</table>

N=233. ***p<0.01, **p<0.05, *p<0.10.
Source: own study.

**Table 2. Correlation matrix of firm- and entrepreneur-related factors, moderating variables and accelerated internationalisation characteristics (Spearman correlation) – Czech companies**

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Experience of the managers in dealing with foreign markets</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>2. Openness of the managers to foreign markets</td>
<td>0.441***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Intensity of innovations</td>
<td>0.125</td>
<td>0.216**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Internationalisation scale</td>
<td>0.183*</td>
<td>0.095</td>
<td>0.157</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Internationalisation speed</td>
<td>0.150</td>
<td>0.112</td>
<td>-0.116</td>
<td>0.009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Internationalisation scope</td>
<td>Whole sample</td>
<td>0.214**</td>
<td>0.107</td>
<td>0.174</td>
<td>0.199**</td>
<td>-0.079</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Man. (N=41)</td>
<td>0.245</td>
<td>0.05</td>
<td>0.069</td>
<td>0.071</td>
<td>0.143</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Serv. (N=67)</td>
<td>0.212</td>
<td>0.173</td>
<td>0.250**</td>
<td>0.224</td>
<td>-0.212</td>
<td></td>
</tr>
<tr>
<td>7. Company size</td>
<td>0.024</td>
<td>0.172*</td>
<td>0.133</td>
<td>0.11</td>
<td>0.182</td>
<td>0.083</td>
<td></td>
</tr>
<tr>
<td>8. Company age</td>
<td>0.132</td>
<td>0.028</td>
<td>-0.117</td>
<td>0.010</td>
<td>-0.145</td>
<td>0.016</td>
<td>0.176*</td>
</tr>
</tbody>
</table>

N=108. ***p<0.01, **p<0.05, *p<0.10.
Source: own study.

As Table 1 shows, the openness of the managers to foreign markets was correlated with the speed of foreign market entry in the Polish sample. It means that earlier entry into foreign markets is associated with treating foreign market as priority. This relationship, however, was not observed for the Czech companies (Table 2). The second element of the global
vision, the experience of the companies’ managers in dealing with foreign markets, was related to the speed of internationalisation neither for the Polish nor Czech companies. The lack of this relationship could be connected with high skewness of this variable in both samples (most of the managers declared high experience). Either way, H1 was only partially supported in the Polish sample and not supported in the Czech sample (Figures 2 and 3).

Also hypothesis 2 was only partially supported: the level of export sales was positively related to the openness of the companies’ managers in the Polish sample (a moderate relationship with Spearman’s rho = 0.511, p < 0.01), and to the managers’ international experience in the Czech sample (Spearman’s rho= 0.183 with significance at p < 0.1 level). Hypothesis 3, referring to the relationship between the global vision and the geographical internationalisation scope, was not supported in the Polish companies and partially supported in the Czech companies (only in the service companies).

Furthermore, the analysis did not reveal any significant relationships between innovativeness and the internationalisation speed of both the Polish and the Czech companies (H4 was not supported). When verifying H5, we observed a relationship between the intensity of innovations and the internationalisation scale only in the Polish sample. However, this relationship was negative, contrary to our expectations. Moreover, there was a significant relationship between innovativeness and internationalisation scope for the Czech service companies (indicating partial support for H6).

Figure 2. Values of the correlation coefficient for selected pairs of variables in the Polish companies

N=233. Note: ***p <0.01. **p<0.05.
Source: own study.
The Analysis of Moderating Variables

In the Polish group, the direct relationships between the company size and age and the DOI variables were mostly weak. The only moderate correlation was found between the speed of foreign market entry and company age ($p = -0.544$, Figure 2). This finding, together with correlation between openness and company age, indicates that there is a need of further studies concerning the role of firm age as a factor influencing SME internationalisation.

The correlation of firm size and the speed of entry was very weak but significant, indicating that later foreign market entry is more likely for larger Polish firms. Moreover, a very weak negative correlation between firm size and internationalisation scale was found. The negative correlation of openness with company size and age indicates that older and larger Polish companies become more focused on local markets.

In the Czech group, the results concerning moderating variables were mostly insignificant. Only the correlation between firm size and openness was significant and positive, indicating that for larger Czech firms larger openness to foreign markets is more likely (Figure 3).

Figure 3. Values of the correlation coefficient for selected pairs of variables in the Czech companies

N=108. Note: ***$p < 0.01$. **$p < 0.05$. *$p < 0.10$. Source: own study.
To check if there was any influence of the age of the company on the global vision – DOI relationship, the sample was divided into three sub-groups with different age means and the correlation analyses were conducted separately in these groups. The results did not provide any indication for a systematic moderating role of age in the relationship (H7 was rejected).

To check if there was any influence of the age on the innovativeness – DOI relationship, we conducted the correlation analyses once again in three age groups. The results did not provide any indication for a systematic moderating role of age in this relationship (H8 was rejected).

To check if there was any influence of the company size on the relationship between global vision and the DOI variables, as well as between innovativeness and DOI variables, the sample was divided into three sub-groups with different numbers of employees and separate correlation analyses were conducted in these groups. They did not provide any indication for a moderating role of the company size in the Czech sample. In the Polish sample only the correlation between the speed of internationalisation and openness of the companies’ managers was moderated by the company size: no correlation was observed for the smallest companies (10-21 employees); the larger the company, the stronger the correlation understudy was (Spearman’s ρ = 0.237, p < 0.05 for the companies with 22-69 employees; Spearman’s ρ = 0.407, p < 0.01 for the companies with 70-249 employees). Therefore, hypothesis H9 was supported in the Polish sample.

No systematic moderating effect of the company size on the relationship between innovativeness and DOI was found in any of the subsamples, therefore hypothesis H10 was rejected.

Discussion

The above results show that in both samples there were correlations between the global vision elements and the company internationalisation scale. Similar results had also been found in earlier studies of Polish born global companies (Kowalik, 2014) and studies of INVs coming from other markets (Karra & Philips, 2004; Luostarinen & Gabrielsson, 2006). In the Czech Republic there had been no studies before on the global vision of INV managers. However, a recent qualitative study from Slovakia reports on two cases of born-global companies, where the characteristic mindset of managers was described (Kokavcova, 2016).

Moreover, the correlation between managerial global vision and the foreign market entry speed has been confirmed in the Polish sample, which is similar to earlier studies. In Moen and Servais’s (2002) study of French and Norwegian firms, the firms that began exporting shortly after their establishment, had the highest levels of global orientation dimensions (vision, proactiveness, and responsiveness). In the Czech sample no such relationship was found, but the reason may be the skewness of variable “time of first foreign market entry” (the Czech SMEs were much faster to enter foreign markets than the Polish ones). Another study of internationalising SMEs from Silesian-Moravian Region (N=67; Zapletalova, 2012) also confirmed that a considerable number of them (over 35%), were entering foreign markets within a year from establishment.

The next important finding is the lack of strong positive relationships between innovativeness and internationalisation speed and scale in both samples (a weak negative correlation with internationalisation scale in the Polish sample). It is consistent with the findings of Lamotte and Colovic (2013; 2015) who showed that innovation had less impact on the internationalisation of new ventures in low-income countries than in high-income countries. This might be due to the type or the quality of R&D conducted by firms from transition countries, which may not allow fast entry to foreign markets, as is
the case in mature economies. In their recent study, Lamotte and Colovic (2015) presented data on new ventures from 27 CEEC countries (incl. 1 773 firms from Poland). The results proved that a firm’s knowledge intensity, measured by investment in R&D, is negatively related to the likelihood that it will internationalise from inception. The authors proposed that it might take longer to get a return on investment in R&D in transition countries and that the delayed foreign entry might be the consequence of this fact. These findings are also congruent with another Polish study where most of INV managers, operating in medium-tech branches, admitted that their products were less innovative than the competing ones (Danik & Kowalik, 2015). However, the study concerning Polish high-tech companies has proved that their innovativeness contributed to the intensification of the internationalisation process (Wach, 2016). The difference compared to the results of the current study may be due to different industries represented by the studied Polish SMEs (only 4% of them came from high-tech industries).

The characteristics of the companies in the presented Czech and Polish samples were differentiated. However, the firm size and age did not strongly determine the internationalisation path of neither Polish nor the Czech SMEs under study. Only in the Polish subgroup there was a moderate negative relationship between the firm age and internationalisation speed. A Serbian study by Radojevic, Marjanovic and Radovanov (2014) also showed that the perception of export barriers was lower in younger Serbian companies, meaning that younger companies were more willing to export. The finding that later entry into foreign markets is characteristic for older Polish firms is similar to the results obtained by Cieslik and Kaciak (2009) on a large sample of Polish internationalising companies. These authors explained that later entry, and being better prepared for foreign expansion, made these companies survive in export markets longer. Such an explanation might also hold for the presented study.

In a Czech study of internationalising SMEs (Zapletalova, 2012) the influence of company size on the speed of internationalisation was confirmed – i.e. with increasing company size, the number of years between the founding of the company and its first foreign entry increased. However, the same author found that the choice of geographical coverage and entry mode by Czech SMEs was not affected by their size. In another large study conducted by the Polish Agency on Enterprise Development no influence of size on the internationalisation scale was found in the Polish SMEs (PARP, 2014). Our finding concerning a systematic moderating role of company size in the Polish group seems to indicate that for the SMEs it is not enough to be open to internationalisation to go abroad quickly. The role of financial/physical resources, which are at disposal of larger companies might be crucial. However, the explanations of this moderating effect have a preliminary character, and should be verified in future research.

Additional findings concern the interrelations among DOI variables. The speed of foreign market entry is positively correlated with the scale of internationalisation of the Polish SMEs. The same finding was obtained by Moen and Servais (2002) regarding companies from Norway, France, and Denmark, where the time between company establishment and the first export was an important indicator of later export intensity. Moreover, the majority of companies in the current sample had a rather regional scope of activity. This finding is similar to other studies concerning the internationalising SMEs, especially those from emerging markets (Cerrato & Piva, 2015; Lopez, Kundu, & Ciravegna, 2009).
Such a regional focus may be one of the typical characteristics of the accelerated expansion path followed by companies originating in the CEE countries.

CONCLUSIONS

This paper contributes to the studies on early internationalising companies from the CEE region, by investigating the relationships between the expansion descriptors and antecedent variables at the managerial and firm levels. The results confirm that the Polish and Czech firms are similar to the foreign ones in terms of relationships between the global vision and internationalisation scale. In the Polish sample the relationships between managerial characteristics and the DOI are even more pronounced than in Czech companies.

Moreover, the lack of strong positive relationships between the studied company factors (including innovativeness) and early internationalisation, point to the need of further investigation of the role of innovativeness in the expansion of companies from low and medium-tech industries in these countries.

The study brings some important practical implications both for companies and policy makers. First of all, the identified idiosyncrasies of Polish and Czech SMEs do not allow to treat them in the same way. Despite similar past experiences, the characteristics and antecedents of their expansion processes differ, therefore the measures enhancing export activities should be tailored to each market. As the managers experience in dealing with foreign markets was of great importance for the internationalisation of Czech companies, some measures lowering the barrier connected with the lack of international experience should be introduced (i.e. trainings, foreign missions, organised to support companies by the government). For the Polish companies openness to the foreign markets was of greatest importance, which calls for working on their attitude towards internationalisation.

The most important limitations of the study are related to the sampling methodology. Only the Polish and Czech companies were investigated, therefore the results cannot be generalised to other countries. Other limitations are due to the relatively small sample size and using different data collection methods. Finally, the qualitative nature of the study did not provide an in depth view of the identified relationships. Therefore, future research should concentrate on studying other countries in the CEE region by using both qualitative and quantitative methods. Especially the characteristics of managers, such as entrepreneurial and marketing orientation should be given special attention, as the potential accelerated internationalisation antecedents. Moreover, the investigation of their learning capabilities as possible stimulants of fast growth would be an interesting future direction of research.

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